

GLOSSARY OF HOPE VI TERMS

ACC: Annual Contributions Contract. A contract between HUD and the PHA whereby HUD agrees to provide financial assistance, and the PHA agrees to comply with HUD requirements (including long-term low-income use restrictions) for the development, operation, and modernization of public housing units in a development.

Accessibility: HOPE VI developments are subject to the accessibility requirements contained in several Federal laws. All applicable laws must be read together and followed. PIH Notice 99-52, available through HUDCLIPS (see below) provides an overview of all pertinent laws and implementing regulations pertaining to HOPE VI. Under the Fair Housing Act of 1988, all new construction of covered multifamily buildings must include certain features of accessible and adaptable design. Units covered are all those in buildings with four or more units and one or more elevators, and all ground floor units with living area located entirely on the ground floor in buildings without elevators. The accessible design requirements are:

1. Accessible entrance on an accessible route
2. Accessible public and common use areas
3. Accessible doorways
4. Accessible routes into and through the unit
5. Accessible light switches, electrical outlets, and environmental controls
6. Reinforced walls in bathrooms
7. Usable kitchens and bathrooms

HUD encourages accessibility in for-sale units (5 percent for mobility impaired and 2 percent for hearing or vision disabilities). Accessibility at 5 percent/2 percent is required in multifamily rental units. More information on accessibility may be obtained from HUD's Fair Housing website: www.hud.gov/groups/fairhousing.cfm.

Accessible Technology. The Rehabilitation Act Amendments of 1998 apply to all electronic information technology (EIT) used by a Grantee for transmitting, receiving, using, or storing information to carry out the responsibilities of the HOPE VI grant. It includes, but is not limited to, computers (hardware, software, word processing, email and web pages) facsimile machines, copiers and telephones. When developing, procuring, maintaining or using EIT, Grantees must ensure that the EIT allows:

1. employees with disabilities to have access to and use information and data that is comparable to the access and use of data by employees who do not have disabilities; and
2. members of the public with disabilities seeking information or service from a Grantee to have access to and use of information and data and comparable to the access and use of data by members of the public who do not have disabilities. If these standards impose a hardship on a Grantee, it may provide an alternative means to allow the individual to use the information and data. However, no Grantee will be required to provide information services to a person with disabilities at any location other than the location at which the information services are generally provided.

Acquisition Proposal: A proposal to acquire land or land with improvements to be demolished. The proposal must meet the requirements of 24 CFR 941.303, and must be submitted to and approved by HUD before HOPE VI or other public housing funds may be used for acquisition of property. The Acquisition Proposal will include documentation of site control, zoning, appraisal, environmental assessment, etc. To acquire land with improvements which will not be demolished, the PHA must submit a Development Proposal in accordance with 24 CFR 941.304 (conventional development) or 24 CFR 941.606 (mixed-finance development).

The Act: For the purposes of this Glossary, "the Act" refers to the United States Housing Act of 1937 (42 U.S.C. 1437) as amended.

Adaptability: As defined by 24 CFR 8.3, the ability of certain elements of a dwelling unit, such as kitchen counters, sinks, and grab bars, to be added to, raised, lowered, or otherwise altered, to accommodate the needs of persons with or without handicaps, or to accommodate the needs of persons with different types or degrees of disability. For example, in a unit adaptable for a hearing-impaired person, the wiring for visible emergency alarms may be installed so that the unit can be made ready for occupancy by a hearing-impaired person. More information on adaptability may be obtained by calling HUD on (202) 708-2333 or the TTY telephone number, 1-800-877 8339 (Federal Information Relay Service).

AMI: Area Median Income, as adjusted by HUD for a specific area. The AMI is used to determine affordability levels and income eligibility for a variety of subsidized housing programs, including public housing, Section 8, and LIHTC. HUD publishes AMI tables for each family size in each locality annually. The income limit tables may be accessed on HUD's website : www.huduser.org/datasets/il/fmr01/index.html

Apprenticeships: see Bridging the Gap, below.

Bridging the Digital Divide: An initiative to provide low- and moderate-income families and children with access to computers, so that they will not be disadvantaged with respect to education, work and training opportunities. The Neighborhood Networks program (see below) is one program that incorporates the availability of computers to education and job training opportunities.

Bridging the Gap Apprenticeship Program. A program aimed at expanding economic and skill building opportunities offered through registered apprenticeship programs in HUD-assisted construction and maintenance activities. Apprenticeship programs have a long history of providing structured, highly competent, safe, and comprehensive occupational training which produces highly qualified journey level workers, especially in the construction trades. PHAs are encouraged to promote the use of apprenticeship programs when using HOPE VI funds to revitalize public housing.

Capital Fund: In accordance with section 519 of the QHWRA of 1998, all public housing modernization and development programs (CIAP, CGP, MROP, and Public Housing Development) have been consolidated into the Capital Fund, and funds are now distributed to all PHAs by formula. The Capital Fund formula is governed by regulations at 24 CFR part 905.

