



# Federal Register

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**Tuesday,  
April 11, 2006**

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**Part IV**

## **Department of Housing and Urban Development**

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

**DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated: April 3, 2006.

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

**BILLING CODE 4210-01-P**

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**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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

**NOFAS FOR THE**

**HOPE VI REVITALIZATION GRANTS  
PROGRAM AND**

**HOPE VI MAIN STREET GRANTS  
PROGRAM**

## Overview Information

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

B. *Funding Opportunity Title.* HOPE VI Main Street Grants.

C. *Announcement Type.* Initial announcement.

D. *Funding Opportunity Number.* The **Federal Register** number for this NOFA is: FR-5059-N-01. The Office of Management and Budget (OMB) paperwork approval number for this program is 2577-0208.

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

F. *Dates.*

1. *Application Submission Date.* The application deadline date is July 10, 2006. Applications must be received and validated Grants.gov by 11:59:59 p.m. on the application deadline date. See the General Section for application submission and timely receipt requirements.

2. *Estimated Grant Award Date.* The estimated award date will be June 12, 2006.

G. *Electronic Application Submission.* Applications for this NOFA must be submitted electronically through <http://www.grants.gov>. The applicant must be fully registered completing the five step registration process for new applicants or if you have previously submitted an application for assistance with Grants.gov, ensuring that the registration in the Central Contractor Registry is updated. See HUD's **Federal Register** Notice published on December 9, 2005 entitled "Notice of Opportunity to Register Early for Electronic Submission of Grant and HUD's registration brochure entitled "Step By Step: Your Guide to Registering for Grant Opportunities, Information for Applicants and Grantees. Submission validation by grants.gov may take 24-48 hours so when submitting your application please take these time frames into account. HUD recommends early submission so that if your application is rejected you will have to make the correction and resubmit prior to the deadline date. See "Other Submission Requirements," Section IV.F. of this NOFA and the General Section, and <http://www.grants.gov/GetStarted>.

## Full Text of Announcement

### II. Funding Opportunity Description

A. *Available Funds.* This NOFA announces the availability of

approximately \$2.5 million in Fiscal Year (FY) 2005 funds and approximately \$2.5 million in FY 2006 funds.

B. *Purpose of the Program.* The purpose of the HOPE VI Main Street program is to provide grants to small communities to assist in the rehabilitation and new construction of affordable housing in conjunction with an existing program to revitalize an historic or traditional central business district or "Main Street Area." The objectives of the program are to:

1. Redevelop Main Street Areas;
2. Preserve historic or traditional architecture or design features in Main Street Areas;
3. Enhance economic development efforts in Main Street Areas; and
4. Provide affordable housing in Main Street Areas.

C. *Statutory Authority.*

1. The program authority for the HOPE VI Main Street program is section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), as amended by section 535 of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, 112 Stat. 2461, approved October 21, 1998), as amended, and the HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003 (Pub. L. 108-186, 117 Stat. 2685, approved December 16, 2003).

2. The funding authority for the HOPE VI Main Street program is provided by the Consolidated Appropriations Act, 2005 (Pub. L. 108-447, approved December 8, 2005), under Title II, Public and Indian Housing, Revitalization of Severely Distressed Public Housing (Hope VI), and the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Pub. L. 109-115, approved November 30, 2005), under Revitalization of Severely Distressed Public Housing (HOPE VI).

3. The HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003 states that, of the amount appropriated for the overall HOPE VI program for any fiscal year, the Secretary shall provide up to five percent for use only for the Main Street initiative. The statute amended section 24(n) of the Act, which now provides for grants to smaller communities, to provide assistance to carry out eligible affordable housing activities.

D. *Definition of Terms*

1. *Affordable Housing* means rental or homeownership dwelling units that:

- e. Are made available for initial occupancy to low-income families, with

a subset of units made available to very low- and extremely low-income families; and

f. Are subject to the same rules regarding occupant contribution toward rent or purchase, and terms of rental or purchase, as are public housing units in a HOPE VI development. Public housing rights and responsibilities vary among HOPE VI developments. HOPE VI public housing units use various mechanisms to set the resident portion of rent, resident job training or employment requirements, resident rights of return, and other occupancy issues.

2. *Applicant Team ("Team")* means the group of entities that will develop the Project. The Team includes the unit of local government that submits the application and, where applicable, the procured developer, the procured property manager, architects (including architects who are knowledgeable about universal design and section 504 accessible design requirements), construction contractors, attorneys, investment partners that comprise an owner entity, and other parties that may be involved in the development and management of the Project.

3. *Community and Supportive Services ("CSS")* means services to residents of the Project that may include, but are not limited to:

e. Homeownership counseling that is scheduled to begin promptly after grant award so that, to the maximum extent possible, qualified residents will be ready to purchase new homeownership units when they are completed;

f. Educational, life skills, job readiness and retention, employment training, and other activities as described on HUD's HOPE VI Web site at <http://www.hud.gov/offices/pih/programs/ph/hope6/css/>; and

g. Coordinating with fair housing groups to educate the Main Street Affordable Housing Project's targeted population on its fair housing rights.

4. *Firmly Committed* means that the amount of Match or Leverage resources, and their dedication to HOPE VI Main Street activities must be explicit, in writing, and signed by a person authorized to make the commitment.

5. *General Section* means the Notice of HUD's Fiscal Year 2006 Notice of Funding Availability Policy Requirements and General Section to the SuperNOFA for HUD's Discretionary Programs; Notice, Docket No. FR-FR-5030-N-01, published in the **Federal Register** on January 20, 2006.

6. *Homeownership Unit* means a housing unit that the Local Government makes available through a grant from this NOFA for purchase by low-income

families for use as their principal residence;

7. *Initial Occupancy Period* means the period of time that a rental unit is occupied by the initial low-income resident or the period of time that a homeownership unit is owned by the initial third-party, low-income purchaser. There is no set requirement for the length of this occupancy period.

8. *Jurisdiction* means the physical area under the supervision of the Local Government.

9. *Leverage* means non-HOPE VI funded donations of cash and in-kind services that are firmly committed to the development of the Main Street Affordable Housing Project (called Main Street Affordable Housing Project Leverage) or to the Main Street Area as a whole (called Main Street Area Leverage)

e. Leverage may include funds/in-kind services that are already expended, received but not expended, and *firmly committed* but not yet received.

f. Types of resources that may be counted include:

(1) Private mortgage-secured loans, Insured loans, and other debt;  
 (2) Housing trust funds;  
 (3) Net sales proceeds from a homeownership project that exceed the amount of HOPE VI funds used to develop the homeownership unit;  
 (4) Tax Increment Financing (TIF);  
 (5) Proceeds from Low-Income Housing Tax Credits (LIHTC), Historic Preservation Tax Credits, and Tax Exempt Bonds;

(6) Land Sale Proceeds. The value of land sale proceeds may be included as leverage only if this value is a sales proceed. Absent a sales transaction, the value of land will not be counted;

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

(8) In-Kind Services, including donations of:

(a) Property such as land (donations of land may be counted as leverage only if the donating entity owns the land to be donated), materials, supplies, a building, a lease on a building, and other infrastructure;

(b) Services such as Homeownership Counseling, other CSS and FSS resources (see "Definitions," Section I.D. of this NOFA for the definition of CSS), and time and services contributed by volunteers.

g. Leverage does NOT include, and HUD will not count:

(1) Staff time of either the Local Government applicant or the recognized developer entity; and

(2) Wages projected to be paid to residents through jobs that are provided by CSS partners.

10. *Local Government* means any city, county/parish, town, township, parish, village, or other general purpose political subdivision of a state; Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the District of Columbia and the Trust Territory of the Pacific Islands, or a general purpose political subdivision thereof; a combination of such political subdivisions that is recognized by the Secretary.

11. *Low-Income* means a family (resident) with an income equal to or less than 80 percent of median income for the local area, adjusted for family size, in accordance with section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than 80 percent because of prevailing construction costs or unusually high or low family incomes in the area. HUD prescribed income limits are stated at [http://www.huduser.org/datasets/il/IL05/Section8\\_IncomeLimits\\_2005.doc](http://www.huduser.org/datasets/il/IL05/Section8_IncomeLimits_2005.doc). Local area is defined as the non-metropolitan county/parish or Primary Metropolitan Statistical Area/Metropolitan Statistical Area (PMSA/MSA) or county/parish, as prescribed by HUD, in which the low-income family resides.

12. *Main Street Area* means an area designated by the applicant, that:

e. Is within the jurisdiction of the applicant; b. Has specific boundaries; f. Is or was;

(1) Traditionally the central business district and center for socio-economic interaction;

(2) Characterized by a cohesive core of historic and/or older commercial and mixed-use buildings, often interspersed with civic, religious, and residential buildings, which represent the community's architectural heritage;

(3) Typically arranged along a main street with intersecting side streets and public space; and

(4) Pedestrian-oriented.

13. *Main Street Affordable Housing Project ("Project")* is defined in "Program Requirements," Section III.C. of this NOFA.

14. *Main Street Rejuvenation Master Plan ("Main Street Plan")* is a document, or group of documents, that serves to guide the rejuvenation of a Main Street Area. It may be a formal, detailed declaration of intent, or an informal collection of records from various City, Chamber of Commerce, Main Street organization meetings, and portions of the applicant's city-wide Master Plan, that describes and demonstrates the Main Street rejuvenation effort's components, such as:

e. Design, promotion, and economic impact;

f. Broad community support;

g. Investment by both the public and private sectors;

h. Long-term planning and commitment by a local organization;

i. Active administration and implementation by the applicant, or by a locally recognized Main Street rejuvenation organization; and

j. Strong preservation element for historic or traditional architecture.

k. Main Street Plan documentation must comply with the minimum requirements stated in "Program Requirements," Section III.C. of this NOFA.

15. *Match* is cash or in-kind donations that:

e. Total at least five percent of the requested HOPE VI Main Street grant amount; and

f. Are from government or private-sector sources other than HOPE VI funding, including Community Development Block Grant Funds, which by statute are considered local money.

16. *Owner entity* is the legal entity that holds title to the real property that contains any affordable housing units developed through this NOFA.

17. *Person with disabilities* means a person who:

e. Has a condition defined as a disability in section 223 of the Social Security Act;

f. Has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act; or

g. Is determined to have a physical, mental, or emotional impairment which:

(1) Is expected to be of long-continued and indefinite duration;  
 (2) Substantially impedes his or her ability to live independently; and  
 (3) Is of such a nature that such ability could be improved by more suitable housing conditions.

h. The term "person with disabilities" may include persons who have acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS. In addition, no individual shall be considered a person with disabilities, for purposes of eligibility for low-income housing, based solely on any drug or alcohol dependence.

i. The definition provided above for persons with disabilities is the proper definition for determining program qualifications. However, the definition of a person with disabilities contained in section 504 of the Rehabilitation Act of 1973 and its implementing regulations must be used for purposes of reasonable accommodations.

18. *Program* means the HOPE VI Main Street Program.

19. *Recognized Developer* means the Local Government applicant or a legal entity that has an agreement with the Local Government applicant to seek financing for, rehabilitate and/or construct housing units, and to provide Community and Supportive Services (if required), for a HOPE VI Main Street grantee.

e. For a non-complex development, the applicant may choose not to use a developer, and instead directly procure a design/build construction contractor and accountant.

20. *Site Control* means the Local Government applicant, or its developer, has the legal authority to commit the owner of the property to the rehabilitation to be performed with HOPE VI Main Street grant funds. Some examples of site control are:

e. The local government owns the property outright;

f. The private owner of the property and the applicant have signed a developer agreement and the private owner is the developer;

g. The government- or private-owner has signed a developer agreement with a separate developer and the agreement gives the developer control;

h. The applicant or developer has an option to purchase the property that covers a time period sufficient to obtain grant funds for purchase (at least 180 days after award), and is contingent only upon: (1) Receipt of a grant from this NOFA; and (2) satisfactory compliance with this NOFA's environmental review requirements;

i. An owner-entity partnership was formed between the original owner and the applicant or the developer (or both) and possibly a third-party investor (Tax Credits) and the developer is the General Partner; etc.

21. *Unit of Local Government*: See "Local Government" under this section.

22. *Very Low-Income Family* means a family (resident) with an income equal to or less than 50 percent of median income for the local area, adjusted for family size, in accordance with section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than 50 percent because of prevailing construction costs or unusually high or low family incomes in the area. HUD prescribed income limits are stated at [http://www.huduser.org/datasets/il/IL05/Section8\\_IncomeLimits\\_2005.doc](http://www.huduser.org/datasets/il/IL05/Section8_IncomeLimits_2005.doc). Local area is defined as the PMSA/MSA or nonmetropolitan county/parish, as prescribed by HUD, in which the low-income family resides.

E. *General Section Reference*. The subsection entitled "Funding Opportunity Description" in Section I. of the General Section is hereby incorporated by reference.

### III. Award Information

A. *Available Funds*. A total of \$5 million is available for funding. \$2.5 million is appropriated for FY 2005 and must be obligated before September 30, 2006; \$2.5 million is appropriated for FY 2006 and must be obligated before September 30, 2007.

