

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**MOLD AND MOISTURE CONTROL  
IN INNER CITY HOUSING**



## Funding Availability for Interventions to Control Mold and Moisture Problems in Inner-City Housing

### Program Overview

Purpose of the Program. The purpose of the program is to assist State and local governments in undertaking demonstration projects of preventive measures to correct mold and moisture problems in inner-city housing occupied by families with young children in communities where exposure to toxigenic molds has been linked to cases of acute pulmonary hemorrhage and death in infants.

*Available Funds.* Approximately \$4.0 million.

*Eligible Applicants.* State or local governments.

*Application Deadline.* May 26, 1999.

*Match.* None.

### Additional Information

#### I. Application Due Date, Application Kits, Further Information, and Technical Assistance

*Application Due Date.* Submit an original and four copies of your completed application on or before 12:00 midnight Eastern Time on May 26, 1999.

The General Section of the SuperNOFA provides additional information regarding the delivery methods for the applications.

*Address for Submitting Applications. For Mailed Applications.* The address for mailed applications is: Department of Housing and Urban Development, 451 Seventh Street, SW, Room P3206, Washington, D.C. 20410.

*For Overnight/Express Mail or Hand Carried Applications.* The address for applications that are hand carried or sent via overnight delivery is: HUD Office of Lead Hazard Control, Suite 3206, 490 L'Enfant Plaza SW, Washington, D.C. 20024.

*For Application Kits.* You may obtain an application kit from the SuperNOFA Information Center at 1-800-HUD-8929, or the TTY number at 1-800-483-2209. When requesting an application kit, please refer to "Interventions to Control Mold and Moisture." Please be sure to provide your name, address (including zip code), and telephone number (including area code). Alternatively, you may obtain an application kit by downloading it from the internet at <http://www.hud.gov>.

*For Further Information Contact.* Dr. Peter Ashley, Planning and Standards Division, Office of Lead Hazard Control, at the address above; telephone (202) 755-1785, extension 115, or Ms. Karen Williams, Grants Officer, extension 118

(these are not toll-free numbers). Hearing- and speech-impaired persons may access the above telephone numbers via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

#### II. Amount Allocated

Approximately \$4.0 million will be available to fund demonstration projects in FY 1999. Grants will be awarded on a competitive basis following evaluation of all proposals according to the Rating Factors described in section V(B). HUD anticipates that approximately 1 to 3 grants will be awarded, ranging from approximately \$1,500,000 to approximately \$4,000,000.

#### III. Program Description, Eligible Applicants, and Eligible Activities

##### (A) Program Description

(1) *Background.* (a) Molds (filamentous fungi) can grow on and within various substrates within a home following water intrusion as a result of events such as flooding and plumbing and roof leaks. Of particular concern is the growth of molds that are capable of forming toxic substances (i.e., toxigenic molds). Exposure to molds and their toxic byproducts can be hazardous to humans through direct contact with the skin, ingesting mold-contaminated foods, or by inhaling mold particles. Such exposures have been associated with a variety of symptoms, including rashes, fever, headache, upper respiratory infection, asthma, chronic fatigue, and in severe cases, death (Croft et al. 1986, Johanning et al. 1996).

One of the most hazardous of the toxigenic molds is *Stachybotrys chartarum*. *Stachybotrys* is a greenish-black mold that grows on water-soaked, cellulose-containing materials such as wood paneling, ceiling tiles, paper products, and some types of insulation. An association was found between the presence of this mold in water-damaged homes in a large, midwestern city, and the occurrence of acute pulmonary hemorrhage in infants, leading to death in some cases (Etzel et al. 1998; MMWR 1994, 1997). Air sampling conducted in the homes of the disease cases also identified considerably higher concentrations of other varieties of mold in the homes of victims as compared to control homes. The cases were found to be geographically clustered in an area of the city with housing that is old and often times inadequately maintained, with evidence of water damage and chronic moisture problems. A cluster of cases of acute infant pulmonary hemorrhage was also reported in another U.S. city; however, no

epidemiological study of potential causative environmental agents has been published (MMWR 1995).

Inspection of homes for mold problems can include visual survey for mold and water damage, bulk and surface sampling of contaminated materials, and air monitoring. Mold is especially serious when substantial amounts are found to occur in air ducts that are part of the home heating system. Heating ducts provide a means for the wide distribution of mold particulates throughout the house. To be effective, any remediation strategy must include elimination of moisture intrusion into the home. Because water damage and mold growth are most likely to occur in older housing, as has been reported, it is likely that the affected dwellings also contain lead-based paint which could be in a deteriorated condition. Therefore, any remediation strategy for mold growth should include the identification and control of lead-based paint hazards. Remediation workers must be trained to work safely in mold-contaminated environments as well as in safe methods for lead hazard control. Precautions also must be taken to adequately protect occupants during interventions.

(b) *References.* See Appendix A.

(2) *Goals and Objectives.* The primary goal of this program is to protect children by supporting one or more demonstration projects employing cost-effective, replicable interventions to remediate moisture intrusion and associated mold growth in inner-city housing occupied by families with young children in communities where toxic mold exposure has been linked to acute pulmonary hemorrhage in infants ("eligible housing").

Objectives include the following:

(a) Developing a cost-effective survey protocol for identifying homes that are candidates for moisture control interventions, identifying lead-based paint and other hazards associated with moisture intrusion, and screening out homes where structural or other condition factors make interventions infeasible or impractical.

(b) Developing a flexible set of intervention strategies that take into account the range of conditions likely to be encountered in older inner-city housing, and the need to maximize the number of housing units that receive an intervention.

(c) Developing an efficient strategy for evaluating the effectiveness of interventions in preventing moisture intrusion and controlling mold growth.

(d) Building local capacity to develop a sustainable program that will continue to prevent and, where they occur, minimize and control toxic mold

hazards in low and very-low income residences when HUD funding is exhausted.

(e) Affirmatively furthering fair housing and environmental justice.

(f) Mobilizing public and private resources, involving cooperation among all levels of government, the private sector, and community-based organizations to develop the most promising, cost-effective methods for identifying and controlling moisture problems and associated mold hazards in inner city housing.

(g) Integrating mold- and lead-safe work practices into housing maintenance, repair, and improvements.

(h) To the greatest extent feasible, promoting job training, employment, and other economic opportunities for low-income and minority residents and businesses which are owned by and/or employ low-income and minority residents as defined in 24 CFR 135.5 (See 59 FR 33881, June 30, 1994).

#### (B) Eligible Applicants

To apply for funding under this announcement, you must be a State or unit of local government. Multiple units of local government (or multiple local governments) may apply as part of a consortium; however, a single lead government or agency must be identified and that agency will be considered "the applicant." Only one application may be submitted from each applicant. If your name appears as lead agency in multiple applications, this will be considered a curable (minor) defect. HUD will request that you clarify which application you want HUD to consider as your application. If you fail to respond, any application in which you are identified as the lead agency will be returned unevaluated.

#### (C) Eligible Activities

You will be afforded considerable latitude in designing and implementing the interventions to prevent moisture intrusion and remediate existing mold hazards. However, in developing a strategy, you should use all reasonably available sources of information on controlling moisture and associated mold problems in buildings and protecting workers and occupants during and after the intervention process. HUD is interested in promoting housing intervention approaches that result in the reduction of this health threat for the maximum number of residents, and in particular low-income residents, and that demonstrate replicable techniques which are cost-effective and efficient.

The following direct and support activities are eligible under this grant program.

