



**U.S. Department of Housing and Urban Development**

Public and Indian Housing

HOPE VI Main Street Grant Program

FR-5900-N-03

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TABLE OF CONTENTS

- I. [Funding Opportunity Description.](#)
- II. [Award Information.](#)
- III. [Eligibility Information.](#)
  - A. Eligible Applicants.
  - B. Cost Sharing or Matching.
  - C. Other.
- IV. [Application and Submission Information.](#)
  - A. Obtaining an Application Package.
  - B. Content and Form of Application Submission.
  - C. DUNS Number and SAM Registration.
  - D. Application Submission Dates and Times.
  - E. Intergovernmental Review.
  - F. Funding Restrictions.
  - G. Other Submission Requirements.
- V. [Application Review Information.](#)
  - A. Criteria.
  - B. Review and Selection Process.
  - C. Anticipated Announcement and Award Dates.
- VI. [Award Administration Information.](#)
  - A. Award Notices.
  - B. Administrative, National and Departmental Policy Requirements.
  - C. Reporting.
- VII. [Agency Contact\(s\).](#)
- VIII. [Other Information.](#)
- IX. [Appendix.](#)

## U.S. Department of Housing and Urban Development

**Program Office:** Public and Indian Housing  
**Funding Opportunity Title:** HOPE VI Main Street Grant Program  
**Announcement Type:** Initial  
**Funding Opportunity Number:** FR-5900-N-03  
**Primary CFDA Number:** 14.878  
**Due Date for Applications:** **August 27, 2015**

**SUMMARY:** This Notice of Funding Availability (NOFA) consists of two documents: This Notice and HUD's "Notice of HUD's Fiscal Year (FY) 2015 Notice of Funding availability (NOFA) Policy Requirements and General Section to HUD's FY2015 NOFAs for Discretionary Programs, referred to as the "General Section". Regardless of specific references to the General Section in this NOFA, the entire General Section is hereby incorporated by reference into this HOPE VI Main Street NOFA. The General Section and this Program Section contain requirements for funding applicable to this NOFA. It is of paramount importance that applicants read both sections.

HUD reserves the right to award grant funds in FY2016 to applicants from this NOFA. The award of FY2016 Main Street funds to FY2015 applicants is contingent upon future congressional action. HUD's intent to award FY2016 funds to FY2015 applicants will be announced separately if such funds become available.

In general, this NOFA is meant to assist small cities and towns in their efforts to invigorate a downtown that has deteriorated over the years. Grants from this NOFA enable reconfiguration of existing, empty commercial space into affordable housing. Affordable housing is scarce and rent-up will be expeditious. The rental stream will provide income that will make the building(s) containing the housing financially viable. Not only will a traditional or Historic building be saved, but construction work on the main street will bring attention to the area, inducing others to invest in the area.

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

**FOR FURTHER INFORMATION CONTACT:** Please direct questions regarding the specific program requirements of this Program Notice of Funding Availability (NOFA) to the agency contact identified in Section VII. Please direct questions regarding the FY 2015 General Section to the Office of Strategic Planning and Management, Grants Management Division, at (202) 708-0667 (this is not a toll-free number). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Relay Service at 1-800-877-8339.

### **Additional Overview Information**

1. Incorporation of the General Section. HUD publishes a General Section each fiscal year that contains mandatory requirements for all applicants to HUD's various competitive grant programs, including this NOFA. Applications must meet all of the requirements of the General Section in addition to the requirements of this NOFA to be considered and potentially receive funding. The full title of the General Section is the General Section to the Fiscal Year 2015 NOFAs for Discretionary Programs. Copies are

available at [Grants.gov](http://Grants.gov) or HUD's [Funds Available](http://Funds Available) page, [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail).

2. OMB Approval Number(s):

2577-0208

## **I. Funding Opportunity Description.**

### **A. Program Description.**

#### **1. Purpose.**

The purpose of the HOPE VI Main Street Program is to provide grants to small communities to assist in the renovation of an historic or traditional central business district or “Main Street” area by replacing unused commercial space in buildings with affordable housing units.

The objectives of the program are to:

1. Redevelop Main Street areas;
2. Preserve Historic or traditional central business district or Main Street area properties by replacing unused commercial space in buildings with affordable housing units;
3. Enhance economic development efforts in Main Street areas; and
4. Provide affordable housing in Main Street areas.

#### **2. Changes from Previous NOFA.**

Eligibility:

1. The One Main Street Project Funded threshold was moved to the Eligibility section.
2. The Joint Applications are not permitted threshold was moved to the Eligibility section.

Threshold changes:

1. The threshold requiring inclusion of a Program Schedule has been removed;
2. The threshold requiring that the targeted affordable housing project must meet the definition of Main Street Affordable Housing Project has been removed, although this remains a Program Requirement under Section III.
3. The threshold that requires timely construction on previous Main Street grants has been removed.

Rating Factor Changes

1. Previously, the NOFA included a threshold that forbade award to a current grantee that was not timely. In place of this removed threshold, the structure of the 15 points for Capacity under Rating Factor 1 have been changed. Capacity has now been broken out into two parts: 5 points will be automatically given to applicants that do not have current grants. In addition, 5 points will be given to current grantees that are timely. The only applicants that will not receive these 5 points are current grantees that are not performing in a timely fashion. The remaining 10 points of the original 15 still relate to Capacity as it existed in previous years.
2. HUD is using its own statistics to determine Need, Rating Factor 2. Previously, if the statistics showed that there was any undue housing cost burden for the target population (cost greater than 30% of gross adjusted income), the applicant would receive the points for Need. A sample was taken in writing this NOFA and it was found that every jurisdiction that was researched had at least some housing cost hardship. "Need" points are now provided to applicants where at least 15% of available housing for the target population requires a cost burden greater than 30% of gross adjusted income.
3. The language for the Key Personnel Timeliness sub-factor under Rating Factor 3 has been clarified. Last year, the reviewers found the language used to determine the number of points to be given on

this sub-factor to be unclear. The sub-factor has been simplified and the language clarified. The sub-factor now measures the status of the procurement of a Developer, other development manager or construction contractor.

4. Energy Efficiency was moved from Rating Factor 4 to become an independent NOFA Priority Rating Factor. Rating Factor 4 has gone from 33 to 31 points. The NOFA Priority Rating Factor has 2 points.

### **3. Definitions.**

a. Eligibility Requirements – Eligibility requirements are those requirements that must be met for an application to be eligible for funding. Deficiencies in meeting an eligibility requirement may be categorized as either curable or non-curable.

b. Threshold Requirement – Threshold requirements are a category of eligibility requirements. A threshold requirement is a requirement that must be met in order for an application to be reviewed. Threshold requirements are not curable.

Threshold requirements are listed in Section III.C.2. of both the 2015 General Section and in this Program NOFA.

Applicants must ensure their application package addresses all threshold requirements. Please check your application carefully!

c. Deficiency – Deficiencies are not the same as errors. Errors are never curable except as permitted under Section IV.C.2. Deficiencies are items of missing or omitted information within a submitted application. Deficiencies typically involve missing documents, information on a form, or some other type of unsatisfied information requirement (e.g., an unsigned form, unchecked box, etc.). Depending on specific criteria, deficiencies may be either curable or non-curable.

d. Curable Deficiency – A curable deficiency is a specific type of deficiency that applicants may correct with timely action. To be curable the deficiency must:

- Not be a threshold requirement;
- Not influence how an applicant is ranked or scored versus other applicants; and
- Be remedied within the time frame specified in the notice of deficiency.

e. Non-Curable Deficiency – An applicant cannot correct a non-curable deficiency after the submission deadline. Non-curable deficiencies are deficiencies that if corrected would change an applicant's score or rank versus other applicants. Non-curable deficiencies may result in an application being marked ineligible, or otherwise adversely affect an application's score and final determination.

**4. Program Specific Definitions.** This section defines HUD and Main Street terms-of-art as they apply to this NOFA. These definitions are necessary for the applicant to properly understand the NOFA's requirements and are referred to throughout the NOFA.

**a. Affordable Housing.** Main Street Affordable Housing means rental or homeownership dwelling units funded under this NOFA that must be rented or sold to low-income families, with a subset of units made available to very low-income families. Low-income families are defined as families whose adjusted gross income is at or below 80% of the Area Family Income, as published by HUD. Family income includes any income from all members of the resident family. Very low-income families are defined as families whose adjusted gross income is at or below 50% of the Area Family Income. See Section 2.1., below, for a detailed definition of HUD's **Low-income Limits**. The rental, or sale, of each unit must comply with the Main Street **Use Restrictions** as defined in Section 2.s., below, of this NOFA.

**b. Applicant Team.** Applicant Team means the group of entities that will develop the Main Street

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

**c. Operating Pro Forma (“pro forma”).** The Five-Year Operating Pro Forma is a report that shows the income and expenses for the first five operating years of a project. The purpose of the pro forma is to show that the project will be financially viable over the long-term. The “pro forma” includes year-by-year estimates of Project income and expenses, accounting for Use Restriction changes and economic adjustments. The pro forma must show the affordable rents for the period of initial occupancy as well as market rate rents for subsequent occupants. Form HUD- 52861, Main Street Data Sheet 2014 TDCs, includes a tab to enter income and expense assumptions and a separate tab that includes the pro forma. You will have to enter information into both tabs.

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

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

**e. Community and Supportive Services (CSS).** HUD encourages the provision of CSS to residents of HUD assisted projects. The purpose of these services is to help low-income families improve the quality of their lives and move toward self-sufficiency. CSS may include, but are not limited to:

- (1) Educational life skills, job readiness and retention, employment training, and other activities as described on HUD’s HOPE VI website at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/hope6/css](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/hope6/css);
- (2) Homeownership counseling that is required if the Main Street units are Homeownership. These services must be scheduled to begin promptly after grant award so that to the maximum extent possible, qualified residents will be ready to purchase new homeownership units when they are completed; and,
- (3) Coordination with fair housing groups to educate the Project’s targeted population on its fair housing rights.

**f. Developer.**

(1) Completion of a Main Street grant may include development of documents to obtain financing, performance of an Environmental Review, creation of architectural plans for the Project, the hiring of a construction contractor, monitoring of the construction contractor, bookkeeping for grant income and expenses, submission of all expense receipts to HUD in order to draw down grant funds, furnishing Community and Supportive Services, and dozens of other activities. Normally, a Small Community Main Street applicant will not have the in-house capacity to complete all of these requirements. For this reason, it is likely that the applicant/grantee has procured, or will procure after grant award, a Developer or other development manager.

(2) Procurement of such entities for Federal grants must be performed in accordance with the Code of

Federal Regulations (CFR) at 2 CFR part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” Procurement requirements can be found at 2 CFR 200.318 through 200.326. The CFR can be found online at <http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=%2Findex.tpl>. Once procured, subcontracting procurement by a Developer or other development manager is not subject to the procurement requirements in part 200. Requirements are less complex and more expeditious than direct procurement by the local government grantee. This is another reason why a Main Street grantee may procure a Developer or other development manager.

(3) When Tax Credits or other complex financing is required for the Project, the presence of a “Developer” will probably be required. The Developer is the legal entity that has been procured, usually through a Request for Proposals (RFP) or a Request for Quotes (RFQ). After procurement, the Developer and local government applicant or grantee will fully execute a Developer Agreement that describes the rights and responsibilities of both parties. The Developer’s role consists of seeking financing for reconfiguration, rehabilitation and/or construction of housing units, the provision of Community Services (if included in the Project) and project management up to and including rental of the Affordable Housing units. Funds awarded through this NOFA must not be used to pay the developer fee. Funds other than those awarded through this NOFA may be used to pay the developer’s fee. If other federal funds are used, the federal statute or regulations governing such funds must permit their use for this purpose.

