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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary
for Public and Indian Housing

[Docket No. FR-4076-N-01]

Notice of Funding Availability (NOFA) for
Public Housing Demolition, Site Revitalization, and
Replacement Housing Grants (HOPE VI);
Fiscal Year 1996;
Notice of Proposed Information Collection for Public Comment

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

ACTION: Notice of funding availability (NOFA) for Fiscal Year (FY) 1996 and request for comments on information collection requirements.

SUMMARY: This NOFA announces the availability of approximately \$480 million in funding for Public Housing Demolition, Site Revitalization, and Replacement Housing, hereafter referred to as the HOPE VI program, as provided in the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134; approved April 26, 1996) (1996 Appropriations Act).

The 1996 Appropriations Act provided this funding as an evolutionary advance in the HOPE VI program, for the purpose of enabling the **demolition** of obsolete public housing developments or portions thereof, the **revitalization** (where appropriate) of sites (including remaining public housing units) on which such developments are located, **replacement** housing that will avoid or lessen concentrations of very low-income families, and **Section 8 tenant-based assistance** for the purpose of providing replacement housing and assisting tenants to be displaced by the demolition. The HOPE VI program will fund demolition, the capital costs of reconstruction, rehabilitation and other physical improvements, the provision of replacement housing, management improvements, resident self-sufficiency programs, and tenant-based assistance.

This NOFA contains information on eligible applicants, program

requirements, evaluation factors, and application submission requirements. This NOFA also solicits public comments on the information collection requirements contained herein.

DATES: Applications must be received at HUD Headquarters and the Field Office on or before 4 p.m. eastern time on **September 10, 1996**. The application deadline for the original application delivered to HUD Headquarters is firm as to date and hour. Public housing agencies (PHAs) should take this into account and submit applications as early as possible to avoid the risk brought about by unanticipated delays or delivery-related problems. In particular, PHAs intending to mail applications must provide sufficient time to permit delivery on or before the deadline date. Acceptance by a post office or private mailer does not constitute delivery. HUD will disqualify and return to the applicant any application that it receives after the deadline date and time.

The deadline for comments on the information collection requirements is [insert date 60 days from date of publication in the FEDERAL REGISTER].

ADDRESSES: An original of the completed application must be received at the HUD Headquarters Office, 451 Seventh Street, SW, Room 4138, Washington, DC 20410, Attention: Director, Office of Public Housing Investments. A copy of the completed application must also be received at the HUD Field Office. Applications may be hand-delivered or mailed. HUD will not accept facsimile (fax), COD, and postage due applications.

Interested persons are invited to submit comments regarding the proposed information collection requirements in this NOFA. Comments must refer to the NOFA for Public Housing Demolition, Site Revitalization, and Replacement Housing Grants (HOPE VI); Fiscal Year 1996 (FR 4076), and must be sent to the Reports Liaison Officer, Office of Public and Indian Housing, Department of Housing and Urban Development, Room 4255, 451 7th Street, SW, Washington, DC 20410.

FOR FURTHER INFORMATION CONTACT: Mr. Milan Ozdinec, Director, Office of Urban Revitalization, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4144, Washington, DC 20410; telephone (202) 401-8812 (this is not a toll free number). Hearing- or speech-impaired individuals may access this number via TTY by calling the Federal Information Relay Service at 1-800-877-TDDY, which is a toll-free number. The NOFA is also available on the HUD Home Page, at the World Wide Web at <http://www.hud.gov>. HUD will also post frequently-asked questions and answers on the Home Page throughout the application preparation period.

SUPPLEMENTARY INFORMATION:

**Notice of Funding Availability (NOFA) for
Public Housing Demolition, Site Revitalization,
and Replacement Housing Grants (HOPE VI)**

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I. CHANGES TO, AND CONTINUING OBJECTIVES OF, THE HOPE VI PROGRAM

Congress intended for the HOPE VI appropriation in the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134; approved April 26, 1996) (the 1996 Appropriations Act) to continue Congressional efforts to deal with obsolete and severely distressed public housing, previously funded under the name "Urban Revitalization Demonstration" or "URD," and popularly referred to as "HOPE VI." The 1996 Appropriations Act made significant changes to HOPE VI by, among other things, expanding eligibility to all PHAs, requiring demolition as an element, requiring certain selection criteria, and eliminating various restrictive features of previous URD legislation.

HUD includes these changes to the HOPE VI program in this NOFA. HUD has also attempted to incorporate the lessons learned to date in HOPE VI so that program purposes will be achieved more rapidly and efficiently. HUD has retained the "HOPE VI" name in a period of legislative change in order to stress the underlying continuity of the program.

The elements of public housing transformation that have proven key to HOPE VI, and that HUD hopes to achieve with these new awards include:

- A. Changing the physical shape of public housing. This includes tearing down the eyesores that are often identified with obsolete public housing and replacing them with homes that complement the surrounding neighborhoods and are attractive and marketable to the people they are intended to serve, meeting contemporary standards of modest comfort and liveability. HOPE VI funds should be used to create institutional and physical structures that serve the needs of public housing residents over the long term in a cost-effective manner.
- B. Establishing positive incentives for resident self-sufficiency and

comprehensive services that empower residents. Programs should be outcome-based, directed at residents moving up and out of public housing.

- C. Enforcing tough expectations through strict occupancy and eviction rules, such as the "One Strike and You're Out" policy announced by President Clinton and supported in the Housing Opportunity Program Extension Act of 1996 (Pub. L. 104-120; approved March 28, 1996). The goal of these rules is to improve the quality of life for residents, create safer, family-friendly environments conducive to learning, and make areas around public housing more attractive to businesses that can create well-paying jobs.

- D. Lessening concentrations of poverty by placing public housing in nonpoverty neighborhoods, or by promoting mixed-income communities where public housing once stood alone, thereby ending the social and economic isolation of public housing residents, increasing their access to quality municipal services such as schools, and increasing their access to job information and mentoring opportunities.

- E. Forging partnerships with other agencies, local governments, nonprofit organizations, and private businesses to leverage support and resources, whether financial or in-kind.

II. SUBSTANTIVE DESCRIPTION

A. Authority

The funding made available under this NOFA is provided by the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134; approved April 26, 1996) (the 1996 Appropriations Act).

B. Eligible Applicants

PHAs that own or operate public housing units are eligible to apply.

Indian Housing Authorities are not included as eligible entities for this program in the 1996 Appropriations Act, and are therefore **not** eligible to apply.

C. Requirement of Demolition of Obsolete Units

Demolition is a required component of the HOPE VI program. Each PHA applicant must demolish at least one obsolete building at the targeted development. Applicants must attach a demolition/disposition application, in accordance with 24 CFR part 970, as Exhibit N of the HOPE VI application. If a demolition/disposition application for the targeted development has been previously submitted to HUD but has not yet been approved, the applicant must submit as Exhibit N a copy of the transmittal letter from the PHA to HUD. If a demolition/disposition application has been submitted and approved by HUD, but the demolition has not yet commenced, the applicant must submit as Exhibit N a copy of HUD's approval letter.

HUD recognizes that the application preparation period may be insufficient to receive a response from residents to the offer to purchase required by 24 CFR 970.13. Therefore, HUD will give PHA applicants selected for funding 30 additional days from the date of preliminary selection to submit the residents' response to the offer. If there is no extant resident organization at the targeted development at the time of application, the applicant will be required to follow the procedures required by 24 CFR 970.13(b).

Whether or not HUD approves the HOPE VI application, HUD will process

all submitted demolition applications not previously approved. If HUD approves demolition, all consequences of an approval, such as those that affect receipt of modernization funds or operating subsidy, will apply to the subject units. HUD will provide notification of approval of the demolition application separately from the notification of selection for participation in the HOPE VI program.

Obsolete units are those that, because of physical condition, location, or other factors, are unusable for housing purposes, and no reasonable program of substantial physical modifications is feasible to return the units to useful life.

Physical indicators of obsolescence include structural deficiencies (e.g., settlement of earth below the building caused by inadequate structural fills, faulty structural design, or settlement of floors), substantial deterioration (e.g., severe termite damage or damage caused by extreme weather conditions), or other design or site problems (e.g., severe erosion or flooding).

Neighborhood indicators of obsolescence include physical deterioration of the neighborhood; change from residential to industrial or commercial development; or environmental conditions, as determined by a HUD environmental review in accordance with 24 CFR part 50, that jeopardize the suitability of the site or a portion of the site and its housing structures for residential use.

D. Fund Availability

This NOFA announces the availability of approximately \$480 million in funding for Public Housing Demolition, Site Revitalization, and Replacement Housing, hereafter referred to as the HOPE VI program, as provided in the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134; approved April 26, 1996) (1996 Appropriations Act). The 1996

Appropriations Act provided \$480 million in funding for the HOPE VI Program. In order to meet its obligations under the Gautreaux Consent Decree requiring HUD to provide comparable relief when HUD cannot provide section 8 New Construction assistance, HUD may provide funding for up to 350 public housing replacement units to the Chicago Housing Authority, provided that the funding will fulfill an unsatisfied obligation under the Consent Decree to provide comparable relief, and provided, that the Chicago Housing Authority submits one or more applications for such public housing replacement units in response to this NOFA. In order to receive the replacement public housing units, the application shall state that it is submitted pursuant to the preceding sentence and the application must satisfy all of the statutorily mandated requirements of the NOFA. The application for up to 350 public housing replacement units under the preceding two sentences shall not prohibit the Chicago Housing Authority from otherwise qualifying to apply and be considered for HOPE VI funding in accordance with the terms of the NOFA.