CDBG: Community Development Block Grant funds. Funds awarded by HUD by formula to units of general local government and to states, which may then award a grant or loan to a PHA, a partnership, a non-profit organization, or other entity for revitalization activities, including loans to a project's for-profit partnership. Information about the CDBG Program can be found on HUD's website www.hud.gov/cpd/cpd/cpdprog.html

CFDA: The Catalog of Federal Domestic Assistance is a government-wide compendium of Federal programs, projects, services, and activities which provide assistance or benefits to the public. HOPE VI's CFDA number is 14.866. A list of CFDA numbers for all HUD programs can be found on HUD's website www.hud.gov/cfda/cfda.cfm

CFR: The Code of Federal Regulations can be found and sections downloaded from HUDCLIPS: www.hudclips.org

CIAP: The Comprehensive Improvement Assistance Program, which provided HUD funds to all PHAs prior to 1992 and to small (less than 250 units) PHAs from 1992 to 1999, for rehabilitation of housing projects. CIAP was replaced by the public housing Capital Fund Program in FY 2000 (*see above*).

CGP: The Comprehensive Grant Program, which provided HUD funds to medium and large (more than 250 units) PHAs for rehabilitation of housing projects. CGP has been replaced by the public housing Capital Fund (*see above*).

Collateral Investments: Economic or other kinds of development activities that would have occurred with or without the anticipation of HOPE VI-funded revitalization of the public housing site. Collateral Investments include physical redevelopment activities underway or projected to be completed around the time the HOPE VI revitalization is completed, such as schools, libraries, subway or light rail stations, or improved roads, which will enhance the new HOPE VI community but will occur whether or not the site is revitalized.

Consolidated Plan: Developed by local and state governments with the input of citizens and community groups, the Consolidated Plan serves four functions:

1. It is a planning document for each state and community, built upon public participation and input.
2. It is the application for funds under HUD's formula grant programs: the Community Development Block Grant Program, the HOME Program, Emergency Shelter Grants, and Housing for People With AIDS.
3. It describes local needs and priorities for HUD community planning and development funds.
4. It constitutes a 3-to-5-year strategy the jurisdiction will follow in implementing HUD programs.

Each HOPE VI revitalization application must include Form HUD-2991, Certification of Consistency with Consolidated Plan, signed by the authorized certifying official. If the local jurisdiction in which revitalized units will be located does not have a Consolidated Plan or an Abbreviated Consolidated Plan, a certification from the State must be submitted. A list of contact people for each locality is HUD's website:

www.hud.gov/offices/cpd/about/rulesandregs/conplan/index.cfm.

(HOPE VI) Coordinator: The Grantee's HOPE VI Coordinator will be the official contact person for the HUD Grant Manager, and will coordinate all HOPE VI activities on behalf of the Grantee.

Conversion Plan: see Section 202 Mandatory Conversion Plan, below.

Davis Bacon: "Prevailing" minimum wage rates set by the Secretary of Labor that all laborers and mechanics employed in the development or rehabilitation of a public housing project must be paid, as set forth in a wage determination that must be obtained by the Grantee prior to bidding on each construction contract. All relevant parties must agree on the payment of these wages before the construction or rehabilitation begins.

Deconstruction: HUD encourages Grantees to design programs that incorporate sustainable construction and demolition practices, such as the dismantling or "deconstruction" of public housing units, recycling demolition debris, and reusing salvage materials in new construction. The publication "A guide to Deconstruction: an Overview of Deconstruction with a Focus on Community Development Opportunities" is available at HUD USER: www.huduser.org/publications/destech/decon.html. For articles on the concept of deconstruction, go to the U.S. Forest Service website - www.fpl.fs.fed.us/query.asp - and enter deconstruction as the search term.

Designated Housing Allocation Plan: A plan to designate a public housing development for elderly families, disabled families, or a combination of the two. The Plan must be submitted to HUD's Special Applications Center for approval and follow the requirements of Notice PIH 97-12, as extended by Notice PIH 2001-17. A PHA may designate all, or a portion of a public housing development for use by specific resident populations, provided that those residents are already eligible for occupancy in public housing. More information is on HUD's website: <http://www.hud.gov/offices/pih/centers/sac/designated/>

Developer: An entity contracted to develop (and possibly operate) a mixed-finance development that includes public housing units, pursuant to regulations at 24 CFR 914 subpart F, and under the terms of a HUD-approved proposal. In some cases, the developer may be the PHA itself. A developer most often has an ownership interest in the entity that is established to own and operate the units in a mixed finance development (e.g. as the General Partner of a Limited Partnership).

Development: A public housing project, or other housing project with units under an ACC. For HOPE VI Revitalization application purposes, a PHA may propose to target one existing development, or two or more projects that are contiguous (immediately adjacent to one another) or within 1/4 of a mile from each other.

Development Agreement: A document that establishes the business relationship and terms between a PHA and its developer for a mixed finance development project.

Development Funds: Funds awarded by HUD to PHAs under the Public Housing Development Program consistent with regulations at 24 CFR part 941. Development funds can be used for any activity eligible under the Capital Fund, and may be combined with HOPE VI and/or other funds for this purpose. Although the last Development funds were distributed to PHAs in FY 1995, many authorities have funds remaining which can be used in conjunction with a HOPE VI project or in a mixed-finance project without HOPE VI.