(4) For development with uncomplicated financing, e.g., no Tax Credit syndication, no bonds, the applicant may choose to procure “other development manager” services, e.g., Project Manager, Private Property Owner (if the owner is going to retain ownership of the Project), managing Architect, Construction Manager, design/build construction contractor or housing intermediary, e.g., Community Development Corporation, in place of a Developer. The agreement that the applicant made, or grantee will make, with any of these other development managers will determine their roles and the grantee will directly procure other entities or whether the development manager will procure subcontractors. Funds awarded through this NOFA may be used to reimburse Fees for these services. In this NOFA, such services are referred to as “other development manager” services.

**g. Firmly Committed.** In order to be counted in Section V.A., the rating section, of this NOFA, both Match and Leverage resources must be firmly committed in writing in commitment letters. The Match resources must be firmly committed to the Affordable Housing Project that is the subject of your application and the Leverage resources must be firmly committed to either the Affordable Housing Project or the Main Street Area rejuvenation effort in general. Further discussion of Match and Leverage can be found in the definitions of Match and Leverage, below.

(1) Commitment Letters document resources designated for Match or Leverage purposes in your Main Street application. To be counted toward Match or Leverage, sources of funds must be FIRMLY committed to the Project. To be counted as a firm commitment letter, the letter must meet the following requirements:

- (a) Be on the letterhead of the entity providing the funding commitment.
- (b) Contain the name, telephone number and email address of a contact for the entity that is providing the resource and that is familiar with the contribution toward the Main Street application.
- (c) Identify if the commitment is for Match or Leverage.
- (d) Identify if the commitment is a cash or in-kind contribution.
- (e) Contain the specific amount of the commitment. If an in-kind contribution, the market value in dollars of the commitment. If the match is a cash contribution, provide the dollar amount of the commitment.
- (f) The letter must be signed by a person authorized to make the commitment.

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

**i. Initial Occupancy Period.** Initial Occupancy Period is the period of time that a rental unit is occupied by the initial low-income resident, or the period of time that a homeownership unit is owned by the initial third-party low-income purchaser. There is no set requirement for the length of this occupancy period. During this period, rental must be in accordance with the Main Street Use Restrictions, defined below. In general, the initial occupant has the same rent responsibilities and rights as a public housing resident in a HOPE VI development.

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

**k. Leverage.** Leverage means non-HOPE VI and non-Choice Neighborhoods funded donations of cash or in-kind services that are in excess of, and not included in, the five percent (5%) Match requirement of this NOFA. Leverage must be FIRMLY committed to the Project or the Main Street area redevelopment effort in general. In addition to the Commitment Letter requirements, as defined in Firmly Committed, above, information on Leverage resources should be included in form HUD-52861, HOPE VI Main Street Application Data Sheet, as an attachment to your application. The party or parties providing the commitment(s) must be in existence as of the date of the application for their sources to be considered as Leverage. Types of resources that may be counted are:

- (1) Private mortgage-secured loans, other debt, housing trust funds, Homeownership sales proceeds that exceed the amount of Main Street grant funds used to develop the unit, tax increment financing (TIF), Tax Credit equity, other Federal, State or local public funds, private funds, in-kind services such as Homeownership Counseling (required if Homeownership units are developed), and other materials.
- (2) The value of the real property that will be the subject of the Affordable Housing Project will not be counted towards Match or Leverage.
- (3) If you are using Federal funds as part of the Leverage amount, you must confirm that you are allowed to be used these funds as leverage by that federal program.
- (4) HUD will not count grantee staff time as Match or Leverage.

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

**m. Low-income Limits.** Low-income limits prescribed by HUD are on the Internet at [http://www.huduser.org/portal/datasets/il/il15/index\\_il2015.html](http://www.huduser.org/portal/datasets/il/il15/index_il2015.html). Low-income family means a family (resident) with an income equal to or less than 80 percent of HUD's Median Family Income for the local area, adjusted for family size, in accordance with section 3(b)(2) of the United States Housing Act of 1937, as amended (Section 8 eligibility). HUD may establish a level higher or lower than 80 percent because of the prevailing construction costs or unusually high or low family incomes in the area. "Local Area" is defined as the primary metropolitan statistical area/metropolitan statistical area (PMSA/MSA) or non-metropolitan county/parish as prescribed by HUD, in which the low-income family resides.

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

**o. Main Street Area.** Main Street Area is an area determined by the applicant, and designated on a map as part of your application, that fulfills the Program Requirements of this NOFA, and:

- (1) Is within the jurisdiction of the Local Government applicant.
- (2) Has specific boundaries that are determined by the applicant; and



(3) Is or was:

(a) Traditionally the central business district and center for socio-economic interaction;

(b) Characterized by a cohesive core of historic and/or older commercial and mixed use buildings often interspersed with civic, religious, and residential buildings which represent the community's architectural heritage; and

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

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

(ii) Involves investment or other participation by the applicant and private parties in the community in which the Project is located; and

(iii) Involves the development of affordable housing that is located in the Main Street area.

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

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

NOFA. Examples of site control are:

(1) The local government owns the property outright;

(2) The private owner entity of the property and the applicant have signed a developer agreement or the private owner entity is the developer;

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

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

(5) An owner-entity limited partnership formed for Tax Credit purposes that includes the original property owner and, possibly, the Developer and other interested parties that have control of the property.

**r. Total Development Cost (TDC).** Annually, HUD publishes a list of reasonable development costs for each size and type of public housing unit to be developed. Costs are included for Cities or Counties/Parishes where HUD performs public housing development.

(1) TDCs are used for two purposes in this NOFA;

(a) As a cost control requirement (see Section VI. of this NOFA), and

(b) As the basis for the initial determination of the grant amount.

(i) The maximum amount of funding requested must be based upon HUD's published Total Development Cost (TDC) for the unit mix to be developed, up to the maximum allowable amount stated in this NOFA. HUD's official table of FY2014 TDC amounts is located at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/capfund](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/capfund).

(2) The following documents and workbooks are available at <http://www.hud.gov/mainstreet/>:

(a) HUD's Notice PIH-2011-38 (HA), Public Housing Development Costs Limits,

(b) The table of TDC amounts for FY2014, and

(c) The TDC calculator located in form HUD-52861, "HOPE VI Main Street Application Data Sheet".

(i) HUD has developed TDCs for Public Housing Agencies, not for small, non-metropolitan cities and towns. If the applicant's location is not listed, the applicant is advised to contact their local HUD Field Office to determine their TDC State and City. A Directory of HUD Offices can be found at <http://portal.hud.gov/hudportal/HUD?src=/localoffices>.

**s. Use Restrictions.** Main Street Use Restrictions require that:

(1) Unit rents, or the amortized mortgage monthly payment for Homeownership units:

(a) Must be set at or below 30% of the families' adjusted gross income.

(b) Since Main Street units are not subsidized public housing units, and there are no public housing waiting lists, grantees may include family income as one of the criteria used to choose resident families. That is, for low-income units, the grantee may choose residents whose adjusted gross family income is at or near 80% of the Area Family Income, as published by HUD under Income Limits at [http://www.huduser.org/portal/datasets/il/il15/index\\_il2015.html](http://www.huduser.org/portal/datasets/il/il15/index_il2015.html). For very low-income units, the grantee may choose residents whose adjusted gross family income is at or near 50% of the Area Family Income, as published by HUD.

(c) For rental units, the lease terms must provide the same resident rights as are provided to occupants of public housing units. For Main Street, these terms must include:

(i) No eviction without cause; and

(ii) An appeal process for residents receiving negative action by the property manager.

(c) For each unit, the above Use Restrictions expire after the initial resident, or Homeownership unit owner, leaves the Project. For all subsequent residents, the Main Street units become unlimited Market Rate units.

**t. Very Low-Income Family.** Very low-income family means a family or resident with an income not to exceed 50 percent of HUD's Median Family Income for the local area adjusted for family size, in accordance with Section 3(b)(2) of the United States Housing Act of 1937, as amended. HUD may establish a level higher or lower than fifty percent (50%) because of prevailing construction costs or unusually high or low family incomes in the area. HUD's prescribed Income Limits for very low-income families is published at [http://www.huduser.org/portal/datasets/il/il15/index\\_il2015.html](http://www.huduser.org/portal/datasets/il/il15/index_il2015.html). Local area is defined as the PMSA/MSA or non-metropolitan county/parish as determined by HUD, in which the person resides.

## **B. Authority.**

### **1. PROGRAM AUTHORITY:**

a. The authority for the HOPE VI Main Street Program is Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), as amended by Section 535 of the Quality Housing and Work Responsibility Act of 1998 (Pub.L.105-276, 112 Stat. 2461, approved October 21, 1998); and the HOPE VI Program Reauthorization and Small Community Main Street Rejuvenation and Housing Act of 2003 (Pub. L. 108-186, 117 Stat 2685, approved December 16, 2003).

### **2. FUNDING AUTHORITY:**

a. Funding for the FY2015 award from this NOFA is provided by the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235, approved December 16, 2014).

b. HUD reserves the right to fund applicants from this NOFA during FY2016 to the extent that Congress provides future funding subject to Section 24 of the United States Housing Act of 1937

(42 U.S.C. 1437v), as amended, and requires the set-aside of a portion of these funds for the Main Street program. The award of FY2016 Main Street funds for FY2015 applicants is contingent upon future congressional action. HUD's intent to award FY2016 funds to FY2015 applicants will be announced separately if such funds become available.

## **II. Award Information.**

### **A. Available Funds.**

HUD is making available through this NOFA **\$500,000** for HOPE VI Main Street Grant Program.

Additional funds may become available for award under this NOFA as a result of HUD's efforts to recapture unused funds, use carryover funds, or because of the availability of additional appropriated funds. Use of these funds will be subject to statutory constraints. All awards are subject to the applicable funding restrictions described in the General Section and to those contained in this NOFA.

1. HUD reserves the right to fund applicants from this NOFA during FY2016 to the extent that Congress provides future funding subject to Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), as amended, and requires the set-aside of a portion of these funds for the Main Street program. The award of FY2016 Main Street funds for FY2015 applicants is contingent upon future congressional action. HUD's intent to award FY2016 funds to FY2015 applicants will be announced separately if such funds become available.

### **B. Number of Awards.**

HUD expects to make approximately 1 awards from the funds available under this NOFA.

1. HUD expects to make approximately one (1) FY2015 award from the funds available under this NOFA.
2. HUD intends to award one FY2016 grant to applicants from this FY2015 NOFA, provided funds are appropriated by Congress for programs subject to Section 24 of the United States Housing Act of 1937.

### **C. Minimum/Maximum Award Information.**

1. The amount of the award is based upon the Total Development Cost (TDC) of the number of affordable housing units that will be developed through the grant. See Total Development Cost under Definitions, Section I. of this NOFA.
2. Although awarded grant funds from this NOFA are obligated upon the award date, authority to expend funds must be obtained from HUD through Budget and Budget Revision requests that are based upon specific milestones and circumstances.

Estimated Total Funding:	\$500,000
Minimum Award Amount:	\$0 Per Project Period
Maximum Award Amount:	\$500,000 Per Project Period

### **D. Period of Performance.**

1. The start date for awards is the date of the Award Notice Letter executed by HUD.

Estimated Project Start Date:	08/28/2015
Estimated Project End Date:	08/27/2019

48-month project with four 12-month budget periods

1. Other: The Project Development Period starts upon HUD approval of the Development Proposal, as described in the Grant Agreement.
2. Project site choice-limiting activities are not allowed until after written notice of an Environmental Review has been issued to HUD and has received HUD approval.