A public housing authority that has received a HOPE VI planning grant in a prior year and that wishes to request FY 1996 HOPE VI funding for the same development(s) addressed in the planning grant must submit an application under this NOFA.

1. Categories of Applications

HUD will accept applications in the following categories, subject to the limitations set forth in item 2 below:

- A** PHAs that administer up to and including 2,500 public housing units may request up to and including \$15 million for demolition and revitalization, replacement, and/or tenant-based assistance.

- B** PHAs that administer from 2,501 to 10,000 public housing units may request up to and including \$30 million for demolition and revitalization, replacement, and/or tenant-based assistance.
- C** PHAs that administer 10,000 or more public housing units may request up to and including \$40 million for demolition and revitalization, replacement, and/or tenant-based assistance.
- D** Each PHA may, in addition to its Category A, B, or C application(s), submit one application that requests up to \$10 million for demolition and relocation costs associated with the requirements of the Uniform Relocation Act for one development, or portions thereof, for which it did not apply under a Category A, B, or C application.

HUD will evaluate applications **separately** within the four categories. If PHAs submit multiple applications as permitted below, HUD will evaluate each application separately. HUD will determine actual award amounts pursuant to Section VI of this NOFA.

2. Funding Availability by Category

- a. HUD will allocate \$400 million, plus any balance of the \$480 million which is not otherwise awarded under this NOFA, to Categories A-C collectively.

- b. HUD will allocate up to \$76.784 million to Category D, to the extent of approvable applications.
- c. HUD will reserve \$3.216 million for technical assistance.

3. Limitations

- a. Each Category A, B or D application must provide information and request funds for only **one** public housing development. Contiguous or immediately neighboring developments will be considered one development for all purposes in this NOFA. A PHA in Category C may submit one or two separate applications, as long as the total amount requested for both applications does not exceed \$40 million. A PHA may also submit a separate application under Category D in addition to the application(s) submitted under Categories A, B, or C.

- b. There is no minimum or maximum number of housing units for which funds may be requested in a single application. However, a PHA may not request replacement funding for units for which the PHA has already been awarded prior replacement funding from HUD, either through the funding of hard units or tenant-based assistance.

- c. PHAs with previously-awarded MROP or modernization funding that they believe to be inadequate for the revitalization of a targeted development may apply for supplemental funding under this NOFA. HUD will evaluate these applications under the factors established by this NOFA. PHAs must demonstrate that funding already

available to them is insufficient to assure a sustainable revitalization, and/or that the portion of a development that would be unaddressed by other funding in itself would qualify for a HOPE VI grant.

- d. PHAs with previous HOPE VI grants may not seek Fiscal Year (FY) 1996 HOPE VI funding to supplement the previous grant in treating the units covered by the original grant. Such PHAs may, however, seek FY 1996 HOPE VI funding to demolish and/or revitalize units in the same development that were not targeted units under the previous HOPE VI grant.

4. Tenant-Based Assistance

HUD will publish a separate announcement for Section 8 tenant-based assistance in FY 1996, which will be principally available for relocation and replacement units. A PHA may apply for replacement and relocation funding simultaneously under this NOFA (whether for hard units or tenant-based assistance) and under the Section 8 announcement, and must do both if it seeks tenant-based assistance under this NOFA. HUD will consider requests under this HOPE VI NOFA for tenant-based assistance only to the extent that the PHA applies for, but does not receive, replacement funds under the Section 8 program.

5. Technical Assistance

In accordance with the 1996 Appropriations Act, up to \$3.216 million may be used for technical assistance to be

provided directly or indirectly by grants, contracts, or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of HUD and public housing agencies and to residents.

6. Failure to Proceed Expeditiously

In the event that a PHA that has been selected to participate in the HOPE VI program does not proceed expeditiously, as determined by the Secretary, in accordance with its application, any Grant Agreement, and ACC Amendment, HUD shall withdraw any funding made available pursuant to this NOFA that has not been obligated by HUD, and distribute such funds to one or more other eligible PHAs, or to other entities capable of proceeding expeditiously in the same locality with the original program. In selecting PHAs for the redistribution of funds to one or more other eligible PHAs, HUD will select an applicant from the most recently conducted HOPE VI selection process.

E. Total Development Costs

1. If the average per unit hard costs of rehabilitation of the housing remaining after partial demolition is below 62.5 percent of HUD's published total development cost limits (TDC), the development is not eligible for this program (except as a Category D application to be used only for demolition and relocation as permitted hereunder).

2. If the average per unit hard costs of rehabilitating the

remaining units falls between 62.5 and 90 percent of TDC, rehabilitation must be shown to be a viable, cost effective option by the application.

3. The total development cost for units to be rehabilitated with HUD funds may not exceed 90 percent, and the total development cost for newly constructed units may not exceed 100 percent, of HUD's published cost guidelines except with HUD's prior written approval. HUD may grant such approval based on adequate justification set forth in the application that addresses additional costs for items such as remediation of lead-based paint, above average costs of infrastructure replacement, accessibility improvements, historic preservation, major reconfiguration of streets and sidewalks, and other significant improvements. Higher costs must be deemed reasonable and necessary to develop modest housing that incorporates efficient design, durability, marketability, sustainability, energy conservation, safety, economical maintenance, and healthy family life in a neighborhood environment.

F. Site and Neighborhood Standards

Grantees under this program must ensure that their revitalization proposals and replacement housing plans for the targeted development(s) will avoid or lessen concentrations of very low-income families by creating a mixed-income community or by expanding assisted housing opportunities in nonpoor and nonminority neighborhoods. Replacement of public housing units for public housing units demolished may be built on the original public housing site, or in the same neighborhood, if the number of such replacement public housing units is significantly fewer than the number of

public housing units demolished. This authority was affirmed by the passage of section 1002(a)(9) of Pub.L. 104-19 (approved July 27, 1995) which explicitly authorizes HUD to approve the building of replacement public housing units under such circumstances. The Department notes that, in construing the phrase, "significantly fewer units," it has chosen not to establish a quantitative standard. Instead, HUD will assess, on a case-by-case basis, the facts involved in each request. In addition, it will take into account the evolving interpretation of the phrase "significantly fewer units" as it develops in the course of HUD's separate rulemaking on site and neighborhood standards. Units that are not located at the targeted development and in the surrounding neighborhood will be subject to site and neighborhood standard rules stated in or made applicable by the Grant Agreement.

G. Eligible Activities and Costs

Eligible expenditures are those eligible under sections 8 and 14 of the U.S. Housing Act of 1937 (1937 Act). PHAs must principally use assistance under this HOPE VI program for demolition and/or the physical improvement and/or replacement of public housing and for associated management improvements.

1. Eligible Activities

- a. Total or partial demolition of buildings or disposition of property (subject to the requirements of section 18 of the 1937 Act).
- b. Capital costs of major reconstruction, rehabilitation, and other physical improvements (including energy retrofits) (subject to TDC limitations).

- c. Capital costs of replacement housing, including homeownership housing (subject to TDC limitations).
- d. Tenant-based assistance under section 8(b) of the 1937 Act used for replacement or relocation housing (to the extent permitted in accordance with section II.D.3 of this NOFA).
- e. Management improvements for the reconstructed development.
- f. Planning and technical assistance.
- g. Self-sufficiency programs, including Campus of Learners programs, as described in Section V.E of this NOFA.

2. Eligible Costs

- a. Capital costs may include related administrative and temporary relocation costs necessary for reconstruction, rehabilitation, demolition, or acquisition of land for replacement housing.
- b. Administrative costs may include the annual premium of lead-based paint insurance incident to approved revitalization work while work is in progress.
- c. Physical improvement costs may include those necessary to provide facilities primarily intended to facilitate the

delivery of self-sufficiency programs and economic development opportunities for residents of the targeted development, including technologically outfitting units or buildings for the administration of a Campus of Learners. Physical improvement costs for the creation of a Campus of Learners will count towards the total development cost of a development.

3. Allocation of Costs

- a. PHAs must use at least 80 percent of the funding awarded in each HOPE VI grant for any combination of the activities and related expenses listed in paragraphs (a) through (f) of section 1, above.

- b. PHAs may use not more than 20 percent of the funding awarded in each HOPE VI grant for self-sufficiency programs and related administrative expenses (paragraph (g) of section 1, above), but excluding costs described in paragraph (c) of section 2).

III. THRESHOLD REQUIREMENTS

A. Noncurable Threshold Requirement

The application must provide for demolition of at least one obsolete building at the targeted development as "obsolete" is defined in section II.C of this NOFA. HUD will determine whether the housing is obsolete based on information provided in Exhibit B (Existing Conditions) of the application. Applicants will have no opportunity to provide or supplement the information required by Exhibit B after the deadline date listed in this NOFA (except to the extent that correction may be made to the

demolition application as provided in section III.B.3 below).

B. Curable Technical Deficiencies

The requirements of this NOFA must be satisfied in order for HUD to select an application for funding. If applicants do not satisfy the technical requirements below, after the process for the correction of deficiencies described in Section VI.C of this NOFA has been carried out, HUD cannot select the applicants for participation.