Development Partner: A third party entity with which the PHA enters into a partnership or other contractual arrangement to provide for the mixed-finance development of projects that include public housing units. The Development Partner has primary responsibility with the PHA for the development of the housing units and/or non-residential structures under the terms of the approved mixed-finance proposal. PHAs must procure development partners in accordance with 24 CFR part 85, subject to the following proviso: 24 CFR 941 subpart F allows for procurement by a PHA of a Development Partner using competitive proposal procedures for qualifications-based procurement, where price may be negotiated separately.

Empowerment Zones and Enterprise Communities: *see EZ/EC below*

Environmental Assessment: All HOPE VI grants are subject to the environmental regulations at 24 CFR

part 58, "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities." Part 58 also applies to HUD Public Housing Capital Funds, Mixed Finance Development projects, demolition, and disposition activities. Grantees may **not** commit or expend HUD and/or non-HUD funds for a project proposed for HUD assistance **prior to** HUD approval of form HUD 7015.15, "Request for Release of Funds and Certification" or (if applicable), Form HUD 4128, "Environmental Assessment and Compliance Findings for the Related Laws." These forms and information on environmental assessment are available on HUD's website - www.hud.gov/cpd/cpdenvir.html - or through HUDCLIPS: www.hudclips.org

Environmental Justice: Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," is intended to focus Federal attention on the environmental and human health conditions of minority and low-income populations with the goal of achieving environmental protection for all communities. Environmental Justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income. Fair treatment means that no group of people, including a racial, ethnic, or socioeconomic group, should bear a disproportionate share of the negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of Federal, state, and local programs and policies.

Existing conditions: Condition of the severely distressed public housing project at the time a HOPE VI Revitalization grant application is submitted. If some or all of the targeted project has been demolished as of the time of HOPE VI application, existing conditions are those as of the date the demolition application was approved.

Extraordinary Site Costs: Construction costs related to unusual pre-existing site conditions that are incurred, or anticipated to be incurred. If such costs are significantly greater than those typically required for similar construction, are verified by an independent, certified engineer, and are approved by HUD, they may be excluded from the TDC calculation. Extraordinary site costs may be incurred in the remediation and demolition of existing property, as well as in the development of new and rehabilitated units. Examples of such costs include, but are not limited to: abatement of extraordinary environmental site hazards; removal or replacement of extensive underground utility systems; extensive rock and/or soil removal and replacement; removal of hazardous underground tanks; work to address unusual site conditions such as slopes, terraces, water catchments, lakes, etc.; and work to address flood plains and other environmental remediation issues. Costs to abate asbestos and remove lead-based paint from structures are normal demolition costs. Extraordinary measures to remove lead-based paint that has leached into the soil would constitute an extraordinary site cost.

EZ/EC: This acronym encompasses all Federally-designated Empowerment Zones, Enterprise Communities, Urban Enhanced Enterprise Communities, and Strategic Planning Communities, each of which is either an urban area designated by the Secretary of HUD pursuant to 24 CFR part 597 or a rural area designated by the Secretary of Agriculture pursuant to 7 CFR part 25, subpart B. EZs and ECs get tax incentives, grants, and loans to create jobs and expand business opportunities in the most economically stressed urban and rural areas. Similar areas designated by States or cities do **not** constitute Federally-designated EZ/ECs. A list of all EZs and ECs, and a search engine that can be used to determine whether an address is within an EZ or EC, are located on HUD's website: www.hud.gov/economicdevelopment

FHA Mixed-Income Housing Initiative: Underwriting Guidelines for using FHA-insured loans in HOPE VI mixed-income projects can be found in HUD Notice H 97-12 (as extended by Notice H 99-21), available through HUDCLIPS: www.hudclips.org

Hard Costs: The costs directly associated with the construction of a development, including labor, materials, general contractor overhead, profit and contingencies. *also see Soft Costs*

Healthy Homes. Healthy Homes is the implementation of Executive Order 13045 ("Protection of Children

from Environmental Health Risks and Safety Risks"). The program encourages the funding of activities that promote healthy homes or that promote education on what is a healthy home. These activities may include, but are not limited to, the following:

1. educating homeowners or renters about the need to protect children in their home from dangers that can arise from items such as curtain cords, electrical outlets, hot water, poisons, fire, and sharp table edges, among others;
2. incorporating child safety measures in the construction, rehabilitation or maintenance of housing, which include but are not limited to child safety latches on cabinets, hot water protection devices, properly ventilated windows to protect from mold, window guards to protect children from falling, proper pest management to prevent cockroaches which can cause asthma, and activities directed to control of lead-based paint hazards. The National Lead Information Hotline is 1-800-424-5323.

More information on Healthy Homes can be found on HUD's website - www.hud.gov/offices/lead/healthyhomes_main.cfm - or by calling 800-483-7342.

Housing Authority Funds: Funds, other than HUD funds, that are under the control of the Housing Authority, such as operating reserves, Section 8 administrative fees, and other non-HUD resources.