#### **E. Type of Funding Instrument.**

Funding Instrument Type: Grant

#### **F. Supplementation.**

1. Funds awarded under this NOFA cannot be used to supplement other HOPE VI or Choice Neighborhoods grants.
2. If the applicant was funded in the past for the same project proposed in the application, HUD will not fund a second grant for that project. HUD will review its past files to determine if HUD funded the project proposed in this application through another Main Street grant.

### **III. Eligibility Information.**

#### **A. Eligible Applicants.**

Eligible applicants under the NOFA include:

County governments  
City or township governments  
Special district governments

1. 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, Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the District of Columbia, and the Trust Territories of the Pacific Islands. It does not include Native American governments or Public Housing Authorities.
2. The above noted Local Government must:
  1. Have a population of 50,000 or less;
  2. Not be served by a local or county/parish Public Housing Agency (PHA) that administers more than 100 physical public housing units within the local government's jurisdiction. Such units exclude Section 8 Housing Choice Voucher subsidized units.
3. Joint applications are not permitted. However, an applicant can enter into subaward agreements (or contracts) with nonprofit organizations and State or local governments. The applicant can also enter into contracts with for-profit entities. The Local Government grantee is subject to 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards when procuring supplies or services.
4. One Main Street Project Funded. The applicant can only apply for funding to support one project in one cohesive Main Street Area. The Project may include several buildings.
5. Thresholds Applicable to All Applicants. The applicant must meet all thresholds in order to be considered for rating, ranking and funding. Thresholds are located in Section III.A. of this NOFA.

HUD does not award grants to individuals. HUD will also not evaluate applications from ineligible applicants.

All applicants must have an active Data Universal Numbering System (DUNS) number (<http://fedgov.dnb.com/webform>) and have an active registration in the System for Award Management (SAM) ([www.sam.gov](http://www.sam.gov)) before submitting an application. Getting a DUNS number and completing SAM

registration can take up to four weeks; therefore applicants should start this process or check their status early.

See also Section IV.B below for necessary content and form of the application.

## **B. Cost Sharing or Matching.**

This Program requires an applicant to leverage resources through cost sharing or matching as described below.

Generally, federal sources are not allowed to be used as cost share or match unless otherwise permitted by a program's authorizing statute.

1. A match of firmly committed cash or in-kind property or services of at least five percent (5%) of the requested grant amount is statutorily required to be considered for an award. Match must be used only to carry out eligible activities under this NOFA.
2. Match resources must be firmly committed to the Project in writing. Commitment Letters are required in your Main Street application to document resources designated for match purposes. To be counted toward match, the resources must be FIRMLY committed to the Project. A firm commitment letter must meet the following requirements:
  - a. Be on the letterhead of the entity providing the funding commitment.
  - b. Contain the name and contact information of a person that is familiar with the commitment.
  - c. Identify if the match commitment is cash or in-kind property or services.
  - d. Contain the specific amount of the commitment. If an in-kind commitment, the market value in dollars of the commitment. If the match is in cash, provide the dollar amount the commitment.
  - e. The letter must be signed by a person authorized to make the commitment.
3. The Match commitment may include the value of building(s) that are identified in your application as part of the Main Street Project.
4. Match must not include funds from other Section 24 grants, i.e., HOPE VI, Main Street or Choice Neighborhoods.

## **C. Other.**

All applicants must also refer to Section III of the General Section for information on HUD-wide eligibility requirements. These requirements may determine whether your application is reviewed or make your application ineligible for funding.

Program specific eligibility criteria for this competition includes:

### **1. Statutory and Regulatory Requirements.**

Per the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235, approved December 16, 2014), this NOFA is subject to Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), as amended by Section 535 of the Quality Housing and Work Responsibility Act of 1998 (Pub.L.105-276, 112 Stat. 2461, approved October 21, 1998); and the HOPE VI Program Reauthorization and Small Community Main Street Rejuvenation and Housing Act of 2003 (Pub. L. 108-186, 117 Stat 2685, approved December 16, 2003).

## **2. Threshold Requirements.**

Only applications that meet all threshold requirements established in the General Section and Program NOFA will be evaluated. In addition to the threshold criteria outlined in the General Section, including the Resolution of Outstanding Civil Rights Matters (prior to application deadline), the following threshold requirements must be met:

- a. **Thresholds Applicable to All Applicants.** The applicant must meet all thresholds in order to be rated, ranked and funded.
- b. **Applicant Eligibility.** The applicant must be an eligible applicant as stated in Section III.A. of this NOFA, above, in accordance with Section 24 of the Housing Act of 1937, as amended.
- c. **Main Street Area Defined in a Map.** The applicant must have within its jurisdiction a Main Street Area which meets the definition in this NOFA, and the applicant must provide a map, decipherable in gray-scale print, depicting the Main Street area boundaries. The map must denote Project site location(s), mass-transit stops (if there is no mass-transit in the applicant's jurisdiction, the applicant must state so on the map) and the Main Street Area's boundaries. The boundaries must be physical objects and must be visible and identifiable on the map, e.g., streets, rail lines, rivers, man-made or natural boundaries clearly depicted on the map. The information required above may be hand drawn on the map.

## **3. Compliance with Nondiscrimination and Related Requirements.**

The civil rights threshold and non-discrimination requirements identified in the FY2015 General Section to HUD's NOFAs apply to this program, including compliance with Section 504 of the Rehabilitation Act and Titles II and II of the American Disabilities Act, as applicable, with respect to physical accessibility requirements for persons with disabilities. See Section III.C.3.a. of the General. The civil rights threshold applies to the grantee and any subgrantee or contractor in a HOPE VI Main Street project.

## **4. Other Requirements.**

This program has eligibility criteria for beneficiaries.

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

a. **Affirmatively Furthering Fair Housing (AFFH).** Grantees are required to affirmatively further fair housing in conducting their work under this NOFA. This includes affirmatively marketing if there are 5 or more units. The Developer's or other development manager's Statement of Work must identify steps the applicant will take to meet this requirement during the period of performance of this award.

b. **Fair Housing and Equal Opportunity Requirements.**

(1) HUD's general non-discrimination and equal opportunity requirements at 24 CFR 5.105(a) apply to the HOPE VI Main Street Program. PIH Notice 201026 available at <http://www.hud.gov/offices/pih/publications/notices/> provides an overview of pertinent laws and implementing regulations concerning non-discrimination and accessibility for persons with disabilities that apply to HOPE VI Main Street grants based upon other non-public housing statutes and regulation. The civil rights laws and implementing regulations apply to the grantee and any sub-grantee or contractor in a HOPE VI Main Street project.

(2) Applicants are reminded that, pursuant to Section 504, Main Street multifamily housing projects that include substantial alterations to housing or include new construction of housing must provide a minimum of five percent (5%) of the units or one unit, whichever is greater, accessible to persons with mobility impairments. An additional 2 percent (2%), but not less than one (1) unit, must be made accessible for

persons with a hearing or vision impairment (see 24 CFR parts 8.20 through 8.32).

(3) By definition, "Covered multifamily dwellings" means buildings consisting of four or more dwelling units if such buildings have one or more elevators; and ground floor dwelling units in other buildings consisting of four or more dwelling units.

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

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

- (1) Involve the construction or major rehabilitation of space into affordable housing units.
- (2) Be located within the boundaries of your designated Main Street Area;
- (3) Not replace demolished or otherwise disposed of, or rehabilitate existing, public housing units; and
- (4) Not exceed allowable Total Development Costs (TDC). See Section VI., "Funding Restrictions," for information on TDCs.

d. Approval of Acquisition and Construction: Grantees must obtain HUD approval of their Development Proposal before funds will be released for site acquisition, if any, and construction. HUD's acceptance of your 24 CFR part 58 environmental review and approval is considered part of the Development Proposal and is required prior to HUD's approval of the Development Proposal. See Section III.C.2.1. and Sections l. and m., below, of this NOFA for environmental requirements.

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

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

g. Initial Occupancy Period Requirements (Use Restrictions).

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

(2) Unit rents, or the amortized mortgage monthly payment for Homeownership units must be set at or below 30% of the families' adjusted gross income. Since Main Street units are not subsidized public housing units, and there are no public housing waiting lists, grantees may include family income as one of the criteria used to choose resident families. That is, for low-income units, the grantee may choose residents whose adjusted gross family income is at or near 80% of the Area Family Income, as published by HUD under Income Limits at [http://www.huduser.org/portal/datasets/il/il15/index\\_il2015.html](http://www.huduser.org/portal/datasets/il/il15/index_il2015.html). For very low-income units, the grantee may choose residents whose adjusted gross family income is at or near

50% of the Area Family Income, as published by HUD.

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

(4) Minimum down payment for homeownership purchase of one percent (1%) of the sale price or other minimum as approved by HUD is required.

(5) Initial residents cannot be evicted without cause.

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

(7) For the Main Street units, the Project owner is not required to develop and maintain PHA rental documentation as described in The Public and Indian Housing Occupancy Reporting Handbook (7465.3). However, admissions, occupancy, and income records for the Main Street units must be maintained in order for HUD to verify that the above Use Restrictions have been applied during the initial occupancy period. HUD reserves the right to access grantee documents related to the Use Restriction.

h. Requirements from Other Programs. To the extent that HOPE VI Main Street funds are combined with other federal program funds for a Main Street Affordable Housing project, the requirements from those programs may apply to the Affordable Housing project proposed in the application to this NOFA. If Community Development Block Grant (CDBG) or other HUD funds are included in the financing for these Affordable Housing units, Davis-Bacon labor rates apply. See Section III.C.1.s. of this NOFA.

i. Main Street Homeownership Counseling and Community and Supportive Services. The initial sale of an affordable homeownership unit to a third-party, low-income purchaser must take place in accordance with Section 24 of the 1937 Act. Providing homeownership counseling to residents is mandatory if the application proposes homeownership units. The cost of such counseling is considered a Community and Supportive Service and is excluded from the TDC limit for unit development. If listed in form HUD-52861, HOPE VI Main Street Application Data Sheet, on the TDC Limit Calculations page, such funds will be added to the grant amount, up to the maximum grant amount of \$500,000. Other Community and Supportive Services, as described in the Definition of Terms, Section I. of this NOFA, are voluntary and if elected to be provided by the grantee, the expenses are limited to 25 percent (25%) of the grant amount.

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

k. Section 106 Historic Preservation Requirements. Section 106 of the National Historic Preservation Act of 1966 (5416 U.S.C. 300101) and its implementing regulation at 36 CFR part 800 are applicable to this program in accordance with the environmental review requirements under 24 CFR part 50. Following the notification of award, grantees may not commit to expend Main Street grant funds or other Match and Leverage funds for the affected program activities until HUD has completed the historic preservation review and approval process. In conducting work under this NOFA, if a project includes potential effects to a historic property listed on or eligible for the National Register of Historic Places (NRHP), the grantee must comply with the Secretary of the Interior’s Standards for Rehabilitation at <http://www.nps.gov/tps/standards/rehabilitation.htm> and obtain approval of the State Historic Preservation Officer (SHPO). If such historic preservation requirements are not applicable, the grantee must preserve significant traditional, architectural, and design features in the Project structures and include in the Developer’s, or



other development manager's, Statement of Work the sites that are covered and how the requirement will be met. See <http://www.achp.gov/>.

