

Project applications must include more than one type of activity and address more than one fair housing issue. For purposes of this competition, "disability advocacy groups" are defined as organizations that traditionally have provided for the civil rights of persons with disabilities, including organizations such as Independent Living Centers and cross-disability legal services groups. These organizations must: be organized as a private, tax-exempt, non-profit, charitable organization; be established with a primary purpose to assist persons with a broad range of disabilities, including physical, cognitive and psychiatric/mental disabilities, in exercising or protecting their fair housing and/or other civil rights (persons with disabilities need not be the only class served by the organization and fair housing and/or civil rights protection need not be the only activity of the organization); and demonstrate actual involvement of persons with disabilities throughout their activities, including on staff and board levels. Recognizing the critical role that disability advocacy groups have addressing the unique needs of persons with disabilities, HUD is requiring that proposals follow one of the approaches described below:

(1) Disability advocacy groups may apply to carry out activities that will expand their organization's capacity to provide the full-range of fair housing enforcement services to its clientele; or

(2) Fair housing enforcement organizations may apply to expand their capacity to provide fair housing services to persons with disabilities, through the utilization of subcontract(s) with disability advocacy groups (preferably with groups located within the local jurisdiction to be served).

(i) Eligible activities for funding under this purpose of the FHOI are any of the activities listed as eligible under the PEI in Section I(F)(2) of this FHIP section of the SuperNOFA, as long as they meet the focus on disability issues as outlined in Section I(F)(2)(b)(i) of this FHIP section of the SuperNOFA. Additionally, all projects must include a basis for the specific activities relating to enforcement proposal referrals to HUD and the projected number of enforcement proposal referrals to HUD.

(ii) Funding under the FHOI-CDC may not exceed more than 50 percent of the operating budget of the recipient organization for any one year. For purposes of the limitation of this paragraph, *operating budget* means the applicant's total planned budget expenditures from all sources, including the value of in-kind and monetary

contributions, in the 18 months for which funding is sought.

## II. Program Requirements

### (A) FHIP Specific Requirements

(1) Through the Private Enforcement Initiative (PEI) and Fair Housing Organizations Initiative (FHOI) components of this SuperNOFA, HUD will fund only full service and broad-based fair housing enforcement projects that address discrimination against persons protected by the Fair Housing Act and contribute in measurable ways to HUD's commitment to double its enforcement actions. Enforcement projects must include more than one type of activity. Full-service projects must include more than one of the following enforcement-related activities: interviews with potential victims of discrimination, analysis of housing-related issues; complaint intake; testing; evaluation of testing results; preliminary investigation; mediation; enforcement of meritorious claims through litigation or referral to administrative enforcement agencies; and dissemination of information about fair housing laws. "Broad-based" means not limited to a single fair housing issue, but rather covering multiple issues related to discrimination in the provision of housing covered under the Fair Housing Act, such as: rental, sales and financing of housing.

(2) *Applicants Limited to a Single Award.* Applicants may apply for funding for more than one project or activity under one or more Initiatives. However, applicants are limited to one award under this FHIP section of the SuperNOFA. If more than one eligible application is submitted by an applicant and both are within funding range, HUD will select the application which the applicant has indicated as its preference for award should more than one application submitted be within funding range. One exception is for applicants that submit a successful application under the FHOI-ENOC, which is targeted at creating new fair housing enforcement organizations. In such cases, FHOI recipients will also be eligible to receive one additional award under either the EOI or PEI.

(3) *Independence of Awards.* There are no limits on the number of applications that can be submitted by a single applicant. However, each project or activity proposed in an application must be independent and capable of being implemented without reliance on the selection of other applications submitted by the applicant or other applicants. This provision does not preclude an applicant from submitting a

proposal which includes other organizations as subcontractors to the proposed project or activity.

(4) *Project Starting Period.* HUD has determined that all applications must propose that the project will begin no later than October 1, 1998.

(5) *Page Limitation.* Applicants will be limited to 10 pages of narrative responses for each of the five selection criteria (this does not include forms or documents which are required under each criterion). Furthermore, unrequested items such as brochures and news articles, will not be considered in the evaluation process. Applicants that exceed the 10-page limit for each criterion will only have the first 10 pages evaluated for each criterion. Failure to provide narrative responses to all selection criteria will result in an applicant not receiving points for the information omitted. Failure to receive points for a factor may significantly impact an applicant's ability to receive an award.

(6) *Training.* All applications must include a training set-aside of \$3,000 for single-year projects and \$6,000 (total) for multi-year projects in all project budgets. HUD will permit grantees to use these funds to attend both HUD-sponsored and HUD-approved training.

(7) *Payment Contingent on Completion.* Payment to grantees will be contingent on the satisfactory completion of all project activities on an annual basis, including the successful achievement of tasks relating to enforcement proposals and/or complaint referrals to HUD.

(8) *Mandatory Referrals.* All PEI/FHOI recipients are required to refer to HUD all cases arising out of audit testing under FHIP grants.

(9) *Accessibility Requirements.* All activities and materials funded by FHIP must be reasonably accessible to persons with disabilities.

(10) *Outreach Expenses.* Applications may designate up to 5% of requested funds to conduct education and outreach to promote awareness of the services provided by the project, but such promotion must be necessary for the successful implementation of the project.

(11) *Tester Requirements.* Testers in testing activities funded with PEI and FHOI funds must not have prior felony convictions or convictions of crimes involving fraud or perjury, and they must receive training or be experienced in testing procedures and techniques. Testers and the organizations conducting tests, and the employees and agents of these organizations may not:

(a) Have an economic interest in the outcome of the test, without prejudice to

the right of any person or entity to recover damages for any cognizable injury;

(b) Be a relative of any party in a case;

(c) Have had any employment or other affiliation, within one year, with the person or organization to be tested; or

(d) Be a licensed competitor of the person or organization to be tested in the listing, rental, sale, or financing of real estate.

(12) *Review and Approval of Testing Methodology.* HUD reserves the right to require applicants proposing to conduct testing to include as initial tasks in their Statement of Work that they will provide to HUD for review and approval the testing methodology to be used and the training to be provided to testers. These tasks, as well as any others identified during grant negotiations, must be completed and accepted by HUD prior to HUD's disbursement of FHIP funds.

(13) *Enforcement Log.* Recipients of funds under the PEI and FHOI shall be required to record, in a case tracking log (or Fair Housing Enforcement Log) to be supplied by HUD, information appropriate to the funded project relating to the number of complaints of possible discrimination received; the protected basis of these complaints; the issue, test type, and number of tests utilized in the investigation of each allegation; the respondent type and testing results; the time for case processing, including administrative or judicial proceedings; the cost of testing activities and case processing; to whom the case was referred; and the resolution and type of relief sought and received. The recipient must agree to make this log available to HUD.

(14) *Certifications.* (a) All PEI and FHOI proposals must certify that the applicant will not solicit funds from or seek to provide fair housing educational or other services or products for compensation, directly or indirectly, to any person or organization which has been the subject of FHIP funded testing by the applicant during the 12 month period following the test. This does not preclude settlement based on investigative findings.

(b) All PEI and FHOI proposals must certify that an applicant which receives any compensation, directly or indirectly from a settlement, conciliation or award of damages as a result of activities funded under this SuperNOFA, will use such monies only to carry out activities eligible under the FHIP and specifically authorized by the grant agreement provision addressing the use of such funds. Such provision will be part of the cooperative/grant agreement. HUD reserves the right to negotiate with

successful applicants provisions addressing potential conflicts of interest.

### (B) *General Requirements*

The program requirements listed in the General Section of this SuperNOFA are applicable to applicants applying for FHIP funding under this SuperNOFA.

## III. Application Selection Process

### (A) *Rating and Ranking*

(1) *General.* Each application for funding will be evaluated competitively under one of the five categories: PEI-General Component; PEI-Joint Enforcement Project Component; EOI-Regional, local and community-based component; FHOI-Establishing New Organizations Component; or FHOI-Continued Development Component. Then, in each category, they will be awarded points and assigned a score based on the Selection Criteria for Rating Applications for Assistance identified in Section III(B) of this FHIP section of the SuperNOFA. After eligible applications are evaluated against the factors for award and assigned a score, they will be organized by rank order. Awards for each category listed above will be funded in rank order until all available funds have been obligated, or until there are no acceptable applications, with the exception described in Section III(A) (2) and (3), immediately below, which is designed to achieve geographic distribution of awards and to achieve full service and broad-based fair housing enforcement projects. The final decision rests with the selecting official, the Assistant Secretary for Fair Housing and Equal Opportunity or her designee.

(2) *Achieving Geographic Distribution of Awards.* The Assistant Secretary, or designee, will have the discretion to make awards out of rank order and fund or not fund applications in order to provide broader geographic representation in accordance with the following procedure. For each Initiative and component, awards will be funded in rank order, except as follows: only the highest ranking application under any Initiative or component for activities to be conducted in a Metropolitan Statistical Area (MSA), as defined by the Bureau of the Census, will be selected. No other application proposing activities in the same MSA under the same Initiative or component will be selected, unless there are not enough applications of sufficient quality to permit the awarding of all funds in an Initiative or component. If the Assistant Secretary determines that there are not enough applications of

sufficient quality in any Initiative or component, then the next highest ranked application(s) that had previously been passed over may be funded in the same MSA.

(3) *Tie Breaking.* When there is a tie in the overall total score, the award will be made to the applicant that has the higher score under Rating Factor 3 (Soundness of Approach). If these applications are equal in this respect, the application that receives a total higher number of points under Rating Factor 1 (Capacity of the Applicant and Relevant Organizational Experience) will receive the award. If these scores are identical then the award will be made to the applicant with the lower request for FHIP funding.

### (B) *Factors for Award Used to Evaluate and Rate Applications*

The factors for rating and ranking applicants, and maximum points for each factor, are provided below. The maximum number of points to be awarded is 102. This includes two EZ/EC bonus points, as described in the General Section of the NOFA.

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

The rating of the "applicant" or the "applicant's organization and staff" for technical merit will include any sub-contractors, consultants, sub-recipients, and members of consortia that are identified as participants in the project.

This factor addresses the extent to which the applicant has the organizational resources necessary to successfully implement the proposed activities in a timely manner. In rating this factor HUD will consider the extent to which the proposal demonstrates:

(1) (10 points) The knowledge and experience of the proposed project director and staff, including the day-to-day program manager, consultants and contractors in planning and managing programs for which funding is being requested. Experience will be judged in terms of recent, relevant and successful experience of the applicant's staff to undertake eligible program activities. The applicant has sufficient personnel or will be able to quickly access qualified experts or professionals, to deliver the proposed activities in a timely and effective fashion, including the readiness and ability of the applicant to immediately begin the proposed work program. To demonstrate that the applicant has sufficient personnel, the applicant must submit the proposed number of staff years by the employees and experts to be allocated to the project, the titles and

relevant professional background and experience of each employee and expert proposed to be assigned to the project, and the roles to be performed by each identified employee and expert.

(2) (10 points) for either (a) or (b):

(a) The applicant's past experience in terms of its ability to attain demonstrated measurable progress in the implementation of its most recent activities where performance has been assessed as measured by expenditures and measurable progress in achieving the purpose of the activities. HUD will also consider any documented evidence of the grantee's failure under past awards to comply with grant award provisions; or

(b) If the FHIP applicant has not received funding in the past, the applicant's demonstrated experience in managing programs, and carrying out grant management responsibilities for programs similar in scope or nature directly relevant to the work activities proposed. If the applicant has managed large, complex, interdisciplinary programs, the applicant should include the information in the response.

#### Rating Factor 2: Need/Extent of the Problem (20 Points)

This factor addresses the extent to which there is a need for funding the proposed activities and an indication for the urgency of meeting the need in the target area. In responding to this factor, applicants will be evaluated on the Statement of Need, which addresses the following:

(1) (10 points) The extent to which applicants document a level of need for the project activities in the target area, including a focus on the targeted groups of new immigrant and other underserved populations, and the urgency in meeting the need using statistics and analyses contained in a data source(s) that is sound and reliable. To the extent that the applicant's community's Consolidated Plan and Analysis of Impediments to Fair Housing Choice (AI) identify the level of the problem and urgency in meeting the need, references to these documents should be included in the response. The Department will review more favorably those applicants who used these documents to identify need, when applicable. If the project activity is not covered under the scope of the AI, applicants should indicate such, and use other reliable data sources to identify the level of need and the urgency in meeting the need. Types of other data sources include, but are not limited to, HUD reports and analyses, relevant economic and/or demographic data including indices of segregation in

areas by race or national origin, government or foundation reports and studies, news articles, and other information which relate to the project activities.

(2) (10 points) To the extent possible, is specific to the area where the project activity will be carried out. Specific attention must be paid to documenting need as it applies to the area where activities will be targeted, rather than the entire locality or State. If the target area is an entire locality or State, then documenting need at this level is appropriate. The Statement of Need must demonstrate how specific community or neighborhood needs can be resolved through the activities proposed. The applicant should discuss how it took into account existing and planned efforts of government agencies, community-based organizations, faith-based institutions, for-profit firms, and other entities to address such needs in the community(ies) to be served, how the proposed program compliments or supplements existing efforts and why additional funds are being requested.

#### Rating Factor 3: Soundness of Approach (40 Points)

This criterion addresses the quality and cost-effectiveness of the applicant's proposed work plan. There must be a clear relationship between the project activities, community needs and the purpose of the program funding for the applicant to receive points for this factor.

(1) (15 points) For all projects, applicants must describe how their project activities will result in the referral of enforcement proposals to HUD and projected number of enforcement proposal referrals expected. Specifically, the applicant must describe the project activities that specifically relate to complaints being referred to HUD during the period of performance of the grant. In responding to this factor, the applicant should describe the methods to be developed or used to identify and refer enforcement actions to HUD. Applicants to the extent that their past activities have resulted in successful enforcement proposals being referred to HUD should describe these actions and the outcome of such referrals. "Enforcement proposals" is defined as well-developed information which could be considered to be timely, jurisdictional, potential complaints under the Fair Housing Act and which can reasonably be expected to become an enforcement action if an impartial investigation finds evidence supporting the allegations and the case proceeds to a resolution with HUD involvement.

(a) Examples of enforcement proposals include:

(i) Allegations that are supported by evidence that meet the requirements for a filed complaint under the Fair Housing Act, including prima facie evidence, with or without related testing evidence;

(ii) Results of testing or audits demonstrating potential housing discrimination;

(iii) Well-developed analysis of data including Home Mortgage Disclosure Act (HMDA)/CRA Analysis/Census data, current studies of residential segregation, or other similar documentation supporting allegations of discrimination; and

(iv) Referrals of complaints to HUD on behalf of individuals or groups other than the grant recipient.

(b) Specifically, the applicant should provide the following:

(i) All PEI and FHOI applications must provide a basis for the specific activities relating to enforcement proposal referrals to HUD and the projected number of enforcement referral proposals that are described in the Statement of Work. The final performance measures for enforcement proposal referrals will be negotiated between the grantee and HUD as part of the executed grant agreement and will be based upon the proposal.

(ii) All EOI applications must provide a basis for the specific activities relating to the referral of individuals with fair housing complaints to HUD, the procedures for filing complaints of discrimination, and outline the projected referrals to HUD and the projected number of enforcement referral proposals in the proposed Statement of Work. The final performance measures for complaint referrals will be negotiated between the grantee and HUD as part of the executed grant agreement and will be based upon the proposal.

(2) (15 points) Additionally, HUD is looking for efficient, effective and feasible Statements of Work that:

(a) Meet the needs articulated in response to Factor 2 including the extent to which the applicant is providing geographic coverage, specific protected class focus, as well as serving persons traditionally underserved. Efforts to increase community awareness in a culturally sensitive manner through education and outreach efforts will also be evaluated;

(b) Provide clarity with regard to the specific, sequential tasks and subtasks to be performed, noting those which should occur simultaneously and the feasibility that tasks can be completed within the grant period;

(c) Describe immediate benefits of the project and indicators by which the benefits will be measured;

(d) Provide for proposed tasks and sub-tasks that clearly provide technically competent methodologies for conducting the work to be performed;

(e) Describe the extent to which the proposed design and size of project or activity is appropriate to the achievement of program funding purposes articulated for the FHIP section in this SuperNOFA; and

(f) Identify specific numbers of quantifiable end products and program improvements the applicant aims to deliver by the end of the award agreement period as a result of the work performed.

(g) The extent to which the project activities will affirmatively further fair housing (AFFH). The applicant can best demonstrate its commitment to affirmatively further fair housing by describing how proposed activities will assist the jurisdiction in overcoming impediments to fair housing choice identified in the jurisdiction's AI (Analysis of Impediments to Fair Housing Choice), which is a component of the jurisdiction's Consolidated Plan, or other planning document that addresses fair housing issues. Additional examples may be obtained from Chapter 5 of the "Fair Housing Planning Guide, Vol. 1" which may be ordered from HUD's Fair Housing Information Clearinghouse by calling (800) 343-3442.

(3) (10 points) HUD also will assess the soundness of the applicant's approach by assessing the following:

(a) The quality, thoroughness and reasonableness of the cost estimates provided. As part of the applicant's response, a summary budget should be provided which identifies costs by cost category in accordance with the following:

(i) *Direct Labor* by position or individual, indicating the estimated hours per position, the rate per hour, estimated cost per staff position and the total estimated direct labor costs;

(ii) *Fringe Benefits* by staff position identifying the rate, the salary base the rate was computed on, estimated cost per position, and the total estimated fringe benefit cost;

(iii) *Material Costs* indicating the item, unit cost per item, the number of items to be purchased, estimated cost per item, and the total estimated material costs;

(iv) *Transportation Costs*, as applicable. Where local private vehicle is proposed to be used, costs should indicate the proposed number of miles,

rate per mile of travel identified by item, and estimated total private vehicle costs. Where Air transportation is proposed, costs should identify the destination(s), number of trips per destination, estimated air fare and total estimated air transportation costs. If other transportation costs are listed, the applicant should identify the other method of transportation selected, the number of trips to be made and destination(s), the estimated cost, and the total estimated costs for other transportation costs. In addition, applicants should identify per diem or subsistence costs per travel day and the number of travel days included, the estimated costs for per diem/subsistence and the total estimated transportation costs;

(v) *Equipment charges*, if any. Equipment charges should identify the type of equipment, quantity, unit costs and total estimated equipment costs;

(vi) *Consultant Costs*, if applicable. Indicate the type, estimated number of consultant days, rate per day, total estimated consultant costs per consultant and total estimated costs for all consultants;

(vii) *Subcontract Costs*, if applicable. Indicate each individual subcontract and amount. Each proposed subcontract should include a separate budget which identifies costs by cost categories;

(viii) *Other Direct Costs* listed by item, quantity, unit cost, total for each item listed, and total direct costs for the award;

(ix) *Indirect Costs* should identify the type, approved indirect cost rate, base to which the rate applies and total indirect costs. The submission should include:

(b) The rationale used to determine costs and validation of fringe and indirect cost rates, if the applicant is not using an accepted, Federally negotiated indirect cost rate;

(c) The extent to which the program is cost effective in achieving the anticipated results of the proposed activities as well as in achieving significant community impact; and

(d) The extent to which the applicant demonstrates capability in handling financial resources with adequate financial control procedures and accounting procedures. In addition, considerations will include findings identified in their most recent audits, internal consistency in the application of numeric quantities, accuracy of mathematical calculations and other available information on financial management capability.

Rating Factor 4: Leveraging Resources (10 Points)

This factor addresses the ability of the applicant to secure community resources (Note: financing is a community resource) which can be combined with HUD's program resources to achieve program purposes. In evaluating this factor HUD will consider:

(1) (5 points) The extent to which the applicant has partnered with other entities to secure additional resources to increase the effectiveness of the proposed project activities. Resources may include funding or in-kind contributions, such as services or equipment, allocated to the purpose(s) of the award the applicant is seeking. Resources may be provided by governmental entities, public or private nonprofit organizations, for-profit private organizations, or other entities willing to partner with the applicant. Applicants may also partner with other program funding recipients to coordinate the use of resources in the target area.

(2) (5 points) Applicants must provide evidence of leveraging partnerships by including in the application letters of firm commitments, memoranda of understanding, or agreements to participate from those entities identified as partners in the application. Each letter of commitment, memorandum of understanding, or agreement to participate should include the organization's name, proposed level of commitment and responsibilities as they relate to the proposed program. The commitment must also be signed by an official of the organization legally able to make commitments on behalf of the organization. Applicants for funding under the FHOI-Continued Development Component must describe efforts undertaken to obtain the participation of disability advocacy organizations and indicate the disability advocacy organizations that participated and describe their participation.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which the applicant coordinated its activities with other known organizations, participates or promotes participation in a community's Consolidated Planning (including Analysis of Impediments to Fair Housing Choice) process, and is working towards addressing a need in a holistic and comprehensive manner through linkages with other activities in the community.

In evaluating this factor, HUD will consider the extent to which the applicant demonstrates it has:

(1) Coordinated its project activities with those of other groups or organizations prior to submission in order to best complement, support and coordinate all known activities and if funded, the specific steps it will take to share information on solutions and outcomes with others. Any written agreements, memoranda of understanding in place, or that will be in place after award should be described.

(2) Taken or will take specific steps to become active in the community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address a need/problem that is related to the activities the applicant proposes.

(3) Taken or will take specific steps to develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with:

(a) Other HUD-funded projects/activities outside the scope of those covered by the Consolidated Plan; and

(b) Other Federal, State or locally funded activities, including those proposed or on-going in the community(ies) served.

#### *(C) Applicant Notification and Award Procedures*

(a) *Notification.* No information will be available to applicants during the period of HUD evaluation, approximately 90 days, except for notification in writing or by telephone to those applicants that are determined to be ineligible or that have technical deficiencies in their applications that may be corrected. Selectees will be announced by HUD upon completion of the evaluation process, subject to final negotiations and award.

(b) *Negotiations.* After HUD has ranked the applications and provided notifications to applicants whose scores are within the funding range, HUD will require that applicants in this group participate in negotiations to determine the specific terms of the cooperative or grant agreement. HUD will follow the negotiation procedures described in

Section II(D) of the General Section of the SuperNOFA.

(c) *Funding Instrument.* HUD expects to award a cost reimbursable or fixed-price cooperative or grant agreement to each successful applicant. HUD reserves the right, however, to use the form of assistance agreement determined to be most appropriate after negotiation with the applicant.

(d) *Adjustments to Grant Amounts.* As provided in Section III(E) of the General Section of the SuperNOFA, HUD may approve an application for an amount lower than the amount requested, fund only portions of an application, withhold funds after approval, and/or require the grantee to comply with special conditions added to the grant agreement, in accordance with 24 CFR 84.14, the requirements of this NOFA, or where:

(i) HUD determines the amount requested for one or more eligible activities is unreasonable or unnecessary;

(ii) The applicant has proposed an ineligible activity in an otherwise eligible project;

(iii) Insufficient amounts remain in that funding round to fund the full amount requested in the application, and HUD determines that partial funding is a viable option; or

(iv) The applicant has demonstrated an inability to manage HUD grants, particularly FHIP grants.

(e) *Performance Sanctions.* A recipient failing to comply with the procedures set forth in its grant agreement will be liable for such sanctions as may be authorized by law, including repayment of improperly used funds, termination of further participation in the FHIP, and denial of further participation in programs of HUD or any Federal agency.

#### **IV. Application Submission Requirements**

In addition to the forms, certifications and assurances required in Section II(G) of the General Section of the SuperNOFA and the applicant's responses to the five rating factors in Section III(B) of this FHIP section of the SuperNOFA, all applications must, at a minimum, contain the following items:

##### *(A) Transmittal Letter*

This letter identifies the NOFA, the program under the NOFA for which

funds are requested, the specific FHIP Initiative and component under which the application is submitted, and the dollar amount requested for each program, and the applicant submitting the application.

##### *(B) Narrative Statement*

The narrative statement addresses the Factors for Award in Section III(B) of this FHIP section of the SuperNOFA. Your narrative response should be numbered in accordance with each factor for award identified under Section III(B) of this FHIP section of the SuperNOFA.

##### *(C) Financial Management and Audit Information*

Each applicant must submit a certification from an Independent Public Accountant or the cognizant government auditor, stating that the financial management system employed by the applicant meets proscribed standards for fund control and accountability required by: OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations; OMB Circular A-110 (as codified at 24 CFR part 84), Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and other Non-Profit Organizations; and/or OMB Circular A-102 (as codified at 24 CFR Part 85) Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments. This information should contain the name and telephone number of the Independent Auditor, cognizant Federal auditor, or other audit agency, as applicable.

#### **V. Corrections to Deficient Applications**

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

#### **VI. Environmental Requirements**

In accordance with 24 CFR 50.19(b) (9) and (12) of HUD regulations, activities assisted under this program are categorically excluded from the requirements of the National Environmental Policy Act and are not subject to environmental review under related laws and authorities.