1. The applicants must include evidence in Exhibit I.1.b.(2) of the application (Community and Partnerships) that at least one public meeting has been held to notify residents and community members of the proposed activities described in the application.
2. The applicants must include all certifications and submissions required as Exhibit M of the application.
3. The applicants must include a demolition application, as described in Section II.C of this NOFA, as Exhibit N of the application.
4. Applications with proposals that include new construction must include Exhibit D of the application.

IV. APPLICATION EVALUATION FACTORS

Section IV of this NOFA describes the factors that HUD will use to review applications. Each application will be evaluated based upon its merits determined pursuant to the factors set forth below. Applications

will be selected for award in accordance with Section VI. HUD will consider the entire application, as a whole, when evaluating applications.

Applicants must submit the information described in Section V of this NOFA; applicants must not respond directly to the factors in Section IV. Instances in which specific submissions correspond to specific evaluation factors are noted in both Sections IV and V of this NOFA.

A. Lessen Concentration of Low-Income Residents [20 points]

HUD will evaluate only Category A, B, and C applications for this factor. HUD will consider the entire application, and particularly Exhibit B.5.d (degree of concentration of low-income residents), Exhibits C.3 and C.4 (description of replacement units), and Exhibit C.5 (resident counseling) when evaluating this factor.

HUD will consider the extent to which the applicant proposes to place public housing in nonpoverty neighborhoods or promote mixed-income communities where public housing once stood alone, thereby ending the social and economic isolation of public housing residents, increasing their access to quality municipal services and increasing their access to job information and mentoring opportunities.

HUD will also consider the degree to which the PHA intends to provide counseling itself, or work with a nonprofit organization to provide counseling, and other assistance to help families receiving tenant-based assistance to move to nonpoverty neighborhoods.

B. Need for Demolition, Revitalization, or Replacement [25 points]

HUD will consider the entire application, and particularly Exhibit B (Existing Conditions) when evaluating this factor for all applications. For Category A, B, and C applications, HUD will also consider information in Exhibit C.9 to determine need for revitalized/replacement units.

HUD will consider the physical, neighborhood, and demographic factors that indicate that the targeted development, or portion thereof, is obsolete and in need of demolition, revitalization, or replacement; the effect that the obsolete structure has on the surrounding neighborhood; and, for applications in Categories A, B, and C only, the need and market for the revitalized and/or replacement units of the type and size proposed.

C. Self-Sufficiency Programs (including Campus of Learners) [20 points; 10 point COL Bonus]

HUD will evaluate only Category A, B, and C applications for this factor. HUD will consider the entire application, and particularly Exhibit E (Self-Sufficiency Component), and Exhibit A (Statement of Objectives and Goals) when evaluating this factor. Exhibit C.7 will be used to evaluate the physical plan for a Campus of Learners.

A self-sufficiency program component is required for all Category A, B, and C applications. Residents of public housing communities can succeed in becoming self-reliant if they receive assistance in obtaining comprehensive training, education, and support services, and if they receive help finding gainful employment. This program should focus on offering education and job training that is applicable and appropriate for addressing the needs of residents. Each effort should be linked to the educational and employment needs of youth and adult residents as well as the potential job and contracting opportunities that may be available in the community and the nation's rapidly changing economy.

HUD will consider the overall quality of the supportive services plan; the integration of the plan with the development process; the appropriateness of scale, type, and delivery of the plan to meet the identified needs of residents; the degree of resident training, employment,

and contracting planned; the degree to which service providers have made commitments to provide services or funding; the experience of proposed service providers; the extent of coordination with existing service providers and programs; the extent to which the objectives of the supportive service plan are results-oriented, with measurable goals and outcomes; and the degree to which the program is sustainable and is likely to enable residents to gain skills that assist them in becoming self-supporting.

Category A, B, and C applicants are encouraged to implement a "Campus of Learners" (COL), an intensive residential learning model, in connection with a self-sufficiency component in their development. At a COL, the focus is to provide educational and employment opportunities for residents living "on campus," or enrolled and attending an on-site or a certified self-improvement program. Such programs will include computer technology and training, job training initiatives, educational opportunities at local schools and institutions of higher education, and resident self-sufficiency programs. As a condition of living on campus or being enrolled, residents will execute an education and employment pledge or a similar agreement to fulfill specific obligations for program completion or participation in good standing. Any authority choosing to implement a COL program must partner with local schools, institutions of higher learning in support of resident self-sufficiency activities, telecommunications firms, foundations, businesses, religious organizations, and/or the private sector as part of this initiative.

Ten points are available for this factor only as a bonus to applications that propose to convert all or a portion of the targeted development into a COL. All ten bonus points will be awarded to applications which are substantially identical to proposals which resulted in a previous designation by HUD as a COL. Up to ten points may be awarded

to applications depending on the degree to which the proposals include the COL elements as described in this NOFA. More information on the COL is contained in the Campus of Learners Designation Kit, excerpts of which are included in the HOPE VI Application Kit. Information on COL is also available on the World Wide Web at <http://www.hud.gov/nnw/campus.html>.

D. Positive Incentives and Tougher Expectations [15 points]

HUD will evaluate only Category A, B, and C applications for this factor. HUD will consider the entire application, and particularly Exhibit F (Operation and Management Principles).

HUD will consider the extent to which proposed operating and management principles will improve upon current management, reward work and promote family stability, provide greater resident security, promote economic and demographic diversity, promote economic integration and social mobility, and encourage self-sufficiency.

E. Local and National Impact [25 points]

HUD will evaluate all applications for this factor. HUD will consider the entire application, and particularly Exhibit B (Existing Conditions), Exhibit C (Physical Description of the Revitalization Plan), and Exhibit G (Local and National Impact).

To determine local impact, HUD will consider the relative magnitude of change that the proposed activities will have on the targeted development and the affected public housing community and neighborhoods. HUD will consider the scale of the proposed demolition and revitalization in relationship to its impact on the community as a whole, not the magnitude of the program in relation to other applications. For applications that propose revitalization, HUD will consider the impact that proposed changes in management and service delivery will have on the

community.

To determine national impact, HUD will consider the degree to which a program of revitalization, particularly the physical transformation, self-sufficiency program, and operation/management components of the project, could be used as a model for other communities. HUD will also assess the potential of the proposed demolition and revitalization to improve the health of a PHA that has been deemed "troubled" under section 6(j) of the 1937 Act. HUD will give particular consideration to revitalization plans that are essential to the removal of a PHA from judicial receivership. HUD will also consider the extent to which the targeted development has received negative national attention, including press coverage other than in local press, as indicative of the problems in public housing, and how the demolition and revitalization effort would effectively communicate the transformation of public housing.

F. Community and Partnerships [20 points; 10 point EZ/EC bonus]

HUD will evaluate all applications for this factor, except with respect to Partnerships for Category D applications, as provided below. HUD will consider the entire application, and particularly Exhibit I (Community and Partnerships).

1. Resident Support/Involvement

HUD encourages full and meaningful involvement of residents and members of the communities to be affected by the proposed activities.

HUD will consider the extent of resident consultation in shaping the application (including the designation of the development that is the subject of the application), the level of resident support for the proposed activities, the continued involvement and participation by the affected public housing residents, and the proposed involvement

of residents in management of revitalized or replacement units.

2. Community Support/Involvement

HUD will consider the extent of involvement by local public, private, and nonprofit entities and community representatives in the preparation of the application, the level of enthusiasm for the plan in the larger community, and the extent to which the activities proposed in the application are coordinated with other revitalization plans within the community. Up to ten bonus points will be given to revitalization plans that are coordinated with and are supportive of the Strategic Plan for a Federally designated Empowerment Zone or Enterprise Community.

3. Partnerships (for Category A, B and C applications only)

PHAs are encouraged to enter into partnership arrangements for the purpose of developing housing that fits into the community and is seen as an integral part of it. Partnerships would be made with organizations that include private nonprofit or for-profit entities with experience in the development and/or management of low- and moderate-income housing, those that are skilled in the delivery of services to residents of public housing, educational institutions, foundations, and other organizations.

HUD will consider the extent to which applications propose to develop partnerships to facilitate revitalization, the potential of the proposed partnerships to provide attractive housing and economic opportunities for public housing residents and make public housing a catalyst for neighborhood revitalization, and the strength of commitments from potential partners to participate in the revitalization plan. HUD will also consider the experience and

capability of proposed partners.

G. Need for Funding [20 points]

For all applications, HUD will consider the extent to which the applicant could undertake the proposed activities without HOPE VI assistance. HUD will consider the entire application and particularly the information provided in Exhibit K.1.b (Need for HOPE VI Funds) when evaluating this factor.

H. Program Quality, Feasibility, and Sustainability [25 points]

HUD will evaluate Category A, B and C applications only for this factor. HUD will consider the entire application when determining the comprehensiveness and effectiveness of the proposed demolition and revitalization or replacement housing as measured by the objectives and goals of the proposed plan; whether proposed program activities meet the objectives of the HOPE VI program; whether the proposed program activities will be accomplished within a reasonable time and expense; whether the proposed activities are coherent, comprehensive, and integrated; whether the proposed activities are sustainable; and the potential success of the proposed program.

I. Capability [15 points]

For Category A, B, and C applications only, HUD will consider the ability and capacity of a PHA to carry out the revitalization and replacement project it has proposed to do under this program. HUD will consider the entire application and particularly information provided in Exhibit H when evaluating this factor.