(1) Direct Project Elements (activities conducted by you and any sub-recipients):

(a) Performing evaluations of eligible housing to determine the presence of moisture intrusion and related conditions (e.g., mold growth, damaged lead-based paint) through the use of generally accepted testing procedures.

(b) Conducting medical examinations of young children for conditions caused or exacerbated by mold exposure where this is considered essential to your project, and there are no alternative sources to cover these costs.

(c) Conducting housing interventions to remediate existing mold growth and address conditions that could result in the recurrence of mold growth by preventing the intrusion of moisture into a dwelling. Any lead hazard evaluation and control work shall be conducted in accordance with the HUD *Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing* ("Guidelines").

(d) Carrying out temporary relocation of families and individuals during the period in which intervention is conducted and until the time the affected unit receives clearance for reoccupancy.

(e) Performing medical testing recommended by a physician or applicable occupational or public health agency for individuals working with toxic molds and air sampling to protect the health of the intervention workers, supervisors, and contractors.

(f) Undertaking housing rehabilitation activities that are specifically required to carry out effective control of moisture intrusion and mold hazards, and without which the intervention could not be completed and maintained. Grant funds under this program may also be used to control immediate lead-based paint hazards.

(g) Conducting clearance testing and analysis for lead and/or mold, as appropriate.

(h) Carrying out architectural, engineering and work specification development and other construction management services necessary to, and in direct support of, activities to control moisture problems and remediate existing mold and/or lead hazards.

(i) Providing training on safe maintenance practices to homeowners, renters, painters, remodelers, and housing maintenance staff working in low- or very-low income housing.

(j) Providing cleaning supplies for mold-hazard intervention and lead-hazard control to community/

neighborhood-based organizations for use by homeowners and renters in low income housing, or to such homeowners, and renters directly, in conjunction with training under section III.(C)(1)(i), or as part of research activities under section III.(C)(1)(n) of this program section of this SuperNOFA.

(k) Conducting general or targeted community awareness or education programs on environmental health hazards associated with moisture intrusion. This activity would include training on safe maintenance and renovation practices. It would also include making materials available, upon request, in alternative formats for persons with disabilities (e.g., Braille, audio, large type), and in languages other than English that are common in the community, whenever possible.

(l) Securing liability insurance for mold-intervention and lead-hazard evaluation and control activities to be performed.

(m) Supporting data collection, analysis, and evaluation of project activities. This activity is separate from administrative costs.

(n) Conducting applied research activities directed at demonstration of cost-effective evaluation and intervention methods for preventing moisture intrusion into dwellings and abating associated mold hazards, particularly in conjunction with concurrently evaluating and controlling other moisture-related environmental health hazards.

(o) Presenting research findings at a scientific conference in each project year after the first.

(p) Maintaining a registry (updated at least monthly) of housing units in which moisture problems, mold hazards and lead hazards were not found during evaluation, or in which such problems and hazards have been controlled.

(q) Preparing quarterly progress reports, interim and final research reports, and an overall final grant report detailing activities, findings, conclusions and recommendations, at the conclusion of grant activities.

(2) Support Elements.

(a) Your administrative costs.

(b) Program planning and management costs of sub-grantees and other sub-recipients.

#### (D) Ineligible Activities

Program funds shall not be used for:

(1) Purchase of real property.

(2) Purchase or lease of equipment having a per unit cost in excess of \$5,000, except upon approval by HUD.

(3) Medical treatment costs for children with illness associated with

exposure to molds or for children with elevated blood lead levels, except as part of research activities under section III.(C)(1)(n), above, in this program section of the SuperNOFA.

#### IV. Program Requirements

In addition to the program requirements listed in the General Section of this SuperNOFA, applicants are subject to the following requirements:

(A) *Budgeting*. Administrative Costs. There is a 10% maximum for administrative costs. The application kit contains specific information on allowable administrative costs.

(B) *Period of Performance*. The period of performance cannot exceed 36 months.

(C) *Coastal Barrier Resources Act*. Pursuant to the Coastal Barrier Resources Act (16 U.S.C. 3501), funds may not be used for properties located in the Coastal Barrier Resources System.

(D) *Flood Disaster Protection Act*. Under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), funds may not be used for construction, reconstruction, repair or improvement of a building or mobile home which is located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless:

(1) The community in which the area is situated is participating in the National Flood Insurance Program in accordance with the applicable regulations (44 CFR parts 59-79), or less than a year has passed since FEMA notification regarding these hazards; and

(2) Where the community is participating in the National Flood Insurance Program, flood insurance on the property is obtained in accordance with section 102(a) of the Flood Disaster Protection Act (42 U.S.C. 4012a(a)). You are responsible for assuring that flood insurance is obtained and maintained for the appropriate amount and term.

(E) *National Historic Preservation Act*. The National Historic Preservation Act of 1966 (16 U.S.C. 470) (NHPA) and the regulations at 36 CFR part 800 apply to the mold intervention and related hazard control activities that are undertaken pursuant to this program. HUD and the Advisory Council for Historic Preservation have developed an optional Model Agreement for use by grantees and State Historic Preservation Officers in carrying out any lead hazard control activities under this program.

(F) *Waste Disposal*. Waste disposal will be handled according to the requirements of OSHA (e.g., 29 CFR part 1910 and/or 1926, as applicable), the

Environmental Protection Agency (EPA) (e.g., 40 CFR parts 61, 260-299, 300-399, and/or 700-799, as applicable), the Department of Transportation (e.g., 49 CFR parts 171-177), and/or appropriate State or local regulatory agency(ies). Disposal of wastes from intervention activities that contain lead-based paint but are not classified as hazardous will be handled in accordance with the HUD *Guidelines*.

(G) *Worker Protection Procedures*. You must comply with the requirements of the Occupational Health and Safety Administration (OSHA; e.g., 29 CFR part 1910 and/or 1926, as applicable), or the State or local occupational safety and health regulations, whichever are most stringent.

(H) *Written Policies and Procedures*. You must have written policies and procedures for all phases of intervention, including evaluation, development of specifications, financing, occupant relocation, independent project inspection, and clearance testing (for mold and/or lead, as applicable). You and all your subcontractors, sub-recipients, and their contractors must comply with these policies and procedures.

(I) *Continued Availability of Safe Housing to Low-Income Families*. Units in which mold hazards have been controlled under this program shall be occupied by and/or continue to be available to low-income residents.

(J) *Data collection and provision*. You must collect, maintain and provide to HUD the data necessary to document the various approaches used to evaluate and control mold and lead hazards, including evaluation and control methods, building conditions, medical and familial information (with confidentiality of individually-identifiable information ensured) in order to determine the effectiveness and relative cost of these methods.

(K) *Section 3 Employment Opportunities*. Please see Section II(E) of the General Section of this SuperNOFA. The requirements of Section 3 are applicable to this program.

(L) *Certifications and Assurances*. In addition to the certifications and assurances listed in the General Section of the SuperNOFA, a single certification form is included in the application kit. This includes:

(1) An assurance in accordance with 24 CFR 50.3(h) that the applicant will carry out its responsibilities regarding HUD's environmental review.

(2) A certification of compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 49 CFR 24; and HUD

Handbook 1378 (Tenant Assistance, Relocation and Real Property Acquisition).

(3) An assurance that the applicant's financial management system meets the standards for fund control and accountability described in 24 CFR 85.20.

(4) An assurance that any pre-intervention and clearance evaluation for lead will be conducted by certified performers.

(5) An assurance that project funds obtained through this SuperNOFA will not replace existing resources dedicated to any ongoing project.

(6) Assurance that human research subjects will be protected from research risks in conformance with the Common Rule (Federal Policy for the Protection of Human Subjects, codified by HUD at 24 CFR part 60).