#### I. Environmental Requirements.

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

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

(3) The grantee will comply with the Environmental Certifications in Section III.C.2.m. of this NOFA.

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

(5) Phase I and Phase II Environmental Site Assessments. If the applicant is selected for funding, the applicant must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-13, as amended (see <http://www.astm.org>). The results of the Phase I assessment must be included in the documents that must be provided to HUD for the environmental review. If the Phase I assessment recognizes environmental concerns, or if the results are inconclusive, a Phase II environmental site assessment will be required.

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

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

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

(2) It will provide HUD with all available, relevant information necessary for HUD to perform the environmental review required by 24 CFR part 50 for each property, including, but not limited to, the Phase I Environmental.

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

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

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

#### o. Building Standards.

##### (1) Building Codes.

(a) All activities that include construction, rehabilitation, lead-based paint removal, and related activities must meet or exceed local building codes, or their local equivalent. Lead-base paint removal requirements must be implemented, regardless of local building codes. See Section III.C.4.s., below.

(b) New construction of Main Street projects is subject to the accessibility requirements of section 504 of the Rehabilitation Act of 1973 (Section 504) and its implementing regulations at 24 CFR part 8, the design and construction requirements of the Fair Housing Act, Titles II and III of the Americans with Disabilities Act (ADA), and the Architectural Barriers Act, as applicable.

(c) The major redesign, reconstruction, redevelopment, or partial or total demolition of Main Street projects that meets the standard for “substantial alteration” or “other alterations” under 24 CFR § 8.23 are also subject to that provision.

(d) Where the major redesign, reconstruction, redevelopment, or partial or total demolition of Main Street projects results in a covered multifamily dwelling, the design and construction requirements of the Fair Housing Act also apply.

(2) Energy Efficiency Standards.

(a) Owners of Main Street Projects, whether new construction or rehabilitation, must meet local and State building codes.

(b) Main Street Projects must comply with Energy Star (Certified New Homes and Multifamily High Rise), as the minimum standard for new construction developments and must utilize Energy Star appliances and WaterSense products in all rehabilitation projects.

(3) Accessibility Analysis. For additional information on local building codes, applicants can review HUD’s Review of Model Building Codes and Accessibility Guidelines at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opportunity/disabilities/fhefhag](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opportunity/disabilities/fhefhag).

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

(1) If other federal program resources are used in conjunction with the applicant’s Project activities Davis-Bacon and HUD wage rate requirements apply to the extent required by the other federal programs;

(2) If any grant funds from an award through this NOFA are expended by a Public Housing Agency (PHA) acting as a Developer, partnering with a Developer, or as a partner in an ownership entity partnership, Davis-Bacon wage rates will apply to laborers and mechanics (other than volunteers under 24 CFR part 70) employed in the development of all such housing units; HUD-determined wage rates shall apply to laborers and mechanics (other than volunteers) employed in the operation of all such housing units.

q. Real Property Acquisition and Relocation. Main Street projects that include acquisition, rehabilitation, or demolition are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (42 U.S.C. 4601-4655) and the government-wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24. Refer to the General Section “Real Property Acquisition and Relocation” for more information on real property, acquisition, and relocation. Additional URA resources and guidance for HUD funded programs and projects are available on HUD’s Real Estate Acquisition and Relocation website at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/library/relocation](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/relocation).

r. Neighborhood Stabilization and Minimization of Tax Liability.

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

(2) Neighborhood Stabilization. Equity sharing between the grantee and the home purchaser is required over the initial four years of ownership, at a minimum. Equity sharing must be agreed to, in writing, between the grantee and purchaser at the time of initial sale. Equity sharing may decrease over time. For example, equity sharing may decrease over five years of ownership. If a Homeownership unit is sold by

the low-income owner during the first year of ownership, the grantee will receive 100% of funds received above the owner's down payment and closing costs. During the second year, the grantee would receive 80% of these sale proceeds and the owner would receive 20%. During the third year, the grantee would receive 60% of these sale proceeds and the owner 40%. During the fourth year, the grantee would receive 20% of these sale proceeds and the owner 80%. If the sale occurs during or after the fifth year, the owner receives 100% of any sale proceeds. The time period of equity sharing may exceed this example, at the discretion of the grantee.

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

s. Lead-Based Paint. The applicant must comply with lead-based paint evaluation and reduction requirements as provided for under the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et.seq.); the Environmental Protection Agency's (EPA's) Pre-renovation Education rule (40 CFR 745, subpart E); HUD's Lead-Safe Housing Rule (24 CFR 35, subparts B-R); and the Lead Disclosure Rule (24 CFR35, subpart A) which address documents provided to pre-1978 housing owners regarding lead paint or hazard testing, or lead hazard reduction activates. The applicant is responsible for lead-based paint evaluation and reduction activities for housing constructed prior to 1978. The National Lead Information Hotline number is 800-424-5323.

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

## IV. Application and Submission Information

### A. Obtaining an Application Package.

An electronic copy of the Application Package and Application Instructions for this NOFA can be downloaded from [Grants.gov](http://www.grants.gov) at <http://www.grants.gov/applicants/apply-for-grants.html>. Unless an applicant received a waiver for good cause, applications must be submitted electronically via [Grants.gov](http://www.grants.gov) except Continuum of Care applications. The Continuum of Care application is submitted through HUD's e-snaps system.

An applicant demonstrating good cause may request a waiver from the requirement for electronic submission. Applicants that cannot submit their applications electronically and must seek a waiver of the electronic grant submission requirements must submit a waiver request so that the request is received at least 15 days before the application deadline. If HUD waives the requirement, your paper application must be received by HUD before the deadline of this NOFA. To request a waiver and receive a paper copy of the application materials, you should contact:

Lawrence Gnessin  
U.S. Department of Housing and Urban Development  
Office of Public Housing Investments  
451 7th Street, SW, Room 4130  
Washington, DC 20410  
Phone: 202-402-2676  
Phone 2: 202-402-2676  
Email: [lawrence.gnessin@hud.gov](mailto:lawrence.gnessin@hud.gov)

1. At the Grants.gov webpage <http://www.grants.gov/applicants/apply-for-grants.html>, click on the "Download a Grant Application Package" and fill in the CFDA number 14.878.
2. Grants.gov's Main Street application consists of two downloads: The application package download; and the Instructions download which includes the General Section, this program NOFA, plus additional forms that need to be attached to your application. Please read the General Section for more detailed instructions on using Grants.gov.
3. Advance Registration Requirements. Prior to submitting an application you must have a Dun and Bradstreet Data Universal Numbering System (DUNS) number; be registered in the Central Contractor Registration at [www.Sam.gov](http://www.Sam.gov); and be registered and authorized to submit the application at [www.Grants.gov](http://www.Grants.gov). Please see the FY2015 General Section for more details of the registration process.
4. Registration at SAM.gov Requirement. Applicants must register or update a current registration in the Central Contractor Registration now part of the System for Award Management (SAM), found at <https://www.sam.gov/portal/public/SAM/>. Applicants must have an active registration to receive funding from HUD. The System for Award Management (SAM) is a free web site that consolidates the capabilities you used to find in CCR/FedReg, ORCA, and EPLS. Future phases of SAM will add the capabilities of other systems used in Federal procurement and awards processes.
5. Additional HOPE VI Main Street program related resources can be found at HUD's Main Street website at <http://www.hud.gov/mainstreet/>

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

To ensure that the correct Application Package and Application Instructions are used, applicants must verify that the CFDA number and CFDA Description on the first page of the Application Package downloaded from Grants.gov, as well as the Opportunity Title, and the Funding Opportunity Number match the Program and NOFA to which they are applying. Applications will only be considered for the competition indicated in boxes 11, 12, and 13 on the SF-424 submitted in the application.

### **1. Content**

Forms for your package include the forms outlined below:

Additionally, your complete application must include the following narratives and non-form attachments:

#### **1. Maximum Length and Format of the Application.**

##### **a. Length.**

(1) The maximum length of the application is limited to 30 pages excluding Section Tabs, forms, the applicant's Section 3 Plan, third party Match and Leverage firm commitment letters, other third party documents needed to address NOFA requirements, maps and drawings, and the applicant's Code of Conduct (if not already on HUD's website at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/conduct](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/conduct)).

(2) Pages that exceed the length requirements, based on the below formatting requirements, will not be reviewed and will not be part of the rating process.

##### **b. General Formatting**

(1) Pages should be formatted to 8 1/2 x 11 portrait with one inch margins. Pages should be double spaced. Single spaced documents will be counted as two pages. Font size must be 12-point font Times New Roman. Pages must be numbered. The applicant's documents must be readable in HUD's standard office software, Microsoft Office 2010.

(2) All text, i.e., Executive Summary and Narratives, may be contained in one file, but each narrative must be separated with titles that identify the applicable NOFA subject matter, e.g., Thresholds, Rating Factor 1.

(3) Third party and existing documents if not available in MS Office formats may be provided in PDF format.

(4) Pages of forms and certifications provided by HUD must remain as numbered by HUD. These forms do not count toward the page limits.

(5) **NON-CONFORMING FILE NAMES WILL CAUSE THE APPLICATION TO BE REJECTED.**

When attaching files to create your application, do not attach files with file names that exceed 50 characters in length. Do not use spaces or special characters as part of the file name. Failure to follow these directions will result in your application being rejected by the Grants.gov system as containing a virus. See the General Section for details.

(6) It is to the applicant's benefit to use descriptive and sequential file names, with abbreviations to stay within the 50 character limit. The HUD application reviewers receive your application's files in digitized format from Grants.gov, with the file names that you apply. The HUD reviewer has to identify and collate the narratives, documents and forms you submit before starting to review your application. In order to guarantee that your application is reviewed the way you want to present it, the file names should be descriptive and have a sequence number. As examples, to help ensure that the Executive Summary is properly identified and read by the HUD reviewer before the narrative to Rating Factor 1, you might use these file names: for the Executive Summary, "1\_Mayberry\_Exec\_Sum"; for the Rating Factor 1 narrative, "2\_Mayberry\_Factor\_1\_Narr". As examples, other file names might be "14\_MnSt\_Area\_and\_Site\_Map" and "15\_Unit\_Config". Note that there are no special characters, e.g., "&", "@", and underscores, e.g., "\_", are used instead of spaces or dashes.

### c. Specific Formatting

(1) The Main Street Area Map, including identification of all project sites and public transit access points must be in PDF format on one page. The original map may be shrunk from a document larger than the page requirements in this Section;

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

(3) Applicant Team résumés can be placed with more than one résumé per page. Do not include Social Security Numbers on the résumés.

## 2. Format and Form

Narratives and other attachments to your application must follow the following format guidelines:

Application Documentation. The application content is composed of the following items:

### a. SF424 Application for Federal Financial Assistance.

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

(2) Box 21 on the SF-424 must contain the name of the person who has the authority to commit to contracts and grants.

(3) The application should include a copy of the governing body's authorization for the signatory to sign the application as an official representative that has the authority to commit the applicant to the

terms of this NOFA.

**b. Threshold Documentation. YOUR APPLICATION MUST MEET ALL THRESHOLDS TO BE ELIGIBLE FOR AN AWARD THROUGH THIS NOFA.**

(1) Applicant Eligibility –

(a) Local Government – HUD will refer to your completed SF-424 to determine if you are a Local Government, which must be included in your application.

(b) Maximum population of 50,000 – HUD will refer to the U.S. Census Bureau website <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> to determine your jurisdiction’s population.

