

**DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

[Docket No. FR-5139-N-01]

**HOPE VI Main Street Grants**

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

**ACTION:** Notice of funding availability.

**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-5139-N-01; OMB approval number is 2577-0208.

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

*F. Dates.*

*1. Application Submission Date.* The application deadline date is August 29, 2007. Applications must be received and validated by Grants.gov no later than 11:59:59 p.m. on the application deadline date. Validation by Grants.gov may occur up to 72 hours after electronic receipt of the application. See the General Section for application submission and timely receipt requirements.

*2. Estimated Grant Award Date.* The estimated award date will be September 24, 2007.

*G. Electronic Application Submission.* Applications for this NOFA must be submitted electronically through [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](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 Central Contractor Registration (CCR), (2) the cross-checking of applicant identification numbers between CCR and the Internal Revenue Service (IRS), (3) applicant registration with the Grants.gov Web site, and (4) the applicant's requirement to register the official who will be submitting the application. HUD's Early Registration Notice can be obtained through HUD's Web site at <http://www.hud.gov/grants/>.

See "Other Submission Requirements" in Section IV.F of this NOFA and the General Section for detailed information about application submission.

**Full Text of Announcement**

*I. Funding Opportunity Description*

*A. Available Funds.* This NOFA announces the availability of approximately \$1.4 million in Fiscal Year (FY) 2006 funds and \$1.1 million in FY 2007 funds, an approximate total funds availability of \$2.5 million.

*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.

*1.* The objectives of the program are to:

- a. Redevelop Main Street areas;
- b. Preserve historic or traditional architecture or design features in Main Street areas;
- c. Enhance economic development efforts in Main Street areas; and
- d. Provide affordable housing in Main Street areas.

*C. Statutory Authority.*

*1.* The program authority for the HOPE VI Main Street program is Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), as amended by Section 535 of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, 112 Stat. 2461, approved October 21, 1998), as amended; 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 Revised Continuing Appropriations Resolution, 2007 (Pub. L. 110-5, approved February 15, 2007).

*2.* The funding authority for the HOPE VI Main Street program is provided by the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Pub. L. 109-115, approved November 30, 2005), under Revitalization of Severely Distressed Public Housing (HOPE VI) and the Revised Continuing Appropriations Resolution, 2007 (Pub. L. 110-5, approved February 15, 2007).

*3.* The HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003 states that, of the amount appropriated for the overall HOPE VI program for any fiscal year, the Secretary shall provide up to 5 percent for use only for the Main Street initiative. The statute amended Section 24(n) of the Act, which now provides for grants to smaller communities, to provide assistance to carry out eligible affordable housing activities.

*D. Definition of Terms.*

*1.* Affordable housing for this 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. Rights and responsibilities vary among HOPE VI developments. HOPE VI public housing units use various mechanisms to set the resident portion of rent, resident job training or employment requirements, resident rights of return, and other occupancy issues. The Grantee, with HUD's approval, determines how to implement these initial resident safeguards. Strict application of public housing rules and regulations is not required; e.g., the use of HUD forms and record-keeping requirements for occupancy and income. Units developed, rehabilitated or reconfigured through this NOFA are NOT and statutorily MUST NOT BE public housing units.

*2.* Applicant Team ("Team") means the group of entities that will develop the 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 Web site at <http://www.hud.gov/offices/pih/programs/ph/hope6/css/>; and

c. Coordination with fair housing groups to educate the Main Street

affordable housing project's targeted population on its fair housing rights.

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

5. General Section means the Notice of HUD's Fiscal Year (FY) 2007 Notice of Funding Availability (NOFA); Policy Requirements and General Section to the FY 2007 SuperNOFA for HUD's Discretionary Programs; Notice, Docket No. FR-5100-N-01, published in the **Federal Register** on January 18, 2007. The General Section can be obtained through HUD's Web site at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>.

6. Homeownership unit means a housing unit that a local government makes available through a grant from this NOFA for purchase by low-income families for use as their principal residence.

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

8. Jurisdiction means the physical area under the supervision of 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 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, insured loans, and other debt;

(2) Housing trust funds;

(3) Net sales proceeds from a homeownership project that exceed the amount of HOPE VI funds used to develop the homeownership unit;

(4) Tax Increment Financing (TIF);

(5) Proceeds from Low-Income Housing Tax Credits (LIHTC), Historic Preservation Tax Credits, and Tax Exempt Bonds;

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

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

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

(9) Staff time of either the local government applicant or the recognized developer entity;

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

(11) Services such as Homeownership Counseling, other CSS and family self-sufficiency (FSS) resources, and time and services contributed by volunteers.

(12) Leverage does NOT include, and HUD will not count, Wages projected to be paid to residents through jobs that are provided through Section 3, or by FSS/CSS partners.

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

11. Low-income limits prescribed by HUD are stated on the internet at [http://www.huduser.org/datasets/il/il2007/select\\_Geography.odb](http://www.huduser.org/datasets/il/il2007/select_Geography.odb). Low-Income family means a family (resident) with an income equal to or less than 80 percent of median income for the local area, adjusted for family size, in accordance with Section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than 80 percent because of prevailing construction costs or unusually high or low family incomes in the area. Local area is defined as the nonmetropolitan county/parish or primary metropolitan statistical area/metropolitan statistical area (PMSA/MSA) or county/parish, as prescribed by HUD, in which the low-income family resides.

12. Main Street Area means an area determined and designated by the applicant that fulfills the requirements stated in "Program Requirements," Section III.C of this 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;

d. Is the location of a downtown or "Main Street" rejuvenation effort that:

(1) Has as its purpose the revitalization or redevelopment of the historic or traditional commercial area;

(2) Involves investment, or other participation, by the applicant local government and private entities in the community in which the project is carried out; and

(3) Involves the development of affordable housing that is located in the commercial area.

13. 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 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. The match must:

a. Total at least 5 percent of the requested HOPE VI Main Street grant amount; and

b. Be from government or private-sector 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 NOFA.

