

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5300-N-24]

HOPE VI Main Street Grants Notice of Funding Availability

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice of HUD's Fiscal Year (FY) 2009 Notice of Funding Availability: HOPE VI Main Street Grants Program.

SUMMARY: This Notice of Funding Availability (NOFA) consists of two related documents. It is governed by the information and instructions published herein, referred to as "this NOFA" or "program NOFA," and those found in the "Notice of HUD's Fiscal Year (FY) 2009 Notice of Funding Availability (NOFA); Policy Requirements and General Section to HUD's FY2009 NOFAs for Discretionary Programs; Notice" (General Section) that HUD published in the Federal Register on December 29, 2008, , and the "Notice of HUD's Fiscal Year (FY) 2009 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2009 NOFAs for Discretionary Programs; Amendment to Application Submission Requirements and Other Technical Corrections," published in the Federal Register on April 16, 2009, and all subsequent Supplementary Information and Technical Corrections published in the Federal Register (collectively referred to as the General Section).

The General Section and Program section to this NOFA can be found in the Instructions Download to the HOPE VI Main Street package found on the internet at <http://www.grants.gov> (Grants.gov). To find the package go to http://www.grants.gov/applicants/find_grant_opportunities.jsp and search by Agency.

The entire General Section is hereby incorporated by reference into this HOPE VI Main Street program NOFA.

FOR FURTHER INFORMATION CONTACT:

Questions regarding specific program requirements should be directed to the agency contact identified in Section VII.B. of this program NOFA. For general information on the HOPE VI Main Street program visit HUD's website <http://www.hud.gov/mainstreet> and the HOPE VI Main Street contact described in Section VII.B. of this program NOFA.

Questions regarding the General Section, should be directed to the Office of Departmental Grants Management and Oversight at (202) 708-0667 (this is not a toll-free number) or the NOFA Information Center at (800) HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at (800) 877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

SUPPLEMENTARY INFORMATION:

Through the publication of this HOPE VI Main Street program NOFA, HUD is making available approximately \$4 million in assistance through the FY2009 appropriation for the HOPE VI Main Street Grants program.

As is HUD's practice, the General Section publication includes information and requirements having to do with Grants.gov application procedures, HUD-wide and Federal Government-wide requirements. Specific program related NOFA information and requirements published herein provide the statutory and regulatory requirements, threshold requirements and rating factors applicable to funding being made available through this program NOFA. It is of paramount importance that applicants for this program NOFA also read the Federal- and HUD-wide information and requirements stated in the General Section for important application information and requirements, including submission, receipt, and deadline date requirements, which have changed this year.

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. FR-5300-N-24; OMB approval number is 2577-0208.

E. Catalog of Federal Domestic Assistance (CFDA) Number. The CFDA number for this program NOFA is 14.878, “Affordable Housing Development in Main Street Rejuvenation Projects.”

F. Dates.

1. Application Deadline Date.

a. The application deadline date is January 20, 2010.

2. The completed application must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. Applicants need to be aware that following receipt, applications go through a validation process in which the application may be accepted or rejected. The process may take 24 to 48 hours to complete. Please see the 2009 General Section for instructions for timely receipt, including actions to take if the application is rejected.

3. Estimated Grant Award Date. The estimated award date will be February 19, 2010.

G. Additional Important Overview Information

1. Electronic Application Submission. Applications for this program NOFA must be submitted electronically through http://www.grants.gov/applicants/apply_for_grants.jsp.

Registration or required annual re-registration to submit an application electronically may take more than a week because of the following: 1) the applicant’s requirement to register with the CCR, 2) the cross-checking of applicant legal name, TIN and DUNS numbers with in CCR with

Internal Revenue Service Records (IRS), 3) Authorized Organization Representative (AOR) registration with the Grants.gov website to submit the application, and 4) the requirement that the AOR be approved by the eBusiness Point of Contact of the applicant organization designated in box 8a of the SF-424, Application for Federal Financial Assistance, to be approved as the designated official who will be submitting the application. (See the General Section for full details of the registration process).

2. Match. A Match of cash or in-kind services of five percent of the requested grant amount is required in order to be considered for grant award.

3. Application materials.

a. The General Section and Program section to this NOFA can be found in the Instructions Download to the HOPE VI Main Street package found at www.grants.gov. To find the package go to http://www.grants.gov/applicants/find_grant_opportunities.jsp and search by Agency.

Any technical corrections and Frequently Asked Questions (FAQ) will be published under the HOPE VI Main Street Program on the Grants.gov site. Therefore, it is extremely important that the applicant register to receive emails when corrections and FAQs are published. To receive automatic updates, the applicant must subscribe to Grants.gov's subscription service, which is found at http://www07.grants.gov/applicants/email_subscription.jsp.

4. "Notice of HUD's Fiscal Year (FY) 2009 Notice of Funding Availability (NOFA); Policy Requirements and General Section to HUD's FY2009 NOFAs for Discretionary Programs; Notice" (General Section) that HUD published in the Federal Register on December 29, 2008, and the "Notice of HUD's Fiscal Year (FY) 2009 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2009 NOFAs for Discretionary Programs; Amendment to Application Submission Requirements and Other Technical Corrections," published in the Federal Register on April 16, 2009, and all subsequent Supplementary

Information and Technical Corrections published in the Federal Register are hereby incorporated by reference. If a conflict that is related to this program NOFA exists between the General Section and this program NOFA, this program NOFA takes precedence.

FULL TEXT OF ANNOUNCEMENT

I. Funding Opportunity Description

A. Available Funds. This program NOFA announces the availability of approximately \$4 million in funds appropriated for the FY2009 HOPE VI program.

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 rejuvenation of an historic or traditional central business district or “Main Street” area by replacing unused commercial space in buildings with affordable housing units.

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), 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); and the Omnibus Appropriations Act, 2009 (Pub. L. 111-8, approved March 11, 2009).

2. The funding authority for the HOPE VI Main Street program is provided by the Omnibus Appropriations Act, 2009 (Pub. L. 111-8, approved March 11, 2009).

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 of Housing and Urban Development (the Secretary) shall provide up to five percent for use only for the HOPE VI 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** for this program NOFA means rental or homeownership dwelling units that, for INITIAL occupants:

a. Are made available to low-income families, with a subset of units made available to very low-income families; and

b. Provide the same rules regarding occupant contribution toward rent or purchase, and basic terms of rental or purchase, as are provided to occupants of public housing units in a HOPE VI development.

(1) Resident 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, a resident appeal process, and other occupancy issues. The Grantee, with HUD’s approval, determines how to implement these initial resident safeguards.

(2) Strict application of public housing rules and regulations to HOPE VI Main Street housing units is not required. For example, although occupancy and income record keeping is required, the use of HUD forms are not required for this record-keeping.

(3) Units developed, rehabilitated or reconfigured through this program NOFA are NOT and statutorily MUST NOT BE public housing units or public housing replacement units.

2. Applicant Team (“Team”) means the group of entities that will develop the HOPE VI Main Street affordable housing project (“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 provided to residents of the project that may include, but are not limited to:

a. 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;

b. Educational life skills, job readiness and retention, employment training, and other activities as described on HUD’s HOPE VI website at

<http://www.hud.gov/offices/pih/programs/ph/hope6/css/>; and

c. Coordination with fair housing groups to educate the HOPE VI Main Street affordable housing project’s targeted population on its fair housing rights.

4. Firmly committed means that the amount of match or of Leverage resources and their dedication to Main Street activities must be explicit, indicating an amount certain, in writing, and signed by a person authorized to make the commitment.

5. General Section means the “Notice of HUD’s Fiscal Year (FY) 2009 Notice of Funding Availability (NOFA); Policy Requirements and General Section for HUD’s Discretionary Programs,” published in **the** Federal Register on December 29, 2008, and the “Notice of HUD’s Fiscal Year (FY) 2009 **Notice** of Funding Availability (NOFA) Policy Requirements and General Section to HUD’s FY2009 NOFAs for Discretionary Programs; Amendment to Application Submission Requirements and Other Technical Corrections,” published in the Federal Register on April 16, 2009.

6. Homeownership unit means a housing unit that a local government makes available through a grant from this program NOFA for purchase by a low-income family for use as its 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. **Since the initial occupant has the same rights as a public housing resident in a HOPE VI development, the initial occupant CANNOT be evicted without cause.**

8. Jurisdiction means the physical area under the supervision of a local government.

9. Leverage means non-HOPE VI-funded donations of cash and in-kind services that are firmly committed to the rejuvenation of the Main Street Area in general (not necessarily the affordable housing project) and are from non-HOPE VI sources.

a. Leverage may include funds/in-kind services that are already expended, received but not expended, and firmly committed but not yet received. See the definition of “firmly committed” in Section 4., above.

b. Types of resources that may be counted include:

(1) Private mortgage-secured loans, other debt, housing trust funds, homeownership sales proceeds that exceed the amount of HOPE VI funds used to develop the unit, tax increment financing (TIF), Tax Credit equity, other Federal, State or Local public or private funds, in-kind services such as Homeownership Counseling (required if Homeownership units are developed), other property or materials.

c. Examples of uses for Leverage funds include, but are not limited to:

(1) The acquisition of existing housing units that will become affordable housing, but do not require major rehabilitation to meet local code and, where applicable, accessible building requirements under Section 504 of the Rehabilitation Act of 1973, including associated costs, such as appraisals, surveys, tax settlements, broker fees, and other closing costs;

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

(3) Demolition;

(4) Restoration of the HOPE VI Main Street affordable housing project façade when façade rehabilitation is not an integral part of the project's rehabilitation;

(5) Rehabilitation of retail space in the HOPE VI Main Street affordable housing project, even if this rehabilitation is not an integral part of the rehabilitation of the rental areas of the project;

(6) Rehabilitation of retail space elsewhere in the Main Street Area;

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

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

(9) Other uses that relate directly to the project;

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

(11) Legal and administrative fees and costs; and

(12) Other uses that do not relate directly to the project, but do relate to the Main Street Area rejuvenation effort.

d. Leverage does NOT include, and HUD will not count, applicant staff time.

10. Local government means any city, town, township, village, county, parish, 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.

11. Low-income limits prescribed by HUD are stated on the internet at http://www.huduser.org/datasets/il/il09/incomelimits_section8.pdf. Low-Income family means a family (resident) with an income equal to or less than 80 percent of HUD’s Median Family 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. “Local area” is defined as the PMSA/MSA or non-metropolitan county/parish, as prescribed by HUD, in which the low-income family resides. For definitions of metropolitan areas and non-metropolitan areas go to http://www.huduser.org/datasets/il/il09/area_def.pdf.

12. Main Street Area means an area determined and designated by the applicant that fulfills the requirements stated in “Program Requirements,” Section III.C. of this program NOFA, and:

a. Is within the jurisdiction of the applicant;

b. Has specific boundaries that are determined by the applicant;

c. 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) Is the location of a downtown or "Main Street" rejuvenation effort that:
 - (a) Has as its purpose the revitalization or redevelopment of the historic or traditional commercial area;
 - (b) Involves investment, or other participation, by the applicant local government and private entities in the community in which the project is carried out; and
 - (c) Involves the development of affordable housing that is located in the commercial area.

13. HOPE VI Main Street affordable housing project ("project") means the collection of affordable housing units that are developed in the Main Street Area using funds obtained through this program NOFA, and meet the requirements as stated in "Program Requirements," Section III.C. of this NOFA.

14. Match is cash or in-kind donations that will be expended on allowable activities under the grant, i.e., must be expended for low-income housing purposes on the HOPE VI Main Street affordable housing project. The match must:

- a.** Total at least five percent of the requested HOPE VI Main Street grant amount; and
- b.** Be from private-sector sources or government sources other than HOPE VI funding, including Community Development Block Grant (CDBG) funds, which by statute are considered local money.

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

16. Program means the HOPE VI Main Street Program (HOPE VI Main Street).

17. Recognized Developer (Developer) means a legal entity that has a fully executed Developer Agreement with the local government applicant, or the local government applicant itself, that is seeking financing for reconfiguration, rehabilitation and/or construction of housing units, and the provision of Community and Supportive Services (if required), through this program NOFA.

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

18. 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:

a. The local government owns the property outright;

b. The private owner entity of the property and the applicant have signed a Developer agreement and the private owner is the Developer;

c. The government- or private-owner entity has signed an agreement with a separate Developer and the agreement gives the Developer site control;

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

e. An owner-entity limited partnership that has control of the property was formed between the applicant, original owner entity, and, possibly, the Developer and other interested parties.

(Typically used for Tax Credit syndication.)

19. Unit of General Local Government: See “local government” under this section.

20. Very low-income family means a family (or resident) with an income equal to or less than 50 percent of HUD’s Median Family 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/il09/incomelimits_section8.pdf. Local area is defined as the PMSA/MSA or non-metropolitan 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.

II. Award Information

A. Available Funds. A total of approximately \$4 million is available for funding under this program NOFA and must be obligated by September 30, 2010.

B. Number of Awards. This program NOFA will result in approximately 4 awards.

C. Range of Amounts of Each Award. Each applicant may request up to \$1,000,000.

D. Start Date, Period of Performance. The term of the grants that result from this program NOFA will start on the date that the grant award document is signed by HUD and will continue for 36 months thereafter.

E. Type of Instrument. Grant Agreement.

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

III. Eligibility Information

A. Eligible Applicants. Eligible applicants include, and are limited to, local governments, as defined in Section I.D. of this program NOFA. The local government must:

1. Have a population of 50,000 or less; and
2. Not be served by a local government, county/parish, regional, or state public housing agency (PHA) that administers more than 100 physical public housing units within the local government's jurisdiction. Such units exclude Section 8 Housing Voucher subsidized units and public housing units in Mixed-Finance developments where the PHA is not the General Partner in the for-profit ownership entity.