J. Resolution of Litigation [20 bonus points]

An applicant in any Category whose submission demonstrates that the proposed revitalization plan will materially assist the applicant and HUD in meeting their obligations under a court ordered Consent Decree in connection with civil rights litigation will be provided with 20 additional bonus points.

V. APPLICATION SUBMISSION REQUIREMENTS

This section of the NOFA describes all of the items to be included in an application, and the categories of applications for which each item is applicable. All applications, regardless of category, must include all information requested, unless otherwise specifically noted. If a PHA chooses to submit more than one application, it may duplicate common elements of all applications, such as certifications, as long as one of the applications contains certifications with original signatures, and the copies indicate which application contains the original document.

HUD reviewers will use the information provided in the application to evaluate each application in accordance with the evaluation factors described in Section IV of this NOFA. Notwithstanding that certain application submission requirement sections of the application correspond to specific evaluation factors, reviewers will consider and evaluate the application as a whole during the evaluation process.

Each application submitted by a PHA for a Category A, B, or C grant must consist of Exhibits A-N that correspond directly to sections A-N listed below. Each application for a Category D grant must consist of Exhibits A, B, G, I, K, M, and N. For ease of review, each application must include a table of contents directing the reader to the page number upon which each exhibit begins. If an exhibit is not applicable to a Category D grant, applicants must indicate this in the table of contents. The use of tabs to separate each exhibit will greatly facilitate review and

expedite grant awards. If an exhibit is not applicable for any other reason, under the tab for such exhibit applicants must provide an explanation of its inapplicability to the application. Adherence to page limits is mandatory; in reviewing the applications, HUD will not consider any information on pages that exceed the limits.

A. Statement of Objectives and Goals

All applicants must provide a narrative Exhibit A, not to exceed two pages, that describes the objectives and goals of the proposed program and describes the projected goals for all activities proposed, including the self-sufficiency component, if applicable. The narrative should describe how program activities respond to the program objectives set forth in Section I of this NOFA. Goals should be results-oriented, realistic, and measurable. HUD will use information from Exhibit A primarily to evaluate the Program Quality, Feasibility, and Sustainability (IV.H) and Self-Sufficiency Programs (IV.C) factors.

B. Existing Conditions

All applicants must provide an Exhibit B that responds to all items in this section. HUD will use information from Exhibit B primarily to evaluate the Need for Demolition, Revitalization, or Replacement (IV.B), Lessen Concentrations of Low-Income Residents (IV.A), Local and National Impact (IV.E), and Program Quality, Feasibility and Sustainability (IV.H) factors. HUD will use items 3 and 4, below, to determine whether the application meets the threshold requirement for obsolete housing (III.A).

The applicant must provide the following information in a narrative, not to exceed eight pages (plus the map required under 1.d) below:

1. Description of Current Development

- a. An identification of the targeted development.
- b. The total number of current units, by unit size.
- c. The number and location of vacant units.
- d. In addition to the narrative, provide a one page map of the current site.

2. Proposed Demolition/Disposition

Applicants must briefly describe the extent of the proposed demolition/disposition, and identify the units to be demolished. (Also attach a demolition/disposition application as Exhibit N of the application, as described in Section II.C of this NOFA.)

3. Physical Indicators of Obsolescence

- a. The cost of rehabilitation/reconstruction per unit as a percentage of TDC.
- b. Structural deficiencies (e.g., settlement of earth below the building caused by inadequate structural fills, faulty structural design, or settlement of floors).
- c. Substantial deterioration (e.g., severe termite damage or damage caused by extreme weather conditions) or other design or site problems (e.g., severe erosion or flooding).
- d. Design and site deficiencies (e.g., high density or

indefensible space).

- e. Major system deficiencies (e.g., peeling and chipping lead-based paint, lack of reliable and reasonably efficient heat and hot water, major structural deficiencies, electrical system not satisfying code requirements, poor site conditions, leaking roof, deteriorated laterals and sewers, or high number of plumbing leaks).

4. Neighborhood Indicators of Obsolescence

- a. Physical deterioration of the neighborhood.
- b. Change of the neighborhood from residential to industrial or commercial development.
- c. Environmental conditions that may jeopardize the suitability of the site or a portion of the site and its housing structures for residential use. These conditions may be determined by either a HUD-related environmental review, in accordance with 24 CFR part 50 or part 58, which was previously conducted in connection with earlier assistance, or another assessment of conditions that, in the opinion of the applicant, may jeopardize suitability of the site.
- d. Deficiencies in the neighborhood that revitalization could ameliorate.

5. Demographic Indicators of Distress

For the following elements, applicants must provide the most current information that relates as specifically as possible to the targeted site. If site information is not available, applicants must indicate whether information provided pertains to the development, neighborhood, city, census tract, or other demographic area.

- a. Average income as a percentage of area median.
- b. Statistical information on the incidence of crime, including the following: frequency of criminal acts of various types (including drug-related activities), number of lease terminations or evictions for criminal activity, average number of police calls to the development per month, and the average monthly incidence of vandalism to PHA property in dollars.
- c. Vacancy rate.
- d. Degree of concentration of very low-income persons in the neighborhood.

6. Effect on the Neighborhood

Applicants must describe how the physical, neighborhood, and demographic conditions of the obsolete development, or portions thereof, affect the residents of the surrounding neighborhood, the greater community, and city.

C. Physical Description of Revitalization Plan

Category A, B, and C applicants only must provide a narrative Exhibit C, not to exceed eight pages. HUD will use information from Exhibit C primarily to evaluate the Program Quality, Feasibility and Sustainability (IV.H), Lessen Concentration of Low-Income Residents (IV.A), and Local and National Impact (IV.E) factors. HUD will use information in Exhibit C.9 to evaluate the Need for Demolition, Revitalization, or Replacement (IV.B) factor, and information in Exhibit C.7 to evaluate the Self-Sufficiency (IV.C) factor. Applicants must describe the extent of the physical revitalization and/or replacement activities proposed, including the following, as appropriate:

1. The changes in the sizes and shapes of units and other changes in the use of interior space, including any reduction in the number of units due to reconfiguration or changes in the utilization of interior space.
2. Any community space alterations, improvements, or additions.
3. Any proposed on-site replacement units for public housing units proposed to be demolished, including number, type, and size of units, with a description of how such on-site replacement housing will avoid or lessen concentrations of very low-income families.
4. Any proposed off-site replacement units, including the mix of building types, number of dwelling units, and unit sizes of replacement housing. Any applicant proposing to create off-site replacement units MUST use census data to describe how

such housing will avoid or lessen concentrations of very low-income families.

5. The number of any Section 8 certificates to be used for replacement or relocation housing, and whether those certificates are existing or are requested in this application and under the Section 8 notice as required by section II.D.3 of this NOFA. A description of counselling or other assistance that will be provided to residents receiving tenant-based assistance as relocation or replacement housing to enable them to move to areas of lower poverty if they so choose.
6. Any site acquisitions necessary or proposed, the purpose of the acquisition, and how that acquisition is proposed to be financed.
7. An explanation, if applicable, of how the proposed revitalization will resemble, or be used as, an education campus in the implementation of a Campus of Learners.
8. If available, provide a postrevitalization site map.
9. A description of the need and market for the revitalized or replacement units of the type and size proposed. Cite (but do not submit) the city's Consolidated Plan, other local plans, market studies, or other sources of information on housing supply. Identify other assisted housing, existing and proposed (including housing funded but not completed).

D. Applications for New Construction

In accordance with section 6(h) of the 1937 Act, the PHA may engage in new construction only if the PHA demonstrates to the satisfaction of the Secretary that the cost of new construction in the neighborhood where the PHA determines the housing is needed is less than the cost of acquisition or acquisition and rehabilitation in such neighborhood. Therefore, every application that includes new construction must be accompanied by a narrative Exhibit D that contains either the information described in paragraphs 1 and 3 of this section, below, or the information described in paragraphs 2 and 3 of this section, below. The narrative, certification and statement, as applicable, should not exceed three pages.

1. A PHA comparison of the costs of new construction (in the neighborhood where the PHA proposes to construct the housing) and the costs of acquisition of existing housing or acquisition and rehabilitation in the same neighborhood (including estimated costs of lead-based paint testing and abatement).
2. A PHA certification, accompanied by supporting documentation, that there is insufficient existing housing in the neighborhood to develop housing through acquisition of existing housing or acquisition and rehabilitation.
3. A statement that:
 - a. Although the application is for new construction, the PHA will accept acquisition of existing housing or acquisition and rehabilitation, if HUD determines the PHA cost comparison or certification of insufficient housing does not support approval of new construction; or

- b. The application is for new construction only. (In any such case, if HUD cannot approve new construction under section 6(h) of the 1937 Act, HUD will reject the application.)

E. Self-Sufficiency Component

Category A, B, and C applicants only must provide a narrative Exhibit E, not to exceed 10 pages. HUD will use information from Exhibit E primarily to evaluate the Program Quality, Feasibility and Sustainability (IV.H) and Self-Sufficiency Programs (IV.C) factors.