16. Person with disabilities means a person who:

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

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

c. Is determined to have a physical, mental, or emotional impairment that:

(1) Is expected to be of long-continued and indefinite duration;

(2) Substantially impedes his or her ability to live independently; and

(3) Is of such a nature that such ability could be improved by more suitable housing conditions.

d. The term "person with disabilities" may include persons who have acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS. In addition, no individual shall be considered a person with disabilities, for purposes of

eligibility for low-income housing, based solely on any drug or alcohol dependence.

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

17. Program means the HOPE VI Main Street Program.

18. Recognized developer means the local government applicant or a legal entity that has an agreement with the local government applicant to seek financing for, rehabilitation and/or construction of housing units, and the provision of Community and Supportive Services (if required), for a HOPE VI Main Street grantee.

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

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

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

e. An owner-entity partnership was formed between the applicant, original owner, and, possibly, the developer and other interested parties.

20. Unit of local government: See "local government" under this section.

21. Very low-income family means a family (resident) with an income equal to or less than 50 percent of median income for the local area, adjusted for family size, in accordance with Section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than 50 percent because of prevailing

construction costs or unusually high or low family incomes in the area. HUD-prescribed income limits are stated at [http://www.huduser.org/datasets/il/il2007/select\\_Geography.odt](http://www.huduser.org/datasets/il/il2007/select_Geography.odt). Local area is defined as the PMSA/MSA or nonmetropolitan county/parish, as prescribed by HUD, in which the low-income family resides.

22. 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 \$1.4 million appropriated for FY 2006 and \$1.1 million appropriated for FY 2007, totaling approximately \$2.5 million, is available for funding under this NOFA and must be obligated by September 30, 2007.

B. *Number of Awards.* This NOFA will result in approximately 3 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 NOFA will start on the date that the grant award document is signed by HUD and will continue for 30 months thereafter.

E. *Type of Instrument.* Grant Agreement.

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

## III. Eligibility Information

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

1. Have a population of 50,000 or less; and

2. Not be served by a local government, county/parish, or regional or State public housing agency (PHA) that administers more than 100 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 public housing agency 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 5 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 local funds), any State or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services provided. **MATCH FUNDS MUST BE USED ONLY FOR CARRYING OUT ELIGIBLE AFFORDABLE HOUSING ACTIVITIES THAT RELATE TO THE MAIN STREET AFFORDABLE HOUSING PROJECT PRESENTED IN THIS APPLICATION.** The match may include funds that have already been spent or funds that are for future use.

a. Match donations must be firmly committed to the Main Street affordable housing project presented in the application. See the definition of "firmly committed" in "Definitions," Section I.D of this NOFA.

b. 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.

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

C. *Other.*

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

a. New construction, reconfiguration, or rehabilitation of affordable rental and homeownership housing 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.

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

c. Tax credit syndication costs.

d. Funding of moving expenses for low-income residents displaced as a result of construction or rehabilitation of the project, in accordance with the

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and Handbook CPD 02-08, "Guidance on the Application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended in HOPE VI Projects."

e. Management improvements necessary for the proper development and management of the Main Street affordable housing project presented in the application, similar to and including, but not limited to:

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

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

- (a) Procedure manuals;
- (b) Accounting systems, excluding accounting services;
- (c) Lease documents;
- (d) Resident screening procedures;

and (e) Data processing systems.

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

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

(1) Only 15 percent of the grant amount may be used for Community and Supportive Services. See "Funding Restrictions," Section IV.E of this NOFA, for non-allowable costs and activities.

## 2. Thresholds.

a. Match. Applicants must provide matching funds in the amount of 5 percent of the requested grant amount from sources other than HUD HOPE VI funds. See "Cost Sharing or match," Section III.B of this NOFA.

(1) In order to demonstrate that the applicant meets this threshold, for each match resource, the application must include a letter stating the match amount and that the match is firmly committed to be used for activities related to the particular Main Street affordable housing 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, the amount of the resource organization's contribution, and whether the contribution is in cash or in-kind services. All columns, except the last,

"Leverage Period More than 2 Years," must be filled in.

(2) If the applicant does not demonstrate that there will be matching funds of at least 5 percent of the requested grant amount, the application will not be eligible for funding through this NOFA.

b. Main Street Area. The applicant must have within its jurisdiction a Main Street Area. See Section I.D of this NOFA for the definition of a Main Street Area.

(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. No other documentation is necessary.

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

c. Main Street Affordable Housing Project ("Project"). The targeted affordable housing project must conform to this NOFA's requirements for a Main Street affordable housing project, as defined in "Program Requirements," Section III.C of this NOFA.

(1) By applying for a grant through this NOFA, the applicant certifies that the Main Street affordable housing project meets the Program Requirements. No other documentation is necessary to meet this threshold.

(2) If the targeted affordable housing project does not conform to this NOFA's requirements, the application will not be eligible for funding through this NOFA.

d. One Main Street Area. Under this 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 Main Street affordable housing project may consist of several scattered sites within that one Main Street Area. If the applicant applies for assistance for more than one Main Street Area through this NOFA, the application will not be eligible for funding through this NOFA.

e. Code of Conduct.

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

documentation that demonstrates that it has a written code of conduct.

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

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

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

- (i) 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 Central Contractor Register (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 E-mail 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.

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

- (1) Ineligible Applicants;
- (2) DUNS Number Requirement;

(3) Compliance with Fair Housing and Civil Rights Laws;

(4) Conducting Business In Accordance with Core Values and Ethical Standards;

(5) Delinquent Federal Debts;

(6) Pre-Award Accounting System Surveys;

(7) Name Check Review;

(8) False Statements;

(9) Prohibition Against Lobbying Activities; and

(10) Debarment and Suspension.

### 3. Certification of Certain Thresholds.

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

(1) The Main Street Area rejuvenation effort:

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

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

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

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

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

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

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

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

(7) Fair Housing, Civil Rights, and Section 3 requirements will be followed and fulfilled.

### 4. Program Requirements.

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

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

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

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

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

(5) Include the development of the Main Street affordable housing project that is proposed and described in the application for a grant under this NOFA.

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

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

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

(3) NOT replace demolished or otherwise disposed of public housing units.

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

d. 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 or purchase, as residents of HOPE VI development public housing units. Site-based waiting lists, resident job or training requirements, and other occupancy requirements that are allowed under Section 24 of the U.S. Housing Act of 1937 (1937 Act) may be applied to the units.