(M) *Davis-Bacon Act*. The Davis-Bacon Act does not apply to this program. However, if program funds are used in conjunction with other Federal programs in which Davis-Bacon prevailing wage rates apply, then Davis-Bacon provisions would apply to the extent required under the other Federal programs.

#### V. Application Selection Process

##### (A) Rating and Ranking

HUD intends to fund the highest ranked applications within the limits of funding. Once available funds have been allocated to meet the requested or negotiated amounts of the top eligible applicants, HUD reserves the right, in successive order, to offer any residual amount as partial funding to the next eligible applicant provided HUD, in its sole judgment, is satisfied that the residual amount is sufficient to support a viable, though reduced effort.

##### (B) Factors for Award Used to Evaluate and Rate Applications

This section provides the factors for rating and ranking your application and the maximum points for each factor. The application kit provides additional instructions for responding to these factors. The maximum number of points to be awarded is 102. This maximum includes two EZ/EC bonus points as described in the General Section of the SuperNOFA. Also, Section III(C)(2) of the General Section, which addresses a court-ordered consideration, is applicable to this program.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (20 Points)

This factor addresses your organizational capacity necessary to

successfully implement your proposed activities in a timely manner. The rating of you or your staff includes any community-based organizations, sub-contractors, consultants, sub-recipients, and members of consortia that are firmly committed to your project. In rating this factor HUD will consider:

(1) Your recent, relevant and successful demonstrated experience in undertaking eligible program activities. You must describe the knowledge and experience of the proposed overall project director and day-to-day program manager in planning and managing large and complex interdisciplinary programs, especially those involving housing rehabilitation, public health, or environmental programs. In your narrative response for this factor, you should include information on your program staff, their experience, commitment to the program, and position titles. Resumes of up to three (3) pages each and position descriptions for up to three personnel in addition to the project director and program manager, and a clearly delineated organizational chart for your project must be included as an appendix. Copies of job announcements (including salary range) should be included for any key positions that are currently vacant. Indicate the percentage of time that key personnel will devote to your project and any salary costs to be paid by funds from this program.

(2) Whether you have sufficient personnel or will be able to quickly retain qualified experts or professionals to begin your proposed program immediately and to perform your proposed activities in a timely and effective fashion. Describe how other principal components of your agency or other organizations will participate in or support your project. You should thoroughly describe capacity, as demonstrated by experience in initiating and implementing related environmental, health, or housing projects.

#### Rating Factor 2: Need/Extent of the Problem (15 Points)

This factor addresses the extent to which there is a need for your proposed program activities to address a documented problem in your target inner city area(s).

(1) Document a critical level of need for your proposed activities in the inner city area where activities will be carried out. You should pay specific attention to documenting need as it applies to your target area(s), rather than the larger geographic area.

(2) Your documentation of need should summarize available data linking

toxigenic mold growth with cases of acute pulmonary hemorrhage in infants in your target area(s). Examples of supporting data that might be used to demonstrate need, include:

(a) Economic and demographic data relevant to your target area(s), including poverty and unemployment rates;

(b) Rates of childhood illnesses (e.g., asthma) that could be caused or exacerbated by mold exposure, among children residing in your target area(s), and rates of environmental intervention blood lead levels in your target area(s);

(c) Lack of other Federal, State or local funding that could be, or is used, to address the problem HUD program funds are designed to address.

(3) For the areas targeted for your project activities, provide data available in your jurisdiction's currently approved Consolidated Plan, or derived from 1990 Census Data, or derived from other sources (all data should be documented):

(a) The age and condition of housing;

(b) The number and percentage of very-low and low income families with incomes less than 80% of the median income, as determined by HUD, for the area, with adjustments for smaller and larger families (See application kit for additional information.);

(c) The number and proportion of children under six years old.

(4) Describe how proposed research activities would help HUD achieve its goals for this program area of this SuperNOFA.

(5) There must be a direct relationship between the proposed activities, community needs, and the purpose of the program.

#### Rating Factor 3: Soundness of Approach (45 Points)

This factor addresses the quality and cost-effectiveness of your proposed work plan. You should present information on the proposed approach for controlling moisture intrusion and remediating existing mold problems. The response to this factor should include the following elements:

(1) *Intervention Strategy* (30 points). Describe the strategy you will use in planning and executing the moisture control and mold hazard interventions in inner city housing. You should provide information on:

(a) *Strategy for Implementing the Demonstration Project* (10 points). Describe your overall strategy for your proposed demonstration project. The description must include a discussion of:

(i) Your previous experience in reducing or eliminating mold and

moisture problems in urban housing (if any).

(ii) Your overall strategy for identifying, selecting, prioritizing, and enrolling units of eligible housing in which you will undertake mold and moisture control. Describe the extent to which your proposed activities will occur in an Empowerment Zone or Enterprise Community (EZ/EC), if applicable.

(iii) The estimated total number of owner occupied and/or rental units in which you will conduct interventions.

(iv) The degree to which your work plan focuses on eligible privately-owned and/or publicly-owned housing units with young children. Describe your planned approach to control moisture, mold and other environmental health problems associated with moisture intrusion before children are affected; and/or to control these hazards in units where children have already been treated for illnesses associated with mold exposure (e.g., acute pulmonary hemorrhage, asthma). Describe the process for your referral of ill children for medical case management if this is not ongoing.

(v) The financing strategy, including eligibility requirements, terms, conditions, and amounts available, to be employed in conducting mold and moisture control activities. You must discuss the way funds will be administered (e.g., use of grants, deferred loans, forgivable loans, other resources, private sector financing, etc.) as well as the agency which will administer the process. Describe how your proposed project will further and support the policy priorities of the Department, including promoting Healthy Homes; providing opportunities for self-sufficiency, particularly for persons enrolled in welfare-to-work programs; or providing educational and job training opportunities.

(b) *Outreach and Community Involvement* (5 points). You must describe:

(i) Proposed methods of community education. These should include community awareness, education, training, and outreach programs in support of your work plan and objectives. This should include general and/or targeted efforts undertaken to assist your efforts in reducing exposure to residential mold hazards. To the extent possible, programs should be culturally sensitive, targeted, and linguistically appropriate.

(ii) Proposed involvement of neighborhood or community-based organizations in the proposed activities. These activities may include outreach, community education, marketing,

inspection, and housing evaluations and interventions.

(c) *Technical Approach for Conducting Mold and Moisture Interventions* (15 points)

(i) Describe your process for evaluating units of eligible housing in which you will undertake moisture control and mold removal.

(ii) Describe any specialized testing or visual inspection that you will conduct during unit inspection with reference to source(s) of the protocol(s). Describe qualifications and experience requirements for laboratories, which shall include, as applicable, successful participation in the Clinical Laboratory Program, National Lead Laboratory Accreditation Program, and/or National Voluntary Laboratory Accreditation Program.

(iii) Describe the mold and moisture control interventions you will undertake. Provide an estimate of the per unit costs (and a basis for those estimates) for the type of interventions that are planned. Provide a schedule for initiating and conducting interventions in the selected units. Discuss efforts to incorporate cost-effective control methods to address other environmental health hazards resulting from water damage (e.g., deteriorating lead-based paint, damaged asbestos-containing materials). Work should be conducted in accordance with the HUD *Guidelines* in units where lead hazards are identified.

(iv) Describe your process for the development of work specifications for selected interventions. Describe your management processes to be used to ensure the cost-effectiveness of the housing interventions. Discuss your contracting process to obtain contractors to conduct interventions in selected units.