A program of self-sufficiency may include, but is not limited to:

- (a) Child care, of a type that provides sufficient hours of operation and serves appropriate ages as needed to facilitate parental access to education and job opportunities;
- (b) Employment training and counseling, such as job training, preparation and counseling, job development and placement, and follow-up assistance after job placement;
- (c) Computer skills training;
- (d) Education, including remedial education, literacy training, completion of secondary or postsecondary education, assistance in the attainment of certificates of high school equivalency, and the integration of modern computer technology into the education program;
- (e) Transportation as necessary to enable any participating family member to receive available services or to commute to his or her place of employment;
- (f) Partnerships with local businesses for job placement for residents who complete adult education and job training programs;
- (g) Substance/alcohol abuse treatment and counseling;
- (h) Health care services; and
- (i) Any other services and resources, including case management, that are determined to be appropriate in assisting eligible residents.

1. Provide a brief description of each service that is expected to

be made available for residents. For each service, to the extent that providers are identified, indicate the name of the service provider and the experience of that provider. If providers are not identified, describe the process the PHA will use to identify providers. Describe the location of the service provision, the timing of the service provision and how it relates to the development schedule, how long the service will be provided to residents, and whether the service will be available to residents that will remain on site, are moved off site, and/or are in relocation sites.

2. Describe the analysis and any consultation with residents that the PHA employed to determine the needs upon which the self-sufficiency program was based and that will continue to be used to reevaluate service needs in the future.
3. Describe how residents will be selected to participate in services.
4. In addition to the narrative, attach letters from service providers that commit to provide services to residents.
5. Describe plans to provide on-the-job training, employment, and contracting opportunities to residents during implementation of the revitalization plan.
6. Indicate how the goals projected for the self-sufficiency component, as described in Exhibit A (Statement of Objectives and Goals), will be met through the self-sufficiency program.

7. Describe the Campus of Learners (COL) program if one is proposed. Explain how supportive services under the program will be provided at a level higher than currently provided, how the program will be sustainable, and how it will enable residents to gain skills and become self-supporting. The description should contain each of the following elements:
 - a. An identifiable physical campus, as demonstrated in the proposed physical plan (section V.C.9 above), that integrates local schools, parks, and, to the extent possible, institutions of higher learning.
 - b. A comprehensive education program that includes programs for young children, after-school learning sessions for school-age residents, life skills training for the elderly, and job readiness and training programs for other adult residents.
 - c. Collaborations with educational institutions and organizations, including the local school system, local colleges, universities, and other institutions of higher learning, in order to harness the resources of these establishments through specialized education and technology classes.
 - d. Access to technology by wiring and equipping every unit in the COL site, and computer labs on campus for computer classes, language skills, life skills training, and GED classes.

- e. A contract or pledge executed by residents that will state a resident's agreement that living on the "campus" is incidental to and reliant upon participation in the learning program, and residents enrolled in the program must fulfill specific obligations for programs completion.

F. Operation and Management Principles

Category A, B, and C applicants only must provide a narrative Exhibit F, not to exceed five pages, that describes preliminary post-redevelopment operation and management policies for the targeted development. HUD will use information from Exhibit F primarily to evaluate the Positive Incentives and Tougher Expectations (IV.D) and Program Quality, Feasibility and Sustainability (IV.H) factors.

For application purposes, the PHA should assume that Congress will make permanent the program modifications made by the 1996 Appropriations Act. However, PHAs will be required, if selected, to conform their proposals to current law. HUD intends to issue additional guidance on any changes in law and policy.

Applicants must describe the manner and extent to which the proposed operation and management principles will:

1. Achieve efficient and effective management and maintenance through private management or other management improvements.
2. Reward work and promote family stability through positive incentives such as income disregards and ceiling rents. Note that PHAs may establish ceiling rents (but must require a \$25 minimum rent) and may institute earned income disregards for

FY 1996.

3. Provide greater security by instituting tough screening requirements and enforcing tough lease and eviction provisions, including the "One Strike and You're Out" policy.
4. Promote economic and demographic diversity through a system of local preferences. Note that Congress has suspended all Federal preferences for FY 1996.
5. Promote economic integration and social mobility for public housing residents by providing housing for people with a broad range of incomes in such a way that public and market rate units are indistinguishable.
6. Encourage self-sufficiency by utilizing lease requirements that promote community service and/or transition from public housing.

G. Local and National Impact

All applicants must provide a narrative Exhibit G, not to exceed six pages. HUD will use information from Exhibit G primarily to evaluate the Local and National Impact (IV.E) and Program Quality, Feasibility and Sustainability (IV.H) factors.

1. Local Impact

- a. All applicants must:

Describe the extent to which the physical changes resulting from the proposed demolition and revitalization or replacement will significantly address the indicators of

obsolescence and distress described in Exhibit B (Existing Conditions).

b. Category A, B, and C applicants only must:

Explain how the plan for the provision of services described in Exhibit E and the plan for management of the development and/or any replacement units after revitalization described in Exhibit F will contribute to the positive change for residents of the development and the surrounding community.

2. National Impact

(1) Categories A, B, and C applicants only must, if applicable, discuss the potential for the program of revitalization, or some aspect of it, to become a model for other communities.

a. All applicants must, if applicable:

(1) Describe the extent to which the targeted development has been perceived as an example of the problems of public housing and how the proposed revitalization would effectively communicate the transformation of public housing. Describe the national impact of the current obsolete housing as evidenced by any national attention, including press coverage received prior to the date of this NOFA. Submit copies, if applicable, of negative coverage of the targeted development in print media (other than local media) that predates this NOFA.

(2) If the applicant PHA is on the national troubled

housing list, describe the potential of the proposed demolition and any reconstruction or replacement housing to remove the PHA from the list and (if applicable) remove the PHA from judicial receivership.

H. Capability

Category A, B, and C applicants only must provide a narrative Exhibit H. HUD will use information from Exhibit H to evaluate all of the factors and particularly the Capability (IV.I) factor. Applicants must provide a narrative, not to exceed three pages, that includes the following information:

1. Describe evidence of progress made under any previously-awarded HOPE VI, development, and/or modernization funding.
2. Provide the PHA's overall and modernization scores under the Public Housing Management Assessment Program (PHMAP), 24 CFR part 901, most recently established by HUD.
3. Provide a brief summary of the PHA's most recent fiscal audit and any outstanding HUD monitoring findings.
4. Describe factors that will ensure that implementation of the program can begin quickly if the application is approved for an award.
5. Describe any prior experience in financing, leveraging, and partnership activities.

6. If a receiver or alternate development team is in place, describe the extent of its authority, the areas over which it will have control, and its experience and track record in managing troubled PHAs and/or in accomplishing large-scale development in a timely, cost-effective, and successful manner.
7. Provide an organizational chart that indicates the proposed staffing of the revitalization program. Describe the qualifications of the PHA's key staff who will be responsible for the oversight of the program.

I. Community and Partnerships

All applicants must provide a narrative Exhibit I, not to exceed nine pages, plus any pertinent letters as provided below. HUD will use information from Exhibit I primarily to evaluate the Community and Partnerships (IV.F) and Program Quality, Feasibility and Sustainability factors (IV.H). HUD will use information in Exhibit I.1.b.ii below to determine whether the resident consultation requirement of section III.B.1 has been met. Exhibit I should contain the following information:

1. Resident Support/Involvement
 - a. Category A, B, and C applicants only:
 - (1) Describe the level of participation and/or consultation with residents throughout the PHA in the preparation of the application.
 - (2) Explain how the PHA would continue the involvement and participation by the affected public housing residents.

- (3) Describe any planned roles for residents in the management and operation of the revitalized and replacement units and the developments of which they are a part.
 - b. All applicants must attach the following:
 - (1) Any letters from residents in support of or opposition to the demolition, any proposed revitalization or self-sufficiency programs, or programs of positive incentives and tougher expectations received.
 - (2) Evidence that at least one public meeting has been held to notify residents and community members of the proposed activities described in this application. The meeting may be a regularly scheduled PHA board meeting. Evidence must include the notice announcing the meeting, how the notice was distributed, and a copy of the sign-in sheet. An application must contain such evidence that a public meeting took place in order to be selected for participation.
2. Community Support/Involvement

All applicants must respond to this item.

 - a. Describe the level of participation and/or consultation in the preparation of the application by community organizations and institutions, agencies of local and State government, businesses, nonprofit corporations,

social service providers, philanthropic organizations, educational institutions, and other entities. Discuss how the PHA would continue to involve these entities and groups if the application is selected.

- b. Provide any letters, resolutions, or other available documentation in support of, or objection to, the physical as well as the self-sufficiency component of the proposed demolition, and the revitalization and/or replacement of units. Include any letters that commit resources, both monetary and in-kind, from community organizations.
- c. Detail other revitalization activities or land use plans underway or planned in the neighborhood(s) that the revitalization plan would affect. Provide reference to and maps indicating the location of activities and resources identified in the city's or State's Consolidated Plan or Federally designated Empowerment Zone or Enterprise Community Strategy (if applicable) in relationship to the development. Describe the current or projected impacts of these community-wide activities on residents of the development(s). Describe how the PHA plans to coordinate with these efforts.
- d. If the targeted development is within a Federally designated Empowerment Zone or Enterprise Community, provide evidence that the PHA has an established relationship with the EZ/EC administrative body that was

established before the publication of this NOFA, and that the proposed revitalization activity is consistent with and supportive of the Strategic Plan for the Federally designated Empowerment Zone or Enterprise Community. Applicants that provide a letter of endorsement from the EZ or EC governing body will receive special consideration.