B. *Number of Awards*. This NOFA will result in approximately 10 awards.

C. *Range of Amounts of Each Award*. Each applicant may request up to \$500,000.

D. *Start Date, Period of Performance*. The term of the grants that result from this NOFA will start on the date that the grant award document is signed by HUD and will continue for 30 months thereafter.

E. *Type of Instrument*. Grant Agreement.

F. *Supplementation*. Grants resulting from this NOFA do not supplement other HOPE VI grants.

### IV. Eligibility Information

A. *Eligible Applicants*. Eligible applicants include, and are limited to, Local Governments, as defined in Section I.D. of this NOFA and section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302). The Local Government must:

1. Have an active Main Street rejuvenation effort within its jurisdiction;

2. Have a population of 50,000 or fewer; and

3. Not be served by a Local Government, county/parish, regional or state public housing agency (PHA) that administers more than 100 public housing units, provided that more than 100 of those units are within the Local Government applicant's jurisdiction. For example, if a Local Government is served by a county PHA that administers 180 public housing units (excluding section 8), and 90 of those units are located within the jurisdiction of the Local Government, then the Local Government is eligible to apply. On the other hand, if a Local Government is served by a county PHA that administers 180 public housing units (excluding section 8), and 103 of those units are located within the jurisdiction of the Local Government, then the Local Government is NOT eligible to apply.

B. *Cost Sharing or Match*.

1. *Match*. HUD is required by the Quality Housing and Work Responsibility Act (42 U.S.C.

1437v(c)(1)(A)) to include the requirement for matching funds for all HOPE VI-related grants. Applicants must provide matching funds in the amount of five percent of the requested grant amount from sources other than HUD HOPE VI funds. Match sources may include other federal sources, Community Development Block Grant (CDBG) funds (which are statutorily considered local funds), any state or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services provided. The match may include funds already spent on, or funds committed to, the Main Street Affordable Housing Project, provided that they were or shall be used only for carrying out eligible affordable housing activities.

e. Match donations must be *firmly committed*. "Firmly committed" means that the amount of match resources and their dedication to Main Street-related affordable housing activities must be explicit, in writing, and signed by a person authorized to make the commitment. The commitment must be in place at the time of award.

f. The applicant may propose to use the applicant's own funds to meet the match requirement, provided that the match funds do not originate from HOPE VI funds.

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

h. See Section IV.B. of this NOFA for the requirements for documentation of match resources.

C. *Other*.

1. *Eligible Uses of Grant Funds*. Main Street grant funds may be expended on the following activities:

e. New construction and rehabilitation of Main Street-related affordable rental and homeownership housing;

f. Architectural and Engineering activities, surveys, permits, and other planning and implementation costs related to the construction and rehabilitation of Main Street-related affordable housing;

g. Tax credit syndication costs;

h. Funding of moving expenses for low-income residents displaced as a result of construction or rehabilitation of the Project, in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and Handbook CPD 02-08, Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of

1970 (URA), as amended in HOPE VI Projects;

i. Management improvements necessary for the proper development and management of Main Street-related affordable housing, similar to and including, but not limited to:

(1) Staff training (including travel) related to affordable housing development and management and public housing property management;

(2) Staff time and materials or contractor services to revise or develop:

(a) Procedure manuals;

(b) Accounting systems, excluding accounting services;

(c) Lease documents;

(d) Resident screening procedures;

and

(e) Data processing systems.

j. *Leveraging non-HOPE VI funds and in-kind services.* See the definition of "Leverage" in Section I.D. of this NOFA;

k. *Community and Supportive Services.* See Funding Restrictions in Section IV.E. of this NOFA.

## 2. Thresholds.

e. *Match.* Applicants must provide matching funds in the amount of five percent of the requested grant amount from sources other than HUD HOPE VI funds. See, "Cost Sharing or Match," Section III.B. of this NOFA. If the applicant does not demonstrate that there will be matching funds of at least five percent (5%) of the requested grant amount, the application will not be eligible for funding through this NOFA.

f. *Main Street Area.* The applicant must have within its jurisdiction a Main Street Area. See Section I.D. of this NOFA for the definition of a Main Street Area. If the applicant's jurisdiction does not have a Main Street Area, the application will not be eligible for funding through this NOFA.

g. *Prior Existence of Main Street Rejuvenation Master Plan.* The Main Street Plan must have been in existence prior to the publication date of this NOFA, that is, the Main Street Plan must demonstrate that, prior to this date, written documentation existed that fulfilled the definition of a Main Street Plan as defined in Section I.D. of this NOFA. If the applicant's Main Street Rejuvenation Master Plan was not in existence before the publication date of this NOFA, the application will not be eligible for funding through this NOFA.

h. *Main Street Affordable Housing Project ("Project").* The targeted affordable housing project must conform to this NOFA's requirements for a Main Street Affordable Housing Project, as defined in "Program Requirements," Section III.C. of this NOFA. If the targeted affordable housing project does not conform to this NOFA's

requirements of a project, the application will not be eligible for funding through this NOFA.

i. *Inclusion of Affordable Housing.* Affordable housing must have been included in the applicant's Main Street Plan on or before the application deadline date for this NOFA. If affordable housing was not included in the applicant's Main Street Plan on or before the application deadline date for this NOFA, the application will not be eligible for funding through this NOFA.

j. *Zoning.* Zoning for residential housing, or mixed-use zoning that includes residential housing, must be in place on all project sites on or before the application deadline date. If zoning for residential housing, or mixed-use zoning that includes residential housing, is not in place on all project sites on or before the application deadline date, the application will not be eligible for funding through this NOFA.

k. *Leverage for the Main Street Rejuvenation Effort.* The applicant must provide leverage funds/in-kind services that are firmly committed to the Main Street rejuvenation effort that is described in the Main Street Rejuvenation Master Plan. According to the authorizing statute, the targeted housing project must be part of an existing Main Street rejuvenation effort. Existence of Main Street leverage donations that are not connected to the targeted housing project helps to demonstrate that there is a wider-scaler rejuvenation effort in progress. These leverage funds/in-kind services must be from sources other than HUD HOPE VI funds, and the amount must be in excess of 50 percent of the requested grant amount.

(1) As explained in the above section, leverage for this threshold does not include, and HUD will not count, funds/in-kind services that are limited to use in the development of the affordable housing project that the applicant has targeted for this NOFA.

(2) See rejuvenation effort leverage documentation requirements for form HUD-52861, "HOPE VI Main Street Application Data Sheet," attached to this NOFA.

(3) If the applicant provides Main Street Area rejuvenation effort leverage funds/in-kind services of an amount less than 50 percent of the requested grant amount, the application will not be eligible for funding through this NOFA.

l. *One Main Street Area.* The applicant must only apply for assistance in support of one Main Street Area under this NOFA, that is, if the Local Government's jurisdiction includes two neighborhoods, each with a traditional

commercial/social center, the application must contain only one of those traditional commercial/social centers. However, the applicant's Main Street Affordable Housing Project may consist of several scattered sites within that one Main Street Area. If the applicant applies for assistance for more than one Main Street Area through this NOFA, the application will not be eligible for funding through this NOFA.

## m. Code of Conduct.

(1) The applicant must have developed and must maintain a written code of conduct (see 24 CFR 84.42 and 85.36(b)(3)). The applicant must provide, or have provided, documentation that demonstrates that it has a written code of conduct.

(2) If the applicant does not provide a copy of the code of conduct, and its implementation methodology, in the application, or is not listed by HUD as having already submitted such documentation, the application will not be eligible for funding through this NOFA.

(3) See "Threshold Documentation," Section IV.B. of this NOFA, and Section III.C. of the General Section.

n. The following sub-sections of Section III of the General Section are hereby incorporated by reference. The applicant must comply with each of the incorporated threshold requirements in order to be eligible for funding, including:

- (1) Ineligible Applicants;
- (2) Dun and Bradstreet Data Universal Numbering System (DUNS) Number Requirement;
- (3) Compliance with Fair Housing and Civil Rights Laws;
- (4) Conducting Business In Accordance with Core Values and Ethical Standards;
- (5) Delinquent Federal Debts;
- (6) Pre-Award Accounting System Surveys;
- (7) Name Check Review;
- (8) False Statements;
- (9) Prohibition Against Lobbying Activities; and
- (10) Debarment and Suspension.

## 3. Certification of Certain Thresholds.

e. *Certification by Application.* The SF-424, "Application for Federal Assistance," is the cover sheet to the application. By manually or electronically signing the SF-424, the applicant certifies that the following thresholds have been met:

(1) All Match resources included in the application are "firmly committed." See the definition of "firmly committed" in Section I.D. of this NOFA;

(2) The Main Street Rejuvenation Master Plan that is included as part of

this application existed prior to the publication date of this NOFA;

(3) The Main Street Plan contained affordable housing prior to the application deadline date of this NOFA;

(4) All project sites have zoning that allows for residential development;

(5) All leverage resources included in the application are "firmly committed." See the definition of "firmly committed" in Section I.D. of this NOFA;

(6) Historic preservation requirements in section 106 of the *National Historic Preservation Act of 1966 (NHPA)* will be fulfilled, where applicable;

(7) Environmental requirements stated in the NOFA will be fulfilled;

(8) Building standards stated in the NOFA will be fulfilled;

(9) Relocation requirements under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) will be fulfilled; and

(10) Fair Housing, Civil Rights, and section 3 requirements will be followed and fulfilled.

*f. Information for the Applicant's Certifying Official.*

(1) Application documentation that is included for the sole purpose of supporting certified thresholds is not necessary, and will not improve the applicant's chances of receiving a grant through this NOFA.

(2) Because of other NOFA requirements, the applicant may already have included documentation in the application that happens to also support a certified threshold. For example, the applicant includes the Main Street Plan to respond to the Rating Factors. It also contains documentation that is related to several thresholds.

(3) For the benefit of the applicant's certifying official, this information will help prevent accidental misrepresentation by providing evidence that these thresholds have been met. For the applicant certifying official's further benefit, viewing of documents similar to the following may help prevent accidental misrepresentation of certifications for thresholds with no related application documentation:

(a) *Main Street Plan Existence.* Any document dated prior to the publication of this NOFA that demonstrates the applicant intended to rejuvenate a Main Street Area, or the applicant acknowledged that a local Main Street organization intended to rejuvenate a Main Street Area;

(b) *Inclusion of Affordable Housing.* Documentation in the Main Street Plan that demonstrates that the concept of including development of affordable housing in the Main Street commercial

area is included in the rejuvenation strategy;

(c) *Zoning.* Zoning approvals or a certification from the appropriate local official documenting that all required zoning approvals have been secured; and

(d) *Main Street Area Leverage.* Main Street Area leverage may include, but is not limited to, any public or private sector salaries paid for Main Street related services or physical improvements made to the Main Street Area, such as the cost of developing a Main Street Plan, salaries of people promoting the Main Street Plan, building construction or rehabilitation, site or infrastructure improvements, etc. Documentation of these expenditures may include, but is not limited to: Tax returns, typical accounting ledgers kept by the Local Government applicant, non-profit organization or private property owners; reports to government agencies; and summary reports or other publications produced by interested parties. Leverage includes past expenditures, current cash-on-hand, and letters of commitment for future cash/in-kind services to be donated to the Main Street Area rejuvenation effort.

*4. Program Requirements.*

*e. Main Street Area Recognition by HUD.* The applicant must have, within the applicant's jurisdiction, a HUD-recognized Main Street Area rejuvenation effort that involves affordable housing. In order to be recognized by HUD, a Main Street Area rejuvenation effort must:

(1) Be located within a definable Main Street Area (See Section I.D. of this NOFA);

(2) Have as its purpose the rejuvenation or redevelopment of a historic or traditional commercial area;

(3) Involve investment or other participation by both the local government and locally located private entities;

(4) Comply with historic preservation requirements as directed by the cognizant State Historic Preservation Officer ("SHPO") or, if such historic preservation requirements are not applicable, to preserve significant traditional, architectural, and design features in the project structures or Main Street Area; and

(5) Have been described in a Main Street Plan that existed prior to the publication date of this NOFA.

*f. Main Street Affordable Housing Project (Project).* The "Main Street Affordable Housing Project" is the collection of affordable housing units that are rejuvenated or developed in the Main Street Area using funds obtained through this NOFA. The project must:

(1) Involve the construction or rehabilitation of affordable housing units. The number of units that will be developed through this NOFA must at least equal the number of units stated in form HUD-52861, "HOPE VI Main Street Application Data Sheet," on the "Unit Mix and Accessibility Summary, Post-Revitalization" page.

(2) Be located within the boundaries of the applicant's Main Street Area;

(3) Be located within the jurisdiction of the applicant; and

(4) Have been included as part of a Main Street Rejuvenation Master Plan before the application deadline date of this NOFA; and

(5) Be constructed in accordance with Building and Fair Housing standards stated in this Section III.C., including Universal Design and Accessibility standards.