(v) Describe your plan for the temporary relocation of occupants of units selected for intervention, and how you will determine the need for relocation. Address the use of safe houses and other housing arrangements, storage of household goods, stipends, incentives, etc.

(2) *Economic Opportunity* (5 points) Describe methods that will result in economic opportunities for residents and businesses in the community where activities will be carried out. Include information on how you will provide employment, business development, and contract opportunities. Describe how you or your partners will satisfy the requirements of Section 3 of the Housing and Community Development Act of 1992 to give preference to hiring low- and very low-income persons or contracting with businesses owned by

or employing low-and very-low income persons.

(3) *Program Evaluation and Research* (10 points).

(a) Identify and discuss the specific methods you will use to measure progress, and evaluate the effectiveness of interventions. Describe how the information will be obtained, documented, and reported.

(b) Provide a detailed description of your proposed applied research activities. Your research designs should be feasible and display thorough knowledge of relevant scientific literature. They should include an appropriate plan for managing, analyzing and archiving data. Also, quality assurance mechanisms must be well integrated into your research design to ensure the validity and quality of collected data.

(4) *Budget* (Not Scored). Your proposed budget will be evaluated for the extent to which it is reasonable, clearly justified, and consistent with the intended use of program funds. HUD is not required to approve or fund all proposed activities. You must thoroughly document and justify all budget categories and costs (Part B of Standard Form 424A) and all major tasks. Describe in detail your budgeted costs for each required program element (major task) included in your overall plan. The four required program elements are: administration; education and outreach; control of mold and moisture-related hazards (including sampling); and program evaluation and applied research.

(5) *Court-Ordered Consideration*. Due to an order of the U.S. District Court for the Northern District of Texas, Dallas Division, HUD will award up to two (2) additional points to an application submitted by the City of Dallas, Texas, to the extent the application's proposed activities will eradicate the vestiges of racial segregation in the Dallas Housing Authority's programs consistent with the Court's order.

Rating Factor 4: Leveraging Resources (10 Points)

This factor addresses your ability to secure other community resources (such as financing, supplies or services) which can be combined with HUD's resources to achieve project purposes.

(1) In evaluating this factor, HUD will consider the extent to which you have partnered with other entities to secure additional resources to increase the effectiveness of your proposed project. Resources may include funding or in-kind contributions (such as services or equipment) allocated to your proposed program. Resources may be provided by

governmental entities, public or private organizations, or other entities willing to be your partner in this effort.

(2) Each source of contributions must be supported by a letter of commitment from the contributing entity, whether a public or private source, which must describe the contributed resources that will be used in your program. Staff in-kind contributions should be given a market-based monetary value. If you fail to provide letters of commitment with specific details including the amount of the actual contributions, you will not get rating points for this factor. Each letter of commitment, memorandum of understanding, or agreement to participate shall include the organization's name and the proposed level of commitment and responsibilities as they relate to the proposed program. The commitment must be signed by an official legally able to make commitments on behalf of the organization.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which your program reflects a coordinated, community-based process of identifying needs and building a system to address the needs by using available HUD and other community resources. In evaluating this factor, HUD will consider:

(1) The degree of coordination of your proposed project with those of other groups or organizations to best support and coordinate all activities, and the specific steps you will take to share information on solutions and outcomes with others. Any written agreements or memoranda of understanding in place must be described.

(2) The extent to which you have developed linkages, or the specific steps you will take to develop linkages, to coordinate your activities so solutions are holistic and comprehensive. Linkages include linkages with other HUD, Federal, State or locally funded activities through meetings, information networks, planning processes, or other means.

(3) The degree of coordination with housing rehabilitation, housing and health codes, and other related housing programs.

(a) Describe your plan for integrating and coordinating mold and moisture control interventions with other housing-related activities (e.g., lead hazard control, rehabilitation, weatherization, removal of code violations, and other similar work).

(b) Describe your plans to incorporate mold and moisture control interventions

with applicable housing codes and health regulations.

(c) Describe your plans to generate and use public subsidies or other resources (such as revolving loan funds) to finance future interventions to prevent and control mold hazards, particularly in low- and very-low-income housing.

(d) Detail the extent to which you will ensure that the needs of minorities and persons with disabilities will be addressed adequately during your intervention activities; and that housing in which mold and moisture problems have been addressed will still be available and affordable for low income minority and disabled individuals.

## VI. Application Submission Requirements

### (A) Applicant Information

You should submit your application in accordance with the format and instructions contained in this program section of this SuperNOFA. The following is a checklist of required application contents:

(1) Transmittal letter that summarizes your proposed program, provides the dollar amount requested, and identifies you and your partners in the application.

(2) The name, mailing address, telephone number, and principal contact person. If you are a consortium of associates, sub-recipients, partners, major subcontractors, joint venture participants, or others contributing resources to the project, similar information shall also be provided for each of these entities and you must specify the lead entity.

(3) Completed Forms HUD-2880, Applicant/Recipient Disclosure/Update Report; Certification Regarding Lobbying; and SF-LLL, Disclosure of Lobbying Activities, where applicable.

(4) Standard Forms SF-424, 424A, 424B, and other certifications and assurances listed in the General Section of the SuperNOFA and in this program section of the SuperNOFA (see application kit).

(5) A narrative statement addressing the rating factors for award. The narrative statement must be numbered in accordance with each factor for award (Factor 1 through 5). The response to the rating factors should not exceed a total of 30 pages.

(6) Any attachments, appendices, references, or other relevant information may accompany the project description, but must not exceed fifteen (15) pages for your entire application.

(7) A detailed budget with supporting cost justification for all budget categories of your funding request.

(8) The resumes and position descriptions of your project director and program manager and up to three additional key personnel.

## VII. Corrections to Deficient Applications

The General Section to this SuperNOFA provides the procedures for corrections to deficient applications.

## VIII. Environmental Requirements

Activities assisted under this program are subject to HUD environmental review to the extent required under 24 CFR part 50. An award under the Mold and Moisture Control Program does not constitute approval of specific sites where activities may be carried out. Following award execution, HUD will perform environmental reviews for activities to be carried out on properties proposed by your organization. You may not rehabilitate, convert, repair or construct a property, or commit or expend program funds or non-HUD funds for program activities for any eligible property until you receive

written notification from the appropriate HUD official that HUD has completed its environmental review and the property has been approved. The results of environmental reviews may require that proposed activities be modified or proposed sites rejected.

## IX. Authority

This program is authorized by the Fiscal Year 1999 Appropriations Act.

## Appendix A

### References

- Centers for Disease Control and Prevention. Acute pulmonary hemorrhage/hemosiderosis among infants: Cleveland, January 1993–November 1994. *MMWR Morb. Mortal. Wkly. Rep.* 1994; 43(48):881–883.
- Centers for Disease Control and Prevention. Acute pulmonary hemorrhage among infants—Chicago, April 1992–November 1994. *MMWR Morb. Mortal. Wkly. Rep.* 1995; 44(4):67.
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**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**HOPE VI REVITALIZATION  
AND DEMOLITION**



**Funding Availability for the Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI)**

*Program Overview*

*Purpose of the Program.* The purpose of this program is to provide Revitalization Grants to enable public housing agencies (PHAs) to improve the living environment for public housing residents of severely distressed public housing projects and Demolition Grants to expedite the demolition of obsolete and/or severely distressed public housing units.

*Available Funds.* Approximately \$583 million, as allocated in accordance with Section II.(A) of this program section of the SuperNOFA, below.

*Eligible Applicants.* PHAs that own public housing units, in accordance with the requirements at Section III.(B) of this program section of the SuperNOFA, below.