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 or in-kind services 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, CDBG funds (which are statutorily considered state funds), any state or local government sources, any private contributions, the value of any donated material or building, the value of any long-term lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services provided. **MATCH FUNDS MUST BE USED ONLY FOR CARRYING OUT ELIGIBLE AFFORDABLE HOUSING ACTIVITIES THAT RELATE TO THE HOPE VI MAIN STREET AFFORDABLE HOUSING PROJECT PRESENTED IN THIS APPLICATION.** The match may include funds that have already been spent or funds that are “firmly committed” for future use.
2. Match donations must be firmly committed to the HOPE VI Main Street affordable housing project presented in the application. See the definition of “firmly committed” in “Definitions,” Section I.D. of this program NOFA.

3. 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.
4. See Section IV.B. of this NOFA, including the General Section, for documentation requirements of match resources.

C. Other.

1. Eligible and Non-Eligible Grant Activities.

a. Eligible Grant Activities

HOPE VI Main Street grant funds may be expended on the following activities (Note that non-eligible activities are listed in the next section, but funding restrictions are located in Section IV.E. of this program NOFA):

(1) New construction, reconfiguration, or major rehabilitation of affordable rental and homeownership housing units (that are not currently habitable) located within the Main Street Area. New construction and rehabilitation activities that are intrinsic to the development of the affordable housing units may extend to other portions of the Main Street affordable housing project; e.g., to the building envelope, to interior bearing walls of commercial space located below the affordable housing units, and to systems installation through commercial space located below or adjacent to the affordable housing units.

(2) Acquisition of land or property for the purpose of developing, reconfiguring, or rehabilitating affordable housing units as described in (a), above. Note that when funds from this program NOFA are used for acquisition, the total cost of acquisition is included in HUD's maximum per unit TDC calculations;

(3) Long-term lease or transfer of project title specifically for the purposes of obtaining tax credits or implementation of extended use restrictions, provided that the recipient owner entity of the title or lease includes the applicant;

(4) Architectural and Engineering activities, surveys, permits, and other planning and implementation costs related to the construction and rehabilitation of the HOPE VI Main Street affordable housing project presented in the application.

(5) Tax credit syndication activities.

(6) Relocation activities for any persons 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, as guidance only, Handbook CPD 02-08, “Guidance on the Application of the Uniform Relocation Assurance and Real Property Acquisition Policies Act of 1970 (URA), as amended in HOPE VI Projects.”

(7) Management improvements necessary for the proper development and management of the HOPE VI Main Street affordable housing project presented in the application, similar to and including, but not limited to:

(a) Staff training (including travel) related to affordable housing development and management.

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

(i) Procedure manuals;

(ii) Accounting systems, excluding accounting services or bookkeeping;

(iii) Lease documents;

(iv) Resident screening procedures; and

(v) Data processing systems.

(8) Leveraging non-HOPE VI funds and in-kind services. See the definition of “Leverage” in Section I.D. of this program NOFA.

(9) Community and Supportive Services.

(a) A maximum of 15 percent of the grant amount may be used for Community and Supportive Services.

(10) Sale of Homeownership housing units within the HOPE VI Main Street project.

(11) Section 3 activities delineated in 24 CFR part 135.

b. Non-Eligible Grant Activities.

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

(2) Sale or lease of the HOPE VI Main Street affordable housing project site (as differentiated from sale of Homeownership units within the project);

(a) Note that the sale and lease activity limitations on the HOPE VI Main Street housing project and site relate only to grant funds. Sale and lease activities may be funded from Leverage funds, allowing sale during the grant term.

(3) Initializing project reserves of any type;

(4) Normal applicant/grantee administration (Certain staff costs are allowed, as stated in Section III.C. of this program NOFA.);

(5) Activities that are included in the Developer Fee;

(6) Activities that are included in any and all legal fees;

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

(8) Housing Choice Voucher Funding;

(9) Transitional security activities;

(10) HOPE VI Main Street technical assistance consultants or contracts that are not specifically related to the HOPE VI Main Street affordable housing project; and

(11) Activities that occurred prior to grant award, including the cost of application preparation.

2. Cost Controls.

a. See Section IV.E. of this program NOFA for Total Development Cost Limits, Cost Controls and Safe Harbors, e.g., maximum allowable developer and construction contractor fees.

3. Thresholds.

a. Match (Sections G and J of the application). 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 the NOFA.

(1) In order to demonstrate that the applicant meets this threshold, for each match resource, the application must include a letter stating a specific match amount and stating that the match is *firmly committed* to be used for activities related to the particular project presented in the application. Each match resource must also be listed on page 12 of the “HOPE VI Main Street Application Data Sheet,” form HUD-52861, (under the Excel Worksheet Tab, “Matching and Housing Resources”) which will be a part of the application. Columns on that page provide space to include the following required information for each source: Resource organization name, name and telephone number of a contact at the resource organization (who may be contacted by HUD before grant award for match verification), the amount of the resource organization’s contribution, and whether the contribution is in cash or in-kind services.

(2) Match does not include the value of land or property that will become part of the project, unless the land or property is donated or sold for a de minimus amount to the applicant after the grant award date.

(3) If the applicant does not demonstrate that there will be matching funds of at least five percent of the requested grant amount, the application will not be eligible for funding through this NOFA.

b. Leverage (Sections G and K of the application). The applicant must furnish enough Leverage resources (other than the match) to show that there is both public and private support for the Main Street rejuvenation effort. IF THE APPLICATION DOES NOT INCLUDE ANY LEVERAGE CASH OR IN-KIND SERVICES (OTHER THAN THE MATCH) FOR THE MAIN STREET REJUVENATION EFFORT, OR THE ONLY LEVERAGE OBTAINED IS FROM ENTITIES THAT WILL DIRECTLY OBTAIN BENEFITS FROM THIS PROGRAM NOFA'S GRANT FUNDS, THE APPLICATION WILL NOT BE ELIGIBLE FOR FUNDING THROUGH THIS NOFA.

c. Performance on HOPE VI Main Street Grants. If an applicant has been the grantee of a current HOPE VI Main Street grant for 24 months and has not started construction by the deadline date of this program NOFA, that grantee will not be eligible for funding through this NOFA. HUD will determine whether construction has started.

d. Main Street Area (Section N of the application). The applicant must have within its jurisdiction a Main Street Area. See Section I.D. of this program NOFA for the definition of a Main Street Area.

(1) In order to demonstrate that the applicant meets this threshold, the application must contain the attachment "Map of the Main Street Area." THE ATTACHED MAP MUST CLEARLY SHOW THE APPLICANT-DETERMINED MAIN STREET AREA BOUNDARIES. BOUNDARIES MAY BE STREETS, RAIL LINES, RIVERS, OR OTHER MAN-MADE OR NATURAL BOUNDS. A map of the Main Street Area indicated by a circle, other random shape, census tract, or other general measurement around a town center does not meet this threshold. No other documentation of the Main Street Area is necessary to meet this threshold. If the application does not include a map of the Main Street Area, the application will not be eligible for funding through this NOFA.

(2) If the Main Street Area is outside of the applicant's jurisdiction, the application will not be eligible for funding through this NOFA.

e. HOPE VI Main Street Affordable Housing Project (“project”)(Section O). The targeted affordable housing project must conform to this program NOFA's requirements for a HOPE VI Main Street affordable housing project, as defined in “Program Requirements,” Section III.C. of this program NOFA.

(1) The HOPE VI Main Street project site(s) must be indicated on the map of the Main Street Area;

(2) The map of the Main Street area must indicate the area's boundaries, as stated in the above Section.

(3) If the targeted affordable housing project does not conform to this program NOFA's requirements or is not in the Main Street area, the application will not be eligible for funding through this NOFA.

(4) For current HOPE VI Main Street grantees, projects that are not included in the current HOPE VI Main Street grant are eligible for funding through this program NOFA. If the project in the application for this program NOFA has already received funding through a prior HOPE VI Main Street program NOFA, the application will not be eligible for funding through this NOFA.

f. One Main Street Area. Under this program NOFA, the applicant must apply for assistance only in support of one Main Street Area. 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 HOPE VI 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 program NOFA, the application will not be eligible for funding through this NOFA.

g. Affirmatively Furthering Fair Housing (Section P).

(1) Successful applicants engaged in housing or housing related activities are obliged to take reasonable steps to affirmatively further fair housing (AFFH). Consistent with the General Section, applicants must provide a statement on steps being taken to meet AFFH in accordance with the General Section's instructions. See Section III.C.4. of the General Section.

(2) If the applicant's statement of Affirmatively Furthering Fair Housing is not included in the application, the application will not be rated or ranked, and will not be eligible for grant award.

h. Code of Conduct (Section R).

(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. The applicant's Code of Ethics may fulfill the requirements of the Code of Conduct. See the Section III.C.2.d. of the General Section.

(2) 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).

(3) Unless the applicant is listed on HUD's website 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) Dun and Bradstreet Data Universal Numbering System (DUNS) number;

(ii) Employer Identification Number (EIN);

(iii) Applicant's Legal Name (Note: Applicants must enter their legal name in box 8.a. of the SF-424 as it appears in the CCR. See the General Section regarding CCR registration);

(iv) Address (Street, PO Box, City, State, and ZIP Code); and

(d) Authorized Official's information (Name, Title, Telephone Number, and Email Address).

(4) 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 the organization's 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.

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

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

i. General Section References: 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 HUD to rate and rank the application for potential funding, including:

(1) Ineligible Applicants;

(2) 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.

j. Certification of Certain Thresholds.

(1) **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 it will comply with the applicable Federal regulatory requirements listed in the General Section, including, but not limited to, fair housing and equal opportunity requirements, Uniform Relocation Act (URA), labor standards (if applicable), Section 3 Economic Opportunities, and environmental standards.

(2) In addition, by manually or electronically signing the SF-424, the applicant certifies that the following program thresholds have been met:

(a) The Main Street Area rejuvenation effort:

(i) Is carried out within the jurisdiction of the applicant;

(ii) Involves the development of affordable housing that is located in the commercial area that is the subject of the rejuvenation effort; and

(iii) Has as its purpose the revitalization or redevelopment of a historic or traditional commercial area.

(b) A portion of the HOPE VI Main Street affordable housing project units will be reserved for very low-income initial occupants.

(c) Historic preservation requirements in Section 106 of the National Historic Preservation Act of 1966 (NHPA) will be fulfilled, where applicable.

(d) Environmental requirements stated in the program NOFA will be fulfilled.

(e) Building standards stated in the program NOFA will be fulfilled.

4. Program Requirements.

a. Main Street Area Recognition by HUD. The applicant must have, within the applicant's jurisdiction, an existing HUD-recognized Main Street Area rejuvenation effort that involves affordable housing. HUD does not automatically recognize Main Street area rejuvenation efforts that have been registered with other agencies or organizations. 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 program NOFA for the definition of a Main Street area.);

(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) Include the development of the project that is proposed and described in the application for a grant through this program NOFA.

b. HOPE VI Main Street Affordable Housing Project (Project). The “HOPE VI Main Street affordable housing project” is the collection of affordable housing units that are rejuvenated or developed in the Main Street Area using match funds related to this program NOFA, funds obtained through this program NOFA, and, optionally, other Leverage funds or in-kind services.

The project must:

- (1) Involve the construction or major rehabilitation of affordable housing units.
- (2) Be located within the boundaries of the applicant’s Main Street Area; and
- (3) NOT replace demolished or otherwise disposed of public housing units.

c. Completion of Unit Construction.

(1) The construction requirement of a grant from this program NOFA is fulfilled upon the grantee’s completion of construction or major rehabilitation of a number and mix of units that have a TDC that is greater than the grant amount obtained through this program NOFA, plus the Match amount. Completion of HOPE VI Main Street grant unit construction does not necessarily include construction financed by Leverage resources.

(2) HUD’s receipt of Certificates of Occupancy, or the local equivalent, for the above units is required to demonstrate completion of construction or major rehabilitation required by this program NOFA.

(3) For example, a NOFA application’s Executive Summary may describe a 50 unit housing project that is financed in small part by a HOPE VI Main Street grant from this program NOFA, plus several million dollars of leverage financing. Per the Attachment form HUD-52861, the TDC of eight affordable units exceeds the grant amount plus the Match amount. These eight units are presented in the application as the unit number and mix that justifies the requested grant amount. The HOPE VI Main Street grant is considered complete when the eight units are ready for occupancy, regardless of the status of the other 42 units.

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

e. 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 rental or purchase, and basic terms of rental (resident rights) or purchase, as residents of HOPE VI development public housing or "Section 24 Homeownership" units. Site-based waiting lists, resident job or training requirements, flat rents, 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, at the applicant's discretion.

(2) As with public housing units, initial residents cannot be evicted without cause.

(3) Before the project is initially rented, the ownership entity must determine and develop a written statement of its rent determination and occupancy policies, and obtain HUD approval of the policies. However, for HOPE VI Main Street units, the project owner entity is not required to develop and maintain documentation specific to PHAs as stated in Public Housing regulations, e.g., use of HUD forms to collect family income data.

(4) Regulations specific to public housing are not applicable, in general, to the HOPE VI Main Street program, but have been used as models for certain HOPE VI Main Street program requirements. Such examples include items from public housing regulations located at 24 CFR 903.7(d) and 24 CFR 903.7(f) and exclude items located at in 24 CFR part 903, e.g., PHA Plan. To the extent that HOPE VI Main Street funds are combined with other Federal housing programs (e.g., HOME Investment Partnership Program or Low Income Housing Tax Credits) for a specific project, then the requirements from these programs will apply to all applicable

housing units funded through those programs. That is, if funds from other programs are used to produce HOPE VI Main Street housing units, then the requirements for those other programs apply to the HOPE VI Main Street housing units. Notwithstanding the above, admissions, occupancy, and income records for HOPE VI Main Street affordable housing units must be maintained in order to verify that residents of very low- and low-income units meet HUD income-limit criteria.

(5) To the extent that HOPE VI Main Street funds are included in a larger project that also includes public housing units, all public housing regulations do apply to the public housing units. Statutorily, HOPE VI Main Street funds must not be expended on any activities related to the public housing units. Therefore, in this situation, HOPE VI Main Street funds must not be fungible with public housing funds, e.g., HOPE VI Main Street funds must not be used on pro rata pre-development or administrative activities.