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

(3) Public housing, HUD HOME, or Low-Income Housing Tax Credit rental requirements are not mandatory under the Main Street program, but may be used as examples for such policies. Such examples are located at 24 CFR 903.7(d) and 24 CFR 903.7(f). If other government programs are used in connection with the applicant's Main Street grant activities, such requirements apply to the extent required by the other programs.

e. 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.

f. Use Restrictions. PROJECT UNITS MUST BE MAINTAINED AS AFFORDABLE HOUSING ONLY FOR THE PERIOD OF INITIAL RENTAL OCCUPANCY OR THE INITIAL RESIDENT'S OWNERSHIP. The applicant may elect to apply use restrictions for a longer period, or in excess, of this requirement.

g. Leveraging Other Resources.

(1) The Main Street Area rejuvenation effort must have community support from government and the private sector. Leverage, or the contribution of funds or in-kind services from sources other than a grant that results from this NOFA, demonstrates this support. See "Leverage" in "Definitions," Section I.D of this NOFA. To measure the amount of support that the Main Street Area rejuvenation effort has, this NOFA includes a Leverage rating factor. See Rating Factor 3(c) in Section V.A.3 of this NOFA.

(2) Unlike grant and match funds from this NOFA, Leverage is not limited to the funding of affordable housing development. 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 supportive services, jobs, and other economic development that is part of the Main Street Area rejuvenation effort. Other examples of uses for Leverage funds include, but are not limited to:

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

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

(c) Demolition;

(d) Restoration of the Main Street affordable housing project facade when facade rehabilitation is not an integral part of the project's rehabilitation;

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

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

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

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

(i) Other uses that relate directly to the Main Street affordable housing project;

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

(k) Legal and administrative fees and costs; and

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

h. Transfer of Title for Tax Credits. The original owner entity of Main Street affordable housing project properties may transfer title to, or commit to a long-term lease with, an owner entity partnership that includes the original owner, the applicant, an equity partner and, when appropriate, other partners, for the purpose of obtaining Low-Income or Historic Tax Credit equity as a leverage resource. Such a transfer, excluding legal fees, is an allowable grant activity. See Section IV.E of this NOFA for limits on the sale of real property.

i. Section 106 Historic Preservation Requirements. Grantees may not commit HUD funds until HUD has completed the historic preservation review and consultation process under Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470f) and its implementing regulation, 36 CFR part 800, as applicable, in accordance with environmental review requirements under 24 CFR part 50. See <http://www.achp.gov/> for details on the Section 106 review process.

j. Environmental Requirements.

(1) HUD's notification of award to a selected applicant constitutes a preliminary approval by HUD, subject to HUD's completion of an environmental review of proposed sites in accordance with 24 CFR part 50. Selection for participation (preliminary approval)

does not constitute approval of the proposed site(s).

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

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

(4) Phase I and Phase II Environmental Site Assessments. If you are selected for funding, you must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-05, as amended (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. You must carry out any mitigating/remedial measures required by HUD. If a remediation plan, where required, is not approved by HUD and a fully funded contract with a qualified contractor licensed to perform the required type of remediation is not executed, HUD reserves the right to determine that the grant is in default.

(6) Your application constitutes a certification that there are not any environmental or public policy factors, such as sewer moratoriums, that would preclude development in the requested Main Street Area.

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

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

k. 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 identify the variances between the design and construction requirements of the Fair Housing Act and several model building codes. That report can be found on the HUD Web site at <http://www.hud.gov/offices/fheo/disabilities/modelcodes/>.

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

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

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

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

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

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

(4) Energy Efficiency.

(a) New construction and rehabilitation must comply with the

2003 International Energy Conservation Code (IECC 2003), which incorporates American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE) 90.1 2001 by reference for high-rise multifamily housing.

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

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

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

(C) IECC 2003 Section "101.2.2.2 Additions, alterations or repairs. Additions [and rehabilitation of a building or portion of a building] \* \* \* shall conform to the provisions of this code \* \* \* without requiring the unaltered portions(s) of the existing system to comply with all of the requirements of this code. Additions [or rehabilitation] shall not cause any one of the aforementioned and existing systems to become unsafe, hazardous or overloaded."

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

(c) 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;
- (vi) Energy Star appliances; and
- (vii) Combined heat and power (cogeneration).

(5) Universal Design. HUD encourages the applicant to incorporate the principles of universal design in the construction or rehabilitation of housing, retail establishments, and community facilities, and when communicating with community residents at public meetings or events. Universal Design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. The intent of Universal Design is to simplify life for everyone by making products, communications, and the built environment more usable by as many people as possible at little or no extra cost. Universal Design benefits people of all ages and abilities. Examples include designing wider doorways, installing levers instead of doorknobs, and putting bathtub/shower grab bars in all units. Computers and telephones can also be set up in ways that enable as many residents as possible to use them. The Department has a publication that contains a number of ideas about how the principles of Universal Design can benefit persons with disabilities. To order a copy of "Strategies for Providing Accessibility and Visitability for HOPE VI and Mixed Finance Homeownership," go to the publications and resource page of the HOPE VI Web site at <http://www.huduser.org/publications/pubasst/strategies.html>.

(6) Energy Star. HUD has adopted a wide-ranging energy action plan for improving energy efficiency in all program areas. As a first step in implementing the energy plan, HUD, the Environmental Protection Agency (EPA), and the Department of Energy have signed a partnership to promote energy efficiency in HUD's affordable housing efforts and programs. The purpose of the Energy Star partnership is to promote energy efficiency of the affordable housing stock, but also to help protect the environment. Applicants constructing, rehabilitating, or maintaining housing or community facilities are encouraged to promote energy efficiency in design and operations. They are urged especially to build to Energy Star qualifications and to purchase and use Energy Star-labeled products. Applicants providing housing assistance or counseling services are encouraged to promote Energy Star building to homebuyers and renters. Program activities can include developing Energy Star promotional and

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).

l. 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.

m. Labor Standards. Davis-Bacon wage rates do NOT apply to grants from this 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 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.

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

rehabilitation, or demolition due to a HUD-assisted activity.

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

(1) Accessibility Requirements.

