

**DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

[Docket No. FR-5053-N-01; FR-5059-N-01]

**Supplement to the Fiscal Year (FY)  
2006 SuperNOFA for HUD's  
Discretionary Programs: NOFAs for  
the HOPE VI Revitalization Grants  
Program and HOPE VI Main Street  
Grants Program**

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Notice of HUD's Fiscal Year (FY) 2006 Notice of Funding Availability (SuperNOFA) for HUD's Discretionary Programs: HOPE VI Revitalization Grants Program and HOPE VI Main Street Grants Program.

**SUMMARY:** On March 8, 2006, HUD published its FY2006 SuperNOFA for HUD's Discretionary Programs, which contained 39 funding opportunities. Today's publication supplements the SuperNOFA by adding funding opportunities for the HOPE VI Main Street and HOPE VI Revitalization programs. Since these NOFAs are part of the SuperNOFA, the NOFAs published today are governed by the information and instructions found in the Notice of Funding Availability Policy Requirements and General Section (General Section) to the SuperNOFA that HUD published on January 20, 2006, and the Introduction published on March 8, 2006.

**DATES:** The key dates that apply to the HOPE VI Main Street and HOPE VI Revitalization programs are found in the individual program NOFAs published today and which are part of this notice.

**FOR FURTHER INFORMATION CONTACT:** The individual program NOFAs will identify the applicable agency contacts for each program. Questions regarding today's Introduction, the General Section of January 20, 2006, or the Introduction of March 8, 2006, should be directed to the NOFA Information Center between the hours of 10 a.m. and 6:30 p.m. Eastern Time at (800) HUD-8929. Hearing-impaired persons may call 800-HUD-2209. Questions regarding specific program requirements should be directed to the agency contacts identified in each program NOFA.

**SUPPLEMENTARY INFORMATION:** Today's publication follows the publication of the General Section of the FY2006

SuperNOFA on January 20, 2006 (71 FR 3382), and the SuperNOFA for HUD's Discretionary Programs on March 8, 2006 (71 FR 11712), and presents two funding opportunities that supplement HUD's FY2006 SuperNOFA. Specifically, through today's publication, HUD is making available approximately \$76.9 million in assistance through the FY2006 HOPE VI Main Street and the FY2006 HOPE VI Revitalization Grants programs. Today's publication is in addition to the \$2.2 billion previously made available through the FY2006 SuperNOFA.

As is HUD's practice in publishing the SuperNOFA, the NOFAs published today provide the statutory and regulatory requirements, threshold requirements, and rating factors applicable to funding being made available today (through the HOPE VI Revitalization and HOPE VI Main Street NOFAs). Notwithstanding, applicants for the two HOPE VI NOFAs must also refer to the January 20, 2006, General Section of the FY2006 SuperNOFA for important application information and requirements, including submission requirements, which have changed this year.

In FY2006, HUD intends to continue to require its applicants to submit their applications electronically through <http://www.grants.gov>. If applicants have questions concerning the registration process, registration renewal, assigning a new Authorized Organization Representative, or have a question about a NOFA requirement, please contact HUD staff identified in the program NOFAs that are part of this notice. HUD staff cannot help you write your application, but can clarify requirements that are contained in this Notice and HUD's registration materials.

New applicants should note that they are required to complete a five-step registration process in order to submit their applications electronically. The registration process is outlined in HUD's Notice of Opportunity to Register Early for Electronic Submission of Grant Applications for Funding Opportunities, published in the **Federal Register** on December 9, 2006 (70 FR 73332), and the brochure entitled, "STEP BY STEP: Your Guide to Registering for Grant Opportunities," located at <http://www.hud.gov/offices/adm/grants/>

[fundsavail.cfm](http://www.hud.gov/offices/adm/grants/fundsavail.cfm). HUD also has a new brochure titled, "Finding and Applying for Grant Opportunities," dated February 2006, which walks you through the process of finding and applying for grant opportunities. This brochure also contains Registration Tips that will help applicants who successfully submitted a grant application last year to determine if their registration is active and if they are ready to submit a grant application to <http://www.grants.gov>.

The March 8, 2006, FY2006 SuperNOFA publication included a clarification of the Logic Model discussed in Section VI.C. entitled "Reporting" of the January 20, 2006, General Section (see 71 FR 3398). Although the Logic Model is to be completed by applicants, the Return on Investment (ROI) Statement referenced in the discussion of the Logic Model applies only to grantees, i.e., applicants selected for funding under the NOFAs. Applicants are *not* to complete the ROI statement. Additionally, for FY2006, the ROI statement is a new concept for the Logic Model. HUD is considering this new concept and will issue a separate notice within the next few weeks of today's announcement, to further address the ROI concept.

Applications and Instructions are posted to <http://www.grants.gov> as soon as HUD finalizes them. HUD encourages applicants to subscribe to the Grants.gov free notification service. By doing so, applicants will receive an e-mail notification as soon as items are posted to the Web site. The address to subscribe to this service is <http://www.grants.gov/search/email.do>. By joining the notification service, if a modification is made to the NOFA, applicants will receive an e-mail notification that a change has been made.

HUD reiterates its hope that applicants benefit from the steps HUD has taken to provide early information to them on the funding process and requirements for the FY2006 SuperNOFA.

Dated: April 3, 2006.

**Roy A. Bernardi,**  
Deputy Secretary.

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**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**SUPPLEMENT TO THE FISCAL  
YEAR 2006 SUPERNOFA FOR HUD'S  
DISCRETIONARY PROGRAMS:**

**NOFAS FOR THE**

**HOPE VI REVITALIZATION GRANTS  
PROGRAM AND**

**HOPE VI MAIN STREET GRANTS  
PROGRAM**

## Overview Information

A. *Federal Agency Name.* Department of Housing and Urban Development, Office of Public and Indian Housing.

B. *Funding Opportunity Title.* Revitalization of Severely Distressed Public Housing HOPE VI Revitalization Grants Fiscal Year 2006.

C. *Announcement Type.* Initial announcement.

D. *Funding Opportunity Number.* The **Federal Register** number for this NOFA is: FR-5053-N-01. The OMB approval number for this program is: 2577-0208.

E. *Catalog of Federal Domestic Assistance (CFDA) Number.* The CFDA number for this NOFA is 14-866, "Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI)."

### F. Dates.

1. *Application Submission Date:* The application deadline date is July 10, 2006. Electronic applications must be received and validated by Grants.gov by the deadline date. See the HUD's Super Notice of Funding Availability (SuperNOFA) General Section (71 FR 3382), published in the **Federal Register** on January 20, 2006 for application submission and timely receipt requirements.

2. *Estimated Grant Award Date:* The estimated award date will be approximately September 15, 2006.

### G. Optional, Additional Overview Content Information.

1. *Available Funds.* This NOFA announces the availability of approximately \$71.9 million in FY 2006 funds for HOPE VI Revitalization Program grants.

2. *Proposed Rescission of Funds.* The public is hereby notified that although this NOFA announces the availability of Fiscal Year (FY) 2006 HOPE VI Funds, the FY 2007 budget proposes the rescission of the FY 2006 HOPE VI Appropriation. Please note, therefore, that if Congress adopts this portion of the President's budget, this NOFA may be cancelled at a later date and awards made under this NOFA may not ultimately be funded.

3. The maximum amount of each grant award is \$20 million. It is anticipated that four grant awards will be made.

4. *Housing choice voucher (HCV) assistance* is available from the tenant protection voucher fund to successful applicants that receive the Revitalization grant awards. The dollar amount of HCV assistance is in addition to the \$20 million maximum award amount and will be based upon resident relocation needs. Applicants must prepare their housing choice voucher

assistance applications for the targeted project in accordance with the requirements of Notice PIH 2005-15 (and any reinstatement of or successor to that Notice) and submit it in its entirety with the HOPE VI Revitalization Application. HUD will process the housing choice voucher assistance applications for funded HOPE VI applicants.

5. All non-troubled public housing authorities (PHAs) with severely distressed public housing are eligible to apply, subject to the requirements under Section III of this NOFA. PHAs that manage only a HCV program, tribal PHAs and tribally-designated housing entities are not eligible.

6. A match of at least five percent is required.

7. Each applicant may submit only one HOPE VI revitalization application.

8. *Application materials* may be obtained from <http://www.Grants.gov/Apply>. Any technical corrections will be published in the **Federal Register** and posted to [Grants.gov](http://www.Grants.gov). Frequently asked questions will be posted on HUD's Web site at <http://www.hud.gov/offices/adm/grants/otherhud.cfm> and <http://www.hud.gov/offices/pih/programs/ph/hope6/>.

9. *General Section Reference.* Section I, "Funding Opportunity Description," of the *Notice of HUD's Fiscal Year 2006 Notice of Funding Availability (NOFA) Policy Requirements and General Section to the Super NOFA for HUD's Discretionary Programs* (General Section), Docket No. FR-5030 N 01, published in the **Federal Register** on January 20, 2006, and the Introduction to the SuperNOFA issued in the **Federal Register** on March 8, 2006, is hereby incorporated by reference.

## Full Text of Announcement

### I. Funding Opportunity Description

#### A. Program Description

In accordance with section 24(a) of the United States Housing Act of 1937 (42 U.S.C. 1437v) (1937 Act), the purpose of HOPE VI Revitalization grants is to assist PHAs to:

1. Improve the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);

2. Revitalize sites (including remaining public housing dwelling units) on which such public housing projects are located and contribute to the improvement of the surrounding neighborhood;

3. Provide housing that will avoid or decrease the concentration of very low-income families; and

4. Build sustainable communities.

#### B. Authority

1. The funding authority for HOPE VI Revitalization grants under this HOPE VI NOFA is provided by the Consolidated Appropriations Act, 2006 (Pub. L. 109-115, approved November 30, 2005) under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)."

2. The program authority for the HOPE VI program is section 24 of the 1937 Act, as amended by section 402 of the HOPE VI Program Reauthorization and Small Community Main Street Rejuvenation and Housing Act of 2003 (Pub. L. 108-186, approved December 16, 2003).

#### C. Definitions

1. *CSS Team.* The term "CSS Team" refers to PHA staff members and any consultants who will have the responsibility to design, implement, and manage your CSS program.

2. *CSS Partners.* The term "CSS Partners" refers to the agencies and organizations that you will work with to provide supportive services for residents. A partner could be a local service organization such as a Boys or Girls Club that donates its building and staff to the program, or an agency such as the local Temporary Assistance for Needy Families (TANF) agency that works with you to ensure that their services are coordinated and comprehensive.

3. *Developer.* A developer is an entity contracted to develop (and possibly operate) a mixed finance development that includes public housing units, pursuant to 24 CFR part 941, subpart F. A developer most often has an ownership interest in the entity that is established to own and operate the replacement units (e.g., as the general partner of a limited partnership).

4. *Firmly Committed.* "Firmly committed" means that the amount of match resources and their dedication to HOPE VI Revitalization activities must be explicit, in writing, and signed by a person authorized to make the commitment.

5. *Public Housing Project.* A public housing project is a group of assisted housing units that has a single Project Number assigned by the Director of Public Housing of a HUD Field Office and has, or had (in the case of previously demolished units) housing units under an Annual Contributions Contract.

6. *Replacement Housing.* Under this HOPE VI NOFA, a HOPE VI replacement housing unit shall be deemed to be any combination of public housing rental units, eligible homeownership units under section 24(d)(1)(f) of the 1937 Act, and HCV assistance that does not exceed the number of units demolished and disposed of at the targeted severely distressed public housing project.

7. *Severely Distressed.* a. In accordance with section 24(j)(2) of the 1937 Act, the term "severely distressed public housing" means a public housing project (or building in a project) that:

(1) Requires major redesign, reconstruction, or redevelopment—or partial or total demolition—to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plan of the project;

(2) Is a significant contributing factor to the physical decline of, and disinvestment by public and private entities in, the surrounding neighborhood;

(3) (a) Is occupied predominantly by families who are very low-income families with children, have unemployed members, and are dependent on various forms of public assistance; (b) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area; or (c) is lacking in sufficient appropriate transportation, supportive services, economic opportunity, schools, civic and religious institutions, or public services, resulting in severe social distress in the project;

(4) Cannot be revitalized through assistance under other programs, such as the Capital Fund and Operating Fund programs for public housing under the 1937 Act, or the programs under sections 9 or 14 of the 1937 Act (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105–276, approved October 21, 1998)), because of cost constraints and inadequacy of available amounts; and

(5) In the case of an individual building that currently forms a portion of the public housing project targeted by the application to this NOFA:

(a) Is sufficiently separable from the remainder of the project of which the building is part, such that the revitalization of the building is feasible; or

(b) Was part of the targeted public housing project that has been legally

vacated or demolished, but for which HUD has not yet provided replacement housing assistance (other than tenant-based assistance). "Replacement housing assistance" is defined as funds that have been furnished by HUD to perform major rehabilitation on, or reconstruction of, the public housing units that have been legally vacated or demolished.

b. A severely distressed project that has been legally vacated or demolished (but for which HUD has not yet provided replacement housing assistance, other than tenant-based assistance) must have met the definition of physical distress not later than the day the demolition application approval letter was dated by HUD.

8. *Targeted Project.* The targeted project is the current public housing project that will be revitalized with funding from this NOFA. The targeted project may include more than one public housing project or be a part of a public housing project. See Section III.C. of this NOFA for eligibility of multiple public housing projects and separability of a part of a public housing project.

9. *Team.* The term "your Team" includes PHA staff who will be involved in HOPE VI grant administration, and any alternative management entity that will manage the revitalization process, be responsible for meeting construction time tables, and obligating amounts in a timely manner. This team includes any developer partners, program managers, property managers, subcontractors, consultants, attorneys, financial consultants, and other entities or individuals identified in the application who are proposed to carry out program activities.

10. *Temporary Relocation.* There are no provisions for "temporary relocation" under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). See Notice CPD 04–2, "Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), As Amended, in HOPE VI Projects," paragraph IV.A.2. for the definition of "temporary relocation" as it applies to HOPE VI projects. The Notice can be obtained through HUDclips at <http://www.hudclips.org/>.

11. *Universal Design.* Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. The intent of universal design is to simplify life for everyone by making products, communications, and the built environment more usable by as

many people as possible at little or no extra cost. Universal design benefits people of all ages and abilities. Examples include designing wider doorways, installing levers instead of doorknobs, and putting bathtub/shower grab bars in all units. Computers and telephones can also be set up in ways that enable as many residents as possible to use them. The Department has a publication that contains a number of ideas about how the principles of Universal Design can benefit persons with disabilities. To order a copy of *Strategies for Providing Accessibility and Visitability for HOPE VI and Mixed Finance Homeownership*, go to the publications and resource page of the HOPE VI Web site at <http://www.huduser.org/publications/pubasst/strategies.html>.

## II. Award Information

### A. Availability of HOPE VI Funds

1. *Proposed Rescission of Funds.* The public is hereby notified that although this NOFA announces the availability of Fiscal Year (FY) 2006 HOPE VI Funds, the FY 2007 budget proposes the rescission of the FY 2006 HOPE VI Appropriation. Please note, therefore, that if Congress adopts this portion of the President's budget, this NOFA may be cancelled at a later date and awards made under this NOFA may not ultimately be funded.

2. *Revitalization Grants.* Approximately \$71.9 million of the FY2006 HOPE VI appropriation has been allocated to fund HOPE VI Revitalization grants and will be awarded in accordance with this NOFA. There will be approximately four awards. The maximum amount you may request in your application for grant award is limited to \$20 million or the sum of the amounts in Section IV.E. below, whichever is lower. HCV assistance is in addition to this amount.

3. *Housing Choice Voucher Assistance.* Housing choice voucher (HCV) assistance is available from the tenant protection voucher fund to successful applicants that receive the Revitalization grant awards. The dollar amount of HCV assistance is in addition to the \$20 million maximum award amount and will be based upon resident relocation needs. Applicants must prepare their housing choice voucher assistance applications for the targeted project in accordance with the requirements of Notice PIH 2005–15 (and any reinstatement of or successor to that Notice) and submit it in its entirety with the HOPE VI Revitalization Application. HUD will process the housing choice voucher

assistance applications for funded HOPE VI applicants.

4. *Grant term.* The period for completion shall not exceed 54 months from the date the NOFA award is executed by HUD, as described in the grant agreement.

### III. Eligibility Information

#### A. Eligible Applicants

1. Only PHAs that have severely distressed housing in their inventory and are otherwise in conformance with the threshold requirements provided in Section III.C. of this NOFA are eligible to apply.

2. *Housing Choice Voucher Programs Only, Tribal Housing Agencies, and Others.* PHAs that only administer HCV/ Section 8 programs, tribal housing agencies and tribally-designated housing entities, are not eligible to apply. Non-profit organizations, for-profit organizations, and private citizens and entrepreneurs are not eligible to apply.

3. *Troubled Status.* If HUD has designated your housing authority as troubled pursuant to section 6(j)(2) of the 1937 Act, HUD will use documents and information available to it to determine whether you qualify as an eligible applicant. In accordance with section 24(j) of the 1937 Act, the term "applicant" means:

a. Any PHA that is not designated as "troubled" pursuant to section 6(j)(2) of the 1937 Act;

b. Any PHA for which a private housing management agent has been selected, or a receiver has been appointed, pursuant to section 6(j)(3) of the 1937 Act; and

c. Any PHA that is designated as "troubled" pursuant to section 6(j)(2) of the 1937 Act and that:

(1) Is designated as troubled principally for reasons that will not affect its capacity to carry out a revitalization program;

(2) Is making substantial progress toward eliminating the deficiencies of the agency that resulted in its troubled status;

(3) Has not been found to be in non-compliance with fair housing or other civil rights requirements; or

(4) Is otherwise determined by HUD to be capable of carrying out a revitalization program.

#### B. Cost Sharing or Matching

##### 1. Match Requirements

a. *Revitalization grant Match.* HUD is required by the 1937 Act (42 U.S.C. 1437v(c)(1)(A)) to include the requirement for matching funds for all HOPE VI-related grants. You are

required to have in place a match in the amount of five percent of the requested grant amount in cash or in-kind donations. Applications that do not demonstrate the minimum 5 percent match will not be considered for funding.

##### b. *Additional Community and Supportive Services (CSS) Match*

(1) In accordance with the 1937 Act (42 U.S.C. 1437v(c)(1)(B)), in addition to the 5 percent Revitalization grant match in Section a. above, you may be required to have in place a CSS match. Funds used for the Revitalization grant match cannot be used for the CSS match.

(2) If you are selected for funding through this NOFA, you may use up to 15 percent of your grant for CSS activities. However, if you propose to use more than 5 percent of your HOPE VI grant for CSS activities, you must have in place funds (cash or in-kind donations) from sources other than HOPE VI, that match the amount between 5 and 15 percent of the grant that you will use for CSS activities. These resources do not need to be new commitments in order to be counted for match.

c. *No HOPE VI Funding in Match.* In accordance with section 24(c) of the Act, for purposes of calculating the amount of matching funds required by Sections a. and b. above, you may NOT include amounts from HOPE VI program funding, including HOPE VI Revitalization, HOPE VI Demolition, HOPE VI Neighborhood Networks or HOPE VI Main Street grants. You may include funding from other public housing sources (e.g., Capital Funds, ROSS funds), other federal sources, any state or local government source and any private contributions. You may also include the value of donated material or buildings, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services or administrative costs provided.

d. *Firmly Committed.* Match donations must be *firmly committed*. See the Definitions section for more information.

e. Matching funds must be directly applicable to the revitalization of the targeted project and the transformation of the lives of residents.

f. The PHA's staff time is not an eligible cash or in-kind match.

g. See Section III, Program Requirements, (including Program Requirements that Apply to Match and Leverage and Program Requirements that Apply to Match) for match documentation requirements.

#### C. Other

1. *Eligible Revitalization Activities.* HOPE VI Revitalization grants may be used for activities to carry out revitalization programs for severely distressed public housing in accordance with section 24(d) of the 1937 Act. Revitalization activities approved by HUD must be conducted in accordance with the requirements of this NOFA. The following is a list of eligible activities.

a. *Relocation.* Relocation, including reasonable moving expenses, for residents displaced as a result of the revitalization of the project. See Sections III.C. and V.A. of this NOFA for relocation requirements.

b. *Demolition.* Demolition of dwelling units or non-dwelling facilities, in whole or in part, although demolition is not a required element of a HOPE VI revitalization plan.

c. *Disposition.* Disposition of a severely distressed public housing site, by sale or lease, in whole or in part, in accordance with section 18 of the 1937 Act and implementing regulations at 24 CFR part 970. A lease of one year or more that is not incident to the normal operation of a project is considered a disposition that is subject to section 18 of the 1937 Act.

d. *Rehabilitation and Physical Improvement.* Rehabilitation and physical improvement of:

1. Public housing; and  
2. Community facilities, provided that the community facilities are primarily intended to facilitate the delivery of community and supportive services for residents of the public housing project and residents of off-site replacement housing, in accordance with 24 CFR 968.112(b), (d), (e), and (g)-(o) and 24 CFR 968.130 and 968.135(b) and (d) or successor regulations, as applicable.

e. *Development.* Development of:

1. Public housing replacement units; and  
2. Other units (e.g., market-rate units), provided a need exists for such units and such development is performed with non-public housing funds.

f. *Homeownership Activities.* Assistance involving the rehabilitation and development of homeownership units. Assistance may include:

1. Down payment or closing cost assistance;  
2. Hard or soft second mortgages; or  
3. Construction or permanent financing for new construction, acquisition, or rehabilitation costs related to homeownership replacement units.

g. *Acquisition.* Acquisition of:

1. Rental units and homeownership units;

2. Land for the development of off-site replacement units and community facilities (provided that the community facilities are primarily intended to facilitate the delivery of community and supportive services for residents of the public housing project and residents of off-site replacement housing);

3. Land for economic development-related activities, provided that such acquisition is performed with non-public housing funds.

h. *Management Improvements.*

Necessary management improvements, including transitional security activities.

i. *Administration, Planning, Etc.*

Administration, planning, technical assistance, and other activities (including architectural and engineering work, program management, and reasonable legal fees) that are related to the implementation of the revitalization plan, as approved by HUD. See Cost Control Standards in the Program Requirements section of this NOFA.

j. *Community and Supportive Services (CSS).*

1. The CSS component of the HOPE VI program encompasses all activities that are designed to promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing project involved.

2. CSS activities. CSS activities may include, but are not limited to:

(a) Educational activities that promote learning and serve as the foundation for young people from infancy through high school graduation, helping them to succeed in academia and the professional world. Such activities, which include after-school programs, mentoring, and tutoring, must be created with strong partnerships with public and private educational institutions.

(b) Adult educational activities, including remedial education, literacy training, tutoring for completion of secondary or postsecondary education, assistance in the attainment of certificates of high school equivalency, and English as a Second Language courses, as needed.

(c) Readiness and retention activities, which frequently are key to securing private sector commitments to the provision of jobs.

(d) Employment training activities that include results-based job training, preparation, counseling, development, placement, and follow-up assistance after job placement.

(e) Programs that provide entry-level, registered apprenticeships in construction, construction-related, maintenance, or other related activities. A registered apprenticeship program is a program that has been registered with

either a State Apprenticeship Agency recognized by the Department of Labor's (DOL) Office of Apprenticeship Training, Employer and Labor Services (OATELS) or, if there is no recognized state agency, by OATELS. See also DOL regulations at 29 CFR part 29.

(f) Training on topics such as parenting skills, consumer education, family budgeting, and credit management.

(g) Homeownership counseling that is scheduled to begin promptly after grant award so that, to the maximum extent possible, qualified residents will be ready to purchase new homeownership units when they are completed. The Family Self-Sufficiency program can also be used to promote homeownership, providing assistance with escrow accounts and counseling.

(h) Coordinating with health care providers or providing on-site space for health clinics, doctors, wellness centers, dentists, etc. that will primarily serve the public housing residents. HOPE VI funds may not be used to provide direct medical care to residents.

(i) Substance and alcohol abuse treatment and counseling.

(j) Activities that address domestic violence treatment and prevention.

(k) Child care services that provide sufficient hours of operation to facilitate parental access to education and job opportunities, serve appropriate age groups, and stimulate children to learn.

(l) Transportation, as necessary, to enable all family members to participate in available CSS activities and to commute to their places of employment.

(m) Entrepreneurship training and mentoring, with the goal of establishing resident-owned businesses.

k. *Leveraging.* Leveraging other resources, including additional housing resources, supportive services, job creation, and other economic development uses on or near the project that will benefit future residents of the site.

2. *Threshold Requirements.*

Applications must meet all threshold requirements in order to be rated and ranked. If an application does not meet all threshold requirements, HUD will not consider the application as eligible for funding and will not rate and rank it. HUD will screen for technical deficiencies and administer a cure period. The subsection entitled, "Corrections to Deficient Applications," in Section V.B. of the General Section is incorporated by reference and applies to this NOFA, except that clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within 7 calendar days of the date of

receipt of the HUD notification. The thresholds listed below can be cured for technical deficiencies except for those indicated as non-curable. If an applicant does not cure all its technical deficiencies that relate to threshold requirements within the cure period, HUD will consider the threshold(s) in question to be failed, will not consider the application as eligible for funding and will not rate and rank it. *Applicants MUST review and follow documentation requirements provided in this Thresholds Requirements Section and the Program Requirements of Section III.C.* A false statement (or certification) in an application is grounds for denial or termination of an award and grounds for possible prosecution as provided in 18 U.S.C. 1001, 1010, and 1012, and 32 U.S.C. 3729 and 3802. Required forms, certifications and assurances must be included in the HOPE VI application and will be available over the Internet at <http://www.hud.gov/offices/adm/grants/otherhud.cfm>, <http://www.hud.gov/offices/pih/programs/ph/hope6/> and <http://www.grants.gov>.

a. *Curable Thresholds.* The following thresholds may be cured in accordance with the criteria above. Examples of curable (correctable) technical deficiencies include but are not limited to inconsistencies in the funding request, failure to submit the proper certifications (e.g., HUD-2880), and failure to submit a signature and/or date of signature on a certification.

(1) *Severe Distress of Targeted Project.* The targeted public housing project must be severely distressed. See Section I.C. of this NOFA for the definition of "severely distressed." If the targeted project is not severely distressed, your application will not be considered for funding. Applicants must use the severe distress certification form provided with this NOFA and place it in your attachments. The certification must be signed by an engineer or architect licensed by a state licensing board. The license does not need to have been issued in the same state as the severely distressed project. The engineer or architect must include his or her license number and state of registration on the certification. The engineer or architect may not be an employee of the housing authority or the city.

(2) *Site Control.* If you propose to develop off-site housing in ANY phase of your proposed revitalization plan, you *MUST* provide evidence in your application that you (not your developer) have site control of EVERY property. If you propose to develop off-site housing and you do not provide acceptable evidence of site control, your

ENTIRE application will be disqualified from further consideration for funding.

(1) Site control documentation may only be contingent upon:

- (a) The receipt of the HOPE VI grant;
  - (b) Satisfactory compliance with the environmental review requirements of this NOFA; and
  - (c) The site and neighborhood standards in Section III.C. of this NOFA.
- (d) Standard underwriting procedures.

(2) If you demonstrate site control through an option to purchase, the option must extend for at least 180 days after the application submission date.

(3) Evidence may include an option to purchase the property, a sales agreement, a land swap, or a deed. Evidence may NOT include a letter from the Mayor or other official, letters of support from members of the appropriate municipal entities, or a resolution evidencing the PHA's intent to exercise its power of eminent domain.

(4) You must include evidence/documentation of site control in your attachments.

(3) *Land Use.* Your application must include a certification from the appropriate local official (not the Executive Director) documenting that all required land use approvals for developed and undeveloped land have been secured for any off-site housing and other proposed uses, or that the request for such approval(s) is on the agenda for the next meeting of the appropriate authority in charge of land use. In the case of the latter, the certification must include the date of the meeting. You must include this certification in your attachments.

(4) *Selection of Developer.* You must assure that:

(a) You have initiated an RFQ by the application submission date for the competitive procurement of a developer for your first phase of construction, in accordance with 24 CFR 85.36 and 24 CFR 941.602(d) (as applicable). If you change developers after you are selected for funding, HUD reserves the right to rescind the grant; or

(b) You will act as your own developer for the proposed project. If you change your plan and procure an outside developer after you are selected for funding, HUD reserves the right to rescind the grant.

(c) You must demonstrate compliance with this threshold through completion and inclusion of the Assurances for HOPE VI Application document.

(5) *Relocation Plan Assurance.* (a) If you have not yet relocated residents, you must assure that

(i) A HOPE VI Relocation Plan was completed as of the application due date (to learn more about HOPE VI Relocation Plans, applicants may review Notice CPD 04-02, "Revision to Notice CPD 02-8, Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as Amended, in HOPE VI Projects";

(ii) That it conforms to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) requirements; and

(iii) That it implements HOPE VI relocation goals, as described in Section V.A. of this NOFA. This means your plan must describe how the HOPE VI Relocation Plan incorporates the HOPE VI relocation goals in Section V.A.

(b) If relocation was completed (i.e., the targeted public housing site is vacant) as of the application submission date, rather than certifying that the HOPE VI Relocation Plan has been completed, you must assure that the relocation was completed in accordance with URA and/or section 18 requirements (depending on which of these requirements applied to the demolition in question).

(c) You must demonstrate compliance with this threshold through completion and inclusion of the Assurances for HOPE VI Application document.

(6) *Resident Involvement in the Revitalization Program Assurance.* You must assure that you have involved affected public housing residents at the beginning and during the planning process for the revitalization program, prior to submission of your application. If you have not included affected residents in the planning process, your application will not be considered for funding. You MUST follow the resident involvement requirements listed in the Program Requirements section, Section III.C. of this NOFA. You must demonstrate compliance with this threshold through completion and inclusion of the Assurances for HOPE VI Application document.

(7) *Standard Forms and Certifications.* The last part of your application will be comprised of standard certifications common to many HUD programs. For the HOPE VI application, the required standard forms and certifications are:

a. Application for Federal Assistance (SF-424); this will be placed at the front of your application;

b. Acknowledgment of Application Receipt (HUD-2993), applicable ONLY if the applicant obtains a waiver from the electronic submission requirement; this will be placed at the front of your application;

c. Disclosure of Lobbying Activities (SF-LLL), if applicable;

d. Applicant/Recipient Disclosure/Update Report (HUD-2880);

e. Program Outcome Logic Model (HUD-96010);

f. America's Affordable Communities Initiative (HUD-27300), if applicable;

g. Funding Application (developed in accordance with PIH Notice 2005-15 or successor), including the Section 8 Tenant-Based Assistance Rental Certificate Program, Rental Voucher Program, form HUD-52515, if applicable; and

h. Facsimile Transmittal (HUD-96011).

(8) *HOPE VI Revitalization Applicant Certifications.* You must include in your application a certification from the Chairman of your Board of Commissioners to the requirements listed in the HOPE VI Revitalization Applicant Certifications. You must include this certification in your attachments.

b. *Non-Curable Thresholds.* The following thresholds may NOT be cured in accordance with the criteria referenced in III.C.2 above.

(1) *One application.* Each applicant may submit only one HOPE VI Revitalization application, in accordance with the criteria of this NOFA. If HUD receives multiple applications electronically, HUD will rate and rank the last application received and validated by Grants.gov by the application deadline. All other applications will not be considered eligible.

(1) HUD will not consider applications sent entirely by facsimile (See General Section).

(2) HUD will not accept for review or evaluation any videos submitted as part of the application or appendices.

(3) HUD will not consider any application that does not meet the timely submission requirements for electronic submission, in accordance with the criteria of the General Section.

(2) *Appropriateness of Proposal.* In accordance with section 24(e)(1) of the 1937 Act, each application must demonstrate the appropriateness of the proposal (revitalization plan) in the context of the local housing market relative to other alternatives. You must discuss other possible alternatives in the local housing market and explain why the housing envisioned in the application is more appropriate. This is a statutory requirement and an application threshold. If you do not demonstrate the appropriateness of the proposal (revitalization plan) in the context of the local housing market relative to other alternatives, your

application will not be considered for funding. Applicants must demonstrate compliance with this threshold in their narrative. Examples of alternative proposals may include:

(1) Rebuilding or rehabilitating an existing project or units at an off-site location that is in an isolated, non-residential, or otherwise inappropriate area;

(2) Proposing a range of incomes, housing types (rental, homeownership, market-rate, public housing, townhouse, detached house, etc.), or costs which cannot be supported by a market analysis; or

(3) Proposing to use the land in a manner that is contrary to the goals of your agency.

(3) *Contiguous, Single, and Scattered-Site Projects.* Except as provided in sections (1) and (2) below, each application must target one severely distressed public housing project. You must provide a city map illustrating the current targeted site(s), whether contiguous, single, or scattered-site projects.

(1) *Contiguous Projects.* Each application may request funds for more than one project if those projects are immediately (a) adjacent to one another or (b) within a quarter-mile of each other. If you include more than one project in your application, you must provide a map that clearly indicates that the projects are either adjacent or within a quarter-mile of each other. If HUD determines that they are not, your application will not be considered for funding.

(2) *Scattered Site Projects.* Your application may request funds to revitalize a scattered site public housing project. The sites targeted in an application proposing to revitalize scattered sites (regardless of whether the scattered sites are under multiple project numbers) must fall within an area with a one-mile radius. You may identify a larger site if you can show that all of the targeted scattered site units are located within the hard edges (e.g., major highways, railroad tracks, lakeshore, etc.) of a neighborhood. If you propose to revitalize a project that extends beyond a one-mile radius or is otherwise beyond the hard edges of a neighborhood, your application will not be considered for funding. If you propose to revitalize a scattered site public housing project, you must provide a map that clearly indicates that the projects fall within an area with a one-mile radius or, if larger, are located within the hard edges (e.g., major highways, railroad tracks, lakeshore, etc.) of a neighborhood.

(4) *Sites Previously Funded by HOPE VI Revitalization grants.* You may submit a Revitalization application that targets part of a project that is being, or has been, revitalized or replaced under a HOPE VI Revitalization grant awarded in previous years. You may not apply for new HOPE VI Revitalization funds for units in that project that were funded by the existing HOPE VI Revitalization grant or other HUD funds which are used to achieve significant revitalization of units (as opposed to regular upkeep), even if those funds are inadequate to pay the costs to revitalize or replace all of the targeted units. For example, if a project has 700 units and you were awarded a HOPE VI Revitalization grant or other HUD public housing funds to address 300 of those units, you may submit an FY-2006 HOPE VI Revitalization application to revitalize the remaining 400 units. You may not apply for funds to supplement work on the original 300 units. If you request funds to revitalize/replace the units not funded by the previous HOPE VI Revitalization grant, you must provide a listing of which units were funded by the previous grant and which units are being proposed for funding under the current grant application. You must demonstrate compliance with this threshold in your narrative (including the above listing as relevant). If you request funds to revitalize units or buildings that have been funded by an existing HOPE VI Revitalization grant, your application will not be considered for funding.

(5) *Separability.* In accordance with Section 24(j)(2)(A)(v) of the 1937 Act, if you propose to target only a portion of a project for revitalization, in your narrative you must: (1) Demonstrate to HUD's satisfaction that the severely distressed public housing is sufficiently separable from the remainder of the project, of which the building is a part, to make use of the building feasible for revitalization. Separations may include a road, berm, catch basin, or other recognized neighborhood distinction; and (2) Demonstrate that the site plan and building designs of the revitalized portion will provide defensible space for the occupants of the revitalized building(s) and that the properties that remain will not have a negative influence on the revitalized buildings(s), either physically or socially. You must demonstrate compliance with this threshold in your narrative. If you do not propose to target only a portion of a project for revitalization, you may indicate, "n/a" in your narrative.

(6) *Desegregation Orders.* You must be in full compliance with any desegregation or other court order, and

voluntary compliance agreements related to Fair Housing (e.g., Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and section 504 of the Rehabilitation Act of 1973) that affects your public housing program and that is in effect on the date of application submission. If you are not in full compliance, your application will be ineligible for funding. HUD will evaluate your compliance with this threshold.

(7) *Dun and Bradstreet Data Universal Numbering System (DUNS) Number Requirement.* This threshold is hereby incorporated from the General Section. All applicants seeking funding directly from HUD must obtain a DUNS number and include the number in its Application for Federal Assistance submission. Failure to provide a DUNS number will prevent you from obtaining an award, regardless of whether it is a new award or renewal of an existing award. This policy is pursuant to the Office of Management and Budget (OMB) policy issued in the **Federal Register** on June 27, 2003 (68 FR 38402). HUD published its regulation implementing the DUNS number requirement on November 9, 2004 (69 FR 65024). A copy of the OMB **Federal Register** notice and HUD's regulation implementing the DUNS number can be found on HUD's Web site at <http://www.hud.gov/offices/adm/grants/duns.cfm>. Applicants cannot submit applications electronically without a DUNS number entry. Applicants must carefully enter the DUNS number on the application package, making sure it is identical to the DUNS number under which the Authorized Organization Representative is registered to submit an application.

(8) *Compliance with Fair Housing and Civil Rights Laws.* This threshold is hereby incorporated from the General Section. (a) With the exception of federally recognized Indian tribes and their instrumentalities, applicants must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a). If you are a federally recognized Indian tribe, you must comply with the nondiscrimination provisions enumerated at 24 CFR 1000.12, as applicable.

(b) If you, the applicant: (i) Have been charged with an ongoing systemic violation of the Fair Housing Act; or (ii) Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (iii) Have received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of

1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraph (i), (ii), or (iii) above has not been resolved to HUD's satisfaction before the application deadline, then you are ineligible and HUD will not rate and rank your application. HUD will determine if actions to resolve the charge, lawsuit, or letter of findings taken before the application deadline are sufficient to resolve the matter.

Examples of actions that would normally be considered sufficient to resolve the matter include, but are not limited to: (i) A voluntary compliance agreement signed by all parties in response to a letter of findings; (ii) A HUD-approved conciliation agreement signed by all parties; (iii) A consent order or consent decree; or (iv) An issuance of a judicial ruling or a HUD Administrative Law Judge's decision.

(9) *Delinquent Federal Debts.* This threshold is hereby incorporated from the General Section. Consistent with the purpose and intent of 31 U.S.C. 3720B and 28 U.S.C. 3201(e), HUD will not award federal funds to an applicant that has an outstanding delinquent federal debt unless (1) the delinquent account is paid in full, (2) a negotiated repayment schedule is established and the repayment schedule is not delinquent, or (3) other arrangements satisfactory to HUD are made prior to the deadline date.

(10) *Debarment and Suspension.* This threshold is hereby incorporated from the General Section. In accordance with 24 CFR part 24, no award of federal funds may be made to applicants that are presently debarred or suspended, or proposed to be debarred or suspended from doing business with the federal government.

### 3. Program Requirements.

#### a. Demolition.

(1) You may not carry out nor permit others to carry out the demolition of the targeted project or any portion of the project until HUD approves, in writing, one of the following ((a)-(c)), and until HUD has also (i) approved a Request for Release of Funds submitted in accordance with 24 CFR part 58, or (ii) if HUD performs an environmental review under 24 CFR part 50, approved the property for demolition, in writing, following its environmental review.

(a) Information regarding demolition in your HOPE VI Revitalization Application, along with Supplemental Submissions requested by HUD after the award of the grant. Section 24(g) of the 1937 Act provides that severely distressed public housing that is demolished pursuant to a revitalization

plan is not required to be approved through a demolition application under Section 18 of the 1937 Act or regulations at 24 CFR part 970. If you do not receive a HOPE VI Revitalization grant, the information in your application will not be used to process a request for demolition;

(b) A demolition application under section 18 of the 1937 Act. While a section 18 approval is not required for HOPE VI related demolition, you will not have to wait for demolition approval through your supplemental submissions, as described in Section (a) above; or

(c) A Section 202 Mandatory Conversion Plan, in compliance with regulations at 24 CFR part 971 and other applicable HUD requirements, if the project is subject to Mandatory Conversion (Section 202 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub. L. 104-134, approved April 26, 1996). A Mandatory Conversion Plan concerns the removal of a public housing project from a PHA's inventory.

#### b. Development

(1) For any standard (non-mixed finance) public housing development activity (whether on-site reconstruction or off-site development), you must obtain HUD approval of a standard development proposal submitted under 24 CFR part 941 (or successor part).

(2) For mixed-finance housing development, you must obtain HUD approval of a mixed finance proposal, submitted under 24 CFR part 941, subpart F (or successor part and subpart).

(3) For new construction of community facilities primarily intended to facilitate the delivery of community and supportive services for residents of the project and residents of off-site replacement housing, you must comply with 24 CFR part 941 (or successor part). Information required for this activity must be included in either a standard or mixed finance development proposal, as applicable.

#### c. Homeownership.

(1) For homeownership replacement units developed under a revitalization plan, you must obtain HUD approval of a homeownership proposal. Your homeownership proposal must conform to either:

(a) Section 24(d)(1)(f) of the 1937 Act; or

(b) Section 32 of the 1937 Act (see 24 CFR part 906). Additional information on this option may be found at <http://www.hud.gov/offices/pih/centers/sac/homeownership>.

(2) The homeownership proposal must be consistent with the Section 8

Area Median Income (AMI) limitations (80 percent of AMI) and any other applicable provisions under the 1937 Act. (HUD publishes AMI tables for each family size in each locality annually. The income limit tables can be found at <http://www.huduser.org/datasets/il/il05/index.html>.)