*Application Deadlines.* Revitalization grant applications are due on May 27, 1999. Demolition grant applications are due on May 6, 1999. (See Section V.(D)(2)(c), below, for important information regarding the application deadline and deficiency cure period for Demolition grants.)

*Match.* For Revitalization grants only, 5 percent of total grant amount plus an additional match for Community and Supportive Services, as described in Section IV.(B)(4) of this program section of the SuperNOFA, below. No match is required for Demolition grants.

*Additional Information*

If you are interested in applying for a HOPE VI grant, please review the following information, the General Section of this SuperNOFA, and the HOPE VI Application Kit.

*I. Application Due Date, Application Kits, Further Information, and Technical Assistance*

*Application Due Date.* HUD must receive your Revitalization grant application at HUD Headquarters no later than 12:00 midnight Eastern time on May 27, 1999. HUD must receive your Demolition grant application at

HUD Headquarters on or before 12:00 midnight Eastern time on May 6, 1999. See Section V.(D)(2)(c) below for important information regarding the application deadline and deficiency cure period for Demolition grants.

*Address for Submitting Applications.* Send one copy of your completed application to HUD Headquarters, 451 Seventh Street, SW, Room 4138, Washington, DC 20410, Attention: Elinor Bacon, Deputy Assistant Secretary for Public Housing Investments. In addition, send two copies of your completed application to your local HUD Field Office. HUD will determine whether your application is timely filed based on the date and time of receipt at HUD Headquarters, not the date and time that copies are received in your local Field Office.

*Mailed Applications.* HUD will consider your application to be timely filed if it is postmarked no later than 12:00 midnight on the application due date and if HUD receives it at HUD Headquarters on or within ten days of the application due date.

*Applications Sent by Overnight/Express Mail Delivery.* If you send your application by overnight delivery or express mail, HUD will consider it to be timely filed if HUD receives it at Headquarters on or before the application due date. HUD will also consider it to be timely filed if HUD does not receive it on the due date, but you can provide documentary evidence that you placed the application in transit with the overnight delivery service by no later than the application due date.

*Hand Carried Applications.* If you wish to hand carry your application to HUD Headquarters, you may bring it to Room 4138 of the HUD Headquarters Building in Washington, DC any time between 8:45 am and 5:45 pm Eastern Time before or on the application due date. You may also hand carry your application to HUD Headquarters between 5:15 pm and 12:00 midnight Eastern Time by delivering it to the South Lobby of the HUD Headquarters Building.

*Applications Submitted to HUD Field Offices.* If you wish to hand carry the required two copies of your application to your local HUD Field Office, you may do so during normal business hours before the application due date. On the application due date, business hours will be extended to 6:00 pm. (Please see the Appendix A of the General Section of the SuperNOFA for the hours of operation of the HUD Field Offices.)

*For Application Kits, Further Information and Technical Assistance.* If you are planning to apply for a HOPE VI grant under this program section of the SuperNOFA, your application must conform to the requirements of the Fiscal Year (FY) 1999 HOPE VI application kit. The kit provides specific instructions, data forms to complete, certification forms, and other information required in every application. Each Revitalization application must contain no more than 75 pages of narrative and 100 pages of attachments. HUD will mail a copy of the application kit to every eligible PHA. You may also obtain copies of application kits and any supplementary information by contacting the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-483-2209. When requesting an application kit, please refer to HOPE VI and provide your name, address (including zip code), and telephone number (including area code). The application kit also will be available on the Internet through the HUD web site at <http://www.hud.gov>.

*For answers to your questions,* you may call Mr. Robert Prescott, Acting Director, Office of Urban Revitalization, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4142, Washington, DC 20410; telephone (202) 708-2822 (this is not a toll free number). Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at 1-800-877-8339.

*II. Amount Allocated*

Type of assistance	Allocation of appropriation	Announced in this program section of the SuperNOFA
Revitalization .....	\$523,050,000	\$523,050,000
Demolition .....	60,000,000	60,000,000
Section 8 .....	26,950,000	.....
Technical Assistance .....	15,000,000	.....
<b>Total .....</b>	<b>625,000,000</b>	<b>583,050,000</b>

*(A) Revitalization Grants*

Approximately \$523 million of the FY 1999 HOPE VI appropriation has been allocated to fund HOPE VI Revitalization grants and will be awarded in accordance with this program section of the SuperNOFA. The total amount you may request is limited to the sum of the amounts in Section (1) below or the amount in Section (2) below, whichever is lower.

(1)(a) *Total Development Cost.* The total cost of development, including relocation costs, is limited to the sum of:

(i) HUD's Total Development Costs (TDCs) up to 100 percent of HUD's published TDC limits for the costs of demolition and new construction, multiplied by the number of HOPE VI Replacement Units; and/or

(ii) 90 percent of the TDC limits, multiplied by the number of public housing units after substantial rehabilitation and reconfiguration.

TDCs are limited by the HUD-published TDC Cost Tables, which are issued for each fiscal year for the building type and bedroom distribution for the public housing replacement units. You may not request funds to replace units if you have previously received HOPE VI or other public housing funds to replace those same units. However, you may use any non-HUD funds to supplement HUD funds for any project cost. Your application must disclose all prior HUD grant assistance received for the project(s) you have targeted for revitalization.

(b) *Community and Supportive Services.* You may request an amount up to 15 percent of the total HOPE VI grant to pay the costs of Community and Supportive Services. These costs are in addition to the TDC calculation in section II.(A)(1)(a) of this program section of the SuperNOFA, above.

(c) *Demolition and Site Remediation Costs of Unreplaced On-site Units.* You may request an amount necessary for demolition and site remediation costs of units that will not be replaced on-site. This cost is in addition to the TDC calculation in section II.(A)(1)(a) of this program section of the SuperNOFA, above.

(d) *Extraordinary Site Costs.* You may request an amount necessary to pay extraordinary site costs necessary to complete the project. These costs are in addition to the TDC calculation in section II.(A)(1)(a) of this program section of the SuperNOFA, above.

(2) *Total Grant Amount.* (a) You may submit one or two separate Revitalization applications. The total amount you may request in one or both applications may not exceed \$35

million. If you submit two applications, each application will be reviewed separately.

(b) Each of the one or two applications you submit may request funds for only one public housing development. For the purposes of this program section of the SuperNOFA, the definition of one "development" may also include more than one project, as long as those projects are contiguous, immediately adjacent to one another, or within a quarter-mile of each other at their closest. If you include more than one project in a single application, you must provide clear documentation that the projects are within a quarter-mile of each other.

(3) Within the grant limitations above, you may request funds for as few or as many units as you wish in a single application. HUD will review requests for small numbers of units on an equal basis with requests for large numbers of units.

*(B) Demolition Grants*

Approximately \$60 million of the FY 1999 HOPE VI appropriation has been allocated to fund HOPE VI Demolition grants and will be awarded in accordance with this program section of the SuperNOFA. If all of these funds are not needed for demolition of obsolete and/or severely distressed public housing, unused funds will be reallocated for HOPE VI Revitalization grants.

(1) You may submit multiple applications;

(2) You may target units in only one public housing project per application;

(3) You may submit more than one application targeting units in a single housing project;

(4) You may request funds for as many or as few units in an application as you wish, subject to the following provisions:

(a) *Per Unit Limitation.* You may receive no more than:

(i) \$5,000 per vacant unit;

(ii) \$6,500 per unit occupied as of the date of HOPE VI demolition funding application submission. This amount includes relocation costs; and

(iii) Reasonable costs for demolition of significant nondwelling facilities related to the demolition of dwelling units, such as heating plants, community buildings, or streets. These costs must be included in an application for funding of demolition of public housing units; you may not apply for them in a separate application.

