

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5700-N-23]

Notice of Funding Availability (NOFA) for

HUD's Fiscal Year 2013 HOPE VI Main Street Grants

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

ACTION: Notice of HUD's Fiscal Year (FY) 2013 Notice of Funding Availability for the HOPE VI Main Street Grant Program.

SUMMARY: This Notice of Funding Availability (NOFA) consists of two documents: This Notice and HUD's "Notice of HUD's Fiscal Year (FY) 2013 Notice of Funding availability (NOFA) Policy Requirements and General Section to HUD's FY2013 NOFAs for Discretionary Programs, referred to as the "General Section". Regardless of specific references to the General Section in this NOFA, the entire General Section is hereby incorporated by reference into this HOPE VI Main Street NOFA. HUD reserves the right to fund applicants from this FY 2013 NOFA with FY 2014 Main Street funds. The award of FY 2014 Main Street funds to FY 2013 applicants is contingent upon future congressional action. HUD's intent to award FY 2014 funds to FY 2013 applicants will be announced separately if such funds become available.

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

ADDITIONAL OVERVIEW CONTENT INFORMATION: The **General Section** and this Program Section contain requirements for funding applicable to this NOFA. It is of paramount importance that applicants read both sections.

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-5700-N-23. OMB Approval Number 2577-0208.

E. Catalog of federal Domestic Assistance (CFDA) Number. 14.878, Affordable Housing Development in Main Street Rejuvenation Projects.

F. Dates. The application deadline date is 11:59:59 p.m. on **July 22, 2013**. Applications must be received by www.Grants.gov no later than the deadline date. Please read the General Section policies on timely receipt. HUD may modify the deadline date for this Notice. HUD will issue a technical correction to this NOFA if application requirements are modified or if HUD determines that adjustments to estimated award amounts or timelines are necessary. Any such technical correction will provide detailed instructions for applicants to permit them to resubmit the application to address the revised NOFA requirements.

G. Estimated Award Date. The estimated date for awarding currently available FY 2013 Main Street funds is September 22, 2013. The award of FY 2014 Main Street funds for FY 2013 applicants is contingent upon future congressional action. HUD's intent to award FY 2014 funds to FY 2013 applicants will be announced separately if such funds become available.

H. Additional Overview Information.

1. Electronic Application Submission. Applications must be submitted using the federal website www.Grants.gov. See the General Section for registration requirements in order to submit the application electronically through Grants.gov. Applicants may download the application and instructions from Grant.gov at http://www07.grants.gov/applicants/apply_for_grants.jsp.

Applicants need to be aware that following receipt, applications go through a validation process in which the application may be accepted or rejected. Applicants must use the online tracking capability at Grants.gov to track the status of their application on line to determine if it was accepted or rejected by Grants.gov. The General Section describes what to do if your application is rejected.

2. Match. A match of firmly committed cash or in-kind services of five percent (5%) of the requested grant amount is statutorily required to be considered for an award. Please see Section III.B. of this document for further information.

3. Technical Corrections and Frequently Asked Questions. Any technical corrections to this NOFA and answers to Frequently Asked Questions (FAQs) will be posted at www.Grants.gov under this funding competition. Therefore, applicants are advised to sign up at Grants.gov for notification of changes to this NOFA. You will be provided the opportunity to sign-up for notification of changes when you download the application and instructions for this NOFA at Grants.gov.

I. FUNDING OPPORTUNITY DESCRIPTION PROGRAM DESCRIPTION

FULL TEXT OF THE ANNOUNCEMENT

A. Available Funds. This NOFA announces the availability of approximately \$500,000 in funds appropriated for the FY2013 Choice Neighborhoods Initiative, which is subject to Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v). HUD intends to award one FY 2013 grant from this NOFA. HUD intends to award one FY 2014 grant to applicants from this FY 2013 NOFA provided such funds are appropriated by Congress.

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

1. Program Objectives. The objectives of the program are to:

- a. Redevelop Main Street areas;
- b. Preserve Historic or traditional central business district or Main Street area by replacing unused commercial space in buildings with affordable housing units;
- c. Enhance economic development efforts in Main Street areas; and
- d. Provide affordable housing in Main Street areas.

C. Statutory Authority.

1. Program Authority. The 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); and the HOPE VI Program Reauthorization and Small Community Main Street Rejuvenation and Housing Act of 2003 (Pub. L. 108-186, 117 Stat 2685, approved December 16, 2003).

2. Funding Authority.

a. Funding for the FY 2013 award from this NOFA is provided by the Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113-6, approved March 26, 2013). FY 2014 funds have not been appropriated for this program as of the publication of this NOFA. The award of FY 2014 Main Street funds for FY 2013 applicants is contingent upon future congressional action. HUD’s intent to award FY 2014 funds to FY 2013 applicants will be announced separately if such funds become available.

b. HUD reserves the right to fund applicants to this NOFA during FY 2014 to the extent that Congress provides future funding subject to Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), as amended.

D. Definition of Terms.

1. Affordable Housing. Main Street Affordable Housing means rental or homeownership dwelling units funded under this NOFA that must be rented or sold to low-income families, with a subset of units made available to very low-income families and provide the same rules for occupant contribution toward rent or purchase and basic terms of rental or purchase as provided to occupants of public housing units in a HOPE VI development. The above Main Street Affordable Housing Use Restrictions expire after the initial resident or owner leaves the unit.

2. Applicant Team. Applicant Team means the group of entities that will develop the HOPE VI Main Street affordable housing project (“project”). The team includes the unit of local government that submits the application and where applicable, the Developer, property manager, architects, construction contractors, attorneys, investment partners that are part of an owner entity; and other parties that may be involved in the development and management of the project. To be considered as part of an Applicant Team, the entity must be included in the application to this NOFA.

3. Cash Flow Pro forma (“pro forma”). The Cash Flow Pro forma is a five-year estimate of project income, expenses, and cash flow that shows that the project will be financially viable over the long-term. The pro forma must show the affordable rents for the period of initial occupancy as well as market rate rents for subsequent occupants.

4. Commitment Letters. Commitment Letters document resources designated for match and leverage purposes in your HOPE VI Main Street application. To be counted toward match or leverage, sources of funds must be FIRMLY committed to the project or Main Street area rejuvenation. To be counted as a firm commitment letter, the letter must meet the following requirements:

- a. Be on the letterhead of the entity providing the funding commitment.
- b. Contain the name, telephone number and email address of a contact for the entity that is providing the resource who is familiar with the contribution toward the HOPE VI Main Street application.
- c. Identify if the match or leverage (as appropriate) is a cash or in-kind contribution.
- d. Contain the specific amount of the commitment. If an in-kind contribution, the market value in dollars of the contribution. If the match or leverage is in cash, provide the dollar amount pledged through the commitment letter.

5. Community Services (CSS). Community Services 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 (This is mandatory if the application is for homeownership units);
- b. Educational life skills, job readiness and retention, employment training, and other activities as described on HUD’s HOPE VI website at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/hope6/cssand

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

6. Developer.

a. The “**Developer**” is the legal entity that has a fully executed Developer Agreement with the local government applicant, or the local government itself, that is seeking financing for reconfiguration, rehabilitation and/or construction of housing units, the provision of Community Services (if required) and project management up to and including rental of the Affordable Housing units. Funds awarded through this NOFA must not be used to pay the developer fee. Funds other than those awarded through this NOFA may be used to pay the developer's fee. If other federal funds are used, the federal statute or regulations governing such funds must permit their use for this purpose.

b. For development with uncomplicated financing, e.g., no Tax Credit syndication, no bonds, the applicant may choose to directly procure a Project Manager, Private Property Owner (if the owner is going to retain ownership of the project), managing Architect, Construction Manager, design/build construction contractor or housing intermediary, e.g., Community Development Corporation, in place of a Developer. Funds awarded through this NOFA may be used to reimburse Fees for these services. In this NOFA, such services are referred to as “other development manager” services.”

7. Homeownership Unit. Homeownership unit means a housing unit that a local government makes available under this NOFA for purchase by a low-income family to use as its principal residence.

8. Initial Occupancy Period. Initial Occupancy Period is 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. During this period, the initial occupant has the same rights as a public housing resident in a HOPE VI development. For rental, the initial occupant CANNOT be evicted without cause and must have an appeal process in the case of negative action by the landlord.

9. Jurisdiction. Jurisdiction means the physical area under the supervision of the local government applicant.

10. Leverage. Leverage means non-HOPE VI or Choice Neighborhoods funded donations of cash and in-kind services that are above the amount required under the match requirement and are FIRMLY committed to the HOPE VI Main Street affordable housing project or the Main Street area redevelopment effort. In addition to the Commitment Letter requirements, as defined in this NOFA, information on Match resources must be included in form HUD-52861, HOPE VI Main Street Application Data Sheet, as an attachment to your application. The party or parties providing the commitment(s) must be in existence as of the date of the application for their sources to be considered as leverage. Types of resources that may be counted are:

a. Private mortgage-secured loans, other debt, housing trust funds, homeownership sales proceeds that exceed the amount of HOPE VI funds used to develop the unit, tax increment

financing (TIF), Tax Credit equity, other Federal, state or Local public or private funds, in-kind services such as Homeownership Counseling (required if Homeownership units are developed), and other property or materials.

NOTE: If you are using Federal funds to meet the leveraging amount, you must confirm that the federal funds intended to be used for the leverage are allowable to be used as leverage or match by that federal program.

b. HUD will not count applicant or grantee staff time as leverage.

11. Local Government or Unit of Local Government. Local government means any city, town, township, village, county, parish, or other general purpose political subdivision of a state, Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the District of Columbia, and the Trust Territories of the Pacific Islands. It does not include Native American governments or Public Housing Authorities.

12. Low-income Limits. Low-income limits proscribed by HUD are on the internet at http://www.huduser.org/datasets/il/il12/incomelimits_section8.pdf. Low-income family means a family (resident) with an income equal to or less than 80 percent of HUD's Median Family Income for the local area, adjusted for family size, in accordance with section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than 80 percent because of the prevailing construction costs or unusually, high or low family incomes in the area. "Local Area" is defined as the PMSA/MSA or non-metropolitan county/parish as proscribed by HUD, in which the low-income family resides. For definitions of metropolitan areas and non-metropolitan areas go to http://www.huduser.org/portal/datasets/il/il12/area_definitions.pdf.

13. Main Street Affordable Housing Project (Project). The collection of affordable housing units that are developed in the Main Street Area using funds obtained through this NOFA and which meet the requirements as stated in Program Requirements in Section III of the NOFA. The Main Street Affordable Housing Project cannot replace demolished or otherwise disposed of, or rehabilitate, public housing units.

14. Main Street Area. Main Street Area is an area determined and designated by the applicant that fulfills the requirements stated in "Program Requirements" in Section III 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;

(3) Is the location of a downtown or "Main Street" existing rejuvenation effort that:

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

(b) Involves investment or other participation by the applicant and private parties in the community in which the project is carried out; and

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

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

16. Site Control. Site Control means that the local government applicant, its Developer or other development manager procured by the applicant, has the legal authority to commit the owner of the property to the rehabilitation to be performed with grant funds from this NOFA.

Examples of site control are:

a. The local government owns the property outright;

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

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

d. The applicant, developer or other development manager that has been procured by the applicant has an option to purchase the property from the private owner entity that covers a time period sufficient to obtain grant funds for purchase and environmental review approval (at least 180 days after the estimated award date), and is contingent only upon receipt of a grant from this NOFA and satisfactory compliance with this NOFA's environmental review requirements;

e. An owner-entity limited partnership formed between the original owner, original owner entity and possibly the Developer and other interested parties that have control of the property. Such partnerships are typically formed for tax credit syndication purposes.

f. Total Development Cost (TDC). Annually, HUD publishes a list of reasonable development costs for each size and type of public housing unit to be developed. Costs are included for Cities or Counties/Parishes where HUD performs public housing development. TDCs are used for two purposes in this NOFA; 1) As a cost control requirement see Section VI.E. of this NOFA, and 2) As the basis for the initial determination of the grant amount. The maximum amount of funding requested must be based upon HUD's published Total Development Cost (TDC) for the unit mix to be developed, up to the maximum allowable amount stated in this NOFA. HUD's Notice PIH-2011-38 (HA), Public Housing Development Costs Limits, the table of TDC amounts, and the TDC calculator in form HUD-52861, HOPE VI Main Street Application Data Sheet are available at <http://www.hud.gov/mainstreet/>.

HUD has not developed TDCs for small, non-metropolitan cities and towns. The applicant is advised to contact their local HUD Field Office to determine their TDC State and City. A Directory of HUD Offices can be found at <http://portal.hud.gov/hudportal/HUD?src=/localoffices>

17. Universal Design. Universal Design is the design of products and environments to be usable by all people regardless of ability. Universal design benefits people of all ages and abilities. Examples of universal design features are installing levers instead of doorknobs, no-step entrances, front load/front-control washers and dryers, and visual and audio cues in

computers and telephones . More information about universal design can be found at <http://www.universaldesign.org/>.

18. Very Low-Income Family. Very low-income family means a family or resident with an income equal to or less than 50 percent of HUD's Median Family Income for the local area adjusted for family size, in accordance with Section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than fifty percent (50%) because of prevailing construction costs or unusually high or low family incomes in the area. HUD prescribed income limits are at http://www.huduser.org/datasets/il/il12/incomelimits_section8.pdf. Local area is defined as the PMSA/MSA or non-metropolitan county/parish as determined by HUD, in which the person resides.

19. Visitability. Visitability offers the opportunity for a person with a disability to have ingress to and egress from the Affordable Housing and fully partake in community activities and services. The design includes pathways, walkways, entrances, and exists and other doorways to permit free egress by persons with disabilities. The interiors of housing and community facilities and other facilities must be free from barriers and allow persons with disabilities to access kitchens and bathrooms without having to request assistance. Visitability means that there is at least one entrance at grade (no steps), approached by an accessible route such as a sidewalk, and that the entrance door and all interior passage doors are at least 2 feet, 10 inches wide, allowing 32 inches of clear passage space. A visitable home also serves persons without disabilities, such as a mother pushing a stroller or a person delivering a large appliance. More information about visitability is available at (<http://www.visitability.org/>).

II. AWARD INFORMATION

A. Available Funds. This NOFA announces the availability of approximately \$500,000 in funds for the FY2013 HOPE VI Main Street Program.

B. Number of Awards. HUD expects to make one (1) award.

C. Maximum Award Amount. Applicants can apply for a maximum HOPE VI Main Street award of \$500,000.

D. Period of Performance. The start dates for awards is the date of the Award Notice Letter executed by HUD. The period of performance is 42 months from the date of the Award Notice Letter.

E. Type of Funding Instrument. Grant

F. Supplementation. Funds awarded under this NOFA cannot be used to supplement other HOPE VI grants.

III. ELIGIBILITY INFORMATION

A. Eligible Applicants. Eligible applicants are limited to local governments as defined in this NOFA. The local government must have:

1. A population of 50,000 or less;
2. Not be served by a local government, county/parish, regional or state Public Housing Agency (PHA) that administers more than 100 physical public housing units within the local government's jurisdiction. Such units exclude Section 8 Housing Voucher subsidized units.
3. **Joint Applications.** Joint applications are not permitted. However, an applicant can enter into subaward agreements with nonprofit organizations, state or local governments. The applicant can also enter into sub award agreements with for-profit entities, which are not subject to 24 CFR part 85 procurement regulations. Such for-profit entities may be, but are not limited to Developers, , wholly-owned subsidiaries for tax credit purposes, or other development managers that will perform the activities proposed under this application. All Davis-Bacon requirements, if any, and the requirements in this NOFA tier down to all subawardees.

B. Cost Sharing or Match. A five percent (5%) match is required and can only be used to carry-out eligible activities under this NOFA. Match resources must be firmly committed in writing and signed by a person authorized to make the commitment. The value of donated property included in the Main Street affordable housing project cannot be included in match if the owner is a for-profit entity. In addition to the Commitment Letter requirements, as defined in this NOFA, information on Match resources must be included in form HUD-52861, HOPE VI Main Street Application Data Sheet, as an attachment to your application.

C. Other.

1. Eligible Grant Activities. HOPE VI Grant funds may be expended on the following activities:

NOTE: A list of non-eligible activities is located in Section IV.E., "Funding Restrictions."

a. Reconfiguration of commercial property, major rehabilitation of units that are not currently habitable or new construction to provide affordable rental and homeownership housing located within the Main Street Area. New construction and rehabilitation activities 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. Acquisition of land or property for the purpose of developing, reconfiguring, or rehabilitating commercial space or non-habitable affordable housing units in the HOPE VI Main Street affordable housing project.

NOTE: When funds from this NOFA are used for Acquisition, the total cost of acquisition is included in HUD's maximum per unit Total Development Cost (TDC) limitation.

- c. Long-term lease or transfer of project title specifically for the purposes of obtaining tax credits or implementation of extended use restrictions, provided that the recipient owner entity of the title or lease includes the applicant.
- d. Architectural or engineering activities, surveys, permits and other planning and implementation costs related to the construction and rehabilitation of the HOPE VI Main Street affordable housing project presented in the application.
- e. Tax credit syndication activities.
- f. Relocation activities for persons displaced as a result of acquisition, demolition, or rehabilitation of real property for the project in accordance with the Uniform Relocation Act (URA) and implementing regulations at 24 CFR part 24. Acquisition of real property for a federally-funded program or project is subject to the acquisition policies and requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601-4655 (URA) and subject to Real Property Reporting Requirements. You are also advised to consult HUD Handbook 1378 and CPD Notice 02-08, as amended by CPD Notice 04-02. These resources are available at <http://www.hud.gov/offices/adm/hudclips/index.cfm>.
- g. Management improvements necessary for the proper development and management of the HOPE VI Main Street affordable housing project presented in the application, such as:
 - (1) Staff training including travel related to affordable housing development and management;
 - (2) Procedure manuals;
 - (3) Accounting systems, excluding accounting services or bookkeeping;
 - (4) Lease documents;
 - (5) Resident screening procedures;
 - (6) Data processing systems;
 - (7) Leveraging non-HOPE VI funds and in-kind services. Leverage funds must be firmly committed, i.e., presented in accordance with the definitions of Commitment Letter and Leverage in the **Definition of Terms**, Section III.C.2.D. of this NOFA;
 - (8) Community and Supportive Services, subject to a maximum of fifteen percent (15%) cap;
 - (9) Sale of homeownership housing units within the HOPE VI Main Street project; and
 - (10) Section 3 activities delineated in 24 CFR part 135.

2. Threshold Requirements.

a. Thresholds Applicable to All Applicants.

- (1) The applicant must meet all thresholds in order to be rated, ranked and funded.
- (2) The applicants must meet the Threshold Requirements of the **General Section**.

b. Applicant Eligibility.

The applicant must be an eligible applicant.

c. Match Requirement.

Applicants must meet the five percent (5%) percent firmly committed match requirement to be funded

d. Main Street Area Defined in a Map.

The applicant must have within its jurisdiction a Main Street Area which meets the definition in this NOFA, and the applicant must provide a map, decipherable in gray-scale print, depicting the main street area boundaries. The boundaries must be physically visible, e.g., streets, rail lines, rivers, or man-made or natural boundaries clearly depicted on the map. The project sites must be identified in the map.

NOTE: A circle around an area does not meet this requirement.

e. Program Schedule Milestones.

(1) The first Development Proposal for the project must be submitted to HUD within nine (9) months after execution of the Grant Agreement. Construction on the project must start within 15 months after execution of the Grant Agreement. All grant activities must be completed within 42 months after execution of the Grant Agreement. Unless HUD approves an extension, if these milestones are not met, the grantee will be in default of the Grant Agreement and HUD reserves the right to terminate the grant.

(2) The following timeframes must be included in your application:

(a) Notification of Grant Award Letter Date (assume 90 days after the publication of this NOFA for FY 2013 awards.

(b) Execution of Grant Award Funds Obligation Date, form HUD-1044 (assume one week after section (a) above)

(c) Grant Agreement Execution Date (assume one month after section (a) above)

(d) Initial Pre-development Obligation and Expenditure of Grant Funds; assume a minimum of two weeks after section (c) above

(e) Submission of first Development Proposal; must be within nine months after (c) above.

(f) Construction Start Date of the First Affordable Housing unit; must be 15 months after (c) above.

(g) Date of Completion of Construction of the Last Affordable Housing Unit; must be within 27 months after (c) above.

(h) Date of Last Funds Draw from HUD

(i) Date of Grantee's request to Close Out the Grant (in accordance with the Main Street Close-out Procedures available at <http://www.hud.gov/mainstreet/>).

(j) Date of Completion of Grant Close-out. (this occurs after grant audit for the last year that funds were drawn and expended).

f. Target Affordable Housing. The targeted affordable housing project must meet the definition of Main Street Affordable Housing Project in Section I.D. of this NOFA.

g. One Main Street Area Funded. The applicant can only apply for funding to support one project, which may include several buildings, in one cohesive Main Street Area. If the applicant was funded in the past for the same project proposed in the application, HUD will not fund a second grant for that project. HUD will review its past files to determine if HUD funded the project proposed in this application through another Main Street grant.

h. Written Code of Conduct on File at HUD's Website. The applicant must have a written code of conduct on file on HUD's website at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/conduct or include a code of conduct in the application to obtain an award of funds.

i. Existing and Past Award Performance Thresholds.

(1) If an applicant has received an FY2011 or earlier HOPE VI Main Street grant, and has not started construction by the deadline date in this NOFA, the applicant will not be eligible to receive an award under this NOFA. HUD will determine whether construction has started through reported construction progress in the HOPE VI Grants Management System at <http://gms.thcllc.com/login.asp>. For the intended FY2014 grant award, the above paragraph applies to applicants that received an FY2012 or earlier HOPE VI Main Street grant.

(2) A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Grantee's financial statements will not be prevented, or detected and corrected on a timely basis. If an applicant has had audit findings issued or material weaknesses found by HUD or any other federal agency, documentation must be included in the application as to:

(a) The applicant addressed the findings and/or weaknesses.

(b) The name, phone number and email of a person at the agency that is familiar with the status of the findings/concerns.

(c) If no findings or material weaknesses were exposed or existed on or before the publication date of this NOFA, include a statement in your narrative Section IV.B.2.d.(7) to that effect.

(d) If an applicant has had fiscal management findings issued or material weaknesses found by HUD or any other federal agency that the agency indicates have not been satisfactorily resolved, the applicant will not be eligible to receive an award under this NOFA.

3. Program Requirements

The following program requirements are applicable to the Main Street program. These program requirements must be implemented under awards from this NOFA:

a. Affirmatively Furthering Fair Housing (AFFH). Grantees are required to affirmatively further fair housing in conducting their work under this NOFA. The Developer's or other development manager's Statement of Work must identify steps the applicant will take to meet this requirement during the period of performance of this award. Failure to address requirements when responding to Rating Factor 4, Section V.A.4. will result in the applicant receiving zero points under the Rating Factor. This is not a curable deficiency.

b. The Main Street Affordable Housing Project. The Main Street Affordable Housing Project must:

(1) Involve the Construction or major rehabilitation of space into affordable housing units.

(2) Be located within the boundaries of the designated Main Street Area; and

(3) Not Replace demolished or otherwise disposed of, or rehabilitate existing, public housing units.

(4) Not exceed allowable Total Development Costs (TDC). See Section IV.E., "Funding Restrictions" for information on TDCs.

c. Approval of Acquisition and Construction: Grantees must obtain HUD approval of their Development Proposal before funds will be released for site acquisition, if any, and construction. HUD's environmental review and approval is considered part of the Development Proposal and is required prior to HUD's approval of the Development Proposal. See Section III.C.3.o. of this NOFA for environmental requirements.

d. Cost Control Safe Harbors. Grantees must comply with HOPE VI Main Street Cost Control and Safe Harbors Standards which are available at <http://www.hud.gov/mainstreet/>, HUD's Main Street website. The standards state limits to Developer and construction fees. See Section IV.E., "Funding Restrictions" for Safe Harbors information.

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

f. Cash Flow Pro Forma. A cash flow pro forma must be included in the application and must include a five-year (5-Year) estimate of project income, expenses, and cash flow that shows the project will be financially viable over the long-term. The pro forma must include both the affordable rents for the initial residents and market rate rents set by the applicant for subsequent occupants. For Affordable Housing rental units, the applicant may assume that the initial residents will vacate the units after two years.

g. Typical Unit Layout, Site Plan and Visitability Drawings. The applicant must include the following elements in the application:

(1) For reconfiguration and rehabilitation, pictures of the project's façade(s). For new construction, an elevation drawing.

(2) A drawing of the HOPE VI Main Street Affordable Housing Project site plan and typical unit layout for each size unit.

(3) Visitability Plans. The applicant must have visitability plans and drawings.

(4) The drawings may be hand-drawn approximate to scale, and should be gray-scale for printing on a black and white printer in 8 1/2 X 11 format or 8 1/2 x 14 format;

h. Section 3 Plan. See the General Section III.C.4d. for details.

i. Program Schedule. The Program Schedule Milestones stated in response to the threshold in Section III.C.2.e. and schedules included as part of Development Proposals must be met during the period of performance:

j. Initial Occupancy Period Requirements (Use Restrictions).

(1) Project units must be maintained as affordable housing only for the period of initial rental occupancy of the unit or the initial resident's ownership. The initial resident of each affordable rental unit and the initial resident purchaser of each affordable homeownership unit must be subject to the same rules regarding occupant contribution towards rental or purchase, and to the basic resident rights for rental or purchase, as residents of public housing units or Section 24 Homeownership units. Site-based waiting lists, resident job or training requirements, flat rents, and other occupancy requirements are allowed under the U.S. Housing Act of 1937 (1937 Act) and may be applied to the units, at the applicant's discretion.

(2) The regulations at [24 CFR part 966](#), "Public Housing Lease and Grievance Procedures" and Public and Indian Housing implementing Handbooks and Notices, are not applicable to the HOPE VI Main Street Program. However, applicants may want to use those regulations and documents as a guide.

(3) Minimum Downpayment for homeownership purchase of one percent (1%) of the sale price or other minimum as approved by HUD is required. Equity sharing between the applicant and the home purchaser is encouraged.

(4) Initial residents cannot be evicted without cause.

(5) Initial residents must have the right to appeal detrimental actions by the landlord. The regulations at 24 CFR part 966, subpart B may be used as a guide.

(6) Before the project is initially rented, the ownership entity must determine and develop a written statement of its rent determination and occupancy policies and obtain HUD approval of the policies.

(7) For the HOPE VI Main Street units, the project owner is not required to develop and maintain PHA rental documentation as described in The Public and Indian Housing Occupancy Reporting Handbook (7465.3). However, admissions, occupancy, and income records for the HOPE VI Main Street Affordable Housing units must be maintained in order for HUD to verify

that the above Use Restrictions have been applied during the initial occupancy period. HUD reserves the right to access grantee documents related to the Use Restriction.

k. Requirements from Other Programs. To the extent that HOPE VI Main Street funds are combined with other federal program funds for a Main Street Affordable Housing project, the requirements from those programs will apply to the Affordable Housing project proposed in the application to this NOFA. If Community Development Block Grant (CDBG) or other HUD funds are included in the financing for these Affordable Housing units, Davis-Bacon labor rates apply. See Section III.C.3.u. of this NOFA.

l. HOPE VI Main Street Homeownership, Counseling and Community and Supportive Services. 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 proposes homeownership units. The cost of such counseling is considered a Community and Supportive Service and is excluded from the TDC limit for unit development. If listed in form HUD-52861, HOPE VI Main Street Application Data Sheet, on the TDC Limit Calculations page, such funds will be added to the grant amount, up to the maximum grant amount of \$500,000. Other Community and Supportive Services, as described in the Definition of Terms, Section I.D. of this NOFA, are voluntary and if elected to be provided by the grantee, the expenses are limited to fifteen percent (15) percent of the grant amount.

m. Leveraging Other Resources. The HOPE VI Main Street Area rejuvenation effort must have community support from government and the private sector. This support is demonstrated through the provision of leveraged funds (“Leverage”). Leverage can support any activity, provided that the intended use of the funds is permitted by the source of the funds being used. For example, if the Leverage funds are to be used for street enhancements, the source of the Leverage dollars must allow for street enhancements. While a requirement, the amount of Leverage funds is also rated, with more “firmly committed funds” Leverage receiving more points under Rating Factor 4.

n. Section 106 Historic Preservation Requirements. Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470f) and its implementing regulation at 36 CFR part 800 is applicable to this program in accordance with the environmental review requirements under 24 CFR part 50, if historic properties are part of the HOPE VI Main Street program. Following the notification of award, grantees incorporating historic property in their program, may not commit to expend HOPE VI, or other funds for the affected program activities until HUD has completed the historic preservation review and approval process. In conducting work under this NOFA the grantee must comply with Historic Preservation Requirements as directed by the State Historic Preservation Officer (SHPO). If such historic preservation requirements are not applicable, the grantee must preserve significant traditional, architectural, and design features in the project structures; and include in the Developer’s or other development manager’s Statement of Work what sites are covered and how the requirement will be met. See <http://www.achp.gov/>.

o. Environmental Requirements.

(1) Environmental requirements for this NOFA are found in 24 CFR part 50, which requires HUD environmental approval of all development sites. Note that 24 CFR part 58, which allows state and local governments to assume federal environmental responsibilities, is not applicable to the HOPE VI Main Street program. HUD’s environmental website is located at <http://www.hud.gov/offices/cpd/environment/index.cfm>.

(2) HUD's notification of award to a selected applicant constitutes a preliminary approval by HUD of the submitted application, subject to HUD's completion of an environmental review of proposed sites in accordance with 24 CFR part 50. The proposal may be modified or the proposed sites rejected as a result of HUD's environmental review. Selection for participation (preliminary approval of the submitted application) does not constitute approval of the proposed site(s).

(3) The grantee must 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 Section 24, other HUD, or other non-HUD funds for these program activities with respect to any eligible property, until the applicant receives written HUD approval of the property.

(4) 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.

(5) Phase I and Phase II Environmental Site Assessments. If the applicant is selected for funding, the applicant must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-05, as amended (see <http://www.astm.org/>). The results of the Phase I assessment must be included in the documents that must be provided to HUD for the environmental review. If the Phase I assessment recognizes environmental concerns, or if the results are inconclusive, a Phase II environmental site assessment will be required.

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

p. Environmental Certifications. By signing the application, the applicant certifies that:

(1) There are no environmental or public policy factors such as sewer moratoriums that would preclude development in the request Main Street Area.

(2) It will provide HUD with all information necessary for HUD to perform the environmental review required by 24 CFR part 50 for each property;

(3) It will not acquire, rehabilitate, convert, demolish, lease, repair, or construct property nor commit to expend HOPE VI or other funds for program activities with respect to any eligible property until the applicant receives written approval of the property.

(4) It will carry-out mitigating measures required by HUD or, if mitigating measures are not feasible the applicant agrees to select alternate eligible project sites.

q. Coastal Barriers Resources Act. In accordance with the Coastal Barriers Resources Act (16 U.S.C. 4001-4128), the application may not target properties in the Coastal Barrier Resources System,

r. 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. New construction and major rehabilitation of HOPE VI Main Street projects are subject to the accessibility requirements of section 504 of the Rehabilitation Act of 1973 (Section 504) and its implementing

regulations at 24 CFR part 8, the design and construction requirements of the Fair Housing Act, Titles II and III of the Americans with Disabilities Act (ADA), and the Architectural Barriers Act, as applicable.

(2) Energy Efficiency Standards. HUD will require grantees to take specific energy-saving actions in furtherance of HUD's Strategic Plan (Goal 4B). HUD's wide-ranging Energy Action Plan for improving energy efficiency in all program areas can be found at <http://www.hud.gov/energy/energyactionplan.pdf>.

(a) Owners of new construction and substantial rehabilitation low-rise (up to 3 stories) multifamily developments must meet the requirements of EPA's ENERGY STAR Qualified Homes. Mid-Rise & High Rise developments (4 or more stories) must meet the ASHRAE 90.1 Appendix G Plus 15 percent standard for the Energy Efficiency. Any state energy code requirements will take precedence over ENERGY STAR or ASHRAE specifications when the state code approximates or exceeds that standard. More information concerning this requirement can be found at <http://www.energystar.gov> additional or specific questions can be emailed to energystarhomes@energystar.gov. For information on the ENERGY STAR Multifamily High-Rise Program please contact leopkey.ted@epa.gov. For information concerning ASHRAE, please visit <http://ashrae.org>.

(3) Accessibility Analysis. For additional information on local building codes, applicants can review HUD's Review of Model Building Codes and Accessibility Guidelines at <http://www.hud.gov/offices/fheo/disabilities/modelcodes/>.

s. 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 Environmental Protection Agency's (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 CFR35, subpart A) which address documents provided to pre-1978 housing owners regarding lead paint or hazard testing, or lead hazard reduction activates. The applicant is responsible for lead-based paint evaluation and reduction activities for housing constructed prior to 1978. The National Lead Information Hotline number is 800-424-5323.

t. Universal Design. HUD requires the applicant to incorporate the principles of Universal Design, as defined in the **Definition of Terms**, Section III.C.2.D. of this NOFA, in the construction or rehabilitation of housing, retail establishments, and, in addition, community facilities when using such facilities for communicating with residents at public meetings or events.

u. Visitability. HUD requires HOPE VI Main Street grantees to make units and community facilities visitable to persons with disabilities. See the definition of Visitability in the **Definition of Terms**, Section III.C.2.D. of this NOFA.

v. Labor Standards. Davis-Bacon and HUD-determined wage rates do not apply to this NOFA with the following exceptions:

(1) If other federal program resources are used in conjunction with the applicant's HOPE VI Main Street project activities Davis-Bacon and HUD wage rate 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 Public Housing Agency (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 the development of all such housing

units; HUD-determined wage rates shall apply to laborers and mechanics (other than volunteers) employed in the operation of all such housing units.

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

x. Fair Housing and Equal Opportunity Requirements.

(1) HUD's general non-discrimination and equal opportunity requirements at 24 CFR 5.105(a) apply to the HOPE VI Main Street Program. PIH Notice 2006-13 available at <http://www.hud.gov/offices/pih/publications/notices/> provides an overview of pertinent laws and implementing regulations concerning non-discrimination and accessibility for persons with disabilities that apply to HOPE VI Main Street grants based upon other non-public housing statutes and regulation. The civil rights threshold and non-discrimination requirements identified in the FY2013 General Section to HUD’s NOFAs apply to this program. The civil rights threshold applies to the grantee and any subgrantee or contractor in a HOPE VI Main Street project.

(2) Applicants are reminded that, pursuant to Section 504, to the maximum extent feasible covered multifamily HOPE Main Street projects that include substantial alterations to housing or include new construction of a housing project, must have at least five percent (5%) of the units or one unit whichever is greater, accessible to persons with mobility impairments. An additional 2 percent (2%), but not less than one (1) unit, must be made for persons with a hearing or vision impairment (see 24 CFR parts 8.20 through 8.32 and <http://www.hud.gov/offices/fheo/disabilities/sect504faq.cfm#anchor263905>).

(3) "Covered multifamily dwellings" or "covered multifamily project" means buildings consisting of four or more dwelling units if such buildings have one or more elevators; and ground floor dwelling units in other buildings consisting of four or more dwelling units. Dwelling units within a single structure separated by firewalls do not constitute separate buildings.

(4) In addition under the Fair Housing act, all new construction of covered multifamily dwellings and rehabilitation that results in a covered multifamily dwelling must contain certain features of accessible and adaptable design that comply with the design and construction requirements at 42 U.S.C. § 3604(f)(3)(C). HUD’s Fair Housing and Equal Opportunity (FHEO) website is located at http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/disabilities/fhefhag. Under HUD’s regulations at 24 CFR 100.201, covered multifamily dwelling means buildings consisting of four or more dwelling units if such buildings have one or more elevators, and ground floor dwelling units in other buildings consisting of four or more dwelling units. This requirement is in addition to other non-HUD accessibility requirements which the applicant’s State or local government may require,

y. Neighborhood Stabilization and Minimization of Tax Liability.

(1) **Tax Liability.** Benefits received through a grant are considered income and have a tax liability for for-profit recipients. This tax liability flows down to sub-recipients. However, the grantee may loan the funds to the Developer or property owner and have the loan forgiven over a period of time.

(2) **Neighborhood Stabilization.** Equity sharing requirements in the sale of homeownership units to third-party Low-Income families will avoid undue enrichment of the owner through “flipping” the property and give the owner incentive to stay in the homeownership unit for a longer period of time.

(3) More detailed information can be found on HUD’s HOPE VI Main Street Website at <http://www.hud.gov/mainstreet/>.

z. Information Research and Evaluation Studies.

All successful applicants will be required to cooperate with HUD staff or its contractors in HUD funded research and evaluation studies.

aa. Final Audit.

Grantees are required to obtain a complete closeout audit of the grantee financial statements for the grant funds. The audit must be completed by Certified Public Accountant (CPA) in accordance with generally accepted government audit standards if the grantee expends \$500,000 in federal funds in a calendar year. Audit reports must be forwarded to HUD within 60 days of issuance. Grant recipients must comply with the Terms and Conditions of the Grant Award.

bb. Additional Requirements. The HOPE VI Main Street Program also requires applicants to meet the following additional requirements found in the FY2013 General Section:

- (1) **Civil Rights Laws and Requirements** in 24CFR§5.105(a), including the **American with Disabilities Act of 1990** (42 U.S.C. 1201 et. seq.);
- (2) **The Age Discrimination Act of 1974** (42 U.S.C. 6101 et. seq.); and
- (3) **Title IX of the Education Amendments Act of 1972** (20 U.S.C. 1681 et. seq.);
- (4) **Economic Opportunities for Low-and Very Low-Income Persons** (Section 3);
- (5) **Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses;**
- (6) **Relocation Assistance Requirements;**
- (7) **Executive Order 13166**, Improving Access to Services for Persons with Limited English Proficiency (LEP).
- (8) **Executive Order 13279**, Equal Protection of the Laws for Faith-Based and Community Organizations;
- (9) **Accessible Technology;**
- (10) **Procurement of Recovered Materials;**
- (11) **Participation in HUD-sponsored Evaluation;**
- (12) **Salary Limitation for Consultants**
- (13) **OMB Circulars and Government-wide Regulations** applicable to Federal financial Assistance Awards;
- (14) **Conflict of Interest and Code of Conduct;**
- (15) **Drug-Free workplace Requirements;**
- (16) **Safeguarding Resident/Client Files.**

IV. APPLICATION AND SUBMISSION AND TIMELY RECEIPT REQUIREMENTS.

A. GENERAL.

1. Address to Request an Application Package. The application package can be found at http://www.grants.gov/applicants/find_grant_opportunities.jsp . You can search by agency and then locate NOFAs published by the Department of Housing and Urban Development.

Grants.gov customer service at 800-518-GRANTS can also help you locate the funding opportunity. The application consists of two downloads: The application package download; and the Instructions download which includes the General Section, this program NOFA, plus additional forms that need to be attached to your application. Please read the General Section for more detailed instructions on using Grants.gov. HUD requires electronic application submission unless a waiver to the electronic application is requested and approved by HUD in accordance with the requirements of 24 CFR part 5.1001.

2. Advance Registration Requirements. Prior to submitting an application you must have a Dun and Bradstreet Data Universal Numbering System (DUNS) number; be registered in the Central Contractor Registration at www.Sam.gov; and be registered and authorized to submit the application at www.Grants.gov. Please see the FY2013 General Section for more details of the registration process.

3. Registration at SAM.gov Requirement. Applicants must register or update a current registration in the Central Contractor Registration now part of the System for Award Management (SAM), found at <https://www.sam.gov/portal/public/SAM/>. Applicants must have an active registration to receive funding from HUD. The **System for Award Management (SAM)** is a free web site that consolidates the capabilities you used to find in CCR/FedReg, ORCA, and EPLS. Future phases of SAM will add the capabilities of other systems used in Federal procurement and awards processes. Frequently Asked Questions (FAQs) can be found at <https://www.fsd.gov/app/answers/list>

4. Additional HOPE VI Main Street program related resources can be found at HUD's HOPE VI Main Street website at <http://www.hud.gov/mainstreet/>

B. Content and Form of Application.

1. Number of Applications Permitted. Each applicant may submit only one funding request. HUD will not fund more than one application from an applicant.

2. General Format and Length of the Application.

a. File Names.

(1) NON-CONFORMING FILE NAMES WILL CAUSE THE APPLICATION TO BE REJECTED. When attaching files do not attach files with file names that exceed 50 characters in length and do use spaces or special characters as part of the file name. Failure to follow these directions will result in your application being rejected by the Grants.gov system as containing a virus.

(2) It is to the applicant's benefit to use descriptive and sequential file names, with abbreviations to stay within the 50 character limit. The HUD application reviewers receive your application's files in digitized format from Grants.gov, with the file names that you apply. The HUD reviewer has to identify and collate the narratives, documents and forms you submit before

starting to review your application. In order to guarantee that your application is read the way you want to present it, the file names should be descriptive and have a sequence number. As examples, to help ensure that the Executive Summary is properly identified and read by the HUD reviewer before the narrative to Rating Factor 1, you might use these file names: for the Executive Summary, “1_Mayberry_Exec_Sum”; for the Rating Factor 1 narrative, “2_Mayberry_Factor_1_Narr”. As examples, other file names might be “14_MnSt_Area_and_Site_Map” and “15_Unit_Config”. Note that there are no special characters, e.g., “&”, and underlines instead of spaces, e.g., “_”.

b. Maximum Length of the Application. The maximum length of the application is limited to 30 pages excluding Section Tabs, forms, the applicant’s Section 3 Plan, third party Match and Leverage firm commitment letters, other third party documents needed to address NOFA requirement, maps and drawings, and the applicant’s Code of Conduct (if not already on HUD’s website at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/conduct .

Pages should be formatted to 8 1/2 x 11 portrait with one inch margins. Pages should be double spaced. Single spaced documents will be counted as two pages. Font size must be 12-point font Times New Roman. Pages must be numbered.

HUD’s standard office software is Microsoft Office. Third party and existing documents if not available in MS Office formats may be provided in PDF format. Third party letters and documents do not count toward the page count limits. Pages of forms and certifications provided by HUD must remain as numbered by HUD. These forms do not count toward the page limits. Pages that exceed these requirements will not be reviewed and will not be part of the rating process.

(1) The Executive Summary should not exceed three or four pages;

(2) The program schedule should be limited to one page identifying the major milestones noted under “**Program Schedule Milestones**” under Section III.C.2.e. of this NOFA;

(3) The HOPE VI Main Street Area Map, including identification of all project sites and public transit access points must be in PDF format or should be shrunk to fit one page. The map must denote project site locations and the area’s boundaries. The boundaries may be hand drawn on the map and then placed in pdf format. HUD will use the pdf file to zoom in and read the map;

(4) The representative affordable housing unit layout may be limited to one page that contains between one to four unit styles, depending upon the applicant’s plans; and

(5) Applicant Team resume can be placed with more than one résumé per page. Do not include Social Security Numbers on the resumes’.

c. Application Documentation.

The application content is composed of the following items:

(1) **SF424 Application for Federal Financial Assistance.** Box 8a on the SF424 must contain the applicant legal name under which the applicant pays taxes and which matches the legal name used when registering with Dun and Bradstreet and the Central Contractor Registration (CCR) at www.Sam.gov. These databases interact with each other and therefore the information provided when setting up these registration needs to match the Application for Federal Financial Assistance.

(2) **Executive Summary.** The Executive Summary must describe the Main Street Plan including the types of housing to be developed (walk-up above retail space, detached or attached homes, etc.; the number of units, buildings, and private owners (if any); the Main Street Area

that surrounds the HOPE VI Main Street affordable housing project including basic features such as restoration of streets, mixed use, commercial, and other non-housing Main Street rejuvenation components; the number of rental vs. homeownership units proposed in the application; the amount of Hope VI funds being requested; the list of non-major HOPE VI funding sources for the housing and then for the HOPE VI Main Street rejuvenation area as a whole; whether the applicant has procured or will procure a Developer, act as the Developer, or hire another type of development manager.

(3) Narratives in Response to the Factors for Award.

(a) Rating Factor 1- Capacity to Do The Work

- i Team Experience
- ii Key Personnel

(4) Rating Factor 2 - Need

No documentation is needed from the applicant for this Rating Factor.

(5) Rating Factor 3- HOPE VI Main Street Development Plan. The narrative should be consistent with the form HUD-52861, HOPE VI Main Street Application Data Sheet, form HUD-52825-A, HOPE VI Budget and the 5-year pro forma. The narrative should address, but not be limited to:

(a) **Site Control.** Evidence of site Control if the current owner will retain the property.

(b) **Zoning Documentation**

(c) **Status of Developer, or other development manager, Agreement and construction contract**

(d) **Main Street Area Map** that meets the requirements contained in the Threshold Requirements Section of this NOFA.

(e) **Main Street Affordable Housing Project Site Plan and Unit drawings**

(f) **HOPE VI Budget and Development Budget**

- i Statement of Permanent Sources and Uses (S&U) (included in the form HUD-52861)
- ii Identification of any Loans and Debt Service, including any construction loans and permanent take-out loans, the terms and interest rate of the loans
- iii Identification of any Bonds. This includes tax-exempt and private activity bonds.
- iv Identification of any Low-Income Tax Credits as authorized by Section 42 of the IRS Code
- v Identification of Donations and Contributions of Funds and In-kind Services, including but not limited to:

(A) Any proceeds from the Sale of Land and Buildings.

(B) Any donation of Land and Buildings.

(C) Any donation of Developer Fees

(6) Rating Factor 4 - Match/Leverage Requirements. The narrative should be consistent with the form HUD-52861, HOPE VI Main Street Application Data Sheet and address, but not be limited to:

(a) Letters of Firm Commitment Supporting the Match and Leverage Amounts identified in the form HUD-52861

(b) Identification of Match funds and Leveraged Funds and In-kind Services to Support the Program.

(c) Identification of Low-Income tax Credits as authorized by Section 42 of the IRS Code

(d) Proceeds from the Sale of Land and Buildings.

(e) Donation of Land and Buildings.

(f) Waived Government Fees.
(g) Homeownership Down Payments Provided By a Third Party Entity not related to the Homeowner

(h) Tax Increment Financing (TIF) identified in a commitment letter from the local government responsible for approving the TIF.

(i) Total Development Cost per unit.

(7) Rating Factor 5 - Financial and Program Management

(a) Program Schedule

(b) Achieving Results and Evaluation

(c) Accounting For and Distribution of Grant Funds

(d) Identification of State and local requirements of the Applicant Government.

(e) Bonus Points

(f) Findings

(g) Preferred Sustainable Communities Certification (form HUD-2995)

(h) Forms

(i) Applicant/Recipient Disclosure Update Report (form HUD-2880).

(j) Acknowledgement of Application Receipt (form HUD-2993). This is only relevant to applicants granted a waiver to the electronic application requirement.

(k) Disclosure of Lobbying Activities (SFLLL).

(l) **Code of Conduct.** If your code of conduct is not listed on HUD's website at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/conduct or if the information on the website has changed, you must submit a copy of the code of conduct with your application. Please be sure your applicant organization name is on the Code of Conduct submitted.

C. Receipt Date and Time.

1. Application Deadline. The application deadline date is **July 22, 2013**. Applications submitted through www.Grants.gov must be received no later than 11:59:59 p.m. eastern time on the application deadline date. Please see the FY 2013 General Section IV.C.4., for instructions on timely receipt, including actions to take if the application is rejected.

2. Mailing and Receipt Procedures. Applicants are required to submit an electronic application unless they receive a waiver of the requirement. Waivers must indicate cause in accordance with HUD's waiver regulations at 24 CFR 5.1005. Waiver requests must be in writing and submitted no later than 15 days prior to the deadline date in writing or via email to:

Lawrence Gnessin
U.S. Department of Housing and Urban Development
Office of Public and Indian Housing, Room 4130
Washington, D.C. 20410
Email: Lawrence.Gnessin@hud.gov

To ensure timely delivery of the request, email is recommended. If a waiver is granted, applicants are still required to have a DUNS Number and be registered with the Central Contractor Registration (CCR) at www.SAM.gov

D. Intergovernmental Review. The HOPE VI Main Street Program is not subject to Intergovernmental Review under Executive Order 12372. Executive Order 12372, "Intergovernmental Review of Federal Programs," is implemented by 24 CFR part 52. The regulations also implement applicable provisions of section 401 of the Intergovernmental Cooperation Act of 1968 and section 204 of the Demonstration Cities and Metropolitan Development Act of 1966.

E. Funding Restrictions.

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

a. HOPE VI Main Street Funds cannot be used to fund a rental reserve for the rent-up period or to support the rental income during the initial Use Restricted Affordable Housing period.

b. Federal funds cannot be used for match or leveraged funds unless the statutory source of the funds permits their use for such purposes.

2. Cost Controls and Limitations on Expenditures.

a. The total amount of HOPE VI Main Street funds expended shall not exceed the Total Development Cost (TDC) for the total number of affordable housing units in a project with Main Street Use Restrictions as stated in Section III.C.3.j. of this NOFA. The Housing Cost Cap (HCC) does not apply to the Main Street program.

b. The latest procedures for HUD's establishment of TDC were published by HUD in Notice PIH 2011-38(HA), "Public Housing Development Cost Limits."

c. The latest TDC limits themselves can be found at <http://www.hud.gov/offices/pih/programs/ph/capfund/index.cfm>, or at <http://www.hud.gov/mainstreet/>.

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

e. **Pre-award Activities.** Award funds shall not be used to reimburse expenses incurred for the preparation of the application or prior to the start date of a grant from this NOFA. See Section III.C.2., "Threshold Requirements" for start date details.

f. **Statutory Time Limit for Expenditures.** HOPE VI Funds appropriated in FY2013 must be expended by September 30, 2019. Any funds that are not expended by the above date will be recaptured and returned to the United States Treasury. This is a statutory deadline and is firm.

g. HOPE VI Main Street funds may not be used to settle litigation or pay judgments.

h. Flood Insurance.

(1) 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 or acquisition in the National Flood Insurance Program (44 CFR parts 59 through 79) or less than one year has passed since the FEMA notification regarding such hazards; and

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

i. Coastal Barriers Resources Act.

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

V. APPLICATION REVIEW INFORMATION

A. Rating Criteria.

The maximum number of points available under this NOFA is 100 points plus 2 Bonus Points as described below:

1. Rating Factor 1. – Capacity up to 25 points

This factor addresses whether the applicant, its Developer or other development manager have the capacity and organizational resources to successfully implement the proposed activities within the grant period. When responding to this rating factor applicants should provide:

a. A list with the name and short description of each project that the applicant, Developer or other development manager completed, including: whether National Register for Historic Preservation (NRHP) or traditional architecture was included in the project, dates completed, named of the entities that the project was being developed for, whether the applicant, Developer or other development manager was a grantee, sub-grantee or contractor, Agency that provided grants if any, provided contract or grant funds for the or Agency that and short description of each affordable housing project that the applicant, Developer or other development manager have completed

b. Past Experience (up to 15 points).

(1) The applicant will earn a maximum of 15 points if the applicant demonstrates that the Applicant, its Developer or other development manager has extensive experience in developing or rehabilitating affordable housing and NRHP or traditional architecture projects over the last three (3) years.

(2) The applicant will earn a maximum of 10 points if the applicant demonstrates that the applicant, its Developer or other development manager has developed or rehabilitated affordable housing projects that contained NRHP or traditional architecture projects over the past three (3) years.

(3) The applicant will earn a maximum of 5 points if the applicant demonstrates that the applicant, its Developer or other development manager has experience in developing or rehabilitating one or more affordable housing projects that did not contain NRHP or traditional architecture over the past three (3) years.

(4) The applicant will earn a maximum of zero (0) points if the applicant cannot demonstrate that it, its Developer or other development manager has completed more than one affordable housing project that did not contained NRHP or traditional architecture in the last three (3) years.

c. Knowledge of Key Personnel (up to 10 points). Key personnel are Applicant Team members that must remain part of the project for the project to be completed. Key personnel are the entities that will manage the activities of the other Applicant Team members and bring the project to successful completion. Key personnel include the applicant, Developer, other development manager and property owner. Applicants should site specific experience and duties

that they have performed and relate that experience to the project proposed in the HOPE VI Main Street application

(1) The applicant will earn a maximum of 10 points if the applicant demonstrates that its key personnel have extensive knowledge of the development or rehabilitation of affordable housing projects that include NRHP or traditional architecture.

(2) The applicant will earn a maximum of 5 points if the applicant demonstrates that its key personnel have knowledge of the development or rehabilitation of affordable housing projects that do not contain NRHP or traditional architecture.

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

2. Rating Factor 2 Need for Affordable Housing (up to 5 points). HUD will use data from its records to rate this factor.

a. HUD will use its Comprehensive Housing Affordability Strategy (CHAS) database found at <http://www.huduser.org/portal/datasets/cp/CHAS/2007StateCountyFiles.htm> to determine whether the applicant suffers from a severe low-income housing problem. HUD will use the following methodology:

(1) HUD will use the 2005-2007 CHAS Data by State, Excel [State]_table2_060, which includes subdivisions of Counties/Parishes, e.g., Cities/Towns, and Counties/Parishes, or, if table2_060 does not exist for a State, table2_050, which includes Counties/Parishes within the State only. In this case applicant will be rated on the statistics of the County/Parish in which it resides.

(2) For the Severe_Housing_Problems column, the local entry must be “YES”;

(3) For the Household_Income column, the local entry must be “50.1%-80% AMI”;

(4) For Race column, the local entry must be “All”.

b. HUD will rate applications as follows:

(1) If the applicant suffers from severe housing problems, the applicant will receive 5 points.

(2) If the applicant does not suffer from severe housing problems, the applicant will receive zero (0) points.

3. Rating Factor 3 – Readiness (Site control, Zoning, and Developer/Construction Agreement) (up to 22 points).

In responding to this rating factor, applicants must provide evidence of site control as follows:

a. Site Control and Zoning Approval. (Up to 10 points)

(1) The application must demonstrate the following for this rating factor:

(a) **For sites where the ownership WILL NOT change** in order to perform the proposed activities, documentary evidence must be a copy of the site’s deed that shows ownership by the applicant or member of the Applicant Team and a certification signed by the applicant’s Mayor, city Registrar, or other authorized official stating that the applicant has the legal authority to perform the proposed activities in the application on the site. If the project contains multiple sites, the documentation and certification must cover all sites.

(b) **For sites where the ownership WILL change** and site acquisition is required, the documentation must include the first and execution page of the agreement, contract, sales option, or other document that gives the applicant legal authority to perform the proposed activities in the application on the site. If the project contains multiple sites, the documentation and certification must cover all sites.

(c) **For Zoning**, the applicant's documentation must include a certification from the appropriate local official (e.g. local government engineer, zoning/land use official documenting that all required land use approvals for developed and undeveloped land for development of residential housing of the construction type and tenure type contained in the application have been secured; or the request for such approvals is on the agenda for the next meeting of the appropriate authority in responsible for granting such approvals, e.g., zoning board, county council, city council, etc.

(2) HUD will score this Rating Factor as follows:

(a) The applicant will receive 10 points if the application includes documentation that the applicant has Site Control and approval of zoning that permits residential housing as proposed in the application.

(b) The applicant will receive 5 points if the application includes documentation that the applicant has Site Control, but does not have approval of Zoning that permits residential housing as proposed in the application.

(c) The applicant will receive 3 points if the application includes documentation that the applicant does not have has Site Control, but does have approval of Zoning that permits residential housing as proposed in the application.

(d) The applicant will receive zero (0) points if the application does not include documentation that the applicant has Site Control or approval of Zoning that permits residential housing as proposed in the application.

b. Key Personnel Timeliness (12 points):

(1) In order to perform the required grant activities in a timely manner, the applicant must demonstrate that it is actively pursuing contracts with Key Personnel, as included in the application for Rating Factor 1.c. of this NOFA.

(2) HUD will score this Rating Factor as follows:

(a) If the applicant has demonstrated in Rating Factor 1 – Capacity that it has the in-house ability to successfully complete the grant activities, the applicant will receive 12 points.

(b) The applicant will receive 12 points if the application demonstrates that the applicant has published procurement documents by the application deadline date for all Key Personnel, or has published procurement documents for a Developer or other development manager that will contract with all other Key Personnel, as addressed in Rating Factor 1 – Capacity. (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, i.e., a binding agreement must allow for changes in project sites.)

(c) The applicant will receive 6 points if the application includes documentation that by the application deadline date the applicant has begun the procurement process or has had discussions with all Key Personnel, , or a Developer or other development manager that will contract with all other Key Personnel, as addressed in Rating Factor 1 – Capacity.

(d) The applicant will receive 0 points if the application does not include documentation that by the deadline date the applicant has begun the procurement process or has had discussions

with all Key Personnel, , or a Developer or other development manager that will contract with all other Key Personnel, as addressed in Rating Factor 1 – Capacity.

4. Rating Factor 4 – Appropriateness of the HOPE VI Main Street Affordable Housing Project (Up to 38 points).

a. This rating factor encompasses several key elements of the Main Street Affordable Housing Project. They are:

(1) Community and Supportive Services
(2) Sustainability (energy and efficiency)
(3) Section 3 Plan for providing economic opportunities for low-and very-low income persons including the types and amounts of employment and contracting opportunities to be generated as a result of the proposed project activities; the specific actions to be taken to ensure that very low-income persons and the business concerns that substantially employ these persons are given priority consideration for employment and contracting opportunities in accordance with 24 CFR Part 135.34 and 135.36; eligibility criteria to be used to certify Section 3 residents and business concerns; the process for notifying Section 3 residents and business concerns about available employment and contracting opportunities ; the methodology to be used to monitor contractors and subcontractors that are awarded covered contracts to ensure compliance with Section 3 requirements; strategies for meeting minimum numerical goals for employment and contracting opportunities found at 24 CFR 135.30; and contract information and qualifications for staff persons responsible for day-to-day implementation of Section 3 including reporting requirements in accordance with 24 CFR part 135.90.

(4) Affordable Housing Plan including the provision of units set-aside for providing affordable housing for very low-income persons

(5) Affirmative Furthering Fair Housing Marketing Plan to affirmatively market affordable housing to very low- and low-income residents.

(6) Architectural Preservation Narrative including identification of retention of historic or traditional architecture.

(7) Housing Unit Layout

(8) Main Street Area Map

(9) Distance to Public Transportation

(10) Financial Feasibility, including:

(a) Sources and Uses (form HUD52861) which includes match and leveraged funds denoted.

(b) 5-year Cash Flow Pro forma that demonstrates the project will support itself over time.

b. Applicants will be rated on these items as follows:

(1) Feasibility of the HOPE VI Main Street Project (up to 6 points).

(a) The applicant will receive 6 points if the application demonstrates that the project is financially feasible as demonstrated in form HUD-52861, the Cash Flow Pro Forma, requested award amount and financial documents in response to this rating factor, and is compliant with the Cost Controls and Safe Harbors.

(b) The applicant will receive 4 points if the application demonstrates that the project is financially feasibility, but does not meet the required Cost Controls and Safe Harbors.

(c) The applicant will receive 0 points if the application does not demonstrate financial feasibility and does not comply with Cost Controls and Safe Harbors.

(2) Appropriateness (up to 6 points)

(a) The applicant will receive 6 points if the application demonstrates that the project:
i Is appropriate and suitable in the context of the community and other affordable housing options, e.g., rehabilitation vs. new construction.

ii Fulfills the need of the Main Street Area Rejuvenation effort as a whole.

(b) The applicant will receive 3 points if the application meets either i or ii, above.

(c) The applicant will receive zero (0) points if the application does not meet i and ii above.

(3) Promotion and Marketing (Up to 2 point).

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

(b) The applicant will receive zero (0) points if the application does not include a plan for, or discussion of the above Promotion and Marketing effort.

(4) Fair Housing Equal Opportunity (up to 6 points).

(a) Affirmative Fair Housing Marketing (up to 1 point).

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

ii The applicant will receive zero (0) points if the application does not demonstrate that the applicant will engage in appropriate Affirmative Fair Housing Marketing, as described above.

(b) Set-aside for Very-Low Income Persons as required by statute (Up to 1 point).

i If the applicant demonstrates that more than one unit, or at least 20% of the HOPE VI Main Street units, whichever is greater, is set aside for very low-income residents, the applicant will receive one point.

ii If the applicant does not demonstrate that more than one unit or at least 20% of the HOPE VI Main Street units, whichever is greater, are set aside for very low-income residents, the applicant will receive zero (0) points.

(c) Distance from Public Transportation (Up to 1 point).

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

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

(d) Community and Supportive Services – HUD Policy Priority Housing as a Platform for Improving Quality of Life (1 point).

i To earn 1 point for these policy priority applicants must commit to and describe in their application their plan for linking affected residents to the services they need to improve their socioeconomic outcomes, achieve self-sufficiency or remain independent. The plan at a minimum must include how needs will be determined, possible partners and services, how the applicant will communicate with the residents and partners, and the expected outcomes as a result of the proposed activities in terms of the number of persons receiving services, and the

number of persons able to achieve a better paying job, establish savings accounts and achieve or maintain self-sufficiency.

ii The applicant will receive zero (0) points if they do not address the policy priority elements or fail to provide expected outcomes as identified above.

(e) **Economic Opportunities for Low- and Very Low-income Persons (provision of Section 3) (Up to 2 points).**

i Section 3 Plan (up to 1 point).

(A) The applicant will receive 1 point if the application demonstrates that the applicant has a feasible plan for directing new employment and contracting opportunities created during the expenditure of covered financial assistance to Section 3 residents and Section 3 business concerns. The Section 3 Plan must demonstrate that it effectively addresses a majority of the following items:

(1) Types and amounts of new employment and contracting opportunities to be generated as a result of the proposed project or activities;

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

(3) Eligibility criteria to be used for certifying Section 3 residents and businesses;

(4) Process to be used for notifying Section 3 residents and businesses about the availability of employment and contracting opportunities;

(5) Methodology used to monitor contractors and subcontractors awarded contracts to ensure compliance with Section 3; and

(6) Strategies for meeting minimum numerical goals for new employment and contracting opportunities found at 24 CFR part 135.30.

(B) The applicant will receive zero (0) points if the Section 3 Plan does not address the required elements identified above.

ii Evidence of Section 3 Compliance (Up to 1 point).

If Section 3 has applied to the applicant any time within the last 5 years, current compliance must be documented by attaching the most recent Section 3 Annual Summary Report (form HUD60002) which demonstrates the applicant met the minimum Section 3 employment and contracting goals found at 24 CFR part 135.50

(A) If the applicant has performed development activities in the past that were covered under Section 3, the applicant will receive 1 point if the application demonstrates the applicant's current compliance with the requirements of Section 3.

(B) The applicant will receive zero (0) points if the application does not demonstrate the applicant's current compliance with the requirements of Section 3. .

(5) Main Street Project and Rejuvenation Area Leverage (up to 10 points).

(a) **Project Leverage (5 points).** The applicant must provide Leverage above the 5% Match threshold requirement in cash or in-kind services that is demonstrated to be firmly committed to the Main Street project. The percentages in the Project Leverage scale, below, include the 5% threshold Match, e.g., to get 3 points, Project Leverage must be greater than 5% to have a total of Match plus Project Leverage of 10%. All Project Leverage sources must have firm commitment letters and be listed on page 10 of form HUD-52861, HOPE VI Main Street Application Data Sheet, in the submitted application package. Items not firmly committed and listed will not be included in allocating points according to the following scale:

Total Match as a Percent of Award Amount	Points Awarded
Less than 10 percent of the requested funding amount under this NOFA.	0 points
Greater than or equal to 10 percent but less than 25 percent	3 points
50 percent or more	5 points

(b) **Area Leverage (up to 5 points).** The applicant must provide Area Leverage in cash or in-kind services that must be demonstrated to be firmly committed to the Main Street rejuvenation effort as a whole, i.e., committed to projects in the Main Street area other than the Affordable Housing project to be developed through an award from this NOFA. Match and Project Leverage are not included in Area Leverage. All Area Leverage sources must have firm commitment letters and be listed on page 11 of form HUD-52861, HOPE VI Main Street Application Data Sheet, in the submitted application package. Items not firmly committed and listed will not be included in allocating points according to the following scale:

Leverage as Percent of Grant Amount	Points Awarded
Less than 100 percent of the requested funding amount under this NOFA.	0 points
Greater than or equal to 100 percent but less than 200 percent	3 points
200 percent or more	5 points

(6) Retention of Historic or Traditional Architecture (Up to 5 points).

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

(b) The applicant will receive 3 points if the applicant demonstrates that the buildings in the project will maintain at least 50 percent of the historic or traditional architecture and design features on all floors in all buildings.

(c) The applicant will receive zero (0) points if the applicant does not demonstrate that the buildings in the project will maintain the historic or traditional architecture and design features on all floors in all buildings.

(7) Energy Efficiency, Policy Priority: Sustainability. (Up to 3 points) Energy efficiency is divided into three categories. The first is for applicants undertaking activities which meet Green Development standards for all new construction undertaken as part of this award. The second is for applicants that are not undertaking Green Development but incorporate energy Star for New Homes Design Standards. The third is for applicants that utilize Energy Star Qualified Products and Appliances.

(a) **Green Development (3 points or 0 points).** To receive 3 points, applicants must describe and provide building design or specifications that identify how they will fulfill the requirements of one of several recognized green rating programs including: Enterprise Green Communities Criteria; the National Association of Home Builders (NAHB) Green Building Guidelines; Leadership in Energy and Environmental Design (LEED) for Homes (for single family) or LEED New Construction (for multifamily dwellings); or Earthcraft.

NOTE: For Green Rating Programs that require third-party certification, the applicant as part of reporting requirements must provide evidence of such certification after construction has been completed. For Green Rating Programs that require self-certification such as Enterprise Green Communities Checklist, the applicant is required to provide a copy of the signed checklist after construction has been completed.

(b) **Energy Star for New Homes Design Standards (2 points or 0 points).** To receive 2 points, the applicant must describe and provide building design or specifications that identify how they will meet the Energy Star for New Homes design standard and certify by signing the application that they are undertaking development in accordance with Energy Star for New Homes design standards. By signing the application they agree to obtain a certification from an independent Home Energy Rater upon completion of the units as described at www.energystar.gov/homes. Applicants that apply for these points and certify they will obtain these independent rating services must provide copies of the certification of independent Home Energy Rater with their required Reports as units are completed.

(c) **Energy Star Qualified Products and Appliances (1 or 0 points).** Applicants will earn 1 point if they certify by signing the application that only Energy Star qualified products and appliances will be used in all new units in their Development proposal and describe their plan through specifications or other documentation that only Energy Star qualified products and appliances will be used.

(d) The applicant will receive 0 points if the application does not provide the required documentation or specifications that demonstrate the applicant will adopt the Energy Efficiency measures.

5. Rating Factor 5 – Program Administration and Fiscal Management (Up to 10 points).

a. Program Schedule (Up to 5 points).

(1) The applicant may receive a maximum of 5 points if the application activities can be completed within the proposed award performance period and has performed the following actions:

(a) Contacted the State Historic Officer (SHPO), the local HUD Field Office, architects, material suppliers, and other parties that milestones depend upon, to ensure that the milestones are reasonable and an accurate depiction of the expected project timeline.

(b) Checked to see if any taxes were due on, or any litigation or court orders existed against, the proposed properties exist that will affect the milestones;

(c) Prepared, their relative time frames for a chart that depicts the estimated production milestones, their relative timeframes, and each milestones' time to completion. Applicants may submit a Gantt chart, Microsoft Project Plan, Excel Work Sheet or any document that would display the information requested.

(2) The applicant will receive a maximum of 3 points if the applicant has performed two of the three actions 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 the actions above.

b. Achieving Results and Fiscal Management (Up to 5 points).

(1) The applicant will receive 5 points if the applicant provides evidence, e.g., third-party letters or documents, that it has:

- (a) A history of completing projects on time and within budget;
- (b) A clean financial statement; and if audited, a clean financial audit
- (c) Sufficient internal controls for managing funds
- (d) Sufficient controls for contract management;
- (e) Paid sub-grantees or sub-contractors in a timely fashion;
- (f) Met reporting requirements on past awards;

(2) The applicant will receive 3 points if the applicant provides evidence 3 of the above items.

(3) The applicant will receive 0 points if no evidence is provided meeting at least 1 of the above requirements.

6. Preferred Sustainable Communities Bonus Points (2 points).

a. In accordance with Section V.A.1.b. of the FY2013 General Section, HUD will award 2 bonus points to applicants that are working with communities that have received Preferred Sustainability Status under the HUD Sustainable Communities Regional Planning Grant Program and/or the HUD funded Challenge Grant Program for FY2010, and FY2011, and those certified under HUD's Notice of Preferred Sustainability Status Certification (Herein referred to as Preferred Sustainability Status Communities).

b. To be eligible to receive bonus points, an applicant is required to ensure there is a clear nexus between the activities to be performed and items (1) and (2) below, as well as obtain a certification from the Designated Point of Contact for the designated Preferred Sustainability Status Community using form HUD-2995. Points of Contact can be found at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/nofa11/psscontacts. This verifies that the applicant has met the below criteria. The form will certify the nexus between the proposed activities of the applicant and the Livability Principles as they are being advanced in the Preferred Sustainability Status Community. It must be signed and dated anytime from the date of the publication of the funding opportunity on www.Grants.gov to the deadline date stated in Section F. of the "Overview Information" of this NOFA. Any certifications signed before or after those dates will not be acceptable. If the applicant is from the agency that holds Point of Contact status in a particular Preferred Sustainability Status Community, the form HUD2995 must be certified by the appropriate HUD Regional Administrator in consultation with field staff. If the applicant is an agency that holds Point of Contact status in a particular Preferred Sustainability Status Community, the form HUD-2995 must be certified by the appropriate HUD Regional Administrator in consultation with field staff.

c. To receive points, the applicant must be engaged in activities, that in consultation with the designated Point of Contact of the HUD designated Preferred Sustainability Status Community furthers the purposes of the Regional Planning Grant Program or the Challenge Grant Program; and

(1) The applicant's proposed activities either directly reflect the Livability Principles cited and contained in Appendix B to this FY2013 General Section, will result in the delivery of services that are consistent with the goals of the Livability Principles; and

(2) The applicant has committed to maintain an on-going relationship with a HUD Preferred Sustainability Status Community for the purposes of being part of the planning and implementation processes in the designated area.

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

1. Application Screening.

HUD will screen each application to determine if it meets the threshold criteria listed in Section III.C.2. of this NOFA; and whether it is deficient and subject to corrections of technical deficiencies as described in HUD's FY2013 General Section in Section V.B.2., entitled, "Corrections to Deficient Applications".

2. Applications that will not be Funded.

- a. HUD will not rate and rank applications that fail to cure technical deficiencies within the time frame provided by HUD.
- b. HUD will not rate, rank or fund applications that fail any of the threshold requirements contained in the FY2013 General Section and Section III.C.2. of this program NOFA.

3. Preliminary Rating and Ranking.

- a. HUD staff will preliminarily rate each application from an eligible applicant that has met all thresholds solely on the basis of the rating Factors, plus bonus points. An eligible applicant is an applicant that meets all of the eligibility requirements in Section III.A. of this NOFA.
- b. When rating applications HUD reviewers will only use the information in the application and information available to HUD as described in Section V.A.1.d.(1) through (4) in the FY2013 General Section.
- c. The HUD reviewer will assign a preliminary score for each Rating Factor and a preliminary total score for each eligible application.
- d. A different HUD staff person will perform a second review and rating of each eligible application. If the scores differ between the first and second reviewer the HUD staff reviewers will discuss their reasoning and then come to a consensus score.
- e. Applications that do not have a minimum score, including bonus points, of 50 points will not be funded.
- f. After scores are assigned, applications will be placed in rank order by score.

4. Final Panel Review.

A Final Review Panel Made up of HUD HOPE VI Main Street Program experts and HUD Management will:

- a. Review the preliminary Rating and Ranking documentation to ensure that any inconsistencies between preliminary reviewers have been identified and rectified and that the documentations of the rating and ranking accurately reflects the content of the application;
- b. Assign a final score to each application;
- c. Recommend for selection the most highly rated applications, subject to the amount of funding available.
- d. HUD reserves the right to make reductions in funding for any non-allowable costs, costs that are not reasonable in relationship to the work to be carried-out, or costs that are not allocable according to the applicable OMB Circular covering cost principles. If such reductions occur, HUD will accordingly reduce the proposed award amount and require a condition on the award

that the final budget and pro forma and other budget related documents be revised by the selected applicant accordingly before a final award can be executed.

5. Tie Scores.

If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select the applicant with the highest score for Rating Factor 1, Section V.A.1. of this NOFA. If a tie remains, HUD will select the applicant with the highest score Rating Factor 3, Section V.A.3. of this NOFA. If a tie score still remains, HUD will select the applicant with the highest score for Rating Factor 4, Section V.A.4. of this NOFA.

6. If after funding eligible applicants there are remaining funds that are less than the amount of funding requested in the next eligible application, HUD may offer a lesser amount of funding to the next eligible applicant or, if such action is not feasible, retain the remaining funds for other programs funded under the same appropriation.

7. Debriefing.

Applicants may request a debriefing in accordance with the debriefing provisions in Section VI.A.5. of the FY2013 General Section.

VI. Award Administration Information

A. Award Notices.

1. Initial Announcement.

- a. Award announcement letters are sent to each successful applicant. After announcement and final negotiation of awards, HUD will send a grant funds obligation document, form HUD-1044, "Assistance Award/Amendment," to each successful applicant for signature along with a Grant Agreement, which will specify the grant's start date, duration and terms and conditions.
- b. Applicants not funded will be provided notification by email or mail at HUD's discretion.

B. Preliminary Environmental Approval.

HUD's notification of award to a selected applicant constitutes a preliminary approval by HUD subject to completion of an environmental review of the proposed sites in accordance with 24 CFR part 50.

C. National Policy Requirements.

See the Section VI.B. and VI.C. of the FY2013 General Section.

D. Reporting.

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

Grantees will be required to report quarterly into this HUD on-line system. The report captures the following information:

a. During Initial Setup

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

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

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

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

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

b. On a quarterly basis:

(1) Administrative and production planned and actual date milestones, called "Checkpoints;"

c. HUD will provide training and technical assistance on the filing and submission of HOPE VI Main Street Quarterly Progress Reports.

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

e. Grantees will be held to the milestones/Checkpoints that are reported in the Quarterly Progress Report, as approved by HUD. If Checkpoints are missed, the grantee technically will be in default of the Grant Agreement until the late Checkpoint activity is completed, or HUD approves an updated Program Schedule.

2. During the Use Restricted Period

The grantee must maintain resident income information to the extent that very low- and low-income residents are occupying units that are set aside for their income levels. This income data must be made available for HUD inspection upon request.

3. eLOCCS. On a real-time basis, and at least monthly if no transactions occur during a month, grantees must report all obligations and expenditures in HUD's Line of Credit Control System (LOCCS), or its successor system. Grantee obligations must be entered into eLOCCS before funds can be drawn down to pay for those obligations. The grantee has 72 hours from the time of the funds draw to payment of the obligation.

4. Subrecipient Reporting. Prime recipients of HUD financial assistance are required to report certain subawards in the Federal Government-wide website www.fsr.gov or its successor system in accordance with paragraph III.C.4.v., page 23, of the FY2013 General Section.

5. Annual Section 3 Report.

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

6. Annual Real Property Status Report. The applicant is required to report annually on Real Property.

7. Final Report.

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

The final narrative, financial report, and closeout documentation, as required by HUD, shall be due to HUD 90 days after either the TDC units have been completed, or when the grant term expires, whichever comes first.

VII. AGENCY CONTACTS.

A. Technical Assistance. Before the application deadline date, HUD staff will be available to provide the applicant with general guidance and technical assistance on this NOFA. However, HUD staff is not permitted to assist in preparing the application. If the applicant has a question or needs clarification, the applicant may contact Lawrence Gnessin via email at <lawrence.gnessin@hud.gov>, or may write to Ms. Dominique Blom, Deputy Assistant Secretary for Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW Room 4130 Washington, DC 20410-5000. . For technical support about downloading an application, registering with Grants.gov, and submitting an application, please call Grants.gov Customer Support at (800) 518-GRANTS ((800) 518-4726) (This is a toll-free number) or email Grants.gov at support@grants.gov. Persons with hearing and/or speech impairments may access the above telephone number via text telephone (TTY) using Federal Relay at <http://www.gsa.gov/portal/content/104626>

B. General information specifically about HUD's HOPE VI Main Street program can be found on the Internet at <http://www.hud.gov/mainstreet>. General information about all of HUD's HOPE VI programs, including Mixed-finance funding of the HOPE VI Main Street Affordable Housing project can be found on the Internet at <http://www.hud.gov/hopevi>.

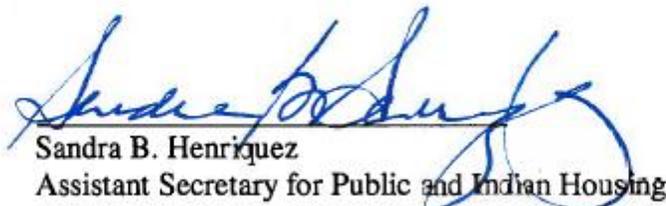
VIII. OTHER INFORMATION.

A. Monitoring Grants.gov. 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. Environmental Impact. A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI will be posted at HUD's funds available page at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail under "2013 Notices – Funds Available," "HOPE VI Main Street Program."

C. 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: May 13, 2013



Sandra B. Henriquez
Assistant Secretary for Public and Indian Housing

[FR-5700-N-23]