#### d. Acquisition.

(1) Acquisition Proposal. Before you undertake any acquisition activities with HOPE VI or other public housing funds, you must obtain HUD approval of an acquisition proposal that meets the requirements of 24 CFR 941.303.

(2) Rental Units. For acquisition of rental units in existing or new apartment buildings, single family subdivisions, etc., with or without rehabilitation, for use as public housing replacement units, you must obtain HUD approval of a Development Proposal in accordance with 24 CFR 941.304 (conventional development) or 24 CFR 941.606 (mixed finance development).

(2) Land for Off-Site Replacement Units. For acquisition of land for public housing or homeownership development, you must comply with 24 CFR part 941 or successor part.

(3) Land for Economic Development-Related Activities.

(a) Acquisition of land for this purpose is eligible only if the economic development-related activities specifically promote the economic self-sufficiency of residents.

(b) Limited infrastructure and site improvements associated with developing retail, commercial, or office facilities, such as rough grading and bringing utilities to (but not on) the site are eligible activities with prior HUD approval.

e. *Match.* See Section III.B. and III.C.3, Program Requirements that Apply to Match and Leverage.

f. *Leverage.* See Section III.C.3, Program Requirements that Apply to Match and Leverage.

(1) You must actively enlist other stakeholders who are vested in and can provide significant financial assistance to your revitalization effort, both for physical development and CSS.

(2) HUD seeks to fund mixed-finance developments that use HOPE VI funds to leverage the maximum amount of other funds, particularly from private sources, that will result in revitalized public housing, other types of assisted and market-rate housing, and private retail and economic development.

(3) There are four types of Leverage: Development, CSS, Anticipatory, and Collateral. Development and CSS leverage are program requirements and will be described here. Anticipatory and

Collateral leverage are included only in the Leverage rating factor and are described in Section V. of this NOFA.

(4) See the Program Requirements that Apply to Match and Leverage in this section.

g. *Access to Services.* For both on-site and any off-site units, your overall Revitalization plan must result in increased access to municipal services, jobs, mentoring opportunities, transportation, and educational facilities; i.e., the physical plan and self-sufficiency strategy must be well-integrated and strong linkages must be established with the appropriate federal, state, and local agencies, nonprofit organizations, and the private sector to achieve such access.

h. *Building Standards.*

(1) *Building Codes.* All activities that include construction, rehabilitation, lead-based paint removal, and related activities must meet or exceed local building codes. You are encouraged to read the policy statement and final report of the HUD Review of Model Building Codes that identifies the variances between the design and construction requirements of the Fair Housing Act and several model building codes. That report can be found on the HUD Web site at <http://www.hud.gov/fhe/modelcodes>.

(2) *Deconstruction.* HUD encourages you to design programs that incorporate sustainable construction and demolition practices, such as the dismantling or "deconstruction" of public housing units, recycling of demolition debris, and reusing of salvage materials in new construction. "A Guide to Deconstruction" can be found at <http://www.hud.gov/deconstr.pdf>.

(3) *Partnership for Advancing Technology in Housing (PATH).* HUD encourages you to use PATH technologies in the construction and delivery of replacement housing. PATH is a voluntary initiative that seeks to accelerate the creation and widespread use of advanced technologies to radically improve the quality, durability, environmental performance, energy efficiency, and affordability of our Nation's housing.

(a) PATH's goal is to achieve dramatic improvement in the quality of American housing by the year 2010. PATH encourages leaders from the home building, product manufacturing, insurance and financial industries, and representatives from federal agencies dealing with housing issues to work together to spur housing design and construction innovations. PATH will provide technical support in design and cost analysis of advanced technologies

to be incorporated in project construction.

(b) Applicants are encouraged to employ PATH technologies to exceed prevailing national building practices by:

- (i) Reducing costs;
- (ii) Improving durability;
- (iii) Increasing energy efficiency;
- (iv) Improving disaster resistance; and
- (v) Reducing environmental impact.

(c) More information, the list of technologies, the latest PATH Newsletter, results from field demonstrations, and PATH projects can be found at <http://www.pathnet.org>.

(4) *Energy Efficiency.*

(a) New construction must comply with the latest HUD-adopted Model Energy Code issued by the Council of American Building Officials.

(b) HUD encourages you to set higher standards, where cost effective, for energy and water efficiency in HOPE VI new construction, which can achieve utility savings of 30 to 50 percent with minimal extra cost.

(c) You are encouraged to negotiate with your local utility company to obtain a lower rate. Utility rates and tax laws vary widely throughout the country. In some areas, PHAs are exempt or partially exempt from utility rate taxes. Some PHAs have paid unnecessarily high utility rates because they were billed at an incorrect rate classification.

(d) Local utility companies may be able to provide grant funds to assist in energy efficiency activities. States may also have programs that will assist in energy efficient building techniques.

(e) You must use new technologies that will conserve energy and decrease operating costs where cost effective. Examples of such technologies include:

- (i) Geothermal heating and cooling;
- (ii) Placement of buildings and size of eaves that take advantage of the directions of the sun throughout the year;

(iii) Photovoltaics (technologies that convert light into electrical power);

- (iv) Extra insulation;
- (v) Smart windows; and
- (vi) Energy Star appliances.

(5) *Universal Design.* HUD encourages you to incorporate the principles of universal design in the construction or rehabilitation of housing, retail establishments, and community facilities, or when communicating with community residents at public meetings or events.

(6) *Energy Star.* HUD has adopted a wide-ranging energy action plan for improving energy efficiency in all program areas. As a first step in implementing the energy plan, HUD, the

Environmental Protection Agency (EPA), and the Department of Energy (DoE) have signed a joint partnership to promote energy efficiency in HUD's affordable housing efforts and programs. The purpose of the Energy Star partnership is to promote energy efficiency of the affordable housing stock, but also to help protect the environment. Applicants constructing, rehabilitating, or maintaining housing or community facilities are encouraged to promote energy efficiency in design and operations. They are urged especially to purchase and use Energy Star-labeled products. Applicants providing housing assistance or counseling services are encouraged to promote Energy Star building by homebuyers and renters. Program activities can include developing Energy Star promotional and information materials, outreach to low- and moderate-income renters and buyers on the benefits and savings when using Energy Star products and appliances, and promoting the designation of community buildings and homes as Energy Star compliant. For further information about Energy Star, see <http://www.energystar.gov> or call 888-STAR-YES (888-782-7937), or for the hearing-impaired, call 888-588-9920 TTY. See also the energy efficiency requirements in Section III.C. above. See Section V.9.f. of this NOFA for the Energy Star Rating Factor.

(7) *Lead-Based Paint.* You must comply with lead-based paint evaluation and reduction requirements as provided for under the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, *et seq.*). You also must comply with regulations at 24 CFR part 35, 24 CFR 965.701, and 24 CFR 968.110(k), as they may be amended or revised from time to time. Unless otherwise provided, you will be responsible for lead-based paint evaluation and reduction activities. The National Lead Information Hotline is 800-424-5323.

i. *Labor Standards.* The following standards must be implemented as appropriate in regard to HOPE VI grants:

(1) *Labor Standards.*

(a) Davis-Bacon wage rates apply to development of any public housing rental units or homeownership units developed with HOPE VI grant funds and to demolition followed by construction on the site. Davis-Bacon rates are "prevailing" minimum wage rates set by the Secretary of Labor that all laborers and mechanics employed in the development, including rehabilitation, of a public housing project must be paid, as set forth in a wage determination that the PHA must obtain prior to bidding on each

construction contract. The wage determination and provisions requiring payment of these wage rates must be included in the construction contract;

(b) HUD-determined wage rates apply to:

(i) Operation (including nonroutine maintenance) of revitalized housing, and

(ii) Demolition followed only by filling in the site and establishing a lawn.

(2) Exclusions. Under section 12(b) of the 1937 Act, wage rate requirements do not apply to individuals who:

(a) Perform services for which they volunteered;

(b) Do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and

(c) Are not otherwise employed in the work involved (24 CFR part 70).

(3) If other Federal programs are used in connection with your HOPE VI activities, labor standards requirements apply to the extent required by the other Federal programs on portions of the project that are not subject to Davis-Bacon rates under the 1937 Act.

j. *Operation and Management Principles and Policies, and Management Agreement.* HOPE VI Revitalization grantees will be required to develop Management Agreements that describe their operation and management principles and policies for their public housing units. You and your procured property manager, if applicable, must comply (to the extent required) with the provisions of 24 CFR part 966 in planning for the implementation of the operation and management principles and policies described below.

(a) Rewarding work and promoting family stability by promoting positive incentives such as income disregards and ceiling rents;

(b) Instituting a system of local preferences adopted in response to local housing needs and priorities, e.g., preferences for victims of domestic violence, residency preferences, working families, and disaster victims. Note that local preferences for public housing must comply with Fair Housing requirements at 24 CFR 960.206;

(c) Encouraging self-sufficiency by including lease requirements that promote involvement in the resident association, performance of community service, participation in self-sufficiency activities, and transitioning from public housing;

(d) Implementing site-based waiting lists that follow project-based management principles for the redeveloped public housing. Note that

site-based waiting lists for public housing must comply with Fair Housing requirements at 24 CFR 903.7(b)(2);

(e) Instituting strict applicant screening requirements such as credit checks, references, home visits, and criminal records checks;

(f) Strictly enforcing lease and eviction provisions;

(g) Improving the safety and security of residents through the implementation of defensible space principles and the installation of physical security systems such as surveillance equipment, control engineering systems, etc;

(h) Enhancing ongoing efforts to eliminate drugs and crime from neighborhoods through collaborative efforts with Federal, state, and local crime prevention programs and entities such as:

(i) Local law enforcement agencies;

(ii) Your local United States Attorney;

(iii) The Weed and Seed Program, if the targeted project is located in a designated Weed and Seed area.

Operation Weed and Seed is a multi-agency strategy that “weeds out” violent crime, gang activity, drug use, and drug trafficking in targeted neighborhoods and then “seeds” the target area by restoring these neighborhoods through social and economic revitalization. Law enforcement activities constitute the “weed” portion of the program. Revitalization, which includes prevention, intervention, and treatment services as well as neighborhood restoration, constitutes the “seed”. For more information, see the Community and Safety and Conservation Web site at <http://www.hud.gov/offices/pih/divisions/cscd/>.

k. *Non-Fungibility for Moving To Work (MTW) PHAs.* Funds awarded under this NOFA are not fungible under MTW agreements and must be accounted for separately, in accordance with the HOPE VI Revitalization grant Agreement, the requirements in OMB Circulars A-87, “Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments,” A-133, “Audits of States, Local Governments, and Non-Profit Organizations” and the regulations 24 CFR part 85, “Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments,” and GAAP.

l. *Resident and Community Involvement.*

(1) General. You are required to involve the affected public housing residents, state and local governments, private service providers, financing agencies, and developers in the

planning process, proposed implementation, and management of your revitalization plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant, if awarded.

(2) Resident Training Session. You must conduct at least one training session for residents of the severely distressed project on the HOPE VI development process. HUD does not prescribe the content of this meeting.

(3) Public Meetings.

(a) You must conduct at least three public meetings with residents and the broader community, in order to involve them in a meaningful way in the process of developing the revitalization plan and preparing the application. One of these meetings must have taken place at the beginning of the planning process.

(b) These three public meetings must take place on *different days* from each other and from the resident training session.

(c) During these three meetings, you must address the issues listed below (i.e., all issues need not be addressed at each meeting):

(i) The HOPE VI planning and implementation process;

(ii) The proposed physical plan, including site and unit design, and whether the unit design is in compliance with Fair Housing Act and Uniform Federal Accessibility Standards (UFAS) standards;

(iii) The extent of proposed demolition;

(iv) Planned community and supportive service activities;

(v) Other proposed revitalization activities;

(vi) Relocation issues, including relocation planning, mobility counseling, and maintaining the HOPE VI community planning process during the demolition and reconstruction phases where temporary relocation, i.e., relocation for a reasonable period (less than one year), is involved;

(vii) Reoccupancy plans and policies, including site-based waiting lists; and

(viii) Section 3 and employment opportunities to be created as a result of redevelopment activities.

(4) *Accessibility.* All training sessions and meetings must be held in facilities that are accessible to persons with disabilities, provide services such as day care, transportation, and sign language interpreters as appropriate, and as practical and applicable, be conducted in English and the language(s) most appropriate for the community.

(5) Allowable Time Period for Training and Meetings.

(a) At least one public meeting, which included representation from both the involved public housing residents and the community, must have been held at the beginning of the revitalization plan planning period;

(b) At least one training session must have been held after the publication date of this NOFA in the **Federal Register**; and

(c) The minimum of two more public meetings must have been held after the publication date of this NOFA in the **Federal Register**.

(d) The above minimum number of trainings and meetings are required to meet the Resident Involvement threshold in Section III.C.2 of this NOFA. Additional meetings and trainings will be counted toward demonstration of continual inclusion of the residents and community in the rating factors.

*m. CSS Program Requirements.*

(1) Term Period. CSS programs and services must last for the life of the grant and must be carefully planned so that they will be sustainable after the HOPE VI grant period ends.

(2) Allowed Funding Mechanisms:

(a) Maximum CSS grant amount.

Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act, you may use up to 15 percent of the total HOPE VI grant to pay the costs of CSS activities. See Section III.B.1. of this NOFA for CSS grant matching requirements. You may spend additional sums on CSS activities using donations, other HUD funds made available for that purpose, other Federal, state, local, PHA, or private-sector donations (leverage).

(b) CSS Endowment Trust. Consistent with section 24(d)(2) of the 1937 Act, you may deposit up to 15 percent of your HOPE VI grant (the maximum amount of the award allowable for CSS activities) into an endowment trust to provide CSS activities. In order to establish an endowment trust, you must first execute with HUD a HOPE VI Endowment Trust Addendum to the grant agreement. When reviewing your request to set up an endowment trust, HUD will take into consideration your ability to pay for current CSS activities with HOPE VI or other funds and the projected long-term sustainability of the endowment trust to carry out those activities.

(3) CSS Team and Partners.

(a) The term "CSS Team" refers to PHA staff members and any consultants who will have the responsibility to design, implement, and manage your CSS program.

(b) The term "CSS Partners" refers to the agencies and organizations that you will work with to provide supportive

services for residents. A partner could be a local service organization such as a Boys or Girls Club that donates its building and staff to the program, or an agency such as the local Temporary Assistance for Needy Families (TANF) agency that works with you to ensure that their services are coordinated and comprehensive.

(c) Partner Agreements. There are several relationships that you may have with your partners:

(i) Subgrant Agreements. You may enter into subgrant agreements with nonprofit organizations or state or local governments for the performance of CSS activities in accordance with your approved CSS work plan.

(ii) Contracts. You may enter into a contract with for-profit businesses, nonprofit organizations, or state or local governments for the performance of CSS activities in accordance with your approved CSS work plan.

(iii) Memoranda of Understanding (MOU). You may enter into an MOU with any entity that furnishes CSS services for the performance of activities in accordance with your approved CSS work plan. However, if money is to change hands, the MOU must be formalized with a contract or subgrant.

(iv) Informal Relationships. You may accept assistance from partners without prior documentation of your partner relationship. However, informal relationships do not lend themselves to planning and should definitely be formalized and memorialized with a binding contract or subgrant if money changes hands.

(4) Tracking and Case Management. If selected, the grantee is responsible for tracking and providing CSS programs and services to residents currently living on the targeted public housing site and residents already relocated from the site. It is imperative that case management services begin immediately upon award so that residents who will be relocated have time to participate in and benefit from CSS activities before leaving the site, and that residents who have already been relocated are able to participate in and benefit from CSS activities.

(5) CSS Strategy and Objectives Requirements

(a) Transition to Housing Self-Sufficiency. One of HUD's major priorities is to assist public housing residents in their efforts to become financially self-sufficient and less dependent upon direct government housing assistance. Your CSS program must include a well-defined, measurable endeavor that will enable public housing residents to transition to other affordable housing programs and

to market housing. Family Self-Sufficiency (FSS) and CSS activities that are designed to increase education and income levels are considered a part of this endeavor, as is the establishment of reasonable limits on the length of time any household that is not headed by an elderly or disabled person can reside in a public housing unit within a HOPE VI Revitalization Development.

(b) Neighborhood Networks. All FY2006 Revitalization grantees will be required to establish Neighborhood Networks Centers (NNC) and to promote the inclusion of infrastructure that permits unit-based access to broadband internet connectivity in all new and replacement public housing units. This program provides residents with on-site access to computer and training resources that create knowledge and experience with computers and the Internet as tools to increase access to CSS, job training, and the job market. Grantees may use HOPE VI funds to establish NNCs and to provide unit-based Internet connectivity. More information on the requirements of the NNC program is available on the Neighborhood Networks Web site at <http://www.hud.gov/nnw/nnwindex.html>. There will not be a separate FY-2006 funded NOFA for HOPE VI Neighborhood Networks programs.

(c) Quantifiable Goals. The objectives of your CSS program must be results-oriented, with quantifiable goals and outcomes that can be used to measure progress and make changes in activities as necessary.

(d) Appropriate Scale and Type.

(i) CSS activities must be of an appropriate scale, type, and variety to meet the needs of all residents (including adults, seniors, youth ages 16 to 21, and children) of the severely distressed project, including residents remaining on-site, residents who will relocate permanently to other PHA units or Housing Choice Voucher-assisted housing, residents who will relocate temporarily during the construction phase, and new residents of the revitalized units.

(ii) Non-public housing residents may also participate in CSS activities, as long as the primary participants in the activities are residents as described in Section (i) above.

(e) Coordination.

(i) CSS activities must be consistent with state and local welfare reform requirements and goals.

(ii) Your CSS activities must be coordinated with the efforts of other service providers in your locality, including nonprofit organizations,

educational institutions, and state and local programs.

(iii) CSS activities must be well-integrated with the physical development process, both in terms of timing and the provision of facilities to house on-site service and educational activities.

(f) Your CSS program must provide appropriate community and supportive services to residents prior to any relocation.

n. *CSS Partnerships and Resources.* The following are the kinds of organizations and agencies that can provide you with resources necessary to carry out and sustain your CSS activities.

(1) Local Boards of Education, public libraries, local community colleges, institutions of higher learning, nonprofit or for-profit educational institutions, and public/private mentoring programs that will lead to new or improved educational facilities and improved educational achievement of young people in the revitalized development, from birth through higher education.

(2) TANF agencies/welfare departments for TANF and non-TANF in-kind services, and non-TANF cash donations, e. g., donation of TANF agency staff.

(3) Job development organizations that link private sector or nonprofit employers with low-income prospective employees.

(4) Workforce Development Agencies.

(5) Organizations that provide residents with job readiness and retention training and support.

(6) Economic development agencies such as the Small Business Administration, which provide entrepreneurial training and small business development centers.

(7) National corporations, local businesses, and other large institutions such as hospitals that can commit to provide entry-level jobs. Employers may agree to train residents or commit to hire residents after they complete jobs preparedness or training programs that are provided by you, other partners, or the employer itself.

(8) Programs that integrate employment training, education, and counseling, and where creative partnerships with local boards of education, state charter schools, TANF agencies, foundations, and private funding sources have been or could be established, such as:

(a) Youthbuild. HUD's Youthbuild program provides grants to organizations that provide education and job training to young adults ages 16 to 24 who have dropped out of school. Participants spend half their time

rehabilitating low-income housing and the other half in educational programs. Youthbuild provides a vehicle for achieving compliance with the objective of section 3, as described in Section III.C. of the General Section. More information on HUD's Youthbuild program can be found at <http://www.hud.gov/progdesc/youthb.cfm>.

(b) Step-Up, an apprenticeship-based employment and training program that provides career potential for low-income persons by enabling them to work on construction projects that have certain prevailing wage requirements. Step-Up encourages work by offering apprenticeships through which low-income participants earn wages while learning skills on the job, supplemented by classroom-related instruction. Step-Up can also contribute to a PHA's effort to meet the requirements of section 3. More information can be found at <http://www.hud.gov/progdesc/stepup.cfm>.

(9) Sources of capital such as foundations, banks, credit unions, and charitable, fraternal, and business organizations.

(10) Nonprofit organizations such as the Girl Scouts and the Urban League, each of which has a Memorandum of Agreement (MOA) with HUD. Copies of these MOAs can be found on the Community and Supportive Services page of the HOPE VI Web site at <http://www.hud.gov/hopevi>.

(11) Civil rights and fair housing organizations.

(12) Local area agencies on aging.

(13) Local agencies and organizations serving persons with disabilities.

(14) Nonprofit organizations such as grassroots faith-based and other community-based organizations. HUD encourages you to partner or subgrant with nonprofit organizations, including grassroots faith-based and other community-based organizations, to provide CSS activities. Such organizations have a strong history of providing vital community services such as job training, childcare, relocation supportive services, youth programs, technology training, transportation, substance abuse programs, crime prevention, health services, assistance to the homeless and homelessness prevention, counseling individuals and families on fair housing rights, providing elderly housing opportunities, and homeownership and rental housing opportunities in the neighborhood of their choice. HUD believes that grassroots organizations, e.g., civic organizations, faith-communities, national and local self-help homeownership organizations, faith-based, and other community-based

organizations, should be more effectively used, and has placed a high priority on expanding opportunities for grassroots organizations to participate in developing solutions for their own neighborhoods. See HUD's Center for Faith-Based and Community Initiatives Web site at <http://www.hud.gov/offices/fbc/index.cfm>.

(a) HUD will consider an organization a "grassroots" organization if it is headquartered in the local community to which it provides services; and

(i) Has an annual social services budget of no more than \$300,000. This cap includes only the portion of the organization's budget allocated to providing social services. It does not include other portions of the budget such as salaries and expenses; or

(ii) Has six or fewer full-time equivalent employees.

(b) Local affiliates of national organizations are not considered "grassroots."

o. *Fair Housing and Equal Opportunity Requirements.*

(1) Site and Neighborhood Standards for Replacement Housing. You must comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and regulations thereunder. In determining the location of any replacement housing, you must comply with either the site and neighborhood standards regulations at 24 CFR 941.202 (b)-(d) or with the standards outlined in this NOFA. Because the objective of the HOPE VI program is to alleviate distressed conditions at the development and in the surrounding neighborhood, replacement housing under HOPE VI that is located on the site of the existing development or in its surrounding neighborhood will not require independent approval by HUD under Site and Neighborhood Standards. The term "surrounding neighborhood" means the neighborhood within a three-mile radius of the site of the existing development.

(a) HOPE VI Goals Related to Site and Neighborhood Standards. You are expected to ensure that your revitalization plan will expand assisted housing opportunities outside low-income areas and areas of minority concentration and will accomplish substantial revitalization in the project and its surrounding neighborhood. You are also expected to ensure that eligible households of all races and ethnic groups will have equal and meaningful access to the housing.

(b) Objectives in Selecting HUD-Assisted Sites. The fundamental goal of HUD's fair housing policy is to make full and free housing choice a reality. Housing choice requires that all

households may choose the type of neighborhood where they wish to reside, that minority neighborhoods are no longer deprived of essential public and private resources, and that stable, racially-mixed neighborhoods are available as a meaningful choice for all. To make full and free housing choice a reality, sites for HUD-assisted housing investment should be selected so as to advance two complementary goals:

(i) Expand assisted housing opportunities in non-minority neighborhoods, opening up choices throughout the metropolitan area for all assisted households; and

(ii) Reinvest in minority neighborhoods, improving the quality and affordability of housing there to represent a real choice for assisted households.

(c) Nondiscrimination and Equal Opportunity Requirements. You must comply with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and implementing regulations in determining the location of any replacement housing.

(d) Grantee Election of Requirements. You may, at your election, separately with regard to each site you propose, comply with the development regulations regarding Site and Neighborhood Standards (24 CFR 941.202 (b)–(d)), or with the Site and Neighborhood Standards contained in this Section.

(e) Replacement housing located on site or in the surrounding neighborhood. Replacement housing under HOPE VI that is located on the site of the existing project or in its surrounding neighborhood will not require independent approval under Site and Neighborhood Standards, since HUD will consider the scope and impact of the proposed revitalization to alleviate severely distressed conditions at the public housing project and its surrounding neighborhood in assessing the application to be funded under this NOFA.

(f) Off-Site Replacement Housing Located Outside of the Surrounding Neighborhood. Unless you demonstrate that there are already significant opportunities in the metropolitan area for assisted households to choose non-minority neighborhoods (or these opportunities are under development), HOPE VI replacement housing not covered by Section (e) above may not be located in an area of minority concentration (as defined in paragraph (g) below) without the prior approval of HUD. Such approval may be granted if you demonstrate to the satisfaction of HUD that:

(i) You have made determined and good faith efforts, and found it impossible with the resources available, to acquire an appropriate site(s) in an area not of minority concentration; or

(ii) The replacement housing, taking into consideration both the CSS activities or other revitalizing activities included in the revitalization plan, and any other revitalization activities in operation or firmly planned, will contribute to the stabilization or improvement of the neighborhood in which it is located, by addressing any serious deficiencies in services, safety, economic opportunity, educational opportunity, and housing stock.

(g) Area of Minority Concentration. The term “area of minority concentration” is any neighborhood in which:

(i) The percentage of households in a particular racial or ethnic minority group is at least 20 percentage points higher than the percentage of that minority group for the housing market area; i.e., the Metropolitan Statistical Area (MSA) in which the proposed housing is to be located;

(ii) The neighborhood’s total percentage of minority persons is at least 20 percentage points higher than the total percentage of all minorities for the MSA as a whole; or

(iii) In the case of a metropolitan area, the neighborhood’s total percentage of minority persons exceeds 50 percent of its population.

(2) Housing and Services for Persons with Disabilities.

(a) Accessibility Requirements. HOPE VI developments are subject to the accessibility requirements contained in several Federal laws. All applicable laws must be read together and followed. PIH Notice 2003–31, available at <http://www.hud.gov/offices/pih/publications/notices/>, and subsequent updates, provide an overview of all pertinent laws and implementing regulations pertaining to HOPE VI. All HOPE VI multifamily housing projects, whether they involve new construction or rehabilitation, are subject to the section 504 accessibility requirements described in 24 CFR part 8. See in particular, 24 CFR 8.20–8.24. In addition, under the Fair Housing Act, all new construction of covered multifamily buildings must contain certain features of accessible and adaptable design. Units covered are all those in elevator buildings with four or more units and all ground floor units in buildings without elevators. The relevant accessibility requirements are provided in HUD’s FHEO Web site at <http://www.hud.gov/groups/fairhousing.cfm>.

(b) Specific Fair Housing requirements are:

(i) The Fair Housing Act (42 U.S.C. 3601–19) and regulations at 24 CFR part 100.

(ii) The prohibitions against discrimination on the basis of disability, including requirements that multifamily housing projects comply with the Uniform Federal Accessibility Standards, and that you make reasonable accommodations to individuals with disabilities under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations at 24 CFR part 8.

(iii) Title II of the Americans with Disabilities Act (42 U.S.C. 12101 *et seq.*) and its implementing regulations at 28 CFR part 35.

(iv) The Architectural Barriers Act of 1968 (42 U.S.C. 4151) and the regulations at 24 CFR part 40.

(c) Accessible Technology. The Rehabilitation Act Amendments of 1998 apply to all electronic information technology (EIT) used by a grantee for transmitting, receiving, using, or storing information to carry out the responsibilities of any Federal grant awarded. It includes, but is not limited to, computers (hardware, software, word processing, e-mail, and Web pages), facsimile machines, copiers, and telephones. When developing, procuring, maintaining, or using EIT, grantees must ensure that the EIT allows:

(i) Employees with disabilities to have access to and use information and data that are comparable to the access and use of data by employees who do not have disabilities; and

(ii) Members of the public with disabilities seeking information or service from a grantee must have access to and use of information and data that are comparable to the access and use of data by members of the public who do not have disabilities. If these standards impose an undue burden on a grantee, they may provide an alternative means to allow the individual to use the information and data. No grantee will be required to provide information services to a person with disabilities at any location other than the location at which the information services are generally provided.

p. *Relocation Requirements*

(1) Requirements.

(a) You must carry out relocation activities in compliance with a relocation plan that conforms to the following statutory and regulatory requirements, as applicable:

(i) Relocation or temporary relocation carried out as a result of rehabilitation under an approved revitalization plan is

subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), the URA regulations at 49 CFR part 24, and regulations at 24 CFR 968.108 or successor part.

(ii) Relocation carried out as a result of acquisition under an approved revitalization plan is subject to the URA and regulations at 24 CFR 941.207 or successor part.

(iii) Relocation carried out as a result of disposition under an approved revitalization plan is subject to section 18 of the 1937 Act, as amended.

(iv) Relocation carried out as a result of demolition under an approved revitalization plan is subject to the URA regulations at 24 CFR part 24.

(b) You must provide suitable, accessible, decent, safe, and sanitary housing for each family required to relocate as a result of revitalization activities under your revitalization plan. Any person (including individuals, partnerships, corporations, or associations) who moves from real property or moves personal property from real property directly (1) because of a written notice to acquire real property in whole or in part, or (2) because of the acquisition of the real property, in whole or in part, for a HUD-assisted activity, is covered by Federal relocation statute and regulations. Specifically, this type of move is covered by the acquisition policies and procedures and the relocation requirements of the URA, and the implementing government-wide regulation at 49 CFR part 24, and Notice CPD 04-02 (and any successor notice), "Revision to Notice CPD 02-8, Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as Amended, in HOPE VI Projects". The relocation requirements of the URA and the government-wide regulations, as well as CPD Notice 02-08, cover any person who moves permanently from real property or moves personal property from real property directly because of acquisition, rehabilitation, or demolition for an activity undertaken with HUD assistance.

(2) Relocation Plan. Each applicant must complete a HOPE VI Relocation plan in accordance with the requirements stated in Section IV.B. of this NOFA.

(a) The HOPE VI Relocation plan is intended to ensure that PHAs adhere to the URA and that all residents who have been or will be temporarily or permanently relocated from the site are provided with CSS activities such as mobility counseling and direct assistance in locating housing. Your

HOPE VI Relocation plan must serve to minimize permanent displacement of current residents of the public housing site who wish to remain in or return to the revitalized community. Your HOPE VI Relocation plan must also furnish alternative permanent housing for current residents of the public housing site who do not wish to remain in or return to the revitalized community. Your CSS program must provide for the delivery of community and supportive services to residents prior to any relocation, temporary or permanent.

(b) You are encouraged to involve HUD-approved housing counseling agencies, including faith-based, nonprofit and other organizations, and individuals in the community to which relocatees choose to move, in order to ease the transition and minimize the impact on the neighborhood. HUD will view favorably innovative programs such as community mentors, support groups, and the like.

(c) If applicable, you are encouraged to work with surrounding jurisdictions to assure a smooth transition if residents choose to move from your jurisdiction to the surrounding area.

q. *Well-Functioning Communities*. See Section V.A. of this NOFA for requirements that the unit mix of on-site, off-site and homeownership units create a well-functioning community.

r. *Design*. HUD is seeking excellence in design. You must carefully select your architects and planners, and enlist local affiliates of national architectural and planning organizations such as the American Institute of Architects, the American Society of Landscape Architects, the American Planning Association, the Congress for the New Urbanism, and the department of architecture at a local college or university to assist you in assessing qualifications of design professionals or participating on a selection panel that results in the procurement of excellent design services. You should select a design team that is committed to a process in which residents, including young people and seniors, the broader community, and other stakeholders participate in designing the new community.

Your proposed site plan, new units, and other buildings must be designed to be compatible with and enrich the surrounding neighborhood. Local architecture and design elements and amenities should be incorporated into the new or rehabilitated homes so that the revitalized sites and structures will blend into the broader community and appeal to the market segments for which they are intended. Housing, community facilities, and economic development

space must be well integrated. You must select members of your team who have the ability to meet these requirements.

s. *Internet Access*. You must have access to the Internet and provide HUD with email addresses of key staff and contact people.

t. *Non-Public Housing Funding for Non-Public Housing or Replacement Units*. Public housing funds may only be used to develop Replacement Housing. You may not use public housing funds, which include HOPE VI funds, to develop: retail or commercial space; economic development space; or housing units that are not Replacement Housing, as defined in this NOFA

u. *Market-Rate Housing and Economic Development*. If you include market-rate housing, economic development, or retail structures in your revitalization plan, such proposals must be supported by a market assessment from an independent third party, credentialed market research firm, or professional. This assessment should describe its assessment of the demand and associated pricing structure for the proposed residential units, economic development or retail structures, based on the market and economic conditions of the project area.

v. *Eminent Domain and Public Use*. Section 726 of the FY 2006 HUD Appropriations Act, under which this NOFA is funded, prohibits any use of these funds "to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is used only for a public use." The term "public use" is expressly stated *not* "to include economic development that primarily benefits private entities." Accordingly, applications under this NOFA may not propose mixed-use projects in which housing is complemented appreciably with commercial facilities (i.e., economic development) if eminent domain is used for the site.

w. *Cost Control Standards*. (1) Your hard development costs must be realistically developed through the use of technically competent methodologies, including cost estimating services, and should be comparable to industry standards for the kind of construction to be performed in the proposed geographic area.

(2) Your cost estimates must represent an economically viable preliminary plan for designing, planning, and carrying out your proposed activities in accordance with local costs of labor, materials, and services.

(3) Your projected soft costs must be reasonable and comparable to industry standards. Upon award, soft costs will be subject to HUD's "Safe Harbor" cost

control standards. For rental units, these safe harbors provide specific limitations on such costs as developer's fees (between 9 and 12 percent), PHA administration/consultant cost (no more than 3 to 6 percent of the total project budget), contractor's fee (6 percent), overhead (2 percent), and general conditions (6 percent). HUD's Cost Control and Safe Harbor Standards can be found on HUD's HOPE VI website.

*x. Timeliness of Development*

*Activity.* Grantees must proceed within a reasonable timeframe, as indicated below. In determining reasonableness of such timeframe, HUD will take into consideration those delays caused by factors beyond your control. These timeframes must be reflected in the form of a program schedule, in accordance with the timeframes below:

1. Grantees must submit Supplemental Submissions within 90 days from the date of HUD's written request.
2. Grantees must submit CSS work plans within 90 days from the execution of the grant agreement.
3. Grantees must start construction within 12 months from the date of HUD's approval of the Supplemental Submissions as requested by HUD after grant award. This time period may not exceed 18 months from the date the grant agreement is executed.
4. Grantees must submit the development proposal (i.e., whether mixed-finance development, homeownership development, etc.) for the first phase of construction within 12 months of grant award. The program schedule must indicate the date on which the development proposal for each phase of the revitalization plan will be submitted to HUD.
5. The closing of the first phase must take place within 15 months of grant award. For this purpose, "closing" means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to commence.
6. Grantees must complete construction within 48 months from the date of HUD's approval of your Supplemental Submissions. This time period for completion may not exceed 54 months from the date the grant agreement is executed.
7. All other required components of the revitalization plan and any other submissions not mentioned above must be submitted in accordance with the Quarterly Report Administrative and Compliance Checkpoints Report, as approved by HUD.

*z. HOPE VI Endowment Trust Addendum to the Grant Agreement.* This document must be executed

between the grantee and HUD in order for the grantee to use CSS funds in accordance with this NOFA.

*aa. Revitalization Plan.* After HUD conducts a post-award review of your application and makes a visit to the site, you will be required to submit components of your revitalization plan to HUD, as provided in the HOPE VI Revitalization grant Agreement. These components include, but are not limited to:

- a. Supplemental Submissions, including a HOPE VI Program Budget;
- b. A Community and Supportive Services work plan, in accordance with guidance provided by HUD;
- c. A standard or mixed-finance development proposal, as applicable;
- d. A demolition and disposition application, as applicable; and
- e. A homeownership proposal, as applicable.

*bb. Pre-Award Accounting System Surveys.* HUD may arrange for a pre-award survey of the applicant's financial management system in cases where the recommended applicant has no prior federal support, HUD's program officials have reason to question whether the applicant's financial management system meets Federal financial management standards, or the applicant is considered a high risk based upon past performance or financial management findings. HUD will not disburse funds to any applicant that does not have a financial management system that meets federal standards.

*cc. Name Check Review.* Applicants are subject to a name check review process. Name checks are intended to reveal matters that significantly reflect on the applicant's management and financial integrity, or if any key individual has been convicted or is presently facing criminal charges. If the name check reveals significant adverse findings that reflect on the business integrity or responsibility of the applicant or any key individual, HUD reserves the right to (1) deny funding or consider suspension or termination of an award immediately for cause, (2) require the removal of any key individual from association with management or implementation of the award, and (3) make appropriate provisions or revisions with respect to the method of payment or financial reporting requirements.

*dd. False Statements.* A false statement in an application is grounds for denial or termination of an award and possible punishment as provided in 18 U.S.C. 1001.

*ee. Prohibition Against Lobbying Activities.* Applicants are subject to the

provisions of section 319 of Public Law 101-121 (approved October 23, 1989) (31 U.S.C. 1352) (the Byrd Amendment), which prohibits recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal government in connection with a specific contract, grant, or loan. In addition, applicants must disclose, using Standard Form LLL (SF-LLL), "Disclosure of Lobbying Activities," any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, members of Congress, or congressional staff regarding specific grants or contracts. Federally recognized Indian tribes and tribally designated housing entities (TDHEs) established by federally recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but state-recognized Indian tribes and TDHEs established only under state law must comply with this requirement. Applicants must submit the SF-LLL if they have used or intend to use federal funds for lobbying activities.

*ff. Conducting Business in Accordance with Core Values and Ethical Standards.* Applicants subject to 24 CFR parts 84 and 85 (most nonprofit organizations and state, local, and tribal governments or government agencies or instrumentalities that receive Federal awards of financial assistance) are required to develop and maintain a written code of conduct (see 24 CFR 84.42 and 85.36(b)(3)). Consistent with regulations governing specific programs, your code of conduct must prohibit real and apparent conflicts of interest that may arise among officers, employees, or agents; prohibit the solicitation and acceptance of gifts or gratuities by your officers, employees, or agents for their personal benefit in excess of minimal value; and outline administrative and disciplinary actions available to remedy violations of such standards. Before entering into an agreement with HUD, applicants awarded assistance under a HUD program NOFA announced in FY2006 will be required to submit a copy of its code of conduct and describe the methods it will use to ensure that all officers, employees, and agents of its organization are aware of its code of conduct. Applicants are prohibited from receiving an award of funds from HUD if they fail to meet this requirement for a code of conduct. Applicants that submitted an application during FY2004 or FY2005 and included a copy of their code of conduct will not be required to submit another copy if the applicant is

listed on HUD's Web site at <http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm> and if the information has not been revised. Applicants not listed on the HUD Web site must submit a copy of their code of conduct with their FY2006 application for assistance. Applicants must also include a copy of their code of conduct if the information listed on HUD's Web site has changed (e.g., the person who submitted the previous application is no longer your authorized organization representative, the organization has changed its legal name or merged with another organization, or the address of the organization has changed, etc.). Applicants that need to may submit their code of conduct to HUD via facsimile using the form HUD-96011, Facsimile Transmittal. When using the facsimile transmittal form, please type the requested information. Use HUD-96011 as the cover page to the submission and include in the top line of the form under "Name of Document Being Requested," "Code of Conduct for (insert organization name, city, and state)," and fax the information to HUD's toll-free number at (800) HUD-1010. If you cannot access the 800 number or have problems, you may use (215) 825-8798 (this is not a toll-free number). When received HUD will update the information on its Code of Conduct website.

*gg. Providing Full and Equal Access to Grassroots Faith-Based and Other Community-Based Organizations in HUD Program Implementation.*

(1) HUD encourages nonprofit organizations, including grassroots faith-based and other community-based organizations, to participate in the vast array of programs for which funding is available through HUD's programs. HUD also encourages states, units of local government, universities, colleges, and other organizations to partner with grassroots organizations (e.g., civic organizations, faith communities, and grassroots faith-based and other community-based organizations) that have not been effectively utilized. These grassroots organizations have a strong history of providing vital community services, such as assisting the homeless and preventing homelessness, counseling individuals and families on fair housing rights, providing elderly housing opportunities, developing first-time homeownership programs, increasing homeownership and rental housing opportunities in neighborhoods of choice, developing affordable and accessible housing in neighborhoods across the country, creating economic development programs, and supporting the residents of public housing

facilities. HUD seeks to make its programs more effective, efficient, and accessible by expanding opportunities for grassroots organizations to participate in developing solutions for their own neighborhoods. Additionally, HUD encourages applicants to include these grassroots faith-based and other community-based organizations in their work plans. Applicants, their partners, and participants must review the individual FY2006 HUD program announcements to determine whether they are eligible to apply for funding directly or whether they must establish a working relationship with an eligible applicant in order to participate in a HUD funding opportunity. Grassroots faith-based and other community-based organizations, and applicants that currently or propose to partner, fund, subgrant, or subcontract with grassroots organizations (including grassroots faith-based or other community-based nonprofit organizations eligible under applicable program regulations) in conducting their work programs will receive higher rating points as specified in the individual FY2006 HUD program announcements.

*(2) Definitions of Grassroots Organizations.*

(a) HUD will consider an organization a "grassroots organization" if the organization is headquartered in the local community in which it provides services; and

(i) Has a social services budget of \$300,000 or less, or

(ii) Has six or fewer full-time equivalent employees.

(b) Local affiliates of national organizations are not considered "grassroots." Local affiliates of national organizations are encouraged, however, to partner with grassroots organizations, but must demonstrate that they are currently working with a grassroots organization e.g., having a grassroots faith-based or other community-based organization provide volunteers).

(c) The cap provided in paragraph (2)(a)(i) above includes only that portion of an organization's budget allocated to providing social services. It does not include other portions of the budget, such as salaries and expenses, not directly expended in the provision of social services.

hh. *Number of Units.* The number of units that you plan to develop should reflect your need for replacement units, the need for other affordable units and the market demand for market units, along with financial feasibility. The number of planned new construction public housing units may not result in a net increase from the number of public housing units owned, assisted or

operated by the public housing authority on October 1, 1999, including any public housing units demolished as part of any revitalization effort. The total number of units to be developed may be less than, or more than, the original number of public housing units in the targeted public housing project. HUD will review requests to revitalize projects with small numbers of units on an equal basis with those with large numbers of units.

*ii. Environmental Requirements.*

a. HUD Approval. HUD notification that you have been selected to receive a HOPE VI grant constitutes only preliminary approval. Grant funds may not be released under this NOFA (except for activities that are excluded from environmental review under 24 CFR part 58 or 50) until the responsible entity, as defined in 24 CFR 58.2(a)(7), completes an environmental review and you submit and obtain HUD approval of a request for release of funds and the responsible entity's environmental certification in accordance with 24 CFR part 58 (or HUD has completed an environmental review under 24 CFR part 50 where HUD has determined to do the environmental review).

b. Responsibility. If you are selected for funding and an environmental review has not been conducted on the targeted site, the responsible entity must assume the environmental review responsibilities for projects being funded by HOPE VI. If you object to the responsible entity conducting the environmental review, on the basis of performance, timing, or compatibility of objectives, HUD will review the facts and determine who will perform the environmental review. At any time, HUD may reject the use of a responsible entity to conduct the environmental review in a particular case on the basis of performance, timing, or compatibility of objectives, or in accordance with 24 CFR 58.77(d)(1). If a responsible entity objects to performing an environmental review, or if HUD determines that the responsible entity should not perform the environmental review, HUD may designate another responsible entity to conduct the review or may itself conduct the environmental review in accordance with the provisions of 24 CFR part 50. You must provide any documentation to the responsible entity (or HUD, where applicable) that is needed to perform the environmental review.

c. Phase I and Phase II Environmental Site Assessments. If you are selected for funding, you must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-00, as

amended, for each affected site. A Phase I assessment is required whether the environmental review is completed under 24 CFR part 50 or 24 CFR part 58. The results of the Phase I assessment must be included in the documents that must be provided to the responsible entity (or HUD) for the environmental review. If the Phase I assessment recognizes environmental concerns or if the results are inconclusive, a Phase II environmental site assessment will be required.

d. **Request for Release of Funds.** You, and any participant in the development process, may not undertake any actions with respect to the project that are choice-limiting or could have environmentally adverse effects, including demolishing, acquiring, rehabilitating, converting, leasing, repairing, or constructing property proposed to be assisted under this NOFA, and you, and any participant in the development process, may not commit or expend HUD or local funds for these activities, until HUD has approved a Request for Release of Funds following a responsible entity's environmental review under 24 CFR part 58, or until HUD has completed an environmental review and given approval for the action under 24 CFR part 50. In addition, you must carry out any mitigating/remedial measures required by the responsible entity (or HUD). If a remediation plan, where required, is not approved by HUD and a fully-funded contract with a qualified contractor licensed to perform the required type of remediation is not executed, HUD reserves the right to determine that the grant is in default.

e. If the environmental review is completed before HUD approval of the HOPE VI Supplemental Submissions and you have submitted your Request for Release of Funds (RROF), the supplemental submissions approval letter shall state any conditions, modifications, prohibitions, etc. as a result of the environmental review, including the need for any further environmental review. You must carry out any mitigating/remedial measures required by HUD, or select an alternate eligible property, if permitted by HUD. If HUD does not approve the remediation plan and a fully funded contract with a qualified contractor licensed to perform the required type of remediation is not executed, HUD reserves the right to determine that the grant is in default.

f. If the environmental review is not completed and you have not submitted the RROF before HUD approval of the supplemental submissions, the letter approving the supplemental

submissions will instruct you and any participant in the revitalization process to refrain from undertaking, obligating, or expending HUD or non-HUD funds on physical activities or other choice-limiting actions until HUD approves your RROF and the related certification of the responsible entity (or HUD has completed the environmental review). The supplemental submissions approval letter also will advise you that the approved supplemental submissions may be modified on the basis of the results of the environmental review.

g. There must not be any open issues or uncertainties related to environmental issues, public policy factors (such as sewer moratoriums), proper zoning, availability of all necessary utilities, or clouds on title that would preclude development in the requested locality. You will certify to these facts when signing the HOPE VI Revitalization Grant Application Certifications.

h. HUD's environmental Web site is located at <http://www.hud.gov/offices/cpd/energyenviron/environment/index.cfm>.

kk. **Match Donations and Leverage Resources—Post Award.** After award, during review of grantee mixed-finance, development or homeownership proposals, HUD will evaluate the nature of Match and Leverage resources to assess the conditions precedent to the availability of the funds to the grantee. HUD will assess the availability of the participating party(ies)'s financing, the amount and source of financing committed to the proposal by the participating party(ies), and the firm commitment of those funds. HUD may require an opinion of the PHA's and the owner entity's counsel (or other party designated by HUD) attesting that counsel has examined the availability of the participating party(ies)'s financing, and the amount and source of financing committed to the proposal by the participating party(ies), and has determined that such financing has been firmly committed by the participating party(ies) for use in carrying out the proposal, and that such commitment is in the amount required under the terms of the proposal.

ll. **Evidence of Use.** Grantees will be required to show evidence that matching resources were actually received and used for their intended purposes through quarterly reports as the project proceeds. Sources of matching funds may be substituted after grant award, as long as the dollar requirement is met.

mm. **Grantee Enforcement.** Grantees must pursue and enforce any commitment (including commitments

for services) obtained from any public or private entity for any contribution or commitment to the project or surrounding area that was part of the match amount.

nn. **LOCCS Requirements.** The grantee must record all obligations and expenditures in LOCCS.

oo. **Final Audit.** Grantees are required to obtain a complete final closeout audit of the grant's financial statements by a certified public accountant (CPA), in accordance with generally accepted government audit standards. A written report of the audit must be forwarded to HUD within 60 days of issuance. Grant recipients must comply with the requirements of 24 CFR part 84 or 24 CFR part 85 as stated in OMB Circulars A-110, A-87, and A-122, as applicable.

pp. **Section 3.** HOPE VI grantees must comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Economic Opportunities for Low- and Very Low-Income Persons in Connection with assisted Projects) and its implementing regulations at 24 CFR part 135. Information about section 3 can be found at HUD's section 3 Web site at <http://www.hud.gov/fhe/sec3over.html>.

qq. **General Section References.** The following sub-sections of Section III.C. of the General Section are hereby incorporated by reference:

- (1) The Americans with Disabilities Act of 1990;
- (2) Affirmatively Furthering Fair Housing;
- (3) Economic Opportunities for Low- and Very Low-Income Persons (Section 3);
- (4) Executive Order 13166, Improving Access to Services for Persons With Limited English Proficiency (LEP);
- (5) Accessible Technology;
- (6) Procurement of Recovered Materials;
- (7) Participation in HUD-Sponsored Program Evaluation;
- (8) Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects;
- (9) OMB Circulars and Government-wide Regulations Applicable to Financial Assistance Programs; and
- (10) Drug-Free Workplace.

rr. **Program Requirements that Apply to Match.** If the commitment document for any match funds/in-kind services is not included in the application and provided before the NOFA submission date, the related match will not be considered. Depending upon the specific Memorandum of Understanding (MOU), the MOU alone may not firmly

commit Match funds, e.g., the MOU states that a donation agreement may be discussed in the future. If the MOU does firmly commit funds, the MOU language that does so should be highlighted or mentioned in the application. To ensure inclusion of Match funds, MOUs should be accompanied by commitment letters or contracts.

*ss. Program Requirements that Apply to Match and Leverage.*

1. You must actively enlist other stakeholders who are vested in and can provide significant financial assistance to your revitalization effort, both for physical development and CSS.

2. *Types of Resources.* HUD seeks to fund mixed-finance developments that use HOPE VI funds to leverage the maximum amount of other funds, particularly from private sources, that will result in revitalized public housing, other types of assisted and market-rate housing, and private retail and economic development. There are four types of resources: Development, CSS, Anticipatory, and Collateral. Development and CSS match and leverage are program requirements, the types of resources for which are discussed below. Anticipatory and Collateral leverage are included only in the Leverage rating factor.

3. *Development Resources.*

(1) *Types of Development Resources.* Types of Development Resources may include:

(a) Private mortgage-secured loans and other debt.

(i) Where there is both a construction loan and a permanent take-out loan that will replace that construction loan, you must provide documentation of both, but only the value of the permanent loan will be counted.

(ii) For privately financed homeownership construction loans, acceptable documentation of construction loans will be considered. Documentation of permanent financing is not required.

(iii) If you have obtained a construction loan but not a permanent loan, the value of the acceptably documented construction loan will be counted.

(iv) Your application must include each loan's expected term maturity and sources of repayment.

(b) Insured loans.

(c) Donations and contributions.

(d) Housing trust funds.

(e) Net sales proceeds from a homeownership project. Down payments from homebuyers will not be counted. Down payment assistance may be counted as a physical development resource if it is provided by a third party entity not related to the homebuyer.

(f) Funds committed to build private sector housing in direct connection with the HOPE VI Revitalization plan.

(g) Tax Increment Funding (TIF).

(h) Tax Exempt Bonds. Your application must include a description of the use and term.

(i) Other Public Housing Funds. Other public housing sources include HOPE VI Revitalization funds from other grants, HOPE VI Demolition funds, HOPE VI Neighborhood Networks funds, HOPE VI Main Street funds, Capital Fund program funds, and proposals to use operating subsidy for debt service. These HUD public housing funds will NOT be counted for points under CSS, Development and Collateral leverage in this NOFA. However, they can be used as part of your revitalization plan. Other public housing funds, except for HOPE VI Revitalization funds, will be counted toward your leverage rating for anticipatory leverage and may be used toward your match requirement.

(j) Other Federal Funds. Other federal sources may include non-public housing funds provided by HUD.

(k) Sale of Land. The value of land may be included as a development resource only if this value is a sales proceed. Absent a sales transaction, the value of land may not be counted.

(l) Donations of Land. Donations of land may be counted as a development resource, only if the donating entity owns the land to be donated. Donating entities may include a city, county/parish, church, community organization, etc. The application must include documentation of this ownership, signed by the appropriate authorizing official.

(m) Low-Income Housing Tax Credits (LIHTC).

(i) Low-Income Tax Credits are authorized by Section 42 of the IRS Code which allows investors to receive a credit against federal tax owed in return for providing funds to developers to help build or renovate housing that will be rented only to lower-income households for a minimum period of 15 years.

(ii) There are two types of credits, both of which are available over a 10-year period: A nine percent credit on construction/rehab costs, and a four percent credit on acquisition costs and all development costs financed partially with below-market federal loans (e.g., tax exempt bonds). Tax credits are generally reserved annually through State Housing Finance Agencies, a directory of which can be found at <http://www.ncsha.org/ncsha/public/statefadirectory/index.htm>.

(iii) Only LIHTC commitments that have been secured as of the application submission date will be considered for the scoring under this NOFA. LIHTC commitments that are not secured (i.e., documentation in the application does not demonstrate they have been reserved by the state or local housing finance agency) will not be counted for scoring. Only tax credits that have been reserved specifically for revitalization performed through this NOFA will be counted.

(iv) Endorsements or general letters of support from organizations or vendors alone will not count as resources and should not be included in the application or on a Resources Summary Form.

(v) If you propose to include LIHTC equity as a development resource for any phase of development, your application must include a LIHTC reservation letter from your state or local housing finance agency in order to have the tax credit amounts counted as development leveraging. This letter must constitute a firm commitment and can only be conditioned on the receipt of the HOPE VI grant. HUD acknowledges that, depending on the housing finance agency, documentation for four percent tax credits may be represented in the form of a tax-exempt bond award letter. Accordingly, it will be accepted for match/leverage scoring purposes under Section V.A. of this NOFA, if you demonstrate that this is the only available evidence of four percent tax credits, and assuming that this documentation clearly indicates that tax-exempt bonds have been committed to the project.

(2) *Sources of Development Resources.* Sources of Development Resources may include:

(a) Public, private, and nonprofit entities, including LIHTC purchasers;

(b) State and local housing finance agencies;

(c) Local governments;

(d) The city's housing and redevelopment agency or other comparable agency. HUD will consider this to be a separate entity with which you are partnering if your PHA is also a redevelopment agency or otherwise has citywide responsibilities.

(i) You are strongly urged to seek a pledge of Community Development Block Grant (CDBG) funds for improvements to public infrastructure such as streets, water mains, etc. related to the revitalization effort. CDBG funds are awarded by HUD by formula to units of general local government and to states, which may then award a grant or loan to a PHA, a partnership, a nonprofit organization, or other entity

for revitalization activities, including loans to a project's for-profit partnership. More information about the CDBG Program can be found at <http://www.hud.gov/offices/cpd/index.cfm>.

(ii) The city, county/parish, or state may provide HOME funds to be used in conjunction with HOPE VI funds. The Home Investment Partnership program provides housing funds that are distributed from HUD to units of general local governments and states. Funds may be used for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance. Current legislation allows HOME funds to be used in conjunction with HOPE VI funds, but they may not be used in conjunction with public housing capital funds under section 9(d) of the 1937 Act. Information about the HOME program can be found at: <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>.

(e) Foundations;

(f) Government Sponsored Enterprises such as the Federal Home Loan Bank, Fannie Mae, and Freddie Mac;

(g) HUD and other Federal agencies;

(h) Financial institutions, banks, or insurers; and

(i) Other private funders.

#### 4. *Community and Supportive Services Resources.*

##### a. *General.*

(1) HUD seeks to fund mixed-finance developments that use HOPE VI funds to leverage the maximum amount of other resources to support CSS activities in order to ensure the successful transformation of the lives of residents and the sustainability of the revitalized public housing development. Match and leveraging of HOPE VI CSS funds with other funds and services is critical to the sustainability of CSS activities so that they will continue after the HOPE VI funds have been expended. Commitments of funding or in-kind services related to the provision of CSS activities may be counted as CSS resources and toward match and the calculation of CSS leverage in accordance with the requirements below.

(a) For CSS leverage (not match), include only funds/in-kind services that will be newly generated for HOPE VI activities. If an existing service provider significantly increases the level of services provided at the site, the increased amount of funds may be counted, except for TANF cash benefits. HUD will not count any funds for leverage points that have already been provided on a routine basis, such as TANF cash benefits and in-kind services

that have been supporting ongoing CSS-type activities.

(b) Existing and newly generated TANF cash benefits will not count as leverage. Newly generated non-cash services provided by TANF agencies will count as leverage.

(c) Even though an in-kind CSS contribution may count as a resource, it may not be appropriate to include on the sources and uses attachment. Each source on the sources and uses attachment must be matched by a specific and appropriate use. For example, donations of staff time may not be used to offset costs for infrastructure.

(d) Note that wages projected to be paid to residents through jobs, or projected benefits (e.g., health/insurance/retirement benefits) related to projected resources to be provided by CSS partners may not be counted.

(e) Endorsements or general letters of support from organizations or vendors alone will not count as resources and should not be included in the application or on a Resources Summary Form.

(f) The PHA's staff time is not an eligible cash or in-kind match.

(2) *Types of Community and Supportive Services Resources.* Types of Community and Supportive Services resources may include but are not limited to:

(a) Materials;

(b) A building;

(c) A lease on a building;

(d) Other infrastructure;

(e) Time and services contributed by volunteers;

(f) Staff salaries and benefits;

(g) Supplies;

(h) The value of supportive services provided by a partner agency, in accordance with the eligible CSS activities described in Section I.D.

(3) *Sources of Community and Supportive Services Resources.* In order to achieve quantifiable self-sufficiency results, you must form partnerships with organizations that are skilled in the delivery of services to residents of public housing and that can provide commitments of resources to support those services. You must actively enlist as partners other stakeholders who are vested in and can provide commitments of funds and in-kind services for the CSS portion of your revitalization effort. The following are the kinds of organizations and agencies that can provide you with resources necessary to carry out and sustain your CSS activities.

(a) Local Boards of Education, public libraries, local community colleges, institutions of higher learning, nonprofit

or for-profit educational institutions, and public/private mentoring programs that will lead to new or improved educational facilities and improved educational achievement of young people in the revitalized development, from birth through higher education.

(b) TANF agencies/welfare departments for TANF and non-TANF in-kind services, and non-TANF cash donations, e.g., donation of TANF agency staff.

(c) Job development organizations that link private sector or nonprofit employers with low-income prospective employees.

(d) Workforce Development Agencies.

(e) Organizations that provide residents with job readiness and retention training and support.

(f) Economic development agencies such as the Small Business Administration, which provide entrepreneurial training and small business development centers.

(g) National corporations, local businesses, and other large institutions such as hospitals that can commit to provide entry-level jobs. Employers may agree to train residents or commit to hire residents after they complete jobs preparedness or training programs that are provided by you, other partners, or the employer itself.

(h) Programs that integrate employment training, education, and counseling, and where creative partnerships with local boards of education, state charter schools, TANF agencies, foundations, and private funding sources have been or could be established, such as:

(i) Youthbuild. HUD's Youthbuild program provides grants to organizations that provide education and job training to young adults ages 16 to 24 who have dropped out of school. Participants spend half their time rehabilitating low-income housing and the other half in educational programs. Youthbuild provides a vehicle for achieving compliance with the objective of section 3, as described in Section III.C. of the General Section. More information on HUD's Youthbuild program can be found at <http://www.hud.gov/progdesc/youthhb.cfm>.

(ii) Step-Up, an apprenticeship-based employment and training program that provides career potential for low-income persons by enabling them to work on construction projects that have certain prevailing wage requirements. Step-Up encourages work by offering apprenticeships through which low-income participants earn wages while learning skills on the job, supplemented by classroom-related instruction. Step-Up can also contribute to a PHA's effort

to meet the requirements of section 3. More information can be found at <http://www.hud.gov/progdsc/stepup.cfm>.

(i) Sources of capital such as foundations, banks, credit unions, and charitable, fraternal, and business organizations.

(j) Nonprofit organizations such as the Girl Scouts and the Urban League, each of which has a Memorandum of Agreement (MOA) with HUD. Copies of these MOAs can be found on the Community and Supportive Services page of the HOPE VI Web site at <http://www.hud.gov/hopevi>.

(k) Civil rights and fair housing organizations.

(l) Local area agencies on aging.

(m) Local agencies and organizations serving persons with disabilities.

#### IV. Application and Submission Information

General. All applications MUST be submitted electronically via Grants.Gov, as described in this NOFA. This section hereby incorporates Section IV of the General Section, except for Section IV.A.5. and Section IV.B.1. The General Section requirements apply to this NOFA unless otherwise stated in this NOFA. Applicants MUST follow the electronic submission requirements in the General Section and this NOFA.

##### A. Addresses To Request Application Package

This section describes how applicants may obtain application forms, additional information, and technical assistance. Copies of the published NOFA and application forms for HUD programs announced through NOFAs may be downloaded from the *Grants.gov* Web site at <http://www.grants.gov/FIND> and chosen from links provided under the topic "Search Grant Opportunities," which allows applicants to do a basic search or to browse by category or agency. Applicants having difficulty accessing the information may receive customer support from *Grants.gov* by calling its help line at (800) 518-GRANTS or sending an e-mail to [support@grants.gov](mailto:support@grants.gov). The customer service representatives will assist applicants in accessing the information. Applicants that do not have Internet access that need to obtain a copy of a NOFA can contact HUD's NOFA Information Center toll-free at (800) HUD-8929. Persons with hearing or speech impairments may also call toll-free at (800) HUD-2209.

1. *Application Kits*. There are no application kits for HUD programs. All the information you need to apply will be in the NOFA and available at

<http://www.grants.gov/Apply>. The NOFA and forms can be downloaded from <http://www.grants.gov/Apply>, by clicking on Apply Step 1. Please pay attention to the submission requirements and format for submission specified in this NOFA to ensure that you have submitted all required elements of your application.

2. *Official NOFA Content Retrieval*. In order to retrieve the instructions, applicants must go to the *Grants.gov* Web site entitled "Download Application Package" at [https://apply.grants.gov/forms\\_apps\\_idx.html](https://apply.grants.gov/forms_apps_idx.html). Insert the Catalog of Federal Domestic Assistance (CFDA) number or the Funding Competition ID, or the Funding Opportunity Number. Once this information has been inserted, click on the "Download Package" button. The next page on the Web site, "Selected Grant Application for Download," instructs applicants to download the application and its instructions by selecting the corresponding download link and saving the files to the applicant's computer for future reference and use. You do not need to be registered to read the instructions or complete the application once you have downloaded it and saved it on your computer.

a. *Instructions and Application Download Contents*. The instructions download will contain several files. The Application Download will contain a cover page entitled "Grant Application Package." The cover page provides information regarding the application package you have chosen to download, i.e., Opportunity Title, Agency Name, CFDA Number, etc., so that you can ensure that you have selected the correct application to prepare. The Grant Application cover page separates the required forms into two categories: "Mandatory Documents" and "Optional Documents." Please note that regardless of the box in which the forms are listed, the published **Federal Register** document is the official document HUD uses to solicit applications. Therefore, applicants should follow the submission requirements in this HOPE VI NOFA. This NOFA contains a list of forms and other documents that are part of the submission. The NOFA also identifies which forms may be applicable to only certain applicants and if so, they need to be submitted with the application.

b. The published **Federal Register** document is the official document that HUD uses to solicit applications. Therefore, if there is a discrepancy between any materials published by HUD in its **Federal Register** publications and other information provided in paper copy, electronic copy,

or at <http://www.grants.gov>, the **Federal Register** publication prevails. Please be sure to review your application submission against the requirements in the **Federal Register** file of the NOFA. Any technical corrections to the NOFA will also be published in the **Federal Register** and posted to the grants.gov Web site, as described above.

Applicants are responsible for monitoring the Web sites above and the **Federal Register** during the application preparation period.

2. *Technical Assistance*. HUD staff will be available to provide you with general guidance and technical assistance about this NOFA. However, HUD staff is not permitted to help prepare your application. For technical support for downloading an application or submitting an application, please call *Grants.gov* Customer Support at (800) 518-GRANTS (this is a toll-free number) or send an e-mail to [support@grants.gov](mailto:support@grants.gov).

##### B. Content and Form of Application Submission

###### 1. Application Submission.

a. *Paper Application Submissions*. If your organization is granted a waiver to the electronic application submission requirement, you should follow the following instructions regarding paper application submissions. Unless otherwise indicated, the Executive Director of the applicant PHA, or his or her designee, must sign each form or certification that is required to be submitted with the application, whether part of an attachment or a standard certification. Signatures need not be original in the duplicate Headquarters copy and the duplicate field office copy.

c. *Paper Application Layout*. If you are granted a waiver to the electronic submission requirement:

(1) Double-space your narrative pages. Single-spaced pages will be counted as two pages;

(2) Use 8½ × 11-inch paper, one side only. Only the city map may be submitted on an 8½ by 14-inch sheet of paper. Larger pages will be counted as two pages;

(3) All margins should be approximately 1 inch. If any margin is smaller than ½ inch the page will be counted as two pages;

(4) Use 12-point, Times New Roman font;

(5) Any pages marked as sub-pages (e.g., with numbers and letters such as 75A, 75B, 75C), will be treated as separate pages;

(6) If a section is not applicable, omit it; do not insert a page marked n/a;

(7) Mark each Exhibit and Attachment with the appropriate tab listed in section IV.B. and in the Submission

Instructions. No material on the tab will be considered for review purposes, although pictures are allowed;

(8) No more than one page of text may be placed on one sheet of paper; i.e., you may not shrink pages to get two or more on a page. Shrunken pages, or pages where a minimized/reduced font are used, will be counted as multiple pages;

(9) Do not format your narrative in columns. Pages with text in columns will be counted as two pages; and

(10) The applications (copy and original) should each be packaged in a three-ring binder.

d. *Paper Application Page Count.* If you are granted a waiver to the electronic submission requirement:

(1) Narrative Exhibits.

(a) The first part of your application will be comprised of narrative exhibits. Your narratives will respond to each rating factor in the NOFA and will also respond to threshold requirements. Among other things, your narratives must describe your overall planning activities, including but not limited to relocation, community, and supportive services, and development issues.

(b) Each HOPE VI Revitalization application must contain no more than 100 pages of narrative exhibits. Any pages after the first 100 pages of narrative exhibits will not be reviewed. Although submitting pages in excess of the page limitations will not disqualify an application, HUD will not consider the information on any excess pages, which may result in a lower score or failure of a threshold. Text submitted at the request of HUD to correct a technical deficiency will not be counted in the 100-page limit.

(2) Attachments.

(a) The second part of your application will be comprised of Attachments. These documents will also respond to the rating factors in the NOFA, as well as threshold and mandatory documentation requirements. They will include documents such as maps, photographs, letters of commitment, application data forms, various certifications unique to HOPE VI Revitalization, and other certifications.

(b) Each HOPE VI Revitalization application must contain no more than 125 pages of attachments. Any pages after the first 125 pages of attachments will not be considered. Although submitting pages in excess of the page limit will not disqualify an application, HUD will not consider the information on any excess pages, which may result in a lower score or failure to meet a threshold.

(3) Exceptions to page limits. The documents listed below constitute the only exceptions and are not counted in the page limits listed in Sections (1) and (2) above:

(a) Additional pages submitted at the request of HUD in response to a technical deficiency.

(b) Attachments that provide documentation of commitments from resource providers or CSS providers.

(c) Attachments that provide documentation of site control and site acquisition in accordance with Section III. of this NOFA.

(d) Narratives and Attachments, as relevant, required to be submitted only by existing HOPE VI Revitalization grantees in accordance with Sections V.A. of this NOFA (Capacity).

(e) Information required of MTW applicants only.

e. *Electronic Format.*

(1) Exhibits. Exhibits are as listed in Section IV.B.2.a of this NOFA. Each Exhibit should be contained in a separate file and section of the application. Each file should contain one title page (do not create title pages separately from the document it goes with).

(a) Exhibit Title Pages. HUD will use title pages as tabs when it downloads and prints the application. Provided the information on the title page is limited to the list in Section (b) below, the title pages will not be counted when HUD determines the length of each Exhibit, or the overall length of the Exhibits.

(i) Each title page should only contain:

(A) The name of the Exhibit, as described in Section IV.B.2.a. of this NOFA, e. g., "Narrative Exhibit A: Summary Information";

(B) The name of the applicant; and

(C) The name of the file that contains the Exhibit.

(b) Exhibit File Names and Types.

(i) All Exhibit files in the application must be contained in one Exhibit ZIP file.

(ii) Each file within the ZIP file must be formatted so it can be read by MS Word 2000 (.DOC).

(iii) Each file name must include the information below, in the order stated:

(A) Short version of applicant's name, e. g., town, city, county/parish, etc., and state; and

(B) The word "Exhibit" and the Exhibit letter (A through I), as listed in Section IV.B.2.a. of this NOFA;

(C) An example of an Exhibit file name is, "Atlanta GA Exhibit A."

(2) Attachments. Attachments are as listed in Section IV.B.2.b. of this NOFA. Each Attachment should be contained in a separate file and section of the

application. Each Attachment that is not a HUD Form should contain one title page.

(a) Attachment Title Pages. HUD will use title pages as tabs if it downloads and prints the application. Provided the information on the title page is limited to the list in Section (b) below, the title pages will not be counted when HUD determines the length of each Attachment, or the overall length of the Attachments. HUD forms do not require title pages.

(i) Each title page should only contain:

(A) The name of the Attachment, as described in Section IV.B.2.b. of this NOFA, e. g., "Attachment 10: Extraordinary Site Costs Certification";

(B) The name of the applicant; and

(C) The name of the file that contains the Attachment.

(b) Attachment File Names and Types.

(i) All Attachments that are not listed separately on grants.gov and are formatted as PureEdge forms, e.g., SF-424, must be contained in one Attachment ZIP file.

(ii) Each file within the ZIP file must be formatted so it can be read by MS Excel (.XLS) or Adobe Acrobat (.PDF).

(A) Attachments that are downloaded from grants.gov in MS Excel format may be submitted in Excel format.

(B) Attachments that are downloaded from grants.gov in text format, e.g., certifications, should be submitted in Adobe Acrobat (PDF) format.

(C) Third-party documents, e.g., leverage commitment letters, pictures, etc., should be submitted in Adobe Acrobat (PDF) format.

(iii) Each file name must include the information below, in the order stated:

(A) Short version of applicant's name, e.g., town, city, county/parish, etc., and state; and

(B) The word "Attachment" and the Attachment number (1 through 41), as listed in Section IV.B.2.b. of this NOFA;

(C) An example of an Exhibit file name is, "Atlanta GA Attachment 1"

(3) Maximum Length of Application.

(i) Page Definition and Format.

(A) For Exhibits, a "page" contains a maximum of 23 double-spaced lines. The length of each line must be a maximum of 6½ inches. This is the equivalent of formatting to be printed on 8½" × 11" paper, with one inch top, bottom, left and right margins. The font must be 12-point Times New Roman. Each page must be numbered.

(B) For Attachments, an applicant formatted text page is defined as in (A) above. Third-party documents converted into PDF format must not be shrunk to fit more than one original page on each application page. Pages of

HUD Forms and certification formats furnished by HUD are as numbered by HUD.

(C) The maximum total length of the Exhibits and of the Attachments is as stated in Section IV.B.1.d. above.

d. See Section IV of this NOFA on how to electronically submit third-party and large documents (i.e., documents 8½ by 14-inch, etc.).

2. *Application Content.* The following is a list of narrative exhibits and attachments that are required as part of the application. Non-submission of these items may lower your rating score or make you ineligible for award under this NOFA. Review the threshold requirements in Section III.C. of this NOFA and to ascertain the effects of non-submission. HUD forms required by this NOFA can be obtained on the Internet at *Grants.gov*. Applicants that are granted a waiver to the electronic submission requirement must include the narrative exhibits and attachments in the application in the order listed below.

a. *Narrative Exhibits.*

(1) Acknowledgment of Application Receipt, form HUD-2993 (applies only if you are granted a waiver to the electronic submission requirement). 0

(2) Application for Federal Assistance, Standard Form SF-424.

(3) HOPE VI Revitalization Application Table of Contents.

(4) Narrative Exhibit A: Summary Information.

(5) Narrative Exhibit B: Capacity.

(6) Narrative Exhibit C: Need.

(7) Narrative Exhibit D: Resident and Community Involvement.

(8) Narrative Exhibit E: Community and Supportive Services.

(9) Narrative Exhibit F: Relocation.

(10) Narrative Exhibit G: Fair Housing and Equal Opportunity.

(11) Narrative Exhibit H: Well-Functioning Communities.

(12) Narrative Exhibit I: Soundness of Approach.

b. *Attachments.*

(1) Attachments 1 through 7: HOPE VI Application Data Form, form HUD-52860-A.

(2) Attachment 8: HOPE VI Budget, form HUD-52825-A.

(3) Attachment 9: TDC-Grant Limitations Worksheet, form HUD-52799.

(4) Attachment 10: Extraordinary Site Costs Certification, if applicable.

(5) Attachment 11: City Map.

(6) Attachment 12: Assurances for a HOPE VI Application: for Developer, HOPE VI Revitalization Resident Training & Public Meeting Certification, Relocation Plan (whether relocation is completed or is yet to be completed).

(7) Attachment 13: Program Schedule.

(8) Attachment 14: Certification of Severe Physical Distress.

(9) Attachment 15: Photographs of the Severely Distressed Housing.

(10) Attachment 16: Neighborhood Conditions.

(11) Attachment 17: Preliminary Market Assessment Letter, if relevant.

(12) Attachment 18: Documentation of Site Control for Off-Site Public Housing.

(13) Attachments 19 through 22: HOPE VI Revitalization Leverage Resources, form HUD-52797.

(14) Attachment 23: Documentation of Environmental, & Neighborhood Standards.

(15) Attachment 24: Land Use Certification or Documentation.

(16) Attachment 25: Evaluation Commitment Letter(s).

(17) Attachment 26: Current Site Plan.

(18) Attachment 27: Photographs of Architecture in the Surrounding Community.

(19) Attachment 28: Conceptual Site Plan.

(20) Attachment 29: Conceptual Building Elevations.

(21) Attachment 30: HOPE VI Revitalization Application Certifications.

(22) Attachment 31: HOPE VI Revitalization Project Readiness Certification, form HUD-52787.

(23) Attachment 32: Standard Forms and Certifications.

a. Disclosure of Lobbying Activities (SF-LLL), if applicable;

b. Applicant/Recipient Disclosure/Update Report (HUD-2880);

c. Program Outcome Logic Model (HUD-96010);

d. America's Affordable Communities Initiative (HUD-27300);

e. If applicable, Funding Application for Housing Choice Voucher Assistance prepared in accordance with Notice PIH 2005-15 (and any reinstatement of or successor to that Notice), including,

Section 8 Tenant-Based Assistance Rental Certificate Program, Rental Voucher Program, form HUD-52515, and

f. Facsimile Transmittal (HUD-96011).

3. *Match Documentation.* See the match requirements in Section III.C., Program Requirements, Program Requirements that Apply to Match and Leverage.

4. *Resources Requirements for Match and Leverage.* See Section III.C., Program Requirements, Program Requirements that Apply to Match and Leverage.

5. *Threshold Documentation.* See the Threshold Requirements section of the NOFA in Section III.C. To meet

threshold requirements, you must include specific documentation as required by this NOFA.

6. *Rating Factor Documentation.* See the Rating Factors in Section V.A for information on documentation. To receive points for certain rating factors, you must include specific documentation as required by this NOFA.

7. *Housing Choice Voucher (HCV) Assistance.* Housing choice voucher (HCV) assistance is available from the tenant protection voucher fund to successful applicants that receive the Revitalization grant awards. The dollar amount of HCV assistance is in addition to the \$20 million maximum award amount and will be based upon resident relocation needs. Applicants must prepare their housing choice voucher assistance applications for the targeted project in accordance with the requirements of Notice PIH 2005-15 (and any reinstatement of or successor to that Notice) and submit it in its entirety with the HOPE VI Revitalization Application. HUD will process the housing choice voucher assistance applications for funded HOPE VI applicants. If you are not funded by this NOFA, the HCV application will not be processed. For applicants who are granted a waiver to the electronic application process, the HCV request should be located with the Standard Forms and Certifications at the back of the application.) The notice can be obtained through the Internet at <http://www.hudclips.org/cgi/index.cgi>.

8. *Further Documentation Guidance on Narrative Exhibits and Attachments.* Please be sure to carefully review Sections III and V for program and documentation requirements for all the elements below.

a. *Exhibit A.* Verify that you have included information relating to the following exhibits.

(1) Executive Summary. Provide an Executive Summary, not to exceed three pages. Describe your Revitalization plan, as clearly and thoroughly as possible. Do not argue for the need for the HOPE VI grant, but explain what you would do if you received a grant. Briefly describe why the targeted project is severely distressed, provide the number of units, and indicate how many of the units are occupied. Describe specific plans for the revitalization of the site. Include income mix, basic features (such as restoration of streets), and any mixed use or non-housing components. If you are proposing off site replacement housing, provide the number and type of units and describe the off site locations. Describe any homeownership

components included in your Plan, including numbers of units. Briefly summarize your plans for community and supportive services. State the amount of HOPE VI funds you are requesting, and list the other major funding sources you will use for your mixed-finance development. Identify whether you have procured a developer or whether you will act as your own developer.

(2) **Physical Plan.** Describe your planned physical revitalization activities:

(a) Rehabilitation of severely distressed public housing units in accordance with Sections I(D) and III(C) of the NOFA;

(b) Development of public housing replacement rental housing, both on-site and off-site in accordance with Sections I(D) and III(C) of the NOFA;

(c) Indicate whether you plan to use PATH technologies and Energy Star in the construction of replacement housing in accordance with Section III(C) of the NOFA;

(d) Market rate housing units (see Sections III(C));

(e) Units to be financed with low-income housing tax credits;

(f) Replacement homeownership assistance for displaced public housing residents or other public housing-eligible low-income families, in accordance with Sections I(D) and III(C) of the NOFA. Also describe any market-rate homeownership units planned, sources and uses of funds. Describe the relationship between the HOPE VI activities and costs and the development of homeownership units, both public housing and market rate. If you are selected for funding, you will be required to submit a Homeownership Proposal (homeownership term sheet);

(g) Rehabilitation or new construction of community facilities primarily intended to facilitate the delivery of community and supportive services for residents of the targeted development and residents of off-site replacement housing, in accordance with Sections I(D) and III(C). Describe the type and amount of such space and how the facilities will be used in CSS program delivery or other activities;

(h) Zoning, land acquisition, and infrastructure and site improvements. Note that HOPE VI grant funds may not be used to pay hard development costs or to buy equipment for retail or commercial facilities;

(3) **Hazard Reduction.** Review Sections I(D), III(C), and IV(E) of the NOFA. For units to be rehabilitated or demolished, describe the extent of any required abatement of environmentally hazardous materials such as asbestos.

(4) **Demolition.** Review Sections I(D) and III(C) of the NOFA. Describe your plans for demolition, including the buildings (dwelling and non-dwelling units) proposed to be demolished, the purpose of the demolition, and the use of the site after demolition. If the proposed demolition was previously approved as a section 18 demolition application, state the date the Section 18 demolition application was submitted to HUD and the date it was approved by HUD. Indicate whether you plan to implement the concept of Deconstruction, as described in Section III(C) of the NOFA.

(5) **Disposition.** Review Sections I(D) and III(C) of the NOFA. Describe the extent of any planned disposition of any portion of the site. Cite the number of units or acreage to be disposed, the method of disposition (sale, lease, trade), and the status of any disposition application made to HUD.

(6) **Site Improvements.** Review Sections I(D), III(C), and IV(E) of the NOFA. Describe any proposed on-site improvements, including infrastructure requirements, changes in streets, etc. Describe all public improvements needed to ensure the viability of the proposed project with a narrative description of the sources of funds available to carry out such improvements.

(7) **Site Conditions.** Review Sections I(D), III(C), and IV(E) of the NOFA. Describe the conditions of the site to be used for replacement housing. Listing all potential contamination or danger sources (e.g. smells, fire, heat, explosion and noise) that might be hazardous or cause discomfort to residents, PHA personnel, or construction workers. List potential danger sources, including commercial and industrial facilities, Brownfields and other sites with potentially contaminated soil, commercial airports and military airfields. Note any facilities and/or activities within one mile of the proposed site.

(8) **Separability.** Section III(C) of the NOFA. If applicable, address the separability of the revitalized building(s) within the targeted project. This is a threshold.

(9) **Proximity.** If applicable, describe how two contiguous projects meet the requirement of Section III(C) of the NOFA, or how scattered sites meet the requirements of Section III(C) of the NOFA,

b. **Exhibit B. Capacity.** Verify that you have included information relating to the following exhibits:

(1) *PHAS, Maintenance, and SEMAP.* Respond to the Rating Factors at

V(A)(1)(g), V(A)(1)(h), and V(A)(1)(i) of the NOFA.

(2) *Development Capacity of Developer.* Respond to Rating Factor V(A)(1)(a).

(3) *Development Capacity of Applicant.* Respond to Rating Factor V(A)(1)(b).

(4) *Capacity of Existing HOPE VI Revitalization grantees.* Respond to Rating Factor V(A)(1)(c) of the NOFA. This rating factor applies only to PHAs with existing HOPE VI Revitalization grants from fiscal years 1993–2003. Production achievement numbers will be taken from the HOPE VI Quarterly Progress Reports for the quarter ending March 31, 2006.

(5) *CSS Program Capacity.* Respond to Rating Factor V(A)(1)(d) of the NOFA.

(6) *Property Management Capacity.* Respond to Rating Factor V(A)(1)(e) of the NOFA.

(7) *PHA or MTW Plan.* Respond to Rating Factor V(A)(1)(f) of the NOFA.

c. **Exhibit C. Need.** Verify that you have included information relating to the following:

(1) *Need for Revitalization: Severe Physical Distress of the Public Housing Site.* Respond to Rating Factor V(A)(2)(a) of the NOFA.

(2) *Need for Revitalization: Impact of the Severely Distressed Site on the Surrounding Neighborhood.* Respond to Rating Factor V(A)(2)(b) of the NOFA.

(3) *Need for HOPE VI Funding (Obligation of Capital Funds).* Respond to Rating Factor V(A)(2)(c) of the NOFA.

(4) *Previously-Funded Sites.* Respond to Section III(C)(2) of the NOFA. This is a threshold requirement.

(5) *Need for Affordable, Accessible Housing in the Community.* Respond to Rating Factor V(A)(2)(d) of the NOFA.

d. **Exhibit D. Resident and Community Involvement.** Verify that you have included information relating to the following. Discuss your communications about your development plan and HUD communications with residents, community members, and other interested parties. Include the resident training attachment. Review program requirements in Section III and respond to Rating Factor V(A)(4).

e. **Exhibit E. Community and Supportive Services.** Respond to Section V(A)(5). Verify that you have included information relating to the following. *Endowment Trust.* If you plan to place CSS funds in an Endowment Trust, review Section III(C) and Section V(A)(5), and state the dollar amount and percentage of the entire grant that you plan to place in the Trust.

f. *Exhibit F. Relocation.* Verify that you have included information relating to the following:

(1) *Housing Choice Voucher Needs.* Review Section III(C) and V(A)(6) of the NOFA. State the number of Housing Choice Vouchers that will be required for relocation if this HOPE VI application is approved, both in total and the number needed for FY 2006. Indicate the number of units and the bedroom breakout. Applicants must prepare their housing choice voucher assistance applications for the targeted project in accordance with the requirements of Notice PIH 2005-15 (and any reinstatement of or successor to that Notice) and submit it in its entirety with the HOPE VI Revitalization Application (not just HUD form 52515). This application should be placed at the back of the application with the other Standard Forms and Certifications. HUD will process the housing choice voucher assistance applications for funded HOPE VI applicants.

(2) *Relocation Plan.* Review Sections III(C)(2) and III(C)(3) of the NOFA and respond to Rating Factor V(A)(6). For additional guidance on developing a relocation plan, refer to CPD Notice 04-02 ("Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, in HOPE VI Projects") or any successor notice.

g. *Exhibit G. Fair Housing and Equal Opportunity.* Verify that you have included information relating to the following:

(1) *Accessibility.* Respond to Rating Factor V(A)(7)(a)(1).

(2) *Universal Design.* Respond to Rating Factor V(A)(7)(a)(2).

(3) *Fair Housing.* Respond to Rating Factor V(A)(7)(b).

(4) *Section 3.* Respond to Rating Factor V(A)(7)(c).

h. *Exhibit H.* Verify that you have included information relating to the following:

(1) *Unit Mix and Need for Affordable Housing.* Respond to Rating Factor V(A)(8)(a);

(2) *Off-Site Housing.* Respond to Rating Factor V(A)(8)(b); and

(3) *Homeownership Housing.* Respond to Rating Factor V(A)(8)(c).

i. *Exhibit I.* Verify that you have included information relating to the following:

(1) *Appropriateness of Proposal.* Respond to the threshold requirement in Section III(C)(2).

(2) *Appropriateness and Feasibility of the Plan.* Respond to Rating Factor V(A)(9)(b);

(3) *Neighborhood Impact and Sustainability of the Plan.* Respond to Rating Factor V(A)(9)(c);

(4) *Project Readiness.* Respond to Rating Factor V(A)(9)(d) by completing the certification form provided;

(5) *Program Schedule.* Respond to Rating Factor V(A)(9)(e);

(6) *Design.* Describe the features of your proposed design and respond to Rating Factor V(A)(9)(f);

(7) *Energy Star.* Respond to Rating Factor V(A)(9)(g); and

(8) *Evaluation.* Respond to Rating Factor V(A)(9)(h).

j. *Attachments 1 through 7.* These attachments are required in all applications. See the instructions for filling out the HOPE VI Application Data Forms, Appendix 1, at the end of this NOFA.

k. *Attachment 8.* This attachment is required in all applications. In addition to the instructions included in the HOPE VI Budget form, general guidance on preparing a HOPE VI budget can be found on the Grant Administration page of the HOPE VI Web site, [http://www.hud.gov/offices/pih/programs/ph/ hope6/](http://www.hud.gov/offices/pih/programs/ph/hope6/).

l. *Attachment 9. Form HUD-52799, "TDC/Grant Limitations Worksheet".*

This attachment is required in all applications. The Excel workbook will assist you in determining your TDC limits required in Section IV.E..

m. *Attachment 10. Extraordinary Site Costs Certification.* This attachment is applicable only if you request funds to pay for extraordinary site costs, outside the TDC limits. See section IV.E.

n. *Attachment 11. City Map.* This attachment is required in all applications. Review Section III(C). Provide a to-scale city map that clearly identifies the following in the context of existing city streets, the central business district, other key city sites, and census tracts:

(a) the existing development;  
 (b) replacement neighborhoods, if available;  
 (c) off-site properties to be acquired, if any;

(d) the location of the Federally-designated Empowerment Zone or Enterprise Community (if applicable); and

(e) other useful information to place the project in the context of the city, county, or municipality and other revitalization activity underway or planned.

(2) If you request funds for more than one project or for scattered site housing, the map must clearly show that the application meets the NOFA's site and unit requirements. If you have received a waiver to the electronic submission

requirement, this map may be submitted on 8-1/2" by 14" paper.

o. *Attachment 12.* Assurances for a HOPE VI Application: for Developer, HOPE VI Revitalization Resident Training & Public Meeting Certification, Relocation Plan (whether relocation is completed or is yet to be completed). Please complete this assurance document. Do not sign; a signature is not required.

q. *Attachment 13.* Program Schedule. Review Rating Factor V.A.9.e.

r. *Attachment 14.* Certification of Severe Physical Distress. This attachment is required in all applications. In accordance with Sections I(C) and III(C)(2) and (3), an engineer or architect must complete Attachment 16. No backup documentation is required for this certification.

s. *Attachment 15.* Photographs of the Severely Distressed Housing. *Photographs of the Severely Distressed Housing.* This attachment is required in all applications. Review Rating Factor V(A)(2)(a).

Submit photographs of the targeted severely distressed public housing that illustrate the extent of physical distress.

t. *Attachment 16.* Neighborhood Conditions. This attachment is required in all applications. Submit documentation described in Rating Factor V(A)(2)(b). Documentation may include crime statistics, photographs or renderings, socio-economic data, trends in property values, evidence of property deterioration and abandonment, evidence of underutilization of surrounding properties, and other indications of neighborhood distress and/or disinvestment.

u. *Attachment 17.* Preliminary Market Assessment Letter, if relevant. This is applicable if you include market rate housing in your application, in accordance with Section V, Soundness of Approach.

v. *Attachment 18.* Documentation of Site Control for Off-Site Public Housing. This is applicable if your plan includes off-site housing or other development. If applicable, provide evidence of site control for rental replacement units or land, in accordance with Section III(C)(2). See Section IV(B) for documentation requirements.

w. *Attachments 19 through 22.* HOPE VI Revitalization Leverage Resources, form HUD-52797. *These attachments are included in form HUD 52797, "HOPE VI Revitalization Leverage Resources" and are required in all applications.*

(1) *Physical Development Resources.* In accordance with Rating Factor V(A)(3)(b), complete this Attachment

19, as provided in this application, by entering the dollar value of each resource that will be used for physical development. For each resource entered, you must submit backup documentation in Attachment 19. See Section III.C, Program Requirements, Program Requirements for Match and Leverage for resource and documentation requirements.

(2) *CSS Resources*. In accordance with Rating Factor V(A)(3)(c), complete this Attachment 20, as provided in this Application, by entering the dollar value of all resources that will be used for CSS activities. For each resource entered, submit backup documentation in Attachment 20. See Section III.C, Program Requirements, Program Requirements for Match and Leverage for resource and documentation requirements.

(3) *Anticipatory Resources*. Complete Attachment 21, as provided in this Application, by entering the dollar value of all anticipatory resources as described in Rating Factor V(A)(3)(d). For each resource entered, submit backup documentation in Attachment 21. See Section III.C, Program Requirements, Program Requirements for Match and Leverage for resource and documentation requirements.

(4) *Collateral Resources*. Complete Attachment 22, as provided in this Application, by entering the dollar value of all collateral resources as described in Rating Factor V(A)(3)(e). For each resource entered, submit backup documentation behind Attachment 22. See Section III.C, Program Requirements, Program Requirements for Match and Leverage for resource and documentation requirements.

x. *Attachment 23*. Documentation of Environmental, & Neighborhood Standards. This is applicable if your plan includes off-site housing or other off-site development. Provide a certification that the site(s) acquired for off-site public housing meet environmental and site and neighborhood standards, as provided in Section V(A)(8)(b)(2). This certification may be in the form of a letter.

y. *Attachment 24*. Land Use Certification or Documentation. Complete this certification in accordance with the land use threshold in Section III(C)(2). This attachment may be a certification or copies of the actual land use documentation. The certification may be in the form of a letter.

z. *Attachment 25*. Evaluation Commitment Letter(s). This attachment is required in all applications. Review Section V(A)(9)(h) and provide the

requested commitment letter(s) that addresses the indicated evaluation areas.

aa. *Attachment 26*. Current Site Plan. This attachment is required in all applications. The Site Plan shows the targeted public housing site's various buildings and identifies which buildings are to be rehabilitated, demolished, or disposed of. Demolished buildings should be shown and labeled as such.

bb. *Attachment 27*. Photographs of Architecture in the Surrounding Community. *Photographs of Architecture in the Surrounding Community*. This attachment is required in all applications. Provide photographs to demonstrate that your plan conforms to the Design requirements of Section III.C.3. and Rating Factor V(A)(9)(f).

cc. *Attachment 28*. Conceptual Site Plan. This attachment is required in all applications. *The Conceptual Site Plan* indicates where your plan's proposed construction and rehabilitation activities will take place and any planned acquisition of adjacent property and/or buildings. Review the design requirements of Section III.C.3. and Rating Factor V(A)(9)(f).

dd. *Attachment 29*. Conceptual Building Elevations. This attachment is required in all applications. Review the design requirements of Section III.C.3. and Rating Factor V(A)(9)(f). Include building elevation drawings for the various types of your proposed housing.

ee. *Attachment 30*. HOPE VI Revitalization Application Certifications. This attachment is required in all applications. This form is available from Grants.gov. Note that these certifications (4 page document) must be signed by the Chairman of the Board of the PHA, NOT the Executive Director.

ff. *Attachment 31*. HOPE VI Revitalization Project Readiness Certification, form HUD-52787. This attachment is required in all applications. Complete Attachment 31 by indicating which of the items in Rating Factor V(A)(9)(d) of the NOFA have been completed.

gg. *Attachment 32*. Standard Forms and Certifications.

a. Disclosure of Lobbying Activities (SF-LLL), if applicable;

b. Applicant/Recipient Disclosure/Update Report (HUD-2880);

c. Program Outcome Logic Model (HUD-96010);

d. America's Affordable Communities Initiative (HUD-27300), if applicable;

e. If applicable, Funding Application for Housing Choice Voucher Assistance prepared in accordance with Notice PIH 2005-15 (and any reinstatement of or successor to that Notice), including,

Section 8 Tenant-Based Assistance Rental Certificate Program, Rental Voucher Program, form HUD-52515. It is applicable only if you are requesting Housing Choice Vouchers that are related to your proposed plan. In preparing the request for vouchers, applicants must follow PIH Notice 2005-15 and any successor notices; and

f. Facsimile Transmittal (HUD-96011).

### C. *Deadline Dates and Times*

Applications submitted through Grants.gov must be received and validated by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date, July 10, 2006. *Important Submission Tip*: Please be aware that when submitting an application via Grants.gov, you will first receive a confirmation notice that Grants.gov received the application. The application will then go through a validation process. If the validation process finds problems with the application, it will be rejected and unavailable for retrieval by HUD.

The validation check ensures that:

1. The application is virus free;
2. The application meets the deadline requirements established for the funding opportunity;
3. The DUNS number submitted on the application matches the DUNS number in the registration, and that the Authorized Organization Representative has been authorized to submit the application for funding by the organization identified by its DUNS number; and
4. All the mandatory fields and forms were completed on the application.
5. Upload the application using Internet Explorer or Netscape browsers.

If the application fails any of these items on the validation check, the application will be rejected. The validation check occurs 24 to 48 hours after the application submission. Therefore, HUD recommends that all applicants submit their application no later than 48 to 72 hours before the deadline. That way, if the application fails the validation process, the applicant will receive an e-mail notification providing the error messages. By submitting 48 to 72 hours in advance of the deadline, applicants have time to cure deficiencies in their application and resubmit it in time to meet deadline requirements.

6. *Submission Date, Address, Delivery Requirements and Acceptance for Applicants that have Received Waivers that Allow Submission of a Paper Copy Application*. The following applies ONLY if you are granted a waiver to the

electronic application submission requirements.

a. *Method of Delivery.* Applicants granted a waiver to the electronic submission requirement must use the United States Postal Service (USPS) or overnight mail service (which provide written receipt of delivery date) to submit their applications to HUD. Hand-carried and courier delivered applications will not be accepted.

b. *Submission Date and Time.* Applications must be received by 4 p.m. on July 10, 2006. Applications will be considered late and ineligible to receive funding if not received on or before the application submission date and time, regardless of the postmark date.

c. *Address for Submitting Applications.* Send the original and one copy of your completed application to Ms. Dominique Blom, Acting Deputy Assistant Secretary for Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 4130, Washington, DC 20410-5000. Please make sure that you note the room number. The correct room number is very important in ensuring that your application is properly accepted and not misdirected.

d. *Form of Acceptance.* HUD will consider an application as being accepted when it is delivered to the Office of Public Housing Investments, Room 4130, HUD Headquarters, 451 Seventh Street, SW., Washington, DC 20410-5000. Upon delivery and acceptance, the Grant Administrator will manually add the application's PHA name, development name, time of receipt, and date of receipt to an application receipt log.

e. *Wrong Address.* Applications mailed to the wrong location or office designated for receipt of the application, which result in the designated office not receiving the application in accordance with the requirements for timely submission, will result in the application being considered late. Late applications will not receive funding consideration. HUD will not be responsible for directing packages to the appropriate office(s).

f. *Field Office Copy.* You must send one duplicate copy of your application to your HUD field office. The HUD field office copy of the application is due before 4 p.m. on the application submission date. If the HUD field office receives an application on time, but the application is not received on time at Headquarters, it will not be considered.

g. *No Facsimiles or Videos.* With the exception of third party documents submitted via electronic facsimile (See Section IV.F. of the General Section), HUD will not accept for review and

evaluation, or fund, any applications sent by facsimile (fax). However, facsimile corrections to technical deficiencies will be accepted, as described in Section V.B. of this NOFA. Also, videos submitted as part of an application will not be viewed.

h. *Proof of timely submission.* Proof of timely submission for all applications, regardless of whether they are delivered through USPS or overnight mail services shall be the date and time recorded by the Grant Administrator in the application receipt log.

i. *Acknowledgement of Application Receipt.* If you wish to receive acknowledgement of HUD's receipt of the application, the Acknowledgment of Application Receipt, form HUD-2993, should be included in the front of the application. After receipt, HUD will return the form to you.

D. *Intergovernmental Review.* Executive Order 12372, "Intergovernmental Review of Federal Programs," was issued to foster intergovernmental partnership and strengthen federalism by relying on state and local processes for the coordination and review of Federal financial assistance and direct Federal development. HUD implementing regulations are published at 24 CFR part 52. The order allows each state to designate an entity to perform a state review function. Applicants can find the official listing of State Points of Contact (SPOC) for this review process at <http://www.whitehouse.gov/omb/grants/spoc.html>. States not listed on the Web site have chosen not to participate in the intergovernmental review process and, therefore, do not have a SPOC. If your state has a SPOC, you should contact the SPOC to see if it is interested in reviewing your application before submission to HUD. Please make sure that you allow ample time for this review when developing and submitting your applications. If your state does not have a SPOC, you can submit your application directly to HUD using [Grants.gov](http://www.whitehouse.gov/omb/grants/spoc.html).

#### E. *Funding Restrictions.*

##### 1. *Statutory Time Limits*

a. *Required Obligation Date.* Funds appropriated for the HOPE VI program for FY2006 must be obligated on or before September 30, 2007. Any funds that are not obligated by that date will be recaptured by the Treasury, and thereafter will not be available for obligation for any purpose.

b. *Required Expenditure Date.* In accordance with 31 U.S.C. 1552, all FY 2006 HOPE VI funds must be expended by September 30, 2012. Any funds that are not expended by that date will be

placed in an expired account, and will be available only for the purposes of liquidating obligations properly chargeable to that account prior to its expiration and of making legitimate obligation adjustments.

##### 3. *Grant Amount Limitations.*

a. *Requested Amount.* See Section II of this NOFA for details.

##### 4. *Ineligible Activities.*

a. You may not use HOPE VI Revitalization grant funds to pay for any revitalization activities carried out on or before the date of the letter announcing the award of the HOPE VI Grant.

b. *Market-Rate Units.* HOPE VI funds may not be used to develop market-rate units or affordable housing units that do not qualify as public housing or homeownership replacement units.

c. *Retail or Commercial Development.* HOPE VI funds may not be used for hard construction costs related to, or for the purchase of equipment for, retail, commercial, or non-public housing office facilities.

##### 5. *Total Development Cost (TDC).*

a. The "TDC Limit" (24 CFR 941.306, Notice PIH 2005-26 (HA), or extending Notice) refers to the maximum amount of HUD funding that HUD will approve for development of specific public housing units in a given location. The TDC limit applies only to the costs of development of public housing that are paid directly with HUD public housing funds, including HOPE VI funds; a PHA may exceed the TDC limit using non-public housing funds such as CDBG, HOME, low-income housing tax credit equity, etc.

b. The HUD TDC Cost Tables are issued for each calendar year for the building type and bedroom distribution for the public housing replacement units. Use the TDC limits in effect at the time this HOPE VI NOFA is published when making your TDC calculations. TDC definitions and limits in the final rule are summarized as follows:

(1) The total cost of development, which includes relocation costs, is limited to the sum of:

(a) Up to 100 percent of HUD's published TDC limits for the costs of demolition and new construction, multiplied by the number of HOPE VI public housing replacement units; and  
(b) Ninety percent of the TDC limits, multiplied by the number of public housing units after substantial rehabilitation and reconfiguration.

(2) The TDC limit for a project is made up of the following components:

(a) Housing Cost Cap (HCC): HUD's published limit on the use of public housing funds for the cost of constructing the public housing units, which includes unit hard costs,

builder's overhead and profit, utilities from the street, finish landscaping, and a hard cost contingency. Estimates should take into consideration the Davis-Bacon wage rate and other requirements as described in "Labor Standards", Section III.C. of this NOFA.

(b) Community Renewal (CR): The balance of funds remaining within the project's TDC limit after the housing construction costs described in (a) above are subtracted from the TDC limit. This is the amount of public housing funds available to pay for PHA administration, planning, infrastructure and other site improvements, community and economic development facilities, acquisition, relocation, demolition, and remediation of units to be replaced on site, and all other development costs.

(3) CSS. You may request an amount not to exceed 15 percent of the total HOPE VI grant to pay the costs of CSS activities, as described in Section III.C. of this NOFA. These costs are in addition to, *i.e.*, excluded from, the TDC calculation above.

(4) Demolition and Site Remediation Costs of Unreplaced On-site Units. You may request an amount necessary for demolition and site remediation costs of units that will not be replaced on-site. This cost is in addition to (*i.e.*, excluded from) the TDC calculation above.

(5) Extraordinary Site Costs.

(a) You may request a reasonable amount to pay extraordinary site costs, which are construction costs related to unusual pre-existing site conditions that are incurred, or anticipated to be incurred. If such costs are significantly greater than those typically required for similar construction, are verified by an independent, certified engineer or architect (See Section IV.B. for documentation requirements.), and are approved by HUD, they may be excluded from the TDC calculation above. Extraordinary site costs may be incurred in the remediation and demolition of existing property, as well as in the development of new and rehabilitated units. Examples of such costs include, but are not limited to: abatement of extraordinary environmental site hazards; removal or replacement of extensive underground utility systems; extensive rock and soil removal and replacement; removal of hazardous underground tanks; work to address unusual site conditions such as slopes, terraces, water catchments, lakes, etc.; and work to address flood plain and other environmental remediation issues. Costs to abate asbestos and lead-based paint from structures are normal demolition costs. Extraordinary measures to remove lead-based paint that has leached into the

soil would constitute an extraordinary site cost.

(b) Extraordinary site costs must be justified and verified by a licensed engineer or architect who is not an employee of the housing authority or the city. The engineer or architect must provide his or her license number and state of registration. If this certification is not included in the application after the cure period described in Section IV.B.4. of the General Section, extraordinary site costs will not be allowed in the award amount. In this case, the amount of the extraordinary site costs included in the application will be subtracted from the grant amount.

#### 6. Cost Control Standards.

a. Your projected hard development costs must be realistic, developed through the use of technically competent methodologies, including cost estimating services, and comparable to industry standards for the kind of construction to be performed in the proposed geographic area.

b. Your cost estimates must represent an economically viable preliminary plan for designing, planning, and carrying out your proposed activities in accordance with local costs of labor, materials, and services.

c. Your projected soft costs must be reasonable and comparable to industry standards. Upon award, soft costs will be subject to HUD's "Safe Harbor" cost control standards. For rental units, these safe harbors provide specific limitations on such costs as developer's fees (between 9 and 12 percent), PHA administration/consultant cost (no more than 3 to 6 percent of the total project budget), contractor's fee (6 percent), overhead (2 percent), and general conditions (6 percent). HUD's Cost Control and Safe Harbor Standards can be found on HUD's HOPE VI Web site.

d. If you are eligible for funding, HUD will delete any unallowable items from your budget and may reduce your grant accordingly.

7. *Withdrawal of Grant Amounts.* In accordance with section 24(i) of the 1937 Act, if a grantee does not proceed within a reasonable timeframe, as described in Section VI.B.2. of this NOFA, HUD shall withdraw any unobligated grant amounts. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for HOPE VI assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Revitalization plan of the original grantee.

#### F. Other Submission Requirements

*Application Submission and Receipt Procedures.* This section provides the application submission and receipt instructions for HUD program applications. Please read the following instructions carefully and completely, as failure to comply with these procedures may disqualify your application.

1. *Electronic Submission of Applications.* Applicants must submit their applications electronically through *Grants.gov*. HUD described the *Grants.gov* registration process in its Early *Grants.gov* Registration notice published in the **Federal Register** on December 9, 2005 (70 FR 73332), and in other information available at <http://www.grants.gov/GetStarted>. The site provides registration checklists that applicants are advised to use, to ensure that they have all the information they need to complete all the steps in the registration process. Past applicants have found that the checklists made their registration easier and faster.

There are five sequential steps required for an applicant to complete the *Grants.gov* registration process:

a. *Step one* is to call Dun and Bradstreet and request a Dun and Bradstreet Universal Data Numbering System (DUNS) number for the organization (if it does not already have one), as described above. The DUNS number is used by the Federal government to identify the organization. Organizations should be able to obtain a DUNS number on the same date they contact Dun and Bradstreet by phone (866) 705-5711 (this is a toll-free number).

b. *Step two* is to register with the Central Contractor Registry (CCR) either toll-free by telephone ((888) 227-2423) or by going online at <http://www.ccr.gov>. When an organization registers with the CCR, the organization will be required to designate an E-Business Point of Contact (E-Business POC). The E-Business POC will designate a special password called an "M-PIN." The password gives the E-Business POC sole authority to designate which staff member(s) from the organization will be allowed to submit applications electronically on its behalf. Staff members that are designated by the organization's E-Business POC to submit applications on its behalf are called Authorized Organization Representatives (AORs). Registering with the CCR is required for an organization to be able to use *Grants.gov*. It takes 1 to 3 days to complete this process because security

information has to be sent to the organization.

Note that CCR registration expires on an annual basis and, therefore, it must be updated to remain active. The CCR will send the E-Business POC an e-mail message 30 days before the expiration date of their current registration. If the E-Business POC does not update the CCR registration by the expiration date, the CCR will send the organization a letter notifying it that its account has been deactivated.

c. *Step three* requires that AORs from the organization register with the Credential Provider to obtain their username and password, via the Web site, <https://apply.grants.gov/OrcRegister>. The AOR usernames and passwords serve as "electronic signatures" when an AOR submits an application via *Grants.gov* on behalf of an organization. AORs must wait until after their organization has received registration confirmation from the CCR before they can obtain their user names and passwords. AORs designate their user name and password when registering with a credential provider. AORs will receive validation of their user names and passwords on the same day that they submit the information online.

d. *Step four* requires the AORs to register with *Grants.gov*. AORs must register with *Grants.gov* to obtain an account at the Web site, <https://apply.grants.gov/GrantsgovRegister>. AOR registration with *Grants.gov* allows AORs to submit applications on behalf of the organization and to track the status of submitted applications.

e. *Step five* requires the E-Business POC to approve the designated AORs. When an AOR registers with *Grants.gov* (step 4), the E-Business POC will receive an e-mail notification. The E-Business POC must subsequently log into *Grants.gov* (using the organization's DUNS number as the user name and the M-PIN as the password) and approve the AOR(s), thereby giving each approved AOR permission to electronically submit applications on behalf of the organization using *Grants.gov*. Only the organization's E-Business POC can approve AORs. After the E-Business POC approves an AOR, *Grants.gov* will send the AOR confirmation of the approval via e-mail. See HUD's Notice on Early Registration for complete details of the registration process and steps.

#### 2. *Important Registration Tips.*

a. The registration process is distinct from application submission and encompasses five-steps that can take approximately 10 business days to complete. Therefore, applicants must

allow sufficient time to complete their registration prior to submitting their application. Applicants can submit their application to *Grants.gov* once they are fully registered. Please note that the Internal Revenue Service takes approximately 5 weeks to provide a new organization with a Tax Identification Number (TIN) or Employer Identification Number (EIN). You will need a TIN or EIN to register in the CCR. Please allow sufficient time to obtain the TIN or EIN if you currently do not have one for your organization, as you will need the number to complete the registration process in CCR.

b. Applicants must remember the password and ID they are provided during the registration process. Passwords and IDs are case sensitive. Forgetting your password or ID could delay the timely submission of your application.

c. Applicants must register and the E-Business Point of Contact must authorize the individual(s) who will be submitting the application on behalf of the organization. By authorizing the person to submit on behalf of the organization, the organization is stating that the person can make a legally binding commitment for the organization.

3. *Instructions on How To Submit an Electronic Application to HUD via www.grants.gov/Apply.*

a. *Complete Application Package.* *Grants.gov* has a full set of instructions on how to complete a grant application on its Web site at <http://www.grants.gov/CompleteApplication>. Applicants are encouraged to read the "Complete Application Package" Web site. The site contains a multimedia demonstration that guides applicants through the process of completing an application package. The training demonstration is also available in text format on the Web site. *Grants.gov* allows applicants to download the application package, application instructions, and forms incorporated in the instructions and work off-line. In addition to forms that are part of the application instructions downloaded from *Grants.gov*, there are a series of electronic forms that use a PureEdge™ Reader. The PureEdge™ Reader is available free for download from Step 2 of [www.grants.gov/GetStarted](http://www.grants.gov/GetStarted).

*Grants.gov* has an updated version of the PureEdge Viewer (version 6.2). If applicants have not upgraded their version of the PureEdge viewer, they must do so before downloading the application package. The PureEdge™ Reader allows applicants to read the electronic files in a form format so that they will look like any other Standard

or HUD form. The PureEdge™ forms have content-sensitive help. To use this feature, click on the icon that features an arrow with a question mark at the top of the page. This engages the content-sensitive help for each field on the electronic form. The PureEdge™ forms can be downloaded and saved on your hard drive, network drive(s), or CDs. Because of the size of the application, HUD recommends downloading the application to your computer hard drive.

Please review Section IV. to ensure that your application contains all the required materials.

MacIntosh users will need to use the Virtual PC emulator software, which allows PC software to run on MacIntosh platforms. More information on PureEdge™ Support for MacIntosh Users is available at <http://www.grants.gov/CompleteApplication#>, located under the topic Tips and Tools. *Grants.gov* is in the process of upgrading its system to allow MacIntosh users to be able to view PureEdge forms. The new feature will be issued shortly. Please check the *Grants.gov* Web site for the announcement of this additional feature.

b. *Mandatory Fields on PureEdge™ Forms.* In the PureEdge™ forms, you will find fields with a yellow background. These data fields are mandatory and must be completed.

c. *Completion of SF-424 Fields First.* The PureEdge™ forms are designed to automatically populate common data such as the applicant name and address, DUNS number, etc., on all PureEdge™ electronic forms. In order to trigger this function, the Standard Form 424 (SF-424) must be completed first. Once applicants complete the SF-424, the information entered will transfer to the other forms.

d. *Submission of Narrative Statements, Third Party Letters, and Certifications.* In addition to forms, many of the NOFAs require the submission of other documentation, such as third party letters, certifications, or program narrative statements. This section discusses how you should submit this additional information electronically as part of your application:

(1) *Narrative Statements to the Factors for Award.* Narrative statements must be submitted as an electronic file in Microsoft Word (version 9 or earlier), Microsoft Excel 2000, or in Portable Document Format (PDF) that is compatible with Adobe™ Reader version 6.0 or earlier. Applicants should also follow the directions provided above in Section IV. regarding narratives. If HUD receives a file in a

format other than those specified, HUD will not be able to read the file, and it will not be reviewed. Each response to a Factor for Award should be clearly identified and can be incorporated into a single attachment or all attachments zipped together into a single attached file. Please carefully review the NOFA requirements for submission format in section IV.B. Documents that applicants possess in electronic format, e.g., narratives they have written, or graphic images (such as Computer Aided Design (CAD) files from an architect), must be attached using the "Attachments" form included in the application package downloaded from *Grants.gov*. In order to reduce the size of its attachments, applicants can compress all or several files using a ZIP utility. Applicants can then attach the zipped file as described above.

(2) *Third Party Letters, Certifications Requiring Signatures, and Other Documentation.* Applicants required to submit third party documentation (e.g., establishing matching or leveraged fund, documentation of 501(c)(3) status or incorporation papers, documents that support the need for the program, memoranda of understanding (MOUs), or program required documentation that supports your organization's claims regarding work that has been done to remove regulatory barriers to affordable housing) can choose from the following two options, as a way to provide HUD with the documentation:

(a) *Scanning Documents to Create Electronic Files.* Scanning documents increases the size of files. Applicants may not submit scanned files unless the facsimile solution described below will not work due to the nature of the document. Electronic files must be labeled so that the recipient at HUD will know what the file contains. See Section IV for instructions on how to name the files applicants must submit.

(b) *Faxing Required Documentation.* Applicants may submit the required documentation to HUD by facsimile. Applicants may only use the fax method to submit attachments that are part of their electronic applications. HUD will not accept entire applications by fax. HUD will disqualify applications submitted entirely by fax.

Facsimiles submitted in response to a NOFA must use the form HUD-96011. The transmittal form to be downloaded with the application can be found on *Grants.gov*. The transmittal form found in the downloaded application contains a unique identifier that allows HUD to match an applicant's application submitted via *Grants.gov* with faxes coming from a variety of sources. Therefore, for HUD to correctly match a

fax to a particular application, the applicant must use and require third parties that fax documentation on its behalf to use the form HUD-96011 as the cover page of the facsimile. Using the form HUD-96011 will ensure that HUD can electronically read faxes submitted by and on behalf of an applicant and match them to the applicant's application package received via *Grants.gov*.

When you download an application package from *Grants.gov*, be sure to save it to your hard drive, complete the SF-424, and then provide copies of the form HUD-96011 facsimile transmittal cover page to third parties that will submit information in support of your application. Do not download the same application package from *Grants.gov* more than once. Each time the application package is downloaded, the forms are given a unique ID number. To ensure that all the forms in your package contain the same unique ID number, after downloading your application complete the SF-424, save the forms to your hard drive, and use the saved forms to create your application. If you have to provide a copy of the form HUD-96011 to another party that will be responsible for faxing an item as part of your application, make a copy of the facsimile transmittal cover page from your downloaded application and provide that copy to the third party for use with the fax transmission. Please instruct third parties to use the form HUD-96011 that you have provided as a cover page when they submit information supporting your application using the facsimile method, because it contains the embedded ID number that is unique to your application submission. Applicants must fax their information, and third parties must fax information in support of an applicant's application, using the HUD-96011 facsimile transmittal cover page, to the following fax number: (800) HUD-1010. If you cannot access this 800 number or have problems, you may use (215) 825-8798 (this is not a toll-free number). Failure to use the form HUD-96011 as the cover page will create a problem in electronically matching your faxes to the application. If HUD is unable to match the faxes electronically due to an applicant's failure to follow these directions, HUD will not hand-match faxes to applications and not consider the faxed information in rating the application.

In addition, applicants must fax individual documents as separate submissions to avoid fax transmission problems. When faxing several documents, applicants must use the

form HUD-96011 as the cover page for each document (e.g., Letter of Matching or Leveraging funds, Memorandum of Understanding, Certification of Consistency with the Consolidated Plan, etc.) Please be aware that faxing large documents at one time may result in transmission failures. Be sure to check the record of your transmission issued by the fax machine to ensure that your fax submission was completed "OK." For large or long documents, HUD suggests that you divide the document into smaller sections for faxing purposes. Each time you fax a document that you have divided into smaller sections, you should indicate on the cover sheet the section number of the total number of sections that you submitted (e.g., "Part 1 of 4 parts" or "pages 1-10 of 20 pages").

Your facsimile machine should provide you with a record of whether HUD received your transmission. If you get a negative response or a transmission error, you should resubmit the document until you confirm that HUD has received your transmission. HUD will not acknowledge that it received a fax successfully. When HUD receives a fax electronically, HUD will electronically read it with an optical character reader and attach it to the application submitted through *Grants.gov*. Applicants and third parties submitting information in support of the applicant's application may submit information by facsimile transmissions at any time before the application deadline date. Applicants must ensure that the form HUD-96011 used to fax information matches their electronic application (i.e., is part of the application package downloaded from *Grants.gov*). All faxed materials must be received no later than 11:59:59 p.m. eastern time on the application deadline date. HUD will store the information and match it to the electronic application when HUD receives it from *Grants.gov*.

*Facsimile Transmission Tip:* Be sure to save your receipt of successful facsimile transmission as proof that the document was timely submitted to HUD. In cases where receipt may be in question, the transmittal receipt is your proof of timely receipt and successful submission.

(c) *Submissions Using Other File Formats.* If you are required to submit files in other formats such as CAD files of architectural drawings and blueprints, or pictures, you must attach these as electronic files in PDF format that is compatible with Adobe™ Reader version 6.0 or earlier. The files should be part of the zipped folder that is

attached and submitted with your application transmission.

e. *Customer Support.* The *Grants.gov* Web site provides customer support via (800) 518-GRANTS (this is a toll-free number) or via e-mail at *support@grants.gov*. The customer support center is open from 7 a.m. to 9 p.m. eastern time, Monday through Friday, except Federal holidays, to address *Grants.gov* technology issues. For technical assistance to program-related questions, contact the number listed in Section VII Agency Contact.

4. *Timely Receipt Requirements and Proof of Timely Submission.*

a. *Electronic Submission.*

(1) All applications must be received and validated by *Grants.gov* by 11:59:59 p.m. eastern time on the application deadline date. If the application is not validated before the deadline date, it will not be considered as meeting the deadline requirements.

*Important Submission Tip:* Upon successful submission, an applicant will receive an e-mail notification confirming receipt and indicating the application is being validated and that the validation process will be completed in approximately 24 to 48 hours. If the application does not pass the validation check, it will be rejected and the applicant notified of the reason for the rejected application. Applicants should therefore not assume because *Grants.gov* received an application, that they have successfully submitted the application until they receive the validation notice. If a rejection notice is received, the applicant should review the reasons for rejection and, if time permits, correct the error(s) and resubmit the application in time to meet the deadline requirements.

(2) Proof of timely submission and validation is automatically recorded by *Grants.gov*. An electronic time stamp is generated within the system when the application has been successfully received and validated.

(3) An applicant will receive an acknowledgement of receipt and a tracking number from *Grants.gov* with the successful transmission of its application followed by the validation receipt. When the validated application is transmitted from *Grants.gov* to HUD, the applicant will receive an e-mail notification that the application was received by the funding agency. Applicants should print and file these receipts along with facsimile receipts for information provided by facsimile, as proof of timely submission. Applicants will be considered as meeting the deadline date requirements when *Grants.gov* has received and validated your application no later than the

deadline date and time, and all fax transmissions have been received by the deadline date and time.

(4) Applications validated by *Grants.gov* after the established deadline date and time for the program will be considered late. HUD will not consider any late application submissions. Similarly, HUD will not consider information submitted by facsimile as part of the application if received by HUD after the established deadline date and time. Please take into account the transmission time required for submitting your application via the Internet and the time required to fax any related documents. HUD suggests that applicants submit their applications during the operating hours of the *Grants.gov* Support Desk so that, if there are questions concerning transmission, operators will be available to assist you through the process. Submitting your application during the Support Desk hours will also ensure that you have sufficient time for the application to complete its transmission before the application deadline.

(5) Applicants using dial-up connections should be aware that transmitting your application takes extra time before *Grants.gov* receives it. *Grants.gov* will provide either an error or a successfully received transmission message. The *Grants.gov* Support Desk reports that some applicants abort the transmission because they think that nothing is occurring during the transmission process. Please be patient and give the system time to process the application. Uploading and transmitting a large file, particularly electronic forms with associated eXtensible mark-up language (XML) schema, will take considerable time to process and be received by *Grants.gov*.

*Important Submission Tip.* When submitting an application electronically, applicants should take the following steps to speed up the transmission process:

- Close all other applications running on the computer used for the upload;
- Save the completed application to the desktop, checking to make sure that the file that you intend to submit is the complete and final version of your application;
- Open and view all attachment files to make sure they are the final versions of the attachments that you plan to submit. Check your system to make sure other versions are not still saved and delete old versions so you do not submit the wrong attachments in the application submission;
- Check the application for errors using the check application for errors button contained in the *Grants.gov*

application; if errors are found, follow each error message and correct the error;

- Submit your application using Internet Explorer or Netscape browsers. *Grants.gov* has been tested using these browsers, and HUD has found easier transmission with these browsers than others;

- Transmission, even for very large applications, should be completed in a few minutes. Transmission should not take longer than an hour. If transmission takes longer, close down the application, and contact the *Grants.gov* help line, retaining the help desk ticket number for future reference. You may also use the submit tips available on the *Grants.gov* Web site;

- Submit the application to *Grants.gov* 48 to 72 hours in advance of the deadline to provide sufficient time to correct any validation errors noted and address any registration issues;

- If validation errors are reported, correct the validation errors and resubmit the application if it is prior to the deadline date; late applications will not be accepted by *Grants.gov*;

- If you are not sure what to do, call the *Grants.gov* help desk and retain the ticket number for future reference.

- Do not attempt to submit electronically if the computer you are using does not meet the minimum requirements for electronic submission. These requirements are listed on the *Grants.gov* Web site, as well as HUD's Web site;

- If you get an "MEC" error message, it is a Microsoft Configuration Error. Contact your software provider or your computer/information technology support desk to help you configure your system for the size files you are trying to upload. This is not a *Grants.gov* system issue, but rather an issue with your computer configuration.

b. Late applications, whether received electronically or in hard copy, will not receive funding consideration. HUD will not be responsible for directing or forwarding applications to the appropriate location. Applicants should pay close attention to these submission and timely receipt instructions, as they can make a difference in whether HUD will accept your application for funding consideration.

5. *Waiver of Electronic Submission Requirements.* For FY2006, the procedures for obtaining a waiver of the electronic submission requirement have changed. On December 29, 2005 (70 FR 77292), HUD published a final rule that established in 24 CFR 5.1005 the regulatory framework for HUD's electronic submission requirement, as well as the procedures for obtaining a waiver. Applicants seeking a waiver of

the electronic submission requirement must request a waiver in accordance with 24 CFR 5.1005. If the waiver is granted, the program office's response will include instructions on how, where, and how many hard copies of the paper application must be submitted. Applicants that are granted a waiver of the electronic submission requirement will not be afforded additional time to submit their applications. The deadlines for applications will remain as provided in this NOFA. As a result, applicants seeking a waiver of the electronic application submission requirement should submit their waiver request with sufficient time to allow HUD to process and respond to the request. Applicants should also allow themselves sufficient time to submit their application so that HUD receives the application by the established deadline date. For this reason, HUD strongly recommends that an applicant that finds it is unable to submit its application electronically and must seek a waiver of the electronic grant submission requirement, submit its waiver request to the headquarters of the applicable HUD office no later than 30 days before the application deadline date. This will allow time for HUD to process the waiver request and give the applicant sufficient time to submit the paper application to meet the deadline date requirement if the waiver is granted. To expedite the receipt and review of such requests, applicants may email their requests to the program contact listed in the NOFA. Applications that are received after the established deadline date will not be considered.

**V. Application Review Information**

**A. Criteria**

**1. Rating Factor: Capacity—23 Points Total**

**a. Capacity of the Development Team—5 points.** Address this Rating Factor through your narrative. This rating factor looks at the capacity of the development team as a whole. The term "your Team" includes PHA staff who will be involved in HOPE VI grant administration, and any alternative management entity that will manage the revitalization process, be responsible for meeting construction time tables, and obligating amounts in a timely manner. This includes any developer partners, program managers, property managers, subcontractors, consultants, attorneys, financial consultants, and other entities or individuals identified and proposed to carry out program activities.

(1) You will receive up to 5 points if your application demonstrates that:

(a) Your developer or other team members have extensive, recent (within the last five years), and successful experience in the redevelopment of public housing, including planning, implementing, and managing physical development, financing, leveraging, and partnership activities;

(b) Your developer or other team members have extensive, recent (within the last five years), and successful experience in mixed finance and mixed income development, including planning, implementing, and managing physical development, financing, leveraging, and partnership activities;

(c) You propose development using low-income tax credits, and your developer or other team members have relevant tax credit experience; and

(d) If homeownership, rent-to-own, cooperative ownership, or other major development components are proposed, your developer or other team member has relevant, successful experience in development, sales, or conversion activities.

(2) You will receive up to 3 points if your developer or other team members have some but not extensive experience in the factors described above.

(3) You will receive zero points if your developer or other team members do not have the experience described above and the application does not demonstrate that it has the capacity to carry out your Revitalization plan. You will also receive 0 points if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

**b. Development Capacity of Applicant—5 points.** Address this Rating Factor through your narrative. This rating factor looks at the development capacity of ONLY the applicant (not other members of the development team).