(c) Maximum of 100 public housing units in your jurisdiction – HUD will refer to its list of public housing developments, “Pub Hsg Development Detail Report 150228,” which is included in the NOFA download from Grants.gov, to determine your number of public housing units. The reviewers will search for a PHA that is part of your local government, then search for a county/parish-wide PHA for the county/parish stated on the SF-424, contact that PHA, if one exists, and request information on public housing developments that are located within the local government applicant's jurisdiction. Only developments within the local government applicant's jurisdiction will be counted. All developments in the county/parish will only be counted in the event that the applicant is the county/parish. The reviewers will then add all public housing units from all public housing developments that are within the applicant's jurisdiction. The total will be counted against the 100 public housing unit maximum allowed. Section 8 units are not counted.

(2) Match Requirement – Sources of funds and in-kind commitment documentation consists of firm commitment letters. The value of real property being committed to the Project may be included in match. To be counted as a firm commitment letter, the letter must meet the following requirements:

(a) Be on the letterhead of the entity providing the funding commitment.

(b) Contain the name, telephone number and email address of a contact for the entity that is providing the resource and that is familiar with the contribution toward the HOPE VI Main Street application.

(c) Identify if the match is cash or an in-kind contribution.

(d) Contain the specific amount of the commitment. If an in-kind contribution, provide the market value in dollars of the contribution pledged through the commitment letter. If the contribution is in cash, provide the dollar amount pledged through the commitment letter.

(3) Main Street Area Defined in a Map - The applicant must have within its jurisdiction a Main Street Area which meets the definition in this NOFA, and the applicant must provide a map, decipherable in gray-scale print, of the Main Street Area. The map must denote Project site locations, mass-transit stops and the Main Street Area’s boundaries. The boundaries must be physically visible and identifiable in the map, e.g., streets, rail lines, rivers, or man-made or natural boundaries clearly depicted on the map. The information required above may be hand drawn on the map.

(4) One Main Street Area Funded – Your application must include a narrative statement that the applicant is only requesting funding for one Main Street Project. In addition, you must include the Project location(s) on your Main Street Area Map, as required in section (3), above.

(5) Written Code of Conduct – You must include your jurisdiction’s Code of Conduct unless your Code of Conduct is already on HUD’s Code of Conduct website at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/conduct](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/conduct).

1. Executive Summary. The Executive Summary should describe the Main Street Plan including the types of housing to be developed (walk-up above retail space, detached or attached homes, etc.); the number of units, buildings, and private owners (if any); the Main Street Area that surrounds the Project including basic features such as restoration of streets, mixed use, commercial, and other

non-housing Main Street rejuvenation components; the number of rental vs. Homeownership units proposed in the application; the amount of Main Street grant funds being requested; the list of funding sources other than the Main Street grant for the housing and any funds that will not be attached to the Project, but will contribute to the Main Street rejuvenation area as a whole; whether the applicant has procured or will procure a Developer, act as the Developer, or hire another type of development manager.

#### Documentation for the Rating Factors.

(1) In general, any documents that are required by a Rating Factor are stated in the Rating Factor in Section V.A. of this NOFA.

#### (2) Rating Factor 1- Capacity to Do The Work

(a) Team Experience Narrative as described in the Rating Factor.

(i) Applicants will automatically receive 5 points towards Rating Factor 1 except, if the applicant has received an FY2013 or earlier HOPE VI Main Street grant, and has not started construction by the deadline date in this NOFA, the applicant will not receive these 5 points. HUD will determine whether construction has started through reported construction progress in the HOPE VI Grants Management System at <http://gms.thellc.com/login.asp>. For the intended FY2016 grant award, the above exception applies to applicants that received an FY2014 or earlier HOPE VI Main Street grant and have not started construction.

(ii) Key Personnel Narrative as described in the Rating Factor

(3) Rating Factor 2 - Need. No documentation is needed from the applicant for this Rating Factor. HUD will reference its Comprehensive Housing Affordability Strategy (CHAS) dataset at [http://www.huduser.org/portal/datasets/cp/CHAS/data\\_querytool\\_chas.html](http://www.huduser.org/portal/datasets/cp/CHAS/data_querytool_chas.html). See detailed description in Section V.A. Rating Factor 2.

#### (4) Rating Factor 3 - Readiness

(a) The narrative should address Rating Factor 3 as stated in Section V.A. of this NOFA, at a minimum addressing the subjects below and referencing the included documents required by the Rating Factor, e.g., Deed showing ownership of the Project or alternative documentation, as described in the Rating Factor.

(b) Site Control. Evidence of site control, or plans to obtain site control, for property not owned by the applicant jurisdiction. If the applicant owns the property, a statement to that effect should be included. If the property is privately owned, the narrative should state whether a site control agreement with the owner has been signed or discussions toward an agreement have been started.

(c) Zoning Documentation showing residential or mixed-use zoning, or a zoning variance.

(d) Key Personnel Timeliness. Identification of procurement requirements that apply to the applicant, in addition to 2 CFR part 200, and how far along the applicant is in the procurement process for a Developer or other project management professionals as described below.

(e) Status of Developer, or Other Development Manager, Agreement and Status of Construction Contract. Your application must state in your narrative for this Rating Factor whether:

i. A procurement solicitation for a Developer, other development manager or construction contractor has been published. Provide the first page of the solicitation. (12 points will be given if this is the case);

ii. The solicitation has not been published, but you have held discussions with Developers, other development managers or construction contractors in preparation of soliciting their services. Include information on the parties contacted and a brief description of the discussions held. (6 points will be given if this is the case.); or

iii. No discussions have taken place with prospective Developers, other development managers or

construction contractors (zero points will be given for this Rating Factor).

(5) Rating Factor 4 – Appropriateness of the HOPE VI Main Street Affordable Housing Project.

(a) Feasibility. A narrative that demonstrates that the Project is financially feasible as demonstrated in form HUD-52861 the form HUD-52825A, requested award amount and financial documents in response to this rating factor, and is compliant with the Cost Controls and Safe Harbors. The Cost Control and Safe Harbors document is part of the NOFA download from Grants.gov. The Term Sheet Calculator, form HUD-50150, will assist in developing fees and costs within the Cost Controls. The Calculator is located at <http://portal.hud.gov/hudportal/documents/huddoc?id=50150TermSheetCalc4.xlsx>. You are not required to include the HUD-50150 in the application.

The narrative should be consistent with the form HUD-52861, HOPE VI Main Street Application Data Sheet, form HUD-52825-A, HOPE VI Budget and the 5-year pro forma. Conflicts will cause points to be denied.

1. HOPE VI Budget. The Estimated grant funds budget/uses by Budget Line Item (as included in the form HUD-52825A). This is only for grant funds.
2. Development Budget. Statement of Permanent Sources and Uses (S&U) (included in the form HUD-52861). This includes both grant funds Leverage funds (including cash values of in-kind services).
3. Operating pro forma (included in the form HUD-52861). The pro forma must include a five-year estimate of Project income, expenses, and cash flow that shows the Project will be financially viable over the long-term. The pro forma must include both the affordable rents for the initial residents and market rate rents set by the applicant for subsequent occupants. For evaluation under this NOFA, the applicant may assume that the initial residents will vacate the units after two years, changing the affordable rent to market rate rent in the third year. The form is set up to account for this.

(b) Appropriateness. A narrative that demonstrates how the Project relates to its surroundings.

1. Main Street Area Map that meets the requirements contained in the Threshold Requirements Section III.C. of this NOFA.
2. Main Street Affordable Housing Project Site Plan and Unit drawings.
3. Photos of the Project site and building(s).

(c) Promotion and Marketing. A narrative demonstrating activities in this area, as described in the Rating Factor.

(d) Project Leverage. A short narrative should be included referencing the letters of full commitment and the lists in the form HUD-52861 for funds and the value of in-kind services that will go toward the Project itself (not the Main Street Area in general). These donations will count toward meeting the Match threshold in Section III.C. of this NOFA as well as fulfilling the requirements of this Rating Factor.

(e) Area Leverage. As above, a short narrative referencing the letters of full commitment and the lists in the form HUD-52861 for funds and the value of in-kind services that are being invested in the Main Street Area as a whole. This Leverage does not include funds and in-kind services that will go toward the Project itself. This Leverage may include government infrastructure funds expended and private investment in other projects throughout the Main Street Area over the last three (3) years.

(f) Retention of Historic or Traditional Architecture. A narrative explaining the applicants past and planned efforts and activities to retain the façade of the Project and other attributes that would be considered Historic or traditional in nature. Although specifically mentioned in the Main Street statute, traditional architecture does not have a legal definition. HUD has defined it for this NOFA as architecture that is indicative of the time that the Main Street Area was in its heyday. A Historic project must meet the Secretary of the Interior's Standards for Rehabilitation, or be treated as an Adverse Effect. This applies to buildings listed on or eligible for the National Register of Historic Places (NRHP). Most traditional architecture buildings will likely be eligible for the NRHP.



## (6) Rating Factor 5 - Financial and Program Management

(a) Preparation and Timeliness. A narrative describing pre-development activities that have already been started, as described in the Rating Factor. That is, how far along is the applicant in preparing to develop the Project. Include information about each of the three items listed in the rating factor that you have completed.

(b) Achieving Results and Evaluation – Include written internal protocols or Third-party documentation that demonstrates successful management and results with other projects, as detailed in the Rating Factor.

## (7) Rating Factor 6 - Affirmatively Furthering Fair Housing

(a) Affirmative Fair Housing Marketing. Documentation for this factor consists of a narrative describing the activities that will fulfill the factor requirements. See Section III.C.3.b of the General Section.

(b) Set-aside for Very Low-Income persons. Documentation for this factor is a narrative that states one or more of the housing units to be developed will be reserved for a resident family whose income is 50% of the Area Median Income. Note that after this resident moves out of the Project the housing unit becomes Market Rate, per Section 24 of the Housing Act of 1937.

(c) Distance from Public Transportation. Documentation includes both:

1. a narrative statement that the Project location is within 1/4 mile from a mass transit stop, and
2. inclusion of transit routes and the Project location on the Main Street Area Map.

(d) Economic Opportunities for Low- and Very Low-Income Persons Plan (Section 3 Plan).

Documentation consists of a narrative that fulfills the requirements of the Rating Factor in Section V.A. of the NOFA, which are extremely detailed.

## (8) NOFA Priority: Affirmatively Furthering Fair Housing (Planning NOFA or as specified in Individual Program NOFA)

(a) Documentation for this Rating Factor includes separate sections of narratives for each of the six sub-factors. The Rating Factor describes the documentation that must be referenced in the narrative or included in the application. In addition, the following documentation is required.

1. Addressing Impediments. Documentation as described in the Rating Factor is required.
2. Participative Planning and Implementation. Documentation as described in the Rating Factor is required.
3. Affirmative Fair Housing Marketing. A plan to market the Project to, and select for occupancy, those demographic groups, least likely to apply and/or occupy the project, including persons with disabilities and persons with limited English proficiency, and to large families. Selection criteria must not conflict with marketing criteria. Affirmatively Furthering Fair Housing (AFFH). Grantees are required to affirmatively further fair housing in conducting their work under this NOFA. The Developer's or other development manager's Statement of Work must identify steps the applicant will take to meet this requirement during the period of performance of this award and what steps will be taken to retain the initial occupants for as long as possible. Failure to address requirements when responding to this NOFA Priority Rating Factor will result in the applicant receiving zero points for the AFFH sub-factor. All marketing will be conducted in other languages for LEP persons, is applicable to the community. Alternative formats will also be used for persons with disabilities.
4. Set-aside for very low-income residents. Narrative in the Executive Summary and in the Rating Factor narrative that demonstrates unit(s) will be set aside.
5. Distance from Public Transportation. Mass transit stops must be included in the Main Street Area map.
6. Economic Opportunities for Low- and Very Low-income Persons (Section 3 Plan). A separate narrative file that includes the plan, including information in accordance with the detail in the

Rating Factor.