### Funding Availability for the Housing Counseling Program

*Program Description:* Approximately \$18.0 million is available for the Housing Counseling Program. HUD's Housing Counseling Program is directed to promoting and protecting the interests of housing consumers participating in HUD and other housing programs, as well as, to protecting the interests of HUD and mortgage lenders.

*Application Due Date:* Completed applications must be received no later than 6:00 pm local time, on June 1, 1998, at the appropriate address shown below. See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

#### Addresses for Submitting Applications:

*For Local and State Housing Finance Agencies.* For local housing counseling agency and state housing finance agency applicants: an original and two copies of the completed application must be submitted to the respective HUD Homeownership Center having jurisdiction over the locality, area or state in which the proposed program is located. These copies should be sent to the attention of the Marketing and Outreach Division Director, and the envelope should be clearly marked, "FY 1998 Counseling Application." A list of Marketing and Outreach Division Directors, HUD Homeownership Centers and jurisdictions appears in the application kit.

*For National, Regional and Multi-State Housing Agencies.* For national, regional, and multi-state housing counseling intermediaries: an original and two copies of the completed application must be submitted to the Director, Marketing and Outreach Division, Office of Single Family Housing, HUD Headquarters. (See the Application Kit for name and address.) The envelope should be clearly marked, "FY 1998 Intermediary Application." Failure to submit an application to HUD Headquarters in accordance with the above procedures may result in disqualification of the application.

*For Application Kits, Further Information and Technical Assistance:*

*For Application Kits.* For an application kit and any supplemental information, please call the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-483-2209. The application kit also will be available on the Internet through the HUD web site at <http://www.HUD.gov>. When requesting an application kit, please refer to the Housing Counseling Program. The SuperNOFA Information Center can provide you with assistance in determining which HUD locations should receive a copy of your application.

*For Further Information and Technical Assistance.* For local housing counseling agencies or State housing finance agencies, you may call the HUD Homeownership Center serving your area. For national, regional, or multi-state intermediaries, you may call HUD Headquarters. Please see your application kit for a list of offices and telephone numbers you can call to receive assistance. Before the application deadline, HUD staff will be available to provide general guidance.

#### Additional Information

##### I. Authority; Purpose; Amount Allocated; and Eligibility

###### (A) Authority

HUD's Housing Counseling Program is authorized by section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x), and is generally governed by HUD Handbook 7610.1, REV-4, dated August 9, 1995.

###### (B) Purpose and Background

Section 106 of the Housing and Urban Development Act of 1968 authorizes HUD to provide counseling and advice to tenants and homeowners with respect to property maintenance, financial management, and such other matters as may be appropriate to assist tenants and homeowners in improving their housing conditions and meeting the responsibilities of tenancy and homeownership.

In addition, HUD-approved housing counseling agencies are encouraged by HUD to conduct community outreach activities and provide counseling to

individuals with the objective of increasing awareness of homeownership opportunities and improving access of low and moderate income households to sources of mortgage credit. HUD believes that this activity is key to the revitalization and stabilization of low income and minority neighborhoods. In FY 1998, HUD encourages applicants to focus on:

(1) The counseling needs of first-time homebuyers by offering Homebuyer Education and Learning Program (HELP) training sessions;

(2) The counseling needs of eligible persons 62 or older who desire to use the Home Equity Conversion Mortgage (HECM) in order to convert their equity into a lump sum payment or an income stream that can be used for home improvements, medical costs, and/or pay living expenses.

###### (C) Amount Allocated and Funding Levels

(1) *Amount Allocated.* Under this SuperNOFA, \$18 million is made available for eligible applicants for three (3) programs under Housing Counseling.

(a) The estimated amount of funds available for sub-allocation is as follows:

(i) *Local Housing Counseling Agencies.* Approximately \$5 million has been made available for grants to local HUD-approved housing counseling agencies. Funding allocated to each of the HUD Homeownership Centers by a formula that reflects the increased emphasis on the expansion of homeownership opportunities for first-time homebuyers and its intent to ensure appropriate geographical distribution of program funds. For FY 1998, no individual local housing counseling agency may be awarded more than \$100,000.

A local, HUD-approved housing counseling agency may apply for a sub-grant to a State housing finance agency, whether or not the local agency has a housing counseling grant from HUD. The local agency, however, shall disclose all funding sources to HUD.

Allocations for use in local agency programs by HUD Homeownership Center are estimated as follows:

BILLING CODE 4210-32-P

HUD Field Office	Default Data			First Time Homebuyer Data			
	No. of Defaults	% of Nat'l Defaults	Allocation Amount	No. of 1st Timer	% of Nat'l 1st Timers	Allocation Amount	Total Allocation
<b>PHILADELPHIA HOC</b>							
Albany	2892	1.43%	35,731	6,209	1.16%	28,977	64,709
Baltimore	5222	2.58%	64,519	12,850	2.40%	59,971	124,490
Boston	1077	0.53%	13,307	6,854	1.28%	31,987	45,294
Buffalo	3212	1.59%	39,685	5,411	1.01%	25,253	64,938
Camden	5106	2.52%	63,086	6,880	1.28%	32,109	95,195
Charleston	143	0.07%	1,767	1,030	0.19%	4,807	6,574
Cincinnati	1454	0.72%	17,965	6,305	1.18%	29,425	47,390
Cleveland	3596	1.78%	44,430	7,269	1.36%	33,924	78,354
Columbus	2085	1.03%	25,761	5,722	1.07%	26,704	52,465
Detroit	3346	1.65%	41,341	11,415	2.13%	53,274	94,614
Flint	551	0.27%	6,808	1,836	0.34%	8,569	15,376
Grand Rapids	1058	0.52%	13,072	5,021	0.94%	23,433	36,505
Hartford	1821	0.90%	22,499	8,108	1.51%	37,840	60,339
Manchester *	533	0.26%	6,585	5,126	0.96%	23,923	30,508
* (NH, MA, VT)			0		0.00%	0	0
New York	5232	2.59%	64,643	10,345	1.93%	48,280	112,923
Newark	2855	1.41%	35,274	9,094	1.70%	42,441	77,716
Philadelphia *	7186	3.55%	88,785	14,161	2.64%	66,089	154,874
(* DE)			0		0.00%	0	0
Pittsburgh	1492	0.74%	18,434	4,977	0.93%	23,228	41,662
Providence	298	0.15%	3,682	1,849	0.35%	8,629	12,311
Richmond	5037	2.49%	62,233	11,405	2.13%	53,227	115,460
Washington DC	5683	2.81%	70,215	13,674	2.55%	63,816	134,031
<b>Phil. HOC Subtotal</b>	<b>59879</b>		<b>739,821</b>	<b>155,541</b>		<b>725,906</b>	<b>1,465,726</b>
<b>ATLANTA HOC</b>							
Atlanta	8431	4.17%	104,167	15,173	2.83%	70,812	174,979
Birmingham	2792	1.38%	34,496	6,143	1.15%	28,669	63,165
Caribbean	4134	2.04%	51,077	8,814	1.65%	41,135	92,211
Chicago & Spring.	10090	4.99%	124,665	21,137	3.95%	98,646	223,310
Coral Gables	8164	4.03%	100,868	14,289	2.67%	66,686	167,555



Columbia	2161	1.07%	26,700	4,048	0.76%	18,892	45,592
Greensboro	3291	1.63%	40,661	10,633	1.98%	49,624	90,285
Indianapolis	3832	1.89%	47,345	10,420	1.95%	48,630	95,975
Jackson	2275	1.12%	28,108	3,880	0.72%	18,108	46,216
Jacksonville	2099	1.04%	25,934	4,915	0.92%	22,938	48,872
Knoxville	1247	0.62%	15,407	3,554	0.66%	16,586	31,993
Louisville	1004	0.50%	12,405	4,682	0.87%	21,851	34,255
Memphis	5820	2.88%	71,908	6,347	1.18%	29,621	101,529
Nashville	1821	0.90%	22,499	4,393	0.82%	20,502	43,001
Orlando	3851	1.90%	47,580	7,537	1.41%	35,175	82,755
Tampa	3330	1.65%	41,143	6,494	1.21%	30,307	71,450
<b>Atlanta HOC Subtotal</b>	<b>64342</b>		<b>794,962</b>	<b>132,459</b>		<b>618,183</b>	<b>1,413,145</b>
<b>DENVER HOC</b>							
Albuquerque	700	0.35%	8,649	3,005	0.56%	14,024	22,673
Denver *	3028	1.50%	37,412	20,626	3.85%	96,261	133,673
* (WY, ND, SD)							
Des Moines	494	0.24%	6,103	2,489	0.46%	11,616	17,720
Ft Worth & Dallas	8075	3.99%	99,769	17,715	3.31%	82,675	182,444
Helena	429	0.21%	5,300	1,590	0.30%	7,420	12,721
Houston	3760	1.86%	46,456	7,753	1.45%	36,183	82,639
Kansas City/Topeka	2358	1.17%	29,134	8,406	1.57%	39,231	68,364
Little Rock	2161	1.07%	26,700	5,182	0.97%	24,184	50,884
Lubbock	1544	0.76%	19,077	4,051	0.76%	18,906	37,982
Milwaukee	757	0.37%	9,353	2,957	0.55%	13,800	23,153
Minneapolis	3417	1.69%	42,218	12,828	2.39%	59,868	102,086
New Orleans	2438	1.20%	30,122	6,218	1.16%	29,019	59,141
Oklahoma City	1401	0.69%	17,310	4,904	0.92%	22,887	40,197
Omaha	716	0.35%	8,846	5,147	0.96%	24,021	32,867
Salt Lake City	1292	0.64%	15,963	6,829	1.27%	31,871	47,834
San Antonio	3475	1.72%	42,935	11,021	2.06%	51,435	94,369
Shreveport	1225	0.61%	15,135	1,649	0.31%	7,696	22,831
St Louis	2086	1.03%	25,773	6,085	1.14%	28,399	54,172
Tulsa	923	0.46%	11,404	2,981	0.56%	13,912	25,316
<b>Denver HOC Subtotal</b>	<b>40279</b>		<b>497,657</b>	<b>131,436</b>		<b>613,408</b>	<b>1,111,066</b>
<b>SANTA ANA HOC</b>							

Anchorage	223	0.11%	2,755	1,708	0.32%	7,971	10,726
Boise	683	0.34%	8,439	2,900	0.54%	13,534	21,973
Fresno	3849	1.90%	47,555	10,896	2.03%	50,851	98,407
Honolulu	447	0.22%	5,523	851	0.16%	3,972	9,494
Las Vegas & Reno	2177	1.08%	26,897	7,199	1.34%	33,598	60,495
Los Angeles	7447	3.68%	92,010	21,589	4.03%	100,755	192,765
Phoenix	4044	2.00%	49,965	11,547	2.16%	53,890	103,854
Portland	698	0.34%	8,624	5,313	0.99%	24,796	33,420
Sacramento	2436	1.20%	30,097	8,139	1.52%	37,985	68,082
San Diego	969	0.48%	11,972	4,433	0.83%	20,689	32,661
San Francisco	1356	0.67%	16,754	6,029	1.13%	28,137	44,891
Santa Ana	10857	5.37%	134,141	24,858	4.64%	116,012	250,153
Seattle & Spokane	2003	0.99%	24,748	8,915	1.66%	41,606	66,354
Tucson	654	0.32%	8,080	1,866	0.35%	8,709	16,789
Santa Ana HOC Subtotal	37843		467,560	116,243		542,503	1,010,063
GRAND TOTAL	202343	100.00%	2,500,000	535,679	100.00%	2,500,000	5,000,000

(ii) *National, Regional, and Multi-State Intermediaries.* Approximately \$6 million is being set aside to fund HUD-approved national, regional and multi-state intermediaries that apply for funding under this SuperNOFA. No national, regional, or multi-state intermediaries may receive more than \$1 million. No affiliate of an intermediary, as a sub-grantee, can be awarded a sub-grant more than \$100,000. An affiliate may apply to a State housing finance agency for a sub-grant whether or not the affiliate received a sub-grant from a HUD-approved national, regional, or multi-state intermediary.

(iii) *State Housing Finance Agencies.* Approximately \$7 million is being set aside to fund State housing finance agencies, that have a role as a housing counseling agency and/or as an intermediary to affiliates, offering housing counseling services. The amount of funding available to each of the four HUD Homeownership Center jurisdictions is as follows:

Homeownership center	Funding allocation
Atlanta, GA .....	\$1,978,375.00
Denver, CO .....	1,555,575.00
Philadelphia, PA .....	2,051,875.00
Santa Ana, CA .....	1,414,175.00

No State housing finance agency may receive more than \$500,000, and no affiliate of a State housing finance agency, as a sub-grantee, can be awarded a sub-grant more than \$100,000. A State housing finance agency may provide a sub-grant to local, HUD-approved housing counseling agencies, and to affiliates of national, regional, or multi-state intermediaries.

(iv) *Remaining and Deobligated Funds/Reallocations.* If funds remain after HUD has funded all approvable grant applications in its Homeownership Center jurisdictions, or Headquarters, or if any funds become available due to deobligation, that amount shall be reallocated and used in keeping with the statute and in a manner that will improve the delivery of housing counseling service nationwide.

(b) *Funding Levels.* The Factors for Award will be used to determine successful applicants for funding. HUD requires that successful applicants participate in negotiations to determine the specific grant amount and the terms of the grant agreement. HUD will follow the negotiation procedures described in Section III(D) of the General Section of the SuperNOFA.

(i) *Local Housing Counseling Agencies.* HUD will fund local housing

counseling agencies according to the budget submitted with the application, in an amount not to exceed \$100,000. Amounts requested by local housing counseling agencies should reflect anticipated operating needs for housing counseling activities, based upon counseling experience during the previous fiscal year and current agency capacity.

(ii) *National, Regional, or Multi-State Intermediaries.* The intermediaries will distribute the majority of funds awarded to their proposed local housing counseling affiliates. HUD will give the selected intermediaries wide discretion to implement the housing counseling program with their affiliates. The intermediary may decide how to allocate funding among its affiliates, and may determine funding levels at or below \$100,000 for individual affiliates with the understanding that a written record will be kept of how this determination is made. This record shall be made available to the agencies affiliated with the intermediary and to HUD. Affiliates are not eligible for capacity building costs. Intermediaries should budget an amount which reflects their best estimate of cost to oversee and fund these housing counseling efforts, as well as, funding the needs of their affiliates.

(iii) *State Housing Finance Agencies.* HUD will fund State housing finance agencies according to the budget submitted with the application, in an amount not to exceed \$500,000. State housing finance agencies have two roles. The agency can operate as a housing counseling agency and/or as an intermediary for affiliates that perform housing counseling functions in their respective States or territories.

(c) *Capacity Building and Capacity Building Costs.* In FY 1998, the following amounts of housing counseling grant funds may be used by each grantee for "capacity building" and/or upgrading "capacity building", as defined in this Housing Counseling Program section of the SuperNOFA (see capacity building costs in the application kit).

Local Housing Counseling Agencies—up to \$4,000  
 National, Regional, or Multi-State Intermediaries—up to \$5,000  
 State Housing Finance Agencies—up to \$5,000

(i) Capacity building costs are: purchasing computer equipment and housing counseling case management and tracking software capable of exporting the HUD-9902 data into a database file, such as Data Now; enhancing telephone service, such as

purchasing telecommunications equipment for the hearing-impaired (TTY) to serve persons with hearing impairments (as an alternative to using the TTY relay service); installing FAX machines.

(ii) For local housing counseling agencies, intermediaries and state housing finance agencies that do not have an adequate computer system or need to upgrade computer equipment, HUD requires that up to \$4,000 of the grant, for local housing counseling agencies, and up to \$5,000 of the grant, for intermediaries and State housing finance agencies, be used to acquire items defined as capacity building costs. Affiliates of State housing finance agencies and intermediaries are not eligible for capacity building costs. Any equipment purchased must meet HUD specifications. Title to equipment acquired by a recipient with program funds shall vest in the recipient, subject to the provisions of 24 CFR part 84, subpart E. Computer training for one staff person may be paid from the capacity building cost set-aside, as may training on how to use a TTY.

(d) *Use of Counseling Funds and Supplementing HUD Funding.*

(i) *Housing Counseling Role.* Amounts requested by the State housing finance agency should reflect anticipated operating needs for housing counseling activities, based upon the counseling experience during FY 1997 and current agency capacity. To the maximum extent possible, State housing finance agencies must seek other private and public sources of funding to supplement HUD funding. HUD never intends for its counseling grant funds to cover all costs incurred by an agency participating in the program. State finance housing agencies may use the HUD grant to undertake any of the eligible counseling activities described in the Housing Counseling Program section of the SuperNOFA.

(ii) *Intermediary Role.* Amounts requested by the State housing finance agency should reflect their best estimates of costs to oversee and fund its housing counseling affiliates. In this intermediary role, the agency will distribute HUD funds to its affiliates. Note that HUD housing counseling funding is not intended to fully fund either the agency in its intermediary role or the housing counseling programs of their affiliates. To the maximum extent possible, the State housing finance agency and its affiliates are expected to seek other private and public sources of funding for housing counseling to supplement HUD funding.

(e) *Program Award Period.* Housing Counseling grants are fundable for a

period of twelve (12) calendar months. This period may begin from the date that the award is executed by HUD, or not more than 90 days prior thereto.

*(D) Eligible Applicants*

Under the housing counseling program, HUD contracts with qualified public or private nonprofit organizations to provide the services authorized by the statute. Currently there are approximately 1250 HUD-approved local housing counseling agencies, including branch offices, and approximately 13 HUD-approved intermediary organizations. Annually, all HUD-approved agencies and intermediaries are eligible to apply for housing counseling grants. *However, an agency or intermediary that is approved by HUD, or a state housing finance agency does not automatically receive HUD funding. HUD expects that all agencies, intermediaries and state housing finance agencies will continually work to develop other funding resources.* In FY 1997, 350 HUD-approved local housing counseling agencies and 5 HUD-approved national, regional, and multi-state intermediaries received funding from HUD. For the first time, under this SuperNOFA, HUD is encouraging State housing finance agencies, that perform housing counseling functions either as a practitioner and/or as an intermediary to local or statewide housing counseling affiliates, to apply for funding.

(1) Three types of organizations are eligible to submit applications in accordance with this Housing Counseling Program section to this SuperNOFA:

(a) HUD-approved national, regional, or multi-state housing counseling organizations (also known as "intermediaries" or "umbrella groups");

(b) HUD-approved local housing counseling agencies; and,

(c) State housing finance agencies.

(2) National, regional, and multi-state intermediaries; and State housing finance agencies must identify all their proposed affiliates in their application.

**Note:** National, regional, and multi-state intermediaries must assure that their proposed affiliates are unique to their team, and will *not* undertake a separate application for funds, either as an affiliate of another intermediary or State housing finance agency, or directly as a HUD-approved local housing counseling agency. Should any duplication occur, both the intermediary and the local housing counseling agency involved will automatically be ineligible for further consideration to receive FY 1998 housing counseling funds.

(a) An intermediary and State housing finance agency applicant must also

assure that it will execute a sub-grant agreement with its affiliates that clearly delineates their mutual responsibilities for program management, and includes appropriate time frames for reporting results to HUD. Once funded, the national, regional, and multi-state intermediaries and state housing finance agencies will be given broad discretion in implementing their housing counseling programs.

(b) On behalf of HUD, the intermediaries and State housing finance agencies will act as managers in the housing counseling process, and as such, may determine funding levels and counseling activity for each of their affiliates, except that no single affiliate may receive more than \$100,000. HUD will hold the intermediary and State housing finance agency accountable for the performance of its affiliates.

(c) Local housing counseling agencies may apply either directly to HUD for funding, or as a part of an affiliated intermediary or state housing finance agency network. Continuation of funding for housing counseling activities, as a separate and discrete program for FY 1999, and thereafter, is not guaranteed. Therefore, HUD encourages local housing counseling agencies to consider affiliating with a larger entity as one avenue of possible future funding and support for local programs.

(d) Local housing counseling agencies that are not currently HUD-approved, may receive FY 1998 funding only as an affiliate of a HUD-approved national, regional, or multi-state intermediary; or State housing finance agency. In this instance, the intermediary or State housing finance agency must certify that the quality of services provided will meet, or exceed, standards for local HUD-approved housing counseling agencies.

*(E) Eligible Activities*

Eligible activities will vary depending upon whether the applicant is a HUD-approved local housing counseling agency; a HUD-approved national, regional, or multi-state housing counseling intermediary, or affiliate; or, a State housing finance agency, or affiliate.

(1) *Comprehensive Housing Counseling.* Local Housing Counseling Agencies funded under this SuperNOFA may use HUD funds to deliver comprehensive housing counseling, or to specialize in the delivery of particular housing counseling services, according to the housing needs they identified for their target area in the plan that is part of its application. HUD recognizes that

local housing counseling agencies may offer a wide range of services, including:

(a) *Homebuyer Education Programs* where HUD's Homebuyer Education and Learning Program (HELP) materials are used in sessions that consist of approximately sixteen (16) hours of training. Completion of the training may allow graduates to receive first-time homebuyer incentives, such as, the reduction in the FHA insurance premium. Marketing and Outreach personnel at each HUD Homeownership Center will be available to assist agencies in this endeavor.

(b) *Pre-purchase Homeownership Counseling* covering such issues as purchase procedures, mortgage financing, down payment/closing cost fund accumulation, accessibility requirements of the property, and if appropriate, credit improvement, and debt consolidation.

(c) *Post-purchase Counseling* including such issues as property maintenance, and personal money management.

(d) *Mortgage delinquency and default resolution counseling* including restructuring debt, arrangement of reinstatement plans, loan forbearance, and loss mitigation.

(e) *Home Equity Conversion Mortgage (HECM) counseling* that assist clients, who are 62 years old or older, with the complexities of converting the equity in their home to income that is used to pay living expenses or medical expenses.

(f) *Loss Mitigation Counseling* for clients who may be facing default and foreclosure, and need mortgage default resolution and foreclosure avoidance counseling.

(g) *Outreach Initiatives* including providing general information about housing opportunities within the community and providing appropriate information to persons with disabilities.

(h) *Renter Assistance* including information about rent subsidy programs, rights and responsibilities of tenants, and lease and rental agreements.

(2) *Housing Counseling Clients.* HUD-funded local housing counseling agencies may elect to offer their services to a wide range of clients, or may elect to serve a more limited audience, provided limitations do not violate the requirements of the Fair Housing Act. Potential clients include: first-time homebuyers, homebuyers and homeowners eligible for, and applying for, HUD, VA, FmHA (or its successor agency), State, local, or conventionally financed housing or housing assistance; or persons who occupy such housing and seek the assistance of a HUD-approved housing counseling agency to

resolve a housing need. This includes accessible housing needs for persons with disabilities, renters, or, persons age 62 or older, who wish to convert the equity in their home to avoid default/foreclosure, pay medical expenses or create an income stream that can be used to pay living expense. Local housing counseling agencies may elect to offer this assistance in conjunction with any HUD housing program; however, they must be familiar with FHA's single family and multifamily housing programs.

(3) *National, Regional, or Multi-State Counseling Intermediaries.* The primary activity of HUD-approved national, regional, or multi-state intermediaries will be to manage the use of HUD housing counseling funds. This includes the distribution of housing counseling funding to affiliated local housing counseling agencies. Local affiliates of the selected national, regional, or multi-state intermediaries are eligible to undertake any or all of the housing counseling activities, described herein for the HUD-approved local housing counseling agencies. The local affiliates receiving funding through intermediaries do not need to be HUD-approved in order to receive these funds from the intermediary. However, the national, regional, or multi-state intermediary organization must be HUD-approved, as of this SuperNOFA publication date.

(4) *State Housing Finance Agencies.* The primary activity of State housing finance agencies will be to provide housing counseling services as a local housing counseling agency and/or manage the use of HUD housing counseling funds, including the distribution of counseling funding to its affiliated local housing counseling organizations. The State housing finance agency, and its local affiliates, are eligible to undertake any or all of the housing counseling activities, described herein, for the HUD-approved local housing counseling agencies. The State housing finance agencies, as either a housing counseling agency or intermediary, and its local affiliates do not need to be HUD-approved in order to receive these funds.

## II. Program Requirements

In addition to the requirements listed in the General Section of the SuperNOFA. In addition, the following requirements apply.

*Requirements Applicable to Religious Organizations.* Where the applicant is, or proposes to contract with, a primarily religious organization, or a wholly secular organization established by a primarily religious organization, to

provide, manage, or operate a housing counseling program, the organization must undertake its responsibilities under the counseling program in accordance with the following principles:

(1) It will not discriminate against any employee or applicant for employment under the program on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

(2) It will not discriminate against any person applying for counseling under the program on the basis of religion and will not limit such assistance or give preference to persons on the basis of religion; and

(3) It will provide no religious instruction or religious counseling, conduct no religious services or worship, engage in no religious proselytizing, and exert no other religious influence in the provision of assistance under the Housing Counseling Program.