(a) All "multifamily" HOPE VI developments, defined as projects with more than five units, are subject to the accessibility requirements contained in several Federal laws, as implemented in 24 CFR part 8. PIH Notice 2003-31, available at <http://www.hud.gov/offices/pih/publications/notices/> and subsequent updates, provide an overview of all pertinent laws and implementing regulations pertaining to HOPE VI.

(b) Generally, for substantial rehabilitation of projects with more than 15 housing units, or new construction of a multifamily project, at least 5 percent of the units, or one unit, whichever is greater, must be accessible to persons with mobility impairments. An additional 2 percent, but not less than one unit, must be made accessible for persons with hearing or vision impairment. See, in particular, 24 CFR parts 8.20 through 8.32.

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

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

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

a. 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.*)

b. Affirmatively Furthering Fair Housing;

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

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

e. Relocation;

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

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

h. Accessible Technology;

i. Procurement of Recovered Materials;

j. Participation in HUD-Sponsored Program Evaluation;

k. Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects;

l. Salary Limitation for Consultants;

m. OMB Circulars and Government-wide Regulations Applicable to Financial Assistance Programs;

n. Environmental Requirements;

o. Conflict of Interest;

p. Drug-Free Workplace; and

q. Safeguarding Resident/Client Files.

#### IV. Application and Submission Information

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

1. Copies of this published NOFA and related application forms may be downloaded from the Grants.gov Web site at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). If you have difficulty accessing the information, you may receive customer support from Grants.gov by calling the help line at (800) 518-GRANTS ((800) 518-4726) or by sending an e-mail to [support@grants.gov](mailto:support@grants.gov). The operators will assist you in accessing the information. If you do not have Internet access and need to obtain a copy of this NOFA, you can contact HUD's NOFA Information Center toll-free at (800) HUD-8929. Persons with hearing or speech impairments may call the Federal Information Relay Service at (800) 877-8339.

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

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

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

2. Joint Applications. Joint applications are not permitted. However, the applicant may enter into subgrant agreements with procured developers, other partners, nonprofit organizations, State governments, or other local governments to perform the activities proposed under the application.

3. General Format and Length of Application.

a. Applicant Name. The applicant's official name is the name that is submitted to Grants.gov on the form SF-424. (Note: 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).

b. Electronic Format.

(1) General.

(a) Sections of the application are as listed below.

(b) In accordance with the General Section, applications are to be submitted electronically via [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). See the General Section for additional instructions.

(2) File Names.

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

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

(ii) The word "Narrative" or "Attachment," as applicable, and the Section letter(s) (A through U) that are included in the file, as listed below.

(b) Examples of file names are "AtlantaGANarrativeSectionD\_ABC.doc" and "NewYorkNYAttachmentSectionM\_KL.pdf." Do not include spaces in the file names. Replace spaces with underscore marks.

(3) Summary and Rating Factor Narrative Files.

(a) In the Application Package, the form SF-424, "Application for Federal

Assistance,” should be completed first. Other Exhibits are part of the Application Instructions that you will download from Grants.gov, which are described in Sections IV.B.5 through 6 and in the “Rating Factors,” Section V.A of this NOFA. The following instructions apply to those Narrative Exhibits.

(b) Each narrative submission file must be formatted so it can be read by MS Word (version 9 or earlier).

(c) Each Narrative Exhibit, for each section of the application, should be contained in a separate file, as listed in Section IV.A.3.d of this NOFA, directly below.

(d) Narrative Exhibit Title Pages. HUD will use title pages to identify each section of the application. Each Narrative Exhibit file should contain one title page (the first page of the file. Do not create title pages separately from the documents they go with). Provided the information on the title page is limited to the list in section (i) below, the title pages will not be counted when HUD determines the length of each Narrative Exhibit, or the overall length of the Narrative Exhibits.

(i) Each title page should contain only:

(A) The name of the Narrative Exhibit, as described in “File Names,” Section IV.B.3.b.(2), above, *e.g.*, “Narrative Exhibit B: Executive Summary”;

(B) The name of the applicant; and

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

(4) Entering Narrative Files into the Application.

(a) Each narrative submission file must be formatted so it can be read by MS Word (version 9 or earlier).

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

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

(5) Attachment Files.

(a) In the Grants.gov Grant Application Package, certain form Attachments have been converted into documents for completion by the applicant on the screen. The applicant must simply fill these forms in and submit them. Other Attachments are part of Grants.gov Application Instructions and are defined in this Section IV of this NOFA. The following instructions apply to those Attachments.

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

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

(d) Existing and third-party documents, *e.g.*, Main Street Plan, maps, and drawings, should be submitted in Adobe Acrobat (.pdf) format, or faxed using the HUD Facsimile Transmittal (HUD-96011) form.

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

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

c. Maximum Length of Application.

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

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

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

(c) The Main Street Area Map, including identification of all project sites, is limited to a maximum of one page. The map may be hand-drawn, but must be approximately to scale and must be of sufficient quality to be legible at 11” x 17” printed size. Computer-Aided Design software is not necessary;

(d) The representative affordable housing unit layout is limited to a maximum of one page; and

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

(2) Page Definition and Layout.

(a) A page is the electronic equivalent of an 8½” x 11” paper page, with one-inch top, bottom, left, and right margins.

(b) For .doc files, a “page” contains a maximum of 23 double-spaced lines. The length of each line is limited to 6½ 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 may retain their original page layout. They must not be shrunk to fit more than one original page on each application page. To add page numbers to PDF files using Adobe Acrobat 6, click on Document; Add Headers & Footers; Footer; Align Right; and Insert Page Number. Page numbers may also be added manually.

(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.

d. List of Application Sections and Related Documents.