9. NOFA Priority - Energy Efficiency. Energy efficiency Rating Factors require certifications from the applicant that certain energy related activities will occur. Certifications must be on the letterhead of the entity that has site control of the Project on the application deadline date. The letter must state the activities that it is certifying will occur, and signed by a person with authority to commit to those activities. This may require more than one signature based upon the conditions of site control that exist at the application deadline date. A letter from a Historic Preservation professional must be on the professional's letterhead and must state the activities that will be performed and the results that will be achieved.

e. Documentation for Bonus Points. The criteria and documentation that must be provided to receive these points are detailed in Section V. of the General Section. The Preferred Sustainable Communities Certification (form HUD-2995) should be included.

### C. DUNS Number and SAM Registration.

Please refer directly to Section IV.C of the General Section, available at [Grants.gov](http://Grants.gov) or HUD's [Funds Available](http://Funds Available page, http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail) page, [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail).

### D. Application Submission Dates and Times.

The application deadline is 11:59:59 p.m. Eastern time on 8/27/2015. Applications must be received no later than the deadline. Please refer to the General Section for more information about timely receipt of applications.

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit your application in paper form or you are applying for the Continuum of Care program. The Continuum of Care application is submitted through HUD's e-snaps system. Instructions for submitting your application to Grants.gov are contained within the Application Package you downloaded from Grants.gov. Instructions for submitting your paper application will be contained in the waiver of electronic submission.

Your application must be **both received and validated** by Grants.gov. Your application is “received” when Grant.gov provides you a confirmation of receipt and an application tracking number. **If you do not see this confirmation and tracking number, your application has not been received.**

After your application has been received, your application still must be validated by Grants.gov. During this process, your application may be “validated” or “rejected with errors.” To know whether your application was rejected with errors and the reason(s) why, you must log into Grants.gov, select “Applicants” from the top navigation, and select “Track my application” from the drop-down list. If the status is “rejected with errors,” you have the option to correct the error(s) and resubmit your application before the Grace Period ends. **If your application was “rejected with errors” and you do not correct these errors, HUD will not review your application.** If your status is “validated” your application will be forwarded to HUD by Grants.gov.

#### 1. Resubmitting an Application.

Before the submission deadline, applicants who choose to amend an application that has been validated by Grants.gov have several options:

- (1) an applicant may email the new or revised supporting materials to [ApplicationSupport@hud.gov](mailto:ApplicationSupport@hud.gov);  
or
- (2) an applicant may fax the additional supporting documents using the form HUD-96011.
- (3) an applicant may resubmit an entire, revised application via Grants.gov containing the new or changed material;

Whichever option is used, all materials must be received by the applicable deadline.

When submitting additional supporting documentation via email, the applicant must enter "Supporting Documentation" plus the Grants.gov application tracking number in the subject line of the email. (e.g., Subject: Supporting Documentation - GRANT12345678). If this information is not included, HUD will not be able to match the response to the application under review and the application may therefore be rejected due to the deficiency.

When submitting additional supporting documentation by fax, the applicant must enter the document name in the box labeled "Name of Document Submitting" in form HUD96011. When submitting a fax, applicants must follow the fax requirements found elsewhere in this notice. If the fax transmittal form from the last application submitted is not the cover page to the applicant's response HUD will not be able to match the response to the application under review and the application may therefore be rejected due to the deficiency.

When resubmitting an application that was previously validated by Grants.gov, all documents faxed in support of the original submission must be either attached to the Grants.gov resubmission or faxed again using the form HUD-96011. If faxing, you must fax the materials, including materials faxed by a third party, after the resubmitted application has been validated by Grants.gov. All faxed materials must be received by the applicable deadline.

## **2. Grace Period for Grant.gov Submissions.**

If an application is received by Grants.gov before the deadline, but is rejected with errors, applicants have a grace period of 24 hours beyond the application deadline to submit a corrected application that is received and validated by Grants.gov. Any application submitted during the grace period that does not meet the criteria above will not be considered for funding. There is no grace period for paper applications. See the General Section for more information about the grace period.

## **3. Late Applications.**

An application received after the Program NOFA deadline date that does not meet the requirements of the grace period policy will be marked late, and will not be considered for funding.

## **E. Intergovernmental Review.**

This program is subject to Executive Order 12372, Intergovernmental Review of Federal Programs. Executive Order 12372 allows each state to designate an entity to perform a state review function. To determine if your state has designated a State Point of Contact (SPOC), please go to [http://www.whitehouse.gov/omb/grants\\_spo/](http://www.whitehouse.gov/omb/grants_spo/). States not listed on the website have chosen not to participate in the intergovernmental review process and, therefore, do not have a SPOC. If your state has a SPOC, you should contact the SPOC to see if that person/office is interested in reviewing your application before you submit it to HUD.

## **F. Funding Restrictions.**

1. Eligible Grant Activities. Main Street Grant funds may be expended on the following activities:
  - a. Reconfiguration of commercial property, major rehabilitation of units that are not currently habitable or new construction to provide affordable rental or homeownership housing located within the Main Street Area. New construction and rehabilitation activities intrinsic to the development of the affordable housing units may extend to other portions of the Project, e.g. to the building envelope, to interior bearing walls of commercial space located below the affordable housing units, and to systems installation through commercial space located below or adjacent to the affordable housing units. (Note: Tenant-occupants displaced or temporarily relocated as a result of rehabilitation or reconfiguration are generally protected by the URA. See FY15 NOFA General Section III.C. – Real Property Acquisition & Relocation for additional information)

b. Acquisition of land or property for the purpose of developing, reconfiguring, or rehabilitating commercial space or non-habitable affordable housing units in the Project. Acquisition of real property for a federally-funded program or project is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and its implementing regulations at 49 CFR part 24.

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

c. Long-term lease or transfer of Project title specifically for the purposes of obtaining tax credits or implementation of extended use restrictions, provided that the recipient owner entity of the title or lease includes the applicant. (Note: Tenant-occupants displaced or temporarily relocated as a result of rehabilitation or reconfiguration are generally protected by the URA. See FY15 NOFA General Section III.C.4(i) – Real Property Acquisition & Relocation for additional information)

d. Architectural or engineering activities, surveys, permits and other planning and implementation costs related to the construction and rehabilitation of the Project.

e. Tax credit syndication activities.

f. Relocation activities for persons displaced as a result of acquisition, demolition, or rehabilitation of real property for the Project in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and its implementing regulations at 49 CFR part 24.

g. Management improvements necessary for the proper development and management of the Project, such as:

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

(2) Procedure manuals;

(3) Accounting systems, excluding accounting services or bookkeeping;

(4) Lease documents;

(5) Resident screening procedures;

(6) Data processing systems;

h. Leveraging non-HOPE VI funds and in-kind services. Leverage funds must be firmly committed, i.e., presented in accordance with the definitions of Commitment Letter and Leverage in the Definition of Terms, Section I. of this NOFA;

i. Community and Supportive Services, subject to a maximum of twenty-five percent (25%) cap;

j. Sale of homeownership housing units within the Project; and

k. Section 3 activities delineated in 24 CFR part 135.

## 2. Ineligible Grant Activities

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

b. Grant funds cannot be used to fund a rental reserve for the rent-up period or to support the rental income during the initial Use Restricted Affordable Housing period.

c. Main Street funds may not be used to settle litigation or pay judgments.

## 3. Cost Controls and Limitations on Expenditures.

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

b. The latest procedures for HUD’s establishment of TDC were published by HUD in Notice PIH 2011-38(HA), “Public Housing Development Cost Limits.” The latest TDC limits themselves can be found at <http://www.hud.gov/offices/pih/programs/ph/capfund/index.cfm>, or at <http://www.hud.gov/mainstreet/>.

c. Cost Control and Safe Harbor Standards. Certain fees and costs, including Developer Fee and construction related fees and profits, must be within the limits published in [Cost Control and Safe Harbor Standards](#).

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

e. Pre-award Activities. Award funds shall not be used to reimburse expenses incurred for the preparation of the application or prior to the start date of a grant from this NOFA.

f. Statutory Time Limit for Expenditures. Funds appropriated in FY2015 for this NOFA must be expended by September 30, 2022. Any funds that are not expended by the above date will be cancelled and returned to the United States Treasury. This is a statutory deadline and is firm. HUD reserves the right, however, to require an earlier expenditure deadline under a Grant Agreement.

## 1. Lead Based Paint Requirements.

When providing housing assistance funding for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

When providing education or counseling on buying or renting housing that may include pre-1978 housing, when required by regulation or policy, inform clients of their rights under the Lead Disclosure Rule (24 CFR part 35, subpart A), and, if the focus of the education or counseling is on rental or purchase of HUD-assisted pre-1978 housing, the Lead Safe Housing Rule (subparts B, R, and, as applicable, F - M).

## V. Application Review Information

### A. Review Criteria.

#### 1. Rating Factors.

##### a. Rating Criteria.

(1) The maximum number of points available under this NOFA is 100 points, with an additional two bonus points, as described below. Minimum documentation is described in Section IV.B. of this NOFA.

**Rating Factor 1 - Capacity**

**Maximum Points: 25**

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

1. A list with the name and short description of each project that the applicant, Developer or other development manager completed, including:

a. whether the National Register of Historic Places (NRHP) or traditional architecture was included in the project,

b. dates completed,

c. names of the entities that the project was being developed for,

d. whether the applicant, Developer or other development manager was a grantee, sub-grantee or contractor,

e. The Agency that provided grants, contracts or grant funds for the project, if any.

2. Past Experience (up to 15 points).

a. Applicants will automatically receive 5 points except, if the applicant has received an FY2013 or earlier HOPE VI Main Street grant, and has not started construction by the deadline date in this NOFA, the applicant will not receive these 5 points. HUD will determine whether construction has started through reported construction progress in the HOPE VI Grants Management System at <http://gms.thelc.com/login.asp>. For the intended FY2016 grant award, the above exception applies to applicants that received an FY2014 or earlier HOPE VI Main Street grant and have not started construction.

b. The applicant will earn a maximum of 10 points if the application demonstrates that the Applicant, its Developer or other development manager has extensive experience in developing or rehabilitating affordable housing and NRHP or traditional architecture projects over the past three (3) years.

c. The applicant will earn a maximum of 7 points if the applicant demonstrates that the applicant, its Developer or other development manager has developed or rehabilitated affordable housing projects that did not contain NRHP or traditional architecture projects over the past three (3) years.

d. The applicant will earn a maximum of 4 points if the applicant demonstrates that the applicant, its Developer or other development manager has experience in developing or rehabilitating non-affordable housing projects that contained NRHP or traditional architecture over the past three (3) years.

e. The applicant will earn a maximum of zero (0) points if the applicant cannot demonstrate that it, its Developer or other development manager has completed at least one project in the last three (3) years.