## III. Application Selection Process

### (A) General

Applications will be evaluated competitively, and ranked against all other applicants that have applied for the same funding program. However, after selection, the actual amount funded will be based on successful completion of negotiations. There will be separate rankings for each program, and applicants will be ranked only against others that applied for the same program. National, regional, and multi-State applications will be rated and ranked in HUD Headquarters, and selected for funding in rank order. Local agency applications will be rated and ranked by the HUD Homeownership Centers and selected for funding in rank order.

### (B) Competitive Categories/Selection Parameters

All applications meeting the requirements of this SuperNOFA will be rated/ranked/selected for funding within their competitive category. The competitive categories are:

(1) HUD-approved housing counseling agency applicants within the HUD Homeownership Center's jurisdiction;

(2) HUD-approved national, regional, or multi-state intermediaries; and

(3) State housing finance agencies.

Intermediaries and State housing finance agencies, in their role as intermediary, will award sub-grants to affiliates.

### (C) Factors for Award Used To Rate and Rank Applications

The factors for rating and ranking applicants, and maximum points for each factor, are provided below. The maximum number of points for each applicant is 102. This includes two EZ/EC bonus points, as described in the General Section of the SuperNOFA.

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

This factor addresses the extent to which the applicant has the organizational resources necessary to successfully implement the proposed activities in a timely manner. In rating this factor, HUD will consider the extent to which the proposal demonstrates:

The rating of the "applicant" or the "applicant's organization and staff" for technical merit will include any subcontractors, consultants, subrecipients, and members of consortia that are identified as participants in the project.

(a) (10 points) The knowledge and experience of the proposed project director and staff, including the day-to-day program manager, consultants and contractors in planning and managing programs for which funding is being requested. Experience will be judged in terms of recent, relevant and successful experience of the applicant's staff to undertake eligible program activities. The applicant has sufficient personnel or will be able to quickly access qualified experts or professionals, to deliver the proposed activities in a timely and effective fashion, including the readiness and ability of the applicant to immediately begin the proposed work program. To demonstrate that the applicant has sufficient personnel, the applicant must submit the proposed number of staff years by the employees and experts to be allocated to the project, the titles and relevant professional background and experience of each employee and expert proposed to be assigned to the project, and the roles to be performed by each identified employee and expert.

(b) (10 points) The applicant's past experience in terms of its ability to attain demonstrated measurable progress in the implementation of its most recent activities where performance has been assessed as measured by expenditures and measurable progress in achieving the purpose of the activities. HUD will also consider any documented evidence of the grantee's failure under past awards to comply with grant award provisions.

**Rating Factor 2: Need/Extent of the Problem (20 Points)**

This factor addresses the extent to which there is a need for funding the proposed program activities to address a documented problem in the target area. To the extent that the community served by the housing counseling organization has documented the need in the community's Consolidated Plan or Analysis of Impediments to Fair Housing Choice (AI), or requirements of court orders or consent decrees, settlements and voluntary compliance agreements. References to these documents should be included in the response. If the proposed activities are not covered under the scope of the Consolidated Plan or AI, applicants should indicate such and use other sound data sources to identify the level of need for the proposed activity.

In responding to this factor, applicants will be evaluated on the extent to which they document a critical level of need for the proposed activities in the area where activities will be carried out.

The documentation of need should demonstrate the extent of the problem being addressed by the proposed activities. Examples of data that might be used to demonstrate need, include, but is not limited to, economic and demographic data relevant to the target area. There must be a clear relationship between the proposed activities, community needs and the purpose of the program funding for an applicant to receive points for this factor.

**Rating Factor 3: Soundness of Approach (40 Points)**

This factor addresses the quality and effectiveness of the applicant's proposed work plan. In rating this factor, HUD will consider the following:

(1) The extent to which the proposed design and scope of the activities provide for geographic coverage for target areas as well as persons traditionally underserved, including identification of immediate benefits to be achieved and indicators by which these benefits will be measured;

(2) The extent to which the applicant has a clear agenda of the work activities to be performed;

(3) Proposed tasks that use technically competent methodologies that have been documented for conducting the work to be performed. HUD will make an evaluation of the applicant's soundness of approach by assessing the extent to which the proposed work plan identifies documented methodologies for the types of services to be performed.

(4) Relationship between the proposed activities, community needs and the purpose of the program funding.

(5) Affirmatively furthering fair housing may be undertaken in a variety of ways, as appropriate to the community. Making counseling offices and services accessible to persons with a wide range of disabilities and helping such persons to locate suitable housing in locations throughout the metropolitan or community area are suggested for both national, regional, or multi-state housing counseling organization, as well as for local counseling agencies. The following are additional suggestions:

(a) *For National, Regional, or Multi-State Intermediaries and State Housing Finance Agencies.*

(i) Implement affirmative marketing strategies to attract all segments of the population listed as prohibited bases in the Fair Housing Act, who are least likely to apply for housing counseling to purchase or retain their homes.

(ii) Taking actions to reduce concentrations of poverty and/or minority populations. This could include working with, or adopting the counseling practices of, agencies which conduct opportunity counseling to encourage low-income and minority persons to move to low-concentration areas and helping to locate suitable housing in such areas. It could also include working with local lenders to develop alternative lending criteria: For instance, the counseling agency may make referrals to the lenders of clients with good credit and payment histories, but who do not fit the standard profiles for lending practices or of clients with financial patterns which reflect cultural differences (such as family savings pools common among some Asian populations). Such activity should also focus on finding appropriate housing, free from environmental hazards, for all segments of the population in neighborhoods with good transportation, schools, employment opportunities, and other services.

(b) *For Local Housing Counseling Agencies.* Participate in local fair housing strategies with major emphasis on remedying the effects of past discrimination and limitations in the community. This could include: working with CPD Entitlement Jurisdictions to help to identify impediments to fair housing choice which have been identified in the process of working with clients; becoming familiar with the jurisdiction's identified impediments and adjusting its counseling activities to help overcome these impediments; and/or working with other public and

private resources to develop fair housing strategies applicable to the counseling activities, on a community-wide or metropolitan-wide basis. HUD also will evaluate the extent to which the proposed work plan contains community awareness, education and outreach programs.

**Rating Factor 4: Leveraging Resources (10 Points)**

This factor addresses the ability of the applicant to secure community resources which can be combined with HUD's program resources to achieve program purposes.

In evaluating this factor HUD will consider:

(1) The extent to which the applicant has partnered with other entities to secure additional resources to increase the effectiveness of the proposed program activities. Resources may include funding or in-kind contributions, such as services or equipment, allocated to the purpose(s) of the award the applicant is seeking. Resources may be provided by governmental entities, public or private nonprofit organizations, for-profit private organizations, or other entities willing to partner with the applicant. Applicants may also partner with other program funding recipients to coordinate the use of resources in the target area.

(2) Applicants must provide evidence of leveraging/partnerships by including in the application letters of firm commitments, memoranda of understanding, or agreements to participate from those entities identified as partners in the application. Each letter of commitment, memoranda of understanding, or agreement to participate should include the organization's name, proposed level of commitment and responsibilities as they relate to the proposed program. The commitment must also be signed by an official of the organization legally able to make commitments on behalf of the organization.

To the maximum extent possible, local counseling agencies also must seek other private and public sources of funding to supplement HUD funding. HUD never intends for its counseling grant funds to cover all costs incurred by an agency participating in the program.

Local housing counseling agencies may use the HUD grant to undertake any of the eligible housing counseling activities described in this Housing Counseling Program section of the SuperNOFA and included in their HUD-approved plan.

**Note:** HUD housing counseling funding is not intended to fully fund, either the intermediary's housing counseling program, or the housing counseling programs of the its local affiliates. To the maximum extent possible, intermediaries and their local affiliates are expected to seek other private and public sources of funding for housing counseling to supplement HUD funding.

#### Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which the applicant coordinated its activities with other known organizations, participates or promotes participation in a community's Consolidated Planning process and is working towards addressing a need in a holistic and comprehensive manner through linkages with other activities in the community.

In evaluating this factor, HUD will consider the extent to which the applicant demonstrates it has:

(1) Coordinated its proposed activities with those of other groups or organizations prior to submission in order to best complement, support and coordinate all known activities and if funded, the specific steps it will take to share information on solutions and outcomes with others. Any written agreements or memoranda of understanding in place should be described.

(2) Taken or will take specific steps to become active in the community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address a need/problem that is related to the activities the applicant proposes.

(3) Taken or will take specific steps to develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with:

- (a) Other HUD-funded projects/activities outside the scope of those covered by the Consolidated Plan; and
- (b) Other Federal, State or locally funded activities, including those proposed or on-going in the community(s) served.

#### IV. Application Submission Requirements

##### (A) General

Contents of an application will differ somewhat for: local housing counseling agencies; national, regional, or multi-

state intermediaries; and, State housing finance agencies. However, all applicants are expected to submit the forms, certifications and assurances set forth in the General Section of the NOFA. Copies of all form/documents required to be completed by an applicant can be found in the application kit. In addition to these certifications and assurances the following are required to be part of the housing counseling application:

(1) Form HUD-9902, Housing Counseling Agency Fiscal Year Activity Report, for fiscal year October 1, 1996 through September 30, 1997. Where an applicant did not participate in HUD's Housing Counseling Program during FY 1997, this report should be completed to reflect the agency's counseling workload during that period. This form must be fully completed and submitted by every applicant for FY 1998 HUD funding;

(2) Computer Equipment Inventory (if applicable);

(3) Budget Work Sheet. A realistic, proposed budget for use of HUD funds, if awarded. This should be broken down into two categories (i) direct housing counseling costs and (ii) capacity building costs;

(4) Exhibits for national, regional, multi-state, or agencies and State housing finance agencies as described in (2)(a)-(2)(c) below and in the application kit;

(5) Evidence of Housing Counseling Funding Sources (required by all applicants);

(6) Descriptive Narrative—Each applicant is to provide a descriptive narrative that sets forth the prior fiscal year's performance as related to its goals, objectives and mission. The narrative describes the most recent operational and program activities of the organization;

(7) Current Housing Counseling Plan. The plan describes the applicant's housing counseling needs, goals, and objectives as related to the scope of services it will provide, including a description of counseling activities to be performed.

(8) A description of organization capability;

(9) Direct-labor and Hourly-labor rate and Counseling Time Per Client;

(10) Congressional District Information;

(11) State housing finance agencies must submit their statutory background that created the respective agency, and

sets forth its authorities to operate as a State housing finance agency.

#### (B) National, Regional, and Multi-State Intermediaries; and State Housing Finance Agencies

National, regional, and multi-state intermediaries; and, State housing finance agencies; must submit an application which covers both their network organization and their affiliated agencies. This application must include:

(1) *Description of affiliated agencies.* For each, list the following information:

- (a) Organization name;
- (b) Address;
- (c) Director and contact person (if different);
- (d) Phone/FAX numbers (including TTY, if appropriate);
- (e) Federal tax identification number;
- (f) ZIP code service areas;
- (g) Number of staff providing counseling;

(h) Type of services offered (defined by homebuyer education programs, pre-purchase counseling, post-purchase counseling, mortgage default and delinquency counseling, HECM counseling, outreach initiatives, renter assistance, and other);

(i) Number of years of housing counseling experience.

(2) *Relationship with Affiliates.* Briefly describe the intermediary's, or State housing finance agency's, relationship with affiliates (i.e. membership organization, field or branch offices, subsidiary organizations, etc.).

(3) *Oversight System.* Describe the process that will be used for determining affiliate funding levels, distributing funds, and monitoring affiliate performance.

#### V. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

#### VI. Environmental Requirements

In accordance with 24 CFR 50.19(b) (9) and (12) of the HUD regulations, activities assisted under this program are categorically excluded from the requirements of the National Environmental Policy Act and are not subject to environmental review under the related laws and authorities.





**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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Lead-Based Paint Hazard  
Control Program

BILLING CODE 4210-32-C

### Funding Availability for the Lead-Based Paint Hazard Control Program

*Program Description:* Approximately \$50 million is available in funding for the Lead-Based Paint Hazard Control Program. Lead-Based Paint Hazard Control grants assist State and local governments in undertaking programs for the identification and control of lead-based paint hazards in eligible privately-owned housing units for rental occupants and owner-occupants.

*Application Due Date:* An original and two copies of the completed application must be received by HUD no later than 12:00 midnight, Eastern time on June 1, 1998 at HUD Headquarters. See the General Section of this SuperNOFA of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

*Address for Submitting Applications:* The completed application (original and two copies) must be submitted to: Office of Lead Hazard Control, Department of Housing and Urban Development, Room B-133, 451 Seventh Street, SW, Washington, DC 20410. Hand carried applications should be delivered to Suite 3206, 490 East L'Enfant Plaza, Washington, DC, 20024.

*For Application Kits, Further Information, and Technical Assistance:*

*For Application Kits:* For an application kit and any supplemental information, please call the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-483-2209. When requesting an application kit, please refer to the Lead-Based Paint Hazard Control Grant Program. Please be sure to provide your name, address (including zip code), and telephone number (including area code).

*For Further Information:* Ellis G. Goldman, Director, Program Management Division, Office of Lead Hazard Control, at the address above; telephone (202) 755-1785, extension 112 (this is not a toll-free number). Hearing- and speech-impaired persons may access the above telephone numbers via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

*For Technical Assistance:* Please refer to the General Section of this SuperNOFA for information regarding the provision of technical assistance. The HUD staff that will provide technical assistance for the Lead-Based Paint Hazard Control Program is in HUD's Office of Lead Hazard Control. Please see the "For Further

Information" section above for the address and phone number.

### Additional Information

#### I. Authority; Purpose; Amount Allocated; and Eligibility

##### (A) Authority

The Lead-Based Paint Hazard Control Program is authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X of the Housing and Community Development Act of 1992) (Title X).

##### (B) Purpose

(1) Lead-Based Paint Hazard Control (LBPHC) grants are to assist State and local governments in undertaking programs for the identification and control of lead-based paint hazards in eligible privately-owned housing units for rental occupants and owner-occupants. The application kit for this LBPHC Program section of the SuperNOFA lists HUD-associated housing programs that may have housing units meeting the definition of eligible housing. Because lead-based paint is a national problem, these funds are awarded in a manner that:

- (a) Maximizes the number of housing units where lead-hazards have been controlled;
- (b) Stimulates cost-effective State and local approaches that can be replicated in as many settings as possible;
- (c) Disperses the grants as widely as possible across the nation to ensure the capacity developed is geographically distributed;
- (d) Builds local capacity; and
- (e) Affirmatively furthering fair housing and environmental justice.

(2) The objectives of this program include:

- (a) Implementation of a national strategy, as defined in Title X, to build the infrastructure necessary to eliminate lead-based paint hazards in all housing, as widely and expeditiously as possible;
- (b) Encouragement of effective action to prevent childhood lead poisoning by establishing a workable framework for lead-based paint hazard identification and control;
- (c) Mobilization of public and private resources, involving cooperation among all levels of government and the private sector, to develop the most promising, cost-effective methods for identifying and controlling lead-based paint hazards;
- (d) Integration of lead-safe work practices into housing maintenance, repair, and improvements;
- (e) Integration of lead hazard control into rehabilitation, weatherization, and other related programs;

(f) Development of sustainable lead-safe programs (beyond the life of the grant);

(g) Establishment of a publicly accessible registry of lead-safe housing; and

(h) To the greatest extent feasible, promoting job training, employment, and other economic opportunities for low-income and minority residents and businesses which are owned by and/or employ low-income and minority residents as defined in 24 CFR 135.5 (See 59 FR 33881, June 30, 1994).

##### (C) Amount Allocated

(1) Fifty million dollars (\$50 million) will be made available for the grant program from the appropriations made for the Lead-Based Paint Hazard Reduction Program.

(2) Approximately 15-25 grants of \$1 million-\$4 million each will be awarded. Previously unfunded applicants are eligible to apply for grants of \$1 million-\$4 million. Existing grantees are eligible to apply for grants of \$1 million-\$3 million. A maximum of 50% of the Funds under this LBPHC Program section of the SuperNOFA shall be available to current Lead-Based Paint Hazard Control grantees.

Applications of existing grantees will be evaluated and scored as a separate class and will not be in direct competition with previously unfunded applicants.

(3) In the selection process, once available funds have been allocated to meet the requested or negotiated amounts of the top eligible applicants, HUD reserves the right, in successive order, to offer any residual amount as partial funding to the next eligible applicant provided HUD, in its sole judgment, is satisfied that the residual amount is sufficient to support a viable, though reduced effort, by such applicant(s). Such applicant(s) shall have a maximum of seven (7) calendar days to accept such a reduced award, or shall be considered to have declined the award. Applicant(s) may reapply in a future round.

##### (D) Eligible Applicants

(1) Applicants must be a State or unit of local government that has a currently approved Consolidated Plan to be eligible to apply for a grant. Applicants under this LBPHC Program section of the SuperNOFA must submit documentation that HUD has approved their current program year Consolidated Plan. Applicants must submit, as an appendix, a copy of the lead-based paint element included in the approved Consolidated Plan.

(2) Applicants that do not have a currently approved Consolidated Plan,

but are otherwise eligible for this grant program, must include their abbreviated Consolidated Plan which includes a lead-based paint hazard control strategy developed and submitted in accordance with 24 CFR 91.235.

(3) Applicants that were funded under Category A of the FY 1997 LBPHC NOFA issued June 3, 1997 (61 FR 30380) are not eligible for this round of funding.

*(E) Eligible Activities*

(1) Funds shall be available only for projects conducted by contractors, risk assessors, inspectors, workers and others engaged in lead-based paint activities who meet the requirements of a State Lead-Based Paint Contractor Certification and Accreditation Program that is at least as protective as the Federal certification program standards outlined in the application kit to this LBPHC Program section of the SuperNOFA or which meets the requirements of a State program authorized by EPA under the requirements of section 404 of the Toxic Substances Control Act (TSCA).

(2) HUD is interested in promoting lead hazard control approaches that result in the reduction of this health threat for the maximum number of low-income residents, and that demonstrate replicable techniques which are cost-effective and efficient. The following direct and support activities are eligible under this grant program.

(a) *Direct Project Elements* (activities of the grantee and all sub-grantees):

(i) Performing risk assessments, inspections and testing of eligible housing constructed prior to 1978 to determine the presence of lead-based paint, lead dust, or leaded soil through the use of acceptable testing procedures.

(ii) Conducting pre-hazard control blood lead testing of children under the age of six residing in units undergoing risk assessment, inspection or hazard control.

(iii) Conducting lead hazard control which may include any combination of the following: interim control of lead-based paint hazards in housing (which may include intensive cleaning techniques to address lead dust); hazard abatement for programs that apply a differentiated set of resources to each unit (dependent upon conditions of the unit and the extent of hazards); and abatement of lead-based paint hazards, including soil and dust, by means of removal, enclosure, encapsulation, or replacement methods. *Complete abatement of all lead-based paint is not recommended as a cost effective strategy except under exceptional circumstances.*

(iv) Carrying out temporary relocation of families and individuals during the period in which hazard control is conducted and until the time the affected unit receives clearance for reoccupancy.

(v) Performing blood lead testing and air sampling to protect the health of the hazard control workers, supervisors, and contractors.

(vi) Undertaking minimal housing rehabilitation activities that are specifically required to carry out effective hazard control, and without which the hazard control could not be completed and maintained. Grant funds under this program may also be used for the lead-based paint hazard control component in conjunction with other housing rehabilitation programs.

(vii) Conducting pre-hazard control and clearance dust-wipe testing and analysis.

(viii) Carrying out engineering and architectural costs that are necessary to, and in direct support of, lead hazard control.

(ix) Providing lead-based paint worker or contractor certification training and/or licensing to low-income persons.

(x) Providing training on lead-safe maintenance practices to homeowners, renters, painters, remodelers, and apartment maintenance staff working in low income housing.

(xi) Providing cleaning supplies for lead-hazard control to community/neighborhood-based organizations, homeowners, and renters in low income housing.

(xii) Conducting general or targeted community awareness or education programs on lead hazard control and lead poisoning prevention. This activity would include educating owners of rental properties on the provisions of the Fair Housing Act and training on lead-safe maintenance and renovation practices. It would also include making all materials available in alternative formats for persons with disabilities (e.g.: Braille, audio, large type), upon request.

(xiii) Securing liability insurance for lead-hazard control activities.

(xiv) Supporting data collection, analysis, and evaluation of grant program activities. This includes compiling and delivering such data as may be required by HUD. This activity is separate from administrative costs.

(xv) Applied research activities directed at demonstration of cost effective methods for lead hazard control as described in Section III of this LBPHC Program section of the SuperNOFA.

(xvi) Preparing a final report at the conclusion of grant activities.

(b) *Support Elements.*

(i) Administrative costs of the grantee. There is a 10% maximum for administrative costs.

(ii) Program planning and management costs of sub-grantees and other sub-recipients.

(3) *Ineligible Activities.* Grant funds shall not be used for:

(a) Purchase of real property.

(b) Purchase or lease of capital equipment having a per unit cost in excess of \$5,000, except for X-ray fluorescence analyzer (XRF). If purchased, capital equipment (under \$5,000) and the XRF analyzers shall remain the property of the grantee at the conclusion of the project. Funds may be used, however, to lease equipment specifically for the Lead-Based Paint Hazard Control Grant Program. If leased equipment becomes the property of the grantee as the result of a lease arrangement, it may remain the property of the grantee at the end of the grant period; and

(c) Chelation or other medical treatment costs related to children with elevated blood lead levels. Non-Federal funds used to cover these costs may be counted as part of the required matching contribution.

**II. Program Requirements**

In addition to the program requirements listed in the General Section of this SuperNOFA, applicants are subject to the following requirements:

*(A) General*

Grantees will be afforded considerable latitude in designing and implementing the methods of lead-based paint hazard control to be employed in their jurisdictions. Experience and data from past and ongoing evaluations has identified effective approaches. HUD is interested in promoting lead hazard control approaches that result in the reduction of this health threat for the maximum number of low-income residents, and that demonstrate replicable techniques which are cost-effective and efficient. Flexibility will be allowed within the parameters established below.

*(B) Budgeting*

(1) *Matching Contribution.* Each grantee shall provide a matching contribution of at least 10% of the requested grant sum. This may be in the form of a cash or in-kind contribution or a combination of both. Federal funds from other programs cannot constitute matching funds, with the exception of Community Development Block Grant (CDBG) funds. Applicants who do not

show a 10% match will be required to provide the matching contribution during grant negotiations.

(2) *Applied Research Activities.* A maximum of five (5%) percent of the total grant request may be identified for applied research activities.

(3) *Administrative Costs.* There is a 10% maximum for administrative costs.

*(C) Period of Performance*

The period of performance cannot exceed 36 months.

*(D) Certified Performers*

Funds shall be available only for projects conducted by certified contractors, risk assessors, inspectors, workers and others engaged in lead-based paint activities. An applicant must provide the documents listed in Section IV(A)(4) of this LBPFC section of the SuperNOFA to demonstrate its compliance with this requirement.

*(E) Coastal Barrier Resources Act*

Pursuant to the Coastal Barrier Resources Act (16 U.S.C. 3501), grant funds may not be used for properties located in the Coastal Barrier Resources System.

*(F) Flood Disaster Protection Act*

Under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), grant funds may not be used for construction, reconstruction, repair or improvement or lead-based paint hazard control of a building or mobile home which is 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 in accordance with the applicable regulations (44 CFR 59-79), or less than a year has passed since FEMA notification regarding these hazards; and

(2) Where the community is participating in the National Flood Insurance Program, flood insurance on the property is obtained in accordance with section 102(a) of the Flood Disaster Protection Act (42 U.S.C. 4012a(a)). Applicants are responsible for assuring that flood insurance is obtained and maintained for the appropriate amount and term.

*(G) National Historic Preservation Act*

The National Historic Preservation Act of 1966 (16 U.S.C. 470) (NHPA) and the regulations at 36 CFR part 800 apply to the lead-based paint hazard control activities that are undertaken pursuant to this program. HUD and the Advisory

Council for Historic Preservation have developed an optional Model Agreement (See the application kit for this program) for use by grantees and State Historic Preservation Officers in carrying out activities under this program.

*(H) Waste Disposal*

Waste disposal will be handled according to the requirements of the appropriate local, State or Federal regulatory agency. Disposal of wastes from hazard control activities that contain lead-based paint but are not classified as hazardous will be handled in accordance with the HUD *Guidelines for the Evaluation and Control of Lead-Based Hazards in Housing* (HUD *Guidelines*).

*(I) Worker Protection Procedures*

The applicant shall observe the procedures for worker protection established in the HUD *Guidelines*, as well as the requirements of the Occupational Health and Safety Administration (OSHA) (29 CFR 1926.62—Lead Exposure in Construction), or the State or local occupational safety and health regulations, whichever are most stringent. If other applicable OSHA requirements contain more stringent requirements than the HUD *Guidelines*, the OSHA standards shall govern.

