

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
[Docket No. FR-5500-N-18 C]

**HUD's Fiscal Year (FY) 2011 NOFA for the HOPE VI Main Street Grants Program--
Technical Correction**

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

ACTION: Notice of technical correction.

SUMMARY: On June 22, 2011, HUD posted a NOFA for the HOPE VI Main Street Grants Program. This notice provides a technical correction to the NOFA.

DATE: The application deadline date remains at August 22, 2011.

FOR MORE INFORMATION CONTACT: For questions concerning the HOPE VI Main Street NOFA, the applicant may contact Lawrence Gnessin via email at lawrence.gnessin@hud.gov or (202) 402-2676. This is not a toll-free number.

SUPPLEMENTARY INFORMATION:

On June, 22, 2011, HUD posted on www.Grants.gov its Notice of Funding Availability (NOFA) for HUD's FY2011 HOPE VI Main Street Grants Program.

There were three errors in the FY2011 Main Street Program NOFA. The total point value for Rating Factor 4 in Section V.A.4. was inadvertently listed as 32 points. It should have been listed as 30 points. This notice corrects the total point value and makes it 30 points. This change does not modify the breakout of the sub-factor points under Factor 4. The change in the total number of points for Factor 4 also does not impact the maximum number of points available for the FY2011 Main Street Grants Program NOFA. The maximum number of points remains at 104.

The total point value for Rating Factor 5, sub-factor b., "Achieving Results and Program Evaluation: Logic Model" is correct at 10 points in the heading of the sub-factor. The text for this sub-factor incorrectly states that the point value is 5 points. This notice corrects the text in paragraph V.A.5.b.(1) of this HOPE VI Main Street Grant Program NOFA and makes it 10 points. The change in the number of points in the text for sub-factor 5.b. does not impact the total number of points for Rating Factor 5. The change in the number of points in the text for sub-factor 5.b. does not change the maximum number of points available for the FY2011 Main Street Grants Program NOFA. The maximum number of points remains at 104.

Additionally, the paragraph numbering of the sub-factors in Rating Factors 3, 4, and 5 were corrected. For the ease of the applicants and to avoid any confusion, this Notice is re-issuing Rating Factors 1-5.

There are no other changes to the NOFA.

Technical Corrections

1. The Rating Factors identified in the NOFA on pages 40 to 48 are re-posted for clarity with the total points for Rating Factor 4 corrected to be 30 points rather than 32. In addition the numbering for Rating Factors 3, 4 and 5 has been corrected to more accurately reflect the sub-factors and any sub-elements of those sub-factors. For ease of the applicants and to avoid confusion, this notice re-publishes all the factors for award to reflect these corrections.
2. There are no changes to the bonus points made available on page 48 under the bonus points' paragraph 6.a. **RC/EZ/EC-II** and b. **Preferred Sustainable Status Communities**.

Pages 40-48 are corrected to read as follows:

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; e.g. 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 5 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 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 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 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 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 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 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 7 points).

(1) The applicant will receive 7 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 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 HUD52861) 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 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 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) Community and Supportive Services. (Policy Priority)– 1 point.

As noted in the General Section, one of the policy priorities of the Department is to utilize housing as a platform for improving quality of life. As a result, HUD

seeks to connect affected residents to needed services to improve socioeconomic outcomes.

(a) To earn one point for this policy priority, applicants must commit to and describe in their application their plan for linking affected residents to the services they need to improve their socioeconomic outcomes, achieve self-sufficiency or remain independent. At a minimum, this description must include how needs will be determined, possible partners and services, and how the applicant will communicate and coordinate with the residents and partners;

(b) You will receive zero points if you do not address the above criteria, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible, or for lack of specificity.

(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 years, current compliance must be documented by the inclusion in the application of the applicant's most recent Section 3 Annual Summary Report (form

HUD60002), which demonstrates that the applicant met the minimum Section 3 employment and contracting numerical goals found at 24 CFR 135.50; or

(e) 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.

(i) 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 8 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.

(2) 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.

(3) 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 HUD52861, that is included in the application, HUD will not count that resource as match.

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

Leverage as Percent of Grant Amount	Points Awarded
Less than 100 percent of the requested grant amount	0 points
Greater than or equal to 100 percent but less than 200 percent	4 points
200 percent or more	8 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.