*g. Main Street Plan.* The Main Street Rejuvenation Master Plan must, at a minimum:

(1) Currently or in the past, have an architect, land planner, or qualified planning professional involved in Plan preparation. Participation as a principal preparer or an advisor, in any part of its preparation, is acceptable. This professional may be, or may have been, employed by the applicant, been on the applicant's Team, or been an independent third party. This professional should have knowledge of universal design and section 504 accessible design requirements;

(2) Describe the proposed Main Street Area rejuvenation strategies and actions;

(3) Include the development of affordable housing;

(4) Include a map that indicates the Main Street Area and the Main Street Affordable Housing Project site(s); and

(5) Include a list of sites where affordable housing will be rehabilitated or developed. The list of sites must have been included in the Main Street Plan on or before the application deadline date.

(6) Include promotion and marketing.

(a) Affirmative fair housing marketing should be included in the listing of affordable housing promotion and marketing activities. For affirmative fair housing marketing, the applicant should identify the population least likely to apply for affordable housing developed through this NOFA before commencing with marketing for that housing."

*h. Requirements During the Initial Occupancy Period.*

(1) Initial residents of affordable rental units and initial resident purchasers of affordable homeownership units must be subject to the same rules regarding occupant contribution toward rent or purchase,

and terms of rental or purchase, as residents of public housing units in a HOPE VI development, i.e., site-based waiting lists, resident job or training requirements, and other occupancy requirements that are allowed under section 24 of the U.S. Housing Act of 1937 (1937 Act) may be applied to the units.

(2) The project owner entity is not required to develop most mandatory PHA documentation, e.g., the PHA Plans as described in 24 CFR part 903, etc. However, before the project is initially rented, the ownership entity must develop a written statement of its rent determination and occupancy policies.

(3) Public housing rental requirements that are contained in 24 CFR 903.7(d) and 24 CFR 903.7(f) are not mandatory, but may be used as examples for such policies.

i. *HOPE VI Homeownership.* The initial sale of an affordable homeownership unit to a third-party, low-income purchaser must take place in accordance with section 24 of the 1937 Act.

j. *Use Restrictions.* Project units must be maintained as affordable housing only for the period of initial rental occupancy or the initial resident's ownership. The applicant may elect to apply Use Restrictions for a longer period, or in excess, of this requirement.

k. *Leveraging Other Resources.* This NOFA states that each applicant must obtain non-HOPE VI leverage resources for use in the Main Street Affordable Housing Project (see "Match," Section III.B. and, "Rating Factor 4," Section V.A. of this NOFA) and, separately, for use in the Main Street Area effort as a whole (see "Thresholds," Section III.C. of this NOFA). Main Street grant funds may be used to maximize the amount of leverage, i.e., leveraged funds and in-kind services, that the applicant can obtain from sources other than the HOPE VI program. In this capacity, grant funds may be used: (1) To collateralize municipal bonds or private-sector loans for affordable housing uses; and (2) As affordable housing "seed money" to attract Main Street Affordable Housing Project or Main Street Area leverage.

(1) Uses of Leverage. Leverage funds and in-kind services may be used for eligible activities listed in "Eligible Uses of Grant Funds," Section III.C. of this NOFA and, in addition, for related activities may not be eligible uses of grant funds, but that are necessary for the development of the Main Street Affordable Housing Project. Such activities include, but are not limited to:

(a) For Main Street Affordable Housing Project Leverage:

(i) The acquisition of existing housing units that will become affordable housing, but do not require rehabilitation, including associated costs, such as appraisals, surveys, tax settlements, broker fees, and other closing costs;

(ii) Off-site site improvements that are contiguous to the site;

(iii) Demolition;

(iv) Restoration of the Main Street Affordable Housing Project facade when facade rehabilitation is not an integral part of the project's rehabilitation;

(v) Rehabilitation of retail space in the Main Street Affordable Housing Project, even if this rehabilitation is not an integral part of the rehabilitation of the rental areas of the Project;

(vi) Funding of Reserves, e.g., Initial Operating Reserve necessary for financial viability during the initial affordable housing occupancy period, Replacement Reserves, etc.;

(vii) Legal and administrative fees and costs directly related to the Main Street Affordable Housing Project;

(viii) Homeownership financial assistance, e.g., write-down of homeownership unit development costs and down payment assistance; and

(ix) Other uses that relate directly to the Main Street Affordable Housing Project.

(b) For Main Street Area Leverage:

(i) Rehabilitation of retail space;

(ii) Site improvements, e.g., repaving streets or upgrading streets or sidewalks with brick or cobblestone, adding "boulevard" islands, etc.;

(iii) Legal and administrative fees and costs; and

(iv) Other uses that do not relate directly to the Main Street Affordable Housing Project, but do relate to the Main Street Area rejuvenation effort described in the Main Street Plan.

1. *Transfer of Title for Tax Credits.*

The original owner entity of Main Street Affordable Housing Project properties may transfer title to, or commit to a long-term lease with, an owner entity partnership that includes the original owner, the applicant, an equity partner and, when appropriate, other partners, for the purpose of obtaining Low Income or Historic Tax Credit equity as a leverage resource. See Section IV.E. of this NOFA for limits on sale of real property.

m. Section 106 Historic Preservation Requirements. Grantees may not commit HUD funds until HUD has completed the historic preservation review and consultation process under section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470f) and its

implementing regulation, 36 CFR part 800, as applicable, in accordance with environmental review requirements under 24 CFR part 50. See <http://www.achp.gov/> for details on the section 106 review process.

n. *Environmental Requirements.*

(1) HUD's notification of award to a selected applicant constitutes a preliminary approval by HUD, subject to HUD's completion of an environmental review, of proposed sites in accordance with 24 CFR part 50. Selection for participation (preliminary approval) does not constitute approval of the proposed site(s).

(2) Your application constitutes a certification that you, the applicant, will supply HUD with all available, relevant information necessary for HUD to perform any environmental review required by 24 CFR part 50 for each property; will carry out mitigating measures required by HUD or, if mitigation is not feasible, select alternate eligible property; and will not acquire, rehabilitate, convert, demolish, lease, repair, or construct property, nor commit or expend HOPE VI, other HUD or other non-HUD funds for these program activities with respect to any eligible property, until you receive written HUD approval of the property.

(3) Each proposal will be subject to a HUD environmental review, in accordance with 24 CFR part 50, and the proposal may be modified or the proposed sites rejected as a result of that review.

(4) Phase I and Phase II Environmental Site Assessments. If you are selected for funding, you must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-05, as amended, for each affected site. The results of the Phase I assessment must be included in the documents that must be provided to HUD for the environmental review. If the Phase I assessment recognizes environmental concerns or if the results are inconclusive, a Phase II environmental site assessment will be required.

(5) Mitigating and remedial measures. You must carry out any mitigating/remedial measures required by HUD. If a remediation plan, where required, is not approved by HUD and a fully-funded contract with a qualified contractor licensed to perform the required type of remediation is not executed, HUD reserves the right to determine that the grant is in default.

(6) Your application constitutes a certification that there are not any environmental or public policy factors such as sewer moratoriums that would

preclude development in the requested Main Street Area.

(7) Note that environmental requirements for this NOFA are found in 24 CFR part 50, which requires HUD environmental approval. Please note that 24 CFR part 58, which allows State and local governments to assume Federal environmental responsibilities, is not applicable.

(8) HUD's Environmental Web site is located at <http://www.hud.gov/offices/cpd/energyenviron/environment/index.cfm>.

*o. Building Standards.*

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

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

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

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

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

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

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

(4) Energy Efficiency.

(a) New construction and rehabilitation that is started on or before September 30, 2006 must comply with HUD Minimum property standards, which incorporates by reference the Council of American Building Officials (CABO) Model Energy Code, 1992 edition. Construction of multifamily high-rises (having a height of four or more stories above grade) must comply with ASHRAE 90.1 1989. New construction and rehabilitation that is started after September 30, 2006 must comply with the 2003 International Energy Conservation Code (IECC 2003), which incorporates ASHRAE 90.1 2001 by reference for high-rise multifamily housing.

(i) IECC 2003 Administrative Guidance. IECC 2003 applies to all construction and rehabilitation of residential and commercial property. The standard contains exceptions that allow for its reasonable application to Main Street NOFA activities.

(A) IECC 2003 Section "101.2.2.3 Historic buildings. The provisions of this code \* \* \* shall not be mandatory for existing buildings or structures specifically identified and classified as historically significant by the state or local jurisdiction, listed in The National Register of Historic Places, or which have been determined to be eligible for such listing."

(B) IECC 2003 Section "101.2.3 Mixed occupancy. [For mixed-use buildings,] \* \* \* each portion of the building shall conform to the requirements for the occupancy housed therein. Buildings [with more than two housing units] with a height of four or more stories above grade shall be considered commercial buildings \* \* \* regardless of the number of floors that are classified as residential." That is, if there is a store in the building, that part of the building is considered commercial. The rest of the building would incorporate low-rise residential requirements.

(C) IECC 2003 Section "101.2.2.2 Additions, alterations or repairs. Additions [and rehabilitation of a building or portion of a building] \* \* \* shall conform to the provisions of this code \* \* \* without requiring the unaltered portion(s) of the existing

system to comply with all of the requirements of this code. Additions[or rehabilitation] shall not cause any one of the aforementioned and existing systems to become unsafe, hazardous or overloaded."

(b) Where local or State energy related building codes exceed the above standards, new construction and rehabilitation must comply with those local or State standards.

(c) In HOPE VI new construction and gut-rehabilitation, HUD encourages the applicant to set higher energy and water efficiency standards than the Model Energy Code contains. Such higher standards can achieve utility savings of 30 to 50 percent with minimal extra cost. To achieve higher levels of energy efficiency, development costs can be financed through leverage grants from non-HOPE VI sources, e.g., CDBG, HOME, Weatherization Assistance, Energy Star rebates, etc. Increased development costs are typically offset by reduced utility expenses.

(d) The applicant is encouraged to negotiate with its local utility company to obtain lower utility rates. Utility rates and tax laws vary widely throughout the country. In some areas, local governments are exempt or partially exempt from utility rate taxes. Some local governments have paid unnecessarily high utility rates because they were billed using an incorrect rate classification.

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

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

- (i) Geothermal heating and cooling;
- (ii) Placement of buildings and size of eaves that take advantage of the directions of the sun throughout the year;
- (iii) Photovoltaics (technologies that convert light into electrical power);
- (iv) Extra insulation;
- (v) Smart windows; and
- (vi) Energy Star appliances.

(5) Universal Design. HUD encourages the applicant to incorporate the principles of universal design in the construction or rehabilitation of housing, retail establishments, and community facilities, and when communicating with community residents at public meetings or events. Universal Design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for

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

(6) Energy Star. The Department of Housing and Urban Development has adopted a wide-ranging energy action plan for improving energy efficiency in all program areas. As a first step in implementing the energy plan, HUD, the Environmental Protection Agency (EPA) and the Department of Energy (DoE) have signed a partnership to promote energy efficiency in HUD's affordable housing efforts and programs. The purpose of the Energy Star partnership is to promote energy efficiency of the affordable housing stock, but also to help protect the environment. Applicants constructing, rehabilitating, or maintaining housing or community facilities are encouraged to promote energy efficiency in design and operations. They are urged especially to build to Energy Star qualifications and to purchase and use Energy Star-labeled products. Applicants providing housing assistance or counseling services are encouraged to promote Energy Star building to homebuyers and renters. Program activities can include developing Energy Star promotional and information materials, outreach to low- and moderate-income renters and buyers on the benefits and savings when using Energy Star products and appliances, and promoting the designation of community buildings and homes as Energy Star compliant. For further information about Energy Star, see <http://www.energystar.gov> or call 1-888 STAR-YES (1-888-782-7937) or for the hearing-impaired, 1-888-588-9920 TTY.

(7) All buildings must be in compliance with design and construction requirements of the Civil Rights Act of 1964, section 504 of the

Rehabilitation Act of 1973, and section 109 of the Housing and Community Development Act of 1974.

p. *Lead-Based Paint*. The applicant must comply with lead-based paint evaluation and reduction requirements as provided for under the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, *et seq.*), the EPA's Pre-Renovation Education Rule (40 CFR part 745, subpart E), HUD's Lead Safe Housing Rule (24 CFR part 35, subparts B-R), and the Lead Disclosure Rule (24 CFR part 35, subpart A), which regulates documents provided to pre-1978 housing owners regarding lead paint or hazard testing or lead hazard reduction activities, as they may be amended or revised from time to time. The applicant will be responsible for lead-based paint evaluation and reduction activities for housing constructed prior to 1978. The National Lead Information Hotline is 1-800-424-5323.

q. *Labor Standards*.

(1) If other federal programs are used in connection with the applicant's HOPE VI Main Street activities, Davis-Bacon requirements apply to the extent required by the other federal programs.