- e. If the revitalization plan calls for changes in streets or other infrastructure, provide a letter of commitment from the unit of general local government to provide the resources necessary to carry out those activities.

3. Partnerships

Category A, B, and C applicants only must respond to this section.

- a. Describe plans to accomplish the revitalization through a proposed partnership with one or more entities, or through contractual or subgrant relationships (such as a program management or alternative administrator agreement or supportive service subgrantees). Include all relevant information about each proposed entity, including the nature of the organization, qualifications, the respective responsibilities and obligations of each party, and the proposed financial relationship, i.e., the basis and source of compensation to nonapplicant parties.
- b. Describe how the use of the partnership will enhance the PHA's ability to produce attractive housing, economic

opportunities to residents, and mixed-income housing, and to revitalize neighborhoods.

- c. Provide any commitments from potential partners to participate in the revitalization.

HUD does not expect applicants proposing innovative ownership or financing structures to submit immediately approvable final plans for such structures as part of their application. Specifically, HUD does not expect PHAs to procure partners before an application is approved and warns PHAs against procuring partners in a hasty manner or not in compliance with applicable laws and procurement regulations. However, applicants should describe proposed structures and relationships in sufficient detail to demonstrate a reasonable likelihood that the revitalization plan is feasible and in accordance with law. Please refer to 24 CFR part 941, subpart F, published in the Federal Register on May 2, 1996 (61 FR 19708, 19714), for guidance on procurement of partners.

J. Resources

Only Category A, B, and C applicants must provide an Exhibit J.

PHAs may use HOPE VI funds in conjunction with any other funds available to the PHA, so long as the use of HOPE VI funds complies with the requirements set forth in this NOFA, and the Grant Agreement and ACC Amendment to be executed with HUD; the use of other funds complies with any restrictions applicable to them; and the proposed use of all funds complies with section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531 note) and HUD's subsidy layering guidelines, including those found in 24 CFR part 4.

Applicants must provide as Exhibit J a list of all of the individuals and organizations from which they have received evidence of financial or other support for the proposed activities. Next to each source, applicants must list the dollar figure associated with the resource to be provided, including the dollar value of any in-kind services or materials to be provided, if known. Next to the dollar figure, applicants must indicate the application page number of letters of support or commitments for contributions that describe the nature of the support and/or resource to be provided, the dollar value of the donation, if available, any conditions attached to the commitment, and the date that the resource will be made available. Applicants must include letters that provide resources for capital costs, self-sufficiency programs, and all other activities of the program. Applicants may attach letters as part of Exhibit J, and/or in Exhibit E.5 (supportive service support) or Exhibit I.2.b and I.2.e (local government support).

K. Program Financing and Sustainability

HUD will use information provided in Exhibit K primarily to evaluate the Need for Funding (IV.G) and Program Quality, Feasibility, and Sustainability (IV.H) factors.

1. All applicants must provide an Exhibit K that contains the following:
 - a. Provide an estimated budget (Form HUD-52825-A, HOPE VI Budget, Parts I and II) showing uses of HOPE VI and other funding for the proposed demolition and, if applicable, the revitalization plan. Part I of the form will indicate the general uses of funds, and Part II breaks each individual use into specific activities.

- b. In order to assure that the HOPE VI funds are not used in lieu of otherwise available funds, provide the certification included in the PHA Board Resolution for Submission of HOPE VI Application (form HUD 52820-A), submitted under Exhibit M.3, that the PHA could not undertake the activities proposed through this application without the additional assistance provided by the requested HOPE VI grant. In a narrative, not to exceed two pages, discuss how the funds reasonably expected to be available to the PHA over the period of the CGP Five-Year Action Plan are not adequate to address the revitalization needs of the development. Identify all HUD funds currently committed to the PHA for capital purposes and available for use at the targeted development, and where any currently allocated funds for that development would be reallocated, if applicable. Justify why the HOPE VI request should not be reduced by the currently-allocated amount. If the PHA is selected to participate in the HOPE VI program, the PHA's CGP Five-Year Action Plan will be revised to reflect the additional funds.
2. Category A, B, and C applicants only also must include the following information as part of Exhibit K:
 - a. Provide a sources-and-uses analysis of capital costs. Although non-HOPE VI funding commitments may not be in place at the time the application is submitted, PHAs should identify what types of funding they will seek to finance their concepts, on what terms these types of

funding might be available, and the level of commitment funders are willing to make at this time.

- b. If average per unit costs for new construction funded by HUD will exceed 100 percent of TDC, or average per unit costs for rehabilitation funded by HUD will exceed 90 percent of TDC, provide a narrative, not to exceed one page, that justifies the need for higher costs. See discussion of costs in Section II.E of this NOFA.
- c. Provide a five-year operating budget, showing all projected expenses and income. Operating estimates should take into account realistic market rents for the proposed unit types and sizes, the amount of funding needed for self-sufficiency programs, and costs of proposed operating and management policies. Explain all assumptions made in the development of the budget.
- d. Sustainability: Describe how the PHA will be able to maintain proposed programs and policies on a long term basis, given the resources projected to be available for the development. This description should not exceed one page.

L. Resolution of Litigation

In order to receive the 20 bonus points available to applications that demonstrate that the proposed revitalization plan will materially assist the applicant and HUD in meeting their obligations under a court ordered Consent Decree in connection with civil rights litigation, an

applicable Category A, B, C, or D applicant shall submit a narrative, not to exceed two pages, that describes the obligations of the applicant and HUD under the Consent Decree, and explains how the activities proposed in the revitalization plan will materially assist the applicant and HUD in meeting such obligations.

M. Required Certifications

Each applicant must submit an Exhibit M that includes all of the following letters and forms, fully executed and dated. Submission of all of the following letters and forms is a requirement of this NOFA.

1. As the first page of the application, submit an **SF-424, Application for Federal Assistance**. This form must include the Housing Authority Code, provide the name of the targeted development, list all activities proposed in the application (demolition, revitalization, replacement, Section 8) and the amount of funds requested for each. This form must be signed by the Executive Director of the PHA.
2. A letter from the **Chief Executive** of the applicable jurisdiction in support of the application.
3. Form HUD-52820-A, PHA **Board Resolution** for Submission of HOPE VI Application.
4. A certification by the public official responsible for submitting the **Consolidated Plan** under 24 CFR part 91 that the proposed activities are consistent with the approved Consolidated Plan of the State or unit of general local government within which the development is located.

5. Certification for a **Drug-Free Workplace** (Form HUD-50070) in accordance with 24 CFR 24.630.

6. SF-LLL, **Disclosure of Lobbying Activities**, only if any funds other than Federally-appropriated funds will be or have been used to lobby the executive or legislative branches of the Federal Government regarding specific grants or contracts.

7. Form HUD 2880, **Recipient Disclosure/Update Report**. This report provides disclosures required by section 102 of the HUD Reform Act of 1989 (Pub. L. 101-235; approved December 15, 1989). Implementing regulations in 24 CFR part 4 require PHAs that seek assistance from HUD for a specific activity to make the disclosures required under § 4.9.

8. **Evidence of Legal Eligibility**. If it has not previously done so, the PHA must document that it is legally organized. Applicants must submit a current General Certificate (Form HUD 9009).

9. **Cooperation Agreement** (Form HUD 52481). The PHA must document that the number of units requested, along with units in management and other units in development, are covered by Cooperation Agreements.

10. **Anti-Lobbying Certification for Contracts, Grants, Loans and Cooperative Agreement** (Form HUD-50071). In accordance with section 319 of the Department of Interior and Related Agencies

Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) (the Byrd Amendment) and the implementing regulations in 24 CFR part 87, the PHA must certify that no Federally-appropriated funds have been paid or will be paid, by or on behalf of the PHA, for influencing or attempting to influence an officer or employee of any agency, or a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modifications of any Federal contract, grant, loan, or cooperative agreement. (The rule also requires disclosure from the PHA if nonappropriated funds have been spent or committed for lobbying activities, if those activities would be prohibited if paid with appropriated funds.)

N. Demolition/Disposition Application

In accordance with Section II.C of this NOFA, demolition of obsolete public housing is a required element of the program.

1. If a demolition/disposition application was not previously submitted for the targeted development, submit as Exhibit N a demolition/disposition application in accordance with 24 CFR part 970.
2. If a demolition/disposition application for the targeted development was previously submitted to HUD but has not yet been approved, submit as Exhibit N a copy of the PHA's letter transmitting the application to HUD.
3. If a demolition/disposition application has been submitted and approved by HUD, but the demolition has not yet commenced, submit as Exhibit N a copy of HUD's approval letter.

VI. APPLICATION PROCESSING AND GRANT ADMINISTRATION

A. Application Evaluation

Awards under this NOFA will be made through a selection process that will award grants to the most meritorious applications based upon points as provided below.

HUD will preliminarily review, rate and rank each application, including those applications from prior HOPE VI planning grant recipients which are for the same development as their planning grant, on the basis of the factors set forth in Section IV of this NOFA. HUD will evaluate Category A, B, and C applications based upon all of the factors described in section IV of this NOFA. HUD will evaluate applications in Category D based upon the Need for Demolition, Revitalization or Replacement (IV.B), Local and National Impact (IV.E), Community and Partnerships (IV.F), Need for Funding (IV.G), and Resolution of Litigation (IV.J) factors only.