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

f. Energy Efficiency. (Policy Priority)– 3 points. As indicated in HUD’s FY2010-2015 Strategic Plan (i.e., Goal 3 and Goal 4) and the General Section, sustainability is a policy priority of the Department. As a result, HUD encourages activities that actively promote sustainability through enhancing energy-efficient measures. Energy efficiency is one of the goals of HOPE VI Main Street (See “Program Requirements,” Section III.C.1. of this NOFA). Going beyond the program requirements of this NOFA in Section III. C.1., you will receive up to three points if you satisfy the following energy efficiency related criteria:

(1) **Green Development** (3 or 0 points). Applicants may earn 3 points if they demonstrate the following criteria related to undertaking green development strategies. Applicants must certify and demonstrate that they will implement green development in, at a minimum, the construction of all new housing units in their Development Proposal, if funded. Applicants must certify that and describe how they will fulfill the requirements of one of several recognized green rating programs, including: Enterprise Green Communities Criteria; the National Association of Home Builders (NAHB) Green Building Guidelines; Leadership in Energy and Environmental Design (LEED) for Homes (for single family) or LEED New Construction (for multifamily); or Earthcraft. (Note: For green rating programs that require third-party certification, the applicant, if funded, must provide evidence of such certification after construction of the units. For green rating programs that require self-certification, the applicant, if funded, must provide evidence of self-certification, such as the Enterprise Green Communities Checklist). You will receive zero points if your application does not demonstrate the criteria above, or if your application does not include sufficient information to be able to evaluate this factor;

(2) **Energy Star for New Homes Design Standards** (2 or 0 points). If applicants are not able to commit to Green Development as described in (1) above, they may still earn 2 points as follows. Applicants will earn 2 points if they demonstrate the following criteria related to undertaking Energy Star for New Homes design standards: certify that they will use Energy Star for New Homes design standards in the construction of all new units in their Development Proposal; describe their plan to use Energy Star for New Homes design standards including Energy Star Appliances; and commit to obtaining a certification by an independent Home Energy Rater upon completion of the units as outlined at www.energystar.gov/homes. You will receive zero points if your application does not demonstrate these criteria, or if your application does not include sufficient information to be able to evaluate this factor;

(3) **Energy Star Qualified Products and Appliances** (1 or 0 points). If applicants are not able to commit to Green Development or Energy Star for New Homes Design Standards as described in (1) and (2) above, they may still earn 1 point as follows. Applicants will earn 1 point if they demonstrate the following criteria related to Energy Star qualified products and appliances: certify that only Energy Star qualified products and appliances will be used in all new units in their Development Proposal; and describe their plan to use only Energy Star qualified products and appliances. You will receive zero points if your

application does not demonstrate these criteria, or if your application does not include sufficient information to be able to evaluate this factor;

(4) The applicant will receive 0 points if the application does not demonstrate that the applicant will adopt the Energy Efficiency measures above local building code or does not go above and beyond the “Program Requirements” listed in Section III.C. of this NOFA.

5. Rating Factor 5 - Program Administration and Fiscal Management (Sections F and Q) (up to 20 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 10 points).

(1) Assessment in Accord with Appendix A of the General Section.

The required “Logic Model” can earn a maximum of 10 points. The matrix provided in Appendix A to the General Section identifies how the Logic Model will be rated.

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

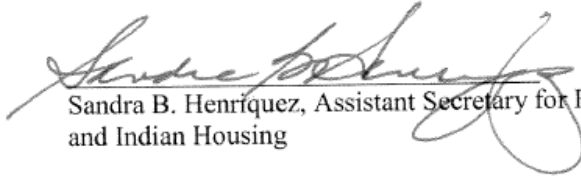
(1) Development and fiscal management includes management of the grant in general (administration and reporting), the construction activities, receipt of financial commitments, accounting and distribution of grant funds, and government procurement activities.

(2) If the applicant demonstrates management controls that are adequate to manage a grant from this 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 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 NOFA, the applicant will receive 0 points.

Dated: 06/30/2011


Sandra B. Henriquez, Assistant Secretary for Public
and Indian Housing

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