*(J) Prohibited Practices*

Lead hazard control methods which are considered prohibited practices are not allowed. The applicant is cautioned that methods that generate high levels of lead dust, such as abrasive sanding, shall be undertaken only with requisite worker protection, containment of dust and debris, suitable clean-up, and clearance. Prohibited practices are practices which are not allowed because of the risks to health. Prohibited practices include:

- (1) Open flame burning or torching;
- (2) Machine sanding or grinding without a high-efficiency particulate air (HEPA) exhaust control;
- (3) Uncontained hydroblasting or high pressure wash;
- (4) Abrasive blasting or sandblasting without HEPA exhaust control;
- (5) Heat guns operating above 1100 degrees Fahrenheit;
- (6) Chemical paint strippers containing methylene chloride; and
- (7) Dry scraping or dry sanding, except scraping in conjunction with heat guns or around electrical outlets or when treating no more than two (2) square feet in any one interior room or space, or totaling no more than 20 square feet on exterior surfaces.

*(K) Proposed Modifications From Current Procedures*

Proposed methods requiring a variance from currently approved standards or procedures will be considered on their merits through a separate HUD review and approval process after the grant award is made and a specific justification has been presented. When such a request is made, either in the application or during the planning phase, HUD may consult with experts from both the public and private sector as part of its final determinations and will document its findings in an environmental assessment. Proposed modifications which involve a lowering of standards with potential to adversely affect the health of residents, contractors or workers, or the quality of the environment will not be approved.

*(L) Written Policies and Procedures*

Written policies and procedures for all phases of lead hazard control, including risk assessment, inspection, development of specifications, pre-hazard control blood lead testing, financing, relocation and clearance testing must be clearly established in writing and adhered to by all grantees, subcontractors, sub-grantees, sub-recipients, and their contractors.

*(M) Continued Availability of Lead Safe Housing to Low-Income Families*

Units in which lead hazards have been controlled under this program shall be occupied by and/or continue to be available to low-income residents as required by Title X. Grantees are required to maintain a registry of units in which lead hazards have been controlled for distribution and marketing to agencies and families as suitable housing for children under six.

*(N) Development of Application Cost Proposal*

In developing the application cost proposal, applicants shall include costs for the pre- and post-hazard control testing for each dwelling that will undergo either a lead-based paint risk assessment and/or inspection and hazard control according to HUD *Guidelines*, as follows:

- (1) *XRF on-site (or supplementary laboratory) testing.* Such testing must be conducted according to the HUD *Guidelines*, with particular attention to the 1997 revision of its chapter 7 on lead-based paint inspection. The applicant must pretest every room or area in each dwelling unit planned for hazard control, using each XRF analyzer in accordance with its manufacturer's operating instructions and its

Performance Characteristics Sheet (PCS);

(2) *Blood lead testing.* Before lead hazard control work begins, the applicant must test each occupant who is a child under six years old according to the recommendations contained in *Preventing Lead Poisoning in Young Children* (1991), published by the Centers for Disease Control and Prevention (CDC).

(3) *Dust testing.* Such testing must be conducted according to the HUD *Guidelines*. Specifically, the applicant must pre-test before lead hazard control work begins, and conduct a clearance test before reoccupying a unit or area.

(4) *Testing.*

(a) *General.* All testing and sampling shall conform to the HUD *Guidelines*. It is particularly important to provide this full cycle of testing for hazard control, including interim controls.

(b) *Required Thresholds for Hazard Control.* While the HUD *Guidelines* employ two hazard control thresholds, one milligram per square centimeter (1.0 mg/cm<sup>2</sup>) or 0.5% by weight, applicants may use other thresholds, provided that the alternative threshold is justified adequately and is accepted by HUD. The justification must state why the applicant believes the proposed threshold will provide satisfactory health protection for occupants, and cost savings and benefits expected to result from using the proposed approach.

(c) *Surfaces which require lead hazard control.* The HUD *Guidelines* identify hazards considered to be of greatest threat to young children which require hazard control. Friction surfaces are subject to abrasion and may generate lead-contaminated dust in the dwelling; chewable surfaces are protruding surfaces that are easily chewed on by young children; and impact surfaces may become deteriorated through forceful contact. The applicant may choose to treat fewer surfaces or apply other hazard control techniques, provided that an adequate rationale, including periodic monitoring, is presented to and accepted by HUD. The rationale must state why the proposed approach will provide satisfactory health protection for occupants and at the same time, provide cost savings or other benefits.

(d) *Clearance thresholds.* Grantees are required to meet the post-hazard control dust-wipe test clearance thresholds contained in the HUD *Guidelines*. Wipe tests shall be conducted by a certified inspector who is independent of the lead hazard control contractor. Dust-wipe and soil samples, and any paint samples to be analyzed by a laboratory,

must be analyzed by a laboratory recognized by the Environmental Protection Agency's National Lead Laboratory Accreditation Program (NLLAP). Units shall not be reoccupied until clearance levels are achieved.

(O) *Cooperation With Related Research and Evaluation*

Applicants shall cooperate fully with any research or evaluation sponsored by HUD and associated with this grant program, including preservation of the data and records of the project and compiling requested information in formats provided by the researchers, evaluators or HUD. This cooperation may also include the compiling of certain relevant local demographic, dwelling unit, and participant data not contemplated in the applicant's original proposal. Participant data shall be subject to Privacy Act protection.

(P) *Data Collection*

Grantees will be required to collect and maintain the data necessary to document the various lead hazard control methods used in order to determine the effectiveness and relative cost of these methods.

(Q) *Environmental Requirements*

(1) In accordance with HUD regulations in 24 CFR part 58 recipients of lead-based paint hazard control grants will assume Federal environmental review responsibilities. Recipients of a grant under this program will be given guidance in these responsibilities.

(R) *Section 3 Employment Opportunities*

Please see Section II(E) of the General Section of this SuperNOFA. The requirements of Section 3 are applicable to the Lead-Based Paint Hazard Control Program.

(S) *Forms, Certifications and Assurances*

In addition to the forms, certifications and assurances listed in the General Section of this SuperNOFA, applicants are required to submit signed copies of the following:

(1) A certification of compliance with the environmental laws and authorities described in 24 CFR part 58.

(2) A certification of compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 49 CFR 24; and HUD Handbook 1378 (Tenant Assistance, Relocation and Real Property Acquisition).

(3) An assurance that the applicant's financial management system meets the

standards for fund control and accountability described in 24 CFR 85.20.

(4) An assurance that pre-hazard control and clearance testing will be conducted by certified performers.

(5) An assurance that, to the extent possible, the blood lead testing, blood lead level test results, and medical referral and follow up will be conducted for children under six years of age occupying affected units according to the recommendations of the Centers for Disease Control and Prevention (CDC) publication *Preventing Lead Poisoning in Young Children* (1991).

(6) An assurance that Lead-Based Paint Hazard Control Grant Program funds will not replace existing resources dedicated to any ongoing project.

(7) An assurance that the housing units in which lead hazards have been controlled under this program shall be occupied by and/or continue to be available to low-income residents as required by Title X. Grantees are required to maintain a registry of units in which lead hazards have been controlled for distribution and marketing to agencies and families as suitable housing for children under six.

(8) A certification that the applicant will carry out its lead hazard control program under an operational State program established pursuant to lead-based paint contractor certification and accreditation legislation that is at least as protective as the training and certification program requirements cited in the application kit for this LBPHC Program section of the SuperNOFA.

### III. Application Selection Process

(A) *Rating and Ranking*

HUD intends to fund the highest ranked applications within the limits of funding, but reserves the right to advance other eligible applicants in funding rank based on the following considerations which will: foster either local approaches or lead hazard control methods which have not been employed before, or provide lead hazard control services to populations or communities that have high need (as measured by the "Need" factor for award) and have never received funding under this grant program.

(B) *Factors for Award Used to Evaluate and Rate Applications*

The factors for rating and ranking applicants, and maximum points for each factor, are provided below. The maximum number of points to be awarded is 102. This includes two EZ/EC bonus points, as described in the General Section of the SuperNOFA.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (15 Points for Previously Unfunded Applicants; 25 Points for Existing Grantees)

This factor addresses the extent to which the applicant has the organizational resources necessary to successfully implement the proposed activities in a timely manner. The rating of the "applicant" or the "applicant's staff" for technical merit or threshold compliance, unless otherwise specified, will include any sub-contractors, consultants, sub-recipients, and members of consortia which are firmly committed to the project. In rating this factor, HUD will consider the extent to which the proposal demonstrates:

(1) Recent, relevant and successful experience of the applicant's staff to undertake eligible program activities. Applicants must describe the knowledge and experience of the proposed overall project director and day-to-day program manager in planning and managing large and complex interdisciplinary programs, especially involving housing rehabilitation, public health, or environmental programs. As an appendix, the applicant should include a clearly identified organizational chart for the lead hazard control grant program effort, as well as resumes, position descriptions, and salaries of key personnel identified to carry out the requirements of this grant program. Applicants must indicate the percentage of time that key personnel will devote to the project and any salary costs to be paid by the grant. A full-time day-to-day program manager is highly recommended.

(2) That the applicant has sufficient personnel or will be able to quickly access qualified experts or professionals, to immediately begin the proposed work program and to deliver the proposed activities in each proposed service area in a timely and effective fashion. The application must describe how other principal components of the applicant agency or other organizations will participate in or otherwise support the grant program. The institutional capacity of the applicant may be demonstrated by prior experience in initiating and implementing lead hazard control efforts and/or related environmental, health, or housing projects and should be thoroughly described. The applicant should indicate how this prior experience will be used in carrying out its planned comprehensive Lead-Based Paint Hazard Control Grant Program.

(3) If the applicant received HUD Lead Hazard Control Grant funding in previous years, the applicant's past experience will be evaluated in terms of its progress in achieving the purpose of its previous grant. An existing grantee applicant must provide a description of its progress in implementing its most recent grant award within the period of performance, including the total number of housing units completed as of the latest calendar quarter.

Rating Factor 2: Need/Extent of the Problem (20 Points)

This factor addresses the extent to which there is a need for funding the proposed program activities to address a documented problem in the target area.

(1) The applicant must document a critical level of need for the proposed activities in the area where activities will be carried out. Specific attention must be paid to documenting need as it applies to the area where activities will be targeted, rather than the entire locality or state. If the target area is an entire locality or state, then documenting need at this level is appropriate.

(2) The documentation of need should demonstrate the extent of the problem being addressed by the proposed activities. Examples of data that might be used to demonstrate need, include, but are not limited to:

(a) Economic and demographic data relevant to the target area, including poverty and unemployment rates;

(b) Levels of homelessness;

(c) Lead poisoning rates;

(d) Housing market data available from HUD or other data sources including the Public Housing Authority's Five Year Comprehensive Plan, State or local Welfare Department's Welfare Reform Plan; or

(e) Lack of other Federal, State or local funding that could be, or is used, to address the problem HUD program funds are designed to address.

(3) To the extent that statistics and other data contained in the community's Consolidated Plan or Analysis of Impediments to Fair Housing Choice (AI) supports the extent of the problem, references to the Consolidated Plan and the AI should be included in the response.

(4) It is also desirable that the applicant provide information on the following for the applicant's jurisdiction, or more preferably, the areas targeted for the lead hazard control activities (data may be available in the applicant jurisdiction's currently approved Consolidated Plan, or derived from 1990 Census Data):

(a) The age and condition of housing;

(b) The number and percentage of very-low and low income families whose incomes do not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families;

(c) The number and proportion of children under six years of age (72 months) at risk of lead poisoning;

(d) The magnitude of the lead poisoning problem in children under six years of age in target areas;

(e) The health and economic impacts of Superfund or Brownfields sites on the targeted neighborhoods or communities; and

(f) Other socioeconomic or environmental factors that document a need to establish or continue lead hazard control work in the applicant's jurisdiction.

(5) The applicant must also provide documentation of the priority that the community's Consolidated Plan has placed on addressing the needs described by the applicant.

(6) Applicants that address needs that are in the Consolidated Plan, Analysis of Impediments to Fair Housing Choice, court orders or consent decrees, settlements, conciliation agreements, and voluntary compliance agreements will receive a greater number of points than applicants that do not relate their program to identified needs.

(7) There must be a clear relationship between the proposed activities, community needs, and the purpose of the program funding for an applicant to receive points for this factor.

Rating Factor 3: Soundness of Approach (45 Points for Previously Unfunded Applicants and 35 Points for Existing Grantees)

This factor addresses the quality and cost-effectiveness of the applicant's proposed work plan. This factor will allow applicants to present information on the proposed lead-based paint hazard control program and how it will satisfy the identified needs. The work plan and budget should include the following elements:

(1) *Lead Hazard Control Strategy* (30 points for previously unfunded applicants; 20 points for existing grantees). A description of the strategy to be used in planning and executing the lead hazard control grant program effort. Applicants should provide information on:

(a) *Implementing a Lead Hazard Control Program* (10 points for previously unfunded applicants; 5 points for existing grantees). The applicant must describe the overall strategy for the proposed lead hazard

control program. The description must include a discussion of:

(i) The applicant's previous experience in reducing or eliminating lead-based paint hazards in conjunction with other Federal, State or locally funded programs.

(ii) The applicant's overall strategy for the identification, selection, prioritization, and enrollment of units of eligible privately-owned housing in which lead hazard control will be undertaken.

(iii) The total number of owner occupied and/or rental units in which lead hazard control activities will be conducted.

(iv) The degree to which the work plan focuses on eligible privately-owned housing units with children under 6 years old. The applicant must describe the planned approach to control lead hazards before children are poisoned and/or to control lead hazards in units where children have already been identified with an elevated blood lead level. The applicant must also describe the process for the referral of children with elevated blood lead levels for medical case management.

(v) The financing mechanism, including eligibility criteria, terms, conditions, and amounts available, to be employed in carrying out lead hazard control activities. The applicant must discuss the way these funds will be administered (e.g. use of grants, deferred loans, forgivable loans, other resources, private sector financing, etc.) as well as the agency which will administer the process. The applicant should describe how the proposed program will satisfy the needs articulated or will assist in addressing the impediments in the AI. The applicant should describe how the proposed program will further and support the policy priorities of the Department, including promoting healthy homes; providing opportunities for self-sufficiency, particularly for persons enrolled in welfare to work programs; or providing educational and job training opportunities through such initiatives as Neighborhood Networks, Campus of Learners, and linking to AmeriCorps activities.

(b) *Lead Hazard Control Outreach and Community Involvement* (5 points). The applicant must describe:

(i) Proposed community awareness, education, training, and outreach programs in support of the work plan and objectives. This should include general and/or targeted efforts undertaken to assist the program in reducing lead poisoning. To the extent possible, programs should be culturally sensitive, targeted, and linguistically appropriate.

(ii) Proposed involvement of community or neighborhood based organizations in the performance of activities proposed by the applicant. These activities could include outreach, community education, marketing, inspection, and the actual conduct of lead hazard control activities.

(iii) Outreach strategies and methodologies to affirmatively further fair housing and provide lead-safe housing to all segments of the population: homeowners, owners of rental properties, and tenants; especially for occupants least likely to receive its benefits. Once the population to which outreach will be "targeted" is identified, (e.g.; homeowners who are racial minorities living in minority-concentrated areas or owners of properties with under-served tenants such as minority renters with young children), outreach strategies directed specifically to them should be multifaceted. This criterion goes beyond testing and hazard control; it concerns what happens to the units after the lead hazard control and tries to ensure that all families will have adequate, lead-safe housing.

(c) *Technical Approach for Conducting Lead Hazard Control Activities* (15 points for previously unfunded applicants; 10 points for existing grantees)

(i) The applicant must describe the process for the risk assessment and/or inspection of units of eligible privately-owned housing in which lead hazard control will be undertaken. Housing having a risk assessment or inspection already performed by certified inspectors or risk assessors in accordance with the HUD *Guidelines* and identified with lead-based paint hazards may be included in the inventory.

(ii) The applicant must describe the testing methods, schedule, and costs for performing blood lead testing, risk assessments and/or inspections to be used. If the applicant plans to use a standard more restrictive than the HUD thresholds (e.g. 0.5% or 1.0 mg/cm<sup>2</sup>), the applicant must identify the lead-based paint threshold for undertaking lead hazard control which will be used. All testing methods shall be performed in accordance with the HUD *Guidelines*.

(iii) The applicant must describe the lead hazard control methods to be undertaken and the number of units to be treated for each method selected (interim controls, hazard abatement, and complete abatement). The applicant must provide an estimate of the per unit costs (and a basis for those estimates) for each method the applicant plans to use in conducting lead hazard control

activities. The applicant must also provide a schedule for initiating and conducting lead hazard control work in the selected units. The applicant should discuss efforts to incorporate cost-effective lead hazard control methods. If complete abatement is proposed, the applicant must describe the rationale for that decision, and explain why hazard control approaches were not proposed.

(iv) The applicant must describe its process for the development of work specifications for the selected lead hazard control method. The applicant must describe the management processes which will be used to ensure the cost-effectiveness of the lead hazard control methods. The application must include a discussion of the contracting process that will be used to obtain contractors to conduct lead hazard control activities in the selected units.

(v) The applicant must describe its plan for the temporary relocation of occupants of units selected for lead hazard control work. This discussion should address the use of safe houses and other housing arrangements, storage of household goods, stipends, incentives, etc.

(vi) Existing grantees must describe how the lead hazard control work being proposed in the application will occur concurrently with ongoing HUD lead hazard control grants.

(vii) Existing grantees must describe their progress in implementing their most recent lead hazard control grant award. If the production achieved is low and no changes are proposed, the applicant should explain why the strategy in the earlier grant remains appropriate.

(2) *Coordination with housing rehabilitation, housing and health codes, and other related housing programs* (7 points).

(a) The applicant must describe the degree to which lead hazard control work will be done in conjunction with other housing-related activities (i.e., rehabilitation, weatherization, removal of code violations, and other similar work), and the applicant's plan for the integration and coordination of lead hazard control activities into those activities.

(b) The applicant must describe how it plans to incorporate lead-based paint maintenance and hazard control standards with the applicable housing codes and health regulations.

(c) The applicant must describe how it plans to generate and use public subsidies or other resources (such as revolving loan funds) to finance future lead hazard control activities.

(d) The applicant must describe how it plans to develop public-private

lending partnerships to finance lead hazard control as part of acquisition and rehabilitation financing.

(e) The applicant must describe how it plans to develop and ensure the continued availability of a registry of publicly available information on lead-safe units, so that families (particularly those with children under age six) can make informed decisions regarding their housing options.

(f) Evidence of firm commitments from participating organizations should include:

- (i) The name of each organization;
- (ii) The capabilities or focus of each organization;
- (iii) The proposed level of effort of each organization; and
- (iv) The resources and responsibilities of each organization, including the applicant's clearly proposed plans for the training and employment of low-income residents.

(g) The applicant must describe its plan for the coordination of lead-based paint hazard control activities under this grant with lead-related Superfund or Brownfields efforts.

(h) The applicant must detail the extent to which the policy of fair housing for minorities and the disabled is furthered by the proposed activities. Detail how the applicant's work plan will support the community's efforts to further housing choices. Applicants with existing grants should discuss activities which have contributed to enhanced lead-hazard free housing opportunities to all segments of the population.

(3) *Economic Opportunity* (5 points). The applicant must describe the methods to be used which will result in economic opportunities for residents and businesses in the community. This discussion should include information on how employment, business development, and contract opportunities will be promoted as part of the lead hazard control program. The applicant should also describe how they will satisfy the requirements of Section 3 of the Housing and Community Development Act of 1992 to give preference to hiring of low and very low-income persons or contracting with businesses owned by or employing low- and very-low-income persons.

(4) *Program Evaluation and/or Data Collection* (3 Points) The applicant must identify the specific methods to be used (in addition to HUD reporting or data collection forms) to measure progress, evaluate program effectiveness, and make program changes to improve performance. The applicant should describe how the information will be obtained, documented, and reported. In

addition, the applicant should provide a detailed description of any proposed applied research activities.

(5) *Budget* (Not Scored) The applicant's proposed budget (for the maximum 36 month period of performance) will be evaluated for the extent to which it is reasonable, clearly justified, and consistent with the intended use of grant funds. HUD is not required to approve or fund all proposed activities. Applicants may devote up to 36 months for the planning, execution, and completion of lead hazard control activities. The applicant must thoroughly document and justify all budget categories and costs (Part B of Standard Form 424A) and all major tasks. The applicant must describe in detail the budgeted costs for each program element (major task) included in the overall plan (administrative costs, program management, lead hazard control strategy, community awareness, education and outreach, program evaluation, and data collection).

#### Rating Factor 4: Leveraging Resources (10 Points)

This factor addresses the ability of the applicant to secure other community resources (financing is a community resource) which can be combined with HUD's program resources to achieve program purposes.

(1) In evaluating this factor, HUD will consider the extent to which the applicant has partnered with other entities to secure additional resources to increase the effectiveness of the proposed program activities. Resources may include funding or in-kind contributions (such as services or equipment) allocated to the purpose(s) of the award the applicant is seeking. Resources may be provided by governmental entities, public or private nonprofit organizations, for-profit private organizations, or other entities willing to partner with the applicant. Applicants may also partner with other program funding recipients to coordinate the use of resources in the target area.

(2) Funding from any Federally funded programs (except the CDBG program) may not be included as part of the required 10% match. Other resources committed to the program that exceed the required 10% match will provide points for this rating factor and may include match from Federally funded programs. Each source of contributions, cash or in-kind, both for the required minimum and additional amounts, shall be supported by a letter of commitment from the contributing entity, whether a public or private

source, which shall describe the contributed resources that will be used in the program. Staff in-kind contributions should be given a monetary value. The absence of letters providing specific details and the amount of the actual contributions will result in those contributions not being counted.

(3) Applicants must provide evidence of leveraging/partnerships by including in the application letters of firm commitment, memoranda of understanding, or agreements to participate from those entities identified as partners in the application. Each letter of commitment, memorandum of understanding, or agreement to participate should include the organization's name and the proposed level of commitment and responsibilities as they relate to the proposed program. The commitment must also be signed by an official of the organization legally able to make commitments on behalf of the organization.

#### Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which the applicant's program reflects a coordinated, community-based process of identifying needs and building a system to address the needs by using available HUD funding resources and other resources available to the community.

In evaluating this factor, HUD will consider the extent to which the applicant demonstrates it has:

(1) Coordinated its proposed activities with those of other groups or organizations in order to best complement, support and coordinate all known activities and, the specific steps it will take to share information on solutions and outcomes with others. Any written agreements, memoranda of understanding in place, or that will be in place after award should be described.

(2) Taken or will take specific steps to become active in the community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address a need/problem that is related to the activities the applicant proposes.

(3) Taken or will take specific steps to develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with:

(a) Other HUD funded projects/ activities outside the scope of those covered by the Consolidated Plan; and



(b) Other HUD, Federal, State or locally funded activities, including those proposed or on-going in the community(s) served.

#### IV. Application Submission Requirements

##### (A) Applicant Information

(1) *Application Format.* The applicant's narrative response to the Rating Factors is limited to a maximum of 25 pages. Responses must be typewritten on one (1) side only on 8½" × 11" paper using a 12 point (minimum) font with not less than ¾" margins on all sides. Appendices should be referenced and discussed in the narrative response. Materials provided in the appendices should directly apply to the rating factor narrative.

(2) *Application Checklist.* In addition to the forms, certifications and assurances listed in the General Section of the SuperNOFA, the applicant must submit the following:

(a) Transmittal Letter that identifies what the program funds are requested for, the dollar amount requested, and the applicant or applicants submitting the application.

(b) The name, mailing address, telephone number, and principal contact person of the applicant. If the applicant has consortium associates, sub-grantees, partners, major subcontractors, joint venture participants, or others contributing resources to the project, similar information shall also be provided for each of these partners. (c)(i) For State applicants, copies of existing statutes, regulations or other appropriate documentation regarding the State's Lead-Based Paint Contractor Certification and Accreditation Program must be included.

(ii) A State applicant which has an existing statute that is acceptable to HUD, but which has not implemented an acceptable lead-based paint contractor certification program, shall furnish assurances from the Governor that an acceptable certification program will be implemented within one (1) year from the date of the application deadline date and that the designated agency implementing the certification program shall offer training sessions leading to certification within six (6) months of the effective date of implementing regulations.

(iii) If legislative approval of proposed regulations is also required, a similar assurance must be provided by the chairs of committees having jurisdiction.

(iv) Local government applicants in States which have not implemented an

acceptable contractor certification program must provide assurances that only certified contractors and trained workers from State certification programs acceptable to HUD will be used in conducting lead hazard control work.

(d) Evidence of the applicant's commitment and experience in eliminating or reducing significant lead-based paint hazards in privately-owned eligible housing as detailed in the applicant's work plan for lead-based paint hazard control.