(2) If an applicant provides Main Street grant funds to a PHA to construct, rehabilitate, or otherwise assist affordable housing under this NOFA, Davis-Bacon wage rates will apply to laborers and mechanics (other than volunteers under 24 CFR part 70) employed in the development of such units, and HUD-determined wage rates will apply to laborers and mechanics (other than volunteers) employed in the operation of such units.

r. *Relocation Requirements*. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1979 (42 U.S.C. 4601-4655), implementing regulations at 49 CFR part 24, and "Handbook CPD 02-08, Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended in HOPE VI Projects" apply to anyone who is displaced as a result of acquisition, rehabilitation, or demolition due to a HUD-assisted activity.

s. *Fair Housing and Equal Opportunity Requirements*.

Fair Housing and Equal Opportunity requirements stated in Section III.C. of the General Section apply as referenced in this NOFA. In addition, the following requirement applies:

(1) Accessibility Requirements.

(a) All "multifamily" HOPE VI developments, defined as projects with more than five units, are subject to the accessibility requirements contained in several federal laws, as implemented in

24 CFR part 8. PIH Notice 2003-31, available at <http://www.hud.gov/offices/pih/publications/notices/>, and subsequent updates, provides an overview of all pertinent laws and implementing regulations pertaining to HOPE VI.

(b) Generally, for substantial rehabilitation of projects with more than 15 housing units, or new construction of a multifamily project, at least 5 percent of the units, or one unit, whichever is greater, must be accessible to persons with mobility impairments. An additional 2 percent, but not less than one unit, must be made accessible for persons with hearing or vision impairment.

See, in particular, 24 CFR 8.20 through 8.32.

(c) In addition, under the Fair Housing Act, all new construction of covered multifamily buildings must contain certain features of accessible and adaptable design. The relevant accessibility requirements are provided in HUD's FHEO Web site at <http://www.hud.gov/groups/fairhousing.cfm>. Units covered are all those in elevator buildings with four or more units and all ground floor units in buildings without elevators. See also "program accessibility" at <http://www.hud.gov/offices/fheo/disabilities/sect504faq.cfm#anchor263905>. This section is in addition to, and does not replace, other non-HUD accessibility requirements that the applicant local government may be subject to.

5. *General Section References*. The following subsections of Section III of the General Section are hereby incorporated by reference:

e. Additional Nondiscrimination and Other Requirements;

(1) Civil Rights Laws, including the Americans with Disabilities Act of 1990 (42 U.S.C. 1201 *et seq.*);

(2) The Age Discrimination Act of 1974 (42 U.S.C. 6101 *et seq.*); and

(3) Title IX of the Education Amendments Act of 1972 (20 U.S.C. 1681 *et seq.*)

f. Affirmatively Furthering Fair Housing;

g. Economic Opportunities for Low- and Very Low-Income Persons (Section 3);

h. Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses;

i. Relocation;

j. Executive Order 13166, Improving Access to Services for Persons With Limited English Proficiency (LEP);

k. Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations;

- l. Accessible Technology;
- m. Procurement of Recovered Materials;
- n. Participation in HUD-Sponsored Program Evaluation;
- o. Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects;
- p. Salary Limitation for Consultants;
- q. OMB Circulars and Government-wide Regulations Applicable to Financial Assistance Programs;
- r. Drug-Free Workplace; and
- s. Safeguarding Resident/Client Files.

#### IV. Application and Submission Information

*A. Addresses to Request Application Package:* This section describes how you may obtain application forms, additional information about the General Section of this NOFA, and technical assistance.

1. Copies of this published NOFA and related application forms may be downloaded from the grants.gov Web site at <http://www.grants.gov/FIND>. If you have difficulty accessing the information, you may receive customer support from grants.gov by calling the help line at (800) 518-GRANTS or by sending an email to [support@grants.gov](mailto:support@grants.gov). The operators will assist you in accessing the information. If you do not have Internet access and need to obtain a copy of this NOFA, you can contact HUD's NOFA Information Center toll-free at (800) HUD-8929. Persons with hearing or speech impairments may call toll-free at (800) HUD-22091.

2. The published **Federal Register** document is the official document that HUD uses to evaluate applications. Therefore, if there is a discrepancy between any materials published by HUD in its **Federal Register** publications and other information provided in paper copy, electronic copy, or at <http://www.grants.gov>, the **Federal Register** publication prevails. Please be sure to review the application submission against the requirements in the **Federal Register** file of this NOFA.

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

1. *Number of Applications Permitted.* Each applicant may submit only one application.

2. *Joint Applications.* Joint applications are not permitted. However, the applicant may enter into subcontract agreements with procured developers, other partners, nonprofit organizations, state governments, or other local governments to perform the

activities proposed under the application.

#### 3. General Format and Length of Application.

e. *Applicant Name.* The applicant's official name is the name that is submitted to grants.gov on the SF-424.

#### f. Electronic Format.

##### (1) General.

(a) Sections of the application are as listed in Section IV.B. of this NOFA.

(b) In accordance with instructions on grants.gov and in the General Section, section submissions may be submitted through PureEdge fill-in forms that are part of the grants.gov Application Package, in electronic files attached to the grants.gov Application Package, or (if the applicant encounters a problem submitting some part of the application electronically to grants.gov) via Facsimile. Note that applicants must use form HUD 96011, as the cover page to the facsimile and that applications submitted entirely by facsimile will not be accepted by HUD.

(c) More than one Section's submission may be combined in one file, provided that each Section's submission is clearly labeled and is separately identifiable by a HUD reviewer.

##### (2) File Names.

(a) The name of each submission file should include the information below so that a HUD reviewer will be able to identify it as part of the application:

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

(ii) The word "Narratives" or "Attachment," as applicable, and the Section letter(s) (A through U) that are included in the file, as listed in Section IV.B. of this NOFA;

(b) Examples of file names are, "Atlanta GA Narratives ABC.doc," and "New York NY Attachments KL.pdf"

##### (3) Narrative Files.

(a) Each narrative submission file must be formatted so it can be read by MS Word 2000 (.DOC).

(b) To be included in the application, each file must be entered into the grants.gov "Project Narrative Attachment Form" located in the Mandatory Documents area of the "Grant Application Package."

(i) After the form is open, enter your first file as the "Mandatory Project Narrative File. Add subsequent files, if any, as "Optional Project Narrative Files" by clicking on "Attach" in the Attachments window.

##### (4) Attachment Files.

(a) In the grants.gov Grant Application Package, certain form Attachments have been converted into PureEdge documents for completion by the

applicant on the screen. The applicant must simply fill these forms in and submit them. Other Attachments are part of grants.gov's Application Instructions. The following instructions apply to those Attachments.

(b) Each Attachment file must be formatted so it can be read by MS Word (.DOC), MS Excel (.XLS) or Adobe Acrobat (.PDF). See the General Section for format version specifications.

(c) Downloaded files, e.g., forms HUD-52861 and HUD-52825A, should be submitted in their original format.

(d) Existing and third-party documents, e.g., Main Street Plan, maps and drawings, should be submitted in Adobe Acrobat (PDF) format.

(e) You must complete these Attachments in stand-alone applications, such as MS Excel. To include these downloaded Attachments in the application, you must enter each Attachment's file into the grants.gov "Other Attachments Form," which is located in the Mandatory Documents area of the Grant Application Package.

(i) After the form is open, enter your first file as the "Mandatory Other Attachment." Add subsequent files, if any, as "Optional Other Attachments" by clicking on "Attach" in the Attachments window.

##### g. Maximum Length of Application.

There is no overall maximum application length. However, there are maximum page limits for specific parts of the application. Pages beyond the below listed limits will not be reviewed. Page limits are as follows:

(a) The Executive Summary is limited to a maximum of two pages;

(b) All of the Narrative Sections' responses together, including the Rating Factor responses, are limited to a maximum of 20 pages;

(c) The Program Schedule is limited to a maximum of one page;

(d) The Main Street Area Map, including identification of all project sites, is limited to a maximum of one page. The map must be approximately to scale and must be of sufficient quality to be legible at 11" x 17" printed size;

(e) Each different Main Street Affordable Housing Project unit layout is limited to a maximum of one page. One page may contain up to four layouts; and

(f) The Main Street Plan is limited to a maximum of 20 pages. In order to meet the size limitation, the applicant may submit only the portions of the Main Street Plan that pertain to the "Thresholds" and "Program Requirements," in Section III.C., and the Rating Factors in Section V.A. of this NOFA.

(g) The Evaluation Plan is limited to a maximum of three pages.

(h) Applicant Team Resumes are limited to a maximum of 5 pages. More than one resume may be placed on each page.

(2) Page Definition and Layout.

(a) A page is the electronic equivalent of an 8 1/2" x 11" paper page, with one inch top, bottom, left and right margins.

(b) For DOC files, a "page" contains a maximum of 23 double-spaced lines. The length of each line is limited to 6 1/2 inches. The font must be 12-point Times New Roman. Each page must be numbered. The page numbers may be within the bottom one inch of the page, beyond the 23 lines, e.g., in the footer area.

(c) Third-party and existing documents converted into PDF format may retain their original page layout. They must not be shrunk to fit more than one original page on each application page. To add page numbers to PDF files using Adobe Acrobat 6, click on Document; Add Headers & Footers; Footer; Align Right; Insert Page Number.

(d) Pages of HUD forms and certification formats furnished by HUD must remain as numbered by HUD.

*h. List of Application Sections and Related Documents.*

(1) Summary Information:

(a) Section A: Application for Federal Assistance, form SF-424;

(b) Section B: Executive Summary;

(2) Rating Factor Responses:

(a) Section C: Rating Factor 1, Capacity, Narrative Response;

(b) Section D: Rating Factor 3, Appropriateness of Main Street Plan;

(c) Section E: Rating Factor 4, Appropriateness of the Main Street Affordable Housing Project;

(d) Section F: Rating Factor 5, Program Administration and Fiscal Management;

(e) Section G: Rating Factor 6, Incentive Criteria on Regulatory Barrier Removal (information required by form HUD-27300);

(3) Attachments:

(a) Section H: Program Schedule;

(b) Section I: HOPE VI Main Street Application Data Sheet, form HUD-52861;

(c) Section J: HOPE VI Budget, form HUD-52825A;

(d) Section K: 5-Year Cash Flow Proforma;

(e) Section L: Map of Main Street Area;

(f) Section M: Housing Unit Layout;

(g) Section N: Main Street Rejuvenation Master Plan (Main Street Plan);

(h) Section O: America's Affordable Communities Initiative, form HUD-27300, and related documentation;

(i) Section P: Certification of Consistency with the RC/EZ/EC-II's Strategic Plan, form HUD-2990, if applicable;

(j) Section Q: Logic Model, form HUD-96010, including:

(i) Indicators, outcomes and related items obtained from the grants.gov Grant Application Package Logic Model drop-down menu, and

(ii) The grant Evaluation Plan;

(k) Section R: Code of Conduct (including distribution methodology);

(l) Section S: Applicant/Recipient Disclosure/Update Report, form HUD-2880, if applicable;

(m) Section T: Disclosure of Lobbying Activities, Standard Form LLL, if applicable; and

(n) Section U: Applicant Team Resumes.

4. *Threshold Documentation.*

e. *Code of Conduct.*

(1) The applicant must submit a copy of its code of conduct as part of the application if its code of conduct is not already on file with HUD. See 24 CFR 84.42 and 85.36(b)(3).

(2) Unless the applicant is listed on HUD's Web site at <http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm> and the information has not been revised, the applicant is required to submit:

(a) A copy of its code of conduct;

(b) A description of the methods it will use to ensure that all officers, employees, and agents of its organization are aware of its code of conduct; and

(c) The following information, as it is stated on the SF-424:

(i) DUNS;

(ii) EIN;

(iii) Applicant Legal Name;

(iv) Address (Street, P.O. Box, City, State, and Zip);

(d) Authorized Official's information (Name, Title, Phone, and e-mail)

(3) The code of conduct must prohibit real and apparent conflicts of interest that may arise among officers, employees, or agents; prohibit the solicitation and acceptance of gifts or gratuities by your officers, employees, or agents for their personal benefit in excess of minimal value; and outline administrative and disciplinary actions available to remedy violations of such standards.

(4) See the General Section, III.C., for more detailed information and instructions if the applicant needs to submit their code of conduct to HUD via facsimile.

5. *Summary and Attachment Documentation.*

e. *Executive Summary.*

(1) Provide an Executive Summary, not to exceed two pages. Describe your affordable housing plan. State whether: (1) You have procured (or will procure) a developer, (2) you will act as your own developer, or (3) you will not use a developer because your housing project is not complex enough to warrant one. Briefly describe:

(a) The type of housing, e.g., walk-up above retail space, detached house, etc.;

(b) The number of units and buildings;

(c) The specific plans for the Main Street Area that surrounds the Main Street Affordable Housing Project. Include income mix, basic features (such as restoration of streets), and a general description of mixed-use and non-housing Main Street rejuvenation components.