HOME Program: The Home Investment Partnership Program provides housing funds that are distributed from HUD to units of general local governments and States. Funds may be used for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance. Current legislation allows HOME funds to be used in conjunction with HOPE VI, but they cannot be used with Capital Grant funds. Information about the HOME Program can be found on HUD's website: www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm

Homeownership: HOPE VI funds may be used to provide appropriate replacement homeownership assistance for displaced public housing residents or other public housing-eligible low-income families. Homeownership units may be deemed replacement units only if, when combined with ACC rental replacement units, they do not exceed the total number of units demolished and/or disposed of at the targeted severely distressed public housing project.

If homeownership units are funded with public housing funds, including HOPE VI, the Grantee will be required to submit a HOPE VI Homeownership Proposal for HUD approval. The proposal must describe how the program will work, the financing, the amount of HOPE VI funding to be used for eligible costs, how many families will be assisted, etc. Units are subject to the 80 percent of Area Median Income (AMI) low-income family limitations under the 1937 Act. Assistance may include:

1. Down payment or closing cost assistance;
2. Provision of second mortgages; and/or
3. Construction or permanent financing for new construction, acquisition, or rehabilitation costs related to homeownership replacement units.

Three models of public housing homeownership are:

1. **Affordable Fee Simple Homeownership:** A property interest in which an owner has an absolute right to the property. The units must be sold to low-income persons. HOPE VI funds may be used for construction, with or without permanent financing.
2. **Second Mortgage Only:** Units existing or constructed with non-public housing funds that are bought by families that receive second mortgage assistance with HOPE VI or other public housing funds.
3. **Affordable Lease Purchase Homeownership:** A homeownership model whereby a household may move into a unit as a renter and attain ownership over a period of time, usually by applying a portion of its rent towards the down payment on the unit. If the rental unit receives operating subsidy, then the unit is considered a public housing unit and must be built in compliance with the public housing development program (24 CFR Part 941). The units must be rented to low-income persons.

HUDCLIPS: A website - www.hudclips.org - that includes all HUD and Standard forms, notices, handbooks, etc., in addition to the *Federal Register*, the Code of Federal Regulations (CFR), OMB Circulars, basic laws, and other important information pertaining to HUD programs.

LIHTC: Low Income Housing Tax Credits. A provision in Section 42 of the IRS Code which allows investors to receive a credit against Federal tax owed in return for providing funds to developers to help build or renovate housing that will be rented only to lower-income households for a minimum period of years. There are two types of credits, both of which are available over a 10-year period: a 9 percent credit on construction/rehab costs, and a 4 percent credit on acquisition costs and all development costs financed partially with below-market Federal loans (e.g. tax exempt bonds). Tax credits are generally distributed through State Housing Financing Agencies, a directory of which can be found at <http://www.ncsha.org/ncsha/public/statehfadirectory/INDEX.htm>

States administer a fixed amount of Federal tax credits annually, which they typically allocate through the state housing finance or other similar agency. The National Council of State Housing Agencies web site has resources on tax credits: www.ncsha.org

Low-income Unit (non-public housing): A unit of affordable housing (e.g., a LIHTC unit) that is income- and/or rent-restricted but is not designated as a public housing unit. Local, state, or Federal funds are used to write down the construction or operating costs of these units to minimize rental cost and increase affordability.

Low-income Families: With respect to HUD housing programs, low-income families are those who have incomes that are no more than 80 percent of the Area Median Income (AMI) as defined by HUD. Note that other HUD programs and other housing programs such as LIHTC may use different income eligibility standards. *see AMI*

Market Rate Units: Housing units for which renters or homeowners do not have income eligibility restrictions. HOPE VI funds **may not** be used to develop market rate units or affordable housing units which do not qualify as public housing or homeownership replacement units, as described under Replacement Units, below. In mixed-finance development projects that include public housing and non-public housing units, this requirement may be satisfied by a determination that the ratio of HUD public housing funds from all sources, in relation to all development funds, is less than or equal to the lesser of:

1. the ratio of public housing (ACC rental and Homeownership replacement) units to all project units, or
2. the ratio of public housing (ACC rental and Homeownership replacement) unit square foot area to total project square foot area.

Market Study: A study that determines the demand and associated pricing structure for the residential and other components of a project based on analysis of the market and economic conditions of the project area. An impartial real estate professional experienced in economics and marketing prepares the study.

MBE/WBE: Minority Business Enterprise/Women's Business Enterprise. HOPE VI Grantees must take all necessary affirmative steps to assure that small and minority firms, women's business enterprises, and labor surplus area firms are used when possible. 24 CFR 85.36(e) provides that affirmative steps include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs 1 - 5 above.

Mixed-Finance Development: A method of public housing development that involves a combination of public and private financing sources, and may include the ownership of public housing units by a PHA, a PHA affiliate, or an entity other than the PHA in which the PHA may or may not have an ownership interest. Mixed-finance development of public housing units is administered in accordance with regulations at 24 CFR 941 subpart F. Such units may be developed with public housing Capital Funds in combination with other financing sources, public or private. Alternatively, units may be developed without public housing Capital Funds but still be considered public housing in a mixed-finance project and receive operating subsidy from the PHA under the ACC, if approved by HUD.