3. Knowledge of Key Personnel (up to 10 points). Key personnel are Applicant Team members that must remain part of the project for the project to be completed. Key personnel are the entities that will manage the activities of the other Applicant Team members and bring the project to successful completion. Key personnel include the applicant, Developer, other development manager and property owner. Applicants should show specific experience and duties that they have performed and relate that experience to the project proposed in the HOPE VI Main Street application.

a. The applicant will earn a maximum of 10 points if the applicant demonstrates that its key personnel have extensive knowledge of the development or rehabilitation of affordable housing projects, including knowledge of Federal accessibility requirements for persons with disabilities, and that include NRHP or traditional architecture.

b. The applicant will earn a maximum of 7 points if the applicant demonstrates that its key personnel have knowledge of the development or rehabilitation of affordable housing projects, including knowledge of Federal accessibility requirements for persons with disabilities, and that do not contain NRHP or traditional architecture.

c. The applicant will earn a maximum of 4 points if the applicant demonstrates that its key personnel have knowledge of the development or rehabilitation of non-affordable housing projects and that contain NRHP or traditional architecture.

d. The applicant will earn a maximum of zero (0) points if the applicant cannot demonstrate its key personnel have knowledge of real property development or rehabilitation and knowledge of Federal accessibility requirements for persons with disabilities.

### **Rating Factor 2 - Need for Affordable Housing**

**Maximum Points: 4**

A. HUD will use data from its records to rate this factor.

1. HUD will use its Comprehensive Housing Affordability Strategy (CHAS) database, which can be entered using the CHAS Data Query Tool at [http://www.huduser.org/portal/datasets/cp/CHAS/dataquerytool\\_chas.html](http://www.huduser.org/portal/datasets/cp/CHAS/dataquerytool_chas.html) to determine whether the applicant suffers from a severe low-income housing problem. HUD will use the following methodology:

a. Using the CHAS Data Query Tool, HUD will choose the Data Year 2007-2011. HUD will choose the Geographic Summary Level that matches the applicant, County for a county/parish applicant and Place for a city/town or other subdivision of a county/parish. After choosing the applicant's state and county or place, a data table will open up.

b. For the section of the table labeled "Income by Cost Burden (Owners and Renters)"

c. For the row "Household Income >50% to <=80% HAMFI"

d. Under the column, "Cost burden > 30%"

e. The applicant will receive 4 points if the number shown is greater than 15% of the total number of units listed at the far right of the row.

### **Rating Factor 3 - Readiness**

**Maximum Points: 22**

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

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

a. The application must demonstrate the following for this rating factor:

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

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

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

b. HUD will score this Rating Factor as follows:

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

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

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

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

B. Key Personnel Timeliness (12 points):

1. In order to perform the required grant activities in a timely manner, the applicant must demonstrate that it is actively pursuing contracts with Key Personnel, as included in the application for Rating Factor 1, section A.3., of this NOFA. HUD will score this Rating Factor as follows:

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

b. The applicant will receive 12 points if the application demonstrates that the applicant has published a procurement solicitation to obtain a Developer, other development manager or construction contractor on or before the due date for applications stated in this NOFA. (Note that under 24 CFR 58 and Section III.C.1.1 of this NOFA, after application the grantee must not enter into a binding agreement for choice-limiting actions, such as construction or rehabilitation, until HUD accepts or completes an environmental review and the applicant receives approval of the property.)

c. The applicant will receive 6 points if the application includes documentation that by the application deadline date the applicant has begun discussions with Developers, other development managers or construction contractors with the intention of publishing a solicitation to obtain their services.

d. The applicant will receive 0 points if the application does not include documentation that by the deadline date the applicant has begun the procurement process or has had discussions with Developers, other development managers or construction contractors.

**Rating Factor 4: Appropriateness of the Main Street Affordable Housing Project**

**Maximum Points: 31**

A. This rating factor encompasses several key elements of the Main Street Affordable Housing Project.

1. Architectural Preservation Narrative including identification of retention of historic or traditional architecture.

2. Housing Unit Layout

3. Main Street Area Map

4. Distance to Public Transportation

5. Financial Feasibility, including:

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

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



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

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

a. The applicant will receive 6 points if the application demonstrates that the Project is financially feasible as demonstrated in form HUD-52861, the Cash Flow Pro Forma, requested award amount and financial documents in response to this rating factor, and is compliant with the Cost Controls and Safe Harbors document, which is part of the Grants.gov NOFA download.

b. The applicant will receive 4 points if the application demonstrates that the Project is financially feasible, but does not meet the required Cost Controls and Safe Harbors, which is part of the Grants.gov NOFA download.

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

2. Appropriateness in Context with the Main Street Area (up to 6 points)

a. The applicant will receive 6 points if the application demonstrates that the Project:

(1) Is appropriate and suitable in the context of the community and other affordable housing options, e.g., rehabilitation vs. new construction.

(2) Fulfills the need of the Main Street Area Rejuvenation effort as a whole.

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

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

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

a. The applicant will receive 2 points if the application sets forth a plan to promote and market the Main Street Area rejuvenation effort to financiers, to other parties that may be involved in the rejuvenation effort, and to possible future residents of the HOPE VI Main Street Affordable Housing Project.

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

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

a. Project Leverage (5 points). The applicant should provide Leverage above the 5% Match threshold requirement in cash or in-kind supplies or services that is demonstrated to be firmly committed to the Main Street Project. The percentages in the Project Leverage scale, below, include the 5% threshold Match, e.g., to get 3 points, Project Leverage must be 5% or greater to have met the Match threshold and have additional Project Leverage that totals 10%, but is less than a total of 50%. All Project Leverage sources must have firm commitment letters, in the submitted application package. Items not firmly committed and listed will not be included in allocating points according to the following scale:

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

b. Area Leverage (up to 5 points). The applicant must provide Area Leverage in cash or in-kind services that must be demonstrated to be firmly committed to the Main Street rejuvenation effort as a whole, i.e., committed to projects in the Main Street area other than the Affordable Housing Project to be developed through an award from this NOFA. Match and Project Leverage are not included in Area Leverage. All Area Leverage sources must have firm commitment letters, in the submitted application package. Items

not firmly committed and listed will not be included in allocating points according to the following scale:

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

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

a. Under Section 106 of the National Historic Preservation Act and its implementing regulations, 36 CFR 800, a project must meet the Secretary of the Interior’s Standards for Rehabilitation, or be treated as an Adverse Effect. This applies to buildings listed on or eligible for the National Register of Historic Places (NRHP). Most traditional architecture buildings will likely be eligible for the NRHP.

b. Scoring:

(1)The applicant will receive 5 points if the applicant demonstrates that the buildings in the Project will maintain all of the historic or traditional architecture and design features on the fronts of all buildings and that the applicant has included in the application an elevation drawing of the Project front showing architectural detail that will be saved.

(2) The applicant will receive 3 points if the applicant demonstrates that the buildings in the Project will maintain at least 50 percent of the historic or traditional architecture and design features on the fronts of all buildings and that the applicant has included in the application an elevation drawing of the Project front showing architectural detail that will be saved.

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

6. Improving Outcomes for At-Risk Youth and/or Transition-Age Youth (up to 2 points).

a. HUD will consider the applicant’s plan to improve key measurable outcomes for at-risk youth and/or transition-age youth (see Definitions) under the Main Street project, in particular, how successful the strategies under the plan will be — as indicated by responsiveness to identified needs of the target population(s). The activities could cover, for example, early-childhood development, school readiness, educational opportunity, discipline, parenting, the criminal justice system, increase educational opportunities, improve educational outcomes, and deliver a complete and competitive education. (For national federal initiatives on where local efforts might best align with this effort, and refer to <http://www.whitehouse.gov/my-brothers-keeper>, <http://www.ed.gov/edblogs/hispanic-initiative>, etc.)

b. The applicant will receive 2 points if the applicant demonstrates a plan for improving outcomes for at-risk youth and/or transition-age youth under the project. The plan identifies the specific outcomes to be improved and the metrics to be used to measure and track these outcomes.

c. The applicant will receive 1 point if the applicant demonstrates a plan for improving outcomes for at-risk youth and/or transition-age youth under the project, but the plan does not identify the specific outcomes to be improved and the metrics to be used to measure and track these outcomes.

d. The applicant will receive zero (0) points if the applicant does not demonstrate a plan for improving outcomes for at-risk youth and/or transition-age youth under the project.

**Factor 5 - Financial and Program Management**

**Maximum Points: 10**

A. In responding to this rating factor, the applicant must demonstrate consistency in financials that are included in the application and how prepared they are to perform grant activities.

1. Consistency.

a. The applicant will receive 3 points if the form HUD-52861, HOPE VI Main Street Application Data Sheet, contains no conflicts, e.g., the total amount of the project budget on the HUD-52825A matches the total grant amount and costs in the HOPE VI Main Street column of the HUD-52861 Sources and Uses.

2. Preparation and Timeliness (Up to 5 points).

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

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

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

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

b. The applicant will receive a maximum of 3 points if the applicant has performed two of the three actions above, and where applicable has obtained information that was used in developing the Program Schedule.

c. The applicant will receive 0 points if the applicant has performed less than two of the actions above.

3. Achieving Results and Evaluation (Up to 5 points).

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

(1) A history of completing projects on time and within budget;

(2) A clean financial statement; and if audited, a clean financial audit

(3) Sufficient internal controls for managing funds

(4) Sufficient controls for contract management;

(5) Paid sub-grantees or sub-contractors in a timely fashion;

(6) Met reporting requirements on past awards;

b. The applicant will receive 3 points if the applicant provides evidence for at least 3 of the above six items.

c. The applicant will receive 0 points if evidence is provided for less than three of the above six items.

## **Rating Factor 6 - Fair Housing and Equal Opportunity**

**Maximum Points: 4**

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

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

families. Documentation for this factor consists of a narrative describing the activities that will fulfill the factor requirements. See Section III.C.3.b. of the General Section.

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

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

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

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

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

1. If the applicant demonstrates that the Main Street affordable housing Project units are within a one-quarter mile from a public transit stop, including any regional bus or train stops, the applicant will receive 1 point.

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

D. Economic Opportunities for Low- and Very Low-income Persons (Section 3 Plan) (Up to 1 point).

1. Section 3 Plan for providing economic opportunities to residents of the metropolitan area or non-metropolitan county where the proposed project is located whose household income does not exceed HUD's income limits for low- and very low-income, particularly residents of public housing. Specifically:

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

- (1) Types and amounts of new employment and contracting opportunities to be generated as a result of the proposed Project or activities;
- (2) Specific actions to be taken to ensure that low- and very low-income persons and the businesses that substantially employ these persons will be given priority consideration for new employment and contracting opportunities in accordance with 24 CFR part 135.34 and 135.36;
- (3) Eligibility criteria to be used for certifying Section 3 residents and businesses;
- (4) Process to be used for notifying Section 3 residents and businesses about the availability of employment and contracting opportunities, including efforts to utilize HUD's Section 3 business registry located online at <http://www.hud.gov/sec3biz>.
- (5) Methodology used to monitor contractors and subcontractors awarded contracts to ensure compliance with Section 3; and
- (6) Strategies for meeting minimum numerical goals for new employment and contracting opportunities found at 24 CFR part 135.30.

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

## **2. NOFA Priorities.**

HUD encourages applicants for funding to undertake programs and projects that contribute to HUD's NOFA Priorities. Applicants that undertake activities that result in achievement of specific NOFA Priorities listed below are eligible to receive priority points in the rating of their application. These points will be awarded only if the application otherwise meets or exceeds the Program's minimum fundable score based on the rating factors of this NOFA.