(d) The number of homeownership units in your proposal, if any;

(e) The amount of HOPE VI funds you are requesting. See Section IV.E. of this NOFA for funding limits; and

(f) A list of major non-HOPE VI funding sources for the Main Street Affordable Housing Project, if any.

f. *Program Schedule.* The application requires a Program Schedule for the applicant's Project. The Program Schedule must reflect the Reasonable Time-Frame and Development Proposal time requirements stated in Section VI.B. of this NOFA.

g. *HOPE VI Main Street Application Data Sheet, form HUD-52861, in MS Excel format (.XLS).*

(1) This form consists of several Excel worksheets. Each worksheet requires information that is necessary for the applicant to meet thresholds, obtain rating points, or determine the maximum grant amount. Instructions for completing the data worksheets are located in the left-hand worksheet, with the tab name, "Instructions." The worksheets should be completed from the left-most tab toward the right. In this way, the information that the applicant provides will automatically be inserted to the right into other worksheets as needed.

(2) Unit Mix. This worksheet will be HUD's primary source of information on the Main Street Affordable Housing Project's unit number and type. This information also feeds into the calculations for maximum grant amount.

(3) Construction Sources and Uses. This worksheet contains the planned costs and funding resources that will exist during the construction period. That is, if a construction loan will be obtained, it would be included here along with other financing that will be

expended during the construction period, including grant funds used in construction. A permanent mortgage would not be included here.

(4) Permanent Sources and Uses. This worksheet contains the planned costs and long-term financing that will be used to develop the Main Street Affordable Housing Project. Tax credit equity, permanent mortgages, grant funds that will be used in construction, rent-up, developer fee, etc., would be included here.

(5) TDC. The maximum amount of the grant must be based on HUD's Total Development Cost per unit developed. The applicant must choose an applicable city and state. HUD developed TDCs for larger cities, metropolitan statistical areas and primary metropolitan statistical areas (MSA/PMSA), not for small, rural cities. Therefore, the applicant must determine which listed city or MSA/PMSA is most applicable to it.

(6) Match and Housing Resources. In order to meet HOPE VI's 5% Match, and to obtain rating points for Main Street Affordable Housing Project leverage, the applicant must enter funding sources, amounts, the leverage and related information in this worksheet. If a source is not listed in this worksheet, the amount will not be included in HUD's review and rating. Allowable resources may be cash contributions or contributions of in-kind services THAT WILL BE EXPENDED ON THE MAIN STREET AFFORDABLE HOUSING PROJECT ONLY.

(7) Main Street Area Rejuvenation Effort Leverage Resources. In order to meet the 50% Main Street Area leverage threshold, the applicant must enter funding sources, amounts and related information in this worksheet. Allowable resources may be cash contributions or contributions of in-kind services that have been expended, or are committed to, the Main Street Area rejuvenation effort as a whole, EXCLUDING THE MAIN STREET AFFORDABLE HOUSING PROJECT. If a source is not listed in this worksheet, the amount will not be included in HUD's review and rating.

(8) For each of the applicant's Match and leverage resources, the applicant must include:

(i) The name of the entity providing the resource;

(ii) The name of a contact for the entity providing the resource that is familiar with the contribution toward this application;

(iii) The telephone number of a contact for the resource who is familiar with the contribution toward this application;

(iv) The leverage amount;

(v) Whether the leverage amount is cash or in-kind services; and

(vi) The period in which the leverage resource was expended or will be received, e.g., expended during 2005, or, for a future leverage resource, the period in which it will be furnished, e.g., over the next two years.

h. *HOPE VI Budget*. Enter the amount you are requesting through this NOFA. In "Part I: Summary," in the "PHA" space, enter the applicant's name as stated on the SF-424. Also complete the column entitled, "Revised Overall HOPE VI Budget for All Project Phases." It is not necessary to fill in the other columns. In "Part II: Supporting Pages," in the "PHA" space, enter the applicant's name as stated on the SF-424 and complete only columns 2 and 3.

i. *Cash Flow Proforma*. The applicant must include a five-year estimate of project income, expenses, and cash flow ("proforma") that shows that the project will be financially viable over the long term. In the proforma, the applicant should assume that the initial occupancy period is a minimum of two years. Note that initial funding of reserves with grant funds is NOT an allowable use of funds from this NOFA. Reserves may be funded through leverage resources. Viability must be shown for the entire project, i.e., all buildings that include affordable housing units that are partially or wholly funded with HOPE VI funds. The applicant may include one proforma for the entire project, or several proformas, broken out for the various portions of the project, as fits the circumstances best. For example, separate proformas may be included for:

(1) All buildings together;

(2) Separately for each building in the project; or

(3) Separately for each owner entity in the project.

j. *Map of Main Street Area*. The drawing must denote the boundaries of a Main Street Area and denote each housing site that is included in the applicant's project. The map should be grayscale for printing on a black-and-white printer. Boundaries and site(s) should be delineated with black lines. The boundaries may include streets, highways, railroad tracks, etc., and natural boundaries such as streams, hills, and ravines, etc.

k. *Housing Unit Layout*. The applicant must include one unit layout drawing for each of the different size and type affordable housing units that are planned. The drawings do not need to be blueprint quality, but should be approximately to scale. Up to four

layouts may be included on each page. The layouts should be in grayscale, for printing on a black-and-white printer.

l. *Main Street Rejuvenation Master Plan (Main Street Plan)*. The applicant's Main Street Rejuvenation Master Plan must address, at a minimum, the six subjects listed in "Main Street Rejuvenation Master Plan," in "Definitions," Section I.D. of this NOFA. The Main Street Plan should include amendments that occurred during the publication period of this NOFA, e.g., inclusion of affordable housing, Main Street Affordable Housing Project site address. It is not necessary to include a market analysis to demonstrate that affordable housing is needed in the Main Street Area. It is also not necessary to include nominations to the National Register of Historic Places (NRHP). The applicant may submit only the portions of the Main Street Plan that pertain to subjects that are listed in Section III.C. of this NOFA, under "Thresholds," "Program Requirements," and the Rating Factors in Section V.A. of this NOFA.

m. *America's Affordable Communities Initiative, form HUD-27300*. The applicant must complete and include this form, and accompanying documentation, in the application in order to receive rating points. See the General Section.

n. *Certification of Consistency with the RC/EZ/EC-II's Strategic Plan, form HUD-2990*. If the applicant is eligible for, and desires, this NOFA's RC/EZ/EC-II bonus points, the applicant must complete, sign, and include this certification form in the application in order to receive the rating points. The certification must also meet the requirements stated in the General Section.

o. *Logic Model*. The applicant must complete the form HUD-96010, "Logic Model," in accordance with the "Logic Model Instructions" part of the form and Section VI.B. of the General Section. The Logic Model is included in the "Application Instructions" of the application on grants.gov. The Logic Model has self-contained instructions for its use. HUD suggests that you read those instructions first and then complete the Logic Model, selecting the applicable responses for your proposed program from the drop down selections. After completing the Logic model, save it and attach it to your electronic application submission using the "Other Attachments Form" found in the Mandatory Documents block of the grants.gov Application Package.

6. *Rating Factor Format*. The narrative portion of the application includes the executive summary and all of the

applicant's responses to the Rating Factors. To ensure proper credit for information applicable to each Rating Factor, the applicant should include references to application Sections, as listed in Section IV.B. of this NOFA, and to pages of the Main Street Plan, as appropriate for Rating Factor responses. The applicant's Rating Factor responses should be as descriptive as possible, ensuring that every requested item is addressed. The applicant should make sure to include all information requested in this NOFA. Although information from all parts of the application will be taken into account in rating the various factors, if supporting information cannot be found by the reviewer, it cannot be used to support a factor's rating.

*7. Rating Factor Documentation.*

*e. References to the Main Street Rejuvenation Master Plan.*

(1) The purpose of referencing the Main Street Rejuvenation Master Plan is to decrease the amount of Rating Factor narrative that the applicant finds necessary to achieve its maximum rating. It is NOT necessary to repeat in the Rating Factor narratives the information that the applicant included in its Main Street Plan.

(2) Each reference to the Main Street Plan should be specific, including the page number of the Main Street Plan where the information can be found and a reference to identify its location on the page. More than one specific reference to the Main Street Plan may be included for any one subject or Rating Factor narrative.

*f. Team Experience and Key Personnel Knowledge.* Documentation that demonstrates knowledge and experience may include, but is not limited to:

(1) A list and short description of affordable housing projects that the members of the applicant's team have completed;

(2) A list and short description of contracts or grants completed by the members of the applicant's team for similar housing development or services;

(3) Third-party evaluation reports;

(4) Résumés of key personnel; and

(5) Other documentation showing knowledge and experience of affordable housing development or construction.

*g. Need for Affordable Housing.* It is not necessary for the applicant to include documentation for this Rating Factor in the application. HUD reviewers will derive the need for affordable housing is based on a comparison of HUD's Fair Market Rent (FMR) for the applicant's Primary Metropolitan Statistical Area/

Metropolitan Statistical Area ("PMSA/MSA") or nonmetropolitan county/parish and the maximum amount of rent that a very low-income family living in that PMSA/MSA or nonmetropolitan county/parish can afford to pay. In performing the comparison, HUD will compare the FMR for a three-bedroom unit to the rent that would be paid by a four-person very low-income family.

(1) PMSA/MSAs and nonmetropolitan counties/parishes are as listed in HUD's document titled "FY 2005 State List of Counties (and New England Towns) Identified by Metropolitan and Nonmetropolitan Status" at <http://www.huduser.org/datasets/il/IL05/Definitions05.doc>

(2) The FMRs are listed at [http://www.huduser.org/datasets/fmr/fmr2006F/FY2006F\\_SCHEDULE\\_B.doc](http://www.huduser.org/datasets/fmr/fmr2006F/FY2006F_SCHEDULE_B.doc)

h. The maximum, affordable very low-income rent is based on HUD's Income Limits, as listed at [http://www.huduser.org/datasets/il/IL05/Section8\\_IncomeLimits\\_2005.doc](http://www.huduser.org/datasets/il/IL05/Section8_IncomeLimits_2005.doc) for very low-income families. The initial occupant must not pay more in rent than a public housing resident at a HOPE VI development, which is 30% of one twelfth of the listed income limit for a very low-income family Readiness and Appropriateness of the Main Street Affordable Housing Project.

(1) *Site Control.* See the definition of Site Control in Section I.D. of this NOFA.

Section (3). A minimal Section (3) plan must include at least general methods that the applicant will use to comply with implementing regulations at 24 CFR part 135 and give job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns. A Section (3) plan that exceeds this may contain more specific information, e.g., goals by age group, types of jobs, and other opportunities to be furnished; plans for tracking and evaluation of goals. To include Logic Model Section (3) information in the Section (3) plan, the applicant should make reference to such information in the Section (3) Narrative.

i. Program Administration and Fiscal Management.

(1) Documentation that demonstrates program administration and fiscal management MUST include:

(a) A list of any findings issued or material weaknesses found by HUD or other federal or state agencies. A description of how the applicant addressed the findings and/or weaknesses. If no findings or material weaknesses were exposed or existed on or before the publication date of this

NOFA, include a statement to that effect in the narrative; and

(b) An Evaluation Plan. The plan should include the applicant's indicators, outcomes and evaluation methodology in prose format. The plan should include those indicators, outcomes, and methodologies included in the applicant completed Logic Model. The plan must include the methodology to be used to measure progress toward grant completion, and the return on investment (ROI) that the grant has achieved. The Evaluation Plan may contain indicators, outcomes and methodologies in addition to those stated in the Logic Model.

(2) Documentation that demonstrates program administration and fiscal management should include

(a) A description of the procurement system structure that the applicant has in place, including internal controls. Note that procurement system information will be included in the narrative page limit;

(b) A description of the fiscal management structure that the applicant has in place, including fiscal controls and internal controls;

(c) A summary of the results of the last available annual external, independent audit, including findings, if any;

(d) A description of the applicant's management control structure, including management roles and responsibilities and evidence that the applicant's management is results-oriented, e.g., existing production, rental, and maintenance goals.

j. *Incentive Criteria on Regulatory Barrier Removal.*

(1) The applicant must include the completed form HUD-27300 in the application, along with background documentation where required by the form, if it wants to receive up to 2 policy priority points for removal of barriers to affordable housing. See Section IV. of the General Section.

k. *RC/EZ/EC-II's.*

(1) To receive up to two bonus points for performing the NOFA activities in a RC/EZ/EC-II area, the applicant must complete, sign, and submit the "Certification of Consistency with RC/EZ/EC Strategic Plan" (form HUD-2990) as part of the application and meet the requirements of the General Section.

C. *Submission Dates and Times*

1. *Application deadline date.*

Electronic applications must be received and validated by Grants.gov by 11:59:59 p.m. eastern time on the application deadline of July 10, 2006. Paper copy applications submitted if a waiver to the electronic submission is granted, must be received by the application deadline

date of July 10, 2006. See the General Section.

2. *No Facsimiles or Videos.* HUD will not accept for review, evaluation, or funding, any entire application sent by facsimile (fax). However, third-party documents or other materials sent by facsimile in compliance with the instructions under Section IV. of the General Section, and that are received by the application deadline date will be accepted. Also, videos submitted as part of an application will not be viewed.