Mixed-Income Development: A mixed-finance housing development that includes a combination of public housing and non-public housing units.

Modernization funds: HUD funds used for rehabilitation of public housing projects. The term includes funds that were previously provided to PHAs under section 14 of the Act, including the former CIAP and Comprehensive Grant Programs, and the Capital Fund (effective FY 2000), authorized by section 5 of the Act.

MROP funds: Major Reconstruction of Obsolete Project funds, awarded by HUD to PHAs for rehabilitation of public housing projects. Although the MROP Program ended in the early 1990's, remaining MROP funds have been converted to the Capital Fund and may be used in mixed-finance public housing development projects, provided such use has been approved by HUD.

Neighborhood Networks: These Centers, originally designed for HUD-insured and HUD-assisted properties, have helped hundreds of residents improve computer technology skills which in turn has enhanced the self-sufficiency, employability and economic self-reliance of low-income families. Grantees are required to adapt the Neighborhood Networks Initiative to their HOPE VI projects. HUD will make technical assistance available to each PHA where needed. More information on the requirements of Neighborhood Networks is available on HUD's website: www.hud.gov/nnw/nnwindex.html

New Urbanism: A design concept that incorporates the goals of walkable neighborhoods, local access to jobs, services, stores, and recreational facilities; and a mix of housing types that include apartments, townhouses, single family houses, and other housing choices appropriate to the neighborhood. Information on design and New Urbanism can be found at: www.cnu.org

NOAAH: HUD has entered into a Cooperative Agreement with the National Organization of African-Americans in Housing, to reach out and identify minority professionals (developers, program managers, lenders, accountants, attorneys, etc.) who are interested in participating in the HOPE VI Program. NOAAH's website is www.noaah.org

NOFA: Notice of Funding Availability, published in the Federal Register. After receiving an appropriation from Congress, HUD publishes a NOFA that announces the availability of grant funds, the requirements of the

program, application requirements, and application deadline dates, etc.

Officer Next Door: This program offers HUD-owned, single family homes to law enforcement officers at a 50 percent discount. Its purpose is to help prevent crime and promote neighborhood safety and security by encouraging law enforcement officers to become homeowners and residents in economically distressed communities. More information is available on the HUD website:

www.hud.gov/offices/hsg/sfh/buying/ond/ond.cfm

OMB Circulars and Administrative Requirements: Documents that provide recipients of Federal funds with the administrative requirements related to the expenditure of funds. Copies of OMB Circulars and sections of the Code of Federal Regulations (CFR) can be found on HUDCLIPS: www.hudclips.org

Administrative requirements applicable to PHAs:

24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments)

OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments)

Administrative requirements applicable to nonprofit organizations:

24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations)

OMB Circular A-122 (Cost Principles for Non-Profit Organizations)

Operating Subsidy Only Units: Public housing units that are developed without public housing monies, but which receive operating subsidy. Because the units are public housing units, they must be developed in compliance with the statutory requirements of the Public Housing Development Program (24 CFR part 941), including Davis-Bacon wage rate requirements, environmental assessment requirements, etc., even though no public housing funds are used for construction.

OTAR: Office of Troubled Agency Recovery. See TARC.

Participating Party: Any person, firm, corporation, or public or private entity that agrees to provide financial or other resources to carry out an approved mixed finance development proposal, or certain activities contained in the proposal, or who otherwise participates in the development and/or operating of public housing units in a mixed finance development and receives HUD funds for doing so.

PATH: HUD encourages participation in the Partnership for Advancing Technology in Housing (PATH). PATH's goal is to achieve dramatic improvement in the quality, affordability, and energy efficiency of American housing by the year 2010. PATH promotes participation by 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 innovation in housing design and construction. With its FY 2001 budget of \$10 million, PATH may provide technical support in design and cost analysis of advanced technologies to be incorporated in project construction. The PATH website - www.pathnet.org/about/about.html - provides additional information, the list of technologies, latest PATH Newsletter, results from field demonstrations, and PATH projects. HOPE VI Grantees are encouraged to employ PATH-identified technologies to exceed prevailing national building practices by reducing costs, improving durability, increasing energy efficiency, improving disaster resistance, and reducing environmental impact. HUD may provide technical assistance to Grantees in the form of architectural, engineering, and financial analysis to incorporate the specific technologies appropriate to the type of construction and climate.

PILOT: Payment in Lieu of Taxes, an arrangement whereby a PHA agrees to make a predetermined payment at set intervals to a locality in lieu of property taxes for its public housing property. The PILOT agreement also specifies the type and amount of services, if any, to be provided by the locality to the public housing development.

Procurement: See RFP and RFQ below. There are training materials pertaining to procurement on the HOPE VI website at <http://www.hud.gov/offices/pih/programs/ph/hope6/mfph>.