(e) A detailed description of the funding mechanism, selection process, and other proposed activities that the applicant plans to use to assist any sub-grantees or sub-recipients under this grant.

(f) A detailed budget with supporting cost justifications for all budget categories of the grant request. There shall be a separate estimate for the overall grant management element (Administrative Costs), which is more fully defined in the application kit for this LBPHC Program section of the SuperNOFA. The budget shall include not more than 10% for administrative costs and not less than 90% for direct project elements.

(g) An itemized breakout (using the SF-424A) of the applicant's required matching contribution, including:

(i) Values placed on donated in-kind services;

(ii) Letters or other evidence of commitment from donors; and

(iii) The amounts and sources of contributed resources.

(h) Memoranda of Understanding or Agreement, letters of commitment or other documentation describing the proposed roles of agencies, local broad-based task forces, participating community or neighborhood-based groups or organizations, local businesses, and others working with the program.

(i) A copy of the applicant's approval notification for the current program year for its Consolidated Plan. The applicant should also include a copy of the applicant's lead hazard control element included in the current program year Consolidated Plan.

##### (B) Proposed Activities

All applications must, at a minimum, contain the following items:

(1) *A description of the affected housing and population to be served.*

(a) The applicant shall describe the size and general characteristics of the target housing within its jurisdiction, including a description of the housing's location, condition, and occupants, and a current estimate of the number of

children under the age of six in these units. Other characteristics described in Rating Factor 2 (Need) should be provided. If specific area(s) (neighborhoods, census tracts, etc.) within an applicant's jurisdiction are specifically targeted for lead hazard control activities, the applicant shall describe these same characteristics for the area. Vacant housing that subsequently will be occupied by low-income renters or owners should also be included in this description. Maps may be included as an appendix.

(b) To the extent practical, preference shall be given to occupied eligible housing units with children under the age of six. In addition, as a measure of its ongoing commitment to lead-based paint programs, the applicant shall provide information on the magnitude and extent of the childhood lead poisoning problem within its jurisdiction and for any area(s) to be included in the lead hazard control program. Current efforts undertaken to provide health care services for children with elevated blood lead levels and efforts to address lead-based paint hazards shall be described.

(2) *Discussion of program activities.* The applicant shall provide a discussion of the overall proposed hazard control program, including, but not limited to, information on the following:

(a) *Needs Assessment.* Each applicant is required to submit a statement of the extent of need for the program funds they are seeking. The statement of need must demonstrate how specific community or neighborhood needs can be resolved through the activities proposed to be undertaken with the funds being applied for. This statement may be integrated into the response to Rating Factor 2 (Need). The statement must identify:

(i) The population to be served;

(ii) How these needs were determined;

(iii) How the needs identified are consistent with the needs identified in the community's Consolidated Plan; and

(iv) Barriers that have been identified in the community's AI.

(b) *Program Work Plan and Budget.*

The work plan and budget must include:

(i) A description of:

(1) The applicant's program management methods;

(2) The applicant's lead hazard control strategy;

(3) The number of eligible housing units in the target jurisdiction;

(4) The applicant's hazard control methods;

(5) The applicant's blood lead and environmental testing methods;

(6) The applicant's costs;  
 (7) The applicant's financing mechanisms;  
 (8) The applicant's relocation plans; and  
 (9) A description of the community's lead hazard awareness and education efforts.

(ii) A Statement of Work that describes all of the activities proposed for funding and details how the proposed work will be accomplished. Following a task-by-task format, the Statement of Work must:

(1) Discuss the tasks and sub-tasks involved in the program. The discussion must identify how the tasks meet the rating factors for award.

(2) Indicate the sequence in which the tasks are to be performed, noting areas of work which must be performed simultaneously.

(3) Include a project management and staff allocation plan for carrying out the activities proposed in the Statement of Work. The project management plan and staff allocation submission should cover the proposed number of staff years by employee allocated to the project, the titles and relevant professional background and experience of each employee proposed to be assigned to the project, and the roles to be performed by each identified staff member. The project management and staff allocation plan must cover the proposed period of performance. The applicant may make use of in-house staff, consultants, sub-contractors and sub-recipients and networks of private consultants and/or local organizations with requisite experience and capabilities. To the maximum extent practicable, applicants should make use of local expertise and persons familiar with the opportunities and resources available in the area to be

served. Regardless of the type of staffing resources identified, the plan should identify activities to be undertaken by the staff indicated in the plan.

(iii) A summary budget identifying costs by cost category in accordance with the following:

(1) Direct labor by position or individual, indicating the estimated hours per position, the rate per hour, estimated cost per staff position and the total estimated direct labor costs;

(2) Fringe benefits by staff position identifying the rate, the salary base the rate was computed on, estimated cost per position, and the total estimated fringe benefit cost;

(3) Material costs indicating the item, unit cost per item, the number of items to be purchased, estimated cost per item, and the total estimated material costs;

(4) Transportation costs, as applicable. Where local private vehicles are proposed to be used, costs should indicate the proposed number of miles, rate per mile of travel identified by item, and estimated total private vehicle costs. Where air transportation is proposed, costs should identify the destination(s), number of trips per destination, estimated air fare and total estimated air transportation costs. If other transportation costs are listed, the applicant should identify the other method of transportation selected, the number of trips to be made and destination(s), the estimated cost, and the total estimated costs for other transportation costs. In addition, applicants should identify per diem or subsistence costs per travel day and the number of travel days included, the estimated costs for per diem/subsistence and the total estimated transportation costs;

(5) Equipment charges, if any. Equipment charges should identify the type of equipment, quantity, unit costs and total estimated equipment costs;

(6) Consultant costs, if applicable. The applicant must indicate the type, estimated number of consultant days, rate per day, total estimated consultant costs per consultant and total estimated costs for all consultants;

(7) Subcontract costs, if applicable. The applicant must identify proposed subcontracts and provide estimated costs.

(8) Other direct costs listed by item, quantity, unit cost, total for each item listed, and total direct costs for the award.

(9) Indirect costs should identify the type, approved indirect cost rate, base to which the rate applies and total indirect costs. These line items should total the amount requested for each cost category. The grand total of all program funds requested should reflect the grand total of all funds for which the applicant is applying. The submission should include the rationale used to determine costs and validation of fringe and indirect cost rates.

(c) Narrative statement addressing the rating factors for award listed in Section III of this LBPHC section of the SuperNOFA. The narrative statement must be numbered in accordance with each factor for award (Factor 1 through 5).

#### **V. Corrections to Deficient Applications**

The General Section to this SuperNOFA provides the procedures for corrections to this NOFA.

BILLING CODE 4210-32-P

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**MODERNIZATION AND  
REVITALIZATION PROGRAMS**

Comprehensive Improvement  
Assistance Program (CIAP)

HOPE VI Public Housing  
Revitalization

BILLING CODE 4210-32-C

### Funding Availability for the Comprehensive Improvement Assistance Program (CIAP)

**Program Description:** Approximately \$304,000,000 is available in funding for the Comprehensive Improvement Assistance Program (CIAP). The CIAP provides modernization funds to housing authorities (HAs) that own or operate less than 250 units of public housing, to enable them to improve the physical condition and upgrade the management and operations of existing public housing developments to assure their continued availability for low-income families.

**Application Due Date:** The CIAP Application is due on or before 6:00 p.m., local time on June 29, 1998. An original CIAP Application and two copies must be received at the HUD Field Office with jurisdiction over the HA, Attention: Director, Office of Public Housing (OPH). See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

**Emergency Modernization Applications.** The HA may submit a CIAP Application for Emergency Modernization whenever needed. See Sections III(A)(3)(a) and III(A)(9) of this CIAP section of the SuperNOFA.

**Address for Submitting Applications:** CIAP applications must be delivered by the application due date to the HUD Field Office with jurisdiction over the HA, Attention: Director, Office of Public Housing (OPH).

**For Application Kits, Further Information, and Technical Assistance:**

**For Application Kits.** A CIAP Application Kit will automatically be transmitted under separate cover to every eligible HA to supplement the policies and procedures set forth in this CIAP section of the SuperNOFA. The application kit will include copies of forms needed for application submission. Application kits and any supplementary information also may be obtained by contacting the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-483-2209. The application kit also will be available on the Internet through the HUD web site at <http://www.HUD.gov>. When requesting an application kit, please refer to CIAP and provide your name, address (including zip code), and telephone number (including area code).

**For Further Information and Technical Assistance.** William J. Flood, Director, Office of Capital Improvements, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4134, Washington, D.C. 20410. Telephone (202) 708-1640. (This is not a toll free number.) Applicants also may contact the SuperNOFA Information Center at the telephone listed, above.

#### Additional Information

##### I. Authority; Purpose; Amount Allocated; and Eligibility

###### (A) Authority

Section 14, U. S. Housing Act of 1937 (42 U.S.C. 14371); and the CIAP regulations in 24 CFR part 968, subparts A and B.

###### (B) Purpose

The CIAP provides modernization funds to HAs that own or operate less than 250 units of public housing, to enable them to improve the physical condition and upgrade the management and operations of existing public housing developments to assure their continued availability for low-income families.

###### (C) Amount Allocated

(1) In FY 1998, a total of \$2.5 billion is available for the Modernization Program (CIAP and CGP), of which approximately \$304 million will be available to HAs with fewer than 250 housing units.

(2) Modernization funds are allocated between CIAP and CGP agencies based on the relative shares of backlog needs (weighted at 50%) and accrual needs (weighted at 50%), as determined by the field inspections conducted for the HUD-funded Abt Associates study of modernization needs. This allocation results in CIAP agencies receiving approximately 11% and CGP agencies receiving approximately 89% of the total funds available.

(a) **Backlog needs** are needed repairs and replacements of existing physical systems, items that must be added to meet the HUD modernization and energy conservation standards and State or local codes, and items that are necessary for the long-term viability of a specific housing development.

(b) **Accrual needs** are needs that arise over time and include needed repairs and replacements of existing physical systems and items that must be added to meet the HUD modernization and

energy conservation standards and State or local codes.

(3) **Assignment of Funds to Field Offices of Public Housing (OPH).** In past years, the distribution of Public Housing CIAP funds for each Field OPH has been based solely on the relative shares of backlog and accrual needs for CIAP PHAs. In order to obtain a more equitable distribution of available funds relative to historical demand within each Field Office (FO) jurisdiction, Headquarters has determined that the FY 1998 distribution of Public Housing CIAP funds for each Field Office of Public Housing (Field OPH) will be based on the relative shares of backlog and accrual needs for CIAP PHAs (weighted at 50%) and the relative demand for CIAP funds, as evidenced by the CIAP funds requested in FY 1997 (weighted at 50%). However, to ensure that the relative demand side of the allocation formula does not give undue weight to FOs that were able to fund a higher percentage of funds requested in prior years, each Field OPH was capped by Headquarters in FFY 1997 to an allocation amount that would fund no more than 30% of funds requested by PHAs in that FOs jurisdiction in FFY 96. Those same percentages are being used in FFY 98.

(a) The Field OPH Director shall have authority to make Joint Review selections and CIAP funding decisions.

(b) If additional funds for Public Housing CIAP become available, Headquarters will allocate the funds to each Field OPH based on the table below.

(c) If a Field OPH does not receive sufficient fundable applications to use its allocation, Headquarters will reallocate the remaining funds to one or more Field OPHs that have the highest unfunded demand, as evidenced by approvable applications.

The following table shows the percentage distribution of CIAP funds for PHAs assigned by Headquarters to each Field OPH. The percentage distributions for the Texas State and Houston Area Offices have been further broken down to indicate what percentage of their distribution will be allocated to HAs involved in the East Texas civil rights case (i.e., *Young v. Cuomo*) to meet the requirements of the settlement agreement, which is subject to judicial oversight, along with other modernization needs.

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OFFICE OF PUBLIC HOUSING (OPH)	PERCENT OF THE CIAP ALLOCATION
<b>NEW ENGLAND</b>	
Massachusetts State Office	2.4560
Connecticut State Office	.8107
New Hampshire State Office	1.5676
Rhode Island State Office	.4361
<b>NEW YORK/NEW JERSEY</b>	
Buffalo Area Office	2.0783
New Jersey State Office	2.3160
New York State Office	1.4892
<b>MID-ATLANTIC</b>	
Maryland State Office	.4214
West Virginia State Office	1.3081
Pennsylvania State Office	.6837
Pittsburgh Area Office	.9155
Virginia State Office	.4234
District of Columbia Office	.1672

<b>SOUTHEAST</b>	
Georgia State Office	8.2709
Alabama State Office	5.0915
South Carolina State Office	1.2749
North Carolina State Office	2.9244
Mississippi State Office	1.6542
Jacksonville Area Office	2.5183
Knoxville Area Office	1.0628
Kentucky State Office	4.7477
Tennessee State Office	2.7438
Florida State Office	1.0793
<b>MIDWEST</b>	
Illinois State Office	3.9655
Cincinnati Area Office	.4645
Cleveland Area Office	.5422
Ohio State Office	1.1608
Michigan State Office	1.8521

Grand Rapids Area Office	2.6617
Indiana State Office	1.1643
Wisconsin State Office	2.5429
Minnesota State Office	3.7183
<b>SOUTHWEST</b>	
New Mexico State Office	1.3046
Texas State Office	7.2209
East Texas HAs	(0.361045 or 5% of 7.2209)
Non-East Texas HAs	(6.859855 or 95% of 7.2209)
Houston Area Office	1.7024
East Texas HAs	(0.817152 or 48% of 1.7024)
Non-East Texas HAs	(0.885248 or 52% of 1.7024)
Arkansas State Office	2.1839
Louisiana State Office	3.9607
Oklahoma State Office	2.3203
San Antonio Area Office	3.1643

<b>GREAT PLAINS</b>	
Iowa State Office	.5858
Kansas/Missouri State Office	2.7413
Nebraska State Office	1.0943
St. Louis Area Office	1.0715
<b>ROCKY MOUNTAIN</b>	
Colorado State Office	3.1227
<b>PACIFIC/HAWAII</b>	
Los Angeles Area Office	.2670
Arizona State Office	.9903
Sacramento Area Office	.0808
California State Office	1.7445
<b>NORTHWEST/ALASKA</b>	
Oregon State Office	.6706
Washington State Office	1.2608
<b>TOTAL</b>	<b>100.0000</b>



**(D) Eligible Applicants**

Public Housing Agencies (HAs) that own or operate fewer than 250 public housing units are eligible to apply and compete for CIAP funds. HAs with 250 or more public housing units are entitled to receive a formula grant under the Comprehensive Grant Program (CGP) and are *not* eligible to apply for CIAP funds. Entities other than HAs are not eligible to apply for CIAP funds. Indian Housing Authorities are not eligible to apply for these funds.

**(E) Eligible Activities**

(1) An HA may use financial assistance received under this CIAP section of the SuperNOFA for activities including, but not limited to:

- (a) Physical improvements, e.g., alterations, betterments, additions, and accessibility features;
- (b) Demolition and conversion costs;
- (c) General management improvements, e.g., management, financial and accounting control systems;
- (d) Economic development costs;
- (e) Resident management costs;
- (f) Drug elimination costs;
- (g) Lead-based paint abatement costs;
- (h) Administrative costs;
- (i) Salaries and employee benefit contributions; and
- (j) Architectural/engineering and consultant fees.

(2) *Repeal of the Expansion of Eligible Activities.* The FY 1998 Appropriations Act did *not* continue the expanded eligible activities that could be funded, with prior HUD approval, as provided in section 14(q) of the U.S. Housing Act of 1937, as amended in section 201 of the HUD FY 1996 Appropriations Act. These activities include: new construction or acquisition of additional public housing units, including replacement units; modernization activities related to the public housing portion of housing developments held in partnership or cooperation with non-public housing entities; other activities related to public housing, including activities eligible under the Urban Revitalization Demonstration (HOPE VI), such as community services; and operating subsidy purposes (not to exceed 10 percent of the grant amount). Therefore, funds approved under this CIAP section of the SuperNOFA, i.e., Fiscal Year (FY) 98 funds, may not be used for the above purposes. However, HAs may still use previously apportioned grant funds (FFY 97 and prior years) that are unobligated for the above activities with prior HUD approval, where applicable. Relief from this prohibition is pending in Congress.

**II. Program Requirements**

In addition to the program requirements listed in the General Section of this SuperNOFA, applicants are subject to the following requirements:

**(A) Forms, Certifications and Assurances**

In addition to the forms, certifications and assurances listed in the General Section of this SuperNOFA, applicants are required to submit signed copies of Form HUD-50071, Certification for Contracts, Grants, Loans and Cooperative Agreements.

**(B) Departmental Priority**

The transformation of public housing is one of the Department's major priorities. To facilitate the modernization of public housing so that it is integrated in the broader community, the Department encourages HAs to consider the following:

(1) *Design.* When identifying physical improvement needs to meet the modernization standards, HAs are encouraged to consider a design which supports the integration of public housing into the broader community. Although high priority needs, such as those related to health and safety, vacant, substandard units, structural or system integrity, and compliance with statutory, regulatory or court-ordered deadlines, will receive funding priority, HAs should plan their modernization in a way which promotes good design, but maintains the modest nature of public housing. The HA should pay particular attention to design, which is sensitive to traditional cultural values, and be receptive to creative, but cost-effective approaches suggested by architects, residents, HA staff, and other local entities. Such approaches may complement the planning for basic rehabilitation needs. It should be noted that there will be no increase in operating subsidy as a result of any modernization activities.

(2) *Physical Accessibility and Visitability.* In addition to the design considerations set forth in Section II(C)(1) of this CIAP section of the SuperNOFA, HAs must comply with accessibility requirements and are encouraged to provide units that are "visitabile" by persons with mobility impairments. Visitability gets the person into the home, but does not require that all features be made accessible throughout the home.

(a) *Accessibility.* An accessible home means that the home is located on an accessible route (36" clear passage) and, when designed, constructed, altered or

adapted, can be approached, entered, and used by an individual with physical disabilities.

(b) *Visitability.* Visitability restricts itself to two areas of a home; i.e., at least one entrance is at grade (no-step); and all doors inside provide a 32" clear passage. A visitable home serves not only persons with disabilities, but also persons without disabilities. (For example, a mother pushing a stroller; person delivering large appliances, etc.). One difference between "visitability" and "accessibility" is that accessibility requires that *all* features of a dwelling unit be made accessible for mobility impaired persons. A visitable home provides less accessibility than an accessible home. Examples of actions that HAs may take to support visitability include:

(i) When conducting a "needs assessment," the HA may identify some single family scattered site homes and make those units visitable.

(ii) When undertaking substantial alterations as defined in 24 CFR 8.23(a), the HA may identify some units in an elderly development not subject to the new construction requirements of 24 CFR 8.22 and make those units visitable.

(iii) The HA may target the first floor of an existing 3-story family apartment complex and make those units visitable.

(3) *Provision of Community Space for Welfare-to-Work Initiatives.* HAs are encouraged to provide community space for Welfare-to-Work initiatives, which include, but are not limited to, services coordination/case management, training, child care, health care, transportation, and economic development. Where community space is not otherwise available, CIAP funds may be used to convert existing dwelling space, renovate existing nondwelling space, or construct or acquire nondwelling space for this purpose. Where CIAP funds will be used to provide community space, HAs are required to submit written evidence from a qualified local agency or provider that the agency or provider agrees to furnish, equip, operate and maintain the community space, as well as provide insurance coverage. Where HAs themselves intend to operate the community space, they must submit written evidence of the continuing funding sources to furnish, equip, operate, maintain and insure the community space.

(4) *Elimination of Vacant Units.* HAs are encouraged to apply for CIAP funds to address vacant units where the work does not merely involve routine maintenance, but will result in reoccupancy.

*(C) Accessibility Requirements*

In carrying out modernization work, HAs are required to comply with the requirements of 24 CFR 8.23(a) regarding substantial alterations and 24 CFR 8.23(b) regarding other alterations, as well as with Title II of the Americans with Disabilities Act and 28 CFR part 35. Title II is applicable to HAs established under State law. Also, the HA shall comply with the requirements of 24 CFR 8.22 and 24 CFR 100.205 (the Fair Housing Act) regarding new construction.

*(D) Expediting the Program*

HAs must obligate approved funds within two years and expend within three years of program approval (Annual Contributions Contract (ACC) Amendment execution) unless a longer implementation schedule (Part III of the CIAP Budget) is approved by the Field Office due to the size or complexity of the program. However, HUD strongly encourages the minimum amount of time feasible for program completion and contends that an 18 month timeframe for fund obligation is generally reasonable. Failure to obligate funds in a timely manner may result in the termination of the program and recapture of the funds.

*(E) Planning*

In preparing its CIAP Application, the HA is encouraged to assess all its physical and management improvement needs. Physical improvement needs should be reviewed against the modernization standards as set forth in HUD Handbook 7485.2, as revised, physical accessibility requirements as set forth in 24 CFR part 8, and 28 CFR part 35, and any cost-effective energy conservation measures identified in updated energy audits. The modernization standards include development specific work to ensure the long-term viability of the developments, such as amenities and design changes to promote the integration of low-income housing into the broader community. In addition, the HA is strongly encouraged to contact the Field Office to discuss its modernization needs and obtain information.

*(F) Resident Involvement and Local Official Consultation Requirements*

(1) *Residents/Homebuyers.* The CIAP regulations at 24 CFR 968.215 require the HA to establish a Partnership Process to ensure full resident participation in the planning, implementation and monitoring of the modernization program, as follows:

(a) Before submission of the CIAP Application, consultation with the

residents, resident organization, and resident management corporation (herein referred to as residents) of the development(s) being proposed for modernization regarding its intent to submit an application and to solicit resident comments;

(b) Reasonable opportunity for residents to present their views on the proposed modernization and alternatives to it, and full and serious consideration of resident recommendations;

(c) Written response to residents indicating acceptance or rejection of resident recommendations, consistent with HUD requirements and the HA's own determination of efficiency, economy and need, with a copy to the Field Office at Joint Review. If the Joint Review is conducted off-site, a copy shall be mailed to the Field Office;

(d) After HUD funding decisions, notification to residents of the approval or disapproval and, where requested, provision to residents of a copy of the HUD-approved CIAP Budget; and

(e) During implementation, periodic notification to residents of work status and progress and maximum feasible employment of residents in the modernization effort.

(2) *Local Officials.* Before submission of the CIAP Application, consultation with appropriate local/tribal officials regarding how the proposed modernization may be coordinated with any local plans for neighborhood revitalization, economic development, drug elimination and expenditure of local funds, such as Community Development Block Grant funds.

*(G) Environmental Requirements*

Under 24 CFR part 58, the responsible entity, as defined in 24 CFR 58.2(a)(7), must assume the environmental responsibilities for projects being funded under the CIAP. If the HA objects to the responsible entity conducting the environmental review, on the basis of performance, timing or compatibility of objectives, the Field OPH Director will review the facts to determine who will perform the environmental review. At any time, the Field OPH Director 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 the Field OPH Director determines that the responsible entity should not perform the environmental review, the Field OPH Director 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. After selection by the Field Office for Joint Review, the HA shall provide any documentation to the responsible entity (or Field Office, where applicable) that is needed to perform the environmental review.

(1) Where the environmental review is completed before Field Office approval of the CIAP budget and the HA has submitted its request for release of funds (RROF), the budget approval letter shall state any conditions, modifications, prohibitions, etc. as a result of the environmental review.

(2) Where the environmental review is not completed and/or the HA has not submitted the RROF before Field Office approval of the CIAP budget, the budget approval letter shall instruct the HA to refrain from undertaking, or obligating or expending funds on, physical activities or other choice-limiting actions, until the Field PH Director approves the HA's RROF and the related certification of the responsible entity (or the Field Office has completed the environmental review). The budget approval letter also shall advise the HA that the approved budget may be modified on the basis of the results of the environmental review.

*(H) Declaration of Trust*

Where the Field Office determines that a Declaration of Trust is not in place or is not current, the HA shall execute and file for the record a Declaration of Trust, as provided under the ACC, to protect the rights and interests of HUD throughout the 20-year period during which the HA is obligated to operate its developments in accordance with the ACC, the Act, and HUD regulations and requirements.

*(I) HA Submission of Additional Documents*

After the Field Office Public Housing Director's funding decisions, the HA shall submit the following documents within the time frame prescribed by the Field Office:

(a) Form HUD-52825, CIAP Budget/Progress Report, which includes the implementation schedule(s), in an original and two copies.

(b) Form HUD-52820, HA Board Resolution Approving CIAP Budget, in an original only.

*(J) ACC Amendment*

After HUD approval of the CIAP Budget, the Field Office and the HA shall enter into an ACC amendment in order for the HA to draw down modernization funds. The ACC

amendment shall require low-income use of the housing for not less than 20 years from the date of the ACC amendment (subject to sale of homeownership units in accordance with the terms of the ACC). The HA Executive Director, where authorized by the Board of Commissioners and permitted by State law, may sign the ACC amendment on behalf of the HA. HUD has the authority to condition an ACC amendment (e.g., to require an HA to hire a modernization coordinator or contract administrator to administer its modernization program).