(1) Summary Information:

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

(b) Section B: Executive Summary;

(2) Rating Factor Responses:

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

(b) Section D: Rating Factor 3, Readiness and Appropriateness of the Main Street affordable housing project, Narrative Response;

(c) Section E: Rating Factor 4, Program Administration and Fiscal Management, Narrative Response;

(d) Section F: Rating Factor 5, Incentive Criteria on Regulatory Barrier Removal (HUD Community Initiative (information required by form HUD-27300), Narrative Response;

(3) Attachments:

(a) Section G: Readiness Certifications and Documents;

(b) Section H: Program Schedule;

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

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

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

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

(g) Section M: Site Plan and Typical Unit Layout;

(h) Section N: HUD Community Initiative, form HUD-27300 (Narrative includes explanation and background);

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

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

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

(l) Section R: Applicant/Recipient Disclosure Report, form HUD-2880,

(“HUD Applicant Recipient Disclosure Report” on Grants.gov) if applicable;  
(m) Section S: Disclosure of Lobbying Activities, Standard Form LLL, if applicable;

(n) Section T: HUD-96011 Third Party Documentation Facsimile Transmittal (“Facsimile Transmittal Form” on Grants.gov) (to be used to transmit third-party documents as part of your electronic application, if applicable); and

(o) Section U: HUD-2994, You Are Our Client Grant Applicant Survey (optional)

#### 4. Threshold Documentation.

Threshold documentation requirements are limited to those stated in “Thresholds,” Section III.C.2, “Certification of Certain Thresholds,” Section III.C.3, of this NOFA, and “*Conducting Business in Accordance with Core Values and Ethical Standards,*” in Section III.C of the General Section.

#### 5. Summary and Attachment Documentation.

##### a. Executive Summary.

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

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

(b) The number of units and buildings;

(c) The description of the Main Street Area that surrounds the Main Street affordable housing project. Include income mix, basic features (such as restoration of streets), and a general description of mixed-use and non-housing Main Street rejuvenation components;

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

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

(f) A list of major non-HOPE VI funding resources for the Main Street affordable housing project and the Main Street Area rejuvenation effort as a whole.

b. Readiness (Site Control, Zoning, and Developer/Construction Agreement). See “Rating Factor Documentation,” Section 6, below.

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

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

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

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

(3) Construction Sources and Uses. This worksheet contains the planned costs and funding resources that will exist during the construction period. That is, if a construction loan will be obtained, it would be included here along with other financing that will be expended during the construction and rent-up period, including grant funds used in construction. A permanent mortgage would not be included here.

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

(5) TDC (Total Development Cost).

(a) The maximum amount of the grant must be based on HUD’s published TDC per unit developed. See HUD’s Notice PIH-2006-22 (HA), “Public Housing Development Cost Limits.”

(b) 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, nonmetropolitan cities and towns. Therefore, the applicant may have to contact its closest HUD Field Office to find out of which county/parish or MSA/PMSA it is considered a part.

(6) Match. In order to meet HOPE VI’s statutory 5 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 NOFA.)

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

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

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

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

(iv) The match amount;

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

(vi) 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.

(vii) All columns, except the last, “Leverage Period More than 2 Years,” must be completed.

(b) Match may only include resources to fund the Main Street affordable housing project. The applicant must enter all 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 the match amount. (Note that the applicant must also provide a commitment letter for each match resource.)

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

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

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

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

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

(iv) The leverage amount;

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

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

(vii) All columns, except the last, “Leverage Period More than 2 Years,” must be filled in.

e. HOPE VI Budget. Enter the amount you are requesting through this NOFA. Typically, HOPE VI assists PHAs. With the 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.

f. Cash Flow Proforma. 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 NOFA, e.g., a rental reserve to support initial affordable income. Reserves may be funded through leverage resources.

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

h. Site Plan and Typical Unit Layout. The applicant must include a drawing of the Main Street affordable housing project site plan and a typical unit layout. 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.

i. America's Affordable Communities Initiative, form HUD-27300. See "Reviews and Selection Process," Section V.B of the General Section.

j. Certification of Consistency with the RC/EZ/EC-IIIs Strategic Plan, form HUD-2990. See "Rating Factor Documentation," below.

k. Logic Model. The applicant must complete the form HUD-96010, "Logic Model," in accordance with the "Logic Model Instructions" in the General Section.

#### 6. Rating Factor Documentation.

##### a. Rating Factor 1—Capacity.

(1) 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 from other sections of the application that reflect 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 NOFA. At a bare minimum, the following should be included:

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

(b) A list and short description of contracts or grants completed by the members of the applicant's Team for similar housing development or services.

(2) 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 NOFA. As examples, key personnel may include the developer, if complex financing methods are necessary to complete the grant activities; or 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.

##### b. Rating Factor 2—Need for Affordable Housing. NO DOCUMENTATION IS NECESSARY FOR THIS RATING FACTOR.

(1) HUD reviewers will derive the need for affordable housing based on a comparison of HUD's Fair Market Rent (FMR) for the applicant's primary metropolitan statistical area/

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

(2) PMSA/MSAs and nonmetropolitan counties/parishes documentation on the FMRs are listed at <http://www.huduser.org/datasets/fmr.html>.

(3) The FMRs are listed at [http://www.huduser.org/intercept.asp?loc=/datasets/fmr/fmr2007P/FY2007P\\_ScheduleB.pdf](http://www.huduser.org/intercept.asp?loc=/datasets/fmr/fmr2007P/FY2007P_ScheduleB.pdf).

(4) The maximum, affordable very low-income rent is based on HUD's Income Limits, which can be obtained at [http://www.huduser.org/datasets/il/il2007\\_docsys.html](http://www.huduser.org/datasets/il/il2007_docsys.html) for very low-income families. The initial occupant must not pay more in rent than a public housing resident at a HOPE VI development, which is 30 percent of one-twelfth of the listed income limit for a very low-income family.

##### c. Rating Factor 3—Readiness and Appropriateness of the Main Street Affordable Housing Project.

##### (1) Site Control, Zoning, and Developer/Construction Agreement.

(a) Evidence of Site Control should be included in the application's Readiness Attachment Exhibit:

(i) For site(s) that WILL NOT be conveyed to perform under a grant from this NOFA:

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

(ii) For sites that WILL be conveyed in order to perform under a grant from this NOFA, 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 NOFA on the site(s).

(2) 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:

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

(b) 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.

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

(i) 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 under 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 NOFA, the applicant must state so in the application. Note that, prior to HUD's completion of its environmental review, funds from this NOFA must not be committed or used to fund construction activities that started under a binding contract that was executed before application submission.