Program Manager: An entity the PHA procures to represent its interests and to assume responsibility for coordinating some or all of the participants in a HOPE VI or mixed-finance development project, including the PHA, HUD, third party consultants, and fundraising sources. A PM may also assist the PHA in its negotiations with a developer.

Public Housing Unit: A rental housing unit that is eligible to receive operating subsidy from HUD pursuant to Section 9 of the Act (42 U.S.C. 1437g). It must be included in and governed by the terms and conditions of the ACC.

1. **Public Housing (non-tax credit) Units:** Dwelling units developed with funding from various public housing and other sources, but not including equity funds invested in connection with Low Income Housing Tax Credits (LIHTC – see above). These units are under an ACC and receive public housing operating subsidy, must serve persons who are public housing eligible, and must comply with public housing regulations.
2. **Public Housing/Low-Income Housing Tax Credit Units:** Units that are funded with both Public Housing funds (HOPE VI, Development, Capital Fund, and/or MROP funds) and equity invested in connection with LIHTC. These units are under an ACC and receive operating subsidy; however, they must be operated in compliance with requirements of the LIHTC program as well.

QHWRA: The Quality Housing and Work Responsibility Act of 1998. (Sometimes called the Public Housing Reform Act). Section 535 of QHWRA amended section 24 of the U.S. Housing Act of 1937 to create the HOPE VI Program's first authorization. It authorized program funds for FY 1999-2002, and provided that the program sunset after FY 2002. Although most Federal programs operate with both an authorization (defining the program) and an appropriation (providing funds for the program), before the HOPE VI Program was authorized by QHWRA, HUD awarded grants in accordance with appropriations only.

Replacement Units:

Rental Units will be deemed to be public housing replacement units and qualify for operating subsidy only if:

1. combined with public housing homeownership replacement units, the units do not exceed the lesser of:
 - a. the number of units under ACC on August 21, 1996; or
 - b. the number of units for which the PHA was receiving operating subsidy on August 21, 1996; and
2. the units that are to be placed under an ACC and operated as public housing units.

Homeownership Units: HOPE VI funds may be used to provide appropriate replacement homeownership assistance for displaced public housing residents or other public housing-eligible low-income families. Homeownership units may be deemed replacement units only if, when combined with ACC rental replacement units as described above, they do not exceed the total number of units demolished and/or disposed of at the targeted severely distressed public housing project. *See Homeownership.*

Reconfiguration: Altering the physical structure of a housing units during the course of rehabilitation in a manner that permanently changes the public housing bedroom distribution or unit count (e.g., creating five 2-bedroom units from ten 1-bedroom units or converting dwelling units to non-dwelling units).

RFP: Request for Proposals, a procurement solicitation document that may be used by PHAs to solicit competitive offers (proposals) from prospective providers in cases where price is one of the proposal evaluation factors. Under the competitive proposals method, both technical and price factors are considered in awarding the contract. The PHA describes its needs in a statement of work, publicizes the upcoming procurement as appropriate (e.g, advertising in local newspaper or trade journal), and prepares both an independent cost estimate and a technical evaluation plan for analyzing proposals received.

RFQ: Request for Qualifications: a procurement document that may be used by a PHA to solicit competitive offers from prospective service providers in cases where price is *not* one of the evaluation factors. This alternate procurement process is also referred to as "qualifications-based selection" (QBS). Under the QBS method, the solicitation does not request prices, because only technical qualifications are reviewed, and the best firm is selected on that basis. The PHA then negotiates fair and reasonable compensation with the best qualified firm. If agreement cannot be reached, the PHA may negotiate with the next best qualified firm.

Section 202 Mandatory Conversion Plan: A plan to remove a public housing project that is subject to the requirements of Section 202 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996. Applicable regulations are at 24 CFR part 971. More information, as well as the content and suggested format for conversion plans, are provided on HUD's website at http://www.hud.gov/offices/pih/centers/sac/section_202

Section 3: The purpose of Section 3 of the Housing and Urban Development Act of 1968 (Economic Opportunities for Low and Very Low-Income Persons in Connection with assisted Projects) is to ensure that, to the greatest extent feasible, and consistent with existing Federal State, and local laws and regulations, training, employment, and other economic opportunities generated by certain HUD financial assistance will be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons. Program regulations are at 24 CFR part 135. More information about Section 3 can be found on HUD's website: www.hud.gov/fhe/sec3over.html

Section 504: A section of the Rehabilitation Act of 1973, as amended, that provides that "No otherwise qualified individual with handicaps in the U.S.... shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." Section 504 sets minimum accessibility requirements for all PHA development projects using Federal funds. Information on Disability rights in HUD Programs is available on the HUD website: <http://www.hud.gov/fhe/504/sect504.html>

Severely Distressed Public Housing: Section (j)(2) of the Public Housing Reform Act defines severely distressed public housing as a public housing project (or building in a project) that:

- (A) (i) requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems and other deficiencies in the physical plant of the project;
- (ii) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;
- (iii) (I) is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; or
- (II) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;

- (iv) cannot be revitalized through assistance under other programs, such as the program for capital and operating assistance for public housing under this Act, or the programs under sections 9 and 14 of the United States Housing Act of 1937 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998), because of cost constraints and inadequacy of available amounts; and
 - (v) in the case of individual buildings, is, in the Secretary's determination, sufficiently separable from the remainder of the project of which the building is part to make use of the building feasible for purposes of this section; or
- (B) that was a project described in subparagraph (A) that has been legally vacated or demolished, but for which the Secretary has not yet provided replacement housing assistance (other than tenant-based assistance).