(6) HUD-wide and Government-wide regulations and statutes, e.g., the Fair Housing Act and Section 504, Environmental Review, etc., do apply to the HOPE VI Main Street program.

(7) See Section VI.B.1.d., “Administrative Requirements,” for required documentation of use restrictions.

f. HOPE VI Main Street 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. Providing homeownership counseling to residents is mandatory if the application includes development of homeownership units.

g. 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 period of time longer than this requirement. These are deemed local, additional use restrictions.

h. Leveraging Other Resources.

(1) Leverage is the contribution of funds or in-kind services from sources other than a grant that results from this program NOFA. The Main Street Area rejuvenation effort must have community support from government and the private sector. Leverage demonstrates this support. See “Leverage” in “Definitions,” Section I.D of this program NOFA. To measure the amount of support that the Main Street Area rejuvenation effort has, this program NOFA includes a Leverage rating factor. See Rating Factor 4(d) in Section V.A.4 of this program NOFA.

Unlike grant and match funds from this NOFA, Leverage is not limited to the funding of the HOPE VI Main Street affordable housing project. Leverage can include contributions that have been made to, or are *firmly committed* to, the Main Street Area rejuvenation effort as a whole. It can include past or future funding for other affordable housing, retail or commercial space, supportive services, jobs, infrastructure, and other economic development that is part of the Main Street Area rejuvenation effort. See Section I.D. of this program NOFA for a more detailed definition of Leverage.

i. Transfer of Title for Tax Credits. The original owner entity of 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. Such a transfer, excluding legal fees, is an allowable grant activity and may be financed with grant funds. See Section III.C.1.b. of this program NOFA for limits on the sale of real property.

j. Section 106 Historic Preservation Requirements. Following the notification of award, GRANTEES MAY NOT COMMIT OR EXPEND HOPE VI, OTHER HUD, OR NON-HUD FUNDS for these program activities with respect to any eligible property 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. The Section 106 review is included as part of HUD's part 50 environmental review and approval process.

k. 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) THIS APPLICATION CONSTITUTES A CERTIFICATION THAT 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 THE APPLICANT RECEIVES 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 the applicant is selected for funding, the applicant must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-05, as amended (see <http://www.astm.org/>). 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. The applicant 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) The 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 program 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 to the HOPE VI Main Street program.

(8) HUD's environmental website is located at <http://www.hud.gov/offices/cpd/environment/index.cfm>.

I. 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 report can be found on the HUD website at

<http://www.hud.gov/offices/fheo/disabilities/modelcodes/>. The new construction and major rehabilitation of HOPE VI Main Street projects are subject to the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (Section 504) and its implementing regulations at 24 CFR part 8. HUD applies the Uniform Federal Accessibility Standards (UFAS) through its regulations under part 8. Further detail can be found in Section p., “Fair Housing and Equal Opportunity Requirements,” below.

(2) Energy Star. Applicants constructing, rehabilitating, or maintaining housing or community facilities are encouraged to build to Energy Star qualifications and to purchase and use Energy Star-labeled products. Applicants providing housing assistance or counseling services should promote Energy Star building to homebuyers and renters. Program activities can include developing Energy Star promotional and informational materials, outreach to low- and moderate-income renters and buyers on the benefits and savings when using Energy Star products and appliances, and promoting the designation of community buildings and homes as Energy Star compliant. For further information about Energy Star, see <http://www.energystar.gov> or call (888) STAR-YES ((888) 782-7937) or, for the hearing-impaired, (888) 588-9920 (TTY). See the General Section, Section V.B.2.f.(1)(a) for a description of Energy Star as a HUD policy priority. Note that Section V.A.6. of this program NOFA includes a Rating Factor for Energy Efficiency and Energy Star compliance.

(3) Energy Efficiency.

(a) New construction or rehabilitation must comply with the International Energy Conservation Code (IECC) 2006, or in the case of multifamily high rises, ASHRAE Standard 90.1-2004.

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

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

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

(e) 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.

(4) 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 of salvage materials in new construction. "A Guide to Deconstruction" can be found at

<http://www.huduser.org/publications/destech/decon.html>.

m. 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 745, subpart E), HUD's Lead Safe Housing Rule (24 CFR 35, subparts B-R), and the Lead Disclosure Rule (24 CFR 35, subpart A), which addresses 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 (800) 424-5323.

n. Universal Design and Visitability.

(1) 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.

(1) The concept of visitability does not offer a completely accessible house, but rather the opportunity for a disabled person to visit the home of a friend without having to be lifted up stairs, to enjoy a meal and be able to use the first floor bath-room or powder room for communities to be truly inclusive, we must also work toward a modest--but universal--standard

of access. To help reach that goal, HUD encourages HOPE VI Main Street grantees to ensure that as many units as possible have doorways and bathrooms which are "visitable" for people with disabilities. HUD has worked with architects and advocates to develop design strategies that are both attractive and functional for families at any stage or condition of life. Design features may be inexpensive and unobtrusive--in fact, many exist unnoticed inside a wall or in the design of a closet until the day when the reinforcement for a grab bar or the space for an elevator is needed. Housing that is accessible, attractive, affordable, and which welcomes disabled and aging Americans is an integral part of the healthy, sustainable communities that HUD is working to create. The strategy of designing as many visitable HOPE VI Main Street housing units as possible is encouraged.

(2) 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 website at <http://www.huduser.org/publications/pubasst/strategies.html>.

b. Labor Standards. Davis-Bacon wage rates do NOT apply to grants from this program NOFA, with the following exceptions:

(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 any grant funds from an award through this program NOFA are expended by a PHA, acting as a Developer, partnering with a Developer, or as a partner in an ownership entity partnership, Davis-Bacon wage rates will apply to laborers and mechanics (other than volunteers under 24 CFR part 70) employed in development of all housing units, and HUD-determined

wage rates will apply to laborers and mechanics (other than volunteers) employed in the operation of all housing units, regardless of whether such units are public housing or non-public housing.

c. Relocation Requirements. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601-4655), implementing regulations at 49 CFR part 24, and, as advice only, “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.

d. Fair Housing and Equal Opportunity Requirements.

Fair Housing and Equal Opportunity requirements stated in Section III.C. of the General Section are hereby incorporated by reference and apply to this NOFA. In addition, the following requirement applies:

(1) Accessibility Requirements.

(a) All “multifamily” HOPE VI developments, defined as projects with five or more dwelling units, are subject to the accessibility requirements of several federal laws, including Section 504 of the Rehabilitation Act of 1973, as implemented in 24 CFR part 8. Although Public Housing Rules and Notices do not apply to HOPE VI Main Street grants, PIH Notice 2006-13, available at <http://www.hud.gov/offices/pih/publications/notices/>, provides an overview of all pertinent laws and implementing regulations concerning non-discrimination and accessibility for persons with disabilities that DO apply to HOPE VI Main Street grants based upon other, non-Public Housing statutes and regulations.

(b) Pursuant to Section 504, generally, for major rehabilitation of HOPE VI Main Street projects with 15 or more housing units, or new construction of a multifamily housing project, at

least five 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 parts 8.20 through 8.32. See also

<http://www.hud.gov/offices/fheo/disabilities/sect504faq.cfm#anchor263905>.

(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 on HUD's FHEO website at <http://www.hud.gov/groups/fairhousing.cfm>. Under HUD's regulations at 24 CFR 100.201, covered multifamily dwellings means buildings consisting of four or more dwelling units if such buildings have one or more elevators, and ground floor dwelling units in other buildings consisting of four or more dwelling units. This section is in addition to, and does not replace, other non-HUD accessibility requirements to which the applicant local government may be subject.

e. Procurement. City governments are required to follow the procurement regulations at 24 CFR 85.36 at a minimum. State and local procurement requirements apply to the extent required by those governments.

f. General Section References. The following subsections of Section III.C.4. of the General Section are hereby incorporated by reference:

g. 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.)

- (4) Affirmatively Furthering Fair Housing;
- (5) Economic Opportunities for Low- and Very Low-Income Persons (Section 3);
- (6) Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses;
- (7) Relocation;
- (8) Executive Order 13166, Improving Access to Services for Persons With Limited English Proficiency (LEP);
- (9) Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations;
- (10) Accessible Technology;
- (11) Procurement of Recovered Materials;
- (12) Participation in HUD-Sponsored Program Evaluation;
- (13) Salary Limitation for Consultants;
- (14) OMB Circulars and Government-wide Regulations Applicable to Financial Assistance Programs;
- (15) Environmental Requirements;
- (16) Conflict of Interest;
- (17) Drug-Free Workplace; and
- (18) Safeguarding Resident/Client Files.

2. Visitability in New Construction and Substantial Rehabilitation.

a. Applicants are encouraged to incorporate visitability features, where feasible, in new construction and substantial rehabilitation projects. Visitability features allow a person with mobility impairments access into the home, even if such features are not required by accessibility standards. Applicants should be aware of any locally adopted visitability standards. Generally,

visitability standards or guidelines do not require that all features of a housing or other facility be made accessible to a person with a disability. Visitability means that there is at least one entrance at grade (no steps), approached by an accessible route such as a sidewalk, and that the entrance door and all interior passage doors are at least 2 feet, 10 inches wide, allowing 32 inches of clear passage space. A visitable home also serves persons without disabilities, such as a mother pushing a stroller or a person delivering a large appliance. More information about visitability is available at <http://www.concretechange.org/>.

b. Since Visitability is encouraged, but not a building requirement, this program NOFA contains a one point Policy Priority Rating Factor for Visitability.

3. Neighborhood Stabilization and Minimization of Tax Liability.

a. This Section is general, basic Mixed-Finance guidance. It includes finance structures that have been successful in the past.

b. There are several methods of transferring funds from the grantee to the Developer and for-profit private property owners (grant beneficiaries). A real estate accountant or tax accountant should be included as part of the HOPE VI Main Street affordable housing project development team.

c. Funds can flow through the grantee as grant funds or as loan funds. Loan funds increase the basis that is used to determine the amount of Tax Credits that the Developer can obtain from the State. Since the funds are in the form of a loan, they are not immediately considered income. The funds are controlled through loan documents, as opposed to grant income. This delays tax liability.

d. Loan documents from the grantee to the Developer or private property owner may also be structured to include forgiveness of the loan over time in return for implementation of local Use Restrictions beyond those stated in the HOPE VI Main Street statute, i.e., those limited to the

initial residents. As an example, a loan of \$200,000 to a property owner for HOPE VI Main Street project rehabilitation may be forgiven by the grantee at the rate of \$20,000 each year for 10 years, provided that local affordable housing Use Restrictions remain in place for those 10 years. After 10 years, the loan to the property owner is paid in full through implementation of these Use Restrictions. Sample documents for similar loan structures are available on HUD's HOPE VI Main Street website at <http://www.hud.gov/mainstreet/>.

e. For the sale of homeownership units by the initial third-party low-income homeowner, as well as the sale of the privately owned rental properties, the grantee may elect to structure rehabilitation or purchase-subsidy loans to share sale proceeds with the seller at a decreasing rate. As an example, if a rehabilitated property or homeownership unit is given a \$100,000 loan by the grantee, the grantee may elect to recover 80% of the loan amount if the property is sold within the first year of the loan. 60% of sale proceeds may be recovered if the sale takes place within the second year of the loan, etc. until all proceeds are retained by the seller after a 5 year loan term.

f. This prevents private owners from receiving excessive profit by "flipping" HOPE VI Main Street project buildings and, thereby, protects the grantee from the consequences of the appearance of a conflict of interest with the property owners. It simultaneously provides a large financial incentive for the owners to hold their properties and stabilize the neighborhood.

IV. Application and Submission Information

B. Addresses to Request Application Package. This section describes how the applicant may obtain application forms, additional information about the program NOFA and the General Section of this NOFA, and technical assistance.

1. This NOFA includes two major documents, as listed in the "Summary" at the beginning of this document, plus related application forms and attachments.

- a.** The first portions of the NOFA that the applicant must read is the “General Section,” which states and describes, in detail, electronic application information and procedures, along with HUD- and Federal-wide requirements threshold requirements. HUD strongly suggests that the applicant read the General Section thoroughly.
- 2.** The second portion of the NOFA is the HOPE VI Main Street program portion, which states the program thresholds, grant requirements, application Rating Factors, and program specific application information. It is referred to in this document as “program NOFA.” Copies of both portions of the published NOFA and related application forms must be downloaded from the Grants.gov website at http://www.grants.gov/applicants/apply_for_grants.jsp. If the applicant has difficulty accessing the information, it may receive customer support from Grants.gov by calling the help line at (800) 518-GRANTS ((800) 518-4726) or by sending an email to support@grants.gov. The operators will assist the applicant in accessing the information.
- 3.** The documents downloaded from, and thereby published through, Grants.gov are the official documents that HUD uses to evaluate applications. Therefore, if there is a discrepancy between any materials published by HUD through Grants.gov and other information provided in paper or electronic copy, the <http://www.grants.gov> publication prevails. Please be sure to review the application submission against the requirements in this NOFA.
- 4.** Additional general HOPE VI Main Street program information, program related resources and documents can be found on HUD’s HOPE VI Main Street website at <http://www.hud.gov/mainstreet/>. This webpage should assist the applicant by putting unique HOPE VI Main Street program NOFA program requirements into the context of other affordable housing programs and provide an understanding that HOPE VI Main Street is not a public housing program.

C. 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 subgrant agreements or contracts with procured Developers, other partners, nonprofit organizations, state governments, or other local government or their agencies to perform the activities proposed under the application. If the grantee gives a subgrant to, or signs a Developer Agreement with, a Public Housing Agency, all Public Housing and Davis-Bacon regulations apply to grants from this program NOFA.
- 3. General Format and Length of Application.**

a. Applicant Name. The applicant's official name is the name that is submitted to Grants.gov on the form SF-424. Applicants must enter their legal name in box 8.a. of the SF-424 as it appears in the Central Contractor Register (CCR). See the General Section regarding CCR registration. The applicant must complete the registration process in order to submit an application for this program NOFA. Please remember that CCR registration must be renewed annually.

b. Electronic Format.