#### D. Intergovernmental Review

##### 1. Executive Order 12372,

*Intergovernmental Review of Federal Programs.* Executive Order 12372 was issued to foster intergovernmental partnership and strengthen federalism by relying on state and local processes for the coordination and review of Federal financial assistance and direct Federal development. HUD implementing regulations are published in 24 CFR part 52. The executive order allows each state to designate an entity to perform a state review function. The official listing of State Points of Contact (SPOCs) for this review process can be found at <http://www.whitehouse.gov/omb/grants/spoc.html>. States not listed on the website have chosen not to participate in the intergovernmental review process and, therefore, do not have a SPOC. If the applicant's state has a SPOC, the applicant should contact it to see if it is interested in reviewing the application prior to submission to HUD. The applicant should allow ample time for this review process when developing and submitting the applications. If the applicant's state does not have a SPOC, the applicant may send applications directly to HUD.

##### E. Funding Restrictions

1. Grant funds must only be used to provide assistance to carry out eligible affordable housing activities, as stated in Section III.C. of this NOFA.

2. HOPE VI funds may not be used to meet the Match requirement.

##### 3. Non-allowable Costs and Activities.

e. Grant funds awarded through this NOFA must not be expended on:

f. Total demolition of a building (including where a building foundation is retained);

g. Sale or lease of the Main Street Affordable Housing Project site (excluding lease or transfer of title for the purposes of obtaining tax credits, provided that the recipient owner entity of the title or lease includes the applicant, and excluding purchase of property for rehabilitation);

h. Funding of project reserves of any type;

i. Payment of the applicant's administrative costs;

j. Payment of any and all legal fees;

k. Development of public housing replacement units (defined as units that replace disposed of or demolished public housing);

l. Housing Choice Vouchers;

m. Transitional security activities;

n. Main Street technical assistance consultants or contracts; and

o. Costs incurred prior to grant award, including the cost of application preparation.

4. Main Street Affordable Housing Project Leverage. Excluding the Match amount, Main Street Affordable Housing Project Leverage resources may be used to fund non-allowable expenditures, provided that these expenditures support the development of affordable housing.

##### 5. Cost Controls

e. The total amount of HOPE VI funds expended shall not exceed the Total Development Cost ("TDC"), as published by HUD in NOTICE PIH 2005-26 (HA), "Public Housing Development Cost Limits," for the number of affordable housing units that will be developed through this NOFA. The TDC limits can be found at on HUD's HOPE VI Main Street Web site, <http://www.hud.gov/offices/pih/programs/ph/hope6/grants/mainstreet/> or at [http://www.hudclips.org/sub\\_nonhud/cgi/nph-brs.cgi?d=PIHN&s1=total+development+cost&op1=AND&l=100&SECT1=TXT&HITS&SECT5=HEHB&u=./hudclips.cgi&p=1&r=4&f=G](http://www.hudclips.org/sub_nonhud/cgi/nph-brs.cgi?d=PIHN&s1=total+development+cost&op1=AND&l=100&SECT1=TXT&HITS&SECT5=HEHB&u=./hudclips.cgi&p=1&r=4&f=G).

f. Cost Control Safe Harbors apply. Grantees must comply with HOPE VI Main Street Cost Control and Safe Harbor Standards as follows:

(1) Developer Fee Safe Harbor. The HOPE VI Main Street Safe Harbor for the developer fee is 9% or less of total Main Street Affordable Housing Project costs that are funded by grant funds or leverage funds included in the NOFA application (less the total amount of all reserve accounts and less the developer fee, itself.) The maximum developer fee is 12% of total Main Street Affordable Housing Project costs that are funded by grant funds or leverage funds included in the NOFA application. Any fee above the 9% safe harbor must be justified and approved by HUD in advance. Possible justifications for exceeding the 9% safe harbor include:

(a) Developer independently obtains project financing, including tax credits. The more sources of financing, the greater the justification for a higher developer fee;

(b) Developer obtains site control from an entity other than the Grantee. The more sites acquired the greater the justification for a higher developer fee;

(c) The project is complex (e.g., in financial, legal, environmental and/or political terms.)

(d) The developer bears more than 25% of the predevelopment costs;

(e) The developer fee is deferred or paid out of positive cash flow from the project;

(f) The developer guarantee(s) is for a large dollar amount in proportion to the project size and/or the guarantee(s) is for a long term.

(2) General Contractor Fee. The HOPE VI Main Street Safe Harbor for the general contractor fee is as follows:

(a) General Requirements: 6% of hard-costs (including contingency and bond premium);

(b) Overhead: 2% of hard-costs plus General Requirements;

(c) Profit: 6% of hard-costs, General Requirements and Overhead;

(d) The maximum Safe Harbor for these combined costs is 14%, unless adequate justification is provided to HUD.

6. *Community and Supportive Services ("CSS").* Furnishing CSS to residents is voluntary, except for homeownership counseling when the application includes development of homeownership units. If the applicant chooses to furnish CSS, expenditures are limited to 15 percent of the grant amount.

7. *Statutory time limit for award, obligation, and expenditure.*

e. The estimated award date will be 60 days after the application deadline date of July 10, 2006.

f. Funds available through this NOFA must be obligated on or before September 30, 2006.

g. In accordance with 31 U.S.C. 1552 (Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 935; Pub. L. 101-510, div. A, title XIV, Sec. 1405(a)(1), Nov. 5, 1990, 104 Stat. 1676.), all HOPE VI funds that were appropriated in FY 2005 must be expended by September 30, 2011, and all HOPE VI funds that were appropriated in FY 2006 must be expended by September 30, 2012. Any funds that are not expended by these dates will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose.

8. *Withdrawal of Funding.* If a grantee under this NOFA does not proceed within a reasonable time frame, HUD shall withdraw any grant amounts that have not been obligated. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for assistance.

9. *Transfer of Funds.* HUD has the discretion to transfer funds available

through this NOFA to any other HOPE VI program.

10. *Limitation on Eligible Expenditures.* Expenditures on services, equipment, and physical improvements must directly relate to project activities allowed under this NOFA.

11. *Pre-Award Activities.* Award funds shall not be used to reimburse pre-award expenses.

F. Other Submission Requirements.

1. Application Submission and Receipt Procedures. See Section IV.F. of the General Section.

2. Timely Receipt Requirements and Proof of Timely Submission.

e. *Electronic Submission.* All electronic applications must be received and verified by <http://www.grants.gov> by 11:59:59 p.m. eastern time on or before the deadline date established for this NOFA.

An electronic time stamp is generated within the system when the application is successfully received by grants.gov and again when the application is successfully validated by grants.gov. The applicant will receive an acknowledgement of receipt and a tracking number from grants.gov with the successful transmission of the application. Applicants should print these receipts and save them, along with facsimile receipts for information provided by fax, as proof of timely submission. When HUD successfully retrieves the application from grants.gov, HUD will provide an electronic acknowledgment of receipt to the e-mail address provided on the SF-424. Proof of Timely Submission shall be the date and time that grants.gov receives and validates your application submittal and the date HUD receives those portions of your application submitted by fax. All fax transmissions must be received by the application deadline date and time.

Applications received and validated by grants.gov, after the established due date for the program, will be considered late and will not be considered for funding by HUD. Similarly, applications will be considered late if information submitted by facsimile as part of the application is not received by HUD by the established deadline date and time. Please take into account the transmission time required for submitting your application via the Internet and the time required to submit any related documents via electronic facsimile. HUD suggests that applicants submit their applications early (see the General Section) and during the operating hours of the grants.gov Support Desk, so that if there are questions concerning transmission, operators will be available to walk you

through the process. Submitting your application during the Support Desk hours will also ensure that you have sufficient time for the application to complete its transmission prior to the application deadline and ask any questions should you have any concerns in trying to submit your application.

Applicants using dial-up connections should be aware that transmission should take some time before grants.gov receives it. Grants.gov will provide either an error or a successfully received transmission message. The grants.gov Support Desk reports that some applicants abort the transmission because they think that nothing is occurring during the transmission process. Please be patient and give the system time to process the application. Uploading and transmitting many files, particularly electronic forms with associated XML schemas, will take some time to be processed. However, applicants are advised to use the Internet Explorer or Netscape browsers for submitting the application as they have been tested on Grants.gov and have a proven track record. Applicants are also advised that applications that take 1 hour or more to upload may be timed out by their Internet Service provider. To avoid such issues applicants should zip their files to shrink the size of the transmissions and make sure that you are uploading the application from the desktop and other applications have been closed. Following these simple procedures will help speed the upload.

f. Applications Receiving Waivers to Submit a Paper Copy Application. See the Section IV. of the General Section. Applicants granted a waiver to the electronic submission requirement must be submitted in their entirety to the applicable HUD office by the application deadline date. Written notification of waiver approval will include information on mailing instructions and timely receipt of the application by HUD.

g. No Facsimiles of Entire Application. HUD will not accept fax transmissions from applicants who receive a waiver to submit a paper copy application. Paper applications must be complete and submitted, in their entirety, on or before the application deadline date.

3. *General Section References.* Section IV of the General Section is hereby incorporated by reference.

4. Forms. The following HUD standard forms are not required as part of the application for this NOFA:

e. Grant Application Detailed Budget (HUD-424-CB);

f. Grant Application Detailed Budget Worksheet (HUD-424-CBW);

## V. Application Review Information

### A. Selection Criteria (Rating Factors)

1. Rating Factor 1: Capacity (up to 30 points)

This factor addresses whether the Applicant Team has the capacity and organizational resources necessary to successfully implement the proposed activities within the grant period.

a. *Past Experience (up to 15 points).*

(1) The applicant will earn a maximum of 15 points if the applicant demonstrates that the applicant's team has extensive experience of affordable housing development and historic preservation requirements, and is on schedule in implementing the Main Street Plan, that is, the applicant's team has developed or rehabilitated more than 5 affordable housing projects and 3 NRHP or traditional architecture projects over the past three years.

(2) The applicant will earn a maximum of 10 points if the applicant demonstrates that the applicant's team has adequate experience of affordable housing development and historic preservation requirements, and is on schedule in implementing the Main Street Plan. That is, the applicant's team has developed or rehabilitated more than 2 affordable housing projects and 1 NRHP or traditional architecture projects over the past three years.

(3) The applicant will earn a maximum of 5 points if the applicant demonstrates that the applicant team has extensive experience, gained over the past three years, of affordable housing development and historic preservation requirements, but is behind schedule in implementing the Main Street Plan.

(4) The applicant will earn a maximum of 0 points if the applicant cannot demonstrate that its team has at least adequate experience of housing development and historic preservation requirements, whether implementation of the Main Street Plan is on schedule or not.

b. *Knowledge of Key Personnel (up to 10 points).*

(1) The applicant will earn a maximum of 10 points if the applicant demonstrates that its key personnel have extensive knowledge, gained over the past three years, of affordable housing development and historic preservation requirements.

(2) The applicant will earn a maximum of 5 points if the applicant demonstrates that the applicant team's key personnel have adequate knowledge, gained over the past three years, of affordable housing development and historic preservation requirements.

(3) The applicant will earn a maximum of 0 points if the applicant cannot demonstrate that its key personnel have at least adequate knowledge, gained over the past three years, of housing development and historic preservation requirements.

*c. Tracking and Reporting System for Production Milestones (up to 5 points).*

(1) The applicant will earn a maximum of 5 points if the applicant demonstrates that a tracking and reporting system for key production milestones has existed and has been in use continuously for the Main Street Area rejuvenation effort, and the applicant demonstrates how the tracking and reporting system will be used to implement a grant awarded through this NOFA.

(2) The applicant will earn a maximum of 3 points if a tracking and reporting system exists as of the application deadline date (i.e., was developed as a result of this NOFA), but has not been used on the Main Street Area rejuvenation effort, provided that the applicant demonstrates how it will be used to implement a grant awarded through this NOFA.

(3) The applicant will receive 0 points if:

(a) A tracking and reporting system does not exist; or

(b) The applicant does not demonstrate how one will be used to implement a grant awarded through this NOFA.

**2. Rating Factor 2: Need for Affordable Housing (up to 10 points)**

a. For the applicant's PMSA/MSA or nonmetropolitan county/parish, if the ratio of the maximum affordable rent for a 3-person very low-income family to the FMR of a 2-bedroom size unit (affordable rent divided by FMR) is equal to or less than 1.1, the applicant will receive 10 points. Affordable rent is 30% of the Income Limit for a very low-income family, divided by 12 (months per year).

b. For the applicant's PMSA/MSA or nonmetropolitan county/parish, if the ratio of the maximum affordable rent for a 3-person family to the FMR of a 2-bedroom size unit (affordable rent divided by FMR) is greater than 1.1, the applicant will receive 0 points. Affordable rent is 30% of the Income Limit for a very low-income family, divided by 12 (months per year).

**3. Rating Factor 3: Appropriateness of the Main Street Plan (up to 20 points)**

*a. Main Street Plan Requirements (up to 3 points).*

(1) The Main Street Plan should at a minimum:

(a) Have had an architect, land planner, or qualified planning professional involved in Plan preparation.