SAC: Special Applications Center. This HUD office, located in Chicago, processes a variety of applications, including demolition and disposition applications developed under Section 18 of the Act. Information about the SAC can be found on HUD's website: www.hud.gov/offices/pih/centers/sac/

Site and Neighborhood Standards Review: Undertaken by the Office of Fair Housing and Equal Opportunity (FHEO) in the local HUD Field Office, this review ensures that the site on which the public housing project is proposed to be located is not within a racially or economically impacted area in which the project would cause a significant increase in the proportion of minority to non-minority residents in the area. There is an important exception: In accordance with 941.202(c)(2) and/or applicable program regulations, no Site and Neighborhood Standards Review is required in cases where public housing replacement units are to be constructed on the original site or in the surrounding neighborhood of demolished public housing units.

Site-Based Waiting List: A type of sub-jurisdictional waiting list, the use of which allows a PHA and/or its developer to market a particular development and take applications for units at that development that are separate from the PHA-wide application process and central waiting list. A site-based waiting list allows a PHA to target its marketing and to attract applicants who otherwise might not consider living in public housing. Any use of a site-based waiting list must first be incorporated into the PHA's Agency Plan and approved by HUD.

Soft Costs: Non "bricks and mortar" cost incurred in the development of a project, including third party expenses such as design and legal fees, taxes, insurance, construction loan debt service, developer overhead, and profit, etc.

Step-Up: Step-Up is an apprenticeship-based employment and training program that provides career potential for low-income persons by enabling them to work on construction projects that have certain prevailing wage requirements. Step-Up encourages work by offering apprenticeships through which low-income participants earn wages while learning skills on the job, supplemented by classroom-related instruction. Step-Up provides a vehicle for achieving compliance with the objectives of Section 3 of the HUD Act of 1968, which requires that preference be given to public housing residents, participants in HUD's Youthbuild programs, and other low- and very low-income persons in the metropolitan area in employment, contracting, and other economic opportunities. More information can be found on HUD's website: www.hud.gov/progdesc/stepup.cfm

Subsidized Units: Housing units for which capital costs are written down by public subsidy funds, and for which occupancy is governed by income restrictions.

TANF: Temporary Assistance for Needy Families: This Federal program, administered by state and local governments, has replaced the former Aid to Families with Dependent Children (AFDC) Program.

TARC: TARC: Troubled Agency Recovery Centers are administered by the Office of Troubled Agency Recovery (OTAR). The mission of the TARCs is to develop and implement intervention strategies for housing authorities that have been designated as "Troubled," in order to achieve a passing PHAS score within one year of the Troubled designation. The two TARCs are located in HUD's Cleveland and Memphis offices. If a HOPE VI Grantee has been determined to be Troubled, responsibility for the PHA, including the HOPE VI Field Office role, will be assigned to a TARC for one year. Each PHA partnered with a TARC has one year to recover, show "substantial improvement," or be referred for receivership. TARC service would continue during any receivership. If substantial improvement is demonstrated, the PHA has another year to work on recovery before a receivership is necessary. Once the PHA improves and is no longer designated as Troubled, responsibility for the PHA will be returned to the Field Office. OTAR's website is is: <http://www.hud.gov/pih/otar/otarhomepage.html>

TDC: Total Development Cost: a technical term used by HUD to refer to the use of HUD public housing funds as applied toward the cost of developing a public housing project (or the public housing units in a mixed finance project), including costs associated with administration, professional services, relocation, demolition and abatement, infrastructure improvements, as well as the actual cost of construction of improvements to the property.

"TDC Limit" refers to the maximum amount of such funding that HUD will approve for development of specific public housing units in a given location. Note, however, that because the TDC limit applies only to the costs of development of public housing that are paid directly with HUD public housing funds, a PHA may exceed the TDC limit using non-public housing funds such as CDBG, HOME, low-income housing tax credit equity, private donations, and private financing.

TDC limits for new construction are published regularly by HUD for various building types and unit sizes (by number of bedrooms) in specific market areas. Determination of the TDC limit for a project is made by multiplying the HUD-published TDC limit applicable to each type and size public housing unit in the project, by the number of such units in the project. Non-public housing units are excluded from the calculation of TDC limits. Rehabilitation costs paid directly from HUD public housing sources are calculated using 90 percent of the published TDC limits for new construction, based on the number of public housing units after rehabilitation and reconfiguration.

The TDC limit for a project is made up of the following components:

1. **Housing Cost Cap (HCC):** HUD's published limit on the use of public housing funds for the cost of constructing the public housing units, which includes unit hard costs, builder's overhead and profit, utilities from the street, finish landscaping, and a hard cost contingency.