(4) Leverage. The applicant must provide leverage funds/in-kind services that are firmly committed to the Main Street rejuvenation effort. This leverage may include leverage specifically committed to development of the 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 NOFA for more information about Leverage.

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

(i) The amount of the leverage; and  
(ii) That the leverage has been or will be expended on the Main Street Area rejuvenation effort.

(b) To be counted as Leverage, the resource must also be included on pages 12 and 13 of the "HOPE VI Main Street Application Data Sheet," form HUD-52861. All columns, except the last, "Leverage Period More than 2 Years," must be filled in. No narrative discussion of Leverage is necessary.

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

(5) 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 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.

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

(7) Energy Star. The Rating Factor Narrative Exhibit should include examples of any of the following Energy Star activities that will be performed under a grant from this NOFA:

(a) It will use Energy Star-labeled products;  
(b) It will promote Energy Star design of affordable units; and

(c) If the application includes the development of homeownership units, it will include Energy Star in required homeownership counseling.

d. Rating Factor 4—Program Administration and Fiscal Management.

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

NOFA, include a statement to that effect in the narrative. HUD will consider this statement an applicant's certification of fact.

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

(3) 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:

(a) General administration of the grant activities and reporting;

(b) Construction activities, including inspections;

(c) Leverage and match resources to guarantee fulfillment of commitments;

(d) Accounting and distribution of grant funds; and

(e) Local, State, and Federal procurement requirements of the applicant government.

(4) Tracking and Reporting. The grantee will be required to submit quarterly reports to HUD using a HUD-developed, on-line data input system. The application's Rating Factor Narrative Exhibit should describe the method that the applicant will use to collect production information and the type of computers and Internet access that the applicant Team possesses.

e. Rating Factor 5—Incentive Criteria on Regulatory Barrier Removal.

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

f. Rating Factor 6—RC/EZ/EC—II.

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

C. *Submission Dates and Times.*

1. Application deadline date. Electronic applications must be received and validated by Grants.gov by 11:59:59 p.m. eastern time on the application deadline date. If a waiver to the electronic submission is granted, paper copy applications must be received by

the application deadline date. See the General Section and Section IV.F below.

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

#### D. Intergovernmental Review.

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

#### E. Funding Restrictions.

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

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

3. Non-allowable Costs and Activities. Grant funds awarded through this NOFA must not be expended on:

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

b. Sale or lease of the Main Street affordable housing project site, excluding:

(1) Long-term lease or transfer of title 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;

(2) Transfer of title from a private owner to the applicant for de minimis consideration, e.g., \$1;

(3) Acquisition of land or property for the purpose of developing, reconfiguring, or rehabilitating affordable housing units;

c. Funding of project reserves of any type;

d. Payment of the applicant's administrative costs;

e. Payment of any and all legal fees;

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

g. Housing Choice Vouchers;

h. Transitional security activities;

i. Main Street technical assistance consultants or contracts; and

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

#### 4. Cost Controls.

a. The total amount of HOPE VI funds expended shall not exceed the TDC, as published by HUD in Notice PIH 2006-22 (HA), "Public Housing Development Cost Limits," for the number of affordable housing units that will be developed through this NOFA. The TDC limits can be found through HUD's HUDClips Web site at [http://www.hudclips.org/sub\\_nonhud/cgi/nph-brs.cgi?d=PIHN&s1=\(06-22\)\[no\]&op1=AND&l=100&SECT1=TXT\\_HITS&SECT5=HEHB&u=./hudclips.cgi&p=1&r=1&f=G](http://www.hudclips.org/sub_nonhud/cgi/nph-brs.cgi?d=PIHN&s1=(06-22)[no]&op1=AND&l=100&SECT1=TXT_HITS&SECT5=HEHB&u=./hudclips.cgi&p=1&r=1&f=G). This information 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 or less of total Main Street affordable housing project costs that are funded by grant funds or leverage funds included in the NOFA application (less the total amount of all reserve accounts and less the developer fee, itself.) The maximum developer fee is 12 percent of total Main Street affordable housing project costs that are funded by grant funds or leverage funds included in the NOFA application. Any fee above the 9 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) The project is complex (e.g., in financial, legal, environmental, and/or political terms.)

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

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

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

(2) General Contractor Fee 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.

5. 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.

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

a. The estimated award date will be 21 days after the application deadline date for this NOFA.

b. Funds available through this NOFA must be obligated (awarded) on or before September 30, 2007.

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 2006 must be expended by September 30, 2012, and funds appropriated in FY 2007 must be expended by September 30, 2013. 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.

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

withdrawn amounts to one or more other applicants eligible for assistance under the HOPE VI program.

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

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

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

*F. Other Submission Requirements.*

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

2. Timely Receipt Requirements and Proof of Timely Submission.

a. Electronic Submission. All electronic applications must be received and validated by <http://www.grants.gov> by 11:59:59 p.m. eastern time on or before the deadline date established for this NOFA. See Sections IV. B and F of the General Section. Applicants are advised to submit their applications at least 48 to 72 hours in advance of the deadline date and when the Grants.gov help desk is open so that any issues can be addressed prior to the deadline date and time. Please note that validation may take up to 72 hours.

b. Applications Receiving Waivers to Submit a Paper Copy Application.

(1) Requests for HUD to waive the requirement that 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.

(2) Waiver requests must include justification explaining why the application cannot be submitted electronically, and must be submitted no later than 15 days prior to the application deadline date.

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

(4) Applicants granted a waiver of the electronic submission requirement must submit their applications, in their entirety, to the applicable HUD office by the application deadline date. Written notification of waiver approval will include information on mailing instructions and timely receipt of the application by HUD. HUD will not accept a paper application without a waiver being granted.

c. No Facsimiles of Entire Application. HUD will not accept fax transmissions from applicants who

receive a waiver to submit a paper copy application. Paper applications must be complete and submitted, in their entirety, on or before the application deadline date.

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

*V. Application Review Information*

*A. Selection Criteria (Rating Factors).*

1. Rating Factor 1—Capacity (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, including EITHER affordable housing projects OR NRHP or traditional architecture projects.