(1) General.

(a) In accordance with the General Section, applications are to be submitted electronically via http://www.grants.gov/applicants/apply_for_grants.jsp.

(2) Electronic Submission Process. See the General Section, Section IV.B. for detailed requirements and instructions on submitting the application electronically through Grants.gov.

(3) APPLICATION FILE NAME ATTRIBUTES AND SECTION LABELS:

(a) **FILE NAMES MUST NOT EXCEED 32 CHARACTERS, MUST NOT CONTAIN SPACES OR SPECIAL CHARACTERS . IF THEY DO, GRANTS.GOV WILL REJECT THE APPLICATION AS CONTAINING A VIRUS.**

(b) **SECTION LABELS IN FILE NAMES: FILE NAMES SHOULD IDENTIFY THEIR ASSOCIATED PROGRAM NOFA SECTIONS (SECTIONS A THROUGH X LISTED BELOW). More than one section may be included in one electronic file. When downloaded from grants.gov to HUD, the order of the files is jumbled and will not follow the order that the applicant intended. Section labels in the file names will assist HUD in reassembling the application and ensuring its review as designed by the applicant.**

(c) **SECTION TABS: THE FIRST PAGE OF EACH SECTION'S TEXT WITHIN EACH ELECTRONIC FILE SHOULD BE BLANK, EXCEPT FOR THE WORD "SECTION," ITS ASSOCIATED IDENTIFYING LETTER (A THROUGH X BELOW) AND, IF APPLICABLE, THE ASSOCIATED RATING FACTOR NUMBER. This will serve to separate and identify the files/section materials when the application is downloaded. It will help to ensure that your files and documents are properly identified and are put into the correct order for application review.**

(d) Large blank areas that result after printing the last page of a Section's materials will be taken into account and not included in the page count when the HUD reviewer is determining the maximum number of pages.

(e) Section tab cover pages are not necessary for HUD forms. HUD forms are easily identifiable by HUD and Section Tabs will be of no assistance.

c. Maximum Length of Application.

(1) Page Definition and Layout.

(a) A page is the electronic equivalent of an 8 ½" x 11" paper page, with one-inch top, bottom, left, and right margins, double spaced.

(b) For .doc (MS Word 2003) and .docx (MS Word 2007) files, a "page" contains a maximum of 23 double-spaced lines. Single spaced pages will be counted as two (2) pages each.

The length of each line is limited to 6 ½ 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, e.g., in the footer area.

(c) Third-party and existing documents converted into PDF format for electronic submission may retain their original page layout. Except for maps and drawings, they must not be shrunk to fit more than one original page on each application page. Third-party forms, letters, and other documents do not count toward any page limits.

(d) Pages of HUD forms and certification formats furnished by HUD must remain as numbered by HUD. These forms do not count toward any page limits.

(2) The maximum overall length of the application must not exceed 30 pages, excluding Section Tabs, HUD forms, the applicant's Code of Conduct, the applicant's Section 3 Plan, third-party match and leverage firm commitment letters, and other third-party documents that are necessary to address unique situations. **PAGES BEYOND THIS LIMIT WILL NOT BE REVIEWED AND THE INFORMATION ON THOSE PAGES WILL NOT BE INCLUDED IN THE RATING PROCESS.** Page numbers for "counted" pages may be added manually, since these pages may be separated by other documents, e.g., Tabs or a HUD form may be located in between countable text pages.

(3) Suggested page limits for certain Section responses are as follows:

(a) The Executive Summary should not exceed three or four pages. If longer, it will conflict with the page space needed for the application's Rating Factor Section narratives.

(b) The Program Schedule may be limited to one page. It only needs to include the milestones in "Reasonable Time Frame," Section VI.B.1.e, of this program NOFA;

(c) The HOPE VI Main Street Area Map, including identification of all project sites and public transit access points, may be shrunk to one page in PDF format. Although the map will be

printed out on one letter-size page, the HUD reviewer will have the PDF file available and will be able to zoom in to see drawing details. The map lines showing the project site locations and the area's boundaries (a program NOFA requirement) may be hand-drawn on a portion of a pre-printed map. Computer-Aided Design software is not necessary;

(d) The representative affordable housing unit layout may be limited to one page that contains between one to four unit styles; and

(e) For applicant Team resumes, more than one resume may be placed on each page.

d. List of Application Sections and Related Documents.

(2) Summary Information:

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

(b) Section B: Executive Summary (Note as an example, that in accordance with “Application File Name Attributes and Section Labels:” Section IV.B.3.b.(3), above, the application’s file name for the Executive Summary could be “Section_B_Executive_Summary”. This sample file name has less than 32 characters, no spaces, and no special characters. Note that the colon has been removed, because it is a special character. A Section Tab for the Executive Summary could be created in MS Word by inserting a Page Break, typing, “Section A: Executive Summary”, then inserting another page break. The mandatory rules for file names would not apply to text on a Tab page that is within the file.);

(2) Rating Factor Responses:

(a) Section C: Rating Factor 1, Capacity, Narrative Response (Note, as a second example of a file name and Section Tab, the file name for Section C could be, “Section_C_Rating_Factor_1”. This file name has less than 32 characters, no spaces and no special characters. If the file name also included the words “Capacity, Narrative Response”, it would have more than 32 characters, Grants.gov would not recognize the file, the file would not

be uploaded to Grants.gov, and the information justifying all of Rating Factor 1's 25 points would not be included in the application. Please ensure that these file name rules are followed for all of the application's file names, for all of the Sections below.);

(b) Section D: Rating Factor 3, Readiness Narrative Response;

(c) Section E: Rating Factor 4, Appropriateness of the HOPE VI Main Street affordable housing project, Narrative Response;

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

(3) Attachments:

(a) Section G: Match and Leverage Firm Commitment Documents;

(b) Section H: Percentage of Very low-Income Housing;

(c) Section I: Readiness Certifications and Documents;

(d) Section J: Program Schedule;

(e) Section K: HOPE VI Main Street Application Data Sheet, form HUD-52861 (Note, to stay below 32 characters in a file name that includes a HUD form, the HUD form number may be used. In this case, the file name could be, "Section_K_HUD-52861");

(f) Section L: HOPE VI Budget, form HUD-52825A;

(g) Section M: 5-Year Cash Flow Proforma;

(h) Section N: Map of HOPE VI Main Street Area showing location of project sites and HOPE VI Main Street area boundaries;

(i) Section O: Site Plans and Typical Unit Layouts;

(j) Section P: Affirmatively Furthering Fair Housing Statement, Section 3 Plan;

(k) Section Q: Program Outcome Logic Model, form HUD-96010 (including indicators, outcomes and related items obtained in accordance with Section VI.C of the General Section);

- (l) Section R: Code of Conduct (including distribution methodology);
- (m) Section S: Energy Efficiency and Energy Star Activity List
- (n) Section T: Certification of Consistency with the RC/EZ/EC-II's Strategic Plan, form HUD-2990, if applicable;
- (o) Section U: Applicant/Recipient Disclosure Report, form HUD-2880, "HUD Applicant Recipient Disclosure Report," if applicable;
- (p) Section V: Disclosure of Lobbying Activities, Standard Form LLL, if applicable;
- (q) Section W: HUD-2994, You Are Our Client Grant Applicant Survey (optional); and
- (r) Section X: HUD- 96011 Third Party Documentation Facsimile Transmittal ("Facsimile Transmittal Form" on Grants.gov to be used to transmit third-party documents as part of the electronic application that cannot be scanned into PDF format, if applicable);

2. Application Documentation

a. Threshold Documentation.

(1) HUD strongly suggests that the applicant **copy** the "application section" list from Section 3.d., above, and use it as a check sheet to ensure that **the** application is complete. If documentation is missing, it may cause the application to lose rating points or be barred from rating and ranking. When attaching files to the application, be sure to review all files submitted by scrolling to the bottom of the list of files included in the "Narrative Attachments," and "Other Attachments" file container forms. (These Attachment forms are the equivalent of computer folders that contain the listed files.) Ensure that you have attached the final version of the file with the application and that the end of the file list shows that no files were left out of the attachment file container forms.

(2) Several threshold documentation requirements are stated in "Threshold Requirements," Section III.C.2. of the General Section. Where documentation is necessary to

meet these thresholds, an application Section is usually included in the program NOFA.

Examples are “Conducting Business in Accordance with Core Values and Ethical Standards,” the “Affirmatively Furthering Fair Housing Statement,” and “Disclosure of Lobbying Activities.” In addition, “Certification of Certain Thresholds,” Section III.C.3., of this program NOFA, states that the applicant certifies that it will meet the listed threshold when it signs its application. THESE CERTIFICATIONS DO NOT REPLACE DOCUMENTS THAT ARE REQUIRED TO BE INCLUDED IN THE APPLICATION BY THE NOFA. These “certified” threshold requirements will be included in the Grant Agreement that must be executed by HUD and the applicant, if the applicant receives a grant from this NOFA.

b. Application Documentation Requirements for Thresholds, Rating Factors and Other Requirements

(1) Application for Federal Assistance, Standard Form 424 (Section A)

(2) The Standard Form 424 (SF-424) is the cover sheet to the application. It is the first of several mandatory documents listed in the Grants.gov application package. The applicant MUST complete all information in the SF-424 or Grants.gov will not allow the application to be uploaded. The SF-424 contains all of the applicant’s basic information and contacts. It also contains identification information that HUD requires to track and award grants. This information includes the applicant’s “Dun and Bradstreet Data Universal Numbering System (DUNS) Number.” If the applicant does not have a DUNS number, it must obtain one. See the General Section III.C.2. and application instructions on the Grants.gov website.

(3) Executive Summary (Section B).

(a) Provide an Executive Summary. Describe the affordable housing plan in general terms. State whether:

(i) The applicant has procured (or will procure) a Developer,

(ii) The applicant will act as its own Developer, or

(iii) The applicant will not use a Developer because the housing project has a single owner who will hire a Design Build Construction Contractor. Briefly describe:

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

(c) The number of units, buildings, and private owners, if any;

(d) The description of the Main Street Area that surrounds the HOPE VI Main Street affordable housing project. Include basic features (such as previous restoration of streets), and a general description of mixed-use, commercial, and other non-housing Main Street rejuvenation components;

(e) The number of rental vs. homeownership units in this application;

(f) The amount of HOPE VI funds the applicant is requesting;

(g) A list of major non-HOPE VI funding resources for the HOPE VI Main Street affordable housing project; and

(h) A list of major non-HOPE VI funding resources for the Main Street Area rejuvenation effort as a whole. This “Leverage” would include the cost of completed infrastructure improvements, e.g., restored streets, and private rehabilitation, e.g., completed façade restoration of buildings, all within the Main Street area.

(i) Note that each page spent on the Executive Summary decreases the overall number of text pages allowed to address the Rating Factors directly.

(4) Documentation for Rating Factor 1 – Capacity, Narrative Response (Section C)

(a) **Team Experience.** This Rating Factor will be based upon the applicant’s narrative description of the various types and extent of experience that each of its Team members has accumulated. Information found in other Sections of the application that reflects on the Team’s capacity also will be weighed for this Rating Factor. The stated experience will be reviewed to

determine if the Team has successfully completed similar projects. It will also be reviewed to determine how similar those projects were to the activities that will be performed under a grant from this program NOFA. At a bare minimum, the following should be included:

- (i) A list and short description of affordable housing projects that the members of the applicant's Team have completed; and
- (ii) A list and short description of contracts or grants completed by the members of the applicant's Team for similar housing development or services.

(b) **Key Personnel Knowledge.** Key personnel are those Team members that must remain part of the Team in order for the Team to complete the activities required by a grant under this program NOFA. As examples, key personnel may include the Developer if complex financing methods are necessary to complete the grant activities, the owner of the property that is going to be rehabilitated if it will remain in his possession, or an affordable housing intermediary that is going to manage the activities of other Team members. On the other hand, a specific accountant would not be key to grant completion. Knowledge may come from experience or from education. The quality and amount of knowledge that key personnel have will be weighed by this Rating Factor. As an example, short resumes would contain this type of information.

(5) Documentation for Rating Factor 2 - Need for Affordable Housing. (Sections H and R)

(a) HUD tracks low-income residents and units throughout the nation, along with the percentage of family income that they pay for rent. It lists this information by state, county/parish, and sometimes city, in its Comprehensive Housing Affordability Strategy (CHAS) database, which can be found at <http://socds.huduser.org/scripts/odbc.exe/CHAS/statetable.htm>.

(b) In order to show need for affordable housing, HUD will use this database to determine if low-income families are paying more than 30% of their income for rent. HUD

reviewers will derive the need for affordable housing based on the percentage of families earning 50% to 80% of the Area Median Income that pay more than 30% of their income for rent.

Rating Factor 2 in Section V.A.2. of this program NOFA states the measurements and rating point scale.

(c) No documentation from the applicant is necessary for this Rating Factor.

(6) Documentation for Rating Factor 3 - Readiness: Site Control, Zoning, and Developer/Construction Agreement (Sections D and I).

(a) Site Control,

(i) Evidence of Site Control should be included in the application's Readiness

Attachment Exhibit:

(ii) For site(s) where the ownership entity WILL NOT change in order to perform under a grant from this program NOFA, e.g., the current owner will retain the property:

(A) A copy of the site's deed that shows ownership by the applicant or a Team member owner entity; or

(B) A certification signed by the applicant's Mayor, City Registrar, or other authorized city employee, stating that the applicant has the legal authority to perform the proposed and the required activities of a grant from this program NOFA on the site(s).

(iii) For sites where the ownership entity WILL change in order to perform under a grant from this program NOFA, e.g., site acquisition using Leverage funds, the first page and execution page of the agreement, contract, sales contract, sales option, or other document that gives the applicant the legal authority to perform the proposed and required activities of a grant from this program NOFA on the site(s).