2. **Community Renewal:** The balance of funds remaining within the project's TDC limit after the housing construction costs (as defined in HCC, above) are subtracted from the TDC limit. This is the amount of public housing funds available to pay for PHA administration, planning, infrastructure and other site improvements, community and economic development facilities, acquisition, relocation, demolition and remediation of units to be replaced on site, and all other development costs.

Three types of costs may be excluded when calculating the TDC limit, even if they are paid for with public housing funds:

1. costs of Community and Supportive Services,
2. costs of demolition and environmental remediation attributable to demolished public housing units not replaced back on the original site, and
3. extraordinary Site Costs, as approved by HUD.

See Notice PIH 2001-22 for a further explanation of TDC. Appended to the notice are the FY 2001 TDC limits. The Notice is available at www.hud.gov/hopevi on the Grant Administration Page.

URA: The Uniform Relocation Act sets forth the relocation assistance requirements with respect to the displacement of any family, individual, business, nonprofit organization, or firm as a direct result of acquisition, rehabilitation, or demolition undertaken during most Federal or Federally-funded land acquisition programs. An important exception was introduced by the Quality Housing and Work Responsibility Act of 1998 (QHWRA). Relocation assistance that must be provided in connection with demolition of public housing developments is described in Section 18 of the 1937 Housing Act, as revised by QHWRA, Section 531, unless said demolition is approved by HUD as part of a HOPE VI Revitalization Plan, in which case the URA does apply. HOPE VI Grantees with mixed-finance projects that require temporary relocation or cause permanent displacement must prepare and implement a HOPE VI Relocation Plan in accordance with applicable requirements. Relocation information is available on the HOPE VI website: www.hud.gov/offices/pih/programs/ph/hope6/grants/admin

Urban Forestry: HUD encourages Grantees to make enhancements to the natural environment such as tree and shrub planting to address natural resource issues such as erosion, storm water management, and water quality that will result in physical improvements to the site; convert public open space now devoid of green vegetation to a natural, inviting, and more livable environment; and plan for the sustainability of such resources after the revitalization activities are completed. Through a Memorandum of Understanding (MOU) between the Department of Agriculture and HUD, technical assistance to develop a natural resource stewardship program is available to public housing authorities. The text of the MOU can be found on the "Revitalization Grants" page of the HOPE VI website. Further information about this initiative can be found on the U.S. Forest Service website: www.fs.fed.us/research/rvur/urban/urbanforestry/urbanforest.htm

USDA: *See Urban Forestry*

Very Low Income Families (with respect to HUD programs): Very low-income families are those with incomes that are no more than 50 percent of the HUD-adjusted median family income for the area (*see AMI*)

Visitability: Grantees are encouraged to incorporate visitability standards where feasible in new construction and substantial rehabilitation projects, both rental and for-sale. Visitability standards allow a person with mobility impairments access into the home, but do not require that all features be made accessible. The two standards of visitability are:

1. at least one entrance to the home is at grade (no steps); and
2. the entrance door and all interior passage doors are at least 2 feet 10 inches wide, allowing 32 inches of clear passage space.

Allowing use of 2'10" doors is consistent with the Fair Housing Act (at least for the interior doors), and may be more acceptable than requiring the 3 foot doors that are required in fully accessible areas under the Uniform Federal Accessibility Standards for a small percentage of units. A visitable home also serves persons without disabilities, such as a mother pushing a stroller, or a person delivering a large appliance.

Copies of the Uniform Federal Accessibility Standards are available from the Office of Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development, Room 5230, 451 Seventh Street, SW, Washington, DC 20410. More information on accessibility, adaptability, and visitability may be obtained by calling HUD on (202) 708-2333 or the TTY telephone number, 1-800-877-8339 (Federal Information Relay Service). There is also information and examples on the following website:

<http://concretechange.home.mindspring.com/>

Weed and Seed: Operation Weed and Seed is a multi-agency strategy that "weeds out" violent crime, gang activity, drug use, and drug trafficking in targeted neighborhoods and then "seeds" the target area by restoring these neighborhoods through social and economic revitalization. Law enforcement activities constitute the "weed" portion of the program. Revitalization, which includes prevention, intervention, and treatment services, and then neighborhood restoration, constitutes the "seed" element. Community policing is the bridge that links the Weed and Seed elements. More information can be found on the Weed and Seed website:

www.ojp.usdoj.gov/eows

Workforce Development Boards: These local entities, which replace Private Industry Councils, distribute Job Training Partnership Act (JTPA) funds from the Department of Labor.

Youthbuild: HUD's Youthbuild Program provides grants to organizations that provide education and job training to young adults ages 16 to 24 who have dropped out of school. Participants must spend half of their time building or rehabilitating housing for homeless people or other low-income families. Youthbuild provides a vehicle for achieving compliance with the objectives of Section 3 of the HUD Act of 1968, which requires that preference be given to public housing residents, participants in HUD's Youthbuild programs, and other low- and very low-income persons in the metropolitan area in employment, contracting, and other economic opportunities. More information can be found on HUD's website: www.hud.gov/cpd/econdev/ythhome.html