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

a. For the applicant's PMSA/MSA or nonmetropolitan county/parish, if the ratio of the maximum affordable rent for a three-person very low-income family to the FMR of a two-bedroom size unit (affordable rent divided by FMR) is equal to or less than 0.9, the applicant will receive 10 points. Affordable rent is 30 percent of the Income Limit for a very low-income family, divided by 12 (months per year).

b. For the applicant's PMSA/MSA or nonmetropolitan county/parish, if the ratio of the maximum affordable rent for a three-person, very low-income family to the FMR of a two-bedroom size unit (affordable rent divided by FMR) is greater than 0.9, but less than or equal to 1.2, the applicant will receive 5 points. Affordable rent is 30 percent of the Income Limit for a very low-income family, divided by 12 (months per year).

c. For the applicant's PMSA/MSA or nonmetropolitan county/parish, if the ratio of the maximum affordable rent for a 3-person very low-income family to the FMR of a two-bedroom size unit (affordable rent divided by FMR) is greater than 1.2, the applicant will receive 0 points. Affordable rent is 30 percent of the Income Limit for a very low-income family, divided by 12 (months per year).

3. Rating Factor 3—Readiness and Appropriateness of the Main Street affordable housing project (up to 48 points).

a. Appropriateness and Feasibility of the Main Street Affordable Housing Project (up to 10 points).

(1) You will receive 10 points if your application demonstrates the following about your 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 you include market-rate housing or retail structures in that larger development, you must provide a signed letter from an independent, third-party, market research firm 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 and follows the Funding Restrictions and Program Requirements sections of this NOFA.

(2) You will receive 5 points if your application demonstrates at least 3 of the criteria above.

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

b. Promotion and Marketing (2 Points).

(1) The applicant will receive 2 points 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 Main Street affordable housing project, including (in accordance with affirmative fair housing marketing requirements) the population that is least likely to apply.

(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. Readiness (Site Control, Zoning, and Developer/Construction Agreement) (up to 12 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 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);

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

(c) Have either:

(i) Begun discussions toward execution of an agreement or contract with a developer, construction manager, or construction company to develop the 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); or

(ii) Had such a contract in place, before application submission, to develop affordable housing that may be partially funded by this NOFA. (Note that, prior to HUD's completion of its environmental review, funds from this NOFA must not be committed or used to fund construction activities that started under a binding contract that was executed before application submission).

(2) Scoring:

(a) The applicant will receive 12 points if the application includes documentation demonstrating that (a), (b), and (c), above, has occurred.

(b) The applicant will receive 8 points if the application includes documentation demonstrating that any two of (a), (b), and (c), above, have occurred.

(c) The applicant will receive 4 points if the application includes documentation demonstrating that only one of (a), (b), and (c), above, has occurred.

(d) The applicant will receive 0 points if the application does not include documentation demonstrating that either (a), (b), and (c), above, has occurred.

d. Main Street Area Rejuvenation Leverage (up to 15 points). 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 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 Main Street affordable housing project. This Leverage must demonstrate 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 match 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 Leverage.

(3) This Rating Factor measures the community support that the Main Street Area rejuvenation project has.

(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 75 percent of the requested grant amount .....	0 points
Greater than or equal to 75 percent but less than 150 percent	5 points
Greater than or equal to 150 percent but less than 225 percent	10 points
225 percent or more .....	15 points

e. Retention of Historic or Traditional Architecture (up to 6 points).

(1) The applicant will receive 6 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. Economic Opportunities for Low- and Very-Low-Income Persons (Provision of Section 3) (up to 2 points).

(1) HOPE VI grantees must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Economic Opportunities for Low- and Very-Low-Income Persons in Connection with Assisted Projects) and its implementing regulations at 24 CFR 135.32, "Responsibilities of the recipient," which can be found through <http://www.gpoaccess.gov/cfr/index.html>. One of the purposes of the assistance is to give, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, job training, employment, contracting, and other economic opportunities to Section 3 residents and Section 3 business concerns.

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

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

g. Energy Star (up to 1 point).

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

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

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

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

4. Rating Factor 4-Program Administration and Fiscal Management (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. Tracking and Reporting System for Production Milestones (up to 2 points).

(1) The applicant will earn a maximum of 2 points if the applicant demonstrates that a tracking and reporting system for key production milestones has existed and has been in use continuously for the Main Street Area rejuvenation effort, and the applicant demonstrates how the tracking and reporting system will be used to implement a grant awarded through this NOFA.

(2) The applicant will earn a maximum of 1 point if a tracking and reporting system exists as of the application deadline date (*i.e.*, was developed as a result of this NOFA), but has not been used on the Main Street Area rejuvenation effort, provided that the applicant demonstrates how it will be used to implement a grant awarded through this NOFA.

(3) The applicant will receive 0 points if:

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

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

c. Development and Fiscal Management (up to 8 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 8 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 4 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.

5. Rating Factor 5—Incentive Criteria on Regulatory Barrier Removal—(up to 2 points).

a. Description.

(1) HUD's Notice, "America's Affordable Communities Initiative, HUD's Initiative on Removal of Regulatory Barriers: Announcement of Incentive Criteria on Barrier Removal in HUD's FY 2004 Competitive Funding Allocations," **Federal Register** Docket Number FR-4882-N-03, published on March 22, 2004, provides that most

HUD competitive NOFAs will include an incentive for local and State governments to decrease their regulatory barriers to the development of affordable housing.

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

b. Scoring.

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

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

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

(2) Part B of the form is for an applicant that is a State government or an agency or department of a State government. State governments are not eligible to apply for this NOFA and, as such, Part B of the form is not applicable.

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

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

6. Bonus Points: RC/EZ/EC-II (up to 2 points).

a. RC/EZ/EC-IIs. This NOFA provides for the award of two bonus points for eligible activities/projects that the applicant proposes to locate in federally designated Empowerment Zones (EZs), Renewal Communities (RCs), or Enterprise Communities, designated by the 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-II" and residents of any of these federally designated areas as "RC/EZ/EC-II residents.") This NOFA contains a certification, "Certification of Consistency with RC/EZ/EC Strategic Plan" (form HUD-2990), that must be completed for the applicant to be considered for RC/EZ/EC-II bonus points. A list of RC/EZ/EC-IIIs can be obtained from HUD's Web page at <http://www.hud.gov/cr>. Applicants can determine if their program/project activities are located in one of these designated areas by using the locator on HUD's Web site at <http://www.hud.gov/crlocator>.