(b) Describe the proposed Main Street Rejuvenation redevelopment strategies;

(c) Describe the proposed Main Street Rejuvenation redevelopment actions;

(d) Include a map that indicates the Main Street Area and the Main Street Affordable Housing Project sites;

(e) Include a narrative that refers to the map and describes the various planned redevelopment actions; and

(f) Include a list of properties where affordable housing will be rehabilitated or developed. The list of properties must have been included in the Main Street Plan on or before the application deadline date. The properties must be described by lot/block number, street address, legal description, or other exact description.

**(2) Scoring:**

(a) The applicant will receive 3 points if the application demonstrates that the Main Street Plan includes either 5 or 6 of the elements listed above.

(b) The applicant will receive 2 points if the application demonstrates that the Main Street Plan includes either 3 or 4 of the elements listed above.

(c) The applicant will receive 0 points if the application does not demonstrate that the Main Street Plan includes at least 3 of the elements listed above.

*b. Main Street Plan Qualities (up to 17 points).*

(1) Commitment to Historic or Traditional Architecture.

(a) The applicant will receive 5 points if the applicant's Main Street Plan demonstrates a strong commitment to the preservation of historic or traditional architecture.

(b) The applicant will receive 3 points if the applicant's Main Street Plan addresses the preservation of historic or traditional architecture but does not convey a strong commitment to it.

(c) The applicant will receive 0 points if the applicant Main Street Plan does not address the preservation of historic or traditional architecture.

**(2) Design Guidelines.**

(a) The applicant will receive 4 points if the applicant's Main Street Plan contains specific design guidelines that relate to historic or traditional architecture, and that promote universal design, as described in Section III.C. of this NOFA.

(b) The applicant will receive 0 points if the Main Street Plan does not contain design guidelines.

**(3) Public and Private Support.**

(a) The applicant will receive 5 points if the applicant's Main Street Plan has received strong local public and private

sector support demonstrated by long-term (at least two years) financial and in-kind service leverage commitments to the Main Street Area equal to or greater than 200 percent of the applicant's requested grant amount.

(b) The applicant will receive 3 points if the applicant's Main Street Plan has received strong local public and private sector support demonstrated by long-term (at least two years) financial and in-kind service leverage commitments to the Main Street Area equal to or greater than 100 percent, but less than 200 percent of the applicant's requested grant amount.

(c) The applicant will receive 0 points if the applicant's Main Street Plan has received local public and private sector support demonstrated by long-term (at least two years) financial and in-kind service leverage commitments to the Main Street Area less than 100 percent of the applicant's requested grant amount.

**(4) Promotion and Marketing.**

(a) The applicant will receive 3 points if the applicant's Main Street Plan SETS FORTH A PLAN to promote and market the Main Street Area rejuvenation effort to financiers, other parties that may be involved in the rejuvenation effort and to possible future residents of the Main Street Affordable Housing Project, including (in accordance with affirmative fair housing marketing requirements) the population that is least likely to apply.

(b) The applicant will receive 1 point if the applicant's Main Street Plan includes a discussion of either promotion or marketing, but not both, of the Main Street Area rejuvenation effort to parties that may be involved in the rejuvenation effort and to possible future residents of the Main Street Affordable Housing Project, including (in accordance with affirmative fair housing marketing requirements) the population that is least likely to apply.

(c) The applicant will receive 0 points if the applicant's Main Street Plan does not include a discussion of promotion or marketing of the Main Street Area rejuvenation effort.

**4. Rating Factor 4: Readiness and Appropriateness of the Main Street Affordable Housing Project (up to 25 points)**

*a. Site Control (up to 5 points).*

(1) Site control is an indicator that the applicant is ready to move forward with the rehabilitation efforts that are included in the application and the NOFA.

**(2) Scoring:**

(a) The applicant will receive 5 points if the application includes

documentation that demonstrates site control over (all of) the affordable housing site(s) that comprise the Main Street Affordable Housing Project, as included in the application's Section L: Map of the Main Street Area.

(b) The applicant will receive 0 points if the application does not include documentation that demonstrates site control over the affordable housing sites that comprise the Main Street Affordable Housing Project, as included in the application's Section L: Map of the Main Street Area.

*b. Main Street Affordable Housing Project Leverage (up to 10 points).*

(1) In this NOFA, there are three categories of cash and in-kind contributions ("leverage"), Main Street Area Leverage, Main Street Housing Project Leverage, and match:

(a) Main Street Area Leverage includes leverage used for activities related to the Main Street Area rejuvenation effort as a whole, and does not include Main Street Affordable Housing Project leverage. Note that long-term Main Street Area Leverage is rated above in Section V.A.3.b. of this NOFA, entitled "Public and Private Support."

(b) Main Street Affordable Housing Project Leverage includes leverage that is specifically used only for development of the Main Street Affordable Housing Project.

(c) Match is a separate, statutorily required sub-group of Main Street Affordable Housing Project Leverage.

(2) This Rating Factor measures Main Street Affordable Housing Project Leverage only. The amount of Main Street Affordable Housing Project Leverage includes the match amount.

*Points are assigned based on the following scale:*

Leverage as percent of grant amount	Points awarded
Less than 50 percent .....	zero points.
Greater than or equal to 50 percent but less than 100 percent.	5 points.
100 percent or more .....	10 points.

*c. Retention of historic or traditional architecture (up to 5 points)*

(1) The applicant will receive 5 points if the application demonstrates that the buildings in the project will maintain all of the historic or traditional architecture and design features on all floors of the buildings.

(2) The applicant will receive 3 points if the application demonstrates that the buildings in the project will retain some of the historic or traditional architecture and design features on some or all of the floors of the buildings.

(3) The applicant will receive 0 points if the application does not demonstrate that the buildings in the project will retain historic or traditional architecture and design features.

*d. Reservation for Very Low-Income Families (up to 3 points).*

(1) The applicant will receive 3 points if the ratio of units reserved for very low-income initial residents to units reserved for low-income residents (very low-income divided by low-income) is greater than 20 percent of the total affordable housing units in the project.

(2) The applicant will receive 0 points if the ratio of units reserved for very low-income initial residents to units reserved for low-income residents (very low-income divided by low-income) is less than or equal to 20 percent of the total affordable housing units in the project.

*e. Economic Opportunities for Low- and Very-Low Income Persons (Provision of Section 3) (up to 2 Points).*

HOPE VI grantees must comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Economic Opportunities for Low- and Very Low-Income Persons in Connection with assisted Projects) and its implementing regulations at 24 CFR part 135. One of the purposes of the assistance is to give, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(1) The applicant will receive 2 points if the application includes a feasible plan to implement section 3 that not only meets the minimum requirements described in Section (1) above, but also exceeds those requirements.

The applicant will receive 0 points if the application does not include a feasible plan to implement section 3 that not only meets the minimum requirements described in Section (1) above, but also exceeds those requirements.

*f. Energy Star (up to 1 point).*

(1) Promotion of Energy Star compliance is a HOPE VI Main Street program goal. See "Program Requirements," Section III.C. of this NOFA.

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

- (a) Use Energy Star-labeled products;
- (b) Promote Energy Star design of affordable units; and
- (c) If your application includes the development of homeownership units, include Energy Star in required homeownership counseling.

(2) You will receive 0 points if your application does not demonstrate that you will perform (a) and (b) above, and, if applicable, (c) above.

**5. Rating Factor 5: Program Administration and Fiscal Management (up to 13 points)**

*a. Program Schedule (up to 5 points).*

(1) The applicant may receive a maximum of 5 points if the applicant demonstrates that the milestones in the Program Schedule are realistic and achievable. That is, the application demonstrates that the applicant has performed the following actions and, where applicable, has obtained information that was used in developing the Program Schedule:

- (a) Contacted the State Historic Preservation Officer, the local HUD Field Office, architects, materials suppliers, and other parties that milestones depend upon to ensure that the milestones can reasonably be met;
- (b) Checked to see if any litigation or court orders exist that will affect the milestones; and
- (c) Prepared a chart that states estimated production milestones, their relative time frames, and each milestone's time to completion, e.g., Gantt Chart.

(2) The applicant may receive a maximum of 3 points if the applicant has performed two of the three actions in (a) through (c) above, and, where applicable, has obtained information that was used in developing the Program Schedule.

(3) The applicant will receive 0 points if the applicant has not performed at least two of the three actions in (a) through (c) above.

*b. Fiscal Management (up to 6 Points).*

(1) If the applicant shows fiscal management controls, a procurement system, and a results-oriented management structure that are adequate to manage a grant from this NOFA, and the applicant demonstrates that their management structure and controls are results-oriented, the applicant will receive 6 points;

(2) If the applicant shows fiscal management controls, a procurement system, and management structure and controls that are adequate to manage a grant from this NOFA, but the applicant does not demonstrate that the applicant's management structure and controls are results-oriented, the applicant will receive 3 points;

(3) If the applicant does not describe its program management structure and fiscal management controls and does not show that they are adequate, the applicant will receive 0 points.

*c. Evaluation (Up to 2 points).*

(1) If the applicant's required Evaluation Plan demonstrates the methods that will be used, and data that will be collected, to evaluate the indicators and outcomes of this grant, including, at a minimum, the indicators and outcomes stated in the applicant's Logic Model, the applicant will receive 2 points.

(2) If the applicant's required Evaluation Plan does not demonstrate the methods that will be used, and data that will be collected, to evaluate the indicators and outcomes of this grant, including, at a minimum, the indicators and outcomes stated in the applicant's Logic Model, the applicant will receive 0 points.

6. Rating Factor 6: Incentive Criteria on Regulatory Barrier Removal—(up to 2 points)

*a. Description.*

(1) HUD's Notice, "America's Affordable Communities Initiative, HUD's Initiative on Removal of Regulatory Barriers: Announcement of Incentive Criteria on Barrier Removal in HUD's FY 2004 Competitive Funding Allocations," **Federal Register** Docket Number FR-4882-N-03, published on March 22, 2004, provides that most HUD competitive NOFAs will include an incentive for local and state governments to decrease their regulatory barriers to the development of affordable housing.

(2) Form HUD-27300 contains questions that explore the applicant's efforts to decrease regulatory barriers.

*f. Scoring.*

(1) If the applicant is considered a local unit of government with land use and building regulatory authority, an agency or department of a local unit of government, a nonprofit organization, or other qualified applicant applying for funding for a project located in the jurisdiction of the local unit of government, the applicant is invited to answer the 20 questions in Part A of form HUD-27300. For those applications in which regulatory authority is split between jurisdictions (e.g., county/parish and town), the applicant should answer the question for that jurisdiction that has regulatory authority over the issue at question.

(a) If the applicant checked Column 2 for five to ten questions from Part A, the applicant will receive 1 point in the NOFA evaluation.

(b) If the applicant checked Column 2 for 11 or more questions from Part A, the applicant will receive 2 points in the NOFA evaluation.

(2) Part B of the form is for an applicant that is a state government or an agency or department of a state

government. State governments are not eligible to apply for this NOFA and, as such, Part B of the form is not applicable.

(3) In no case will an applicant receive greater than two points for barrier removal activities.

(4) An applicant must submit the documentation requested in the questionnaire or provide a website address (URL) where the documentation can be readily found, to receive the bonus points for this policy priority. See Section IV. of the General Section for documentation requirements.

7. Rating Factor 7: RC/EZ/EC-IIs—(up to 2 points)

*a. RC/EZ/EC-IIs.* This NOFA provides for the award of two bonus points for eligible activities/projects that the applicant proposes to locate in federally designated Empowerment Zones (EZs), Renewal Communities (RCs), or Enterprise Communities, designated by the United States Department of Agriculture in round II (EC-IIs), that are intended to serve the residents of these areas, and that are certified to be consistent with the area's strategic plan or RC Tax Incentive Utilization Plan (TIUP). (For ease of reference in this notice, all of the federally designated areas are collectively referred to as "RC/EZ/EC-IIs" and residents of any of these federally designated areas as "RC/EZ/EC-II residents.") This NOFA contains a certification, "Certification of Consistency with RC/EZ/EC Strategic Plan" (form HUD-2990), that must be completed for the applicant to be considered for RC/EZ/EC-II bonus points. A list of RC/EZ/EC-IIs can be obtained from HUD's webpage at <http://www.hud.gov/cr>. Applicants can determine if their program/project activities are located in one of these designated areas by using the locator on HUD's Web site at <http://www.hud.gov/crlocator>.

*B. Review and Selection Process*

1. HUD's selection process is designed to ensure that grants are awarded to eligible local governments with the most meritorious applications.

2. Application Screening

a. HUD will screen each application to determine if:

(1) It meets the threshold criteria listed in Section III.C. of this NOFA; and  
(2) It is deficient, i.e., contains any technical deficiencies.

*b. Corrections to Deficient Applications.* The subsection entitled, "Corrections to Deficient Applications," in Section V.B. of the General Section applies. Clarifications or corrections of

technical deficiencies in accordance with the information provided by HUD must be submitted within 14 calendar days of the date of receipt of the HUD notification.

*c. Applications that will not be rated or ranked.*

(1) HUD will not rate or rank applications that are deficient at the end of a 14 calendar day cure period, as described in Section V.B. above and the General Section.