*(K) Use of Dwelling Units for Economic Self-Sufficiency Services and/or Drug Elimination Activities*

CIAP funds may be used to convert dwelling units for purposes related to economic self-sufficiency services and/or drug elimination activities. Regarding the eligibility for funding under the Performance Funding System of dwelling units used for these purposes, refer to 24 CFR 990.108(b)(2).

*(L) Duplication of Funding*

The HA shall not receive duplicate funding for the same work item or activity under any circumstance and shall establish controls to assure that an activity, program, or project that is funded under any other HUD program shall not be funded by CIAP.

*(M) Conflict of Interest*

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 and who exercises or has exercised any functions or responsibilities with respect to activities assisted under this 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.

*(N) Wage Rates*

The wage rate requirements at 24 CFR 968.110(e) and (f) apply to assistance under this program.

### III. Application Selection Process

*(A) Rating and Ranking*

(1) *General.* The rating and ranking of applications, the grouping of applications, the technical review

process and funding decisions will be in accordance with HUD's regulations in 24 CFR 968.210.

(2) *Eligibility Review.* After the HA's CIAP application is determined to be complete and accepted for review, the Field Office eligibility review shall determine if the application is eligible for full processing or processing on a reduced scope, and shall assess the applicant's management and modernization capability.

(a) *Full Eligibility.* To be eligible for full processing, the applicant must be in compliance with the program requirements listed in Section II of the CIAP section of the SuperNOFA, and additionally must be in compliance with the following:

(i) Each eligible development for which work is proposed has reached the Date of Full Availability (DOFA) and is under ACC at the time of CIAP application submission; and

(ii) Where funded under Major Reconstruction of Obsolete Projects (MROP) after FY 1988, the development/building has reached DOFA or, where funded during FYs 1986-1988, all MROP funds for the development/building have been expended.

(b) *Reduced Eligibility.* When the following conditions exist, the HA's application will be reviewed on a reduced scope in accordance with HUD's regulations in 24 CFR 968.210.

(i) An HA that has been Not designated as Troubled under 24 CFR part 901, Public Housing Management Assessment Program (PHMAP), or

(ii) Designated as Troubled, but has a reasonable prospect of acquiring management capability through CIAP-funded management improvements and administrative support. A Troubled PHA is eligible for Emergency Modernization only, unless it is making reasonable progress toward meeting the performance targets established in its memorandum of agreement or equivalent under 24 CFR 901.140 or has obtained alternative oversight of its management functions.

(iii) An HA that has been designated as Modernization Troubled under 24 CFR part 901, PHMAP is eligible for Emergency Modernization only, unless it is making reasonable progress toward meeting the performance targets established in its memorandum of agreement or equivalent under 24 CFR 901.140 or has obtained alternative oversight of its modernization functions. Where an HA does not have a funded modernization program in progress, the Field Office shall determine whether the HA has a reasonable prospect of acquiring modernization capability

through hiring staff or contracting for assistance.

(3) *Long-Term Viability and Reasonable Cost.* On Form HUD-52822, CIAP application, the HA certifies whether the developments proposed for modernization have long-term physical and social viability, including prospects for full occupancy. During Joint Review, the Field Office will review with the HA the determination of reasonable cost for the proposed modernization to ensure that unfunded hard costs do not exceed 90 percent of the computed total development cost (TDC) for a new development with the same structure type and number and size of units in the market area. The Field Office shall make a final viability determination. Where the estimated per unit unfunded hard cost is equal to or less than the per unit TDC for the smallest bedroom size at the development, no further computation of the TDC limit is required.

(a) If the Field Office determines that completion of the improvements and replacements will not reasonably ensure the long-term physical and social viability of the development at a reasonable cost, the Field Office shall only approve Emergency Modernization or non-emergency funding for essential non-routine maintenance needed to keep the property habitable until the demolition or disposition application is approved and residents are relocated.

(b) Where the Field Office wishes to fund a development with hard costs exceeding 90 percent of computed TDC, the Field Office shall submit written justification to Headquarters for final decision. Such justification shall include:

(i) Any special or unusual conditions have been adequately explained, all work has been justified as necessary to meet the modernization and energy conservation standards, including development specific work necessary to provide a modest, non-luxury development; and

(ii) Reasonable cost estimates have been provided, and every effort has been made to reduce costs; and

(c) Rehabilitation of the existing development is more cost-effective in the long-term than construction or acquisition of replacement housing; or

(d) There are no practical alternatives for replacement housing.

(4) *"Fast Tracking" Emergency Applications.* Emergency applications do not have to be processed within the normal processing time allowed for other applications. Where an immediate hazard must be addressed, HA emergency applications may be submitted and processed at any time during the year when funds are

available. The Field Office shall "fast track" the processing of these emergency applications so that fund reservation may occur as soon as possible. An emergency application is comprised of the forms, certifications and assurances listed in the General Section of the SuperNOFA, and also the following documents:

(a) *Form HUD-52825, CIAP Budget/Progress Report*, which includes the implementation schedule(s), in an original and two copies.

(b) *Form HUD-52820, HA Board Resolution Approving CIAP Budget*, in an original only.

(c) At the option of the HA, photographs or video cassettes showing the physical condition of the developments.

*(B) Factors for Award Used To Evaluate and Rate Applications.*

The factors for rating and ranking applicants, and maximum points for each factor, are provided below. The maximum number of points to be awarded is 102. This includes two EZ/EC bonus points, as described in the General Section of the SuperNOFA.

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

This factor addresses the extent to which the applicant has the organizational resources necessary to successfully implement the proposed activities in a timely manner. The rating of the "applicant" or the "applicant's organization and staff" for technical merit or threshold compliance, unless otherwise specified, will include any sub-contractors, consultants, sub-recipients, and members of consortia which are firmly committed to the project. In rating this factor HUD will consider the extent to which the proposal demonstrates:

(1) The knowledge and experience of the overall proposed project director and staff, including the day-to-day program manager, consultants and contractors in planning and managing programs for which funding is being requested. Experience will be judged in terms of recent, relevant and successful experience of the applicant's staff to undertake eligible program activities.

(2) The applicant has sufficient personnel or will be able to quickly access qualified experts or professionals, to deliver the proposed activities in each proposed service area in a timely and effective fashion, including the readiness and ability of the applicant to immediately begin the proposed work program. The adequacy of the personnel for an HA will be

determined on the basis of the amount of funding and the complexity of the proposed activities.

(3) The applicant has demonstrated experience in managing programs, and carrying out grant management responsibilities for programs, similar in scope or nature directly relevant to the work activities proposed. If the applicant has managed large, complex, interdisciplinary programs, the applicant should include that information in the response.

(4) If the applicant received funding in previous years in the program area for which they are currently seeking funding, the applicant's past experience will be evaluated in terms of their ability to attain demonstrated measurable progress in the implementation of their *most recent grant award* as measured by obligation and expenditures and measurable progress in achieving the purpose for which funds are provided.

(5) The Field Office shall evaluate the HA's management capability. Particular attention shall be given to the adequacy of the HA's maintenance in determining the HA's management capability. This assessment shall be based on the compliance aspects of on-site monitoring, such as audits, reviews or surveys which are currently available within the Field Office, and on performance reviews. The HA has management capability if it is:

(a) Not designated as Troubled under 24 CFR part 901, Public Housing Management Assessment Program (PHMAP), or

(b) Designated as Troubled, but has a reasonable prospect of acquiring management capability through CIAP-funded management improvements and administrative support.

(6) The Field Office shall evaluate the HA's modernization capability, including the progress of previously approved modernization and the status of any outstanding findings from CIAP monitoring visits. The HA has modernization capability if it is:

(a) Not designated as Modernization Troubled under 24 CFR part 901, PHMAP, or

(b) Designated as Modernization Troubled, but has a reasonable prospect of acquiring modernization capability through CIAP-funded management improvements and administrative support, such as hiring staff or contracting for assistance.

**Rating Factor 2: Need/Extent of the Problem (20 Points)**

This factor addresses the extent to which there is a need for funding the proposed program activities and an

indication of the urgency of meeting the need in the target area. In responding to this factor, applicants will be evaluated on:

(1) The extent to which they document the level of need for the proposed activity and the urgency in meeting the need using statistics and analyses contained in a data source(s) that:

(a) Is sound and reliable. To the extent that the applicant's community's Consolidated Plan and Analysis of Impediments to Fair Housing Choice (AI) identifies the level of the problem and the urgency in meeting the need, references to these documents should be included in the response. HUD will review more favorably those applicants who used these documents to identify need, when applicable.

If the proposed activity is not covered under the scope of the Consolidated Plan and Analysis of Impediments to Fair Housing Choice (AI), applicants should indicate such, and use other sound data sources to identify the level of need and the urgency in meeting the need. Types of other sources include, but are not limited to, law enforcement agency crime reports, an HA's assessment of its physical and management needs, HUD review reports, and other sound and reliable sources appropriate for the specific SuperNOFA program and activities for which an applicant is applying. For technical assistance programs, input from HUD State and Area Office(s) and assessments are included among the data sources that may be used to identify need.

(b) Is specific to the development where the proposed activity will be carried out or where applicable, documents the need for an HA-wide activity(s). Specific attention must be paid to documenting need which has a direct impact on the surrounding community, e.g., where a design change facilitates the integration of public housing into the surrounding community.

(2) The extent of vacancies based on the HA-wide vacancy rate, where the vacancies are not due to insufficient demand.

**Rating Factor 3: Soundness of Approach (40 Points)**

This factor addresses the quality and cost effectiveness of the applicant's proposed work plan. There must be a clear relationship between the proposed activities, community needs and the purpose of the program funding for an applicant to receive points for this factor. In evaluating this factor, HUD will consider the following:

(1) (5 Points) The quality of the cost estimates for the proposed work.

(2) (25 Points) The extent to which the proposed physical improvement needs meet the modernization standards, and support the integration of public housing into the broader community. Although high priority needs, such as those related to health and safety, vacant, substandard units, structural or system integrity, and compliance with statutory, regulatory or court-ordered deadlines, will receive funding priority, to the extent possible, HAs should plan their modernization in a way which promotes good design, but maintains the modest nature of public housing.

(3) (5 Points) Degree to which the PHA Affirmatively Furthers Fair Housing. Actions that assist the jurisdiction in overcoming impediments to fair housing choice identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice, which is a component of the jurisdiction's Consolidated Plan, or any other planning document that addresses fair housing issues. Examples of actions that can be taken may include, but are not limited to: neighborhood revitalization efforts that encourage fair housing choice (such as schools, grocery stores, transportation and the quality of services); implementing site selection policies which give priority to sites located outside of minority and low-income areas; participating in mobility counseling programs and clearing houses which offer housing opportunities both within and outside of high-poverty areas; increasing the supply of accessible housing available to low-income persons with disabilities; and ensuring accessibility and visitability for persons with disabilities to aspects of the program. Additional examples may be obtained from Chapter 5 of the "Fair Housing Planning Guide, Vol. 1" which may be ordered from HUD's Fair Housing Clearinghouse by calling (800-343-3442).

(5 Points for Subfactors (4) through (8))

(4) The degree of resident involvement in HA operations as described in the Narrative Statement and supported by FO file evidence.

(5) The degree of HA activity in coordinating/providing resident services related to Welfare-to-Work initiatives in community facilities at or near HA developments based on FO file evidence. Such services include, but are not limited to services coordination/case management, training, child care, health care, transportation, and economic development.

(6) The degree of HA activity in resident initiatives, including resident

management, economic development, homeownership, and drug elimination efforts or other resident initiatives for non-elderly as described in the Narrative Statement and supported by FO file evidence.

(7) The degree of non-elderly resident employment through direct hiring or contracting/subcontracting or job training initiatives as described in the Narrative Statement and supported by FO file evidence.

(8) Further and support the policy priorities of HUD including:

(a) Promoting healthy homes;

(b) Providing opportunities for self-sufficiency, particularly for persons enrolled in welfare to work programs;

(c) Enhancing on-going efforts to eliminate drugs and crime from neighborhoods through program policy efforts such as "One Strike and You're Out" or the "Officer Next Door" initiative;

(d) Providing educational and job training opportunities through such initiatives as Neighborhood Networks, Campus of Learners and linking to AmeriCorps activities.

Rating Factor 4: Leveraging Resources (10 Points)

This factor addresses the ability of the applicant to secure community resources (note: financing is a community resource) which can be combined with HUD's program resources to achieve program purposes. In evaluating this factor HUD will consider:

(1) To the extent possible, the applicant has taken the initiative to partner with other entities to secure additional resources to increase the effectiveness of the proposed program activities, e.g., CDBG funds may be committed for infrastructures. Resources may include funding or in-kind contributions, such as services or equipment, allocated to the purpose(s) of the award the applicant is seeking, e.g., an educational institution may provide training in conjunction with a management improvement activity. Resources may be provided by governmental entities, public or private nonprofit organizations, for-profit private organizations, or other entities willing to partner with the applicant. Applicants may also partner with other program funding recipients to coordinate the use of resources in the area of the public housing development.

(2) Where applicable, applicants should provide evidence of other resources by including in the application letters of firm commitment, memoranda of understanding, or agreements to participate from those

entities identified as partners in the application. Each letter of commitment, memorandum of understanding, or agreement to participate should include the organization's name, proposed level of commitment and responsibilities as they relate to the proposed program. The commitment must also be signed by an official of the organization legally able to make commitments on behalf of the organization.

(3) The local government support for proposed modernization, through either funding or in-kind contributions, over and above what is required under the Cooperation Agreement for municipal services, such as police and fire protection and refuse collection, within the last 12 months, that will *directly benefit* the public housing or the neighborhood surrounding the public housing.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which the applicant coordinated its activities with other known organizations, participates or promotes participation in a community's Consolidated Planning process, and is working towards addressing a need in a holistic and comprehensive manner through linkages with other activities in the community.

In evaluating this factor, HUD will consider the extent to which the applicant demonstrates that it has:

(1) Coordinated its proposed activities with those of other groups or organizations prior to submission in order to best complement, support and coordinate all known activities and if funded, the specific steps it will take to share information on solutions and outcomes with others. Any written agreements, memoranda of understanding in place, or that will be in place after award should be described.

(2) Taken or will take specific steps to become active in the community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address a need/problem that is related to the activities the applicant proposes.

(3) Taken or will take specific steps to develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with:

(a) Other HUD-funded projects/activities outside the scope of those covered by the Consolidated Plan; and

(b) Other Federal, State or locally funded activities, including those proposed or on-going in the community.

#### IV. Application Submission Requirements.

The HA shall submit the CIAP Application to the Field Office, with a copy to appropriate local officials, e.g., the mayor, City Manager. The HA may obtain the necessary forms from the Field Office. The CIAP Application is comprised of the following documents:

(A) *Form HUD-52822, CIAP Application*, in an original and two copies, which includes:

(1) A general description of HA development(s), in priority order, (including the current physical condition, for each development for which the HA is requesting funds, or for all developments in the HA's inventory) and physical and management improvement needs to meet the Secretary's standards in 24 CFR 968.115; description of work items required to correct identified deficiencies, including accessibility work; and the estimated cost. Where the HA has not included some of its developments in the CIAP Application, the Field Office may not consider funding any non-emergency work at excluded developments or subsequently approve use of leftover funds at excluded developments. Therefore, to provide maximum flexibility, the HA may wish to include all of its developments in the CIAP Application, even though there are no known current needs. Following is an example of the general description:

*Development 1-1:* 50 units of low-rent; 25 years old; physical needs are: new roofs; storm windows and doors; and electrical upgrading at estimated cost of \$150,000.

*Development 1-2:* 40 units of low-rent; 20 years old; physical needs are: physical accessibility for kitchens, bathrooms and doors in 2 units and common laundry room; visitability in 4 ground floor units; kitchen floors; shower/bathtub surrounds; fencing; and exterior lighting at estimated cost of \$130,000.

*Development 1-3:* 35 units of Turnkey III; 15 years old; physical needs are: physical accessibility in 3 units; and roof insulation at estimated cost of \$50,000.

*Development 1-4:* 20 units of low-rent; 5 years old; no physical needs; no funding requested.

(2) Where funding is being requested for management improvements, an identification of the deficiency, a description of the work required for correction, and estimated cost. Examples of management improvements include, but are not limited to, the following areas:

(a) The management, financial, and accounting control systems of the HA;

(b) The adequacy and qualifications of personnel employed by the HA in the management and operation of its developments by category of employment; and

(c) The adequacy and efficacy of resident programs and services, resident and development security, resident selection and eviction, occupancy and vacant unit turnaround, rent collection, routine and preventive maintenance, equal opportunity, and other HA policies and procedures.

(3) A certification that the HA has met the requirements for consultation with local officials and residents/homebuyers and that all developments included in the application have long-term physical and social viability, including prospects for full occupancy. If the HA cannot make this certification with respect to long-term viability, the HA shall attach a narrative, explaining its viability concerns.

(B) A *Narrative Statement*, in an original and two copies, addressing each of the rating factors in Section III(B) of this CIAP section of the SuperNOFA. In addressing the affirmatively furthering fair housing technical review factor, actions that the HA has taken, or plans to take, to accomplish this objective may include, but are not limited to the following:

(1) Actions that contribute toward the reduction of concentration of low-income persons who are protected under the Fair Housing Act and Title VI of the Civil Rights Act. Such actions may include housing programs/activities that provide information regarding housing opportunities outside of minority concentrated areas within the HA's jurisdictional boundaries, or efforts that encourage landlords/owners to make available housing opportunities outside of minority concentrated areas.

For example, the HA may refer applicants to other available housing as part of an established housing counseling service or assist applicants in getting on other waiting lists.

(2) Actions that overcome the consequences of prior discriminatory practices or usage which may have tended to exclude persons of a particular race, color or national origin; or that overcome the effects of past discrimination against persons with disabilities. Such actions may include those actions taken without any kind of legally binding order, but which have changed previous discriminatory management, tenant selection and assignment or maintenance practices.

(3) Actions that assist the jurisdiction in overcoming impediments to fair housing choice identified in the jurisdiction's AI (Analysis of Impediments to Fair Housing Choice), which is a component of the jurisdiction's Consolidated Plan, or any other planning document that addresses fair housing issues. Examples of actions that can be taken may include, but are not limited to: neighborhood revitalization efforts that encourage fair housing choice (such as schools, grocery stores, transportation, and the quality of services); implementing site selection policies which give priority to sites located outside of minority and low-income areas; participating in mobility counseling programs and clearinghouses which offer housing opportunities both within and outside of high-poverty areas; increasing the supply of accessible housing available to low-income persons with disabilities; and ensuring accessibility and visitability for persons with disabilities to aspects of the program. Additional examples may be obtained from Chapter 5 of the Fair Housing Planning Guide, Vol 1'' which may be ordered from HUD's Fair Housing Clearinghouse by calling (800) 343-3442.

(C) *Form HUD-50071, Certification for Contracts, Grants, Loans and Cooperative Agreements*, in an original only, required of HAs established under State law, applying for grants exceeding \$100,000.

(D) *Evidence of Physical Condition of the Developments*. At the option of the HA, photographs or video cassettes showing the physical condition of the developments.

#### V. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

### Funding Availability for Revitalization of Severely Distressed Public Housing (HOPE VI Revitalization)

*Program Description:* Approximately \$441 million is available in funding for the Revitalization of Severely Distressed Public Housing (the "HOPE VI Revitalization Program"), as provided in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998. The continued funding of the HOPE VI Program is to enable revitalization and transformation of the physical site of severely distressed public housing developments and the social dynamics of life for low-income residents at that site, or in any off-site replacement housing.

*Application Due Date:* Applications must be received at HUD Headquarters on or before 12:00 pm. Eastern time on June 29, 1998, at HUD Headquarters. See the General Section of this SuperNOFA for specific procedures governing the form of application of submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

*Addresses for Submitting Applications:* One copy of the completed application must be received at HUD Headquarters, 451 Seventh Street, SW, Room 4138, Washington, DC 20410, Attention: Deputy Assistant Secretary for Public Housing Investments. In addition, two copies of the completed application also must be received at the appropriate HUD Field Office HUB.

#### *For Application Kits, Further Information, Technical Assistance:*

*For Application Kits.* A copy of the application kit will be mailed to every eligible PHA. Application kits and any supplementary information also may be obtained by contacting the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-483-2209. The application kit also will be available on the Internet through the HUD web site at <http://www.HUD.gov>. When requesting an application kit, please refer to HOPE VI and provide your name, address (including zip code), and telephone number (including area code).

*For Further Information and Technical Assistance.* For answers to your questions, you may call Mr. Milan Ozdinec, Director, Office of Urban Revitalization, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4142, Washington, DC 20410; telephone (202) 401-8812 (this is not a toll free number). Persons with hearing or speech impairments may

access this number via TTY by calling the Federal Information Relay Service at 1-800-877-8399.

### I. Additional Information

#### (A) Authority

The funding for HOPE VI Revitalization grants under this SuperNOFA is provided by the FY 1998 HUD Appropriations Act under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)."

#### (B) Purpose

The purpose of the HOPE VI Program is to enable revitalization and transformation of the physical site of severely distressed public housing developments and the social dynamics of life for low-income residents at that site, or in any off-site replacement housing. The HOPE VI Revitalization Program provides for grants to public housing agencies to assist in:

- (1) The demolition of severely distressed public housing projects or portions of these projects;
- (2) The revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located;
- (3) The provision of replacement housing which will avoid or lessen concentration of very low-income families;
- (4) Tenant-based assistance in accordance with section 8 of the U.S. Housing Act of 1937;
- (5) Assisting tenants displaced by demolition.

The FY 1998 HOPE VI appropriation also provides for grant funds to be used for the demolition of severely distressed elderly public housing projects and the replacement, where appropriate, and revitalization of the elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly.

#### (C) Amount Allocated

(1) *Revitalization grants.* Approximately \$416 million of the FY 1998 HOPE VI appropriation has been allocated to fund HOPE VI Revitalization grants.

(2) *Elderly Housing grants.* In accordance with the FY 1998 HUD Appropriations Act, \$26 million of the HOPE VI appropriation has been allocated to fund projects proposing demolition of severely distressed elderly public housing projects and the replacement, where appropriate, and revitalization of the elderly public housing as new communities for the elderly designed to meet the special

needs and physical requirements of the elderly.

(a) Targeted developments may be either:

(i) Housing designated for the elderly, persons with disabilities, or mixed-populations, in accordance with section 7 of the U.S. Housing Act of 1937; or

(ii) Projects of a PHA designated as elderly by HUD in accordance with requirements in effect prior to enactment of the Housing and Community Development Act of 1992.

(iii) A PHA may, after revitalization, designate the targeted development through a HUD-Approved allocation plan.

(b) Applications targeting elderly developments will be rated in a separate competition, and will be ranked only with other elderly applications.

(c) Of the \$26 million made available for elderly housing, the FY 1998 HUD Appropriation Act included up to \$10 million for Heritage House in Kansas City, Missouri. HUD awarded \$6,570,500 to Heritage House under the FY 1997 HOPE VI NOFA, therefore the full \$10 million will not be needed. After funding the needs of Heritage House, the balance of the \$10 million set-aside will be made available for Elderly Housing grants eligible for funding under this SuperNOFA.

(3) *HOPE VI Demolition-Only Grants.* Up to \$60 million in HOPE VI funds will be made available for the demolition of obsolete public housing without revitalization. Those funds will be distributed through a separate NOFA.

(4) *Section 8.* Up to \$91 million (approximately 10,000 units) has been allocated for Section 8 tenant-based certificates and vouchers for public housing relocation or public housing replacement (including units selected for the HOPE VI Program). The Section 8 funds will be allocated by HUD after HUD approval of the applicant's demolition/disposition application or distressed public housing conversion plan submitted in lieu of a demolition/disposition application in conformance with the statutory requirements for the mandatory conversion of distressed public housing units as required by section 202 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996. These section 8 funds will be distributed through a separate notice.

#### (D) Eligible Applicants

PHAs that own public housing units are eligible to apply. Indian Housing Authorities are not eligible to apply.

*(E) Eligible Activities and Program Authority*

Eligible activities are those eligible under sections 5 and 14 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f, 1437l) (1937 Act). Revitalization activities using HOPE VI funds must be for public housing developments. Accordingly, certain activities under the revitalization plan are subject to statutory requirements applicable to public housing developments under the U.S. Housing Act of 1937 (the 1937 Act), other statutes, and the ACC. Within such restrictions, HUD seeks innovative solutions to the long-standing problems of severely distressed developments.

In order to satisfy any particular statutory requirement, a Grantee may take measures as described in implementing regulations, or upon request to HUD for a different approach, as otherwise approved in writing by HUD. As of the date of publication of this SuperNOFA, the provisions of section 14(q) of the U.S. Housing Act of 1937, as amended by section 201 of the FY 1996 HUD Appropriation Act, including provisions in sections 14(q)(2), (3), and (4) of the U.S. Housing Act of 1937 concerning mixed-income development, have not been extended to cover FY 1998 HOPE VI or section 14 Modernization Funding.)