### **Affirmatively Furthering Fair Housing (Planning NOFA or as specified in Individual Program NOFA)**

#### **a. CRITERIA FOR “AFFIRMATIVELY FURTHERING FAIR HOUSING”**

- (1) Provide Housing for range of incomes/family sizes
- (2) Provide Mobility Counseling
- (3) Follow Location criteria (build affordable housing in non-minority or non-poverty concentrated areas)
- (4) Train Staff
- (5) Provide outreach to marginalized populations
- (6) Partnerships with Fair Housing Organizations, Allied State and local agencies, or community-based organizations representative of populations affected by HUD projects.
- (7) Applicants may receive one point for demonstrating any one of the following, with a maximum of 2 points awarded for this priority overall.

#### **b. Addressing Impediments to Fair Housing (1 point):**

1. Applicants may earn 1 point by demonstrating that a primary goal of its planning activities will be addressing one or more impediments that contribute to patterns of residential segregation as identified in the jurisdiction's or region's Analysis of Impediments of Fair Housing Choice or Fair Housing and Equity Assessment if a Sustainable Communities Regional Planning Grant was awarded in 2010 or 2011; and,

#### **c. Participative Planning and Implementation (1 point):**

1. Applicants may earn 1 NOFA priority point by identifying the steps that the applicant will take that will ensure that traditionally marginalized populations (such as racial and ethnic minorities and persons with disabilities) will be able to meaningfully participate in the planning process. To earn this point, the applicant must identify the specific populations that it will include, identify community organizations that represent these populations, and describe how these populations will be included in the planning process. For capital investment projects, grantees should commit to and demonstrate plans to employ low-income and very low-income persons and/or utilize Section 3 businesses at levels beyond those required by Section 3.

### **Increase Energy Efficiency and the Health and Safety of Homes (Capital Investment and Planning NOFAs or as Specified in Individual Program NOFA)**

Energy Efficiency (up to 2 points)

#### **a. Green Building Standard (up to 1 point):**

(1) The applicant will receive 1 point if the applicant demonstrates its commitment to follow Green Building Standards

(2) Green Building Standard: The applicant commits to pursue a comprehensive, industry-recognized

green building standard and certification for green building, such as the Enterprise Green Communities Criteria; the ICC 700 National Green Building Standard; LEED ND, LEED-H, LEED-H Midrise, LEED-NC, or one of a number of regionally-recognized green building standards such as Earthcraft House, Earthcraft Multifamily, Earth Advantage New Homes, Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole building label), or other industry-recognized green building standard in HUD's sole discretion. Additionally, the applicant must later submit a certification of completion, and provide evidence that the green building standard has been achieved. Note that Enterprise Green Communities Criteria addresses rehabilitation.

#### b. Renewable Energy

(1) The applicant will receive 1 point if the applicant demonstrates its commitment to incorporate Renewable Energy into the Project.

(2) The applicant certifies that the proposed project will incorporate renewable energy technologies such as on-site Solar Photovoltaic (PV) or Solar Thermal Electric, as well as Landfill Gas, Wind Energy, Biomass, Geothermal Electric, Combined Heat and Power, Municipal Solid Waste, Small Hydroelectric, Fuel Cells using Renewable Fuels in any federally assisted property receiving funds through this NOFA. In implementing renewable systems, the project must meet the Secretary of the Interior's Standards for Rehabilitation and the Secretary of the Interior's Illustrated Guidelines on Sustainability for Rehabilitating Historic Buildings. This applies to buildings listed on or eligible for the National Register of Historic Places (NRHP). Most traditional architecture buildings will likely be eligible for the NRHP.

### 3. Bonus Points.

In support of certain inter-agency initiatives, HUD awards bonus points to projects where the preponderance of work will occur in a designated zone, community or region. **These points will be awarded only if the application otherwise meets or exceeds the Program's minimum fundable score based on the rating factors of this NOFA.**

HUD encourages activities in communities with Preferred Sustainability Status (PSS) and/or Promise Zones (PZ), HUD will award two (2) points for qualified activities within a designated zone or area and supporting either or both initiative(s). In no case will HUD award more than two bonus points for these activities.

a. To receive **Preferred Sustainability Status Communities Bonus Points**, applicants must submit form HUD2995, Certification of Consistency with Sustainable Communities Planning and Implementation, signed by the designated Preferred Sustainability Status Community point of contact. Designated PSS Communities Points of Contacts can be found on HUD's website at [http:// portal.hud.gov/ hudportal/ HUD?src=/ program offices/ administration/ grants/ nofa11/ psscontacts](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/nofa11/psscontacts).

b. To receive **Promise Zones Bonus Points**, applicants must submit form HUD 50153, Certification of Consistency with Promise Zone Goals and Implementation, signed by the Promise Zone Official authorized to certify the project meets the criteria to receive bonus points. To view the list of designated Promise Zones and persons authorized to certify, please go to [https:// www.hudexchange .info/ promise-zones/ promise- zones- designees/](https://www.hudexchange.info/promise-zones/promise-zones-designees/).

## B. Reviews and Selection Process.

## 1. Application Screening.

a. HUD will screen each application to determine if it meets the threshold criteria listed in Section III.A. of this NOFA; and whether it is deficient and subject to corrections of technical deficiencies as described in HUD's FY2015 General Section in Section V.C., entitled, "Corrections to Deficient Applications".

## 2. Applications that will not be Funded.

a. HUD will not rate and rank applications that fail to cure technical deficiencies within the time frame provided by HUD.

b. HUD will not rate, rank or fund applications that fail any of the threshold requirements contained in the FY2015 General Section and Section III.C. of this program NOFA.

## 3. Preliminary Rating and Ranking.

a. HUD staff will preliminarily rate each application from an eligible applicant that has met all thresholds solely on the basis of the rating Factors, plus bonus points. An eligible applicant is an applicant that meets all of the eligibility requirements in Section III.A. of this NOFA.

b. When rating applications HUD reviewers will only use the information in the application and information available to HUD as described in Section V.A. and in the FY2015 General Section.

c. The HUD reviewer will assign a preliminary score for each Rating Factor and a preliminary total score for each eligible application.

d. A different HUD staff person will perform a second review and rating of each eligible application. If the scores differ between the first and second reviewer the HUD staff reviewers will discuss their reasoning and then come to a consensus score.

e. Applications that do not have a minimum score, including bonus points, of 50 points will not be funded.

f. After scores are assigned, applications will be placed in rank order by score.

## 4. Final Panel Review.

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

a. Review the preliminary Rating and Ranking documentation to ensure that any inconsistencies between preliminary reviewers have been identified and rectified and that the documentations of the rating and ranking accurately reflects the content of the application;

b. Assign a final score to each application;

c. Recommend for selection the most highly rated applications, subject to the amount of funding available.

d. HUD reserves the right to make reductions in funding for any non-allowable costs, costs that are not reasonable in relationship to the work to be carried-out, or costs that are not allocable according to the applicable OMB Circular covering cost principles. If such reductions occur, HUD will accordingly reduce the proposed award amount and require a condition on the award that the final budget and pro forma and other budget related documents be revised by the selected applicant accordingly before a final award can be executed.

## 5. Tie Scores.

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

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

7. Debriefing.

Applicants may request a debriefing in accordance with the debriefing provisions in Section VI.A. of the FY2015 General Section.

### **C. Anticipated Announcement and Award Dates.**

1. Application Deadline. The application deadline date is [45 days after publication] Applications submitted through [www.Grants.gov](http://www.Grants.gov) must be received no later than 11:59:59 p.m. eastern time on the application deadline date. Please see the FY2015 General Section IV.C., for instructions on timely receipt, including actions to take if the application is rejected.

2. Estimated Award Date. The estimated date for awarding currently available FY2015 Main Street funds is September 30, 2015. The award of FY2016 Main Street funds to FY2015 applicants is contingent upon future congressional action. HUD's intent to award FY2016 funds to FY2015 applicants will be announced separately if such funds become available.

### **VI. Award Administration Information.**

#### **A. Award Notices.**

Following the evaluation process HUD will notify successful applicants of their selection for funding. HUD will also notify all other applicants, whose applications were received by the deadline, that have not been chosen for award. Notifications will be sent by email, delivery receipt requested, to the person designated in item 8F of the SF424 and to the person listed as authorized representative in item 21 of the SF424.

1. Initial Announcement.

a. Award announcement letters are sent to each successful applicant. The date of the "Award Notification Letter" signifies that the grant period of performance has begun and future allowable grant costs can be charged to the grant. HUD will send a grant funds obligation document, form HUD-1044, "Assistance Award/Amendment," to each successful applicant for signature along with a Grant Agreement, which will specify the duration and terms and conditions of the grant.

b. There will be three copies of the form HUD-1044, "Assistance Award/ Amendment." The grantee must sign the HUD-1044s to indicate acceptance of the grant award and return them immediately via overnight mail to the Grants Administrator at:

U.S. Department of HUD

Office of Public Housing Investments

451 7th Street, SW Room 4130

Washington, DC 20410

Attn: Lawrence Gnessin

Phone: 202-402-2676

2. Applicants not funded will be provided notification by email or mail at HUD's discretion.



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

### **B. Administrative, National and Departmental Policy Requirements.**

Certain Administrative, National and Departmental Policy Requirements apply to all HUD programs, including this NOFA. For a complete list of these requirements, see Section VI.B. of the General Section.

See also Section III.C.3. and III.C.4. of this NOFA for a listing of post-award Main Street grant requirements.

### **C. Reporting.**

Please refer to Section VI of the General Section for a description of the general reporting requirements applicable to all HUD NOFAs.

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

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

##### a. During Initial Setup

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

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

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

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

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

##### b. On a quarterly basis:

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

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

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

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

##### 2. During the Use Restricted Period

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

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

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

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

6. Form HUD-27061, Race and Ethnic Data Reporting Form. The applicant is required to report annually on race and ethnic information.

7. Final Report.

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

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

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

Questions regarding specific program requirements should be directed to the point of contact listed in Section VII below.

## **VII. Agency Contact(s).**

HUD staff will be available to provide clarification on the content of this NOFA. Please note that HUD staff cannot assist applicants in preparing their applications. Questions regarding specific program requirements should be directed to the point of contact listed below.

1. Technical Assistance. Before the application deadline date, HUD staff will be available to provide the applicant with general guidance and technical assistance on this NOFA. However, HUD staff is not permitted to assist in preparing the application. If the applicant has a question or needs clarification, the applicant may contact Lawrence Gnessin via email at <lawrence.gnessin@hud.gov>, or may write to Ms. Dominique Blom, Deputy Assistant Secretary for Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW Room 4130, Washington, DC 20410-5000.

2. For technical support about downloading an application, registering with Grants.gov, and submitting an application, please call Grants.gov Customer Support at (800) 518-GRANTS ((800) 518-4726) (This is a toll-free number) or email Grants.gov at support@grants.gov. Persons with hearing and/or speech impairments may access the above telephone number via text telephone (TTY) using Federal Relay at <http://www.gsa.gov/portal/content/104626>

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

Internet at <http://www.hud.gov/hopevi>.

Questions concerning the General Section should be directed to the Office of Strategic Planning and Management, Grants Management and Oversight Division at 202-708-0667 (this is not a toll-free number).

Persons with hearing or speech impairments may access these numbers via TTY by calling the toll-free Federal Relay Service at 800-877-8339.

## **VIII. Other Information.**

**Paperwork Reduction Act Statement.** The information collection requirements in this this notice have been approved by OMB under the Paperwork Reduction Act of 1995 (44 U.S.C.3501-3520). In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid OMB control number. Each Program NOFA will identify its applicable OMB control number unless its collection of information is excluded from these requirements under 5 CFR part 1320.

A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR Part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for inspection at HUD's Funds Available web page at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail).