
U.S.DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY FOR
HOUSING-FEDERAL HOUSING COMMISSIONER

HDG EARLY CONSTRUCTION START REQUIREMENT

Early start Construction or rehabilitation of a HDG project prior to execution of a Grant Agreement or approval of evidentiary material is permissible providing the project owner first seek approval for an early start. However, prior to ground breaking for an early start the owner must have submitted the following items to HUD Headquarters Development Grant Division.

Evidence that the HDG covenants running with the land have been recorded ahead of all other interests in the project or any parties who have an interest in the project have acknowledged the existence of the covenants.

Evidence that the City's environmental certification and request for release of funds have been approved by HUD as required by 24 CFR Part 58. (HDG Regs and the National Environmental Protection Act require that the proposed project not significantly affect environmental conditions or that any negative environmental effects be mitigated.)

Evidence that all action necessary to enforce compliance with Federal Labor Standards has been taken by the Grantee.

An agreement from the Grantee and Owner that, if necessary, the evidentiary materials will be modified when the Field Office Counsel and Headquarters OGC Counsel have completed their review in final.

An approved Affirmative Fair Housing Marketing Plan that has been reviewed by the Field Office Fair Housing and Equal Opportunity staff, and,

Approved Minority and Women Business Development Plans that have been submitted for comment to the Field Office Fair Housing and Equal Opportunity staff to determine that the plan provide qualified minority or women-owner firms an opportunity to equally and fairly compete with other firms to bid on project contracts.

Current policy prohibits early construction start for HDG projects insured under FHA mortgage insurance programs. HUD requires simultaneous closing of FHA and HDG such that both sources of funds will be available at the same time.

HDG statute and regulation require that new construction or rehabilitation must be started within two years of notification of the Grant award.

Construction start on this basis is defined as "the beginning of initial site clearance and preparation provided that these activities are pursued diligently and are following without appreciable delay by other construction activities."