The recipient must conduct the following activities, which may be undertaken with HOPE VI grant funds, in accordance with the cited program requirements or otherwise with HUD's written approval, consistent with the 1998 Appropriations Act and this SuperNOFA. Activities which may be funded with HOPE VI grant funds include but are not limited to:

(1) Total or partial demolition of buildings, in accordance with 24 CFR part 970;

(2) Disposition of property, in accordance with 24 CFR part 970;

(3) Public housing development through the acquisition of land, or acquisition of off-site units with or without rehabilitation to be used as public housing, in accordance with 24 CFR part 941;

(4) Major rehabilitation and other physical improvements of housing and community facilities primarily intended to facilitate the delivery of self-sufficiency, economic development, or other supportive service opportunities for residents of the targeted development, in accordance with 24 CFR 968.112(b), (d), (e), and (g)-(o), 24 CFR 968.130, and 24 CFR 968.135(b) and (d);

(5) Construction of replacement rental housing, both on-site and off-site, and

community facilities primarily intended to facilitate the delivery of self-sufficiency, economic development, or other supportive service opportunities for residents of the targeted development and off-site replacement housing, in accordance with 24 CFR part 941, including mixed-finance development in accordance with subpart F;

(6) Homeownership units will be deemed Replacement Units only as specified in the Urban Revitalization heading of the 1993 Appropriations Act (Pub.L. 102-389; approved October 6, 1992); that is, if they meet the statutory requirements of the Section 5(h) Program (42 U.S.C. 1437c(h)); the HOPE II program (42 U.S.C. 12871-80; Pub. L. 101-625, secs. 421-31; 104 Stat. 4079, 4162-72); the HOPE III program (42 U.S.C. 12891-98; Pub.L. 101-625, secs. 441-48; 104 Stat. 4079, 4172-80); or are made available through housing opportunity programs of construction or substantial rehabilitation of homes meeting essentially the same eligibility requirements as the Nehemiah Program.

(7) Management improvements;

(8) Administration, planning, and technical assistance;

(9) Programs designed to help residents gain employment and attain self-sufficiency;

(10) Programs designed to meet the special needs and physical requirements of the elderly and/or disabled and enable the elderly and/or disabled to live where one chooses with dignity, control, and independence.

(11) Relocation, conducted in accordance with 24 CFR 970.5 (demolition) or 24 CFR 968.108 (rehabilitation), as appropriate.

*(F) Waivers*

PHAs may request, for the revitalized development, a waiver of HUD regulations (that are not statutory requirements) governing rents, income eligibility, or other areas of public housing management to permit a PHA to undertake measures that enhance the long-term viability of a development revitalized under this program.

*(G) Limitations on Use of Funds*

No funds awarded for the HOPE VI Revitalization Program under this SuperNOFA shall be used for any purpose that is *not* provided for under the: FY 1998 HUD Appropriations Act; United States Housing Act of 1937; the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the Fiscal Years 1993, 1994, 1995, and 1997; and the Omnibus Consolidated Rescissions

and Appropriations Act of 1996. Additionally, no funds awarded for the HOPE VI Program under this SuperNOFA shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgements.

**II. Program Requirements**

In addition to the program requirements listed in the General Section of this SuperNOFA, applicants are subject to the following requirements:

*(A) Severely Distressed*

In order to be eligible for HOPE VI funding, a public housing development, or portion of the development, must be severely distressed as to physical condition, location, or other factors, making the development, in its current condition, unusable for housing purposes. Major problems indicative of severe distress are:

(1) *Physical Condition*: structural deficiencies (e.g. settlement of earth below the building caused by inadequate structural fills, faulty structural design, or settlement of floors), substantial deterioration (e.g., severe termite damage or damage caused by extreme weather conditions), or other design or site problems (e.g., severe erosion or flooding).

(2) *Location*: physical deterioration of the neighborhood; change from residential to industrial or commercial development; or environmental conditions as determined by HUD environmental review, which was previously conducted in accordance with 24 CFR part 50, which jeopardize the suitability of the site or a portion of the site and its housing structures for residential use.

(3) Other factors which have seriously affected the marketability, usefulness, or management of the property, such as significant numbers of families living in poverty, significant incidence of serious crime, high vacancy rate, high turnover rate, low rent collections, etc.

*(B) Grant Limitations*

The following grant amount limits apply to HOPE VI grants under this SuperNOFA. The grant amount shall be limited by the total amount determined by addition of paragraphs (1), (2), (3), and (4) below, as applicable.

(1) *Total Development Cost (TDC)*. TDC is limited to the sum of:

(a) TDCs up to, but not to exceed 100% of, HUD's published TDC limits for the costs of demolition and new construction multiplied by the number of public housing Replacement Units; and/or



(b) 90% of such TDC limits multiplied by the number of public housing units to be substantially rehabilitated.

Total Development Cost (TDC) is limited by the HUD-published TDC Cost Tables, which are issued for each fiscal year for the building type and bedroom distribution for the public housing replacement units. Duplicative funding is prohibited for any replacement units previously funded by HOPE VI or other HUD funds. This requirement does not prohibit any non-HUD funds to be used to supplement HUD funds for any project cost. Disclosure of all prior HUD grant assistance is required for the targeted development. The only exception to this rule is that the receipt of Section 8 relocation assistance does not affect the eligibility of the applicant to receive subsequent HOPE VI Revitalization funding for replacement of the same units.

The Department has developed a new TDC policy and cost control which applies to 1998 grants. A HUD Notice and rule describing this policy will be issued in the near future.

(2) *Community and Supportive Services Programs.* Applicants may request up to \$5,000 per household for community and supportive services, including self-sufficiency programs, based on:

(a) The number of households in occupied units in the project to be revitalized at the time of application submission, and

(b) The estimated number of new households that are expected to occupy replacement units after revitalization; or

(3) *Services to Assist the Elderly.* Applicants may request up to \$5,000 per household for human services programs to address quality of life and other social needs, as opposed to self-sufficiency programs of family HOPE VI projects, rewarding innovative objectives and programs, particularly as related to aging in place and assisted living.

(4) *Relocation.* Applicants may request no more than \$3,000 per occupied unit at the time of HOPE VI application submission for relocation services and expenses.

(5) *Total Grant Amount.*

(a) *Revitalization Applications.*

(i) A PHA may submit one or two separate Revitalization applications. The total amount requested in one or both applications may not exceed \$35 million. If a PHA submits two applications, each application will be reviewed separately, subject to the grant limitation amounts above, and if both applications are selected, the total amount the applicant may receive may not exceed \$35 million.

(ii) Notwithstanding the fact that a PHA may submit one or two Revitalization applications, each individual application may include a request for funds for only one public housing development. Developments that are contiguous, immediately adjacent to one another, or within four city blocks from each other will be considered one development for the purposes of the HOPE VI Program under this SuperNOFA. There is no minimum or maximum number of housing units for which funds may be requested in a single application.

(b) *Elderly Housing Grant Applications.*

(i) A PHA may submit only one application under the Elderly Housing grant requesting no more than \$5 million.

(ii) A PHA may not submit an application for an Elderly Housing grant that targets the same units targeted in a Revitalization application.

(iii) Each application will be evaluated independently and must be viable regardless of whether a PHA applies for funds under the Revitalization grant.

(C) *Public Meeting*

The application must include a certification that at least one public meeting was held to notify residents and community members of the proposed activities described in the application. The meeting must be held after the publication date of this SuperNOFA. Issues that must be covered in the public meeting include:

- (a) The extent of proposed demolition;
- (b) Relocation issues; and
- (c) Other revitalization activities.

(D) *Replacement Units*

(1) Rental units will be deemed Replacement Units and qualify for operating subsidy only if they are to be placed under Annual Contributions Contract and operated as Public Housing.

(2) Homeownership units will be deemed Replacement Units only as specified in the Urban Revitalization heading of the 1993 Appropriations Act (Pub. L. 102-389; approved October 6, 1992); that is, if they meet the statutory requirements of the Section 5(h) program (42 U.S.C. 1437c(h)); the HOPE II program (42 U.S.C. 12871-80; Pub. L. 101-625, secs. 421-31; 104 Stat. 4079, 4162-72); the HOPE III program (42 U.S.C. 12891-98; Pub.L. 101-625, secs. 441-48; 104 Stat. 4079, 4172-80); or are made available through housing opportunity programs of construction or substantial rehabilitation of homes

meeting essentially the same eligibility requirements as the Nehemiah program.

(3) HOPE VI funds may not directly support mixed-finance units which are not themselves to be placed under ACC or be sold as homeownership units as specified above.

(E) *Section 3 Economic Opportunities*

Please see Section II(E) of the General Section of this SuperNOFA. The requirements of Section 3 are applicable to HOPE VI.

(F) *Flood Insurance*

In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), HUD will not approve applications for grants providing 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 approval of the application.

(G) *Coastal Barrier Resources Act*

In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501), HUD will not approve grant applications for properties in the Coastal Barrier Resources System.

(H) *OMB Circulars*

Please see Section II(H) of the General Section of this SuperNOFA.

(I) *Conflict of Interest*

(1) 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 and who exercises or has exercised any functions or responsibilities with respect to activities assisted by HOPE VI funds, or who is in a position to participate in a decisionmaking 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.

(2) HUD may grant an exception to the exclusion in paragraph (1) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the program and the effective and efficient administration of the revitalization activities. HUD will consider an exception only after the applicant or recipient has provided a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made, and an opinion of the applicant's or recipient's attorney that the interest for which the exception is sought would not violate State or local laws. In determining whether to grant a requested exception, HUD will consider the cumulative effect of the following factors, as applicable:

- (a) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the revitalization program 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 activity, and the exception will permit such person to receive generally the same interest 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 decisionmaking 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 paragraph (1) of this section;
- (f) Whether undue hardship will result either to the applicant, recipient, or the person affected when weighted against the public interest served by avoiding the prohibited conflict; and
- (g) Any other relevant considerations.

**(J) Labor Standards**

Where HOPE VI funds provide assistance with respect to low-income housing that will be subject to a contract for assistance under the U.S. Housing Act of 1937, Davis-Bacon or HUD-determined wage rates apply to development or operation of the housing to the extent required under section 12 of the Act. Under section 12, the wage rate requirements do not apply to individuals who: perform services for which they volunteered; do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and are not

otherwise employed in the work involved (24 CFR part 70). In addition, if other Federal programs are used in connection with the revitalization program, labor standards requirements apply to the extent required by such other Federal programs, on portions of the development that are not subject to Davis-Bacon rates under the Act.

**(K) Lead-Based Paint Testing and Abatement**

Any property assisted under the HOPE VI Program is covered by the Lead-Based Paint Poisoning Prevention Act (24 U.S.C. 4821 *et seq.*) and is therefore subject to 24 CFR part 35; 24 CFR part 965, subpart H; and 24 CFR 968.110(k).

**(L) Building Standards**

All activities that include construction, rehabilitation, lead-based paint removal, and related activities:

- (1) Must meet or exceed local building codes; and
- (2) Must comply with the 1992 Model Energy Code issued by the Council of American Building Officials.

**(M) Program Income**

Where a plan contemplates the receipt of program-related income prior to grant closeout (e.g., from sale of homeownership Replacement Units, or the disposition of improved land), such income must be reflected in the HOPE VI budget and used for program purposes.

**III. Application Selection Process**

**(A) Threshold Criteria for Funding Consideration**

- (1) The applicant must be an eligible Public Housing Agency.
- (2) The targeted public housing development or portion thereof must be severely distressed, as defined in Section II(A) of this HOPE VI Program section of the SuperNOFA.
- (3) The application must include all required forms, certifications and assurances, properly signed and executed, after any period provided for the curing of deficiencies consistent with section V below.
- (4) Applications that propose new construction of replacement housing must comply with the requirements of section 6(h) of the 1937 Act by submitting the information described in either paragraphs (a) or (b) of this section:

(a) A PHA comparison of the costs of new construction (in the neighborhood where the PHA proposes to construct the housing) and the costs of acquisition of existing housing or acquisition and rehabilitation in the same neighborhood

(including estimated costs of lead-based paint testing and abatement), or

(b) A PHA certification, accompanied by supporting documentation, that there is insufficient existing housing in the neighborhood to develop housing through acquisition of existing housing or acquisition and rehabilitation.

**(B) Application Rating Factors**

The factors for rating and ranking applications and the maximum points for each factor, are provided below. The maximum number of points for each application is 102. This includes two EZ/EC bonus points, as described in the General Section of this SuperNOFA.

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

This factor addresses the extent to which the applicant has the organizational resources necessary to successfully implement the proposed activities in a timely manner. In order to ensure that revitalization efforts take place without delays attributable to administration and management, applications that demonstrate the highest degree of capability to implement revitalization in an expeditious manner upon grant award will be awarded the most points under this rating factor.

The rating of the "applicant" or the "applicant's organization and staff," unless otherwise specified, will include any sub-contractors, consultants, subrecipients, and members of consortia which are firmly committed to the project.

In rating this factor, HUD will consider the extent to which:

- (1) The applicant and/or its proposed partners, including the overall proposed project director and staff, the day-to-day program manager, consultants, and contractors, have knowledge and recent, successful experience in planning, implementing, adapting, and managing:
  - (a) Revitalization activities;
  - (b) Self-sufficiency programs;
  - (c) Supportive services for the elderly, if applicable;
  - (d) Other programs similar in scope or nature to the proposed activities.

HUD does not require that the applicant have its program manager and/or developer selected prior to submission of the application, although the PHA may elect to do so. Rather, the PHA must demonstrate its capacity or its ability to identify needs in its current staffing to successfully implement its program, and/or describe in detail its proposed method for securing a program manager and/or development partner to implement the plan.

(2) The applicant has adequate experience in management and marketing. The applicant has thoroughly evaluated the obstacles that prevented good management, as well as other problems that contributed to the obsolescence of the targeted development, and the new management plan will protect against such obstacles and problems and will improve the efficiency and economy of management. PHAs may propose private management or self-management, but in the latter case *must* demonstrate its capacity to self-manage; or

(3) The applicant has sufficient personnel or will be able to procure partners quickly to implement the revitalization plan in a timely and effective fashion immediately after grant award;

(4) The applicant proposes an appropriate balance of oversight and autonomy in its use of partners and/or contractors;

(5) The applicant has satisfactory managerial experience with resident initiatives;

(6) If the applicant received HOPE VI funding in previous years, HUD will evaluate its ability to demonstrate progress through its expenditure rate and achievement of program objectives.

#### Rating Factor 2: Need/Extent of the Problem (20 Points)

This factor addresses the extent to which there is a need for funding the proposed program activities to address a documented problem in the target area.

In rating this factor, HUD will consider:

(1) The extent to which the applicant has documented a critical level of need for the proposed activities at the targeted development. Documentation of need must demonstrate that:

(a) There is a significant level of physical deterioration of buildings and sites, as supported by information and data which shows the extent of physical problems at the site such as major structural deficiencies, electrical systems under code, poor site conditions, leaking roofs, deteriorated infrastructure, high levels of deferred maintenance, number of units that do not meet Housing Quality Standards, levels of lead based paint, and other factors;

(i) The level of distress at the site is urgent and threatens to become imminently greater without immediate intervention;

(ii) The PHA lacks the funds to revitalize the development to provide decent, safe, and sanitary housing at the site;

(b) The level of physical distress in the surrounding community is extreme and contributes to the obsolescence of the site, as evidenced by information and data addressing such factors as housing density, housing deterioration, and lack of adequate infrastructure or utilities;

(c) The community as a whole has a demonstrated level of social distress, as evidenced by indicators such as significant incidence of criminal activity, a high vacancy rate, high rates of housing turnover, truancy, and unemployment, low rates of rent collections, graduation, and other objective, measurable indicators;

(d) The distress at the site was caused or exacerbated by obsolescence, not factors within the applicant's control;

(2) The extent to which the level of need for the proposed activity and the urgency in meeting the need are documented with statistics and analyses contained in a data source(s) that is sound and reliable. To the extent that the applicant's community's Consolidated Plan and Analysis of Impediments to Fair Housing Choice (AI) identifies the level of the problem and the urgency in meeting the need, references to these documents should be included in the response. The Department will review more favorably those applicants who used these documents to identify need, when applicable.

If the proposed activity is not covered under the scope of the Consolidated Plan and Analysis of Impediments to Fair Housing Choice (AI), applicants should indicate such, and use other sound data sources to identify the level of need and the urgency in meeting the need. Types of other sources include, but are not limited to, Census reports, Continuum of Care gaps analysis, law enforcement agency crime reports, Public Housing Authorities' Five Year Comprehensive Plan, and other sound and reliable sources appropriate for the specific SuperNOFA program and activities for which an applicant is applying. For technical assistance programs, input from HUD State and Area Office(s) and assessments are included among the data sources that may be used to identify need.

(3) The PHA agrees that they are subject to the provisions found at 24 CFR part 971 and that they are required to submit a conversion plan, i.e., a plan for removal of the distressed development from the public housing inventory, in accordance with the requirements at 24 CFR 971.7(b).

#### Rating Factor 3: Soundness of Approach (40 Points)

This factor addresses the quality and cost-effectiveness of the applicant's proposed revitalization plan. There must be a clear relationship between the proposed activities, community needs and the purpose of the program funding for an applicant to receive points for this factor. In rating this factor, HUD will consider the extent to which:

(25 Points for Subfactors (1) through (7))

(1) There is a demonstrated considerable market for the revitalized and/or replacement units of the type and size proposed;

(2) The purposes and goals of the program for which funding is requested will be achieved within an appropriate and reasonable timeframe and program activities will result in measurable accomplishments consistent with the purposes of the program.

(3) The cost estimates of program activities:

(a) Are financially sustainable over the long run;

(b) Are developed through the use of technically competent methodologies

(c) Represent a cost-effective plan for designing, organizing and carrying out the proposed activities;

(d) Are reasonable for the work to be performed and consistent with rates established for the level of expertise required to perform the work in the proposed geographic area;

(e) Are projected to be within HUD TDC and Community and Supportive Service limits;

(f) Are reasonable relative to the cost of providing section 8 tenant-based assistance.

(4) The information and strategies described are coherent and internally consistent.

(5) The proposal will lessen concentration of low-income residents and create desegregation opportunities:

(a) The physical design of the proposed housing will significantly reduce the isolation of low-income residents and/or significantly promote mixed-income communities in well-functioning neighborhoods;

(b) Access to municipal services, job information, mentoring opportunities, transportation, and educational facilities will be increased;

(c) Operational and management principles will promote economic and social diversity;

(d) Intensive counseling will be provided to section 8 certificate or voucher holders to find housing in non-poor areas and prepare these residents for self-sufficiency;

(6) The revitalization plan proposes innovative approaches to public housing transformation.

(a) Applicants are encouraged to design forward-thinking programs that incorporate the most current sound research on planning, implementation, financing, partnerships, management, and operation of public housing and self-sufficiency and educational programs. Conventional approaches should be reserved for HUD's formula-based capital programs.

(b) Applications should have the potential to yield innovative strategies or "best practices" that can be replicated and disseminated to other organizations, including nonprofit organizations, State and local governments. HUD will assess the transferability of results in terms of model programs or lessons learned from the work performed under the award. Applicants will be required to prepare an analysis of best practices as part of their reports to HUD that may be used by HUD to inform others who may be interested in learning from the experiences gained from the work performed under awards funded through this SuperNOFA.

(7) The design of the revitalized development demonstrates an achievable effort to blend into and enrich the urban landscape;

(10 Points for Subfactors (8) through (11))

(8) Applications for Elderly Housing grants:

(a) Will create new communities for the elderly and disabled designed to meet the special needs and physical requirements of the elderly and disabled. Applicants' elderly program strategies complement their overall HOPE VI revitalization strategy.

(b) Address the issues of transportation, access to health care, security, and affordability with innovative approaches.

(c) Propose demonstration programs based on recent research and program innovations. Applicants are free, however, to propose programs that address elderly and disabled needs in the manner most appropriate for their locality.

(d) Include provisions for sustainability beyond the proposed program period.

(10 points for Subfactors (9) through (11))

(9) Applications targeted toward families propose opportunities for self-sufficiency, particularly for persons enrolled in welfare-to-work programs. The self-sufficiency plan:

(a) Demonstrates objectives that are results-oriented, with measurable goals and outcomes;

(b) Demonstrates consistency with state and local welfare reform goals;

(c) Is financially and programmatically sustainable over the long run;

(d) Is well integrated with the development process;

(e) Proposes a program that is of an appropriate scale, type, and variety of services to meet the needs of residents;

(f) Proposes resident training, self-motivation, employment, and education;

(g) Includes opportunities for economic and retail development at or near the public housing site, as appropriate.

(h) Provides commitments by service providers to provide services and/or funding;

(i) Demonstrates that relationships have been forged with local Boards of Education, institutions of higher learning, non-profit or for-profit educational institutions and public/private mentoring programs that will lead to new or improved educational facilities and improved educational achievement of children of PHA residents from birth through higher education;

(j) Identifies employers and potential employment opportunities for residents who complete community and supportive service training; and

(k) Demonstrates an effective use of technology.

(10) Residents and members of the communities to be affected by the proposed activities have had and will continue to have full and meaningful involvement in the planning and implementation of the revitalization effort:

(a) In addition to meeting the requirement for at least one public meeting to inform residents and members of the surrounding community of the revitalization plan as presented in the application submitted to HUD, the PHA has provided meaningful opportunities for participation to residents and members of the surrounding community of the meeting(s) through:

(i) Clear information about the application;

(ii) Prominent posting of information about the application and scheduled meetings in locations likely to attract notice; and

(iii) Posting of the information in adequate time to allow participants to plan to attend meetings.

(b) Residents and non-resident members of the surrounding community:

(i) Have had the opportunity to participate in the shaping of the application;

(ii) Support the activities proposed in the submitted application;

(iii) Will have opportunities for continued involvement and participation as program activities proceed.

(11) The proposed operation and management principles will accomplish all of the following goals:

(a) Achieve efficient and effective property management and maintenance through private or PHA management;

(b) Lead to a range of incomes in the targeted development including substantial numbers of working residents through effective self-sufficiency programs;

(c) Reward work and promote family stability through positive incentives such as income disregards and ceiling rents. PHAs may establish ceiling rents and may institute earned income disregards for FY 1998;

(d) Provide greater safety and security by:

(i) Instituting tough screening requirements;

(ii) Enforcing tough lease and eviction provisions;

(iii) Enhancing on-going efforts to eliminate drugs and crime from neighborhoods through collaborative efforts with local law enforcement agencies and local United States Attorneys and program policy efforts such as "One Strike and You're Out," the "Officer Next Door" initiative, or Department of Justice "Weed and Seed" programs;

(iv) Promoting healthy homes, i.e., improving the safety and security of residents through anti-crime measures and the installation of physical security or design enhancements.

(e) Promote economic and demographic diversity through a system of local preferences; and

(f) Encourage self-sufficiency by including lease requirements that promote resident involvement in the tenants association, community service, self-sufficiency, and transition from public housing.

(12) (5 Points) The Revitalization Plan will affirmatively further fair housing by actively ensuring that marketing, locations of housing, and structural accessibility of housing will encourage natural integration and discourage inappropriate concentrations of minorities in undesirable neighborhoods.

(a) Developments constructed or rehabilitated with HOPE VI funds must meet the accessibility requirements contained in various civil rights statutes

and regulations, and may receive points under this factor if they meet the visitability standards adopted by the Department that apply to those units not otherwise covered by the accessibility requirements.

(b) PHAs are encouraged to promote greater opportunities for housing choice by making at least 5% of for-sale units accessible to individuals with mobility disabilities and 2% of for-sale units accessible to individuals who have visual or hearing disabilities.

(c) Innovative designs are encouraged, particularly with respect to for-sale house configurations, which simultaneously meet accessibility requirements and achieve marketability for non-disabled households.

(d) Program activities should aid a broad diversity of eligible residents, including those that have been traditionally underserved. Efforts to increase community awareness in a culturally sensitive manner through education and outreach will also be evaluated, if applicable.

#### Rating Factor 4: Leveraging Resources (10 Points)

This factor addresses the ability of the applicant to secure additional resources for the proposed activities which can be combined with HUD's program resources to achieve program purposes. Resources include in-kind contributions such as staff or supplies; grants, loans, and other financing; or other types of contributions to the program activities. This factor emphasizes the importance of a PHA not just seeking endorsements and vendor relationships with others, but actively enlisting other stakeholders who are vested in the revitalization effort, including public and private non-profit and for-profit entities with experience in the development and/or management of low- and moderate-income housing, those that are skilled in the delivery of services to residents of public housing, educational institutions, foundations, banks, and other organizations. HUD will evaluate the strength of commitment articulated in letters of support.