A final review panel will then review the scores of all applications whose preliminary score is above a base score established by HUD, using the same evaluation factors set forth in Section IV of this NOFA. HUD intends to set the base scores so that applications for Categories A, B, and C requesting approximately \$800 million and applications for Category D requesting \$100 million are advanced to the final review stage. Additionally, notwithstanding their preliminary score, HUD will advance for final review the top six rated applications from each of Categories A, B, and C. The HOPE VI program, following Congressional direction, has heretofore incorporated a progression from planning grants to implementation grants. Because of the large number of existing planning grants and changes in program structure and eligibility, and because a PHA that has used its planning grant effectively should be able to demonstrate merit under the rating factors, HUD has not given any rating preference to

prior planning grant sites. However, in order to preserve program continuity and obtain full consideration of sites in which the Department has made an investment of HOPE VI funds, the Department will review all such applications in the second review stage. Such applications will not receive special consideration during the panel review stage and will be reviewed in both stages of the selection process according to the evaluation factors set forth in Section IV of this NOFA. The review panel will assess each of the applications advanced to final review and will assign the final scores. HUD will select for funding the four most highly rated applications from each of categories A, B, and C. HUD will select the most highly rated applications in Category D, up to available funding.

Remaining funding from the approximately \$400 million will be allocated to the remaining most highly rated applications in categories A-D, regardless of category.

HUD, in its discretion, may choose to select a lower-rated approvable application over a higher-rated application in order to (1) increase the level of national geographic diversity of applications selected under this NOFA, or (2) implement an exemplary, innovative or unique revitalization plan whose approach would otherwise be inadequately represented in the pool selected and which HUD determines is a revitalization model which should be tested for the benefit of future efforts.

HUD may establish a panel of experts with whom to consult for advice on elements of the applications that are within their expertise. Such experts will be advisors and will not conduct any part of the selection of grantees.

B. Reduction in Requested Grant Amount

HUD may select an application for participation in the HOPE VI program but grant an award pursuant to such application in an amount lower

than the amount requested by the applicant, or adjust line items in the proposed grant budget within the amount requested (or both), if it determines that partial funding is a viable option, and:

1. The amount requested for one or more eligible activities is not supported in the application or is not reasonably related to the service or activity to be carried out;
2. An activity proposed for funding does not qualify as an eligible activity and can be separated from the budget;
3. The amount requested exceeds the total cost limitation established for a grant;
4. Insufficient funds are available to fund the full amount; or
5. Providing partial funding will permit HUD to fund one or more additional qualified PHAs.

C. Corrections to Deficient Applications

HUD will evaluate each application against the stated factors in Section IV of this NOFA. Upon completion of the evaluation, if HUD determines that a PHA failed to submit any of the items listed in Section III.B of this NOFA, or if the application contains a technical mistake, such as an incorrect signatory, or is missing any other information that does not affect evaluation of the application, HUD may notify the PHA in writing and by facsimile (fax) that the PHA has 14 calendar days from the date of HUD's written notification to submit or correct any of the specified items. The PHA will have no opportunity to correct deficiencies other than those identified in HUD's written

notification, or otherwise to supplement or revise its application. If any of the items identified in HUD's written notification is not corrected and submitted within the required time period, the application will be ineligible for further consideration.

D. Notification of Funding Decisions

HUD will not notify applicants as to whether they have been selected to participate until the announcement of the selection of all recipients under this NOFA. HUD will provide written notification to applicants that have been selected to participate and to those that have not been selected.

HUD's notification of award to a selected applicant will constitute a preliminary approval by HUD subject to the completion of a subsidy layering review pursuant to 24 CFR 941.10(b), HUD's completion of an environmental review of the proposed sites, and the execution by HUD and the recipient of a Grant Agreement and/or ACC Amendment. Selection for participation (preliminary approval) does not constitute approval of the proposed site(s). 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. Each application must contain the certification included in the PHA Board Resolution for Submission of HOPE VI Application (form HUD 52820-A), submitted under Exhibit M.3, that the applicant will assist HUD in complying with environmental review procedures. Under that certification, the applicant/recipient may not acquire, rehabilitate, convert, lease, repair, or construct a property, or commit HUD or local funds to these activities, until HUD approves the site.

E. Grant Agreement/ACC Amendment

After HUD selects a PHA to receive an award pursuant to this NOFA, it will enter into a Grant Agreement and/or ACC Amendment, as determined

appropriate by HUD, with the recipient setting forth the amount of the grant and applicable rules, terms, and conditions, including sanctions for violation of the agreement. Among other things, the agreement/amendment will provide that the recipient agrees to the following:

1. To carry out the program in accordance with the provisions of this NOFA, applicable law, the approved application, and all other applicable requirements, including requirements for mixed finance development, if applicable;
2. To comply with such other terms and conditions, including recordkeeping and reports, as HUD may establish for the purposes of administering, monitoring, and evaluating the program in an effective and efficient manner;
3. That HUD may require the PHA to procure a program manager if selected for an award, as a condition of the grant agreement; and
4. That HUD may withhold, withdraw, or recapture any portion of a grant, terminate the Grant Agreement, or take other appropriate action authorized by the 1996 Appropriation Act or under the Grant Agreement or ACC Amendment if HUD determines that the recipient is failing to carry out the approved revitalization program in accordance with the terms of the application as approved and this NOFA.

The Grant Agreement will also provide program rules, describe requirements for implementation of the revitalization plan, and provide any special conditions on the grantee, as applicable.

VII. APPLICABILITY OF PROGRAM REQUIREMENTS

The development to be revitalized is a public housing development. Accordingly, certain activities under the revitalization plan are subject to statutory requirements applicable to public housing developments under the U.S. Housing Act of 1937 (the 1937 Act), other statutes, and the ACC. Within such restrictions, HUD seeks innovative solutions to the long-standing problems of obsolete developments. In order to satisfy any particular statutory requirement, a Grantee may take measures as described in implementing regulations or, upon request to HUD for a different approach, as otherwise approved in writing by HUD.

The recipient must conduct the following activities, which may be undertaken with HOPE VI grant funds, in accordance with the cited program requirements or otherwise with HUD's written approval, consistent with the 1996 Appropriations Act and this NOFA.

- A. Demolition and disposition activity under the grant must be conducted in accordance with 24 CFR part 970;
- B. Public housing development activity (including on-site reconstruction as well as off-site replacement housing) must be conducted in accordance with 24 CFR part 941, including mixed finance development in accordance with subpart F (published in the Federal Register on May 2, 1996 (61 FR 19708, 19714)). HUD will distribute the Mixed-Finance ACC Amendment to the recipients.
- C. Replacement housing activity using Section 8 rental certificates must be conducted in accordance with 24 CFR part 882;
- D. Replacement housing activity with units acquired or otherwise

- provided for homeownership under section 5(h) of the 1937 Act must be conducted in accordance with 24 CFR part 906;
- E. Replacement housing activities provided through housing opportunity programs of construction or substantial rehabilitation of homes must be conducted in accordance with 24 CFR part 280 (the Nehemiah Program);
- F. Replacement housing activities under the HOPE II program must be conducted in accordance with 24 CFR subtitle A, appendix B;
- G. Replacement housing activities under the HOPE III program must be conducted in accordance with 24 CFR subtitle A, appendix C;
- H. Rehabilitation and physical improvement activities must be conducted in accordance with 24 CFR 968.112(b), (d), (e), and (g)-(o), 24 CFR 968.130, and 24 CFR 968.135(b) and (d). These provisions were published in the Federal Register on March 5, 1996 (61 FR 8712, 8738).
- I. The administration and operation of units must be in accordance with all existing public housing rules and regulations.

PHAs may request, for the revitalized development, a waiver of HUD regulations (that are not statutory requirements) governing rents, income eligibility, or other areas of public housing management to permit a PHA to undertake measures that enhance the long-term viability of a development revitalized under this program.

VIII. APPLICABILITY OF OTHER FEDERAL REQUIREMENTS

A. Flood Insurance

In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), HUD will not approve applications for grants providing financial assistance for acquisition or construction (including rehabilitation) of properties located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

1. The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and
2. Flood insurance is obtained as a condition of approval of the application.

B. Coastal Barriers Resources Act

In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3601), HUD will not approve grant applications for properties in the Coastal Barrier Resources System.

C. Fair Housing Requirements

Recipients must comply with the requirements of the Fair Housing Act (42 U.S.C. 3601-19) and the regulations in 24 CFR part 100; Executive Order 11063 (Equal Opportunity in Housing) and the regulations in 24 CFR part 107; the fair housing poster regulations in 24 CFR part 110 and the advertising guidelines in 24 CFR part 109; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the regulations in 24 CFR part 1.

D. Nondiscrimination on the Basis of Age or Handicap

Recipients must comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and the regulations in 24 CFR part 146; the prohibitions against discrimination against, and reasonable modification, accommodation, and accessibility requirements for, handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and the regulations in 24 CFR part 8; the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and regulations issued pursuant thereto (28 CFR part 36); and the Architectural Barriers Act of 1968 (42 U.S.C. 4151) and the regulations in 24 CFR part 40.

E. Employment Opportunities

The requirements of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and the regulations in 24 CFR part 135 apply to this program.

F. Minority and Women's Business Enterprises

The requirements of Executive Orders 11246, 11625, 12432, and 12138 apply to this program. Consistent with HUD's responsibilities under these orders, recipients must make efforts to encourage the use of minority and women's business enterprises in connection with funded activities.