(b) *Overall Limitation.* The sum of all Demolition funding applications from a single applicant may not exceed \$12.5 million, in accordance with the evaluation procedures provided in

section V.(D) of this NOFA, below. It is recognized that the HOPE VI grant may not pay for the total costs of relocation, abatement and demolition in all cases, and that the PHA may have to provide additional funding from other sources.

(2) You may apply for both HOPE VI Revitalization and Demolition funding to demolish the same units. If HUD determines that both applications are eligible for funding, HUD will use its discretion to determine whether the demolition will be funded under a Revitalization or a Demolition grant.

*(C) Section 8*

If necessary, HUD reserves the right to allocate up to \$26,950,000 (approximately 3,500 units) for Section 8 tenant-based assistance for public housing relocation or public housing replacement (including units associated with HOPE VI grants). If any funds allocated for Section 8 tenant-based assistance are not needed for such assistance, those funds will be reallocated for HOPE VI Revitalization grants. If you have already received Section 8 assistance to relocate residents from obsolete or severely distressed units, you may still apply for HOPE VI funds to physically replace those same units. If you will need Section 8 assistance in order to carry out the proposed revitalization, you must indicate the number of certificates needed in your HOPE VI application. HUD will award Section 8 certificates needed for HOPE VI sites after the HOPE VI selections have been made.

(D) *Technical Assistance.* The FY 1999 appropriation allocated \$15 million to provide Technical Assistance in the planning, development, and implementation of the HOPE VI program.

**III. Program Description; Eligible Applicants; Eligible Activities***(A) Program Description*

(1) *HOPE VI Revitalization grants* enable public housing agencies (PHAs) to:

(a) Improve the living environment for public housing residents of severely distressed public housing projects through the demolition, substantial rehabilitation, reconfiguration, and/or replacement of severely distressed units;

(b) Revitalize the sites on which severely distressed public housing projects are located and contribute to the improvement of the surrounding neighborhood;

(c) Lessen isolation and reduce the concentration of low-income families;

(d) Build sustainable mixed-income communities; and

(e) Provide well-coordinated, results-based community and supportive

services that directly complement housing redevelopment and that help residents to achieve self-sufficiency, young people to attain educational excellence, and the community to secure a desirable quality of life.

(2) *HOPE VI Demolition Grants* enable PHAs to expedite the demolition of obsolete and/or severely distressed public housing units. Any subsequent new construction or revitalization of any remaining units must be funded from other resources.

(B) *Eligible Applicants*

An eligible applicant for any HOPE VI grant is:

(1) Any PHA that is not designated as "troubled" pursuant to section 6(j)(2) of the United States Housing Act of 1937 (1937 Act);

(2) Any PHA for which a private housing management agent has been selected, or a receiver has been appointed, pursuant to section 6(j)(3) of the 1937 Act; and

(3) Any PHA that is designated as "troubled" pursuant to section 6(j)(2) of the 1937 Act and that:

(a) Was designated as troubled principally for reasons that will not affect its capacity to carry out the proposed revitalization or demolition;

(b) Is making substantial progress toward eliminating the deficiencies that resulted in its troubled status; or

(c) Has sufficiently demonstrated to HUD that it is capable of carrying out the proposed revitalization or demolition.

(C) *Eligible Activities*

(1) *Revitalization Grants*. Eligible activities are those eligible under the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the Fiscal Years 1993, 1994, 1995, 1997, 1998 and 1999; and the Omnibus Consolidated Rescissions and Appropriations Act of 1996. In addition, eligible HOPE VI activities are those included in the 1937 Act, including Section 24 of the 1937 Act, 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) (QHWRA).

Revitalization activities using HOPE VI funds must be for severely distressed Public Housing projects. Accordingly, certain proposed activities are subject to statutory requirements applicable to public housing projects under the 1937 Act, other statutes, and the Annual Contributions Contract (ACC). Within such restrictions, HUD seeks innovative solutions to the long-standing problems of severely distressed public housing

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

The following is a list of specific activities that are eligible using HOPE VI Revitalization grant funds. Other activities may also be eligible with HUD approval. If HOPE VI Revitalization funds are used for any of the following activities, you must conduct them in accordance with the following program requirements unless HUD has provided written approval to follow other requirements.

(a) *Total or partial demolition of buildings*. Section 24 of the 1937 Act provides that severely distressed public housing demolished in conjunction with a revitalization plan with HOPE VI funds is not subject to Section 18 of the 1937 Act or regulations at 24 CFR Part 970. Instead, if you are selected to receive a HOPE VI Revitalization grant, HUD will use information in your application to determine whether the proposed demolition can be approved. If you are not selected to receive a HOPE VI Revitalization grant, the information in your application will *not* be used to process a request for demolition. Please note that demolition is not a required element of a HOPE VI Revitalization application.

(b) *Disposition of property*, in accordance with Section 18 of the 1937 Act and regulations at 24 CFR part 970;

(c) *Public housing development through the acquisition of land*, or acquisition of off-site units with or without rehabilitation to be used as public housing, in accordance with 24 CFR part 941;

(d) *Major rehabilitation and other physical improvements of housing and community facilities* primarily intended to facilitate the delivery of self-sufficiency, economic development, or other community and supportive service opportunities for residents of the targeted development, in accordance with 24 CFR 968.112(b), (d), (e), and (g)-(o), 24 CFR 968.130, and 24 CFR 968.135(b) and (d);

(e) *Construction of replacement rental housing*, both on-site and off-site, and community facilities primarily intended to facilitate the delivery of self-sufficiency, economic development, or other supportive services for residents of the targeted development and off-site replacement housing, in accordance with 24 CFR part 941, including mixed-

finance development in accordance with subpart F;

(f) *Homeownership activities*, including: (i) Development of replacement homeownership units that meet the regulatory requirements of the Section 5(h) Program at 24 CFR part 906;

(ii) Development of replacement homeownership units that meet the statutory requirements of the HOPE II program (42 U.S.C. 12871-80; Pub. L. 101-625, secs. 421-31; 104 Stat. 4079, 4162-72);

(iii) Development of replacement homeownership units that meet the statutory requirements of the HOPE III program (42 U.S.C. 12891-98; Pub. L. 101-625, secs. 441-48; 104 Stat. 4079, 4172-80);

(iv) Replacement homeownership units that are made available through housing opportunity programs for construction or substantial rehabilitation of homes meeting essentially the same eligibility requirements as the Nehemiah Program; and

(v) Other appropriate replacement homeownership activities, including downpayment assistance for displaced residents and the provision of closing costs.

(g) *Management improvements*;

(h) *Reasonable costs for administration*, planning, and technical assistance, including fees and costs as specifically approved by HUD;

(i) *Well-integrated Community and Supportive Services programs* designed to assist residents to attain educational excellence, gain employment, and become self-sufficient, and related support programs such as day care, after school activities, etc.;

(j) *Economic development activities*, including the costs of infrastructure and site improvements associated with developing retail/commercial facilities, but excluding hard development costs;

(k) *Leveraging other resources*, including additional housing resources, retail supportive services, jobs, and other economic development uses on or near the project that will benefit future residents of the site; and

(1) *Relocation*, conducted in accordance with 24 CFR 970.5 (demolition) or 24 CFR 968.108 (rehabilitation), as appropriate.