#### B. Review and Selection Process.

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

#### 2. Application Screening.

a. HUD will screen each application to determine if:

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

b. Corrections to Deficient Applications. The subsection entitled "Corrections to Deficient Applications" in Section V.B of the General Section applies. Clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within 14 calendar days of the date of receipt of the HUD notification.

c. Applications that will not be rated or ranked.

(1) HUD will not rate or rank applications that are deficient at the end of a 14-calendar day cure period, as described in Section V.B.2.b above and the General Section.

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

#### 3. Preliminary Rating and Ranking.

##### a. Rating.

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

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

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

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

(5) Minimum Score. Applications that do not have a preliminary score of at

least 50 points will not be eligible for funding.

##### b. Ranking.

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

##### 4. Final Panel Review.

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

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

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and  
(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

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

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

5. HUD reserves the right to make reductions in funding for any ineligible items included in an applicant's proposed HOPE VI column of the application's Sources and Uses, or HOPE VI budget.

6. In accordance with the FY 2007 HOPE VI appropriation, HUD may not use HOPE VI funds, including HOPE VI Main Street funds, to grant competitive advantage in awards to settle litigation or pay judgments.

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

##### 8. Remaining Funds.

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

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

(2) If the total amount of funds requested by all applications found eligible for funding under Section V.B of this NOFA is greater than the amount of funds available from this NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to fund

feasibly the next eligible application. In this case, the funds that have not been awarded will be considered remaining funds.

9. The following subsections of Section V of the General Section are hereby incorporated by reference:

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

## VI. Award Administration Information

### A. Award Notices.

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

2. Authorizing Document. The "Assistance Award/Amendment," form HUD-1044, signed by the Assistant Secretary for Public and Indian Housing (grants officer) is the authorizing document. This 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 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 90 days after HUD mails the Grant Agreement to the grantee.

b. Grant term. The time period for completion shall not exceed 30 months from the date the "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 or Construction Manager who is undertaking the development of the Project.

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

(1) Development Proposal. Grantees must submit a development proposal for

the project within 12 months after the grant award date.

(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, i.e., sources and uses 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) Development construction cost estimate; and

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

(2) First Construction Start. Grantees must start housing unit construction within 18 months after grant award date.

(3) Last Construction Completion. Grantees must complete construction 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 30 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 NOFA and the threshold documentation in Section IV.B of this NOFA, the above time frames must be stated in a Program Schedule that includes the following milestones, at a minimum:

(a) Grant Award Date (assume 2 months after application deadline date);

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

(c) Development Plan Submission Date;

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

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

(f) Date of the completion of construction of the last TDC Unit; and

(g) If the Main Street affordable housing project is part of a larger housing development, the date of completion of construction of the last housing unit.

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

f. Flood Insurance. In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), the application may not propose to provide financial assistance for acquisition or construction (including rehabilitation) of properties located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

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

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

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

h. 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.

i. 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 NOFA.

C. Reporting.

1. Quarterly Administrative and Compliance Checkpoints Report (Quarterly Report).

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

(1) On a quarterly basis:

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

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

(c) A short status narrative.

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

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

c. 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.

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

2. LOCCS. On a quarterly basis, grantees must report all obligations and expenditures in HUD's Line of Credit Control System (LOCCS), or its successor system.

3. Logic Model Reporting. The grantee's Logic Model will be based upon the Logic Model included in the application. Provided that the Logic Model complies with the requirements of this NOFA, the General Section, and the Grant Agreement, HUD will approve the Logic Model's outputs and outcomes at the time of approval of the Development Proposal. Beginning after HUD approval, at a minimum, the grantee will be required to submit a completed Logic Model showing outputs and outcomes achieved quarterly. See Logic Model reporting in the General Section.

4. Final Report.

a. Within 30 days after the grantee obtains the results of the Final Audit, the grantee shall submit a final report. The final report will include a financial report, a narrative evaluating overall performance against its HOPE VI Main Street application and Main Street Quarterly Progress Report, and a completed Logic Model (form HUD-96010), including responses to the management questions. Grantees shall

use quantifiable data to measure performance against goals and objectives outlined in its application. For FY2007, HUD is considering a new concept for the Logic Model. The new concept is a Return on Investment (ROI) statement. HUD will be publishing a separate notice on the Return on Investment (ROI) concept. 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 full expenditure of funds, 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, you should use form HUD-27061, Racial and Ethnic Data Reporting Form (instructions for its use), found on <http://www.HUDclips.org>; a comparable program form; or a comparable electronic data system.

#### VII. Agency Contacts

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

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

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

3. The applicant is responsible for monitoring 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 call Lawrence Gnessin at (202) 402-2676, may send an e-mail to [lawrence.gnessin@hud.gov](mailto:lawrence.gnessin@hud.gov), or may contact 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; telephone (202) 401-8812; fax (202) 401-2370 (these are not toll-free numbers). Persons with hearing and/or speech impairments may access these telephone numbers via text telephone (TTY) by calling the toll-free Federal Information Relay Service at (800) 877-8339. For technical support about downloading an application, registering with Grants.gov, and submitting an application, please call Grants.gov Customer Support at (800) 518-GRANTS (This is a toll-free number) or e-mail Grants.gov at [support@grants.gov](mailto:support@grants.gov).

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

#### VIII. Other Information

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

1. Executive Order 13132, Federalism;
2. Public Access, Documentation, and Disclosure;

3. Section 103 of the HUD Reform Act; and

B. *Environmental Impact*. A "Finding of No Significant Impact" (FONSI) with respect to the environment has been made for this notice in accordance with HUD regulations at 24 CFR part 50 that implement Section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The FONSI is available for public inspection between 8 a.m. and 5 p.m. in the Office of the General Counsel, Regulations Division, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500.

C. *Paperwork Reduction Act Statement*. The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB), under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2577-0208. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 68 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, quarterly reports, and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

Dated: June 22, 2007.

**Paula O. Blunt,**

*General Deputy Assistant Secretary for Public and Indian Housing.*

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