(2) HUD will not rate or rank applications that have not met the thresholds described in Section III.C. of this NOFA. Such applications will not be eligible for funding.

3. Preliminary Rating and Ranking

*a. Rating.*

(1) HUD staff will preliminarily rate each eligible application, SOLELY on the basis of the Rating Factors described in Section V.A. of this NOFA.

(2) When rating applications, HUD reviewers will not use any information included in any application submitted for another NOFA.

(3) HUD will assign a preliminary score for each Rating Factor and a preliminary total score for each eligible application.

(4) The maximum number of points for each application is 100, plus a possible 2 RC/EZ/EC-II bonus points.

(5) *Minimum Score.* Applications that do not have a preliminary score of at least 50 will not be eligible for funding.

*b. Ranking.*

(1) After preliminary review, applications with a minimum score of 50 or above will be ranked in score order.

4. Final Panel Review

a. A Final Review Panel made up of HUD staff will:

(1) Review the Preliminary Rating and Ranking documentation to:

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and

(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

(2) Assign a final score to each application; and

(3) Recommend for selection the most highly rated applications, subject to the amount of available funding, in accordance with the allocation of funds described in Section II of this NOFA.

5. HUD reserves the right to make reductions in funding for any ineligible items included in an applicant's proposed budget.

6. In accordance with the FY 2005 HOPE VI appropriation, HUD may not use HOPE VI funds, including HOPE VI

Main Street funds, to grant competitive advantage in awards to settle litigation or pay judgments.

#### 7. Tie Scores

If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for the Main Street Plan Qualities Rating Factor. If a tie remains, HUD will select for funding the application(s) with the highest score for the Capacity Rating Factor. HUD will select further tied applications with the highest score for the Need Rating Factor.

#### 8. Remaining Funds

a. HUD reserves the right to reallocate remaining funds from this NOFA to other eligible activities under section 24 of the Act.

(1) If the total amount of funds requested by all applications found eligible for funding under Section V.B. of this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded and those funds in excess of the total requested amount will be considered remaining funds.

(2) If the total amount of funds requested by all applications found eligible for funding under Section V.B. of this NOFA is greater than the amount of funds available from this NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to feasibly fund the next eligible application. In this case, the funds that have not been awarded will be considered remaining funds.

9. The following sub-sections of Section V. of the General Section are hereby incorporated by reference:

- a. HUD's Strategic Goals;
- b. Policy Priorities;
- c. Threshold Compliance;
- d. Corrections to Deficient Applications;
- e. Rating; and
- f. Ranking.

### VI. Award Administration Information

#### A. Award Notices

1. *Initial Announcement.* The HUD Reform Act prohibits HUD from notifying the applicant as to whether or not the applicant has been selected to receive a grant until HUD has announced all grant recipients. If the application has been found to be ineligible or if it did not receive enough points to be funded, the applicant will not be notified until the successful applicants have been notified. HUD will provide written notification to all

applicants, whether or not they have been selected for funding.

2. *Authorizing Document.* The notice of award signed by the Assistant Secretary for Public and Indian Housing (grants officer) is the authorizing document. This notice will be delivered via the United States Postal Service to the applicant's authorized signatory at the applicant's address, as stated on the SF-424.

3. *Applicant Debriefing.* For a period of at least 120 days, beginning 30 days after the awards for assistance are announced publicly, HUD will provide a debriefing to an application that requests one. All debriefing requests must be made in writing by the authorized official whose signature appears on the SF-424 or his/her successor in office, and submitted to the person or organization identified for "Technical Assistance" in Section VII.B. of this NOFA. Information provided during a debriefing will include, at a minimum, the final score you received for each Rating Factor.

4. *General Section References.* The following sub-sections of Section VI.A. of the General Section are hereby incorporated by reference:

- a. Adjustments to Funding.

#### B. Administrative and National Policy Requirements

##### 1. Administrative Requirements

a. *Grant Agreement Execution.* The grantee must execute the Grant Agreement within 90 days after HUD mails the Grant Agreement to the grantee.

b. *Grant term.* The time period for completion shall not exceed 30 months from the date the NOFA award is executed.

c. *Sub-Grants and Contracts.* Grant funds may be expended directly by the applicant or they may be granted or loaned by the applicant to a third-party procured developer who is undertaking the development of the Project.

d. *Reasonable Time Frame.* Grantees must proceed within a reasonable time frame to complete the following milestone activities:

(1) *Development Proposal.* Grantees must submit a development proposal for the project within 6 months after the grant award date or, if State Historic Preservation Officer approval is necessary, 9 months after the grant award date.

(a) Development proposals must include the following information:

- (i) Identification of parties to the project development;
- (ii) Activities and relationships of parties, e.g., Party A will loan \$50,000

to Party C via a hard loan with an interest rate of 6 percent, with a 30-year amortization and a 15-year term.

(iii) Financing, i.e., Sources and Uses in the form HUD-52861 format;

(iv) Unit description, i.e., unit number and sizes.

(v) Site locations, i.e., lot and block, street address, or legal description;

(vi) Development construction cost estimate; and

(vii) Certification that open competition will be used by the grantee to select a development partner and/or owner entity, if applicable.

(2) *First Construction Start.* Grantees must start housing unit construction within 12 months after the grant award date or, if SHPO approval is necessary, 15 months after grant award date.

(3) *Last Construction Completion.* Grantees must complete construction (receive Certificates of Occupancy for all units) within 30 months from the grant award date.

(4) In determining reasonableness of such time frame, HUD will take into consideration those delays caused by factors beyond the applicant's control.

(5) In accordance with the threshold requirement in Section III.C. of this NOFA and the threshold documentation in Section IV.B. of this NOFA, the above time frames must be stated in a Program Schedule that includes the following milestones, at a minimum:

(a) Grant Award Date (assume two months after application deadline date);

(b) Grant Agreement Execution Date (the Grant Agreement will be mailed to the grantee within one month after notice of award. The grantee will be given a maximum of 90 days to execute the Agreement);

(c) Development Plan Submission Date;

(d) Date of closing of financing of the first phase. If the applicant plans not to have a financial closing, it must state so in the Schedule;

(e) Date of the start of construction of the first housing unit; and

(f) Date of the completion of construction of the last housing unit.

e. *Preliminary Environmental Approval Only.* HUD's notification of award to a selected applicant constitutes a preliminary approval by HUD subject to the completion of an environmental review of the proposed sites in accordance with 24 CFR part 50. See Section III.C. of this NOFA for information about environmental requirements.

f. *Flood Insurance.* In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), the application may not propose to provide financial assistance for acquisition or

construction (including rehabilitation) of properties located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(1) The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and

(2) Where the community is participating in the National Flood Insurance Program, flood insurance is obtained as a condition of execution of a Grant Agreement.

g. *Coastal Barrier Resources Act.* In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501), the application may not target properties in the Coastal Barrier Resources System.

## 2. National Policy Requirements

a. See references to the General Section in Section III of this NOFA.

## 3. Reporting

a. *Quarterly Administrative and Compliance Checkpoints Report (Quarterly Report).*

(1) If the applicant is selected for funding, the applicant must submit a Main Street Quarterly Report to HUD. The report will be completed on-line. The Grantee will enter into the Quarterly Progress Report:

(a) On a quarterly basis:

(i) Administrative and production milestones, called "Checkpoints,";

(ii) Financial status, by Budget Line Item as listed on form HUD-52825-A, "HOPE VI Budget," including the grant budget, amounts authorized by HUD for expenditure, and amounts expended to date; and

(iii) A short status narrative.

(b) On an annual basis, the Total real estate tax assessment for the census tract that includes the Main Street Area.

(2) HUD will provide training and technical assistance on the filing and submitting of Main Street Quarterly Progress Reports.

(3) Filing of Quarterly Progress Reports is mandatory for all grantees, and failure to do so within the required quarterly time frame will result in suspension of grant funds until the report is filed and approved by HUD.

(4) Grantees will be held to the milestones that are reported in the Quarterly Progress Report, as approved by HUD.

4. *LOCCS.* Grantees must report all obligations and expenditures in HUD's Line of Credit Control System (LOCCS), or its successor system, on a quarterly basis.

5. *Logic Model Reporting.* The grantee's Logic Model will be based

upon the Logic Model included in the application. Provided that the Logic Model complies with the requirements of this NOFA, the General Section and the Grant Agreement, HUD will approve the Logic Model's outputs and outcomes at the time of approval of the Development Proposal. Beginning after HUD approval, at a minimum, the grantee will be required to submit a completed Logic Model showing outputs and outcomes achieved quarterly. Responses to the management questions and the ROI Statement in the Logic model for the Main Street program must be submitted annually. See Logic Model reporting in the General Section.

6. *Information for Research and Evaluation Studies.* As a condition of the receipt of financial assistance under a HUD Program NOFA, all successful applicants will be required to cooperate with all HUD staff or contractors performing HUD-funded research and evaluation studies.

7. *Final Audit.* Grantees are required to obtain a complete final closeout audit of the grantee financial statements for the grant funds. The audit must be completed by a certified public accountant (CPA) in accordance with generally accepted government audit standards, if the Grantee expends \$500,000 or more in a calendar or program year. A written report of the audit must be forwarded to HUD within 60 days of issuance. Grant recipients must comply with the requirements of 24 CFR part 84 or 24 CFR part 85 as stated in OMB Circulars A-110, A-87, and A-122, as applicable.

### 8. *Final Report.*

a. Within 30 days after the grantee obtains the results of the Final Audit, the grantee shall submit a final report. The final report will include a financial report, a narrative evaluating overall performance against its HOPE VI Main Street application and Main Street Quarterly Progress Report, and a completed Logic Model, form HUD-96010, including responses to the management questions and the ROI Statement. Grantees shall use quantifiable data to measure performance against goals and objectives outlined in its application. The financial report shall contain a summary of all expenditures made from the beginning of the grant agreement to the end of the grant agreement and shall include any unexpended balances.

b. *Racial and Ethnic Data.* HUD requires that funded recipients collect racial and ethnic beneficiary data. It has adopted the Office of Management and Budget's Standards for the Collection of Racial and Ethnic Data. In view of these requirements, you should use form

HUD-27061, Racial and Ethnic Data Reporting Form (instructions for its use), found on <http://www.HUDclips.org>; a comparable program form; or a comparable electronic data system.

c. The final narrative, financial report, closeout documentation as required by HUD, and Logic Model shall be due to HUD 90 days after either the full expenditure of funds, or when the grant term expires, whichever comes first.

## VII. Agency Contacts

### A. *Technical Corrections to the NOFA*

1. Technical corrections to this NOFA will be posted to the grants.gov Web site.

2. Any technical corrections will also be published in the **Federal Register**.

3. The applicant is responsible for monitoring these sites during the application preparation period. Applicants may sign up for the grants.gov notification service. Applicants signed up for the service will receive notification from grants.gov if HUD issues any modifications to the NOFA, Application Package, or Application Instructions.

### B. *Technical Assistance*

Before the application deadline date, HUD staff will be available to provide the applicant with general guidance and technical assistance on this NOFA. However, HUD staff is not permitted to assist in preparing the application. If the applicant has a question or needs clarification, the applicant may call Lar Gnessin at (202) 708-0614, ext. 2676, send an e-mail to [lawrence\\_gnessin@hud.gov](mailto:lawrence_gnessin@hud.gov), or the applicant may contact Ms. Dominique Blom, Acting Deputy Assistant Secretary for Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 4130, Washington, DC 20410-5000; telephone (202) 401-8812; fax (202) 401-2370 (these are not toll-free numbers). Persons with hearing and/or speech impairments may access these telephone numbers via text telephone (TTY) by calling the toll-free Federal Information Relay Service at (800) 877-8339. For technical support about downloading an application, registering with grants.gov, and submitting an application, please call grants.gov Customer Support at 800-518-GRANTS (This is a toll-free number) or e-mail [grants.gov](mailto:grants.gov) at [support@grants.gov](mailto:support@grants.gov).

### C. *General Information*

General information about HUD's HOPE VI programs can be found on the

Internet at <http://www.hud.gov/offices/pih/programs/ph/hope6/>. General information specifically about HUD's HOPE VI Main Street Program can be found on the Internet at <http://www.hud.gov/offices/pih/programs/ph/hope6/grants/mainstreet/>.

#### VIII. Other Information

A. *General Section References.* The following sub-sections of Section VIII. of the General Section are hereby incorporated by reference:

1. Executive Order 13132, Federalism;
2. Public Access, Documentation and Disclosure;
3. Section 103 of the HUD Reform Act; and
4. The FY 2005 HUD NOFA Process and Future HUD Funding Processes.

B. *Environmental Impact.* A "Finding of No Significant Impact" (FONSI) with

respect to the environment has been made for this notice in accordance with HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The FONSI is available for public inspection between 8 a.m. and 5 p.m. in the Office of the General Counsel, Regulations Division, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500.

C. *Paperwork Reduction Act Statement.* The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB), under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2577-0208. In accordance with the Paperwork

Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 68 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, quarterly reports, and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

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