(1) You will receive up to 5 points if your application demonstrates that:

(a) Separate from your team, you have extensive, recent (within the last five years), and successful experience in the redevelopment of public housing, including planning, implementing, and managing physical development, financing, leveraging, and partnership activities;

(a) Separate from your team, you have extensive, recent (within the last five years), and successful experience in mixed finance and mixed income development, including planning, implementing, and managing physical development, financing, leveraging, and partnership activities;

(c) As relevant, you have identified potential gaps in your current staffing in relation to development activities, and

you have plans to fill such gaps, internally or externally, in a timely manner in order to implement successfully your Revitalization plan;

(d) You have demonstrated that physical development activities will proceed as promptly as possible following grant award, and you will be able to begin significant construction within 18 months of the award of the grant. Applicants must provide a program schedule, developed in accordance with the timeframes in Section III.C. (Timeliness of Development) and V.A, in order to demonstrate this criterion.

(1) You will receive up to 3 points if you have some but not extensive experience in the factors described above.

(2) You will receive zero points if you do not have the experience described and the application does not demonstrate that it has the capacity to carry out your Revitalization plan. You will also receive 0 points if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

**c. Capacity of Existing HOPE VI Revitalization grantees.** HUD will use data from the Quarterly Reports to evaluate this Rating Factor.

(1) This section applies only to applicants that have received HOPE VI Revitalization grants for fiscal years 1993–2003. If an applicant has more than one HOPE VI Revitalization grant, each will be rated separately, not averaged, and the highest deduction will be made. Applicants with HOPE VI Revitalization grants only from FY2004 or FY2005, or no existing HOPE VI Revitalization grants are not subject to this section.

(2) As indicated in the following tables, up to 5 points will be deducted if a grantee has failed to achieve adequate progress in relation to cumulative public housing rental unit production. Production achievement numbers will be taken from the quarterly reporting system for the quarter most recently completed at the time the NOFA is published in the **Federal Register** (March 31, 2006).

Percent of public housing unit production completed	Points deducted
<b>Grants Awarded in FY1993–1999</b>	
Less than 100 .....	5
<b>Grants Awarded in FY2000</b>	
90–100 .....	0
80–89 .....	1
75–79 .....	2
70–74 .....	3

Percent of public housing unit production completed	Points deducted
65–69 .....	4
Less than 65 .....	5
<b>Grants Awarded in FY2001</b>	
80–100 .....	0
70–79 .....	1
60–69 .....	2
50–59 .....	3
40–49 .....	4
Less than 40 .....	5
<b>Grants Awarded in FY2002</b>	
60–100 .....	0
50–59 .....	1
40–49 .....	2
30–39 .....	3
20–29 .....	4
Less than 20 .....	5
<b>Grants Awarded in FY2003</b>	
25–100 .....	0
20–24 .....	1
15–19 .....	2
10–14 .....	3
5–9 .....	4
Less than 5 .....	5

d. *CSS Program Capacity*—3 points. See Sections I. and III. of this NOFA for detailed information on CSS activities. Address this Rating Factor through your narrative.

(1) You will receive 2 points if your application demonstrates one of the following. If you fail to demonstrate one of the following, you will receive 0 points:

(a) If you propose to carry out your CSS plan in-house and you have recent, quantifiable, successful experience in planning, implementing, and managing the types of CSS activities proposed in your application, or

(b) If you propose that a member(s) of your team will carry out your CSS plan, that this procured team member(s) has the qualifications and demonstrated experience to plan, implement, manage, and coordinate the types of activities proposed, and that you have the capacity to manage that team member, including a plan for promptly hiring staff or procuring this team member.

(2) You will receive 1 point if your application demonstrates that:

(a) You have an existing HOPE VI grant and your current CSS team will be adequate to implement a new program, including new or changing programs, without weakening your existing team.

(b) You do not have an existing HOPE VI Revitalization grant and you demonstrate how your proposed CSS team will be adequate to implement a new program, including new or changing services, without weakening your existing staffing structure.

e. *Property Management Capacity*—3 points. Address this Rating Factor through your narrative.

(1) Property management activities may be the responsibility of the PHA or another member of the team, which may include a separate entity that you have procured or will procure to carry out property management activities. In your application you will describe the number of units and the condition of the units currently managed by you or your property manager, your annual budget for those activities, and any awards or recognition that you or your property manager have received.

(2) Past Property Management Experience—2 points.

(a) You will receive 2 points if your application demonstrates that you or your property manager currently have extensive knowledge and recent (within the last five years), successful experience in property management of the housing types included in your revitalization plan. This may include market-rate rental housing, public housing, and other affordable housing, including rental units developed with low-income housing tax credit assistance. If your Revitalization plan includes cooperatively-owned housing, rent-to-own units, or other types of managed housing, in order to receive the points for this factor, you must demonstrate recent, successful experience in the management of such housing by the relevant member(s) of your team.

(b) You will receive 1 point if your application demonstrates that you or your property manager has some but not extensive experience of the kind required for your Revitalization plan.

(c) You will receive 0 points if your application does not demonstrate that you or your property manager have the experience to manage your proposed plan, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

(3) Property Management Plan—1 point.

(a) You will receive 1 point if your application describes how you or your property manager will administer the following elements of a property management plan:

- (i) Property maintenance.
- (ii) Rent collection.
- (iii) PIC 50058 reporting.
- (iv) Site-based management experience.
- (v) Tenant grievances.
- (vi) Evictions.
- (vii) Occupancy rate.
- (viii) Unit turnaround.
- (ix) Preventive maintenance.

- (x) Work order completion.
- (xi) Project-based budgeting.
- (xii) Management of Homeownership and rent-to-own programs.
- (xiii) Energy Audits.
- (xiv) Utility/Energy Incentives.

(b) You will receive 0 points if your application does not describe how you or your property manager will administer all the elements of a property management plan listed above, or if there is not sufficient information provided to evaluate this factor.

f. *PHA or MTW Plan*—1 point.

(1) You will receive 1 point if your application demonstrates that you have incorporated the revitalization plan described in your application into your most recent PHA plan or MTW Annual plan (whether approved by HUD or pending approval). In order to qualify as "incorporated" under this factor, your PHA or MTW plan must indicate the intent to pursue a HOPE VI Revitalization grant and the public housing development for which it is targeted.

(2) You will receive 0 points if you have not incorporated the revitalization plan described in your application into your PHA or MTW plan, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

g. *Public Housing Assessment System (PHAS)*—2 points.

(1) If you have been rated as an Overall High Performer for your most recent PHAS review as of the application submission date, you will receive 2 points.

(2) If you have been rated as an Overall Standard Performer for your most recent PHAS review as of the application submission date, you will receive 1 point.

(3) If you have been rated as a Troubled Performer that is either Troubled in One Area or Overall Troubled as of the application submission date, you will receive 0 points.

(4) For this rating factor, MTW PHA applicants will be rated on their compliance with their MTW Agreements.

(a) If you are in compliance with your MTW Agreement, you will receive 2 points.

(b) If you are not in compliance with your MTW Agreement, you will receive zero points.

h. *Regular Maintenance*—2 points.

(1) Through PHAS, HUD measures the prevalence of items that need to be fixed (defects) in PHAs' public housing developments. PHAs receive a report entitled "Comparison of the Top 20 Observed Defects (Projected)." HUD

conducts analyses related to this report. In these analyses, HUD separates the regular maintenance projected defects from the total projected defects (other categories of defects include capital and life threatening/exigent health and safety), applies them across all units in the PHA's inventory and develops a rate of defects per unit. HUD will compare the PHA's most recent PHAS projected number of regular maintenance defects per unit and compare it to the previous projected number of regular maintenance defects per unit. (a) You will receive 2 points if your projected number of regular maintenance defects per unit has improved. (b) You will receive 0 points if your projected number of regular maintenance defects per unit have not improved.

(2) MTW PHA. For this rating factor, MTW PHA applicants will be rated on their compliance with their MTW Agreements.

(a) If you are in compliance with your MTW Agreement, you will receive 2 points.

(b) If you are not in compliance with your MTW Agreement, you will receive zero points.

i. *Section 8 Management Assessment Program (SEMAP)*—2 points

(1) If you have been rated as a High Performer for your most recent SEMAP rating as of the application submission date, you will receive 2 points.

(2) If you have been rated as Standard for your most recent SEMAP rating as of the application submission date, you will receive 1 point.

(3) If you have been rated as Troubled for your most recent SEMAP rating as of the application submission date, you will receive zero points.

(4) For this rating factor, MTW PHA applicants will be rated on their compliance with their MTW Agreements.

(a) If you are in compliance with your MTW Agreement, you will receive 2 points.

(b) If you are not in compliance with your MTW Agreement, you will receive zero points.

2. Rating Factor: Need—20 Points Total

a. *Severe Physical Distress of the Public Housing Development*—10 Points.

(1) HUD will evaluate the extent of the severe physical distress of the targeted public housing development. If the targeted units have already been demolished, HUD will evaluate your description of the extent of the severe physical distress of the site as of the day the demolition application was approved by HUD. You will receive

points for the following separate subfactors, as indicated.

(a) You will receive up to 3 points if your application demonstrates that there are major deficiencies in the project's infrastructure, including roofs, electrical, plumbing, heating and cooling, mechanical systems, settlement, and other deficiencies in Housing Quality Standards.

(b) You will receive up to 3 points if your application demonstrates that there are major deficiencies in the project site, including poor soil conditions, inadequate drainage, deteriorated laterals and sewers, and inappropriate topography.

(c) You will receive up to 4 points if your application demonstrates that there are major design deficiencies, including: Inappropriately high population density, room, and unit size and configurations; Isolation; Indefensible space; Significant utility expenses caused by energy conservation deficiencies that may be documented by an energy audit; and Inaccessibility for persons with disabilities with regard to individual units (less than 5 percent of the units are accessible), entranceways, and common areas.

b. *Impact of the Severely Distressed Site on the Surrounding Neighborhood*—3 Points.

(1) HUD will evaluate the extent to which the severely distressed public housing project is a significant contributing factor to the physical decline of, and disinvestment by, public and private entities in the surrounding neighborhood. In making this determination, HUD will evaluate your narrative, crime statistics, photographs or renderings, socio-economic data, trends in property values, evidence of property deterioration and abandonment, evidence of underutilization of surrounding properties, and indications of neighborhood disinvestment.

(2) You will receive up to 3 Points if your application demonstrates that the project has a significant impact on the surrounding neighborhood, as documented by each item listed above.

(3) You will receive up to 2 Points if your application demonstrates that the project has a moderate impact on the neighborhood, and only some of the items listed above are adequately documented.

(4) You will receive 0 Points if your application does not demonstrate that the project has an impact on the surrounding neighborhood, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

c. *Need for HOPE VI Funding*—4 Points.

(1) HUD will evaluate the extent to which you could undertake the proposed revitalization activities without a HOPE VI grant. Large amounts of available FY 2001–2005 Capital Funds (including Comprehensive Improvement Assistance Program (CIAP) and Comprehensive Grant Program (CGP) but not Replacement Housing Factor funds (RHF) for purposes of this NOFA) indicate that the revitalization could be carried out without a HOPE VI grant. Available Capital Funds are defined as non-obligated funds that have not been earmarked for other purposes in your PHA Plan. Funds earmarked in the PHA Plan for uses other than the revitalization proposed in this application will not be considered as available. Based on the above definition, to determine the amount of available FY 2001–2005 Capital Funds, applicants must indicate in their application the amount in the narrative of their application. See Section IV.B. of this NOFA for documentation requirements.

(2) You will receive 4 Points if your available Capital Funds balance is up to 20 percent of the amount of HOPE VI funds requested.

(3) You will receive 3 Points if your available balance is 21–45 percent of the amount of HOPE VI funds requested.

(4) You will receive 2 Points if your available balance is 46–70 percent of the amount of HOPE VI funds requested.

(5) You will receive 1 Point if your available balance is 71 to 90 percent of the amount of HOPE VI funds requested.

(6) You will receive zero Points if your available balance is more than 90 percent of the amount of HOPE VI funds requested.

d. *Need for Affordable Accessible Housing in the Community*—3 Points.

(1) Your application must demonstrate the need for other housing available and affordable to families receiving tenant-based assistance under section 8 (HCV), as described below and must be the most recent information available at the time of the application deadline.

(2) For purposes of this factor, the need for affordable housing in the community will be measured by Housing Choice Voucher program utilization rates or public housing occupancy rates, whichever of the two reflects the most need. In figuring the Housing Choice Voucher utilization rate, determine and provide the percentage of HCV units out of the total number authorized or the percentage of HCV funds expended out of the total amount authorized, whichever

percentage is higher. In figuring the public housing occupancy rate, provide the percentage of units occupied out of the total in your Federal public housing inventory, excluding the targeted public housing site. You should base your calculation only on the Federal public housing units you manage. You may not exclude units in your public housing inventory that are being reserved for relocation needs related to other HOPE VI Revitalization grant(s); or units in your public housing inventory that are being held vacant for uses related to a section 504 voluntary compliance agreement. If you are a non-MTW site, you must use information consistent with the Section Eight Management Assessment Program (SEMAP) and/or the Public Housing Assessment System (PHAS) submissions. If you are an MTW site, and do not report into SEMAP and/or PHAS, you must demonstrate your utilization and/or occupancy rate using similar methods and information sources in order to earn points under this rating factor.

(3) You will receive 3 Points if your application demonstrates that the higher of:

(a) The utilization rate of your Housing Choice Voucher program is 97 percent or higher; or

(b) The occupancy rate of your public housing inventory is 97 percent or higher.

(c) HUD will use the higher of the two rates to determine your score.

(4) You will receive 2 Points if your application demonstrates that the higher of:

(a) The utilization rate of your Housing Choice Voucher program is between 95 and 96 percent; or,

(b) The occupancy rate of your public housing inventory is between 95 and 96 percent.

(c) HUD will use the higher of the two rates to determine your score.

(5) You will receive 1 Point if your application demonstrates that the higher of:

(a) The utilization rate of your Housing Choice Voucher program is between 93 and 94 percent; or

(b) The occupancy rate of your public housing inventory is between 93 and 94 percent.

(c) HUD will use the higher of the two rates to determine your score.

(6) You will receive 0 Points if both the utilization rate of your Housing Choice Voucher program and the occupancy rate of your public housing inventory are less than 93 percent.

3. Rating Factor: Leveraging—16 Points Total

a. *Leverage*. Although related to match, leverage is strictly a rating factor. Leverage consists of firm commitments of funds and other resources. HUD will rate your application based on the amount of funds and other resources that will be leveraged by the HOPE VI grant as a percentage of the amount of HOPE VI funds requested. There are four types of Leverage: Development and CSS, as described in the "Program Requirements" section of Section III.C. of this NOFA, and Anticipatory, and Collateral as described in this rating factor. Each resource may be used for only one leverage category. Any resource listed in more than one category will be disqualified from all categories. In determining Leverage ratios, HUD will include as Leverage the match amounts that are required by Section III. of this NOFA. Applicants must follow the Program Requirements for Match and Leverage section of Section III.C of this NOFA when preparing their leverage documentation. If leverage sources and amounts are not documented in accordance with Sections III.C., they will not be counted toward your leverage amounts.

b. *Development Leveraging*—7 Points. For each commitment document, HUD will evaluate the strength of commitment and add the amounts that are acceptably documented. HUD will then calculate the ratio of the amount of funds that HUD deems acceptably documented. HUD will round figures to two decimal points, using standard rounding rules. See Section III.C, Program Requirements, Program Requirements for Match and Leverage for resource and documentation requirements. These requirements MUST be followed in order to earn points under the leverage rating factor.

(1) You will receive 7 Points if the ratio of the amount of HOPE VI funds requested for physical development activities (not including CSS, administration or relocation) to the dollar value of documented, committed development resources from other sources is 1:3 or higher.

(2) You will receive 6 Points if the ratio is between 1:2.50 and 1:2.99.

(3) You will receive 5 Points if the ratio is between 1:2.0 and 1:2.49.

(4) You will receive 4 Points if the ratio is between 1:1.50 and 1:1.99.

(5) You will receive 3 Points if the ratio is between 1:1.0 and 1:1.49.

(6) You will receive 2 Points if the ratio is between 1:0.50 and 1:0.99.

(7) You will receive one Point if the ratio is between 1:0.25 and 1:0.49.

(8) You will receive 0 Points if the ratio is less than 1:0.25, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible. You will receive 0 Points if your application does not request HOPE VI funds for CSS purposes.

c. *CSS Leveraging*—5 Points. See Section III.C, Program Requirements, Program Requirements for Match and Leverage for resource and documentation requirements. These requirements MUST be followed in order to earn points under the leverage rating factor.

(1) You will receive 5 Points if the ratio of the amount of HOPE VI funds requested for CSS activities to the dollar value of documented, committed CSS resources leveraged from other sources is 1:2 or higher.

(2) You will receive 4 Points if the ratio is between 1:1.75 and 1:1.99.

(3) You will receive 3 Points if the ratio is between 1:1.5 and 1:1.749.

(4) You will receive 2 Points if the ratio is between 1:1.25 and 1:1.49.

(5) You will receive one Point if the ratio is between 1:1 and 1:1.249.

(6) You will receive 0 Points if the ratio is less than 1:1, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible. You will receive 0 Points if your application does not request HOPE VI funds for CSS purposes.

d. *Anticipatory Resources Leveraging*—2 Points.

Anticipatory Resources relate to activities that have taken place in the past and that were conducted in direct relation to a HOPE VI Revitalization grant. In many cases, PHAs, cities, or other entities may have carried out revitalization activities (including demolition) in previous years in anticipation of your receipt of a HOPE VI Revitalization grant. These expenditures, if documented, may be counted as leveraged anticipatory resources. They cannot duplicate any other type of resource and cannot be counted towards match. Public Housing funds other than HOPE VI Revitalization, e.g., HOPE VI Demolition grant funds, HOPE VI Neighborhood Networks grant funds, HOPE VI Main Street grant funds, Capital Fund Program, may be included, and will be counted, toward your Anticipatory Resources rating below. For Anticipatory Resources ratios, "HOPE VI funds requested for physical development activities" is defined as your total requested amount of funds minus your requested CSS, administration amounts, and relocation.

HUD will presume that your combined CSS, administration and relocation amounts are the total of Budget Line Items 1408 (excluding non-CSS Management Improvements), 1410, and 1495 on the form HUD-52825-A, "HOPE VI Budget" that is included in your application. See Section III for Program Requirements and Section IV for Documentation Requirements. These requirements MUST be followed as relevant in order to earn points under the leverage rating factor.

(1) You will receive 2 Points if the ratio of the amount of HOPE VI funds requested for physical development activities to the amount of your documented anticipatory resources is 1:0.1 or higher.

(2) You will receive 0 Points if the ratio of the amount of HOPE VI funds requested for physical development activities, to the amount of your documented anticipatory resources is less than 1:0.1.

e. *Collateral Investment Leveraging*—2 Points.

Collateral investment includes physical redevelopment activities that are currently underway, or have yet to begin but are projected to be completed before October 1, 2010. The expected completion time must be addressed in your application. In order for a leverage source to be counted as collateral investment, your application must demonstrate that the related activities will directly enhance the new HOPE VI community, but will occur whether or not a Revitalization grant is awarded to you and the public housing project is revitalized. This includes economic or other kinds of development activities that would have occurred with or without the anticipation of HOPE VI funds. These resources cannot duplicate any other type of resource and cannot be counted as match. Examples of collateral investments include local schools, libraries, subways, light rail stations, improved roads, day care facilities, and medical facilities. See Section III for Program Requirements and Section IV for Documentation Requirements. These requirements MUST be followed as relevant in order to earn points under the leverage rating factor.

(1) You will receive 2 Points if the ratio of the amount of HOPE VI funds requested for physical development activities (not including CSS or administration) to the amount of your documented collateral resources is 1:1.0 or higher.

(2) You will receive 0 Points if the ratio of the amount of HOPE VI funds requested for physical development activities (not including CSS or

administration) to the amount of your documented collateral resources is less than 1:1.0.

4. Rating Factor: Resident and Community Involvement—3 Points Total

a. HUD will evaluate the nature, extent, and quality of the resident and community outreach and involvement you have achieved by the time your application is submitted, as well as your plans for continued and additional outreach and involvement beyond the minimum threshold requirements. See Section III.C. of this NOFA for Resident and Community Involvement requirements.

b. *Resident and Community Involvement*—3 Points.

You will receive one Point for each of the following criteria met in your application, which are over and above the threshold requirements listed in Section III.C. of this NOFA.

(1) Your application demonstrates that you have communicated regularly and significantly with affected residents, state and local governments, private service providers, financing entities, developers, and other members of the surrounding community about the development of your revitalization plan by giving residents and community members information about your actions regarding the revitalization plan and providing a forum where residents and community members can contribute recommendations and opinions with regard to the development and implementation of the revitalization plan.

(2) Your application demonstrates your efforts, past and proposed, to make appropriate HUD communications about HOPE VI available to affected residents and other interested parties, e.g., a copy of the NOFA, computer access to the HUD Web site, etc.

(3) Your application demonstrates your plans to provide affected residents with reasonable training on the general principles of development, technical assistance, and capacity building so that they may participate meaningfully in the development and implementation process.

5. Rating Factor: Community and Supportive Services—12 Points Total

a. *CSS Program Requirements*. See Section III.C for CSS program requirements. In your application, you will describe your CSS plan, including any plans to implement a CSS Endowment Trust. Each of the following subfactors will be rated separately.

b. *Case Management*—2 points.

(1) You will receive 2 Points if your application demonstrates that you are already providing case management services to the targeted residents by this proposal as of the application due;

(2) You will receive 1 point if your application demonstrates that you will be able to provide case management within 30 days from the date of the grant award letter so that residents who will be relocated have time to participate and benefit from CSS activities before leaving the site.

(3) You will receive 0 points if your application does not demonstrate either of the above criteria, or your application does not include sufficient information to be able to evaluate this factor.

c. *Needs Assessment and Results*—3 points.

(1) You will receive 3 points if your application demonstrates that a comprehensive resident needs assessment has been completed as of the application due date and that this needs assessment is the basis for the CSS Program proposed in the application. You must describe and quantify the results of the needs assessment.

(2) You will receive up to 2 points if your application demonstrates that a resident needs assessment has been completed as of the application due date, but does not show that the needs assessment was comprehensive clearly linked to the proposed CSS Program, and/or does not describe and quantify the results of the needs assessment.

(2) You will receive 0 points if your application does not demonstrate any of the above criteria, or your application does not include sufficient information to be able to evaluate this factor.

d. *Transition to Housing Self-Sufficiency*—5 points.

You will receive up to 5 Points if you address the methods you will use to assist public housing residents in their efforts to transition to other affordable and market-rate housing, i.e., to gain "housing self-sufficiency."

(1) You will receive up to 5 Points if your application demonstrates that your CSS Program includes and addresses all three of the below items. Your CSS Program:

(a) Provides measurable outcomes for this endeavor;

(b) Describes in detail how your other CSS and FSS activities relate to the transition of public housing residents to housing self-sufficiency; and

(c) Specifically addresses the grassroots, community-based and faith-based organizations, etc. that will join you in the endeavor.

(2) You will receive up to 2 Points if your CSS Program includes and

addresses at least two of the above three items (a) through (c) above.

(3) You will receive 0 Points if your CSS Program includes and addresses less than two of the above items (a) through (c) above.

f. *Quality and Results Orientation in CSS Program*—2 points.

(1) You will receive 2 Points if you have proposed a comprehensive, high quality, results-oriented CSS program that is based on a case management system and that provides services/ programs to meet the needs of all residents groups (e.g., youth, adult, elderly, disabled) targeted by the application. These services/programs may be provided directly or by partners. They must be designed to assist residents affected by the revitalization in transforming their lives and becoming self-sufficient, as relevant.

(2) You will receive up to 1 Point if you have proposed a CSS program that meets some but not all of the criteria in the paragraph above;

(3) You will receive 0 points if your application does not demonstrate any of the above criteria, or your application does not include sufficient information to be able to evaluate this factor.

#### 6. Rating Factor: Relocation—5 Points Total

See Sections III.C. of this NOFA for Relocation and Relocation Plan requirements. For all applicants, whether you have completed, or have yet to complete, relocation of all residents of the targeted project, your HOPE VI Relocation Plan must include the three goals set out in section 24 of the 1937 Act, as described in Sections a.(1)(a), (b) and (c) below.

a. You will receive up to 5 Points for this Factor if you describe thoroughly how your Relocation Plan:

(1) Includes a description of specific activities that have minimized, or will minimize, permanent displacement of residents of the units that will be rehabilitated or demolished in the targeted public housing site, provided that those residents wish to remain in or return to the revitalized community;

(2) Includes a description of specific activities that will give existing residents priority over other families for future occupancy of public housing units in completed HOPE VI Revitalization Development projects, or, for existing residents that can afford to live in non-public housing HOPE VI units, priority for future occupancy of those planned units; and

(3) Includes a description of specific CSS activities that will be provided to residents prior to any relocation;

b. You will receive up to 3 Points for this Factor if your Relocation Plan complies with some but not all of the criteria above.

c. You will receive 0 Points for this Factor if: (1) Your Relocation Plan does not comply with any of the requirements above; or (2) your application does not provide sufficient information to evaluate this rating factor.

#### 7. Rating Factor: Fair Housing and Equal Opportunity—6 Points Total

a. *FHEO Disability Issues*—3 Points Total.

(1) Accessibility—2 Points.

(a) Over and above the accessibility requirements listed in Section III.C. of this NOFA, you will receive 2 Points if your application demonstrates that you have a *detailed* plan to:

(i) Provide accessibility in homeownership units (e.g., setting a goal of constructing a percentage of the homeownership units as accessible units for persons with mobility impairments; promising to work with prospective disabled buyers on modifications to be carried out at a buyer's request; exploring design alternatives that result in townhouses that are accessible to persons with disabilities);

(ii) Provide accessible units for all eligible populations ranging from one-bedroom units for non-elderly single persons with disabilities through units in all bedroom sizes to be provided;

(iii) Provide for accessibility modifications, where necessary, to Housing Choice Voucher-assisted units of residents who relocate from the targeted project to private or other public housing due to revitalization activities. The Department has determined that the costs of such modifications are eligible costs under the HOPE VI program;

(iv) Where playgrounds are planned, propose ways to make them accessible to children with disabilities, over and above statutory and regulatory requirements; and

(v) Where possible, design units with accessible front entrances.

(b) You will receive 1 Point if your application demonstrates that you have a detailed plan to implement from one to four of the accessibility priorities stated above, explaining why and how you will implement the identified accessibility priorities.

(c) You will receive 0 Points if your application does not demonstrate that you have a detailed plan that meets the specifications above, or if your application does not address this factor

to an extent that makes HUD's rating of this factor possible.

(2) Universal Design—1 Point.

(a) You will receive 1 Point if your application demonstrates that you have a specific plan to meet:

(i) The adaptability standards adopted by HUD at 24 CFR 8.3 that apply to those units not otherwise covered by the accessibility requirements. Adaptability is the ability of certain elements of a dwelling unit, such as kitchen counters, sinks, and grab bars, to be added to, raised, lowered, or otherwise altered, to accommodate the needs of persons with or without disabilities, or to accommodate the needs of persons with different types or degrees of disability. For example, the wiring for visible emergency alarms may be installed so that a unit can be made ready for occupancy by a hearing-impaired person (For information on adaptability, see <http://www.hud.gov/offices/pih/programs/ph/hope6/pubs/glossary.pdf>); and

(ii) The visitability standards recommended by HUD that apply to units not otherwise covered by the accessibility requirements. Visitability standards allow a person with mobility impairments access into the home, but do not require that all features be made accessible. A visitable home also serves persons without disabilities, such as a mother pushing a stroller or a person delivering a large appliance. See <http://www.hud.gov/offices/pih/programs/ph/hope6/pubs/glossary.pdf> for information on visitability. The two standards of visitability are:

(A) At least one entrance at grade (no steps), approached by a sidewalk; and

(B) The entrance door and all interior passage doors are at least 2 feet 10 inches wide, allowing 32 inches of clear passage space.

(b) You will receive 0 Points if your application does not demonstrate that you have specific plans to implement both (i) and (ii) as specified above, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

b. *Fair Housing and Affirmative Marketing*—1 Point Total.

(1) Fair Housing—1 Point.

(a) You will receive one Point if your application demonstrates that:

(i) You have made and will make specific efforts to attract families from all segments of the population on a non-discriminatory basis and with a broad spectrum of incomes to the revitalized site through intensive affirmative marketing efforts and how these efforts contribute to the deconcentration of low-income neighborhoods;

(ii) You have made and will make specific efforts to target your marketing and outreach activities to those persons and groups least likely to know about these housing opportunities, in order to promote housing choice and opportunity throughout your jurisdiction and contribute to the deconcentration of both minority and low-income neighborhoods. In your application, you must describe how your outreach and marketing efforts will reach out to persons of different races and ethnic groups, families with or without children, persons with disabilities and able-bodied persons, and the elderly; and

(iii) The specific steps you plan to take through your proposed activities to affirmatively further fair housing. These steps can include, but are not limited to:

(A) Addressing impediments to fair housing choice relating to your operations;

(B) Working with local jurisdictions to implement their initiatives to affirmatively further fair housing;

(C) Implementing, in accordance with Departmental guidance, relocation plans that result in increased housing choice and opportunity for residents affected by HOPE VI revitalization activities funded under this NOFA;

(D) Implementing admissions and occupancy policies that are nondiscriminatory and help reduce racial and national origin concentrations; and

(E) Initiating other steps to remedy discrimination in housing and promote fair housing rights and fair housing choice.

(b) You will receive 0 Points if you do not address all of the above issues, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

c. *Economic Opportunities for Low- and Very Low-Income Persons (Section 3)*—2 Points.

(1) HOPE VI grantees must comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Economic Opportunities for Low- and Very Low-Income Persons in Connection with assisted Projects) and its implementing regulations at 24 CFR part 135. Information about section 3 can be found at HUD's section 3 Web site at <http://www.hud.gov/fhe/sec3over.html>.

(2) You will receive 2 Points if your application demonstrates that you have a feasible plan to implement section 3 that not only meets the minimum requirements described in Section (1) above but also exceeds those requirements. Your plan must include your goals by age group, types of jobs,

and other opportunities to be provided, and plans for tracking and evaluation. Section 3 firms must be in place quickly so that residents are trained in time to take advantage of employment opportunities such as jobs and other contractual opportunities in the pre-development, demolition, and construction phases of the revitalization. Your section 3 plan must demonstrate that you will, to the greatest extent feasible, direct training, employment, and other economic opportunities to:

(a) Low- and very low-income persons, particularly those who are recipients of government assistance for housing, and

(b) Business concerns which provide economic opportunities to low- and very low-income persons.

(3) You will receive 0 Points if your plan to implement section 3 does not meet the standards listed in Section (1) and (2) above, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

#### 8. Rating Factor: Well-Functioning Communities—8 Points Total

a. Affordable Housing—Up to 3 Points.

(1) Housing Definitions. For the purposes of this rating section, housing units are defined differently than in PIH housing programs, as follows:

(a) "Project-based affordable housing units" are defined as on-site and off-site housing units where there are affordable-housing use restrictions on the unit, e.g., public housing, project-based HCV (Section 8) units, LIHTC units, HOME units, affordable homeownership units, etc.

(b) "Public housing" is defined as rental units that will be subject to the ACC.

(2) Unit Mix and Need for Affordable Housing.

(a) Your proposed unit mix should sustain or create more project-based affordable housing units that will be available to persons eligible for public housing in markets where the plan shows there is demand for the maintenance or creation of such units. While it is up to you to determine the unit mix that is appropriate for your site, it is essential that this unit mix include a sufficient amount of public housing rental units and other project-based affordable units. To the extent that the local market shows there is a demand for it, applicants are encouraged to create additional project-based affordable housing units to be made available for persons eligible for public housing.

(b) For purposes of this factor, HUD will determine whether you need project-based affordable housing by using your Housing Choice Voucher program utilization rate or public housing occupancy rate, whichever of the two reflects the least need. In figuring the Housing Choice Voucher utilization rate, determine and provide the percentage of HCV units out of the total number authorized or the percentage of HCV funds expended out of the total amount authorized, whichever percentage is higher. In figuring the public housing occupancy rate, provide the percentage of units occupied out of the total in your federal public housing inventory, excluding the units in the targeted project. You should base your calculation only on the federal public housing units you manage. You may not exclude units in your public housing inventory that are being reserved for relocation needs related to other HOPE VI Revitalization grant(s); or units in your public housing inventory that are being held vacant for uses related to a section 504 voluntary compliance agreement. If you are a non-MTW site, you must use information consistent with the Section Eight Management Assessment Program (SEMAP) and/or the Public Housing Assessment System (PHAS) submissions. If you are an MTW site, and do not report into SEMAP and/or PHAS, you must demonstrate your utilization and/or occupancy rate using similar methods and information sources in order to earn points under this rating factor.

(3) Scoring when there will be *No Need for More Affordable Housing* after the Targeted Project is Demolished—1 Point.

(a) You will receive 1 Point for this factor if your application demonstrates that either:

(i) The utilization rate of your Housing Choice Voucher program is less than 95 percent; or

(ii) The occupancy rate of your public housing inventory is less than 95 percent.

(iii) If either (a) or (b) above is less than 95 percent, the other percentage will be disregarded.

(4) Scoring when there *will be Need for More Affordable Housing* after the Targeted Project is Demolished—up to 3 Points.

(a) For this factor, HUD considers you in need of project-based affordable housing if both:

(i) The utilization rate of your Housing Choice Voucher program is 95 percent or more; and

(ii) The occupancy rate of your public housing inventory is 95 percent or more.

(iii) If either (i) or (ii) above are less than 95 percent, you do not need affordable housing. You qualify for (3) above, not this section (4).

(b) The percentages below are defined as the number of planned project-based affordable units divided by the number of public housing units that the targeted project contains or contained;

(c) You will receive 3 Points if your application demonstrates that the number of project-based affordable units in your plan is 125 percent or more of the number of public housing units that the targeted project contains or contained;

(d) You will receive 2 Points if your application demonstrates that the number of project-based affordable units in your plan is 110 to 124 percent of the number of public housing units that the targeted project contains or contained;

(e) You will receive 1 Point if your application demonstrates that the number of project-based affordable units in your plan is 100 to 109 percent of the number of public housing units that the targeted project contains or contained.

(f) You will receive 0 Points if your application demonstrates that the number of project-based affordable units in your plan is less than the number of public housing units that the targeted project contains or contained or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

b. *Off-Site Housing*—1 Point.

(1) Factor Background:

(a) Although not required, you are encouraged to consider development of replacement housing in locations other than the original severely distressed site (i.e., off-site housing). Locating off-site housing in neighborhoods with low levels of poverty and low concentrations of minorities will provide maximized housing alternatives for low-income residents who are currently on-site and assist the goal of creating desegregated, mixed-income communities. The effect on-site will be to assist in the deconcentration of low-income residents and increase the number of replacement units.

(b) Although it is acknowledged that off-site housing is not appropriate in some communities, if you do not propose to include off-site housing in your Revitalization plan, you are not eligible to receive this point.

(c) If you propose an off-site housing component in your application, you must be sure to include that component when you discuss other components (e.g. on-site housing, homeownership housing, etc.). Throughout your application, your unit counts and other

numerical data must take into account the off-site component.

(2) Scoring.

You will receive 1 Point if you propose to develop an off-site housing component(s) and document that: You have site control of the property(ies), that the site(s) meets all environmental review requirements, and that the site(s) meets site and neighborhood standards, in accordance with Section III.C.(1) of this NOFA.

c. *Homeownership Housing*—4 Points.

The Department has placed the highest priority on increasing homeownership opportunities for low- and moderate-income persons, persons with disabilities, the elderly, minorities, and families where English may be a second language. Too often these individuals and families are shut out of the housing market through no fault of their own. HUD encourages applicants to work aggressively to open up the realm of homeownership.

(1) Your application will receive 4 Points if your application demonstrates that your revitalization plan includes homeownership and that you have a feasible, well-defined plan for homeownership. In order to demonstrate this, your application should include descriptions of the following:

(a) The purpose of your homeownership program;

(b) The number of units planned and their location(s);

(c) A description and justification of the families that will be targeted for the program;

(d) The proposed source of your construction and permanent financing of the units; and

(e) A description of the homeownership counseling you or a HUD-approved housing counseling agency will provide to prospective families, including such subjects as the homeownership process, housing in non-impacted areas, credit repair, budgeting, and home maintenance.

(2) You will receive 2 Points for this factor if you address in your description from one to four of the items listed under (1).

(3) You will receive 0 Points for this factor if you do not propose to include homeownership units in your Revitalization plan, your proposed program is not feasible and well defined, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

9. Rating Factor: Soundness of Approach—30 Points Total

a. Quality and Consistency of the Application—2 Points.

(1) The information and strategies described in your application must be well organized, coherent, and internally consistent. Numbers and statistics in your narratives must be consistent with the information provided in the attachments. Also, the physical and CSS aspects of the application must be compatible and coordinated with each other. Pay particular attention to the data provided for:

(a) Types and numbers of units;

(b) Budgets;

(c) Other financial estimates, including sources and uses; and

(d) Numbers of residents affected.

(2) You will receive 2 Points if your application demonstrates a high level of quality and consistency;

(3) You will receive 1 Point if your application has a high level of quality, but contains minor internal discrepancies;

(4) You will receive 0 Points if your application fails to demonstrate an acceptable level of quality and consistency;

b. *Appropriateness and Feasibility of the Plan*—5 Points.

(1) You will receive 5 Points if your application demonstrates the following about your revitalization plan:

(a) It is appropriate and suitable, in the context of the community and other revitalization options, in accordance with the Appropriateness of Proposal threshold in Section III.C. of this NOFA;

(b) Fulfills the needs that your application demonstrated for Rating Factor 2;

(c) Is marketable, in the context of local conditions;

(d) If you include market-rate housing, economic development, or retail structures in your revitalization plan, you must provide a signed letter from an independent, third party, credentialed market research firm, or professional that describes its assessment of the demand and associated pricing structure for the proposed residential units, economic development or retail structures, based on the market and economic conditions of the project area.

(e) Is financially feasible, as demonstrated in the financial structure(s) proposed in the application;

(f) Does not propose to use public housing funds for non-public housing uses;

(g) If extraordinary site costs have been identified, a certification of these costs has been provided in the application;

(h) Describes the cost controls that will be used in implementing the project, in accordance with the Funding Restrictions and Program Requirements sections of this NOFA;

(i) Includes a completed TDC/Grant Limitations Worksheet in the application and follows the Funding Restrictions and Program Requirements sections of this NOFA.

(2) You will receive 3 points if your application demonstrates some but not all of the criteria above.

(3) You will receive zero Points if your application does not demonstrate the criteria above or your application does not provide sufficient information to evaluate this factor.

c. *Neighborhood Impact and Sustainability of the Plan*—5 Points.

(1) You will receive up to 5 Points if your application demonstrates your revitalization plan, including plans for retail, office, other economic development activities, as appropriate, will:

(a) Result in a revitalized site that will enhance the neighborhood in which the project is located;

(b) Spur outside investment into the surrounding community;

(c) Enhance economic opportunities for residents; and

(d) Remove an impediment to continued redevelopment or start a community-wide revitalization process.

(2) You will receive up to 3 Points if your application demonstrates that your revitalization plan will have only a moderate effect on activities in the surrounding community, as described in (a) through (d) above.

(3) You will receive 0 Points if your application does not demonstrate that your revitalization plan will have an effect on the surrounding community, as described in (a) through (d) above, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

d. *Project Readiness*—7 Points.

HUD places top priority on projects that will be able to commence immediately after grant award. You will receive the following points for each applicable subfactor certified in your application.

(1) You will receive 2 Points if the targeted severely distressed public housing site is completely vacant, i.e., all residents have been relocated.

(2) You will receive 2 Points if the targeted severely distressed public housing site is cleared, i.e., all buildings are demolished, or your revitalization plan only includes rehabilitation and no demolition of public housing units.

(3) You will receive 1 Point if a Master Development Agreement (MDA)

has been developed and is ready to submit to HUD. However, in cases where the PHA (not an affiliate/subsidiary/instrumentality) will act as its own developer for all components of the revitalization plan, then an MDA is not needed and the one point will be awarded automatically.

(4) You will receive 1 Point if your preliminary site design is complete.

(5) You will receive 1 Point if you have held five (5) or more public planning sessions leading to resident acceptance of the plan.

e. *Program Schedule*—5 Points.

You will receive 5 points if the program schedule provided in your application incorporates all the timelines/milestones discussed below. If your schedule does not incorporate all the timelines/milestones, you will earn 0 Points. The timelines/milestones are:

(1) Grantees must submit Supplemental Submissions within 90 days from the date of HUD's written request.

(2) Grantees must submit CSS work plans within 90 days from the execution of the grant agreement.

(3) Grantees must start construction within 12 months from the date of HUD's approval of the Supplemental Submissions as requested by HUD after grant award. This time period may not exceed 18 months from the date the grant agreement is executed.

(4) Grantees must submit the development proposal (i.e., whether mixed-finance development, homeownership development, etc.) for the first phase of construction within 12 months of grant award. The program schedule must indicate the date on which the development proposal for each phase of the Revitalization plan will be submitted to HUD.

(5) The closing of the first phase must take place within 15 months of grant award. For this purpose, "closing" means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to commence.

(6) Grantees must complete construction within 48 months from the date of HUD's approval of your Supplemental Submissions. This time period for completion may not exceed 54 months from the date the grant agreement is executed.

f. *Design*—3 Points.

(1) You will receive up to 3 Points if your proposed site plan, new dwelling units, and buildings demonstrate that:

(a) You have proposed a site plan that is compact, pedestrian-friendly, with an interconnected network of streets and public open space;

(b) Your proposed housing, community facilities, and economic development facilities are thoroughly integrated into the community through the use of local architectural tradition, building scale, grouping of buildings, and design elements; and

(c) Your plan proposes appropriate enhancements of the natural environment.

(2) You will receive one Point if your proposed site plan, new dwelling units, and buildings demonstrate design that adequately addresses one or two, but not all three of the elements in (1) above.

(3) You will receive 0 Points if your proposed design is perfunctory or otherwise does not address the elements in (1) above. You will also receive 0 Points if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

g. *Energy Star*—1 Point.

(1) Promotion of Energy Star compliance is a HOPE VI Revitalization program requirement. See Section III.C. of this NOFA.

(2) You will receive 1 Point if your application demonstrates that you will:

(a) Use Energy Star labeled products;

(b) Promote Energy Star design of replacement units; and

(c) Include Energy Star in homeownership counseling.

(3) You will receive 0 Points if your application does not demonstrate that you will perform (a) through (c) above.

h. *Evaluation*—2 Points.

You are encouraged to work with your local university(ies), other institutions of learning, foundations, or others to evaluate the performance and impact of their HOPE VI revitalization plan over the life of the grant. The proposed methodology must measure success against goals you set at the outset of your revitalization activities. Evaluators must establish baselines and provide ongoing interim reports that will allow you to make changes as necessary as your project proceeds. Where possible, you are encouraged to form partnerships with Historically Black Colleges and Universities (HBCUs); Hispanic-Serving Institutions (HSIs); Community Outreach Partnership Centers (COPCs); the Alaskan Native/Native Hawaiian Institution Assisting Communities Program (as appropriate); and others in HUD's University Partnerships Program.

(1) You will receive 2 Points if your application includes a letter(s) from an institution(s) of higher learning, foundations, or other organization that specializes in research and evaluation that provides a commitment to work with you to evaluate your program and

describes its proposed approach to carry out the evaluation if your application is selected for funding. The letter must provide the extent of the commitment and involvement, the extent to which you and the local institution of higher learning will cooperate, and the proposed approach. The commitment letter must address all of the following areas for evaluation in order to earn full points:

(a) The impact of your HOPE VI effort on the lives of the residents;

(b) The nature and extent of economic development generated in the community;

(c) The effect of the revitalization effort on the surrounding community, including spillover revitalization activities, property values, etc.; and

(d) Your success at integrating the physical and CSS aspects of your strategy.

(2) You will receive zero Points if your application does not include a commitment letter that addresses each of the areas above (paragraphs (a)–(d)).

#### 10. Rating Factor: Incentive Criteria on Regulatory Barrier Removal—2 Points Total

##### a. Description.

Applicants must follow the guidance provided in the General Section under Section V.B. concerning the Removal of Regulatory Barriers to Affordable Housing in order to earn points under this rating factor. Information from the General Section V.B. is provided below in part. In FY2006, HUD continues to make removal of regulatory barriers a policy priority. Through the Department's America's Affordable Communities Initiative, HUD is seeking input into how it can work more effectively with the public and private sectors to remove regulatory barriers to affordable housing. Increasing the affordability of rental and homeownership housing continues to be a high priority of the Department. Addressing these barriers to housing affordability is a necessary component of any overall national housing policy. Under this policy priority, higher rating points are available to (1) governmental applicants that are able to demonstrate successful efforts in removing regulatory barriers to affordable housing and (2) nongovernmental applicants that are associated with jurisdictions that have undertaken successful efforts in removing barriers. To obtain the policy priority points for efforts to successfully remove regulatory barriers, applicants must complete form HUD-27300, "Questionnaire for HUD's Initiative on Removal of Regulatory Barriers." Copies of HUD's notices published on this issue

can be found on HUD's Web site at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. Form HUD-27300 is available at <http://www.hudclips.org/sub/nonhud/cgi/pdfforms/27300.pdf>.

##### b. Scoring.

(1) Local jurisdictions and counties with land use and building regulatory authority applying for funding, as well as housing authorities, nonprofit organizations, and other qualified applicants applying for funds for projects located in these jurisdictions, are invited to answer the 20 questions under Part A.

(2) State agencies or departments applying for funding, as well as housing authorities, nonprofit organizations, and other qualified applicants applying for funds for projects located in unincorporated areas or areas not otherwise covered in Part A, are invited to answer the 15 questions under Part B.

(3) Applicants that will be providing services in multiple jurisdictions may choose to address the questions in either Part A or Part B for that jurisdiction in which the preponderance of services will be performed if an award is made.

(4) In no case will an applicant receive more than two points for barrier removal activities under this policy priority.

(5) Under Part A, an applicant that scores at least five in column 2 will receive 1 point in the NOFA evaluation. An applicant that scores 10 or more in column 2 will receive 2 points in the NOFA evaluation.

(6) Under Part B, an applicant that scores at least four in Column 2 will receive one point in the NOFA evaluation. An applicant that scores eight or greater will receive a total of two points in the respective evaluation.

(7) A limited number of questions on form HUD-27300 expressly request the applicant to provide brief documentation with its response. Other questions require that, for each *affirmative* statement made, the applicant supply a reference, Internet address, or brief statement indicating where the back-up information may be found and a point of contact, including a telephone number or e-mail address. Applicants are encouraged to read HUD's three notices, which are available at <http://www.hud.gov/affordablecommunities>, to obtain an understanding of this policy priority and how it can affect their score. Applicants that do not provide the Internet addresses, references, or documentation will not get the policy priority points.

#### B. Reviews and Selection Process

HUD's selection process is designed to ensure that grants are awarded to eligible PHAs with the most meritorious applications. HUD will consider the information you submit by the application submission date. After the application submission date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that you or any third party may want to provide.

##### 1. Application Screening

a. HUD will screen each application to determine if:

(1) It meets the threshold criteria listed in Section III.C. of this NOFA; and

(2) It is deficient, *i.e.*, contains any Technical Deficiencies.

b. See Section III.C. of this NOFA for case-by-case information regarding thresholds and technical deficiencies. See Section IV.B. of this NOFA for documentation requirements that will support threshold compliance and will avoid technical deficiencies.

c. *Corrections to Deficient Applications—Cure Period.* The subsection entitled, "Corrections to Deficient Applications," in Section V.B. of the General Section is incorporated by reference and applies to this NOFA, except that clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within 7 calendar days of the date of receipt of the HUD notification. (If the deadline date falls on a Saturday, Sunday, or federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or federal holiday.)

d. *Applications that will not be rated or ranked.* HUD will not rate or rank applications that are deficient at the end of the cure period stated in Section V.B. of the General Section or have not met the thresholds described in Section III.C. of this NOFA. Such applications will not be eligible for funding.

##### 2. Preliminary Rating and Ranking

###### a. Rating.

(1) HUD staff will preliminarily rate each eligible application, SOLELY on the basis of the rating factors described in Section V.A. of this NOFA.

(2) When rating applications, HUD reviewers will not use any information included in any HOPE VI application submitted in a prior year.

(3) HUD will assign a preliminary score for each rating factor and a preliminary total score for each eligible application.

(4) The maximum number of points for each application is 125.

b. *Ranking.*

(1) After preliminary review, applications will be ranked in score order.

3. Final Panel Review

a. A Final Review Panel made up of HUD staff will:

(1) Review the Preliminary Rating and Ranking documentation to:

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and  
(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

(2) Assign a final score to each application; and

(3) Recommend for selection the most highly rated applications, subject to the amount of available funding, in accordance with the allocation of funds described in Section II of this NOFA.

4. HUD reserves the right to make reductions in funding for any ineligible items included in an applicant's proposed budget.

5. In accordance with the FY2006 HOPE VI appropriation, HUD may not use HOPE VI funds to grant competitive advantage in awards to settle litigation or pay judgments.

6. Tie Scores

If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for the Soundness of Approach Rating Factor. If a tie remains, HUD will select for funding the application(s) with the highest score for the Capacity Rating Factor. HUD will select further tied applications with the highest score for the Need Rating Factor.

7. Remaining Funds

a. HUD reserves the right to reallocate remaining funds from this NOFA to other eligible activities under section 24 of the 1937 Act.

(1) If the total amount of funds requested by all applications found eligible for funding under Section V.B. of this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded and those funds in excess of the total requested amount will be considered remaining funds.

(2) If the total amount of funds requested by all applications found eligible for funding under Section V.B. of this NOFA is greater than the amount of funds available from this NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to feasibly fund the next eligible

application. In this case, the funds that have not been awarded will be considered remaining funds.

8. The following sub-sections of Section V. of the General Section are hereby incorporated by reference:

- a. HUD's Strategic Goals;
- b. Policy Priorities;
- c. Threshold Compliance;
- d. Corrections to Deficient Applications;
- e. Rating; and
- f. Ranking.

**VI. Award Administration Information**

*A. Award Notices*

1. *Initial Announcement.* The HUD Reform Act prohibits HUD from notifying you as to whether or not you have been selected to receive a grant until it has announced all grant recipients. If your application has been found to be ineligible or if it did not receive enough Points to be funded, you will not be notified until the successful applicants have been notified. HUD will provide written notification to all applicants, whether or not they have been selected for funding.

2. *Award Letter.* The notice of award letter is signed by the Assistant Secretary for Public and Indian Housing (grants officer) and will be delivered by fax and the U.S. Postal Service.

3. *Revitalization Grant Agreement.* When you are selected to receive a Revitalization grant, HUD will send you a HOPE VI Revitalization grant Agreement, which constitutes the contract between you and HUD to carry out and fund public housing revitalization activities. Both you and HUD will sign the cover sheet of the grant agreement, form HUD-1044. It is effective on the date of HUD's signature, which is the second signature. The grant agreement differs from year to year. Past Revitalization grant Agreements can be found on the HOPE VI Web site at <http://www.hud.gov/hopevi>.

4. *Applicant Debriefing.* Upon request, HUD will provide an applicant a copy of the total score received by their application and the score received for each rating factor.

5. *General Section References.* The following sub-section of Section VI.A. of the General Section is hereby incorporated by reference:

- a. Adjustments to Funding.
- b. Administrative and National Policy Requirements

1. *Program Requirements.* See the Program Requirements in Section III for information on HOPE VI program requirements grantees must follow.

2. *Conflict of Interest in Grant Activities.*

a. *Prohibition.* In addition to the conflict of interest requirements in 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of a grantee and who exercises or has exercised any functions or responsibilities with respect to activities assisted under a HOPE VI grant, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

b. *HUD-Approved Exception.*

(1) Standard. HUD may grant an exception to the prohibition above on a case-by-case basis when it determines that such an exception will serve to further the purposes of HOPE VI and its effective and efficient administration.

(2) Procedure. HUD will consider granting an exception only after the grantee has provided a disclosure of the nature of the conflict, accompanied by:

- (a) An assurance that there has been public disclosure of the conflict;
- (b) A description of how the public disclosure was made; and
- (c) An opinion of the grantee's attorney that the interest for which the exception is sought does not violate state or local laws.

(d) Consideration of Relevant Factors. In determining whether to grant a requested exception under Section (b) above, HUD will consider the cumulative effect of the following factors, where applicable:

(A) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the Revitalization plan and demolition activities that would otherwise not be available;

(B) Whether an opportunity was provided for open competitive bidding or negotiation;

(C) Whether the person affected is a member of a group or class intended to be the beneficiaries of the Revitalization plan and Demolition plan and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(D) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process, with respect to the specific activity in question;

(E) Whether the interest or benefit was present before the affected person was

in a position as described in Section (C) above;

(F) Whether undue hardship will result either to the grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(G) Any other relevant considerations.

3. *Salary Limitation for Consultants.* FY 2006 funds may not be used to pay or to provide reimbursement for payment of the salary of a consultant whether retained by the federal government or the grantee at more than the daily equivalent of the rate of the high of the pay band paid for level IV of the Executive Schedule, unless specifically authorized by law.

4. *Flood Insurance.* In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001–4128), your application may not propose to provide financial assistance for acquisition or construction (including rehabilitation) of properties located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

a. The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and

b. Where the community is participating in the National Flood Insurance Program, flood insurance is obtained as a condition of execution of a grant agreement.

5. *Coastal Barrier Resources Act.* In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501), your application may not target properties in the Coastal Barrier Resources System.

6. *Policy Requirements.*

a. *OMB Circulars and Administrative Requirements.* You must comply with the following administrative requirements related to the expenditure of federal funds. OMB circulars can be found at <http://www.whitehouse.gov/omb/circulars/index.html>. Copies of the OMB circulars may be obtained from EOP Publications, Room 2200, New Executive Office Building, Washington, DC 20503; telephone (202) 395-7332 (this is not a toll-free number). The Code of Federal Regulations can be found at <http://www.access.gpo.gov/nara/cfr/index.html>.

(1) Administrative requirements applicable to PHAs are:

(a) 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments), as modified by 24 CFR 941 or successor part, subpart F, relating

to the procurement of partners in mixed finance developments.

(b) OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments);

(c) 24 CFR 85.26 (audit requirements).

(2) Administrative requirements applicable to nonprofit organizations are:

(a) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations);

(b) OMB Circular A-122 (Cost Principles for Nonprofit Organizations);

(c) 24 CFR 84.26 (audit requirements).

(3) Administrative requirements applicable to for profit organizations are:

(a) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations);

(b) 48 CFR part 31 (contract cost principles and procedures);

(c) 24 CFR 84.26 (audit requirements).

### C. Reporting

#### 1. Quarterly Report

a. If you are selected for funding, you must submit a quarterly report to HUD.

(1) HUD will provide training and technical assistance on the filing and submitting of quarterly reports.

(2) Filing of quarterly reports is mandatory for all grantees, and failure to do so within the required timeframe will result in suspension of grant funds until the report is filed and approved by HUD.

(3) Grantees will be held to the milestones that are reported on the Quarterly Report Administrative and Compliance Checkpoints Report, as approved by HUD.

(4) Grantees must also report obligations and expenditures in LOCCS, or its successor system, on a quarterly basis.

#### 2. Logic Model Reporting

a. The reporting shall include submission of a completed Logic Model indicating results achieved against the proposed output goal(s) and proposed outcome(s) which you stated in your approved application and agreed upon with HUD. The submission of the Logic Model and required information should be in accord with the reporting timeframes as identified in your grant agreement.

b. The goals and outcomes that you include in the Logic Model should reflect your major activities and accomplishments under the grant. For example, you would include unit construction, demolition, etc. from the

“bricks-and-mortar” portion of the grant. As another example, for the CSS portion of the grant, you may include the number of jobs created or the number of families that have reached self-sufficiency, but you would not include information on specific job training and self-sufficiency courses.

c. As a condition of the receipt of financial assistance under this NOFA, all successful applicants will be required to cooperate with all HUD staff or contractors performing HUD-funded research and evaluation studies.

#### 3. Final Report

a. The grantees shall submit a final report, which will include a financial report and a narrative evaluating overall performance against its HOPE VI Revitalization plan. Grantees shall use quantifiable data to measure performance against goals and objectives outlined in its application. The financial report shall contain a summary of all expenditures made from the beginning of the grant agreement to the end of the grant agreement and shall include any unexpended balances.

b. *Racial and Ethnic Data.* HUD requires that funded recipients collect racial and ethnic beneficiary data. It has adopted the Office of Management and Budget's Standards for the Collection of Racial and Ethnic Data. In view of these requirements, you should use form HUD-27061, Racial and Ethnic Data Reporting Form (instructions for its use), found on [www.HUDClips.org](http://www.HUDClips.org), a comparable program form, or a comparable electronic data system for this purpose.

c. The final narrative and financial report shall be due to HUD 90 days after either the full expenditure of funds, or when the grant term expires, whichever comes first.

## VII. Agency Contacts

### A. Technical Assistance

1. Before the application submission date, HUD staff will be available to provide you with general guidance and technical assistance. However, HUD staff is not permitted to assist in preparing your application. If you have a question or need a clarification, you may call or send an email message to the Office of Public Housing Investments, attention: Leigh van Rij, at 202-401-8812, extension 5788, [leigh\\_e.van\\_rij@hud.gov](mailto:leigh_e.van_rij@hud.gov) (these are not toll-free numbers). You may also call, fax, or write Ms. Dominique Blom, Acting Deputy Assistant Secretary for Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW.,

Room 4130, Washington, DC 20410-5000; telephone (202) 401-8812; fax (202) 401-2370 (these are not toll-free numbers). Persons with hearing or speech challenges may access these telephone numbers through a text telephone (TTY) by calling the toll-free Federal Information Relay Service at (800) 877-8339.

2. *Frequently Asked Questions and General HOPE VI Information.* Before the application submission date, frequently asked questions (FAQ) on the NOFA will be posted to HUD's grants Web site at <http://www.hud.gov/offices/adm/grants/otherhud.cfm>.

3. You may obtain general information about HUD's HOPE VI programs from HUD's HOPE VI Web site: <http://www.hud.gov/offices/pih/programs/ph/hope6/>.

#### B. *Technical Corrections to the NOFA*

1. *Technical corrections to this NOFA will be posted to the Grants.gov Web site*

2. Any technical corrections will also be published in the **Federal Register**.

3. You are responsible for monitoring these sites during the application preparation period.

#### VIII. **Other Information**

A. *Waivers.* Any HOPE VI-funded activities at public housing projects are subject to statutory requirements applicable to public housing projects under the 1937 Act, other statutes, and

the annual contributions contract (ACC). Within such restrictions, HUD seeks innovative solutions to the long-standing problems of severely distressed public housing projects. You may request, for the revitalized project, a waiver of HUD regulations, subject to statutory limitations and a finding of good cause under 24 CFR 5.110 if the waiver will permit you to undertake measures that enhance the long-term viability of a project revitalized under this program. HUD will assess each request to determine whether good cause is established to grant the waiver.

B. *Environmental Impact.* A Finding of No Significant Impact with respect to the environment has been made for this notice in accordance with HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection between 8 a.m. and 5 p.m. in the Office of the General Counsel, Regulations Division, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-0500.

C. *General Section References.* The following sub-sections of Section VIII. of the General Section are hereby incorporated by reference:

1. Executive Order 13132, Federalism;

2. Public Access, Documentation and Disclosure;

4. Section 103 of the HUD Reform Act;

5. The FY 2004 HUD NOFA Process and Future HUD Funding Processes; and

6. Sense of Congress.

D. *Paperwork Reduction Act Statement.* The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB), under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2577-0208. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 68 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, quarterly reports and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.



## Overview Information

A. *Federal Agency Name.* Department of Housing and Urban Development, Office of Public and Indian Housing.

B. *Funding Opportunity Title.* HOPE VI Main Street Grants.

C. *Announcement Type.* Initial announcement.

D. *Funding Opportunity Number.* The **Federal Register** number for this NOFA is: FR-5059-N-01. The Office of Management and Budget (OMB) paperwork approval number for this program is 2577-0208.

E. *Catalog of Federal Domestic Assistance (CFDA) Number.* The CFDA number for this NOFA is 14-866, "Demolition and Revitalization of Severely Distressed Affordable Housing (HOPE VI)."

F. *Dates.*

1. *Application Submission Date.* The application deadline date is July 10, 2006. Applications must be received and validated Grants.gov by 11:59:59 p.m. on the application deadline date. See the General Section for application submission and timely receipt requirements.

2. *Estimated Grant Award Date.* The estimated award date will be June 12, 2006.

G. *Electronic Application Submission.* Applications for this NOFA must be submitted electronically through <http://www.grants.gov>. The applicant must be fully registered completing the five step registration process for new applicants or if you have previously submitted an application for assistance with Grants.gov, ensuring that the registration in the Central Contractor Registry is updated. See HUD's **Federal Register** Notice published on December 9, 2005 entitled "Notice of Opportunity to Register Early for Electronic Submission of Grant and HUD's registration brochure entitled "Step By Step: Your Guide to Registering for Grant Opportunities, Information for Applicants and Grantees. Submission validation by grants.gov may take 24-48 hours so when submitting your application please take these time frames into account. HUD recommends early submission so that if your application is rejected you will have to make the correction and resubmit prior to the deadline date. See "Other Submission Requirements," Section IV.F. of this NOFA and the General Section, and <http://www.grants.gov/GetStarted>.

## Full Text of Announcement

### II. Funding Opportunity Description

A. *Available Funds.* This NOFA announces the availability of

approximately \$2.5 million in Fiscal Year (FY) 2005 funds and approximately \$2.5 million in FY 2006 funds.

B. *Purpose of the Program.* The purpose of the HOPE VI Main Street program is to provide grants to small communities to assist in the rehabilitation and new construction of affordable housing in conjunction with an existing program to revitalize an historic or traditional central business district or "Main Street Area." The objectives of the program are to:

1. Redevelop Main Street Areas;
2. Preserve historic or traditional architecture or design features in Main Street Areas;
3. Enhance economic development efforts in Main Street Areas; and
4. Provide affordable housing in Main Street Areas.

C. *Statutory Authority.*

1. The program authority for the HOPE VI Main Street program is section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), as amended by section 535 of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, 112 Stat. 2461, approved October 21, 1998), as amended, and the HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003 (Pub. L. 108-186, 117 Stat. 2685, approved December 16, 2003).

2. The funding authority for the HOPE VI Main Street program is provided by the Consolidated Appropriations Act, 2005 (Pub. L. 108-447, approved December 8, 2005), under Title II, Public and Indian Housing, Revitalization of Severely Distressed Public Housing (Hope VI), and the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Pub. L. 109-115, approved November 30, 2005), under Revitalization of Severely Distressed Public Housing (HOPE VI).

3. The HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003 states that, of the amount appropriated for the overall HOPE VI program for any fiscal year, the Secretary shall provide up to five percent for use only for the Main Street initiative. The statute amended section 24(n) of the Act, which now provides for grants to smaller communities, to provide assistance to carry out eligible affordable housing activities.

D. *Definition of Terms*

1. *Affordable Housing* means rental or homeownership dwelling units that:

- e. Are made available for initial occupancy to low-income families, with

a subset of units made available to very low- and extremely low-income families; and

f. Are subject to the same rules regarding occupant contribution toward rent or purchase, and terms of rental or purchase, as are public housing units in a HOPE VI development. Public housing rights and responsibilities vary among HOPE VI developments. HOPE VI public housing units use various mechanisms to set the resident portion of rent, resident job training or employment requirements, resident rights of return, and other occupancy issues.

2. *Applicant Team ("Team")* means the group of entities that will develop the Project. The Team includes the unit of local government that submits the application and, where applicable, the procured developer, the procured property manager, architects (including architects who are knowledgeable about universal design and section 504 accessible design requirements), construction contractors, attorneys, investment partners that comprise an owner entity, and other parties that may be involved in the development and management of the Project.

3. *Community and Supportive Services ("CSS")* means services to residents of the Project that may include, but are not limited to:

e. Homeownership counseling that is scheduled to begin promptly after grant award so that, to the maximum extent possible, qualified residents will be ready to purchase new homeownership units when they are completed;

f. Educational, life skills, job readiness and retention, employment training, and other activities as described on HUD's HOPE VI Web site at <http://www.hud.gov/offices/pih/programs/ph/hope6/css/>; and

g. Coordinating with fair housing groups to educate the Main Street Affordable Housing Project's targeted population on its fair housing rights.

4. *Firmly Committed* means that the amount of Match or Leverage resources, and their dedication to HOPE VI Main Street activities must be explicit, in writing, and signed by a person authorized to make the commitment.

5. *General Section* means the Notice of HUD's Fiscal Year 2006 Notice of Funding Availability Policy Requirements and General Section to the SuperNOFA for HUD's Discretionary Programs; Notice, Docket No. FR-FR-5030-N-01, published in the **Federal Register** on January 20, 2006.

6. *Homeownership Unit* means a housing unit that the Local Government makes available through a grant from this NOFA for purchase by low-income

families for use as their principal residence;

7. *Initial Occupancy Period* means the period of time that a rental unit is occupied by the initial low-income resident or the period of time that a homeownership unit is owned by the initial third-party, low-income purchaser. There is no set requirement for the length of this occupancy period.

8. *Jurisdiction* means the physical area under the supervision of the Local Government.

9. *Leverage* means non-HOPE VI funded donations of cash and in-kind services that are firmly committed to the development of the Main Street Affordable Housing Project (called Main Street Affordable Housing Project Leverage) or to the Main Street Area as a whole (called Main Street Area Leverage)

e. Leverage may include funds/in-kind services that are already expended, received but not expended, and *firmly committed* but not yet received.

f. Types of resources that may be counted include:

(1) Private mortgage-secured loans, Insured loans, and other debt;  
 (2) Housing trust funds;  
 (3) Net sales proceeds from a homeownership project that exceed the amount of HOPE VI funds used to develop the homeownership unit;  
 (4) Tax Increment Financing (TIF);  
 (5) Proceeds from Low-Income Housing Tax Credits (LIHTC), Historic Preservation Tax Credits, and Tax Exempt Bonds;

(6) Land Sale Proceeds. The value of land sale proceeds may be included as leverage only if this value is a sales proceed. Absent a sales transaction, the value of land will not be counted;

(7) Other Federal Funds. Other federal sources may include non-public housing funds provided by HUD;

(8) In-Kind Services, including donations of:

(a) Property such as land (donations of land may be counted as leverage only if the donating entity owns the land to be donated), materials, supplies, a building, a lease on a building, and other infrastructure;

(b) Services such as Homeownership Counseling, other CSS and FSS resources (see "Definitions," Section I.D. of this NOFA for the definition of CSS), and time and services contributed by volunteers.

g. Leverage does NOT include, and HUD will not count:

(1) Staff time of either the Local Government applicant or the recognized developer entity; and

(2) Wages projected to be paid to residents through jobs that are provided by CSS partners.

10. *Local Government* means any city, county/parish, town, township, parish, village, or other general purpose political subdivision of a state; Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the District of Columbia and the Trust Territory of the Pacific Islands, or a general purpose political subdivision thereof; a combination of such political subdivisions that is recognized by the Secretary.

11. *Low-Income* means a family (resident) with an income equal to or less than 80 percent of median income for the local area, adjusted for family size, in accordance with section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than 80 percent because of prevailing construction costs or unusually high or low family incomes in the area. HUD prescribed income limits are stated at [http://www.huduser.org/datasets/il/IL05/Section8\\_IncomeLimits\\_2005.doc](http://www.huduser.org/datasets/il/IL05/Section8_IncomeLimits_2005.doc). Local area is defined as the non-metropolitan county/parish or Primary Metropolitan Statistical Area/Metropolitan Statistical Area (PMSA/MSA) or county/parish, as prescribed by HUD, in which the low-income family resides.

12. *Main Street Area* means an area designated by the applicant, that:

e. Is within the jurisdiction of the applicant; b. Has specific boundaries; f. Is or was;

(1) Traditionally the central business district and center for socio-economic interaction;

(2) Characterized by a cohesive core of historic and/or older commercial and mixed-use buildings, often interspersed with civic, religious, and residential buildings, which represent the community's architectural heritage;

(3) Typically arranged along a main street with intersecting side streets and public space; and

(4) Pedestrian-oriented.

13. *Main Street Affordable Housing Project ("Project")* is defined in "Program Requirements," Section III.C. of this NOFA.

14. *Main Street Rejuvenation Master Plan ("Main Street Plan")* is a document, or group of documents, that serves to guide the rejuvenation of a Main Street Area. It may be a formal, detailed declaration of intent, or an informal collection of records from various City, Chamber of Commerce, Main Street organization meetings, and portions of the applicant's city-wide Master Plan, that describes and demonstrates the Main Street rejuvenation effort's components, such as:

e. Design, promotion, and economic impact;

f. Broad community support;

g. Investment by both the public and private sectors;

h. Long-term planning and commitment by a local organization;

i. Active administration and implementation by the applicant, or by a locally recognized Main Street rejuvenation organization; and

j. Strong preservation element for historic or traditional architecture.

k. Main Street Plan documentation must comply with the minimum requirements stated in "Program Requirements," Section III.C. of this NOFA.

15. *Match* is cash or in-kind donations that:

e. Total at least five percent of the requested HOPE VI Main Street grant amount; and

f. Are from government or private-sector sources other than HOPE VI funding, including Community Development Block Grant Funds, which by statute are considered local money.

16. *Owner entity* is the legal entity that holds title to the real property that contains any affordable housing units developed through this NOFA.

17. *Person with disabilities* means a person who:

e. Has a condition defined as a disability in section 223 of the Social Security Act;

f. Has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act; or

g. Is determined to have a physical, mental, or emotional impairment which:

(1) Is expected to be of long-continued and indefinite duration;  
 (2) Substantially impedes his or her ability to live independently; and  
 (3) Is of such a nature that such ability could be improved by more suitable housing conditions.

h. The term "person with disabilities" may include persons who have acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS. In addition, no individual shall be considered a person with disabilities, for purposes of eligibility for low-income housing, based solely on any drug or alcohol dependence.

i. The definition provided above for persons with disabilities is the proper definition for determining program qualifications. However, the definition of a person with disabilities contained in section 504 of the Rehabilitation Act of 1973 and its implementing regulations must be used for purposes of reasonable accommodations.

18. *Program* means the HOPE VI Main Street Program.

19. *Recognized Developer* means the Local Government applicant or a legal entity that has an agreement with the Local Government applicant to seek financing for, rehabilitate and/or construct housing units, and to provide Community and Supportive Services (if required), for a HOPE VI Main Street grantee.

e. For a non-complex development, the applicant may choose not to use a developer, and instead directly procure a design/build construction contractor and accountant.

20. *Site Control* means the Local Government applicant, or its developer, has the legal authority to commit the owner of the property to the rehabilitation to be performed with HOPE VI Main Street grant funds. Some examples of site control are:

e. The local government owns the property outright;

f. The private owner of the property and the applicant have signed a developer agreement and the private owner is the developer;

g. The government- or private-owner has signed a developer agreement with a separate developer and the agreement gives the developer control;

h. The applicant or developer has an option to purchase the property that covers a time period sufficient to obtain grant funds for purchase (at least 180 days after award), and is contingent only upon: (1) Receipt of a grant from this NOFA; and (2) satisfactory compliance with this NOFA's environmental review requirements;

i. An owner-entity partnership was formed between the original owner and the applicant or the developer (or both) and possibly a third-party investor (Tax Credits) and the developer is the General Partner; etc.

21. *Unit of Local Government*: See "Local Government" under this section.

22. *Very Low-Income Family* means a family (resident) with an income equal to or less than 50 percent of median income for the local area, adjusted for family size, in accordance with section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than 50 percent because of prevailing construction costs or unusually high or low family incomes in the area. HUD prescribed income limits are stated at [http://www.huduser.org/datasets/il/IL05/Section8\\_IncomeLimits\\_2005.doc](http://www.huduser.org/datasets/il/IL05/Section8_IncomeLimits_2005.doc). Local area is defined as the PMSA/MSA or nonmetropolitan county/parish, as prescribed by HUD, in which the low-income family resides.

E. *General Section Reference*. The subsection entitled "Funding Opportunity Description" in Section I. of the General Section is hereby incorporated by reference.

### III. Award Information

A. *Available Funds*. A total of \$5 million is available for funding. \$2.5 million is appropriated for FY 2005 and must be obligated before September 30, 2006; \$2.5 million is appropriated for FY 2006 and must be obligated before September 30, 2007.

B. *Number of Awards*. This NOFA will result in approximately 10 awards.

C. *Range of Amounts of Each Award*. Each applicant may request up to \$500,000.

D. *Start Date, Period of Performance*. The term of the grants that result from this NOFA will start on the date that the grant award document is signed by HUD and will continue for 30 months thereafter.

E. *Type of Instrument*. Grant Agreement.

F. *Supplementation*. Grants resulting from this NOFA do not supplement other HOPE VI grants.

### IV. Eligibility Information

A. *Eligible Applicants*. Eligible applicants include, and are limited to, Local Governments, as defined in Section I.D. of this NOFA and section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302). The Local Government must:

1. Have an active Main Street rejuvenation effort within its jurisdiction;

2. Have a population of 50,000 or fewer; and

3. Not be served by a Local Government, county/parish, regional or state public housing agency (PHA) that administers more than 100 public housing units, provided that more than 100 of those units are within the Local Government applicant's jurisdiction. For example, if a Local Government is served by a county PHA that administers 180 public housing units (excluding section 8), and 90 of those units are located within the jurisdiction of the Local Government, then the Local Government is eligible to apply. On the other hand, if a Local Government is served by a county PHA that administers 180 public housing units (excluding section 8), and 103 of those units are located within the jurisdiction of the Local Government, then the Local Government is NOT eligible to apply.

B. *Cost Sharing or Match*.

1. *Match*. HUD is required by the Quality Housing and Work Responsibility Act (42 U.S.C.

1437v(c)(1)(A)) to include the requirement for matching funds for all HOPE VI-related grants. Applicants must provide matching funds in the amount of five percent of the requested grant amount from sources other than HUD HOPE VI funds. Match sources may include other federal sources, Community Development Block Grant (CDBG) funds (which are statutorily considered local funds), any state or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services provided. The match may include funds already spent on, or funds committed to, the Main Street Affordable Housing Project, provided that they were or shall be used only for carrying out eligible affordable housing activities.

e. Match donations must be *firmly committed*. "Firmly committed" means that the amount of match resources and their dedication to Main Street-related affordable housing activities must be explicit, in writing, and signed by a person authorized to make the commitment. The commitment must be in place at the time of award.

f. The applicant may propose to use the applicant's own funds to meet the match requirement, provided that the match funds do not originate from HOPE VI funds.

g. The applicant's staff time is not an eligible cash or in-kind match.

h. See Section IV.B. of this NOFA for the requirements for documentation of match resources.

C. *Other*.

1. *Eligible Uses of Grant Funds*. Main Street grant funds may be expended on the following activities:

e. New construction and rehabilitation of Main Street-related affordable rental and homeownership housing;

f. Architectural and Engineering activities, surveys, permits, and other planning and implementation costs related to the construction and rehabilitation of Main Street-related affordable housing;

g. Tax credit syndication costs;

h. Funding of moving expenses for low-income residents displaced as a result of construction or rehabilitation of the Project, in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and Handbook CPD 02-08, Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of

1970 (URA), as amended in HOPE VI Projects;

i. Management improvements necessary for the proper development and management of Main Street-related affordable housing, similar to and including, but not limited to:

(1) Staff training (including travel) related to affordable housing development and management and public housing property management;

(2) Staff time and materials or contractor services to revise or develop:

(a) Procedure manuals;

(b) Accounting systems, excluding accounting services;

(c) Lease documents;

(d) Resident screening procedures;

and

(e) Data processing systems.

j. *Leveraging non-HOPE VI funds and in-kind services.* See the definition of "Leverage" in Section I.D. of this NOFA;

k. *Community and Supportive Services.* See Funding Restrictions in Section IV.E. of this NOFA.

## 2. Thresholds.

e. *Match.* Applicants must provide matching funds in the amount of five percent of the requested grant amount from sources other than HUD HOPE VI funds. See, "Cost Sharing or Match," Section III.B. of this NOFA. If the applicant does not demonstrate that there will be matching funds of at least five percent (5%) of the requested grant amount, the application will not be eligible for funding through this NOFA.

f. *Main Street Area.* The applicant must have within its jurisdiction a Main Street Area. See Section I.D. of this NOFA for the definition of a Main Street Area. If the applicant's jurisdiction does not have a Main Street Area, the application will not be eligible for funding through this NOFA.

g. *Prior Existence of Main Street Rejuvenation Master Plan.* The Main Street Plan must have been in existence prior to the publication date of this NOFA, that is, the Main Street Plan must demonstrate that, prior to this date, written documentation existed that fulfilled the definition of a Main Street Plan as defined in Section I.D. of this NOFA. If the applicant's Main Street Rejuvenation Master Plan was not in existence before the publication date of this NOFA, the application will not be eligible for funding through this NOFA.

h. *Main Street Affordable Housing Project ("Project").* The targeted affordable housing project must conform to this NOFA's requirements for a Main Street Affordable Housing Project, as defined in "Program Requirements," Section III.C. of this NOFA. If the targeted affordable housing project does not conform to this NOFA's

requirements of a project, the application will not be eligible for funding through this NOFA.

i. *Inclusion of Affordable Housing.* Affordable housing must have been included in the applicant's Main Street Plan on or before the application deadline date for this NOFA. If affordable housing was not included in the applicant's Main Street Plan on or before the application deadline date for this NOFA, the application will not be eligible for funding through this NOFA.

j. *Zoning.* Zoning for residential housing, or mixed-use zoning that includes residential housing, must be in place on all project sites on or before the application deadline date. If zoning for residential housing, or mixed-use zoning that includes residential housing, is not in place on all project sites on or before the application deadline date, the application will not be eligible for funding through this NOFA.

k. *Leverage for the Main Street Rejuvenation Effort.* The applicant must provide leverage funds/in-kind services that are firmly committed to the Main Street rejuvenation effort that is described in the Main Street Rejuvenation Master Plan. According to the authorizing statute, the targeted housing project must be part of an existing Main Street rejuvenation effort. Existence of Main Street leverage donations that are not connected to the targeted housing project helps to demonstrate that there is a wider-scaler rejuvenation effort in progress. These leverage funds/in-kind services must be from sources other than HUD HOPE VI funds, and the amount must be in excess of 50 percent of the requested grant amount.

(1) As explained in the above section, leverage for this threshold does not include, and HUD will not count, funds/in-kind services that are limited to use in the development of the affordable housing project that the applicant has targeted for this NOFA.

(2) See rejuvenation effort leverage documentation requirements for form HUD-52861, "HOPE VI Main Street Application Data Sheet," attached to this NOFA.

(3) If the applicant provides Main Street Area rejuvenation effort leverage funds/in-kind services of an amount less than 50 percent of the requested grant amount, the application will not be eligible for funding through this NOFA.

l. *One Main Street Area.* The applicant must only apply for assistance in support of one Main Street Area under this NOFA, that is, if the Local Government's jurisdiction includes two neighborhoods, each with a traditional

commercial/social center, the application must contain only one of those traditional commercial/social centers. However, the applicant's Main Street Affordable Housing Project may consist of several scattered sites within that one Main Street Area. If the applicant applies for assistance for more than one Main Street Area through this NOFA, the application will not be eligible for funding through this NOFA.

## m. Code of Conduct.

(1) The applicant must have developed and must maintain a written code of conduct (see 24 CFR 84.42 and 85.36(b)(3)). The applicant must provide, or have provided, documentation that demonstrates that it has a written code of conduct.

(2) If the applicant does not provide a copy of the code of conduct, and its implementation methodology, in the application, or is not listed by HUD as having already submitted such documentation, the application will not be eligible for funding through this NOFA.

(3) See "Threshold Documentation," Section IV.B. of this NOFA, and Section III.C. of the General Section.

n. The following sub-sections of Section III of the General Section are hereby incorporated by reference. The applicant must comply with each of the incorporated threshold requirements in order to be eligible for funding, including:

- (1) Ineligible Applicants;
- (2) Dun and Bradstreet Data Universal Numbering System (DUNS) Number Requirement;
- (3) Compliance with Fair Housing and Civil Rights Laws;
- (4) Conducting Business In Accordance with Core Values and Ethical Standards;
- (5) Delinquent Federal Debts;
- (6) Pre-Award Accounting System Surveys;
- (7) Name Check Review;
- (8) False Statements;
- (9) Prohibition Against Lobbying Activities; and
- (10) Debarment and Suspension.

## 3. Certification of Certain Thresholds.

e. *Certification by Application.* The SF-424, "Application for Federal Assistance," is the cover sheet to the application. By manually or electronically signing the SF-424, the applicant certifies that the following thresholds have been met:

(1) All Match resources included in the application are "firmly committed." See the definition of "firmly committed" in Section I.D. of this NOFA;

(2) The Main Street Rejuvenation Master Plan that is included as part of

this application existed prior to the publication date of this NOFA;

(3) The Main Street Plan contained affordable housing prior to the application deadline date of this NOFA;

(4) All project sites have zoning that allows for residential development;

(5) All leverage resources included in the application are "firmly committed." See the definition of "firmly committed" in Section I.D. of this NOFA;

(6) Historic preservation requirements in section 106 of the *National Historic Preservation Act of 1966 (NHPA)* will be fulfilled, where applicable;

(7) Environmental requirements stated in the NOFA will be fulfilled;

(8) Building standards stated in the NOFA will be fulfilled;

(9) Relocation requirements under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) will be fulfilled; and

(10) Fair Housing, Civil Rights, and section 3 requirements will be followed and fulfilled.

*f. Information for the Applicant's Certifying Official.*

(1) Application documentation that is included for the sole purpose of supporting certified thresholds is not necessary, and will not improve the applicant's chances of receiving a grant through this NOFA.

(2) Because of other NOFA requirements, the applicant may already have included documentation in the application that happens to also support a certified threshold. For example, the applicant includes the Main Street Plan to respond to the Rating Factors. It also contains documentation that is related to several thresholds.

(3) For the benefit of the applicant's certifying official, this information will help prevent accidental misrepresentation by providing evidence that these thresholds have been met. For the applicant certifying official's further benefit, viewing of documents similar to the following may help prevent accidental misrepresentation of certifications for thresholds with no related application documentation:

(a) *Main Street Plan Existence.* Any document dated prior to the publication of this NOFA that demonstrates the applicant intended to rejuvenate a Main Street Area, or the applicant acknowledged that a local Main Street organization intended to rejuvenate a Main Street Area;

(b) *Inclusion of Affordable Housing.* Documentation in the Main Street Plan that demonstrates that the concept of including development of affordable housing in the Main Street commercial

area is included in the rejuvenation strategy;

(c) *Zoning.* Zoning approvals or a certification from the appropriate local official documenting that all required zoning approvals have been secured; and

(d) *Main Street Area Leverage.* Main Street Area leverage may include, but is not limited to, any public or private sector salaries paid for Main Street related services or physical improvements made to the Main Street Area, such as the cost of developing a Main Street Plan, salaries of people promoting the Main Street Plan, building construction or rehabilitation, site or infrastructure improvements, etc. Documentation of these expenditures may include, but is not limited to: Tax returns, typical accounting ledgers kept by the Local Government applicant, non-profit organization or private property owners; reports to government agencies; and summary reports or other publications produced by interested parties. Leverage includes past expenditures, current cash-on-hand, and letters of commitment for future cash/in-kind services to be donated to the Main Street Area rejuvenation effort.

*4. Program Requirements.*

*e. Main Street Area Recognition by HUD.* The applicant must have, within the applicant's jurisdiction, a HUD-recognized Main Street Area rejuvenation effort that involves affordable housing. In order to be recognized by HUD, a Main Street Area rejuvenation effort must:

(1) Be located within a definable Main Street Area (See Section I.D. of this NOFA);

(2) Have as its purpose the rejuvenation or redevelopment of a historic or traditional commercial area;

(3) Involve investment or other participation by both the local government and locally located private entities;

(4) Comply with historic preservation requirements as directed by the cognizant State Historic Preservation Officer ("SHPO") or, if such historic preservation requirements are not applicable, to preserve significant traditional, architectural, and design features in the project structures or Main Street Area; and

(5) Have been described in a Main Street Plan that existed prior to the publication date of this NOFA.

*f. Main Street Affordable Housing Project (Project).* The "Main Street Affordable Housing Project" is the collection of affordable housing units that are rejuvenated or developed in the Main Street Area using funds obtained through this NOFA. The project must:

(1) Involve the construction or rehabilitation of affordable housing units. The number of units that will be developed through this NOFA must at least equal the number of units stated in form HUD-52861, "HOPE VI Main Street Application Data Sheet," on the "Unit Mix and Accessibility Summary, Post-Revitalization" page.

(2) Be located within the boundaries of the applicant's Main Street Area;

(3) Be located within the jurisdiction of the applicant; and

(4) Have been included as part of a Main Street Rejuvenation Master Plan before the application deadline date of this NOFA; and

(5) Be constructed in accordance with Building and Fair Housing standards stated in this Section III.C., including Universal Design and Accessibility standards.

*g. Main Street Plan.* The Main Street Rejuvenation Master Plan must, at a minimum:

(1) Currently or in the past, have an architect, land planner, or qualified planning professional involved in Plan preparation. Participation as a principal preparer or an advisor, in any part of its preparation, is acceptable. This professional may be, or may have been, employed by the applicant, been on the applicant's Team, or been an independent third party. This professional should have knowledge of universal design and section 504 accessible design requirements;

(2) Describe the proposed Main Street Area rejuvenation strategies and actions;

(3) Include the development of affordable housing;

(4) Include a map that indicates the Main Street Area and the Main Street Affordable Housing Project site(s); and

(5) Include a list of sites where affordable housing will be rehabilitated or developed. The list of sites must have been included in the Main Street Plan on or before the application deadline date.

(6) Include promotion and marketing.

(a) Affirmative fair housing marketing should be included in the listing of affordable housing promotion and marketing activities. For affirmative fair housing marketing, the applicant should identify the population least likely to apply for affordable housing developed through this NOFA before commencing with marketing for that housing."

*h. Requirements During the Initial Occupancy Period.*

(1) Initial residents of affordable rental units and initial resident purchasers of affordable homeownership units must be subject to the same rules regarding occupant contribution toward rent or purchase,

and terms of rental or purchase, as residents of public housing units in a HOPE VI development, i.e., site-based waiting lists, resident job or training requirements, and other occupancy requirements that are allowed under section 24 of the of the U.S. Housing Act of 1937 (1937 Act) may be applied to the units.

(2) The project owner entity is not required to develop most mandatory PHA documentation, e.g., the PHA Plans as described in 24 CFR part 903, etc. However, before the project is initially rented, the ownership entity must develop a written statement of its rent determination and occupancy policies.

(3) Public housing rental requirements that are contained in 24 CFR 903.7(d) and 24 CFR 903.7(f) are not mandatory, but may be used as examples for such policies.

i. *HOPE VI Homeownership.* The initial sale of an affordable homeownership unit to a third-party, low-income purchaser must take place in accordance with section 24 of the 1937 Act.

j. *Use Restrictions.* Project units must be maintained as affordable housing only for the period of initial rental occupancy or the initial resident's ownership. The applicant may elect to apply Use Restrictions for a longer period, or in excess, of this requirement.

k. *Leveraging Other Resources.* This NOFA states that each applicant must obtain non-HOPE VI leverage resources for use in the Main Street Affordable Housing Project (see "Match," Section III.B. and, "Rating Factor 4," Section V.A. of this NOFA) and, separately, for use in the Main Street Area effort as a whole (see "Thresholds," Section III.C of this NOFA). Main Street grant funds may be used to maximize the amount of leverage, i.e., leveraged funds and in-kind services, that the applicant can obtain from sources other than the HOPE VI program. In this capacity, grant funds may be used: (1) To collateralize municipal bonds or private-sector loans for affordable housing uses; and (2) As affordable housing "seed money" to attract Main Street Affordable Housing Project or Main Street Area leverage.

(1) Uses of Leverage. Leverage funds and in-kind services may be used for eligible activities listed in "Eligible Uses of Grant Funds," Section III.C. of this NOFA and, in addition, for related activities may not be eligible uses of grant funds, but that are necessary for the development of the Main Street Affordable Housing Project. Such activities include, but are not limited to:

(a) For Main Street Affordable Housing Project Leverage:

(i) The acquisition of existing housing units that will become affordable housing, but do not require rehabilitation, including associated costs, such as appraisals, surveys, tax settlements, broker fees, and other closing costs;

(ii) Off-site site improvements that are contiguous to the site;

(iii) Demolition;

(iv) Restoration of the Main Street Affordable Housing Project facade when facade rehabilitation is not an integral part of the project's rehabilitation;

(v) Rehabilitation of retail space in the Main Street Affordable Housing Project, even if this rehabilitation is not an integral part of the rehabilitation of the rental areas of the Project;

(vi) Funding of Reserves, e.g., Initial Operating Reserve necessary for financial viability during the initial affordable housing occupancy period, Replacement Reserves, etc.;

(vii) Legal and administrative fees and costs directly related to the Main Street Affordable Housing Project;

(viii) Homeownership financial assistance, e.g., write-down of homeownership unit development costs and down payment assistance; and

(ix) Other uses that relate directly to the Main Street Affordable Housing Project.

(b) For Main Street Area Leverage:

(i) Rehabilitation of retail space;

(ii) Site improvements, e.g., repaving streets or upgrading streets or sidewalks with brick or cobblestone, adding "boulevard" islands, etc.;

(iii) Legal and administrative fees and costs; and

(iv) Other uses that do not relate directly to the Main Street Affordable Housing Project, but do relate to the Main Street Area rejuvenation effort described in the Main Street Plan.

1. *Transfer of Title for Tax Credits.*

The original owner entity of Main Street Affordable Housing Project properties may transfer title to, or commit to a long-term lease with, an owner entity partnership that includes the original owner, the applicant, an equity partner and, when appropriate, other partners, for the purpose of obtaining Low Income or Historic Tax Credit equity as a leverage resource. See Section IV.E. of this NOFA for limits on sale of real property.

m. Section 106 Historic Preservation Requirements. Grantees may not commit HUD funds until HUD has completed the historic preservation review and consultation process under section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470f) and its

implementing regulation, 36 CFR part 800, as applicable, in accordance with environmental review requirements under 24 CFR part 50. See <http://www.achp.gov/> for details on the section 106 review process.

n. *Environmental Requirements.*

(1) HUD's notification of award to a selected applicant constitutes a preliminary approval by HUD, subject to HUD's completion of an environmental review, of proposed sites in accordance with 24 CFR part 50. Selection for participation (preliminary approval) does not constitute approval of the proposed site(s).

(2) Your application constitutes a certification that you, the applicant, will supply HUD with all available, relevant information necessary for HUD to perform any environmental review required by 24 CFR part 50 for each property; will carry out mitigating measures required by HUD or, if mitigation is not feasible, select alternate eligible property; and will not acquire, rehabilitate, convert, demolish, lease, repair, or construct property, nor commit or expend HOPE VI, other HUD or other non-HUD funds for these program activities with respect to any eligible property, until you receive written HUD approval of the property.

(3) Each proposal will be subject to a HUD environmental review, in accordance with 24 CFR part 50, and the proposal may be modified or the proposed sites rejected as a result of that review.

(4) Phase I and Phase II Environmental Site Assessments. If you are selected for funding, you must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-05, as amended, for each affected site. The results of the Phase I assessment must be included in the documents that must be provided to HUD for the environmental review. If the Phase I assessment recognizes environmental concerns or if the results are inconclusive, a Phase II environmental site assessment will be required.

(5) Mitigating and remedial measures. You must carry out any mitigating/remedial measures required by HUD. If a remediation plan, where required, is not approved by HUD and a fully-funded contract with a qualified contractor licensed to perform the required type of remediation is not executed, HUD reserves the right to determine that the grant is in default.

(6) Your application constitutes a certification that there are not any environmental or public policy factors such as sewer moratoriums that would

preclude development in the requested Main Street Area.

(7) Note that environmental requirements for this NOFA are found in 24 CFR part 50, which requires HUD environmental approval. Please note that 24 CFR part 58, which allows State and local governments to assume Federal environmental responsibilities, is not applicable.

(8) HUD's Environmental Web site is located at <http://www.hud.gov/offices/cpd/energyenviron/environment/index.cfm>.

*o. Building Standards.*

(1) Building Codes. All activities that include construction, rehabilitation, lead-based paint removal, and related activities must meet or exceed local building codes. The applicant is encouraged to read the policy statement and Final Report of the HUD Review of Model Building Codes that identifies the variances between the design and construction requirements of the Fair Housing Act and several model building codes. That report can be found on the HUD Web site at <http://www.hud.gov/fhe/modelcodes>.

(2) Deconstruction. HUD encourages the applicant to design programs that incorporate sustainable construction and demolition practices, such as the dismantling or "deconstruction" of housing units, recycling of demolition debris, and reusing salvage materials in new construction. "A Guide to Deconstruction" can be found at <http://www.hud.gov/deconstr.PDF>.

(3) Partnership for Advancing Technology in Housing ("PATH"). HUD encourages the applicant to use PATH technologies in the construction and delivery of affordable housing. PATH is a voluntary initiative that seeks to accelerate the creation and widespread use of advanced technologies to radically improve the quality, durability, environmental performance, energy efficiency, and affordability of our nation's housing.

(a) The goal of PATH is to achieve dramatic improvement in the quality of American housing by the year 2010. PATH encourages leaders from the home building, product manufacturing, insurance, and financial industries, and representatives from Federal agencies dealing with housing issues to work together to spur housing design and construction innovations. PATH will provide technical support in design and cost analysis of advanced technologies to be incorporated in project construction.

(b) Applicants are encouraged to employ PATH technologies to exceed prevailing national building practices by:

- (i) Reducing costs;
- (ii) Improving durability;
- (iii) Increasing energy efficiency;
- (iv) Improving disaster resistance; and
- (v) Reducing environmental impact.

(c) More information, including a list of technologies, the latest PATH Newsletter, results from field demonstrations, and descriptions of PATH projects can be found at <http://www.pathnet.org>.

(4) Energy Efficiency.

(a) New construction and rehabilitation that is started on or before September 30, 2006 must comply with HUD Minimum property standards, which incorporates by reference the Council of American Building Officials (CABO) Model Energy Code, 1992 edition. Construction of multifamily high-rises (having a height of four or more stories above grade) must comply with ASHRAE 90.1 1989. New construction and rehabilitation that is started after September 30, 2006 must comply with the 2003 International Energy Conservation Code (IECC 2003), which incorporates ASHRAE 90.1 2001 by reference for high-rise multifamily housing.

(i) IECC 2003 Administrative Guidance. IECC 2003 applies to all construction and rehabilitation of residential and commercial property. The standard contains exceptions that allow for its reasonable application to Main Street NOFA activities.

(A) IECC 2003 Section "101.2.2.3 Historic buildings. The provisions of this code \* \* \* shall not be mandatory for existing buildings or structures specifically identified and classified as historically significant by the state or local jurisdiction, listed in The National Register of Historic Places, or which have been determined to be eligible for such listing."

(B) IECC 2003 Section "101.2.3 Mixed occupancy. [For mixed-use buildings,] \* \* \* each portion of the building shall conform to the requirements for the occupancy housed therein. Buildings [with more than two housing units] with a height of four or more stories above grade shall be considered commercial buildings \* \* \* regardless of the number of floors that are classified as residential." That is, if there is a store in the building, that part of the building is considered commercial. The rest of the building would incorporate low-rise residential requirements.

(C) IECC 2003 Section "101.2.2.2 Additions, alterations or repairs. Additions [and rehabilitation of a building or portion of a building] \* \* \* shall conform to the provisions of this code \* \* \* without requiring the unaltered portion(s) of the existing

system to comply with all of the requirements of this code. Additions[or rehabilitation] shall not cause any one of the aforementioned and existing systems to become unsafe, hazardous or overloaded."

(b) Where local or State energy related building codes exceed the above standards, new construction and rehabilitation must comply with those local or State standards.

(c) In HOPE VI new construction and gut-rehabilitation, HUD encourages the applicant to set higher energy and water efficiency standards than the Model Energy Code contains. Such higher standards can achieve utility savings of 30 to 50 percent with minimal extra cost. To achieve higher levels of energy efficiency, development costs can be financed through leverage grants from non-HOPE VI sources, e.g., CDBG, HOME, Weatherization Assistance, Energy Star rebates, etc. Increased development costs are typically offset by reduced utility expenses.

(d) The applicant is encouraged to negotiate with its local utility company to obtain lower utility rates. Utility rates and tax laws vary widely throughout the country. In some areas, local governments are exempt or partially exempt from utility rate taxes. Some local governments have paid unnecessarily high utility rates because they were billed using an incorrect rate classification.

(e) Local utility companies may be able to provide grant funds to assist in energy efficiency activities. States may also have programs that will assist in energy efficient building techniques.

(f) The applicant must use new technologies that will conserve energy and decrease operating costs where cost effective. Examples of such technologies include:

- (i) Geothermal heating and cooling;
- (ii) Placement of buildings and size of eaves that take advantage of the directions of the sun throughout the year;
- (iii) Photovoltaics (technologies that convert light into electrical power);
- (iv) Extra insulation;
- (v) Smart windows; and
- (vi) Energy Star appliances.

(5) Universal Design. HUD encourages the applicant to incorporate the principles of universal design in the construction or rehabilitation of housing, retail establishments, and community facilities, and when communicating with community residents at public meetings or events. Universal Design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for

adaptation or specialized design. The intent of Universal Design is to simplify life for everyone by making products, communications, and the built environment more usable by as many people as possible at little or no extra cost. Universal Design benefits people of all ages and abilities. Examples include designing wider doorways, installing levers instead of doorknobs, and putting bathtub/shower grab bars in all units. Computers and telephones can also be set up in ways that enable as many residents as possible to use them. The Department has a publication that contains a number of ideas about how the principles of Universal Design can benefit persons with disabilities. To order a copy of *Strategies for Providing Accessibility and Visitability for HOPE VI and Mixed Finance Homeownership*, go to the publications and resource page of the HOPE VI Web site at <http://www.huduser.org/publications/pubasst/strategies.html>.

(6) Energy Star. The Department of Housing and Urban Development has adopted a wide-ranging energy action plan for improving energy efficiency in all program areas. As a first step in implementing the energy plan, HUD, the Environmental Protection Agency (EPA) and the Department of Energy (DoE) have signed a partnership to promote energy efficiency in HUD's affordable housing efforts and programs. The purpose of the Energy Star partnership is to promote energy efficiency of the affordable housing stock, but also to help protect the environment. Applicants constructing, rehabilitating, or maintaining housing or community facilities are encouraged to promote energy efficiency in design and operations. They are urged especially to build to Energy Star qualifications and to purchase and use Energy Star-labeled products. Applicants providing housing assistance or counseling services are encouraged to promote Energy Star building to homebuyers and renters. Program activities can include developing Energy Star promotional and information materials, outreach to low- and moderate-income renters and buyers on the benefits and savings when using Energy Star products and appliances, and promoting the designation of community buildings and homes as Energy Star compliant. For further information about Energy Star, see <http://www.energystar.gov> or call 1-888 STAR-YES (1-888-782-7937) or for the hearing-impaired, 1-888-588-9920 TTY.

(7) All buildings must be in compliance with design and construction requirements of the Civil Rights Act of 1964, section 504 of the

Rehabilitation Act of 1973, and section 109 of the Housing and Community Development Act of 1974.

p. *Lead-Based Paint*. The applicant must comply with lead-based paint evaluation and reduction requirements as provided for under the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, *et seq.*), the EPA's Pre-Renovation Education Rule (40 CFR part 745, subpart E), HUD's Lead Safe Housing Rule (24 CFR part 35, subparts B-R), and the Lead Disclosure Rule (24 CFR part 35, subpart A), which regulates documents provided to pre-1978 housing owners regarding lead paint or hazard testing or lead hazard reduction activities, as they may be amended or revised from time to time. The applicant will be responsible for lead-based paint evaluation and reduction activities for housing constructed prior to 1978. The National Lead Information Hotline is 1-800-424-5323.

q. *Labor Standards*.

(1) If other federal programs are used in connection with the applicant's HOPE VI Main Street activities, Davis-Bacon requirements apply to the extent required by the other federal programs.

(2) If an applicant provides Main Street grant funds to a PHA to construct, rehabilitate, or otherwise assist affordable housing under this NOFA, Davis-Bacon wage rates will apply to laborers and mechanics (other than volunteers under 24 CFR part 70) employed in the development of such units, and HUD-determined wage rates will apply to laborers and mechanics (other than volunteers) employed in the operation of such units.

r. *Relocation Requirements*. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1979 (42 U.S.C. 4601-4655), implementing regulations at 49 CFR part 24, and "Handbook CPD 02-08, Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended in HOPE VI Projects" apply to anyone who is displaced as a result of acquisition, rehabilitation, or demolition due to a HUD-assisted activity.

s. *Fair Housing and Equal Opportunity Requirements*.

Fair Housing and Equal Opportunity requirements stated in Section III.C. of the General Section apply as referenced in this NOFA. In addition, the following requirement applies:

(1) Accessibility Requirements.

(a) All "multifamily" HOPE VI developments, defined as projects with more than five units, are subject to the accessibility requirements contained in several federal laws, as implemented in

24 CFR part 8. PIH Notice 2003-31, available at <http://www.hud.gov/offices/pih/publications/notices/>, and subsequent updates, provides an overview of all pertinent laws and implementing regulations pertaining to HOPE VI.

(b) Generally, for substantial rehabilitation of projects with more than 15 housing units, or new construction of a multifamily project, at least 5 percent of the units, or one unit, whichever is greater, must be accessible to persons with mobility impairments. An additional 2 percent, but not less than one unit, must be made accessible for persons with hearing or vision impairment.

See, in particular, 24 CFR 8.20 through 8.32.

(c) In addition, under the Fair Housing Act, all new construction of covered multifamily buildings must contain certain features of accessible and adaptable design. The relevant accessibility requirements are provided in HUD's FHEO Web site at <http://www.hud.gov/groups/fairhousing.cfm>. Units covered are all those in elevator buildings with four or more units and all ground floor units in buildings without elevators. See also "program accessibility" at <http://www.hud.gov/offices/fheo/disabilities/sect504faq.cfm#anchor263905>. This section is in addition to, and does not replace, other non-HUD accessibility requirements that the applicant local government may be subject to.

5. *General Section References*. The following subsections of Section III of the General Section are hereby incorporated by reference:

e. Additional Nondiscrimination and Other Requirements;

(1) Civil Rights Laws, including the Americans with Disabilities Act of 1990 (42 U.S.C. 1201 *et seq.*);

(2) The Age Discrimination Act of 1974 (42 U.S.C. 6101 *et seq.*); and

(3) Title IX of the Education Amendments Act of 1972 (20 U.S.C. 1681 *et seq.*)

f. Affirmatively Furthering Fair Housing;

g. Economic Opportunities for Low- and Very Low-Income Persons (Section 3);

h. Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses;

i. Relocation;

j. Executive Order 13166, Improving Access to Services for Persons With Limited English Proficiency (LEP);

k. Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations;

- l. Accessible Technology;
- m. Procurement of Recovered Materials;
- n. Participation in HUD-Sponsored Program Evaluation;
- o. Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects;
- p. Salary Limitation for Consultants;
- q. OMB Circulars and Government-wide Regulations Applicable to Financial Assistance Programs;
- r. Drug-Free Workplace; and
- s. Safeguarding Resident/Client Files.

#### IV. Application and Submission Information

*A. Addresses to Request Application Package:* This section describes how you may obtain application forms, additional information about the General Section of this NOFA, and technical assistance.

1. Copies of this published NOFA and related application forms may be downloaded from the grants.gov Web site at <http://www.grants.gov/FIND>. If you have difficulty accessing the information, you may receive customer support from grants.gov by calling the help line at (800) 518-GRANTS or by sending an email to [support@grants.gov](mailto:support@grants.gov). The operators will assist you in accessing the information. If you do not have Internet access and need to obtain a copy of this NOFA, you can contact HUD's NOFA Information Center toll-free at (800) HUD-8929. Persons with hearing or speech impairments may call toll-free at (800) HUD-22091.

2. The published **Federal Register** document is the official document that HUD uses to evaluate applications. Therefore, if there is a discrepancy between any materials published by HUD in its **Federal Register** publications and other information provided in paper copy, electronic copy, or at <http://www.grants.gov>, the **Federal Register** publication prevails. Please be sure to review the application submission against the requirements in the **Federal Register** file of this NOFA.

#### B. Content and Form of Application Submission

1. *Number of Applications Permitted.* Each applicant may submit only one application.

2. *Joint Applications.* Joint applications are not permitted. However, the applicant may enter into subcontract agreements with procured developers, other partners, nonprofit organizations, state governments, or other local governments to perform the

activities proposed under the application.

#### 3. General Format and Length of Application.

e. *Applicant Name.* The applicant's official name is the name that is submitted to grants.gov on the SF-424.

#### f. Electronic Format.

##### (1) General.

(a) Sections of the application are as listed in Section IV.B. of this NOFA.

(b) In accordance with instructions on grants.gov and in the General Section, section submissions may be submitted through PureEdge fill-in forms that are part of the grants.gov Application Package, in electronic files attached to the grants.gov Application Package, or (if the applicant encounters a problem submitting some part of the application electronically to grants.gov) via Facsimile. Note that applicants must use form HUD 96011, as the cover page to the facsimile and that applications submitted entirely by facsimile will not be accepted by HUD.

(c) More than one Section's submission may be combined in one file, provided that each Section's submission is clearly labeled and is separately identifiable by a HUD reviewer.

##### (2) File Names.

(a) The name of each submission file should include the information below so that a HUD reviewer will be able to identify it as part of the application:

(i) Short version of applicant's name, e.g., town, city, county/parish, etc., and state; and

(ii) The word "Narratives" or "Attachment," as applicable, and the Section letter(s) (A through U) that are included in the file, as listed in Section IV.B. of this NOFA;

(b) Examples of file names are, "Atlanta GA Narratives ABC.doc," and "New York NY Attachments KL.pdf"

##### (3) Narrative Files.

(a) Each narrative submission file must be formatted so it can be read by MS Word 2000 (.DOC).

(b) To be included in the application, each file must be entered into the grants.gov "Project Narrative Attachment Form" located in the Mandatory Documents area of the "Grant Application Package."

(i) After the form is open, enter your first file as the "Mandatory Project Narrative File. Add subsequent files, if any, as "Optional Project Narrative Files" by clicking on "Attach" in the Attachments window.

##### (4) Attachment Files.

(a) In the grants.gov Grant Application Package, certain form Attachments have been converted into PureEdge documents for completion by the

applicant on the screen. The applicant must simply fill these forms in and submit them. Other Attachments are part of grants.gov's Application Instructions. The following instructions apply to those Attachments.

(b) Each Attachment file must be formatted so it can be read by MS Word (.DOC), MS Excel (.XLS) or Adobe Acrobat (.PDF). See the General Section for format version specifications.

(c) Downloaded files, e.g., forms HUD-52861 and HUD-52825A, should be submitted in their original format.

(d) Existing and third-party documents, e.g., Main Street Plan, maps and drawings, should be submitted in Adobe Acrobat (PDF) format.

(e) You must complete these Attachments in stand-alone applications, such as MS Excel. To include these downloaded Attachments in the application, you must enter each Attachment's file into the grants.gov "Other Attachments Form," which is located in the Mandatory Documents area of the Grant Application Package.

(i) After the form is open, enter your first file as the "Mandatory Other Attachment." Add subsequent files, if any, as "Optional Other Attachments" by clicking on "Attach" in the Attachments window.

##### g. Maximum Length of Application.

There is no overall maximum application length. However, there are maximum page limits for specific parts of the application. Pages beyond the below listed limits will not be reviewed. Page limits are as follows:

(a) The Executive Summary is limited to a maximum of two pages;

(b) All of the Narrative Sections' responses together, including the Rating Factor responses, are limited to a maximum of 20 pages;

(c) The Program Schedule is limited to a maximum of one page;

(d) The Main Street Area Map, including identification of all project sites, is limited to a maximum of one page. The map must be approximately to scale and must be of sufficient quality to be legible at 11" x 17" printed size;

(e) Each different Main Street Affordable Housing Project unit layout is limited to a maximum of one page. One page may contain up to four layouts; and

(f) The Main Street Plan is limited to a maximum of 20 pages. In order to meet the size limitation, the applicant may submit only the portions of the Main Street Plan that pertain to the "Thresholds" and "Program Requirements," in Section III.C., and the Rating Factors in Section V.A. of this NOFA.

(g) The Evaluation Plan is limited to a maximum of three pages.

(h) Applicant Team Resumes are limited to a maximum of 5 pages. More than one resume may be placed on each page.

(2) Page Definition and Layout.

(a) A page is the electronic equivalent of an 8 1/2" x 11" paper page, with one inch top, bottom, left and right margins.

(b) For DOC files, a "page" contains a maximum of 23 double-spaced lines. The length of each line is limited to 6 1/2 inches. The font must be 12-point Times New Roman. Each page must be numbered. The page numbers may be within the bottom one inch of the page, beyond the 23 lines, e.g., in the footer area.

(c) Third-party and existing documents converted into PDF format may retain their original page layout. They must not be shrunk to fit more than one original page on each application page. To add page numbers to PDF files using Adobe Acrobat 6, click on Document; Add Headers & Footers; Footer; Align Right; Insert Page Number.

(d) Pages of HUD forms and certification formats furnished by HUD must remain as numbered by HUD.

*h. List of Application Sections and Related Documents.*

(1) Summary Information:

(a) Section A: Application for Federal Assistance, form SF-424;

(b) Section B: Executive Summary;

(2) Rating Factor Responses:

(a) Section C: Rating Factor 1, Capacity, Narrative Response;

(b) Section D: Rating Factor 3, Appropriateness of Main Street Plan;

(c) Section E: Rating Factor 4, Appropriateness of the Main Street Affordable Housing Project;

(d) Section F: Rating Factor 5, Program Administration and Fiscal Management;

(e) Section G: Rating Factor 6, Incentive Criteria on Regulatory Barrier Removal (information required by form HUD-27300);

(3) Attachments:

(a) Section H: Program Schedule;

(b) Section I: HOPE VI Main Street Application Data Sheet, form HUD-52861;

(c) Section J: HOPE VI Budget, form HUD-52825A;

(d) Section K: 5-Year Cash Flow Proforma;

(e) Section L: Map of Main Street Area;

(f) Section M: Housing Unit Layout;

(g) Section N: Main Street Rejuvenation Master Plan (Main Street Plan);

(h) Section O: America's Affordable Communities Initiative, form HUD-27300, and related documentation;

(i) Section P: Certification of Consistency with the RC/EZ/EC-II's Strategic Plan, form HUD-2990, if applicable;

(j) Section Q: Logic Model, form HUD-96010, including:

(i) Indicators, outcomes and related items obtained from the grants.gov Grant Application Package Logic Model drop-down menu, and

(ii) The grant Evaluation Plan;

(k) Section R: Code of Conduct (including distribution methodology);

(l) Section S: Applicant/Recipient Disclosure/Update Report, form HUD-2880, if applicable;

(m) Section T: Disclosure of Lobbying Activities, Standard Form LLL, if applicable; and

(n) Section U: Applicant Team Resumes.

4. *Threshold Documentation.*

e. *Code of Conduct.*

(1) The applicant must submit a copy of its code of conduct as part of the application if its code of conduct is not already on file with HUD. See 24 CFR 84.42 and 85.36(b)(3).

(2) Unless the applicant is listed on HUD's Web site at <http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm> and the information has not been revised, the applicant is required to submit:

(a) A copy of its code of conduct;

(b) A description of the methods it will use to ensure that all officers, employees, and agents of its organization are aware of its code of conduct; and

(c) The following information, as it is stated on the SF-424:

(i) DUNS;

(ii) EIN;

(iii) Applicant Legal Name;

(iv) Address (Street, P.O. Box, City, State, and Zip);

(d) Authorized Official's information (Name, Title, Phone, and e-mail)

(3) The code of conduct must prohibit real and apparent conflicts of interest that may arise among officers, employees, or agents; prohibit the solicitation and acceptance of gifts or gratuities by your officers, employees, or agents for their personal benefit in excess of minimal value; and outline administrative and disciplinary actions available to remedy violations of such standards.

(4) See the General Section, III.C., for more detailed information and instructions if the applicant needs to submit their code of conduct to HUD via facsimile.

5. *Summary and Attachment Documentation.*

e. *Executive Summary.*

(1) Provide an Executive Summary, not to exceed two pages. Describe your affordable housing plan. State whether: (1) You have procured (or will procure) a developer, (2) you will act as your own developer, or (3) you will not use a developer because your housing project is not complex enough to warrant one. Briefly describe:

(a) The type of housing, e.g., walk-up above retail space, detached house, etc.;

(b) The number of units and buildings;

(c) The specific plans for the Main Street Area that surrounds the Main Street Affordable Housing Project. Include income mix, basic features (such as restoration of streets), and a general description of mixed-use and non-housing Main Street rejuvenation components.

(d) The number of homeownership units in your proposal, if any;

(e) The amount of HOPE VI funds you are requesting. See Section IV.E. of this NOFA for funding limits; and

(f) A list of major non-HOPE VI funding sources for the Main Street Affordable Housing Project, if any.

f. *Program Schedule.* The application requires a Program Schedule for the applicant's Project. The Program Schedule must reflect the Reasonable Time-Frame and Development Proposal time requirements stated in Section VI.B. of this NOFA.

g. *HOPE VI Main Street Application Data Sheet, form HUD-52861, in MS Excel format (.XLS).*

(1) This form consists of several Excel worksheets. Each worksheet requires information that is necessary for the applicant to meet thresholds, obtain rating points, or determine the maximum grant amount. Instructions for completing the data worksheets are located in the left-hand worksheet, with the tab name, "Instructions." The worksheets should be completed from the left-most tab toward the right. In this way, the information that the applicant provides will automatically be inserted to the right into other worksheets as needed.

(2) Unit Mix. This worksheet will be HUD's primary source of information on the Main Street Affordable Housing Project's unit number and type. This information also feeds into the calculations for maximum grant amount.

(3) Construction Sources and Uses. This worksheet contains the planned costs and funding resources that will exist during the construction period. That is, if a construction loan will be obtained, it would be included here along with other financing that will be

expended during the construction period, including grant funds used in construction. A permanent mortgage would not be included here.

(4) Permanent Sources and Uses. This worksheet contains the planned costs and long-term financing that will be used to develop the Main Street Affordable Housing Project. Tax credit equity, permanent mortgages, grant funds that will be used in construction, rent-up, developer fee, etc., would be included here.

(5) TDC. The maximum amount of the grant must be based on HUD's Total Development Cost per unit developed. The applicant must choose an applicable city and state. HUD developed TDCs for larger cities, metropolitan statistical areas and primary metropolitan statistical areas (MSA/PMSA), not for small, rural cities. Therefore, the applicant must determine which listed city or MSA/PMSA is most applicable to it.

(6) Match and Housing Resources. In order to meet HOPE VI's 5% Match, and to obtain rating points for Main Street Affordable Housing Project leverage, the applicant must enter funding sources, amounts, the leverage and related information in this worksheet. If a source is not listed in this worksheet, the amount will not be included in HUD's review and rating. Allowable resources may be cash contributions or contributions of in-kind services THAT WILL BE EXPENDED ON THE MAIN STREET AFFORDABLE HOUSING PROJECT ONLY.

(7) Main Street Area Rejuvenation Effort Leverage Resources. In order to meet the 50% Main Street Area leverage threshold, the applicant must enter funding sources, amounts and related information in this worksheet. Allowable resources may be cash contributions or contributions of in-kind services that have been expended, or are committed to, the Main Street Area rejuvenation effort as a whole, EXCLUDING THE MAIN STREET AFFORDABLE HOUSING PROJECT. If a source is not listed in this worksheet, the amount will not be included in HUD's review and rating.

(8) For each of the applicant's Match and leverage resources, the applicant must include:

(i) The name of the entity providing the resource;

(ii) The name of a contact for the entity providing the resource that is familiar with the contribution toward this application;

(iii) The telephone number of a contact for the resource who is familiar with the contribution toward this application;

(iv) The leverage amount;

(v) Whether the leverage amount is cash or in-kind services; and

(vi) The period in which the leverage resource was expended or will be received, e.g., expended during 2005, or, for a future leverage resource, the period in which it will be furnished, e.g., over the next two years.

h. *HOPE VI Budget*. Enter the amount you are requesting through this NOFA. In "Part I: Summary," in the "PHA" space, enter the applicant's name as stated on the SF-424. Also complete the column entitled, "Revised Overall HOPE VI Budget for All Project Phases." It is not necessary to fill in the other columns. In "Part II: Supporting Pages," in the "PHA" space, enter the applicant's name as stated on the SF-424 and complete only columns 2 and 3.

i. *Cash Flow Proforma*. The applicant must include a five-year estimate of project income, expenses, and cash flow ("proforma") that shows that the project will be financially viable over the long term. In the proforma, the applicant should assume that the initial occupancy period is a minimum of two years. Note that initial funding of reserves with grant funds is NOT an allowable use of funds from this NOFA. Reserves may be funded through leverage resources. Viability must be shown for the entire project, i.e., all buildings that include affordable housing units that are partially or wholly funded with HOPE VI funds. The applicant may include one proforma for the entire project, or several proformas, broken out for the various portions of the project, as fits the circumstances best. For example, separate proformas may be included for:

(1) All buildings together;

(2) Separately for each building in the project; or

(3) Separately for each owner entity in the project.

j. *Map of Main Street Area*. The drawing must denote the boundaries of a Main Street Area and denote each housing site that is included in the applicant's project. The map should be grayscale for printing on a black-and-white printer. Boundaries and site(s) should be delineated with black lines. The boundaries may include streets, highways, railroad tracks, etc., and natural boundaries such as streams, hills, and ravines, etc.

k. *Housing Unit Layout*. The applicant must include one unit layout drawing for each of the different size and type affordable housing units that are planned. The drawings do not need to be blueprint quality, but should be approximately to scale. Up to four

layouts may be included on each page. The layouts should be in grayscale, for printing on a black-and-white printer.

l. *Main Street Rejuvenation Master Plan (Main Street Plan)*. The applicant's Main Street Rejuvenation Master Plan must address, at a minimum, the six subjects listed in "Main Street Rejuvenation Master Plan," in "Definitions," Section I.D. of this NOFA. The Main Street Plan should include amendments that occurred during the publication period of this NOFA, e.g., inclusion of affordable housing, Main Street Affordable Housing Project site address. It is not necessary to include a market analysis to demonstrate that affordable housing is needed in the Main Street Area. It is also not necessary to include nominations to the National Register of Historic Places (NRHP). The applicant may submit only the portions of the Main Street Plan that pertain to subjects that are listed in Section III.C. of this NOFA, under "Thresholds," "Program Requirements," and the Rating Factors in Section V.A. of this NOFA.

m. *America's Affordable Communities Initiative, form HUD-27300*. The applicant must complete and include this form, and accompanying documentation, in the application in order to receive rating points. See the General Section.

n. *Certification of Consistency with the RC/EZ/EC-II's Strategic Plan, form HUD-2990*. If the applicant is eligible for, and desires, this NOFA's RC/EZ/EC-II bonus points, the applicant must complete, sign, and include this certification form in the application in order to receive the rating points. The certification must also meet the requirements stated in the General Section.

o. *Logic Model*. The applicant must complete the form HUD-96010, "Logic Model," in accordance with the "Logic Model Instructions" part of the form and Section VI.B. of the General Section. The Logic Model is included in the "Application Instructions" of the application on grants.gov. The Logic Model has self-contained instructions for its use. HUD suggests that you read those instructions first and then complete the Logic Model, selecting the applicable responses for your proposed program from the drop down selections. After completing the Logic model, save it and attach it to your electronic application submission using the "Other Attachments Form" found in the Mandatory Documents block of the grants.gov Application Package.

6. *Rating Factor Format*. The narrative portion of the application includes the executive summary and all of the

applicant's responses to the Rating Factors. To ensure proper credit for information applicable to each Rating Factor, the applicant should include references to application Sections, as listed in Section IV.B. of this NOFA, and to pages of the Main Street Plan, as appropriate for Rating Factor responses. The applicant's Rating Factor responses should be as descriptive as possible, ensuring that every requested item is addressed. The applicant should make sure to include all information requested in this NOFA. Although information from all parts of the application will be taken into account in rating the various factors, if supporting information cannot be found by the reviewer, it cannot be used to support a factor's rating.

**7. Rating Factor Documentation.**

**e. References to the Main Street Rejuvenation Master Plan.**

(1) The purpose of referencing the Main Street Rejuvenation Master Plan is to decrease the amount of Rating Factor narrative that the applicant finds necessary to achieve its maximum rating. It is NOT necessary to repeat in the Rating Factor narratives the information that the applicant included in its Main Street Plan.

(2) Each reference to the Main Street Plan should be specific, including the page number of the Main Street Plan where the information can be found and a reference to identify its location on the page. More than one specific reference to the Main Street Plan may be included for any one subject or Rating Factor narrative.

**f. Team Experience and Key Personnel Knowledge.** Documentation that demonstrates knowledge and experience may include, but is not limited to:

(1) A list and short description of affordable housing projects that the members of the applicant's team have completed;

(2) A list and short description of contracts or grants completed by the members of the applicant's team for similar housing development or services;

(3) Third-party evaluation reports;

(4) Résumés of key personnel; and

(5) Other documentation showing knowledge and experience of affordable housing development or construction.

**g. Need for Affordable Housing.** It is not necessary for the applicant to include documentation for this Rating Factor in the application. HUD reviewers will derive the need for affordable housing is based on a comparison of HUD's Fair Market Rent (FMR) for the applicant's Primary Metropolitan Statistical Area/

Metropolitan Statistical Area ("PMSA/MSA") or nonmetropolitan county/parish and the maximum amount of rent that a very low-income family living in that PMSA/MSA or nonmetropolitan county/parish can afford to pay. In performing the comparison, HUD will compare the FMR for a three-bedroom unit to the rent that would be paid by a four-person very low-income family.

(1) PMSA/MSAs and nonmetropolitan counties/parishes are as listed in HUD's document titled "FY 2005 State List of Counties (and New England Towns) Identified by Metropolitan and Nonmetropolitan Status" at <http://www.huduser.org/datasets/il/IL05/Definitions05.doc>

(2) The FMRs are listed at [http://www.huduser.org/datasets/fmr/fmr2006F/FY2006F\\_SCHEDULE\\_B.doc](http://www.huduser.org/datasets/fmr/fmr2006F/FY2006F_SCHEDULE_B.doc)

h. The maximum, affordable very low-income rent is based on HUD's Income Limits, as listed at [http://www.huduser.org/datasets/il/IL05/Section8\\_IncomeLimits\\_2005.doc](http://www.huduser.org/datasets/il/IL05/Section8_IncomeLimits_2005.doc) for very low-income families. The initial occupant must not pay more in rent than a public housing resident at a HOPE VI development, which is 30% of one twelfth of the listed income limit for a very low-income family Readiness and Appropriateness of the Main Street Affordable Housing Project.

(1) **Site Control.** See the definition of Site Control in Section I.D. of this NOFA.

Section (3). A minimal Section (3) plan must include at least general methods that the applicant will use to comply with implementing regulations at 24 CFR part 135 and give job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns. A Section (3) plan that exceeds this may contain more specific information, e.g., goals by age group, types of jobs, and other opportunities to be furnished; plans for tracking and evaluation of goals. To include Logic Model Section (3) information in the Section (3) plan, the applicant should make reference to such information in the Section (3) Narrative.

i. Program Administration and Fiscal Management.

(1) Documentation that demonstrates program administration and fiscal management MUST include:

(a) A list of any findings issued or material weaknesses found by HUD or other federal or state agencies. A description of how the applicant addressed the findings and/or weaknesses. If no findings or material weaknesses were exposed or existed on or before the publication date of this

NOFA, include a statement to that effect in the narrative; and

(b) An Evaluation Plan. The plan should include the applicant's indicators, outcomes and evaluation methodology in prose format. The plan should include those indicators, outcomes, and methodologies included in the applicant completed Logic Model. The plan must include the methodology to be used to measure progress toward grant completion, and the return on investment (ROI) that the grant has achieved. The Evaluation Plan may contain indicators, outcomes and methodologies in addition to those stated in the Logic Model.

(2) Documentation that demonstrates program administration and fiscal management should include

(a) A description of the procurement system structure that the applicant has in place, including internal controls. Note that procurement system information will be included in the narrative page limit;

(b) A description of the fiscal management structure that the applicant has in place, including fiscal controls and internal controls;

(c) A summary of the results of the last available annual external, independent audit, including findings, if any;

(d) A description of the applicant's management control structure, including management roles and responsibilities and evidence that the applicant's management is results-oriented, e.g., existing production, rental, and maintenance goals.

j. **Incentive Criteria on Regulatory Barrier Removal.**

(1) The applicant must include the completed form HUD-27300 in the application, along with background documentation where required by the form, if it wants to receive up to 2 policy priority points for removal of barriers to affordable housing. See Section IV. of the General Section.

k. **RC/EZ/EC-IIs.**

(1) To receive up to two bonus points for performing the NOFA activities in a RC/EZ/EC-II area, the applicant must complete, sign, and submit the "Certification of Consistency with RC/EZ/EC Strategic Plan" (form HUD-2990) as part of the application and meet the requirements of the General Section.

C. **Submission Dates and Times**

1. **Application deadline date.**

Electronic applications must be received and validated by Grants.gov by 11:59:59 p.m. eastern time on the application deadline of July 10, 2006. Paper copy applications submitted if a waiver to the electronic submission is granted, must be received by the application deadline

date of July 10, 2006. See the General Section.

2. *No Facsimiles or Videos.* HUD will not accept for review, evaluation, or funding, any entire application sent by facsimile (fax). However, third-party documents or other materials sent by facsimile in compliance with the instructions under Section IV. of the General Section, and that are received by the application deadline date will be accepted. Also, videos submitted as part of an application will not be viewed.

#### D. *Intergovernmental Review*

##### 1. *Executive Order 12372,*

*Intergovernmental Review of Federal Programs.* Executive Order 12372 was issued to foster intergovernmental partnership and strengthen federalism by relying on state and local processes for the coordination and review of Federal financial assistance and direct Federal development. HUD implementing regulations are published in 24 CFR part 52. The executive order allows each state to designate an entity to perform a state review function. The official listing of State Points of Contact (SPOCs) for this review process can be found at <http://www.whitehouse.gov/omb/grants/spoc.html>. States not listed on the website have chosen not to participate in the intergovernmental review process and, therefore, do not have a SPOC. If the applicant's state has a SPOC, the applicant should contact it to see if it is interested in reviewing the application prior to submission to HUD. The applicant should allow ample time for this review process when developing and submitting the applications. If the applicant's state does not have a SPOC, the applicant may send applications directly to HUD.

##### E. *Funding Restrictions*

1. Grant funds must only be used to provide assistance to carry out eligible affordable housing activities, as stated in Section III.C. of this NOFA.

2. HOPE VI funds may not be used to meet the Match requirement.

##### 3. *Non-allowable Costs and Activities.*

e. Grant funds awarded through this NOFA must not be expended on:

f. Total demolition of a building (including where a building foundation is retained);

g. Sale or lease of the Main Street Affordable Housing Project site (excluding lease or transfer of title for the purposes of obtaining tax credits, provided that the recipient owner entity of the title or lease includes the applicant, and excluding purchase of property for rehabilitation);

h. Funding of project reserves of any type;

i. Payment of the applicant's administrative costs;

j. Payment of any and all legal fees;

k. Development of public housing replacement units (defined as units that replace disposed of or demolished public housing);

l. Housing Choice Vouchers;

m. Transitional security activities;

n. Main Street technical assistance consultants or contracts; and

o. Costs incurred prior to grant award, including the cost of application preparation.

4. Main Street Affordable Housing Project Leverage. Excluding the Match amount, Main Street Affordable Housing Project Leverage resources may be used to fund non-allowable expenditures, provided that these expenditures support the development of affordable housing.

##### 5. *Cost Controls*

e. The total amount of HOPE VI funds expended shall not exceed the Total Development Cost ("TDC"), as published by HUD in NOTICE PIH 2005-26 (HA), "Public Housing Development Cost Limits," for the number of affordable housing units that will be developed through this NOFA. The TDC limits can be found at on HUD's HOPE VI Main Street Web site, <http://www.hud.gov/offices/pih/programs/ph/hope6/grants/mainstreet/> or at [http://www.hudclips.org/sub\\_nonhud/cgi/nph-brs.cgi?d=PIHN&s1=total+development+cost&op1=AND&l=100&SECT1=TXT&\\_HITS&SECT5=HEHB&u=./hudclips.cgi&p=1&r=4&f=G](http://www.hudclips.org/sub_nonhud/cgi/nph-brs.cgi?d=PIHN&s1=total+development+cost&op1=AND&l=100&SECT1=TXT&_HITS&SECT5=HEHB&u=./hudclips.cgi&p=1&r=4&f=G).

f. Cost Control Safe Harbors apply. Grantees must comply with HOPE VI Main Street Cost Control and Safe Harbor Standards as follows:

(1) Developer Fee Safe Harbor. The HOPE VI Main Street Safe Harbor for the developer fee is 9% or less of total Main Street Affordable Housing Project costs that are funded by grant funds or leverage funds included in the NOFA application (less the total amount of all reserve accounts and less the developer fee, itself.) The maximum developer fee is 12% of total Main Street Affordable Housing Project costs that are funded by grant funds or leverage funds included in the NOFA application. Any fee above the 9% safe harbor must be justified and approved by HUD in advance. Possible justifications for exceeding the 9% safe harbor include:

(a) Developer independently obtains project financing, including tax credits. The more sources of financing, the greater the justification for a higher developer fee;

(b) Developer obtains site control from an entity other than the Grantee. The more sites acquired the greater the justification for a higher developer fee;

(c) The project is complex (e.g., in financial, legal, environmental and/or political terms.)

(d) The developer bears more than 25% of the predevelopment costs;

(e) The developer fee is deferred or paid out of positive cash flow from the project;

(f) The developer guarantee(s) is for a large dollar amount in proportion to the project size and/or the guarantee(s) is for a long term.

(2) General Contractor Fee. The HOPE VI Main Street Safe Harbor for the general contractor fee is as follows:

(a) General Requirements: 6% of hard-costs (including contingency and bond premium);

(b) Overhead: 2% of hard-costs plus General Requirements;

(c) Profit: 6% of hard-costs, General Requirements and Overhead;

(d) The maximum Safe Harbor for these combined costs is 14%, unless adequate justification is provided to HUD.

6. *Community and Supportive Services ("CSS").* Furnishing CSS to residents is voluntary, except for homeownership counseling when the application includes development of homeownership units. If the applicant chooses to furnish CSS, expenditures are limited to 15 percent of the grant amount.

7. *Statutory time limit for award, obligation, and expenditure.*

e. The estimated award date will be 60 days after the application deadline date of July 10, 2006.

f. Funds available through this NOFA must be obligated on or before September 30, 2006.

g. In accordance with 31 U.S.C. 1552 (Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 935; Pub. L. 101-510, div. A, title XIV, Sec. 1405(a)(1), Nov. 5, 1990, 104 Stat. 1676.), all HOPE VI funds that were appropriated in FY 2005 must be expended by September 30, 2011, and all HOPE VI funds that were appropriated in FY 2006 must be expended by September 30, 2012. Any funds that are not expended by these dates will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose.

8. *Withdrawal of Funding.* If a grantee under this NOFA does not proceed within a reasonable time frame, HUD shall withdraw any grant amounts that have not been obligated. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for assistance.

9. *Transfer of Funds.* HUD has the discretion to transfer funds available

through this NOFA to any other HOPE VI program.

10. *Limitation on Eligible*

*Expenditures.* Expenditures on services, equipment, and physical improvements must directly relate to project activities allowed under this NOFA.

11. *Pre-Award Activities.* Award funds shall not be used to reimburse pre-award expenses.

F. Other Submission Requirements.

1. Application Submission and Receipt Procedures. See Section IV.F. of the General Section.

2. Timely Receipt Requirements and Proof of Timely Submission.

e. *Electronic Submission.* All electronic applications must be received and verified by <http://www.grants.gov> by 11:59:59 p.m. eastern time on or before the deadline date established for this NOFA.

An electronic time stamp is generated within the system when the application is successfully received by grants.gov and again when the application is successfully validated by grants.gov. The applicant will receive an acknowledgement of receipt and a tracking number from grants.gov with the successful transmission of the application. Applicants should print these receipts and save them, along with facsimile receipts for information provided by fax, as proof of timely submission. When HUD successfully retrieves the application from grants.gov, HUD will provide an electronic acknowledgment of receipt to the e-mail address provided on the SF-424. Proof of Timely Submission shall be the date and time that grants.gov receives and validates your application submittal and the date HUD receives those portions of your application submitted by fax. All fax transmissions must be received by the application deadline date and time.

Applications received and validated by grants.gov, after the established due date for the program, will be considered late and will not be considered for funding by HUD. Similarly, applications will be considered late if information submitted by facsimile as part of the application is not received by HUD by the established deadline date and time. Please take into account the transmission time required for submitting your application via the Internet and the time required to submit any related documents via electronic facsimile. HUD suggests that applicants submit their applications early (see the General Section) and during the operating hours of the grants.gov Support Desk, so that if there are questions concerning transmission, operators will be available to walk you

through the process. Submitting your application during the Support Desk hours will also ensure that you have sufficient time for the application to complete its transmission prior to the application deadline and ask any questions should you have any concerns in trying to submit your application.

Applicants using dial-up connections should be aware that transmission should take some time before grants.gov receives it. Grants.gov will provide either an error or a successfully received transmission message. The grants.gov Support Desk reports that some applicants abort the transmission because they think that nothing is occurring during the transmission process. Please be patient and give the system time to process the application. Uploading and transmitting many files, particularly electronic forms with associated XML schemas, will take some time to be processed. However, applicants are advised to use the Internet Explorer or Netscape browsers for submitting the application as they have been tested on Grants.gov and have a proven track record. Applicants are also advised that applications that take 1 hour or more to upload may be timed out by their Internet Service provider. To avoid such issues applicants should zip their files to shrink the size of the transmissions and make sure that you are uploading the application from the desktop and other applications have been closed. Following these simple procedures will help speed the upload.

f. Applications Receiving Waivers to Submit a Paper Copy Application. See the Section IV. of the General Section. Applicants granted a waiver to the electronic submission requirement must be submitted in their entirety to the applicable HUD office by the application deadline date. Written notification of waiver approval will include information on mailing instructions and timely receipt of the application by HUD.

g. No Facsimiles of Entire Application. HUD will not accept fax transmissions from applicants who receive a waiver to submit a paper copy application. Paper applications must be complete and submitted, in their entirety, on or before the application deadline date.

3. *General Section References.* Section IV of the General Section is hereby incorporated by reference.

4. Forms. The following HUD standard forms are not required as part of the application for this NOFA:

e. Grant Application Detailed Budget (HUD-424-CB);

f. Grant Application Detailed Budget Worksheet (HUD-424-CBW);

## V. Application Review Information

### A. Selection Criteria (Rating Factors)

1. Rating Factor 1: Capacity (up to 30 points)

This factor addresses whether the Applicant Team has the capacity and organizational resources necessary to successfully implement the proposed activities within the grant period.

a. *Past Experience (up to 15 points).*

(1) The applicant will earn a maximum of 15 points if the applicant demonstrates that the applicant's team has extensive experience of affordable housing development and historic preservation requirements, and is on schedule in implementing the Main Street Plan, that is, the applicant's team has developed or rehabilitated more than 5 affordable housing projects and 3 NRHP or traditional architecture projects over the past three years.

(2) The applicant will earn a maximum of 10 points if the applicant demonstrates that the applicant's team has adequate experience of affordable housing development and historic preservation requirements, and is on schedule in implementing the Main Street Plan. That is, the applicant's team has developed or rehabilitated more than 2 affordable housing projects and 1 NRHP or traditional architecture projects over the past three years.

(3) The applicant will earn a maximum of 5 points if the applicant demonstrates that the applicant team has extensive experience, gained over the past three years, of affordable housing development and historic preservation requirements, but is behind schedule in implementing the Main Street Plan.

(4) The applicant will earn a maximum of 0 points if the applicant cannot demonstrate that its team has at least adequate experience of housing development and historic preservation requirements, whether implementation of the Main Street Plan is on schedule or not.

b. *Knowledge of Key Personnel (up to 10 points).*

(1) The applicant will earn a maximum of 10 points if the applicant demonstrates that its key personnel have extensive knowledge, gained over the past three years, of affordable housing development and historic preservation requirements.

(2) The applicant will earn a maximum of 5 points if the applicant demonstrates that the applicant team's key personnel have adequate knowledge, gained over the past three years, of affordable housing development and historic preservation requirements.

(3) The applicant will earn a maximum of 0 points if the applicant cannot demonstrate that its key personnel have at least adequate knowledge, gained over the past three years, of housing development and historic preservation requirements.

*c. Tracking and Reporting System for Production Milestones (up to 5 points).*

(1) The applicant will earn a maximum of 5 points if the applicant demonstrates that a tracking and reporting system for key production milestones has existed and has been in use continuously for the Main Street Area rejuvenation effort, and the applicant demonstrates how the tracking and reporting system will be used to implement a grant awarded through this NOFA.

(2) The applicant will earn a maximum of 3 points if a tracking and reporting system exists as of the application deadline date (i.e., was developed as a result of this NOFA), but has not been used on the Main Street Area rejuvenation effort, provided that the applicant demonstrates how it will be used to implement a grant awarded through this NOFA.

(3) The applicant will receive 0 points if:

(a) A tracking and reporting system does not exist; or

(b) The applicant does not demonstrate how one will be used to implement a grant awarded through this NOFA.

**2. Rating Factor 2: Need for Affordable Housing (up to 10 points)**

a. For the applicant's PMSA/MSA or nonmetropolitan county/parish, if the ratio of the maximum affordable rent for a 3-person very low-income family to the FMR of a 2-bedroom size unit (affordable rent divided by FMR) is equal to or less than 1.1, the applicant will receive 10 points. Affordable rent is 30% of the Income Limit for a very low-income family, divided by 12 (months per year).

b. For the applicant's PMSA/MSA or nonmetropolitan county/parish, if the ratio of the maximum affordable rent for a 3-person family to the FMR of a 2-bedroom size unit (affordable rent divided by FMR) is greater than 1.1, the applicant will receive 0 points. Affordable rent is 30% of the Income Limit for a very low-income family, divided by 12 (months per year).

**3. Rating Factor 3: Appropriateness of the Main Street Plan (up to 20 points)**

*a. Main Street Plan Requirements (up to 3 points).*

(1) The Main Street Plan should at a minimum:

(a) Have had an architect, land planner, or qualified planning professional involved in Plan preparation.

(b) Describe the proposed Main Street Rejuvenation redevelopment strategies;

(c) Describe the proposed Main Street Rejuvenation redevelopment actions;

(d) Include a map that indicates the Main Street Area and the Main Street Affordable Housing Project sites;

(e) Include a narrative that refers to the map and describes the various planned redevelopment actions; and

(f) Include a list of properties where affordable housing will be rehabilitated or developed. The list of properties must have been included in the Main Street Plan on or before the application deadline date. The properties must be described by lot/block number, street address, legal description, or other exact description.

**(2) Scoring:**

(a) The applicant will receive 3 points if the application demonstrates that the Main Street Plan includes either 5 or 6 of the elements listed above.

(b) The applicant will receive 2 points if the application demonstrates that the Main Street Plan includes either 3 or 4 of the elements listed above.

(c) The applicant will receive 0 points if the application does not demonstrate that the Main Street Plan includes at least 3 of the elements listed above.

*b. Main Street Plan Qualities (up to 17 points).*

(1) Commitment to Historic or Traditional Architecture.

(a) The applicant will receive 5 points if the applicant's Main Street Plan demonstrates a strong commitment to the preservation of historic or traditional architecture.

(b) The applicant will receive 3 points if the applicant's Main Street Plan addresses the preservation of historic or traditional architecture but does not convey a strong commitment to it.

(c) The applicant will receive 0 points if the applicant Main Street Plan does not address the preservation of historic or traditional architecture.

**(2) Design Guidelines.**

(a) The applicant will receive 4 points if the applicant's Main Street Plan contains specific design guidelines that relate to historic or traditional architecture, and that promote universal design, as described in Section III.C. of this NOFA.

(b) The applicant will receive 0 points if the Main Street Plan does not contain design guidelines.

**(3) Public and Private Support.**

(a) The applicant will receive 5 points if the applicant's Main Street Plan has received strong local public and private

sector support demonstrated by long-term (at least two years) financial and in-kind service leverage commitments to the Main Street Area equal to or greater than 200 percent of the applicant's requested grant amount.

(b) The applicant will receive 3 points if the applicant's Main Street Plan has received strong local public and private sector support demonstrated by long-term (at least two years) financial and in-kind service leverage commitments to the Main Street Area equal to or greater than 100 percent, but less than 200 percent of the applicant's requested grant amount.

(c) The applicant will receive 0 points if the applicant's Main Street Plan has received local public and private sector support demonstrated by long-term (at least two years) financial and in-kind service leverage commitments to the Main Street Area less than 100 percent of the applicant's requested grant amount.

**(4) Promotion and Marketing.**

(a) The applicant will receive 3 points if the applicant's Main Street Plan SETS FORTH A PLAN to promote and market the Main Street Area rejuvenation effort to financiers, other parties that may be involved in the rejuvenation effort and to possible future residents of the Main Street Affordable Housing Project, including (in accordance with affirmative fair housing marketing requirements) the population that is least likely to apply.

(b) The applicant will receive 1 point if the applicant's Main Street Plan includes a discussion of either promotion or marketing, but not both, of the Main Street Area rejuvenation effort to parties that may be involved in the rejuvenation effort and to possible future residents of the Main Street Affordable Housing Project, including (in accordance with affirmative fair housing marketing requirements) the population that is least likely to apply.

(c) The applicant will receive 0 points if the applicant's Main Street Plan does not include a discussion of promotion or marketing of the Main Street Area rejuvenation effort.

**4. Rating Factor 4: Readiness and Appropriateness of the Main Street Affordable Housing Project (up to 25 points)**

*a. Site Control (up to 5 points).*

(1) Site control is an indicator that the applicant is ready to move forward with the rehabilitation efforts that are included in the application and the NOFA.

**(2) Scoring:**

(a) The applicant will receive 5 points if the application includes

documentation that demonstrates site control over (all of) the affordable housing site(s) that comprise the Main Street Affordable Housing Project, as included in the application's Section L: Map of the Main Street Area.

(b) The applicant will receive 0 points if the application does not include documentation that demonstrates site control over the affordable housing sites that comprise the Main Street Affordable Housing Project, as included in the application's Section L: Map of the Main Street Area.

*b. Main Street Affordable Housing Project Leverage (up to 10 points).*

(1) In this NOFA, there are three categories of cash and in-kind contributions ("leverage"), Main Street Area Leverage, Main Street Housing Project Leverage, and match:

(a) Main Street Area Leverage includes leverage used for activities related to the Main Street Area rejuvenation effort as a whole, and does not include Main Street Affordable Housing Project leverage. Note that long-term Main Street Area Leverage is rated above in Section V.A.3.b. of this NOFA, entitled "Public and Private Support."

(b) Main Street Affordable Housing Project Leverage includes leverage that is specifically used only for development of the Main Street Affordable Housing Project.

(c) Match is a separate, statutorily required sub-group of Main Street Affordable Housing Project Leverage.

(2) This Rating Factor measures Main Street Affordable Housing Project Leverage only. The amount of Main Street Affordable Housing Project Leverage includes the match amount.

*Points are assigned based on the following scale:*

Leverage as percent of grant amount	Points awarded
Less than 50 percent .....	zero points.
Greater than or equal to 50 percent but less than 100 percent.	5 points.
100 percent or more .....	10 points.

*c. Retention of historic or traditional architecture (up to 5 points)*

(1) The applicant will receive 5 points if the application demonstrates that the buildings in the project will maintain all of the historic or traditional architecture and design features on all floors of the buildings.

(2) The applicant will receive 3 points if the application demonstrates that the buildings in the project will retain some of the historic or traditional architecture and design features on some or all of the floors of the buildings.

(3) The applicant will receive 0 points if the application does not demonstrate that the buildings in the project will retain historic or traditional architecture and design features.

*d. Reservation for Very Low-Income Families (up to 3 points).*

(1) The applicant will receive 3 points if the ratio of units reserved for very low-income initial residents to units reserved for low-income residents (very low-income divided by low-income) is greater than 20 percent of the total affordable housing units in the project.

(2) The applicant will receive 0 points if the ratio of units reserved for very low-income initial residents to units reserved for low-income residents (very low-income divided by low-income) is less than or equal to 20 percent of the total affordable housing units in the project.

*e. Economic Opportunities for Low- and Very-Low Income Persons (Provision of Section 3) (up to 2 Points).*

HOPE VI grantees must comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Economic Opportunities for Low- and Very Low-Income Persons in Connection with assisted Projects) and its implementing regulations at 24 CFR part 135. One of the purposes of the assistance is to give, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(1) The applicant will receive 2 points if the application includes a feasible plan to implement section 3 that not only meets the minimum requirements described in Section (1) above, but also exceeds those requirements.

The applicant will receive 0 points if the application does not include a feasible plan to implement section 3 that not only meets the minimum requirements described in Section (1) above, but also exceeds those requirements.

*f. Energy Star (up to 1 point).*

(1) Promotion of Energy Star compliance is a HOPE VI Main Street program goal. See "Program Requirements," Section III.C. of this NOFA.

(2) You will receive 1 point if your application demonstrates that you will:

- (a) Use Energy Star-labeled products;
- (b) Promote Energy Star design of affordable units; and
- (c) If your application includes the development of homeownership units, include Energy Star in required homeownership counseling.

(2) You will receive 0 points if your application does not demonstrate that you will perform (a) and (b) above, and, if applicable, (c) above.

**5. Rating Factor 5: Program Administration and Fiscal Management (up to 13 points)**

*a. Program Schedule (up to 5 points).*

(1) The applicant may receive a maximum of 5 points if the applicant demonstrates that the milestones in the Program Schedule are realistic and achievable. That is, the application demonstrates that the applicant has performed the following actions and, where applicable, has obtained information that was used in developing the Program Schedule:

- (a) Contacted the State Historic Preservation Officer, the local HUD Field Office, architects, materials suppliers, and other parties that milestones depend upon to ensure that the milestones can reasonably be met;
- (b) Checked to see if any litigation or court orders exist that will affect the milestones; and
- (c) Prepared a chart that states estimated production milestones, their relative time frames, and each milestone's time to completion, e.g., Gantt Chart.

(2) The applicant may receive a maximum of 3 points if the applicant has performed two of the three actions in (a) through (c) above, and, where applicable, has obtained information that was used in developing the Program Schedule.

(3) The applicant will receive 0 points if the applicant has not performed at least two of the three actions in (a) through (c) above.

*b. Fiscal Management (up to 6 Points).*

(1) If the applicant shows fiscal management controls, a procurement system, and a results-oriented management structure that are adequate to manage a grant from this NOFA, and the applicant demonstrates that their management structure and controls are results-oriented, the applicant will receive 6 points;

(2) If the applicant shows fiscal management controls, a procurement system, and management structure and controls that are adequate to manage a grant from this NOFA, but the applicant does not demonstrate that the applicant's management structure and controls are results-oriented, the applicant will receive 3 points;

(3) If the applicant does not describe its program management structure and fiscal management controls and does not show that they are adequate, the applicant will receive 0 points.

*c. Evaluation (Up to 2 points).*

(1) If the applicant's required Evaluation Plan demonstrates the methods that will be used, and data that will be collected, to evaluate the indicators and outcomes of this grant, including, at a minimum, the indicators and outcomes stated in the applicant's Logic Model, the applicant will receive 2 points.

(2) If the applicant's required Evaluation Plan does not demonstrate the methods that will be used, and data that will be collected, to evaluate the indicators and outcomes of this grant, including, at a minimum, the indicators and outcomes stated in the applicant's Logic Model, the applicant will receive 0 points.

6. Rating Factor 6: Incentive Criteria on Regulatory Barrier Removal—(up to 2 points)

*a. Description.*

(1) HUD's Notice, "America's Affordable Communities Initiative, HUD's Initiative on Removal of Regulatory Barriers: Announcement of Incentive Criteria on Barrier Removal in HUD's FY 2004 Competitive Funding Allocations," **Federal Register** Docket Number FR-4882-N-03, published on March 22, 2004, provides that most HUD competitive NOFAs will include an incentive for local and state governments to decrease their regulatory barriers to the development of affordable housing.

(2) Form HUD-27300 contains questions that explore the applicant's efforts to decrease regulatory barriers.

*f. Scoring.*

(1) If the applicant is considered a local unit of government with land use and building regulatory authority, an agency or department of a local unit of government, a nonprofit organization, or other qualified applicant applying for funding for a project located in the jurisdiction of the local unit of government, the applicant is invited to answer the 20 questions in Part A of form HUD-27300. For those applications in which regulatory authority is split between jurisdictions (e.g., county/parish and town), the applicant should answer the question for that jurisdiction that has regulatory authority over the issue at question.

(a) If the applicant checked Column 2 for five to ten questions from Part A, the applicant will receive 1 point in the NOFA evaluation.

(b) If the applicant checked Column 2 for 11 or more questions from Part A, the applicant will receive 2 points in the NOFA evaluation.

(2) Part B of the form is for an applicant that is a state government or an agency or department of a state

government. State governments are not eligible to apply for this NOFA and, as such, Part B of the form is not applicable.

(3) In no case will an applicant receive greater than two points for barrier removal activities.

(4) An applicant must submit the documentation requested in the questionnaire or provide a website address (URL) where the documentation can be readily found, to receive the bonus points for this policy priority. See Section IV. of the General Section for documentation requirements.

7. Rating Factor 7: RC/EZ/EC-IIs—(up to 2 points)

*a. RC/EZ/EC-IIs.* This NOFA provides for the award of two bonus points for eligible activities/projects that the applicant proposes to locate in federally designated Empowerment Zones (EZs), Renewal Communities (RCs), or Enterprise Communities, designated by the United States Department of Agriculture in round II (EC-IIs), that are intended to serve the residents of these areas, and that are certified to be consistent with the area's strategic plan or RC Tax Incentive Utilization Plan (TIUP). (For ease of reference in this notice, all of the federally designated areas are collectively referred to as "RC/EZ/EC-IIs" and residents of any of these federally designated areas as "RC/EZ/EC-II residents.") This NOFA contains a certification, "Certification of Consistency with RC/EZ/EC Strategic Plan" (form HUD-2990), that must be completed for the applicant to be considered for RC/EZ/EC-II bonus points. A list of RC/EZ/EC-IIs can be obtained from HUD's webpage at <http://www.hud.gov/cr>. Applicants can determine if their program/project activities are located in one of these designated areas by using the locator on HUD's Web site at <http://www.hud.gov/crlocator>.

*B. Review and Selection Process*

1. HUD's selection process is designed to ensure that grants are awarded to eligible local governments with the most meritorious applications.

2. Application Screening

a. HUD will screen each application to determine if:

(1) It meets the threshold criteria listed in Section III.C. of this NOFA; and  
(2) It is deficient, i.e., contains any technical deficiencies.

*b. Corrections to Deficient Applications.* The subsection entitled, "Corrections to Deficient Applications," in Section V.B. of the General Section applies. Clarifications or corrections of

technical deficiencies in accordance with the information provided by HUD must be submitted within 14 calendar days of the date of receipt of the HUD notification.

*c. Applications that will not be rated or ranked.*

(1) HUD will not rate or rank applications that are deficient at the end of a 14 calendar day cure period, as described in Section V.B. above and the General Section.

(2) HUD will not rate or rank applications that have not met the thresholds described in Section III.C. of this NOFA. Such applications will not be eligible for funding.

3. Preliminary Rating and Ranking

*a. Rating.*

(1) HUD staff will preliminarily rate each eligible application, SOLELY on the basis of the Rating Factors described in Section V.A. of this NOFA.

(2) When rating applications, HUD reviewers will not use any information included in any application submitted for another NOFA.

(3) HUD will assign a preliminary score for each Rating Factor and a preliminary total score for each eligible application.

(4) The maximum number of points for each application is 100, plus a possible 2 RC/EZ/EC-II bonus points.

(5) *Minimum Score.* Applications that do not have a preliminary score of at least 50 will not be eligible for funding.

*b. Ranking.*

(1) After preliminary review, applications with a minimum score of 50 or above will be ranked in score order.

4. Final Panel Review

a. A Final Review Panel made up of HUD staff will:

(1) Review the Preliminary Rating and Ranking documentation to:

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and

(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

(2) Assign a final score to each application; and

(3) Recommend for selection the most highly rated applications, subject to the amount of available funding, in accordance with the allocation of funds described in Section II of this NOFA.

5. HUD reserves the right to make reductions in funding for any ineligible items included in an applicant's proposed budget.

6. In accordance with the FY 2005 HOPE VI appropriation, HUD may not use HOPE VI funds, including HOPE VI

Main Street funds, to grant competitive advantage in awards to settle litigation or pay judgments.

#### 7. Tie Scores

If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for the Main Street Plan Qualities Rating Factor. If a tie remains, HUD will select for funding the application(s) with the highest score for the Capacity Rating Factor. HUD will select further tied applications with the highest score for the Need Rating Factor.

#### 8. Remaining Funds

a. HUD reserves the right to reallocate remaining funds from this NOFA to other eligible activities under section 24 of the Act.

(1) If the total amount of funds requested by all applications found eligible for funding under Section V.B. of this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded and those funds in excess of the total requested amount will be considered remaining funds.

(2) If the total amount of funds requested by all applications found eligible for funding under Section V.B. of this NOFA is greater than the amount of funds available from this NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to feasibly fund the next eligible application. In this case, the funds that have not been awarded will be considered remaining funds.

9. The following sub-sections of Section V. of the General Section are hereby incorporated by reference:

- a. HUD's Strategic Goals;
- b. Policy Priorities;
- c. Threshold Compliance;
- d. Corrections to Deficient Applications;
- e. Rating; and
- f. Ranking.

### VI. Award Administration Information

#### A. Award Notices

1. *Initial Announcement.* The HUD Reform Act prohibits HUD from notifying the applicant as to whether or not the applicant has been selected to receive a grant until HUD has announced all grant recipients. If the application has been found to be ineligible or if it did not receive enough points to be funded, the applicant will not be notified until the successful applicants have been notified. HUD will provide written notification to all

applicants, whether or not they have been selected for funding.

2. *Authorizing Document.* The notice of award signed by the Assistant Secretary for Public and Indian Housing (grants officer) is the authorizing document. This notice will be delivered via the United States Postal Service to the applicant's authorized signatory at the applicant's address, as stated on the SF-424.

3. *Applicant Debriefing.* For a period of at least 120 days, beginning 30 days after the awards for assistance are announced publicly, HUD will provide a debriefing to an application that requests one. All debriefing requests must be made in writing by the authorized official whose signature appears on the SF-424 or his/her successor in office, and submitted to the person or organization identified for "Technical Assistance" in Section VII.B. of this NOFA. Information provided during a debriefing will include, at a minimum, the final score you received for each Rating Factor.

4. *General Section References.* The following sub-sections of Section VI.A. of the General Section are hereby incorporated by reference:

- a. Adjustments to Funding.

#### B. Administrative and National Policy Requirements

##### 1. Administrative Requirements

a. *Grant Agreement Execution.* The grantee must execute the Grant Agreement within 90 days after HUD mails the Grant Agreement to the grantee.

b. *Grant term.* The time period for completion shall not exceed 30 months from the date the NOFA award is executed.

c. *Sub-Grants and Contracts.* Grant funds may be expended directly by the applicant or they may be granted or loaned by the applicant to a third-party procured developer who is undertaking the development of the Project.

d. *Reasonable Time Frame.* Grantees must proceed within a reasonable time frame to complete the following milestone activities:

(1) *Development Proposal.* Grantees must submit a development proposal for the project within 6 months after the grant award date or, if State Historic Preservation Officer approval is necessary, 9 months after the grant award date.

(a) Development proposals must include the following information:

- (i) Identification of parties to the project development;
- (ii) Activities and relationships of parties, e.g., Party A will loan \$50,000

to Party C via a hard loan with an interest rate of 6 percent, with a 30-year amortization and a 15-year term.

(iii) Financing, i.e., Sources and Uses in the form HUD-52861 format;

(iv) Unit description, i.e., unit number and sizes.

(v) Site locations, i.e., lot and block, street address, or legal description;

(vi) Development construction cost estimate; and

(vii) Certification that open competition will be used by the grantee to select a development partner and/or owner entity, if applicable.

(2) *First Construction Start.* Grantees must start housing unit construction within 12 months after the grant award date or, if SHPO approval is necessary, 15 months after grant award date.

(3) *Last Construction Completion.* Grantees must complete construction (receive Certificates of Occupancy for all units) within 30 months from the grant award date.

(4) In determining reasonableness of such time frame, HUD will take into consideration those delays caused by factors beyond the applicant's control.

(5) In accordance with the threshold requirement in Section III.C. of this NOFA and the threshold documentation in Section IV.B. of this NOFA, the above time frames must be stated in a Program Schedule that includes the following milestones, at a minimum:

(a) Grant Award Date (assume two months after application deadline date);

(b) Grant Agreement Execution Date (the Grant Agreement will be mailed to the grantee within one month after notice of award. The grantee will be given a maximum of 90 days to execute the Agreement);

(c) Development Plan Submission Date;

(d) Date of closing of financing of the first phase. If the applicant plans not to have a financial closing, it must state so in the Schedule;

(e) Date of the start of construction of the first housing unit; and

(f) Date of the completion of construction of the last housing unit.

e. *Preliminary Environmental Approval Only.* HUD's notification of award to a selected applicant constitutes a preliminary approval by HUD subject to the completion of an environmental review of the proposed sites in accordance with 24 CFR part 50. See Section III.C. of this NOFA for information about environmental requirements.

f. *Flood Insurance.* In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), the application may not propose to provide financial assistance for acquisition or

construction (including rehabilitation) of properties located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(1) The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and

(2) Where the community is participating in the National Flood Insurance Program, flood insurance is obtained as a condition of execution of a Grant Agreement.

g. *Coastal Barrier Resources Act.* In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501), the application may not target properties in the Coastal Barrier Resources System.

## 2. National Policy Requirements

a. See references to the General Section in Section III of this NOFA.

## 3. Reporting

a. *Quarterly Administrative and Compliance Checkpoints Report (Quarterly Report).*

(1) If the applicant is selected for funding, the applicant must submit a Main Street Quarterly Report to HUD. The report will be completed on-line. The Grantee will enter into the Quarterly Progress Report:

(a) On a quarterly basis:

(i) Administrative and production milestones, called "Checkpoints,";

(ii) Financial status, by Budget Line Item as listed on form HUD-52825-A, "HOPE VI Budget," including the grant budget, amounts authorized by HUD for expenditure, and amounts expended to date; and

(iii) A short status narrative.

(b) On an annual basis, the Total real estate tax assessment for the census tract that includes the Main Street Area.

(2) HUD will provide training and technical assistance on the filing and submitting of Main Street Quarterly Progress Reports.

(3) Filing of Quarterly Progress Reports is mandatory for all grantees, and failure to do so within the required quarterly time frame will result in suspension of grant funds until the report is filed and approved by HUD.

(4) Grantees will be held to the milestones that are reported in the Quarterly Progress Report, as approved by HUD.

4. *LOCCS.* Grantees must report all obligations and expenditures in HUD's Line of Credit Control System (LOCCS), or its successor system, on a quarterly basis.

5. *Logic Model Reporting.* The grantee's Logic Model will be based

upon the Logic Model included in the application. Provided that the Logic Model complies with the requirements of this NOFA, the General Section and the Grant Agreement, HUD will approve the Logic Model's outputs and outcomes at the time of approval of the Development Proposal. Beginning after HUD approval, at a minimum, the grantee will be required to submit a completed Logic Model showing outputs and outcomes achieved quarterly. Responses to the management questions and the ROI Statement in the Logic model for the Main Street program must be submitted annually. See Logic Model reporting in the General Section.

6. *Information for Research and Evaluation Studies.* As a condition of the receipt of financial assistance under a HUD Program NOFA, all successful applicants will be required to cooperate with all HUD staff or contractors performing HUD-funded research and evaluation studies.

7. *Final Audit.* Grantees are required to obtain a complete final closeout audit of the grantee financial statements for the grant funds. The audit must be completed by a certified public accountant (CPA) in accordance with generally accepted government audit standards, if the Grantee expends \$500,000 or more in a calendar or program year. A written report of the audit must be forwarded to HUD within 60 days of issuance. Grant recipients must comply with the requirements of 24 CFR part 84 or 24 CFR part 85 as stated in OMB Circulars A-110, A-87, and A-122, as applicable.

8. *Final Report.*

a. Within 30 days after the grantee obtains the results of the Final Audit, the grantee shall submit a final report. The final report will include a financial report, a narrative evaluating overall performance against its HOPE VI Main Street application and Main Street Quarterly Progress Report, and a completed Logic Model, form HUD-96010, including responses to the management questions and the ROI Statement. Grantees shall use quantifiable data to measure performance against goals and objectives outlined in its application. The financial report shall contain a summary of all expenditures made from the beginning of the grant agreement to the end of the grant agreement and shall include any unexpended balances.

b. Racial and Ethnic Data. HUD requires that funded recipients collect racial and ethnic beneficiary data. It has adopted the Office of Management and Budget's Standards for the Collection of Racial and Ethnic Data. In view of these requirements, you should use form

HUD-27061, Racial and Ethnic Data Reporting Form (instructions for its use), found on <http://www.HUDclips.org>; a comparable program form; or a comparable electronic data system.

c. The final narrative, financial report, closeout documentation as required by HUD, and Logic Model shall be due to HUD 90 days after either the full expenditure of funds, or when the grant term expires, whichever comes first.

## VII. Agency Contacts

### A. Technical Corrections to the NOFA

1. Technical corrections to this NOFA will be posted to the grants.gov Web site.

2. Any technical corrections will also be published in the **Federal Register**.

3. The applicant is responsible for monitoring these sites during the application preparation period. Applicants may sign up for the grants.gov notification service. Applicants signed up for the service will receive notification from grants.gov if HUD issues any modifications to the NOFA, Application Package, or Application Instructions.

### B. Technical Assistance

Before the application deadline date, HUD staff will be available to provide the applicant with general guidance and technical assistance on this NOFA. However, HUD staff is not permitted to assist in preparing the application. If the applicant has a question or needs clarification, the applicant may call Lar Gnessin at (202) 708-0614, ext. 2676, send an e-mail to [lawrence\\_gnessin@hud.gov](mailto:lawrence_gnessin@hud.gov), or the applicant may contact Ms. Dominique Blom, Acting Deputy Assistant Secretary for Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 4130, Washington, DC 20410-5000; telephone (202) 401-8812; fax (202) 401-2370 (these are not toll-free numbers). Persons with hearing and/or speech impairments may access these telephone numbers via text telephone (TTY) by calling the toll-free Federal Information Relay Service at (800) 877-8339. For technical support about downloading an application, registering with grants.gov, and submitting an application, please call grants.gov Customer Support at 800-518-GRANTS (This is a toll-free number) or e-mail [grants.gov](mailto:grants.gov) at [support@grants.gov](mailto:support@grants.gov).

### C. General Information

General information about HUD's HOPE VI programs can be found on the

Internet at <http://www.hud.gov/offices/pih/programs/ph/hope6/>. General information specifically about HUD's HOPE VI Main Street Program can be found on the Internet at <http://www.hud.gov/offices/pih/programs/ph/hope6/grants/mainstreet/>.

#### VIII. Other Information

A. *General Section References.* The following sub-sections of Section VIII. of the General Section are hereby incorporated by reference:

1. Executive Order 13132, Federalism;
2. Public Access, Documentation and Disclosure;
3. Section 103 of the HUD Reform Act; and
4. The FY 2005 HUD NOFA Process and Future HUD Funding Processes.

B. *Environmental Impact.* A "Finding of No Significant Impact" (FONSI) with

respect to the environment has been made for this notice in accordance with HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The FONSI is available for public inspection between 8 a.m. and 5 p.m. in the Office of the General Counsel, Regulations Division, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500.

C. *Paperwork Reduction Act Statement.* The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB), under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2577-0208. In accordance with the Paperwork

Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 68 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, quarterly reports, and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

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