If a PHA is also a redevelopment agency or otherwise has citywide responsibilities, HUD will consider the city's redevelopment or other functional area to be a separate partner with which the housing authority function is partnering, where appropriate.

In rating this factor, HUD will consider the extent to which:

(1) The PHA has initiated strong partnerships with entities that will provide significant, *firm* funding and other commitments if HOPE VI funds are awarded. Applicants must provide

evidence of leveraging and partnerships by including in the application letters of firm commitments, memoranda of understanding, agreements to participate, or letters of support if firm commitments cannot be secured. All such documentation must include the organization's name, proposed level of commitment, and proposed responsibilities as they relate to the revitalization plan. The commitment must be signed by an official of the organization legally authorized to make commitments on behalf of the organization.

(2) The infusion of HOPE VI dollars will leverage additional resources after grant award, including municipal funds, charitable contributions, private debt and equity, and other partnerships which may not have a dollar value but are critical to the successful transformation of the development and the lives of its residents.

#### Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which the applicant coordinated its activities with other known organizations, participates or promotes participation in a community's Consolidated Planning process, and is working towards addressing a need in a holistic and comprehensive manner through linkages with other activities in the community.

In rating this factor, HUD will consider the extent to which the applicant demonstrates that it has:

(1) Coordinated its proposed activities with those of other groups or organizations prior to submission in order to best complement, support and coordinate all known activities and if funded, the specific steps it will take to share information on solutions and outcomes with others. Any written agreements, memoranda of understanding in place, or that will be in place after award should be described;

(2) Taken or will take specific steps to become active in the community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address a need/problem that is related to the activities the applicant proposes.

(3) Taken or will take specific steps to develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with:

(i) Other HUD-funded projects/ activities outside the scope of those covered by the Consolidated Plan;

(ii) Civil rights organizations;  
 (iii) Local Area Agency on Aging, if applicable;  
 (iv) Local agency serving persons with disabilities, if applicable;  
 (v) Local Weed and Seed task force, if the targeted development is located in a designated Weed and Seed area; and  
 (vi) Other Federal, State or locally funded activities, including those proposed or on-going in the community.  
 (vii) Local law enforcement agencies and the local United States Attorney.

#### (C) Application Evaluation.

Awards under this HOPE VI Program section of the SuperNOFA will be made through a selection process that will award grants to the most meritorious applications.

##### (1) Revitalization Applications.

(a) HUD will preliminarily review, rate and rank each eligible application on the basis of the evaluation factors set forth in Section III(B) of this HOPE VI Program section of the SuperNOFA, above, excluding Factor 3(8), which is specific to applications proposing revitalization of elderly housing.

(b) A final review panel will assess each of the applications advanced to final review and will assign the final scores. The final review panel will review the scores of all applications:

(i) Whose preliminary score is above a base score established by HUD. HUD intends to set the base scores so that applications requesting a total of approximately \$900 million are advanced to the final review stage.

(ii) That proposed revitalization activities at sites for which HOPE VI revitalization implementation applications were submitted to HUD in the FY 1997 HOPE VI revitalization competition but were not selected for funding.

(c) HUD will select for funding the most highly-rated eligible applications up to available funding, except that HUD, in its discretion, may choose to select a lower-rated approvable application over a higher-rated application in order to increase the level of national geographic diversity of applications selected under this HOPE VI Program section of the SuperNOFA.

##### (2) Elderly Housing Grant Applications.

(a) HUD will preliminarily review, rate and rank each eligible application on the basis of the evaluation factors set forth in Section III(B), above, excluding Factor 3(9), which is specific to applications proposing revitalization of family housing.

(b) A final review panel will assess each application and will assign the final scores;

(c) HUD will select for funding the most highly-rated eligible applications up to available funding.

*(D) Notification of Funding Decisions.*

(1) In accordance with the HUD Reform Act, HUD may not notify applicants as to whether or not they have been selected to participate until the announcement of the selection of all recipients for this HOPE VI Program under this SuperNOFA. HUD will provide written notification to all applicants.

(2) HUD's notification of award to a selected applicant will constitute a preliminary approval by HUD subject to:

(a) The completion of a subsidy layering review pursuant to 24 CFR 941.10(b);

(b) The execution by HUD and the recipient of a Grant Agreement; and

(c) A HUD environmental review. Selection for participation (preliminary approval) does not constitute approval of the proposed site. Each preliminarily-selected PHA must assist HUD in complying with environmental review procedures, conducted by HUD in accordance with 24 CFR part 50. The PHA may not acquire, rehabilitate, convert, lease, repair, or construct a property, or commit HUD or local funds to these activities, until written approval is received from the appropriate HUD Environmental Clearance Officer in its area, certifying that the proposed activities have been approved and the PHA is released from all environmental conditions. The results of the environmental review may require that proposed activities be modified or the proposed site rejected.

*(E) Grant Agreement.*

Because the HOPE VI Program does not have Federal regulations, upon selection for funding, HUD and the recipient will execute a Grant Agreement setting forth the amount of the grant and applicable rules, terms, and conditions, including sanctions for violation of the agreement. The Grant Agreement will set forth the precise schedules of the HOPE VI Program, provide program requirements, describe requirements for implementation of the revitalization plan, and provide any special conditions on the Grantee, as applicable. Among other things, the Grant Agreement will provide that the recipient agrees to:

(1) Carry out the program in accordance with the provisions of this

NOFA, applicable law, the approved application, and all other applicable requirements, including requirements for mixed finance development, and section 202 of OCRA;

(2) Comply with such other terms and conditions, including recordkeeping and reports, as HUD may establish for the purposes of administering, monitoring, and evaluating the program in an effective and efficient manner, including full cooperation with HUD's program oversight contractor;

(3) Assemble a team to implement the HOPE VI Program that has a strong management and development track record and has the capability to commence and carry out a quality HOPE VI program. If the Grantee fails to make this demonstration to the satisfaction of HUD and its program oversight manager, HUD will direct corrective actions as a condition of retaining the grant;

(4) Execute a construction contract within 18 months (or a period specified in the Grant Agreement). Failure to obligate funds will result in the enforcement of default remedies up to and including withdrawal of funding; and

(5) Establish interim performance goals and complete the physical component of the HOPE VI revitalization within 48 months of execution of the grant agreement. The Secretary shall enforce this requirement through default remedies up to and including withdrawal of funding that the PHA has not obligated. HUD will take into consideration those delays caused by factors beyond the control of the Grantee when enforcing these schedules; and

(6) Execute an ACC Amendment for Mixed-Finance development.

*(F) Failure to Proceed*

In the event that an applicant selected to receive HOPE VI funding does not proceed in a manner consistent with its application, HUD may withdraw any unobligated balances of funding and make this funding available, subject to applicable law, in HUD's discretion, to the next highest ranked applicant that was not selected for funding in the most recently conducted HOPE VI selection process or combined with funding under an upcoming competitive selection process. Failure to proceed with respect to obligated funds will be governed by the terms of the Grant

Agreement or ACC amendment, as applicable.

**IV. Application Submission Requirements.**

Each HOPE VI revitalization application must conform to the requirements of the HOPE VI Revitalization Application Kit, both in format and content. In addition to the forms, certifications and assurances required by Section II of the General Section of this SuperNOFA, each application must include the following, as directed by the application kit:

(A) A description of existing conditions that describes the extent of need for the program funds requested;

(B) Revitalization Plan which describes all revitalization activities to be funded in the application and details how the proposed work will be accomplished;

(C) For Revitalization applications, a description of plans for resident Self-Sufficiency Programs, including plans for resident consultation and documentation of resident involvement in the planning process;

(D) For Elderly Housing grant applications, a description of plans for resident services, including plans for resident consultation and documentation of resident involvement in the planning process;

(E) A proposed Management Plan which describes the capacity of the applicant and partners to carry out the plan, and proposed management principles which will be implemented to support revitalization efforts;

(F) Documentation of program financing and resources;

(G) A description of any capital funds received by the PHA within the past five years for improvement of the project, including but not limited to Modernization funding under section 14 and MROP funding.

(H) A program schedule.

(I) A certification that at least one public meeting was held to notify residents and community members of the proposed activities described in the application.

**V. Corrections to Deficient Applications**

The General Section of this SuperNOFA provides the procedures for corrections to deficient applications.

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**DRUG ELIMINATION IN PUBLIC  
AND ASSISTED HOUSING PROGRAMS**

Public Housing Drug Elimination Program  
(Including Youth Sports Eligible Activities)

Public Housing Drug Elimination Program --  
New Approaches (Formerly Safe Neighborhood  
Grant Program)

Drug Elimination Grants for Multifamily  
Low Income Housing

Public Housing Drug Elimination Technical  
Assistance

### Funding Availability for the Public Housing Drug Elimination Program

*Program Description:* Approximately \$288,498,934 is available in FY 1998 for the Public Housing Drug Elimination Program (PHDEP). The PHDEP provides funds for public housing authorities and tribally designated housing entities to develop and finance drug and drug-related crime elimination efforts in their developments. Funds may be used for enhancing security within the developments, making physical improvements to improve security or developing and implementing prevention, intervention and treatment programs to help curtail the use of drugs in public and Indian housing. Approximately \$44.9 million in FY 1997 funds is available only for public and Indian housing authorities that have not already received an award of FY 1997 PHDEP funds.

*Application Due Date:* Completed applications (an original and two copies) must be submitted no later than 6:00 pm local time on June 15, 1998 at the address shown below. See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

*Address for Submitting Applications:* An original and two copies of the application must be received by the application due date at the local Field Office with delegated public or assisted housing responsibilities attention: Director, Office of Public or Assisted Housing, or, in the case of the Native American population, to the local HUD Administrator, Area Office of Native American Programs (AONAP), as appropriate.

#### *For Application Kits, Further Information, and Technical Assistance*

*For Application Kits.* For an application kit and any supplemental information, please call the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-483-2209, or, from the local HUD Field Office HUB with delegated housing responsibilities over an applying housing agency, or from the AONAPs with jurisdiction over the Tribally Designated Housing Entity preparing an application or by calling HUD's Drug Information and Strategy Clearinghouse (DISC) at 800-578-3472. When requesting an application kit, please refer to the Public Housing Drug Elimination Program (PHDEP). Please be sure to provide your name, address (including zip code, and telephone

number (including area code). The application kit contains information on all exhibits, forms, and certifications required for the PHDEP under this SuperNOFA.

*For Further Information and Technical Assistance.* For further information or technical assistance, please contact the local HUD Field Office HUB with delegated housing responsibilities over an applying housing agency, or from the AONAPs with jurisdiction over the Tribally Designated Housing Entity preparing an application or by calling HUD's Drug Information and Strategy Clearinghouse (DISC) at 800-578-3472.

#### *Additional Information*

##### **I. Authority; Purpose; Amount Allocated; and Eligibility**

###### *(A) Authority*

The Chapter 2, Subtitle C, Title V of the Anti-Drug Abuse Act of 1988 ((42 U.S.C. 11901 et. seq), as amended by section 581 of the National Affordable Housing Act of 1990 (Pub.L. 101-625, approved November 28, 1990) (NAHA), and section 161 of the Housing and Community Development Act of 1992 (Pub.L. 102-550, approved October 28, 1992) (HCDA 1992). The regulations for this program are found in 24 CFR part 761, Drug Elimination Programs.

###### *(B) Purpose*

HUD is making FY 1997 PHDEP funds available to public housing agencies (PHAs) and former Indian Housing Authorities (IHAs) (PHAs and IHAs are collectively referred to as HAs) that have not already received an award of FY 1997 PHDEP funds, and FY 1998 PHDEP funds available to PHAs and Tribally Designated Housing Entities (TDHEs) for use in eliminating drug-related crime. In FY 1998, HUD is not announcing a separate competition for the Youth Sports Program, although youth sports-type activities are eligible under "Programs to Reduce/Eliminate Drug Activities."

HUD strongly encourages housing agencies to work closely with law-enforcement agencies and target the drug elimination resources to improve safety and security in public and Indian housing communities. These resources shall be made available and leveraged with other resources focusing on violent crime and drug-related crime within public housing authorities through programs such as the Operation Safe Home Program and Operation Weed and Seed. Operation Weed and Seed, conducted through the Department of Justice, is a comprehensive multi-agency approach to combating violent

crime, drug use, and gang activity in high crime neighborhoods. Through Operation Weed and Seed, the approach is to "weed" out crime from targeted neighborhoods and then "seed" the sites with a wide range of crime and drug prevention programs.

HUD encourages grantees to establish collaborative relationships with, and increase over and above existing levels, the efforts of local municipal police departments and/or other law enforcement agencies, local social and/or religious organizations, and other public and private nonprofit organizations who provide community-wide services to offer substance abuse prevention, intervention, treatment, aftercare, education, assessment, and referral programs and services for residents of public housing. The applicants shall include "One Strike and You're Out" activities underway to ensure the broadest range of tools for making and maintaining a safe residential community.

###### *(C) Amount Allocated*

(1) *FY 1998 Funding.* FY 1998 HUD Appropriations Act appropriated \$310,000,000 for the Public Housing Drug Elimination Program. Of the total \$310,000,000 appropriated, approximately \$243,563,000 is being made available for Public Drug Elimination grants through this SuperNOFA.

(2) *FY 1997 Funding.* The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, (Pub.L. 104-204, approved September 26, 1996, (the FY 1997 HUD Appropriations Act) appropriated \$290 million for the Public Housing Drug Elimination Program to remain available until expended. Approximately \$250,649,052 was made available for competitive funding in a NOFA published on May 23, 1997 (62 FR 28538). HUD made 533 awards for a total of approximately \$205,714,118 under that FY 1997 NOFA.

In this SuperNOFA, approximately \$50 million of FY 1997 funds is being made available to housing authorities that did not receive an award under the May 23, 1997, PHDEP NOFA. Any housing authority that has already received an FY 1997 PHDEP award is not eligible to apply under this PHDEP notice for these FY 1997 funds. Housing authorities applying for FY 1997 PHDEP funding shall complete a separate proposal and budget and submit these documents in order to be considered for funding.

(3) *Maximum Grant Award Amounts.* HUD is distributing grant funds for



PHDEP under this SuperNOFA on a national competition basis. Maximum grant award amounts are computed for the Public Housing Drug Elimination Program on a sliding scale, using an overall maximum cap, depending upon the number of housing authority units.

(a) PHAs: The unit count includes rental, Turnkey III Homeownership and Section 23 leased housing bond-financed projects,

(b) IHAs and TDHEs: The unit count includes rental, Turnkey III and Mutual Help units which have not been conveyed to a homebuyer, and Section 23 lease housing bond-financed projects. Such units must be counted as Current Assisted Stock under the Indian Housing Block Grant Program.

Eligible units are those units which are under management, fully developed, and occupied. However, applicants should note that in determining the unit count for PHA-owned or Native American rental housing, a long-term vacancy unit, as defined in 990.102 or 24 CFR 950.102 (as revised May 1, 1996), is still included in the count. Applicants for Native American housing developments must certify that the targeted units were covered by an Annual Contributions Contract (ACC) on September 30, 1997. Eligible PHA projects must be covered by an ACC during the period of the grant award.

(c) *Minimum and Maximum FY 1998 grant awards.*

(i) For housing authorities and TDHEs with 1–1,250 units: the *minimum* grant award amount is \$50,000 or a *maximum* grant award cap of \$300.00 per unit;

(ii) For housing authorities and TDHEs with 1,251–24,999 units; the *maximum* grant award is a maximum grant award cap of \$260.00 per unit;

(iii) For housing authorities and TDHEs with 24,000–49,999 units the *maximum* grant award is a maximum grant cap of \$230.00 per unit; and

(iv) For housing authorities and TDHEs with 50,000 or more units; the *maximum* grant award is a maximum cap of \$200.00 per unit up to, but not to exceed, a *maximum* grant award of \$30 million.

(d) *Minimum and Maximum FY 1997 grant awards.*

(i) For HAs with 1–499 units: the maximum grant award amount is either \$50,000 or a grant award cap of \$500.00 per unit, whichever is greater;

(ii) For HAs with 500–1,249 units: the maximum grant award is either \$250,000 or a maximum grant award cap of \$300.00 per unit, whichever is greater;

(iii) For HAs with 1,250–49,999 units: the maximum grant award is either \$375,000 or a maximum grant award

cap of \$250,000 per unit, whichever is greater; and

(iv) For HAs with 50,000 or more units: the maximum grant award is \$200.00 per unit, not to exceed a maximum grant award of \$12 million.

*(D) Eligible Applicants.*

Eligible entities qualified to receive grants include for FY 1998 funding public housing agencies and Tribally Designated Housing Entities (TDHEs); and for FY 1997 funding, public housing agencies and Indian housing authorities. IHAs applying for FY 1997 funding must have been eligible to apply for funding as September 30, 1997 and continue to own and/or manage the targeted developments. Resident Management Corporations (RMCs) may continue to receive funding from housing authority grantees as sub-grantees, to develop security programs and substance abuse prevention programs involving site residents as they have in the past.

*(E) Eligible Activities*

The following is a listing of eligible activities under this program and guidance as to their parameters (the term TDHEs includes those IHAs applying for FY 1997 funding:

*(1) Physical Improvements to Enhance Security.*

(a) Physical improvements that are specifically designed to enhance security are permitted under this program. These improvements may include (but are not limited to) the installation of barriers, speed bumps, lighting systems, fences, surveillance equipment (e.g., Closed Circuit Television (CCTV), software, fax, cameras, monitors, components and supporting equipment) bolts, locks; and the landscaping or reconfiguration of common areas so as to discourage drug-related crime in the housing authorities and development(s) proposed for funding.

(b) An activity cost that is funded under any other HUD program, such as the modernization program at 24 CFR part 968, shall not also be funded by this program. Housing authorities are encouraged to fund physical security improvements under their approved modernization programs whenever possible since the PHDEP program is designed essentially to fund "soft" costs rather than "hard" costs. The applicant must demonstrate program compliance, accountability, financial and audit controls of PHDEP funds and prevent duplication of funding any activity. Housing authorities shall not co-mingle funds of HUD multiple programs such as: CIAP, CGP, OTAR, ED/SS, TOP,

IHBG, HOPE projects, Family Investment, Elderly Service Coordinator, and Operating Subsidy.

(c) Funding is not permitted for physical improvements that involve the demolition of any units in a development.

(d) Funding is not permitted for any physical improvements that would result in the displacement of persons.

(e) Funding is not permitted for the acquisition of real property.

(f) Funding is permitted for purchase or lease of house trailers used for eligible community policing, educational, employment, and youth activities.

(g) All physical improvements must also be accessible to persons with disabilities. For example, some types of locks, buzzer systems, etc. are not accessible to persons with limited strength or mobility or to persons who have hearing impairments, and should not be utilized. Accessible alternatives should be utilized. All physical improvements must meet the accessibility requirements of 24 CFR part 8.

*(2) Programs to Reduce/Eliminate the Use of Drugs (Prevention, Intervention, Treatment, Short/Long Range Structured Aftercare and Individual Support Systems).* Programs that reduce/eliminate drug-related crime "in and around" the premises of the housing authority/development(s), including substance abuse prevention, intervention, and referral programs, and programs of local social and/or religious and other organizations that provide treatment services [contractual or otherwise] for dependency/remission, and structured aftercare/support system programs, *are permitted* under this program.

The applicant must establish a confidentiality policy regarding medical and disability-related information. For purposes of this section, the goals of this program are best served by focusing resources directly upon housing authority residents and families. Successful strategies (best practices) have incorporated substance abuse prevention, intervention and treatment (dependency/remission and short and long term aftercare) activities into a "continuum of care" approach that assists persons that are using or are at-risk of using drugs and/or committing drug-related crime by providing alternative activities, such as education, training and employment development opportunities.

The applicant's goal must be to reduce/eliminate drug-related crime through a program designed to provide education, training and employment

opportunities for residents. Such programs create a prime opportunity for housing authorities to leverage resources and bring additional Federal, State, local and Tribal resources into the housing authority community. While housing authorities provide space and other infrastructure, other public or private agencies can provide staff and other resources with limited cost or no cost. Applicants are encouraged to use the PHDEP resources in this fashion.

A community-based approach requires a culturally appropriate strategy. Curricula, activities, and staff should address the cultural issues of the local community, which requires familiarity and facility with the language and cultural norms of the community. As applicable, this strategy should discuss cultural competencies associated with Hispanic, African-American, Asian, Native American or other racial or ethnic communities. Applicants are encouraged to develop a substance abuse/sobriety (remission)/treatment (dependency) strategy to facilitate substance abuse prevention, intervention, treatment, and structured aftercare efforts, that include outreach to community resources, youth activities, and that facilitate bringing these resources onto the premises, or providing resident referrals to treatment programs or transportation to outpatient treatment programs away from the premises.

*Funding Is Permitted* for reasonable, necessary and justified purchasing or leasing (whichever can be documented as the most cost effective) of vehicles for grant administration, resident youth and adult education, and training and employment opportunity activities directly related to reducing/eliminating drug-related crime. Based upon the current Diagnostic and Statistical Manual (DSM) of Mental Disorders of the American Psychiatric Association dated May 1994, as it applies to substance abuse, dependency and structured aftercare, related activities and programs *are eligible* for funding under this program. For additional information regarding the DSM Manual contact APPI, 1400 K. Street, NW, Suite 1100, Washington, DC 20005 on 1 (800) 368-5777 or World Wide Web site at <http://www.appi.org>.

*Funding Is Permitted* for reasonable, necessary and justified program costs, such as meals, beverages and transportation, incurred only for training, education and employment activities, as set forth in OMB Circular A-87, directly related to reducing/eliminating drug-related crime.

(a) *Prevention*. Prevention programs that will be considered for funding

under this notice should provide a comprehensive prevention approach for the housing authority resident(s) that addresses the individual resident and his or her relationship to family, peers, and the community and that reduces/eliminates drug-related crime. Prevention programs should include activities designed to identify and change the factors present in housing authorities that lead to drug-related crime, and thereby lower the risk of drug usage. Many components of a comprehensive approach, such as refusal and restraint skills training programs or drug, substance abuse/dependency, and family counseling, may already be available in the community of the applicant's housing developments.

(i) *Educational Opportunities*. Providing young people with the working knowledge and skills they need to reject illegal drugs has been identified by the Office of National Drug Control Policy as one of the top five goals and objectives to address in its 10-Year Strategy Commitment. The causes and effects of illegal drug/substance abuse must be discussed in a culturally appropriate and structured setting. Grantees may contract (in accordance with 24 CFR 85.36) with professionals to provide such knowledge and skills with training programs or workshops. The professionals contracted to provide these services shall be required to base their services upon the needs assessment and program plan of the grantee. These educational opportunities may be a part of resident meetings, youth activities, or other gatherings of public and Indian housing residents.

(ii) *Family and Other Support Services*. For purposes of this section, the term "supportive services" means services to provide housing authority families with access to prevention, educational and employment opportunities, such as: child care; employment training; computer skills training; remedial education; substance abuse counseling; assistance in the attainment of certification of high school equivalency; and other services to reduce drug-related crime. In addition, substance abuse and other prevention programs must demonstrate that they will provide directly, or otherwise make available, services designed to distribute substance/drug education information, to foster effective parenting skills, and to provide referrals for treatment and other available support services in the housing development or the community for housing authority families.

(iii) *Adult and Youth Services*. Prevention programs must demonstrate that they have included groups composed of young people as a part of their prevention programs. These groups should be coordinated by adults with the active participation of youth to organize youth leadership, sports, recreational, cultural and other activities involving housing authority youth. The dissemination of information designed to reduce drug-related crime, such as prevention programs, employment opportunities; employment training; literacy training; computer skills training; remedial education; substance abuse and dependency/remission counseling; assistance in the attainment of certification of high school equivalency; and other appropriate services and the development of peer leadership skills and other prevention activities must be a component of youth services.

(iv) *Economic and Educational Opportunities for Resident Adult and Youth Activities*. Prevention programs must demonstrate a capacity to provide housing authority residents the opportunities for interaction with, or referral to, established higher education or vocational institutions with the goal of developing or building on the residents' skills to pursue educational, vocational and economic goals. Programs such as computer learning centers for both adults and youth, employment service centers coordinated with Federal, Tribal, State and local employment offices, and micro-business centers *are eligible* under this program.

The application should demonstrate that the proposed activities will provide housing authority residents the opportunity to interact with private sector businesses in their immediate and surrounding communities for the same desired goals. Economic and educational opportunities for residents and youth activities should be discussed in the context of "welfare to work" and related Federal, Tribal, State and local government efforts for employment training, education and employment opportunities related to "welfare to work" goals.

Limited educational scholarships *are permitted* under this section. No one individual award may exceed \$500.00, and there is a total maximum scholarship program cap of \$25,000. Educational scholarship FY 1997 PHDEP funds must be obligated and expended during the term of the grant. The applicant must demonstrate in its plan and timetable the scholarship strategy; the financial and audit controls that will be used; and projected outcomes. Student financial assistance