(b) For Zoning, the application's Readiness Attachment Exhibit should include a certification from the appropriate local official, e.g., local government engineer, zoning/land-use official (not necessarily the Mayor), documenting that either:

(i) All required land-use approvals for developed and undeveloped land have been secured; or

(ii) The request for such approval(s) is on the agenda for the next meeting of the appropriate authority in charge of land use, e.g., zoning board, city council. This document must include the date of the meeting.

(c) For Developer/Construction Agreement, the application's Readiness Attachment Exhibit should include one of the following:

(i) If an agreement/contract does not yet exist, a description in the Rating Factor Narrative of activities that the applicant Team has performed in order to obtain a Developer, construction manager, or construction contractor. These may include discussions, procurement processing, etc., that the applicant has completed. The description should also contain a description of the activities that have not been, and must be, completed to sign an agreement with such a Team member or contractor to perform the proposed and required grant activities. Note that in accordance with 24 CFR 50.3, the grantee must not enter into a binding agreement for choice-limiting actions until HUD completes an environmental review.

(ii) If the applicant has entered into a binding contract before submitting an application for activities that may be partially funded by a grant from this program NOFA, the applicant must state so in the application. Note that, prior to HUD's completion of its environmental review, funds from this program NOFA must not be committed or used to fund construction activities that started under a binding contract that was executed before the application deadline.

(7) Documentation for Rating Factor 4 - Appropriateness and Feasibility of the HOPE VI Main Street Affordable Housing Project (Section E Narrative, Section G and K through P Attachments)

(a) Appropriateness includes several items that are specifically mentioned in the statute that authorizes the HOPE VI Main Street program, including Traditional and Historic Preservation in the Main Street area, HUD policy initiatives, such as Energy Efficiency and Energy Star (Section S of the application), economic opportunities for low- and very low-income persons (Section P of the application), and housing for very low-income persons (Section H of the application), along with other statutory requirements concerning equal housing.

Documentation for these items include the Section 3 Plan (Section P of the application), the percentage of housing that will be set aside for very low-income persons (Section H of the application), a narrative on architectural preservation (Section E of the application), the Main Street area map (Section N of the application), and the housing unit layouts (Section O of the application). Note that several of these items will be rated in separate sub-factors listed under Rating Factor 4.

(b) Feasibility is documented by the Sources and Uses included in the form HUD-52861 (Section K of the application). These show that there is enough financing to construct the project. In addition, the 5-year Cash Flow Proforma shows that the project will be able to support itself financially over time. A separate attachment is required for the 5-year Cash Flow Proforma (Section M). It is not included in form HUD-52861.

(c) Section 3. The applicant will be rated on the Section 3 Plan and past conformance with Section 3, if applicable. See Section III.C.4.c. of the General Section for Section 3 grantee reporting requirements. The Rating Factor Attachment (Section P of the application) must contain a Section 3 Plan that must include (at a minimum) the below listed items. To include

information from the annual Logic Model Section 3 report information in the Section 3 Plan, the applicant should make reference to such information in the Section 3 Narrative (Section E of the application):

(i) Types and amounts of employment and contracting opportunities to be generated as a result of proposed project activities;

(ii) Specific actions that will be taken to ensure that low- and very low-income persons and the business concerns that substantially employ these persons will be given priority consideration for employment and contracting opportunities in accordance with 24 CFR Part 135.34 and part 135.36;

(iii) Eligibility criteria to be used for certifying Section 3 residents and business concerns;

(iv) Process to be used for notifying Section 3 residents and business concerns about the availability of training, employment and contracting opportunities;

(v) Methodology to be used for monitoring contractors and subcontractors that are awarded covered contracts to ensure their compliance with the requirements of Section 3;

(vi) Strategies for meeting the Section 3 minimum numerical goals for employment and contracting opportunities found at 24 CFR part 135.30; and

(vii) Contact information and qualifications for staff persons that will be responsible for the day-to-day implementation of Section 3, including the submission of Section 3 annual reports in accordance with 24 CFR part 135.90.

(d) Housing Units Set Aside for Very Low-Income Persons. A very low-income person or family is defined in Section I.D. of this program NOFA. Generally, very low-income indicates a person or family whose income is less than 50% of the area's family median income, adjusted for family size. Very low-income persons or families find it extremely difficult to find decent, safe and sanitary housing. In an effort to affirmatively further fair housing, the applicant

will be rated on this set-aside percentage. Documentation for this sub-factor includes a narrative explaining how the applicant will affirmatively market to this group (to be placed in Section E of the application) and a statement of the percentage of housing units that will be set aside for this group (stated in Section P of the application). The HOPE VI Main Street statute requires that a portion of HOPE VI Main Street units be set aside for very low-income persons. In accordance with Section V.A.4.b. of this program NOFA, Rating Factor 4.b., a set-aside that exceeds this requirement will receive more rating points.

(e) Distance to Public Transportation. Another sub-factor of Rating Factor 4 is the distance the HOPE VI Main Street affordable housing project is from public transportation. This sub-factor should be discussed in Section E of the application, e.g., transit is planned, exists now, etc., and public transit access points should be noted on the Main Street area map.

(f) Visitability. Visitability is a program requirement and is one aspect of Universal Design, Section III.C.4.n. of this program NOFA. It also receives one rating point as a HUD policy priority. To receive this point the applicant must demonstrate that visitability has been incorporated into the project design to the extent that it is feasible. Documentation for this factor would include a narrative listing the visitability equipment and structures and design aspects that will be included in the construction design. At one end, visitability equipment and structures may vary from an extra two-by-four in a wall by a bathtub for future installation of a grab-bar to an elevator to reach second or third story units. Visitability also includes maximizing the number of street level units. Note that the rating factor includes the concept of feasibility. Where possible, list visitable design aspects that will be included in the design. If it is not feasible to implement certain aspects that seem easily incorporated, the application should explain what aspects were considered and rejected, and the reasons for rejection.

(g) Leverage. Leverage shows that there is local support for the Main Street rejuvenation effort. Leverage is a statutory requirement. The applicant must provide Leverage funds/in-kind services that are firmly committed to the Main Street rejuvenation effort, as a whole. This Leverage may include Leverage specifically committed to development of the HOPE VI Main Street affordable housing project. This Leverage demonstrates statutorily required government and private-sector community support. Leverage does NOT need to be expended on affordable housing uses. Leverage may include infrastructure and other government expenditures that have occurred since the Main Street rejuvenation effort began. See “Definitions,” Section I.D and “Program Requirements,” Section III.C. of this program NOFA for more information about Leverage.

(i) To be counted as Leverage, the application must contain a letter from each Leverage resource. The letter must be in writing, be signed by a person authorized to make the firm commitment, and must explicitly state (in Section G):

(A) The amount of the Leverage; and

(B) That the Leverage has been or will be expended on the Main Street Area rejuvenation effort.

(ii) To be counted as Leverage, the resource should also be included on page 13 of the “HOPE VI Main Street Application Data Sheet,” form HUD-52861. No narrative discussion of Leverage is necessary.

(iii) Funds/in-kind services that are included as match resources CANNOT be included in Leverage and should not be duplicated in Leverage documentation.

(h) Retention of Historic or Traditional Architecture. The Rating Factor Narrative Exhibit should include the age of, and restoration work being done to, façades that are part of the HOPE VI Main Street affordable housing project, along with other significant preservation or

restoration that has taken place or is planned as part of the rest of the Main Street Area rejuvenation effort.

(8) Documentation for Rating Factor 5 - Program Administration and Fiscal Management (Section F).

(a) For this rating factor, the applicant must demonstrate program administration and fiscal management.

(b) The applicant should provide a list of any findings issued or material weaknesses found by HUD or other federal or state agencies. If any of these exist, documentation must also include 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 program NOFA, include a statement to that effect in the narrative. HUD will consider this statement an applicant's certification of fact.

(c) Program Schedule (Section F for methodology and Section J for the schedule). The Program Schedule should contain all of the milestones stated in "Administrative Requirements," Section VI.B. of this program NOFA. The Narrative Exhibit for this Rating Factor should describe the methodology used in developing the schedule, including the parties that were contacted and that contributed information to the applicant.

(d) Achieving Results and Program Evaluation: Logic Model (Section F for the Narrative and Section Q for the form). The grantee will be required to submit both a quarterly reports to HUD using a HUD-developed, on-line data input system, and annual reports based on the Logic Model. The application's Rating Factor Narrative Exhibit should describe the method that the applicant will use to collect production information, other information that it states will be measured on through the Logic Model, and the type of computers and Internet access that the applicant Team possesses. Training on the Logic Model rating factor is archived on HUD's

website. Documentation on creating the Logic Model and on the method used to rate it can be found at <http://www.hud.gov/offices/adm/grants/nofa08/elogicmodel.pdf> and through the Logic Model webcast at <http://www.hud.gov/webcasts/archives/supernofa08.cfm> under the title, “SuperNOFA Logic Model (Grantees), April 24, 2008.” This Rating Factor measures the quality of the Logic Model, not the number of metrics measured. Rationale for inclusion of metrics should be addressed in the Narrative. Note that the inclusion of metrics that will be difficult or impossible to measure based upon the applicant’s local conditions will not improve the rating of the Logic Model. A list of such exclusions may be included in the Logic Model Narrative section.

(e) Development, Financial, and Fiscal Management. The Rating Factor narrative should include identification of the Team members, their positions in the Team, and the methods they will use to manage:

- (i) General administration of the grant activities and reporting;
- (ii) Construction activities, including inspections;
- (iii) Leverage and match resources to guarantee fulfillment of commitments;
- (iv) Accounting and distribution of grant funds; and
- (v) Local, state, and federal procurement requirements of the applicant government.

(9) Documentation for Rating Factor 6 - Energy Efficiency and Energy Star

(Section S)

(a) Section S should include a list of Energy Star rated equipment and materials that will be used in the construction and preparation for occupancy of the affordable housing units in the project. See “Energy Star” in Section III.4., “Program Requirements” of this program NOFA.

(b) Energy efficiency measures above and beyond Energy Star should be labeled and listed separately, e.g., an extremely high-efficiency furnace or burner that is a level above minimal Energy Star standards.

(10) Rating Factor 7 - RC/EZ/EC-IIs (Section T).

To receive up to two points for performing the program 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.

(11) Match (Sections G and K). Match amounts and resource information must be listed on page 12 of form HUD-52861, Section K. Match letters must also be included in the application to show firm commitment of these funds to the HOPE VI Main Street housing project. These would include letters from the City, describing public contributions, and letters from local private entities (usually property ownership entities). These would be made into PDF files and submitted in Section G. See the Match threshold documentation in Section III.C. of this NOFA for detailed requirements concerning the match.

(12) Program Schedule (Section J). 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 program NOFA.

(13) HOPE VI Main Street Application Data Sheet, form HUD-52861, in MS Excel format (.xls) (Section K).

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.

(a) **Unit Mix.** This worksheet will be HUD's primary source of information on the HOPE VI Main Street affordable housing project's unit number and type. This information also feeds into the calculations for maximum grant amount.

(b) **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 and rent-up period, including grant funds used in construction. A permanent mortgage would not be included here.

(c) **Permanent Sources and Uses.** This worksheet contains the planned costs and long-term financing that will be used to develop the HOPE VI 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.

(d) **Total Development Cost (TDC).**

(i) The maximum amount of the grant must be based on HUD's published TDC per unit developed. See HUD's Notice PIH-2008-47 (HA), "Public Housing Development Cost Limits", which can be found on HUD's HUDClips website (the Notice is in doc format and the amount tables are in pdf format). This is a large file and may take several minutes to open.

(ii) HUD has developed TDCs for larger cities, metropolitan statistical areas and primary metropolitan statistical areas (MSA/PMSA), and some counties. HUD has not developed TDCs for all small, non-metropolitan cities and towns. Therefore, to find out of which county/parish or MSA/PMSA the local government is considered a part of, the applicant may have to contact its closest HUD Field Office.

(e) **Match.** In order to meet HOPE VI's statutory five percent match threshold, the applicant must enter match resource information in this worksheet. If a resource is not listed in this worksheet, the amount will not be included in HUD's calculation of match, and the application may be barred from rating, ranking, and award. (Note that the applicant must also provide a commitment letter for each match resource. See "match," Section III.B. of this program NOFA.)

(i) For each of the applicant's match resources, the applicant must include in this form:

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

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

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

(D) The match amount in dollars;

(E) Whether the match amount is cash or in-kind services; and

(F) A letter from the entity that is furnishing the match, including items (i) through (v) above and signed by an authorized individual, stating that the match is firmly committed.

(ii) Match must only include resources to fund the HOPE VI Main Street affordable housing project, not the rest of the Main Street Area.

(f) **Leverage.** Leverage is a HOPE VI program requirement of cash or in-kind services that have been firmly committed to the HOPE VI Main Street affordable housing project or the Main Street Area refurbishment effort.

(i) For each of the applicant's Leverage resources, the applicant must include in this form:

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

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

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

(v) The Leverage amount on dollars;

(vi) Whether the Leverage amount is cash or in-kind services;

(vii) A letter from the entity that is furnishing the Leverage, including items (i) through (vi) above, signed by an authorized individual, stating that the Leverage is firmly committed.

(14) **HOPE VI Budget (Section L).** Enter the amount the applicant is requesting through this program NOFA. Typically, HOPE VI assists PHAs. With the HOPE VI Main Street program, HOPE VI is assisting local governments. Because of this, the HOPE VI Budget form refers to PHAs instead of local governments. In “Part I: Summary,” in the “PHA” space, enter the applicant’s name as stated on the form 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 form SF-424 and complete only columns two and three.

(15) **Cash Flow Proforma (Section M).** The applicant must include a 5-year estimate of project income, expenses, and cash flow (“proforma”) that shows that the project will be financially viable over the long term. The proforma should show the affordable rents for the period of the INITIAL occupancy and the affordable or market rents (set at the discretion of the grantee) for subsequent occupants. Note that initial funding of reserves with grant funds is NOT an allowable use of funds from this program NOFA, e.g., a rental reserve to support initial affordable income. Reserves may be funded through Leverage resources.

(16) **Map of Main Street Area (Section N).** 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 heavy black lines. The boundaries must be real and may include streets, highways, railroad tracks, etc., and natural boundaries such as streams, hills, and ravines, etc. A RADIUS OR OTHER GENERAL DEMARCATION OF THE MAIN STREET AREA IS NOT ACCEPTABLE AND EITHER RATING POINTS WILL BE SUBTRACTED OR, IF VAGUE ENOUGH, THE MAIN STREET AREA THRESHOLD MAY NOT BE MET AND THE APPLICATION WILL BE REJECTED AND NOT REVIEWED. The map property locations and area boundaries may be hand-drawn and should be approximately to scale. The purpose of this drawing is to define the area where firmly committed Leverage resources that are included in the application have been, or will be, expended. The location of public transit access points should also be included on the map.

(17) **Site Plan and Typical Unit Layout (Section O).** The applicant must include a drawing of the HOPE VI Main Street affordable housing project site plan and typical unit layouts. The drawings may be hand-drawn, should be approximately to scale, and should be in grayscale, for printing on a black-and-white printer. The purpose of these drawings is to determine if the building and unit configuration look feasible and fulfill generally acceptable housing standards. If there are several unit layouts, e.g., different size apartments, up to four (4) drawings may be shrunk to fit on one page, provided that the drawings are in PDF format. PDF will allow reviewers to zoom into the PDF file to see details.

(18) **Affirmatively Furthering Fair Housing (Section P).** Successful applicants engaged in housing or housing related activities are obliged to take reasonable steps to affirmatively further fair housing (AFFH). Consistent with the General

Section, applicants must provide a statement on AFFH in accordance with the General Section's instructions. See the General Section III.C. Failure to include this statement will render the application ineligible for award.

(19) **Logic Model (Section Q).** The applicant must complete the form HUD-96010, "Logic Model," in accordance with the "Logic Model Instructions in the General Section."

(20) **Code of Conduct (Section R).** See Section III.C.2.d. of the General Section and Section III.C.3.h. of this program NOFA, "Thresholds," for Code of Conduct Requirements. Documentation should include as much detailed information as is listed in the Sections above, that is available to the applicant, to fulfill the Code of Conduct threshold.

(21) **Disclosure of Lobbying Activities, Standard Form LLL, if applicable (Section V):**

This form must be filled out and submitted with the application to meet the threshold stated in Section III.C.2.i. of the General Section, if applicable.

B. Receipt Dates and Times.

- 1. Application deadline date.** Electronic applications must be received by 11:59:59 p.m. eastern time on the application deadline date. See this program NOFA's "Overview Information" Section F. for the deadline date.
- 2.** See Section IV. of the General Section and Section IV.F., below, for Grants.gov application instructions. A large part of the General Section describes, in great detail, the relatively complex process for registering with Grants.gov and CCR. It also describes how to download HUD's application package and upload the applicant's application to Grants.gov. If the applicant is not familiar with Grants.gov, the applicant should begin the registration process a month before the application deadline date. Note, also, that applicants already registered must renew their CCR registration annually.

C. 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 or if the SPOC elects not to review the application, the applicant may send applications directly to Grants.gov.

D. 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 program NOFA.

2. HOPE VI funds, or services reimbursed with HOPE VI funds, CANNOT be used to meet the match requirement.

3. Cost Controls.

a. The total amount of HOPE VI funds expended shall not exceed the TDC for the total number of units in the project, as described in the application to this program NOFA. TDC limits are published by HUD in Notice PIH 2008-47 (HA), "Public Housing Development Cost Limits."

The TDC limits can be found through HUD's HUDClips website at the top of

<http://www.hud.gov/offices/adm/hudclips/notices/pih/08pihnotices.cfm>, labeled “08-47.” The “.doc” file is the implementing Notice and the “.pdf” file lists TDC amounts by geographic area and unit size. This list of TDC amounts is also included as background data in form HUD-52861, “HOPE VI Main Street Application Data Sheet.”

b. 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 percent (9%) or less of total HOPE VI Main Street affordable housing project costs that are funded by grant funds or Leverage funds included in the program NOFA application (less the total amount of all reserve accounts and less the Developer fee, itself.) The maximum Developer fee is 12 percent (12%) of total HOPE VI Main Street affordable housing project costs that are funded by grant funds or Leverage funds included in the program NOFA application. Any fee above the 9 percent safe harbor must be justified and approved by HUD in advance. Possible justifications for exceeding the 9 percent 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) Developer obtains site control from more than one property owner. The more property owners, the greater the justification for a higher Developer fee

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

(e) The Developer bears more than 25 percent of the predevelopment costs;

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

(g) 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 Safe Harbor. The HOPE VI Main Street Safe Harbor for the general contractor fee is as follows:

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

(b) Overhead: 2 percent of hard-costs plus general requirements;

(c) Profit: 6 percent of hard-costs, general requirements, and overhead;

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

4. 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.

5. Statutory time limit for award, obligation, and expenditure.

a. The estimated award date will be 30 days after the application deadline date for this program NOFA.

b. Funds available through this program NOFA must be obligated, i.e., grants must be awarded, on or before September 30, 2010.

c. 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 2009 must be expended by **September 30, 2015**. Any funds that are not expended by these dates will be cancelled and recaptured by the United States Treasury, and thereafter will not be available for obligation or expenditure for any purpose.

6. Withdrawal of Funding. If a grantee under this program NOFA does not proceed within a reasonable time frame (in accordance with Section VI. of this program NOFA), HUD retains the right to unilaterally withdraw any grant amounts that have not been obligated by the grantee.

Unless these funds must return to the U.S. Treasury, HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for assistance under the HOPE VI program.

7. Transfer of Funds. HUD has the discretion to transfer funds available through this program NOFA to any other HOPE VI program.

8. Limitation on Eligible Expenditures. Expenditures on services, equipment, and physical improvements must directly relate to project activities allowed through this program NOFA.

9. Pre-Award Activities. Award funds shall not be used to reimburse expenses incurred before the award date.

E. Other Submission Requirements.

1. Application Submission and Receipt Procedures. See Sections IV.B., C., and F. of the General Section.

2. Timely Receipt Requirements and Proof of Timely Submission. Electronic Submission.

a. All electronic applications must be received by Grants.gov **by 11:59:59 p.m. eastern time** on or before the deadline date established for this program NOFA in its “Overview Information” Section F, located near the beginning of the document. See Sections IV.C.2. and IV.C.4. of the General Section.

b. Applicants are advised to submit their applications at least 24 to 48 hours in advance of the deadline date so that any submission issues can be addressed prior to the deadline date and time. In this way, if the application is rejected for some reason, the applicant will have sufficient time to learn what caused the rejection and to resubmit the application prior to the deadline.

c. In FY 2009, HUD is establishing a one-day grace period from the date of notification of a rejection from Grants.gov, to allow applicants that successfully upload an application to Grants.gov prior to the deadline date and time, but receive a rejection notice after the deadline date and time, to cure the reason for rejection and re-upload the application to Grants.gov. The paragraphs below describe HUD's Grace Period Policy for FY2009.

(1) Applicants that have successfully uploaded their application to Grants.gov prior to the deadline, and subsequently receive a rejection notice from Grants.gov after the deadline date and time, will have a one-day grace period from the date stamp on the first Grants.gov rejection notice after the deadline, to cure the basis for the rejection and upload an application that corrects the problems cited in the rejection notice. Applicants can upload the application as many times as needed to cure noted deficiencies within the one-day grace period. The Grants.gov rejection notice identifies the reasons why the application was rejected. Applicants that do not understand the error messages received in the rejection notice should immediately contact the Grants.gov Help Desk so they can get assistance in clearing the problem. Generally, Grants.gov will reject an application because it contains an incorrect DUNS number or a DUNS number that does not match the AOR's registration, the application was submitted by an individual without proper authorization as the AOR, and/or the application contains file names that trigger a "VirusDetect" message. The grace period ends one day after the date stamp on the first rejection notice received after the deadline date.

(2) **WARNING:** Applications that contain file names which are longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a "VirusDetect" message. In FY2008, the use of spaces and special characters in file names, and the use of file names which were longer than fifty

characters, resulted in the most instances of an applicant receiving a “VirusDetect” rejection. Applicants should also scan files for viruses because the Grants.gov system will also reject files with viruses.

(3) Applications received by Grants.gov, including those received during the grace period, must be validated by Grants.gov to be rated or ranked or receive funding consideration by HUD. HUD will use the date and time stamp on the Grants.gov system to determine dates when the grace period begins and ends.

(4) Applications uploaded to Grants.gov after the deadline date under the following circumstances do not qualify for the grace period and will not be considered for funding:

(a) Applications uploaded and received by Grants.gov after the deadline date and time for which there is no prior rejection notice in the Grants.gov system logs will be considered late and will not be rated and ranked or receive funding consideration. Failure to successfully upload the application to Grants.gov by the deadline date and time does not qualify for the grace period as described above.

(b) Applications receiving a rejection notice due to the funding opportunity being closed will not be provided the one day grace period to correct the “opportunity closed” deficiency or any other basis for rejection because the applicant missed the deadline date and time and therefore does not qualify for the grace period as described above.

(c) If an application is uploaded during the grace period and is subsequently rejected after the grace period ends, the applicant will not be afforded additional time to correct the deficiency(ies) noted in the rejection notice.

(5) The grace period ends at 11:59:59 p.m. one day from the date stamp on the first rejection notice issued after the deadline date by the Grants.gov system to the email address provided in the Grants.gov registration. Applicants must ensure that their email notification

address contained in the Grants.gov registration is up-to-date. Neither HUD nor Grants.gov will be responsible if email messages are not received at the address listed in the registration process. Applicants must also ensure that their email systems will accept messages from Grants.gov. Applicants are responsible for monitoring their email messages. Messages from Grants.gov come from Support@grants.gov.

(6) The only exceptions to HUD's grace period policy are:

(a) The Grants.gov system is down and not available to applicants for at least 24 hours prior to the deadline date, or the system is down for 24 hours or longer, impacting the ability of applicants to cure a submission deficiency within the grace period; and/or

(b) There is a presidentially declared disaster in the applicant's area. In the event of either or both of these events, HUD will publish a notice extending the deadline or cure period, for applicants affected, as appropriate.

(7) Busy servers or slow processing are not the basis for HUD to extend the deadline dates or the grace period. Applicants are advised to monitor the Grants.gov system using the Grants.gov blog at <http://grants-gov.blogspot.com/>. The Grants.gov blog provides information on server capacity, traffic on the Grants.gov site, and other federal grant closings each day. Applicants should monitor the site and take into account the amount of traffic on the site when applying.

(8) An applicant will not be provided additional opportunities to correct rejection errors if an application is rejected after the one-day grace period has expired.

(9) As with any electronic system, applicants may experience issues when attempting to submit their application which does not permit the uploading of the application to Grants.gov. Such issues can be due to firewall and virus protection software that the applicant has placed on their system or network; proxy and cache settings; Internet traffic; limitation on the size of the

files attempting to be transmitted established at the applicant's site or by the applicant's Internet provider; Grants.gov servers experiencing busy traffic; or any number of issues. Therefore, HUD strongly advises applicants to submit their applications at least 48 hours prior to the deadline and when the Grants.gov Help Desk is open so that assistance can be provided. Assistance may require diagnosing an applicant's particular issues. An applicant that does not follow HUD's advice increases the applicant's risk of not being able to meet the timely receipt requirements. A submission attempt less than the recommended 48 hours before the deadline does not allow the time needed to research the reason for the problem or to work with the applicant in overcoming the uploading difficulty. Similarly, attempting to submit within 24 hours of the deadline or when the Grants.gov Help Desk is closed does not allow the time needed for Grants.gov or HUD to provide the needed assistance. In addition, HUD staff cannot provide assistance or contact Grants.gov on your behalf after the Help Desk is closed. HUD strongly encourages applicants to carefully read the December 29, 2008 General Section for additional information regarding the Grants.gov registration process, submitting an application through Grants.gov, and timely receipt instructions. Applicants need to be aware that following submission applications go through a validation process in which the application may be accepted or rejected. The process may take 24 to 48 hours to complete. Your completed application must be received by Grants.gov no later than 11:59:59 p.m. eastern time on January 20, 2010, the application deadline date. HUD advises applicants to submit their applications early with sufficient time to address issues that might prevent their applications from being received by Grants.gov to meet the timely receipt requirements contained in this NOFA.

(10) Applicants should also note that Adobe has put out a new version of Adobe Reader compatible with Grants.gov. These versions are 8.1.6 and 9.1.2. Applicants must use the latest

versions of the Adobe Reader compatible with Grants.gov, which are Adobe Reader 8.1.6 or 9.1.2 or the most recent versions posted to the Grants.gov website. Note that it is important to ensure that the applicant's email is correct during registration at Grants.gov. If the email is not correct, the applicant will not receive notification of rejection from Grants.gov.

3. Waiver of Electronic Submission Requirements.

a. Requests for HUD to waive the requirement that program NOFA applications be submitted electronically must be made in writing to:

Department of Housing and Urban Development

Office of Public Housing Investments

Attention: Susan Wilson, Director

451 Seventh Street, SW

Washington, DC 20410-5000

b. Waiver requests must include justification explaining why the application cannot be submitted electronically, e.g., extremely unreliable internet connection in a large rural area and the applicant cannot drive to an area that can furnish an acceptable internet connection, and must be submitted no later than 30 days prior to the application deadline date.

(1) See Section IV.F.3. of the General Section for additional information about waivers.

(2) If a waiver of the electronic submission requirement is requested and approved, a paper application must be submitted by the deadline date, in accordance with instructions stated in HUD's waiver approval letter. A waiver of the electronic application requirement does not absolve the applicant from having a DUNS number, an active registration at <http://www.ccr.gov>, and submission of mandatory forms that are included in the Grants.gov package.

4. No Facsimiles of Entire Application 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. See the General Section for the 2009 fax number.

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

V. Application Review Information

A. Selection Criteria (Rating Factors).

1. Rating Factor 1 - Capacity (Section C) (up to 25 points). This factor addresses whether the applicant Team has the capacity and organizational resources necessary to implement successfully the proposed activities within the grant period. Please do not include the Social Security Number of any Team member.

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; that is, that the applicant's Team has developed or rehabilitated housing projects, including BOTH affordable housing projects and National Register for Historic Preservation (NRHP) or traditional architecture projects over the past 3 years.

(2) The applicant will earn a maximum of 10 points if the applicant demonstrates that the applicant's Team has superior experience of affordable housing development and historic preservation requirements; that is, that the applicant's Team has developed or rehabilitated housing projects, including EITHER affordable housing projects OR NRHP or traditional architecture projects over the past 3 years.

(3) The applicant will earn a maximum of 5 points if the applicant demonstrates that the applicant Team has adequate experience in housing development; that is, that the applicant's Team has developed or rehabilitated more than one housing project over the past 3 years.

(4) The applicant will earn a maximum of 0 points if the applicant cannot demonstrate that its Team has at least adequate experience in housing development.

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 in the development or rehabilitation of housing projects, including BOTH affordable housing projects AND NRHP or traditional architecture projects.

(2) The applicant will earn a maximum of 5 points if the applicant demonstrates that the applicant Team's key personnel have adequate knowledge in the development or rehabilitation of housing projects, including EITHER affordable housing projects OR NRHP or traditional architecture projects.

(3) The applicant will earn a maximum of 0 points if the applicant cannot demonstrate that its key personnel have adequate knowledge in the development or rehabilitation of housing projects.

2. Rating Factor 2 - Need for Affordable Housing (up to 8 points).

a. Using the State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Database for:

(1) Data from the 2000 census;

(2) All Households, regardless of Race/Mobility & Self Care Limitation;

(3) The applicant's City/Census Place, or if the applicant's City/Census Place/city is not listed in the database, the applicant's county/parish;

(4) Family incomes that are greater than 50% and less than or equal to 80% of the Median Family Income;

b. If the percent Cost Burden is greater than 30% of income (row 12) for more than 50% of families (column E is greater than 50), the applicant will receive 8 points.

c. If the percent Cost Burden is greater than 30% of income (row 12) for equal to or more than 25%, but less than 50% of families (column E is equal to or greater than 25, but less than 50), the applicant will receive 6 points.

d. If the percent Cost Burden is greater than 30% of income (row 12) for equal to or more than 5%, but less than 25% of families (column E is equal to or greater than 5, but less than 25), the applicant will receive 3 points.

e. If the percent Cost Burden is greater than 30% of income (row 12) for less than 5% of families (column E is less than 5), the applicant will receive 0 points.

3. Rating Factor 3 - Readiness (Site Control, Zoning, and Developer/Construction Agreement) (up to 20 points).

a. Site Control and Zoning (Sections D and I) (up to 8 points)

(1) In order to perform the activities required under a grant from this program NOFA, the applicant must:

(a) Have obtained site control of the HOPE VI Main Street affordable housing project site(s). (Note that an applicant that does not have site control prior to HUD's receipt of the application must not acquire title to any sites until completion of the HUD environmental review. In addition, any purchase option entered into after HUD receipt of the application must be contingent upon notification from HUD that the property is acceptable, following a HUD environmental review, and the cost of the option must be no more than a nominal portion of the purchase price); and

(b) Have received local zoning approval that allows residential use of the HOPE VI Main Street affordable housing project site(s).

(2) Scoring:

(a) The applicant will receive 8 points if the application includes documentation demonstrating that, by the application submission date, the applicant has Site Control and approval of a Zoning type that includes residential housing.

(b) The applicant will receive 6 points if the application includes documentation demonstrating that, by the application submission date, the applicant has Site Control, but does not have approval of a Zoning type that includes residential housing.

(c) The applicant will receive 3 points if the application includes documentation demonstrating that, by the application submission date, the applicant does not have Site Control, but does have approval of a Zoning type that includes residential housing.

(d) The applicant will receive 0 points if the application does not include documentation demonstrating that, by the application submission date, the applicant has Site Control and approval of a Zoning type that includes residential housing

b. Readiness to Submit a Development Proposal and Begin Construction (up to 12 points).

(1) In order to perform the required grant activities in a timely manner, the applicant must have the in-house ability to develop and construct housing, or procure a Developer, Construction Manager, or Construction Contract, depending upon the complexity of the HOPE VI Main Street Affordable Housing project. The grantee must have the ability to create a detailed Development Proposal and follow through with construction of the HOPE VI Main Street housing units. Before the date of submission, the applicant should have at least determined what level of housing development is necessary and whether the applicant City has the necessary in-house capability to perform the grant activities. If the applicant does not such capability, it should have

begun discussions toward execution of an agreement or contract with a Developer, construction manager, or construction company to perform the required activities in this program NOFA and complete construction of the HOPE VI Main Street affordable housing project. (Note that under 24 CFR 50.3, the grantee must not enter into a binding agreement for choice-limiting actions until HUD completes an environmental review).

(2) Scoring:

(a) The applicant will receive 12 points if the application includes documentation demonstrating that, by the application submission date, the applicant has the in-house capability to perform the program NOFA's required activities or has an executed Developer Agreement, Construction Manager contract, or construction contract.

(b) The applicant will receive 8 points if the application does not include documentation demonstrating that, by the application submission date, the applicant has the in-house capability to perform the program NOFA's required activities, but does demonstrate that it has published a procurement document for a Developer, Construction Manager, or construction contractor.

(c) The applicant will receive 4 points if the application does not include documentation demonstrating that, by the application submission date, the applicant has the in-house capability to perform the program NOFA's required activities, but has begun the procurement process or has had discussions with a possible Developer, Construction Manager, or construction contractor.

(d) The applicant will receive 0 points if the application does not include documentation demonstrating that, by the application submission date, the applicant has the in-house capability to perform the program NOFA's required activities, or has begun the procurement process or has had discussions with a possible Developer, Construction Manager, or construction contractor.

4. Rating Factor 4 - Appropriateness of the HOPE VI Main Street affordable housing project (Sections E and Attachments as stated below) (up to 30 points).

a. Appropriateness and Feasibility of the HOPE VI Main Street Affordable Housing Project (up to 8 points).

(1) The applicant will receive 8 points if the application demonstrates the following about the HOPE VI Main Street affordable housing project:

(a) It is appropriate and suitable, in the context of the community and other affordable housing options, e.g., rehabilitation versus new construction;

(b) Fulfills the needs of the Main Street Area rejuvenation effort;

(c) Is marketable, in the context of local conditions;

(d) If the affordable housing units that will be developed under a grant from this program NOFA are not a separable part of a larger development effort, and the applicant includes market-rate housing or retail structures in that larger development, the applicant must provide a signed letter from an independent, third-party, market research firm or real estate professional that describes its assessment of the demand and associated pricing structure for the proposed residential units and retail structures, based on the market and economic conditions of the Main Street Area;

(e) Is financially feasible, as demonstrated in the proforma and financial exhibits proposed in the application;

(f) Describes the cost controls that will be used in implementing the project, in accordance with the Funding Restrictions and Program Requirements sections of this NOFA; and

(g) Includes a completed TDC/Grant Limitations Worksheet in the application (form HUD-52861) and follows the Funding Restrictions and Program Requirements sections of this NOFA.

(2) The applicant will receive 4 points if the application demonstrates at least 4 of the criteria above.

(3) The applicant will receive 0 points if the application does not demonstrate the criteria above or the application does not provide sufficient information to evaluate this factor.

b. Promotion and Marketing (up to 1 Point).

(1) The applicant will receive 1 point if the application sets forth a plan to promote and market the Main Street Area rejuvenation effort to financiers, to other parties that may be involved in the rejuvenation effort, and to possible future residents of the HOPE VI Main Street affordable housing project.

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

c. Fair Housing and Equal Opportunity. (up to 6 points)

(1) Affirmative Fair Housing Marketing (up to 1 point):

(a) The applicant will receive 1 point if the application demonstrates that the rental and homeownership housing will be affirmatively marketed to demographic groups in the local market area (including neighboring communities, if the recipient community does not have residents in all local demographic classes) that would be least likely to apply for the housing. This would include racial, ethnic, and religious groups not likely to apply as well as persons with disabilities and large families.

(b) The applicant will receive 0 points if the application does not include a plan for or discussion of the above described Affirmative Fair Housing Marketing.

(2) Set-Aside for Very Low-Income Persons (up to 1 points)

(a) Statutorily, the applicant is required to set aside a portion of the HOPE VI Main Street units for very low-income residents, i.e., at least one unit.

(b) If the applicant demonstrates that more than one unit, or at least 10% of the HOPE VI Main Street units, whichever is greater, are set aside for very low-income residents, the applicant will receive 1 point.

(c) If the applicant does not demonstrate that more than one unit, or at least 10% of the HOPE VI Main Street units, whichever is greater, are set aside for very low-income residents, the applicant will receive 0 points.

(3) Distance from Public Transportation (up to 1 points)

(a) If the applicant demonstrates that all of the HOPE VI Main Street affordable housing project units are within one-quarter (1/4) mile of a public transit stop, the applicant will receive 1 point.

(b) If the applicant does not demonstrate that at least 50% of the HOPE VI Main Street affordable housing project units are within one-quarter (1/4) mile of a public transit stop, the applicant will receive 0 points.

(4) Visitability (up to 1 point)

(a) If the applicant demonstrates that Visitability has been incorporated into the project to the extent that it is feasible, the applicant will receive 1 point.

(b) If the applicant does not demonstrate that Visitability has been incorporated into the project to the extent that it is feasible, the applicant will receive 0 points.

(c) For an explanation of feasible visitability, see Section III.C.4.n. of this program NOFA.

(5) Economic Opportunities for Low- and Very-Low-Income Persons (Provision of Section 3) (up to 2 points).

(a) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and its implementing regulations at 24 CFR part 135 requires that recipients of Section 3 to direct, to

the greatest extent feasible, all employment, training and contracting opportunities created as a result of proposed project activities to low- and very low-income persons residing in the project area, and to the businesses that substantially employ these persons. Refer to subparts B and E of 24 CFR part 135 and Section III.C.4.c. of the General Section for additional information.

(b) In accordance with 24 CFR 135.3, certain HUD funded assistances are covered by Section 3, including HOPE VI Main Street grants. Section 3 requirements apply to the entire project.

(c) Section 3 Plan (up to 1 point)

(i) Section IV.B.4. of this NOFA describes the Plan and its seven (7) requirements.

(ii) The Section 3 Plan is a required application document. The applicant will receive 1 point if the application demonstrates that the applicant has a feasible plan for directing new employment and contracting opportunities created during the expenditure of covered financial assistance to Section 3 residents and Section 3 business concerns. The Section 3 Plan must demonstrate that the Section 3 Plan addresses a majority or more of the items listed in the above cited documentation section.

(iii) The applicant will receive 0 points if the Section 3 Plan does not address a majority or more of the items listed in the above cited documentation section.

(d) Evidence of Compliance (up to 1 point)

(i) If the applicant has performed development activities in the past that are covered by Section 3, the applicant will receive 1 point if the application demonstrates the applicant's current compliance with the requirements of Section 3. If Section 3 has not applied to any of the applicant's development projects in the past, the applicant will automatically receive 1 point.

(A) If Section 3 has applied to the applicant any time within the last five (5) years, current compliance must be documented by the inclusion in the application of the applicant's

most recent Section 3 Annual Summary Report (form HUD-60002), which demonstrates that the applicant met the minimum Section 3 employment and contracting numerical goals found at 24 CFR 135.50; or

(B) In the event that the applicant was covered by Section 3 and failed to meet the Section 3 numerical goals, submission of a description of efforts that were taken by the applicant to comply with the requirements of Section 3, results achieved, and factors that prevented the applicant from meeting the minimum numerical goals during the most recent reporting period.

(ii) The applicant will receive 0 points if the application does not demonstrate that the applicant met the Section 3 numeric goals, does not address the efforts, results and impedimentary factors described in (B), above, or does not address this factor to an extent that allows HUD to rate this factor.

d. Main Street Area Rejuvenation Leverage (up to 10 points).

(1) Main Street Area Leverage includes Leverage used for activities related to the Main Street Area rejuvenation effort as a whole, along with Leverage that will be used directly for allowable activities in the development of the HOPE VI Main Street affordable housing project.

(1) The applicant must provide Leverage funds/in-kind services that are firmly committed to the Main Street rejuvenation effort as a whole, including Leverage specifically committed to development of the HOPE VI Main Street affordable housing project. This Leverage demonstrates government and private-sector community support for the Main Street Area rejuvenation effort.

(2) Match is NOT included in Leverage. Match is a separate, statutorily required contribution of funds. If a resource is listed as Leverage in the “HOPE VI Main Street Application Data Sheet,” form HUD-52861, that is included in the application, HUD will not count that resource as match.

(3) Points are assigned based on the following scale, as a percent of the requested grant amount:

<u>Leverage as Percent of Grant Amount</u>	<u>Points Awarded</u>
Less than 100 percent of the requested grant amount	0 points
Greater than or equal to 100 percent but less than 200 percent	5 points
200 percent or more	10 points

e. 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.

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.

5. Rating Factor 5 - Program Administration and Fiscal Management (Sections F and Q) (up to 15 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, that 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 the estimated production milestones, their relative time frames, and each milestone's time to completion, e.g., in a 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. Achieving Results and Program Evaluation: Logic Model (up to 5 points).

The final Development Proposal for housing development performed through a grant from this program NOFA is required 9 months after execution of the Grant Agreement, and, until that time, the detailed specifics of measurement through the Logic Model cannot be known. Because of this, contrary to the General Section, the Logic Model can earn a maximum of 5 points for evaluation of applications for this program NOFA. The matrix provided in Attachment 1 of the General Section identifies how the Logic Model will be rated. For this Rating Factor, the points earned by the Logic Model in accordance with the General Section shall be divided by 2. Half-points shall be rounding up to the next whole point. Applicants awarded funds under this NOFA may be asked to modify their Logic Model to conform to the final development proposal agreed to by HUD.

c. Development and Fiscal Management (up to 5 points).

(1) Development and fiscal management includes management of the grant in general (administration and reporting), the construction activities, receipt of financial commitments, accounting and distribution of grant funds, and government procurement activities.

(2) If the applicant demonstrates management controls that are adequate to manage a grant from this program NOFA for all of the above areas, the applicant will receive 5 points.

(3) If the applicant demonstrates management controls that are adequate to manage a grant from this program NOFA for some of the above areas, the applicant will receive 3 points.

(4) If the applicant does not demonstrate management controls that are adequate to manage a grant from this program NOFA, the applicant will receive 0 points.

6. Rating Factor 6 – Energy Efficiency and Energy Star (up to 2 points).

(1) Energy Efficiency and Energy Star compliance are HOPE VI Main Street goals. See “Program Requirements,” Section III.C. of this program NOFA.

(2) The applicant will receive 2 points if the application demonstrates that the applicant will adopt and exceed the Energy Efficiency and Energy Star measures that are listed in “Program Requirements,” Section III.C.4.1.(2) and (3) of this program NOFA:

(3) The applicant will receive 1 point if the application demonstrates that the applicant will adopt the Energy Efficiency and Energy Star measures that are listed in “Program Requirements,” Section III.C.4.1.(2) and (3) of this program NOFA:

(4) The applicant will receive 0 points if the application does not demonstrate that the applicant will adopt the Energy Efficiency and Energy Star measures that are listed in “Program Requirements,” Section III.C.4.1.(2) and (3) of this program NOFA:

7. Rating Factor 7 -- RC/EZ/EC-II (Section O) (up to 2 points).

a. RC/EZ/EC-IIs. This NOFA provides for the award of two 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 U.S. 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 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 website at <http://www.hud.gov/crlocator>. Note that there are Urban communities that can be found at http://egis.hud.gov/egis/cpd/rcezec/ezec_open.htm and Rural communities that can be found at <http://www.ezec.gov/> under “Map of Communities” at <http://www.rurdev.usda.gov/rbs/ezec/ezec/mainmap.html>. Also, see Section V.A.1.a. of the General Section.

B. Review and Selection Process.

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

1. Application Screening.

a. HUD will screen each application to determine if:

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

b. Corrections to Deficient Applications. The subsection entitled, “Corrections to Deficient Applications,” in Section V.B.4. of the General Section applies, except for the following: Clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within three (3) Federal Work Days of the date of receipt of HUD notification. HUD will notify the applicant via the email addresses stated in the

“Application for Federal Assistance,” Standard Form-424, and will request that any clarifying documentation be scanned into PDF format and emailed back to HUD’s NOFA competition administrator. Note the importance of including the correct emails in the SF-424.

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 three (3) Federal Work Day cure period, as described in the above Section of this NOFA and the General Section. Such applications will not be eligible for funding.

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

2. Preliminary Rating and Ranking.

a. Rating.

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

(2) When rating applications, HUD reviewers will not use any information included in any application submitted for another NOFA nor will it use any information gained from sources outside of this program NOFA, except for information received from Match and Leverage contacts that are included in form HUD-52861.

(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 102, including a possible 2 RC/EZ/EC-II points.

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

b. Ranking.

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

3. Final Panel Review.

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

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

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

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

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

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

4. HUD reserves the right to make reductions in funding for any non-allowable items or activities that are included in the application, including items and activities included in the application's form HUD-52861 Sources and Uses' HOPE VI column, or form HUD-52825A HOPE VI budget.

5. In accordance with the FY 2009 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.

6. Tie Scores. If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for the **Capacity** Rating Factor. If a tie remains, HUD will select for funding the application(s) with the highest score for the **Readiness (Site Control, Zoning, and Developer/Construction**

Agreement) Rating Subfactor. HUD will select further tied applications with the highest score for the **Appropriateness of the HOPE VI Main Street Affordable Housing Project** Rating Factor.

7. Remaining Funds.

a. HUD reserves the right to reallocate remaining funds from this program 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 program NOFA is less than the amount of funds available from this program NOFA, all eligible applications that score above 50 points 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 program NOFA is greater than the amount of funds available from this program NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to fund the next eligible application at a level that will allow the applicant to feasibly complete the program NOFA requirements. In this case, the funds that have not been awarded will be considered remaining funds.

8. The following subsections 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 email notification to all eligible applicants, whether or not they have been selected for funding.

2. Obligating Document. The “Assistance Award/Amendment,” form HUD-1044, signed first by the grantee and then by the Assistant Secretary for Public and Indian Housing (grants officer) is the obligating document. This fully executed form will be delivered via the United States Postal Service to the applicant’s authorized signatory at the applicant’s address, as stated on the form SF-424.

3. General Section References. Section VI.A. of the General Section is hereby incorporated by reference.

B. Administrative and National Policy Requirements.

1. Administrative Requirements.

a. **Grant Agreement Execution.** The grantee must execute the Grant Agreement within 30 days after HUD emails the Grant Agreement to the grantee.

b. **Grant term.** The time period for completion shall not exceed 30 months from the date the “Assistance Award/Amendment,” form HUD-1044, is executed by HUD.

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, Construction Manager, or Construction Contractor who is undertaking the development of the Project.

d. **Rent and Occupancy Requirements.** Before the project is initially rented, the ownership entity must determine and develop a written statement of its rent determination and occupancy policies, and obtain HUD approval of the policies.

e. **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 nine months after full execution of the Grant Agreement.

(a) Development proposals must include the following documents and information:

(i) Completed HUD Environmental Review, including the State Historic Preservation Officer approval, in accordance with 24 CFR part 50;

(ii) Identification of parties to the project development;

(iii) 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;

(iv) Financing and cost estimate, i.e., Construction and Permanent Sources and Uses in the HOPE VI Grants Management System format, or if said format is not available, in the form HUD-52861 format;

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

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

(vii) When applicable, development construction cost estimate from a licensed third-party Architect or Engineer if an identity-of-interest exists between the Construction Contractor and the Developer, Construction Manager, Architect or other entity that will track and review construction; and

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

(2) First Construction Start. Grantees must start housing unit construction within 18 months after full execution of the Grant Agreement.

(3) Last Construction Completion. Grantees must complete construction, and obtain a Certificate of Occupancy, or local equivalent,, if such is required in the local government's jurisdiction, on a number and mix of units that accounts for an amount of TDC equal to, or greater than, the amount of the grant (TDC Units), within 36 months from the grant award date.

(4) In determining reasonableness of such time frame, noted in the paragraph above, 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 program NOFA and the threshold documentation in Section IV.B. of this program 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 March 1, 2009);

(b) Grant Agreement Execution Date. The Grant Agreement will be emailed to the grantee after notice of award. (assume grantee receipt of the Grant Agreement within 90 days after the award date). The grantee will be given a maximum of 30 days to execute the Agreement);

(c) Development Proposal 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 affordable TDC housing unit, or obligation of grant funds if the targeted housing units are in a larger development; and

(f) Date of the completion of construction of the last TDC Unit, and date of receipt of its Certificate of Occupancy, or local equivalent,, if such is required in the local government's jurisdiction.

f. Upon proof of receipt of a Certificate of Occupancy, or local equivalent, for all of the TDC units, and the submission to HUD of the grantee's written rental and resident rights document for the initial affordable housing period, the grant may be considered complete and grant close-out processing may begin.

g. **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 program NOFA for information about environmental requirements.

h. **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.

i. **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.

j. **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.

k. **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.

2. National Policy Requirements.

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

C. Reporting.

1. Grants Management System (GMS) Quarterly Administrative and Compliance Checkpoints Report (Quarterly Progress Report or QPR).

a. If the applicant is selected for funding, the applicant must submit a HOPE VI Main Street QPR to HUD. The report will be completed on-line. The Grantee, may request assistance of the HUD assigned Grant Manager and HUD's reporting contractor if they have issues with entering data into the Quarterly Progress Report. The report will capture the following :

(1) During Initial Setup

(a) The initial Program Schedule, which will create base planned activity milestones.

(b) The HOPE VI Main Street affordable housing project's unit mix, including:

(i) Number and size (by number of bedrooms) of housing units;

(ii) Unit Type, e.g., walk-up, row house, etc.

(iii) Unit Use Restriction type, e.g., limited to very low-income residents, to low-income residents, not limited.

(A) Unless the HOPE VI Main Street units are a small part of a larger development that includes total financing that is several times larger than the HOPE VI Main Street grant, all

HOPE VI Main Street units must start out as affordable to either very low- or low-income residents.

(2) On a quarterly basis:

(a) Administrative and production planned and actual date milestones, called “Checkpoints;”

(b) Financial status, in a Sources and Uses format using prescribed HUD resource and expense item names (labels). Unique labels may be added to the list with HUD approval. Each item listed is designated with a Budget Line Item number, as listed on form HUD-52825-A, “HOPE VI Budget,” which includes the grant budget, and the amounts authorized by HUD for expenditure. These will correspond to information in the HOPE VI column of the S&U. Other columns of the S&U will contain different types of Leverage resources. The grantee will enter the amounts expended to date; and

(c) A short status narrative of special conditions that are delaying project progress, if necessary.

(3) On an annual basis, the total real estate tax assessment as a measure of Return of Investment of the HOPE VI Main Street grant. The grantee will report the total real estate tax assessment, including housing and commercial sources, for:

(4) The HOPE VI Main Street affordable housing project;

(5) The census tract that includes the Main Street Area;

(6) The entire local government’s jurisdiction; and

(7) The next largest State government subdivision, e.g., if the grantee is a city, the next largest subdivision would be the county. If the grantee is a county, the next largest subdivision would be the State.

- b. The grantee must maintain resident income information to the extent that very low- and low-income residents are occupying units that are set aside for their income levels. This income data must be made available for HUD inspection upon request.
 - c. HUD will provide training and technical assistance on the filing and submission of HOPE VI Main Street Quarterly Progress Reports.
 - d. 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.
 - e. Grantees will be held to the milestones/Checkpoints that are reported in the Quarterly Progress Report, as approved by HUD. If Checkpoints are missed, the grantee technically will be in default of the Grant Agreement until the late Checkpoint activity is completed, or HUD approves an updated Program Schedule.
- 2. LOCCS.** On a real-time basis, and at least monthly if no transactions occur during a month, grantees must report all obligations and expenditures in HUD's Line of Credit Control System (LOCCS), or its successor system. Grantee obligations must be entered into LOCCS before funds can be drawn down to pay for those obligations. The grantee has 72 hours from the time of the funds draw to payment of the obligation.
- 3. Logic Model Reporting.** The grantee's Logic Model will be based upon the Logic Model included in the application or negotiated with HUD after grant award. Planned activities and goals will be set in the Logic Model. The Grantee will report Logic Model data based upon approved 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 annually. See Logic Model reporting in the General Section.

4. Annual Section 3 Report.

The grantee is required to submit an annual “Section 3 Summary Report,” form HUD-60002, to the Assistant Secretary for Fair Housing and Equal Opportunity, located at HUD Headquarters, Washington, DC, for the purpose of determining the grantee’s compliance with the requirements of Section 3. Form HUD-60002 shall be submitted to HUD no later than January 10th after each year that covered activities are completed, or within 10 days of project completion, whichever is earlier.

5. 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 HOPE VI Main Street Quarterly Progress Report, and a completed Logic Model (form HUD-96010), including responses to the management questions. 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. The final narrative, financial report, and closeout documentation, as required by HUD, and the Logic Model shall be due to HUD 90 days after either the TDC units have been completed, or when the grant term expires, whichever comes first.
- c. **Racial and Ethnic Data.** HUD requires that funded recipients collect racial and ethnic beneficiary data. It has adopted the OMB Standards for the Collection of Racial and Ethnic Data. In view of these requirements, the applicant 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.

VII. Agency Contacts

A. Technical Corrections to the NOFA.

1. Technical corrections to this NOFA will be posted to the Grants.gov website at <http://www.grants.gov>. Error! Hyperlink reference not valid. Any technical corrections will also be published at the above link.
2. The applicant is responsible for monitoring Grants.gov and the Federal Register 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 contact Lawrence Gnessin via email at <lawrence.gnessin@hud.gov>, or may write to Ms. Dominique Blom, Deputy Assistant Secretary for Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410-5000. 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 ((800) 518-4726) (This is a toll-free number) or email Grants.gov at support@grants.gov.

C. General Information. General information specifically about HUD's HOPE VI Main Street program can be found on the Internet at <http://www.hud.gov/mainstreet>. General

information about all of HUD's HOPE VI programs can be found on the Internet at

<http://www.hud.gov/HOPEVI>.

D. Other Information

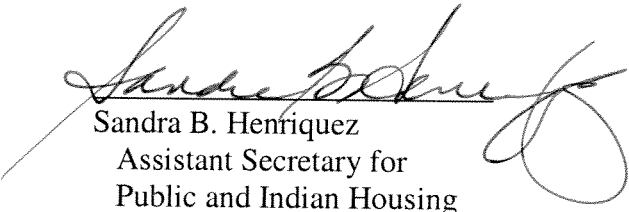
1. General Section References. The following subsections of Section VIII.F. of the General Section are hereby incorporated by reference:

2. Executive Order 13132, Federalism;
3. Public Access, Documentation, and Disclosure;
4. Section 103 of the HUD Reform Act; and

E. Environmental Impact. A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the FONSI must be scheduled by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number).

B. 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.

Dated: 11/05/2009



Sandra B. Henriquez
Assistant Secretary for
Public and Indian Housing

[FR-5300-N-24]