(2) *Demolition Grants*. The following is a list of specific activities that are eligible using HOPE VI Demolition grant funds. Other activities may also be eligible with HUD approval. If HOPE VI Demolition funds are used for any of the following activities, you must conduct them in accordance with the following program requirements unless HUD has

provided written approval to follow other requirements.

(a) *Demolition*, including any required asbestos and/or lead-based paint abatement, of dwelling units and nondwelling facilities, in accordance with Section 18 of the 1937 Act and regulations at 24 CFR part 970;

(b) *Minimal site restoration* after demolition and subsequent site improvements to benefit the remaining portion of the project, to provide project accessibility, or to make the site more saleable;

(c) *Demolition of nondwelling facilities*, only where related to the demolition of dwelling units;

(d) *Necessary administrative costs*; and

(e) *Relocation* and other assistance related to the permanent relocation of families under the approved demolition, conducted in accordance with 24 CFR 970.5.

#### IV. Program Requirements

In addition to the requirements listed in section II. of the General Section of this SuperNOFA, you must also meet the following requirements.

##### (A) Program Requirements—All HOPE VI Applications

(1) *Flood Insurance*. In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001–4128), HUD will not approve your application for a grant that proposes to provide financial assistance for acquisition or construction (including rehabilitation) of properties located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(a) The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and

(b) Where the community is participating in the National Flood Insurance Program, flood insurance is obtained as a condition of execution of a Grant Agreement and approval of any subsequent demolition or disposition application.

(2) *Coastal Barrier Resources Act*. In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501), HUD will not approve your grant application if it targets properties in the Coastal Barrier Resources System.

(3) *Internet Access*. If you are selected for funding, you must have access to the Internet and provide HUD with email addresses of key staff and contact people.

(4) *Labor Standards*. Davis-Bacon or HUD-determined wage rates apply to development or operation of revitalized housing to the extent required under Section 12 of the U.S. Housing Act of 1937. In the case of demolition, Davis-Bacon wage rates apply to demolition followed by construction on the site; HUD-determined wage rates apply to demolition followed only by filling in the site and establishing a lawn. Under Section 12, the wage rate requirements do not apply to individuals who: perform services for which they volunteered; do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and are not otherwise employed in the work involved (24 CFR part 70). In addition, if other Federal programs are used in connection with your HOPE VI Program, labor standards requirements apply to the extent required by the other Federal programs, on portions of the project that are not subject to Davis-Bacon rates under the Act.

(5) *Lead-Based Paint Testing and Abatement*. All property assisted under your HOPE VI Program is covered by the Lead-Based Paint Poisoning Prevention Act (24 U.S.C. 4821 *et seq.*) and 24 CFR part 35; 24 CFR part 965, subpart H; and 24 CFR 968.110(k).

(6) *Building Standards*. (a) All activities that include construction, rehabilitation, lead-based paint removal, and related activities must meet or exceed local building codes. New construction must comply with the latest HUD-adopted Model Energy Code issued by the Council of American Building Officials. In addition, HUD encourages you to set higher standards for energy and water efficiency in HOPE VI new construction, which can achieve utility savings of 30 to 50 percent with minimum extra cost. Upon request, HUD will provide technical assistance and training in design and financing to assist your authority, architects, and contractors in improving resource efficiency.

(b) You are encouraged to design programs that incorporate sustainable construction and demolition practices, such as the dismantling or “deconstruction” of public housing units, recycling demolition debris, and reusing salvage materials in new construction.

(7) *Program Income*. If you expect to receive program-related income prior to grant closeout (e.g., from sale of homeownership Replacement Units or the disposition of improved land), this income must be reflected in your HOPE VI budget and used for program purposes.

(8) *Environmental Review*. (a) Under 24 CFR part 58, the responsible entity, as defined in 24 CFR 58.2(a)(7), must assume the environmental responsibilities for projects being funded by HOPE VI. If your organization objects to the responsible entity conducting the environmental review, on the basis of performance, timing or compatibility of objectives, HUD will review the facts and determine who will perform the environmental review. At any time, HUD may reject the use of a responsible entity to conduct the environmental review in a particular case on the basis of performance, timing or compatibility of objectives, or in accordance with 24 CFR 58.77(d)(1). If a responsible entity objects to performing an environmental review, or if HUD determines that the responsible entity should not perform the environmental review, HUD may designate another responsible entity to conduct the review or may conduct the environmental review in accordance with the provisions of 24 CFR part 50. After selection by HUD for Joint Review, you must provide any documentation to the responsible entity (or HUD, where applicable) that is needed to perform the environmental review.

(b) If the environmental review is completed before HUD approval of the HOPE VI Revitalization Plan (RP) and you have submitted your request for release of funds (RROF), the RP approval letter will require any conditions, modifications, prohibitions, etc. arising from the environmental review.

(c) If the environmental review is not completed and/or you have not submitted the RROF before HUD approval of the RP, the RP approval letter will require you to refrain from undertaking, or obligating or expending funds on, physical activities or other choice-limiting actions, until HUD approves your RROF and the related certification of the responsible entity (or HUD has completed the environmental review). The RP approval letter will also tell you that the approved RP may be modified on the basis of the results of the environmental review.

##### (B) Program Requirements—Revitalization Applications

(1) *Severe Distress*. The targeted public housing project or building in a project must be severely distressed. The term “severely distressed public housing” means a public housing project or building in a project that fits the description of either all of the elements in paragraph (a) of this section, or is described by paragraph (b) of this section, as follows:

(a)(i) The public housing requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plant of the project;

(ii) The condition of the public housing project is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;

(iii)(1) The public housing is occupied predominantly by families who are very low-income families with children, are unemployed, and are dependent on various forms of public assistance; or

(2) The public housing has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;

(iv) The public housing cannot be revitalized with funds from other programs because the costs are much greater than the amounts that are available;

(v) If only individual buildings of the project are targeted for revitalization, they must be sufficiently separated from the remainder of the project to make use of the building feasible; or

(b) Public housing that has been legally vacated or demolished is deemed severely distressed if it met the description in paragraph (a) of this section, above, and has not yet been replaced other than with Section 8 certificates.

(c) To demonstrate that the targeted public housing project, or buildings in a project, meets the severe distress requirement you must:

(i) Sign a certification, included in the HOPE VI Revitalization Certifications as provided in Appendix A below, that the public housing targeted in the application meets the definition of severe distress provided in paragraphs (a) or (b) of this section, above; and

(ii) Include in your application a certification by an independent engineer, signed on or before the application deadline date, that the project meets the severe distress requirement in paragraph (a)(1) of this section, above.

(2) *Public Meetings.* (a) You must conduct at least one training session for residents on the HOPE VI development process and at least three public meetings with residents and community members to involve them in the process of planning the revitalization and

preparing the application. At least one meeting must be held after the publication date of this HOPE VI NOFA.

(b) You must cover the following issues in the public meetings:

(i) The HOPE VI planning and implementation process;

(ii) The proposed physical plan, including site and unit design;

(iii) The extent of proposed demolition;

(iv) Community and supportive services;

(v) Relocation issues; and

(vi) Other proposed revitalization activities.

(c) To demonstrate that you have conducted the required public meetings, you must include the following evidence of each meeting in your application:

(i) The notices announcing the meetings. In addition to other means of notification, at least one notice for each meeting must be placed in a commercial newspaper or journal that serves both the public housing project and the broader community;

(ii) A copy of the meeting sign-in sheets; and

(iii) A signed and notarized copy of the meeting minutes, describing in detail the resident training and/or discussion regarding the proposed plan.

