Frequently Asked Questions: HOPE VI Main Street

1. **Who is eligible to apply for the Main Street?**

*Eligible applicants under this NOFA are limited to Units of General Local Government, defined as any city, town, township, village, county, parish, or other general purpose political subdivision of a state or territory.*

1. **What are the goals of the Program?**

*To* r*edevelop central business districts (Main Street areas), preserve historic or traditional Main Street area properties by replacing unused commercial space in buildings with affordable housing units, enhance economic development efforts in Main Street areas; and provide affordable housing in Main Street areas.*

1. **Are Main Street units public housing?**

*No. Main Street units are not public housing. Main Street units do not receive public housing capital or operating funds.*

1. **Is the Program limited to renovation of existing structures?**

*Although a goal of Main Street is to restore existing structures, Main Street grantees are not prohibited from developing Main Street units using new construction.*

1. **Are Main Street units Section 8 housing?**

*Main Street units are not funded under Section 8 or Section 9 of the 1937 Housing Act.*

1. **If Main Street is not Section 8 housing, are there income restrictions?**

*Owners of Main Street apartments shall charge no more than 30% of the adjusted income for initial residents whose income does not exceed 80% of AMI.*

1. **Who determines the income restrictions?**

*The broad income restrictions were established by Congress when it appropriated funding for Main Street under the HOPE VI program. Local jurisdictions, however, have the latitude to establish lower thresholds within its Main Street program. (e.g., serving families whose income is less than 70% of AMI).*

1. **Who determines how long a unit must remain affordable?**

*Congress determined that the aforementioned income threshold applies to the initial Main Street tenant or homeowner*.

1. **Can Main Street Operate in the same jurisdiction/municipality of a public housing authority?**

*Yes. However, the number of public housing units in a municipality cannot exceed 100.*

1. **Are Non-Profits eligible to apply for the program?**

*Because non-profits do not represent a local unit of government, it is not eligible to apply.*

*Non-profits, however, are permitted to function as a sub-grantees for the local governmental unit.*

1. **How does HUD determine an applicant’s capacity to complete program objectives?**

*HUD uses rating factors (questions) to determine and applicant’s capacity based on its past experience completing similar projects.*

1. **Can smaller municipalities partner with larger government entities?**

*Yes. But the Applicant must meet the threshold criteria independent of the assisting entity*.

1. **Can a municipality employ a consultant to manage the process?**

*Yes. But Main Street funds cannot be used to pay the consultant for his assistance in the preparation of the grant application/proposal.*

1. **Is there a minimum equity component that applicants must meet?**

*Yes. Applicants are required to contribute 5% of its grant request (e.g., If the applicant requests $500,000, then the minimum equity requirement would be $25,000).*

1. **Are applicants encouraged to use private sector funding?**

*Should an applicant/grantee require private sector funding to make its project feasible, the use of private sector funding (loans, tax credits, bond financing, etc.) is permitted. The projected source and use of said financing should be included in the applicant’s proposal responding to the Notice of Funding Opportunity (NOFO).*

1. **Can Main Street grantees incorporate Main Street units in larger projects?**

*Yes. However, the developer would be required to meet certain standards for the entire project (e.g., environmental, and historical review would not be limited to Main Street units).*

1. **Can Main Street funds be used for acquisition?**

*Yes. But Main Street funds may not be used for said line item until the project has been formally approved by HUD. Until such approval is provided by HUD, the grantee may not take any “choice limiting actions.”*

1. **Does Main Street require an environmental review?**

*Yes. The Main Street program requires either a Part 50 or Part 58 environmental review*.

1. **Does Main Street require the approval of a State Historical Preservation Office?**

*Yes, Section 106 of the National Historic Preservation Act of 1966 (NHPA) requires Federal agencies to take into account the effects of their undertakings on historic properties and give the Advisory Council on Historic Preservation (ACHP) a reasonable opportunity to comment.*

1. **Does Main Street have an accessibility requirement?**

*Main Street units must be constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) or a standard that is equivalent or stricter. An additional 2 percent of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.*