G. OMB Circulars

The policies, guidelines, and requirements of OMB Circular Nos. A-87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments) and 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments), as modified by 24 CFR 941,

subpart F relating to the procurement of partners in mixed-finance developments, apply to the award, acceptance, and use of assistance under the program by PHAs, and to the remedies for noncompliance, except when inconsistent with the provisions of the 1996 Appropriations Act, other Federal statutes, or this NOFA. Recipients are also subject to the audit requirements of OMB Circular A-128 implemented at 24 CFR part 44. Copies of OMB Circulars may be obtained from E.O.P. Publications, room 2200, New Executive Office Building, Washington, DC 20503, telephone (202) 395-7332 (this is not a toll-free number). There is a limit of two free copies.

H. Drug-Free Workplace

Applicants must certify that they will provide a drug-free workplace, in accordance with the Drug-free Workplace Act of 1988 and HUD's implementing regulations at 24 CFR part 24, subpart F.

I. Debarred or Suspended Contractors

The provisions of 24 CFR part 24 apply to the employment, engagement of services, awarding of contracts, subgrants, or funding of any recipients, or contractors or subcontractors, during any period of debarment, suspension, or placement in ineligibility status.

J. Conflict of Interest

1. In addition to the conflict of interest requirements in 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of the PHA and who exercises or has exercised any functions or responsibilities with respect to activities assisted under an HOPE VI grant, or who is in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may

obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

2. HUD may grant an exception to the exclusion in paragraph (1) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the revitalization demonstration and the effective and efficient administration of the revitalization program. HUD will consider an exception only after the applicant or recipient has provided a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made, and an opinion of the applicant's or recipient's attorney that the interest for which the exception is sought would not violate State or local laws. In determining whether to grant a requested exception, HUD will consider the cumulative effect of the following factors, as applicable:
 - a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the revitalization program that would otherwise not be available;
 - b. Whether an opportunity was provided for open competitive bidding or negotiation;

- c. Whether the person affected is a member of a group or class intended to be the beneficiaries of the activity, and the exception will permit such person to receive generally the same interest or benefits as are being made available or provided to the group or class;
- d. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process, with respect to the specific activity in question;
- e. Whether the interest or benefit was present before the affected person was in a position as described in paragraph 1 of this section;
- f. Whether undue hardship will result either to the applicant, recipient, or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- g. Any other relevant considerations.

K. Labor Standards

Where HOPE VI funds provide assistance with respect to low-income housing (including Section 8 housing) that will be subject to a contract for assistance under the U.S. Housing Act of 1937, Davis-Bacon or HUD-determined wage rates apply to development or operation of the housing to the extent required under section 12 of the Act. Under section 12, the wage rate requirements do not apply to individuals who: perform services for which they volunteered; do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and are not otherwise employed in the work involved (24 CFR part 70). In addition, if other Federal programs are used in connection with the revitalization program, labor standards requirements apply to the extent required by such other Federal programs. For example, if CDBG program funds are used in connection with the revitalization program, the labor standards requirements of that program would apply with respect to the portion of work funded thereby.

L. Lead-Based Paint Testing and Abatement

Any property assisted under the revitalization program established under this NOFA constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.) and is therefore subject to 24 CFR part 35; 24 CFR part 965, subpart H; and 24 CFR 968.110(k). Tenant-based assistance provided to PHAs under this program will be subject to 24 CFR 982.401 and 24 CFR part 35. Unless otherwise provided, recipients shall be responsible for testing and abatement activities.

M. Relocation

1. The requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and government-wide

implementing regulations at 49 CFR part 24 apply to this program.

2. Temporary Relocation. The recipient must provide each resident of an eligible property, who is required to relocate temporarily to permit work to be carried out, with suitable, decent, safe, and sanitary housing for the temporary period, and must reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the costs of moving to and from the temporarily occupied housing and any increase in monthly costs of rent and utilities.

IX. OTHER MATTERS

A. Paperwork Reduction Act

The information collection requirements of this NOFA (including Forms HUD-52825-A and HUD-52820-A required by Sections K.1.a and M.3 of the NOFA) have been submitted to the Office of Management and Budget (OMB) for review and temporary approval under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and 5 CFR 1320.13. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number. The OMB control number, when assigned, will be announced by separate notice in the Federal Register.

In addition, in today's NOFA HUD is soliciting comments, as required under 5 CFR 1320.8(d), before submitting the information collection requirements contained in this NOFA to OMB for regular review in accordance with 5 CFR 1320.10. HUD is seeking comments from members of the public and affected agencies concerning the proposed collection of information to:

- (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
 - (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information;
 - (3) Enhance the quality, utility, and clarity of the information to be collected; and
 - (4) Minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.
- Interested persons are invited to submit comments according to the instructions in the "Dates" and "Addresses" sections of this NOFA.

This Notice also lists the following information:

Title of Proposal: NOFA for Public Housing Demolition, Site Revitalization, and Replacement Housing Grants (HOPE VI) (FR 4076).

Description of the Need for the Information and Proposed Use: This information collection is required in connection with the issuance of this NOFA, announcing the availability of approximately \$480 million for grants public housing demolition, revitalization, and replacement housing.

Form Numbers: HUD-52820-A and HUD-52828-A.

Members of Affected Public: Public housing agencies.

Estimation of the Total Number of Hours Needed to Prepare the Information Collection including Number of Respondents, Frequency of Response, and Hours of Response:

Submission Requirements	Number of Respondents	Number of responses	Total annual response	Hours per response	Total

Application	500	1	500	40	20,000
Demolition/Disposition Application	500	1	500	10	5,000
Resident Consultation	500	1	500	4	2,000
HOPE VI Budget Form HUD-52825-A	500	1	500	6	3,000
PHA Board Resolution for Submission of HOPE VI Application Form HUD-52820-A	500	1	500	1	500
Total Burden					30,500

Status of the Proposed Information Collection: Emergency processing request pending.

B. Environmental Review

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, implementing section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection and copying between 7:30 am and 5:30 pm weekdays at the Office of the Rules Docket Clerk, 451 Seventh Street, SW, Room 10276, Washington, DC 20410.

C. Impact on the Family

The General Counsel, as the Designated Official for Executive Order 12606, The Family, has determined that the policies announced in this NOFA will not have the potential for significant impact on family formation, maintenance, and general well-being within the meaning of the order. No significant change in existing HUD policies and programs will result from the issuance of this NOFA, as those policies and programs relate to family concerns. To the extent that there is impact on the family, revitalization

under this program can be expected to support families by enabling low-income families to live in decent, safe, and sanitary housing.

D. Federalism Impact

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that this NOFA will not have substantial, direct effects on States, on their political subdivisions, or on their relationship with the Federal Government, or on the distribution of power and responsibilities between them and other levels of government. While the NOFA offers financial assistance to units of general local government, none of its provisions will have an effect on the relationship between the Federal Government and the States, or the States' political subdivisions.

E. Accountability in the Provision of HUD Assistance

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act) and the final rule codified at 24 CFR part 4, subpart A, published on April 1, 1996 (61 FR 1448), contain a number of provisions that are designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. On January 14, 1992, HUD published, at 57 FR 1942, a notice that also provides information on the implementation of section 102. The documentation, public access, and disclosure requirements of section 102 are applicable to assistance awarded under this NOFA as follows:

Documentation and public access requirements. HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a five-year

period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD will include the recipients of assistance pursuant to this NOFA in its **Federal Register** notice of all recipients of HUD assistance awarded on a competitive basis.

Disclosures. HUD will make available to the public for five years all applicant disclosure reports (HUD Form 2880) submitted in connection with this NOFA. Update reports (also Form 2880) will be made available along with the applicant disclosure reports, but in no case for a period less than three years. All reports -- both applicant disclosures and updates -- will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15.

F. Section 103 of the HUD Reform Act

HUD's regulation implementing section 103 of the Department of Housing and Urban Development Reform Act of 1989, codified as 24 CFR part 4, applies to the funding competition announced today. The requirements of the rule continue to apply until the announcement of the selection of successful applicants. HUD employees involved in the review of applications and in the making of funding decisions are limited by part 4 from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted under 24 CFR part 4.

Applicants or employees who have ethics related questions should contact the HUD Office of Ethics (202) 708-3815. (This is not a toll-free

number.) For HUD employees who have specific program questions, such as whether particular subject matter can be discussed with persons outside HUD, the employee should contact the appropriate Field Office Counsel, or Headquarters counsel for the program to which the question pertains.

G. Prohibition Against Lobbying Activities

The use of funds awarded under this NOFA is subject to the disclosure requirements and prohibitions of section 319 of the Department of Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) (the Byrd Amendment) and the implementing regulations in 24 CFR part 87. These authorities prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, or loan. The prohibition also covers the awarding of contracts, grants, cooperative agreements, or loans unless the recipient has made an acceptable certification regarding lobbying. Under 24 CFR part 87, applicants, recipients, and subrecipients of assistance exceeding \$100,000 must certify that no Federal funds have been or will be spent on lobbying activities in connection with the assistance.

Dated: July 17, 1996

~~Kevin Emanuel Marchman,~~
~~Acting Assistant Secretary for~~
~~Public and Indian Housing~~

Michael B. Janis
 General Deputy Assistant Secretary
 for Public Indian Housing