(d) Submission of the documentation required of the meetings is a curable item and is not rated. If you fail to properly document that you have conducted all of the required meetings, after being provided with the opportunity to correct any deficiencies in accordance with section V of the General Section of this SuperNOFA, your application cannot be considered for funding. You may not conduct a required meeting after the application due date in order to cure a deficiency identified by HUD.

### (3) *Community and Supportive Services.*

(a) Each HOPE VI Revitalization application must propose a program of Community and Supportive Services that meets the needs of residents, and self-sufficiency programs that are designed to promote upward mobility, independence, and improved quality of life for residents of the targeted public housing development.

(b) Community and Supportive Services must be designed to serve existing residents of the severely distressed project, residents who have been displaced by revitalization activities, and new residents of the revitalized units.

(c) Community and Supportive Services may also be provided to non-public housing residents, as long as the

primary users of the services are residents as described in paragraph (b) of this section, above.

(d) Community and Supportive Service Programs may include, but are not limited to:

(i) Substance/alcohol abuse treatment and counseling;

(ii) Health care services;

(iii) Domestic violence prevention;

(iv) Transportation as necessary to enable any participating family member to receive available services or to commute to his or her place of employment;

(v) On-site credit unions;

(vi) "Life skills" courses on topics such as parenting, family budgeting, consumer education;

(vii) Child care that provides sufficient hours of operation and serves appropriate ages as needed to facilitate parental access to education and job opportunities and that stimulates children to learn and be responsible citizens;

(viii) Employment training and counseling, such as the Step-Up and Youthbuild Programs, that includes job training, preparation, counseling, development, placement, and follow-up assistance after job placement;

(ix) Motivational and self-empowerment training;

(x) Computer skills training;

(xi) Education, including remedial education, literacy training, completion of secondary or post-secondary education, assistance in the attainment of certificates of high school equivalency, and the integration of modern computer technology into the education program;

(xii) Programs that promote learning for children from infancy, created with strong partnerships with public and private educational institutions;

(xiii) Mentoring for children, non-literate adults, potential entrepreneurs, and English as a Second Language (ESL), as needed;

(xiv) Job placements for residents who complete adult education and job training programs, as provided through partnerships with local businesses;

(xv) Services and programs provided through results-oriented partnerships with Empowerment Zones and Enterprise Community Boards and economic development agencies and non-profit organizations; and

(xvi) Business development training, with the goal of establishing resident-owned businesses.

### (4) *Match.*

(a) *Overall Match.* The HOPE VI Revitalization Applicant Certifications (Appendix A to this NOFA, below) include a certification that if you are

selected for funding, you will provide resources other than HOPE VI funds in an amount that is at least 5 percent of the HOPE VI grant amount.

(b) *Additional Community and Supportive Services Match.* In addition to the match requirement in paragraph (a) of this section, above, if you use more than 5 percent of the HOPE VI grant for Community and Supportive Services programs described in section IV.(B)(3) of this program section of the SuperNOFA, above, you must certify that you will provide resources other than HOPE VI funds in an amount that is equal to the amount used over 5 percent.

(c) *Matching Funds.* Your matching funds may include amounts from other Federal sources, any State or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services or administrative costs provided. Active involvement of the city government in your HOPE VI plan is key to the success of the program. Providing a strong city match is one way for a city to demonstrate its commitment to the proposed development.

(5) *Replacement Units.*

(a) Rental units will be deemed Replacement Units and qualify for operating subsidy only if they are to be placed under Annual Contributions Contract and operated as Public Housing.

(b) Homeownership units will be deemed Replacement Units only if they meet the requirements listed in Section III(C)(1)(f) of this program section of the SuperNOFA, above.

(c) HOPE VI funds may not directly support mixed-finance units, including tax credit units, which are not themselves to be placed under ACC or to be sold as homeownership units as specified above.

(6) *Timeliness of Construction.* If selected, you will be held to strict schedules and performance measures. If you fail to obligate construction funds within the timeframes provided below, HUD may withdraw grant funds. HUD will take into consideration those delays caused by factors beyond your control when enforcing these schedules.

(a) You must enter into a binding General Contractor (GC) Contract within 18 months from the date of HUD's approval of the Revitalization Plan (RP). In no event may this time period exceed 24 months from the date the Grant Agreement is executed.

(b) You must complete construction under the GC Contract within 48

months from the date of HUD's approval of the RP. In no event may the time period for completion exceed 54 months from the date the Grant Agreement is executed.

(C) *Program Requirements—Demolition Applications*

(1) *Eligible Units.* Public housing units to be demolished with HOPE VI Demolition grant funds must meet one of the following criteria:

(a) The units must be targeted in an approved or submitted Conversion Plan (i.e., a plan for removal of the obsolete and/or severely distressed project from the public housing inventory in accordance with the requirements at 24 CFR 971.7(b)). To meet this requirement, you must have submitted a Conversion Plan to HUD on or before the HOPE VI Demolition funding application due date. You must meet the requirements of 24 CFR part 971 to meet this requirement; or

(b) The units must have been targeted in a HOPE VI Demolition funding application that you submitted in FY 1998 but that HUD did not fund solely because of a lack of funds; or

(c) The units must be approved by HUD for demolition in accordance with 24 CFR part 970 on or before the application due date, but the approved units have not yet been demolished. The demolition application must be approved:

(i) If you have merely submitted a demolition application, your HOPE VI application does not meet this requirement.

(ii) If HUD has approved your demolition application but HUD later rescinded the approval at your request, your HOPE VI application does not meet this requirement.

(2) *Previous Demolition.* You must not have an executed demolition contract for or have previously demolished any of the targeted units.

(3) *Previous Funding.* You may not submit a HOPE VI Demolition application for units that have been previously funded for demolition with HOPE VI funds. HUD will determine whether the units have been previously funded by looking at the most recent HUD-approved budget for any HOPE VI Revitalization or Demolition grant for the same development. If that grant budget shows that HOPE VI funds have been budgeted for demolition of the units you have targeted in your HOPE VI Demolition application, even if you have subsequently made an internal decision not to fund the demolition with HOPE VI funds, your HOPE VI Demolition application will not be considered for funding.

(4) *Timeliness of Demolition.* You must procure a demolition contractor within six months from the date of ACC Amendment execution, and complete the demolition within two years from the date of ACC Amendment execution.

**V. Application Selection Process**

(A) *Revitalization Threshold Criteria*

In addition to any applicable threshold requirements listed in the General Section of this SuperNOFA, your application must meet the following threshold requirements to be considered for funding.

(1) *Eligible Applicant.* You must be an eligible Public Housing Agency, as defined in Section III.(B) of this program section of the SuperNOFA, above. If HUD has designated your housing authority as troubled pursuant to section 6(j)(2) of the 1937 Act, HUD's Troubled Agency Recovery Center will use documents and information available to it to determine whether you meet the eligibility criteria in this program section of the SuperNOFA.

(2) *Severe Distress.* The targeted public housing project, or buildings in a project must be severely distressed, as defined in section IV.(B)(1) of this program section of the SuperNOFA, above.

(3) *Public Meetings.* You must conduct at least one training session and at least three public meetings in accordance with section IV.(B)(2) of this program section of the SuperNOFA, above.

(B) *Revitalization Application Evaluation*

HUD's selection process is designed to ensure that HOPE VI Revitalization grants are awarded to PHAs with the most meritorious applications.

(1) *Threshold and Completeness Review.* HUD will screen each application to determine if it is complete and meets the Threshold Criteria in Section V.(A) of this program section of the SuperNOFA, above. If necessary, HUD will contact you to provide missing information, in accordance with the provisions of section V. of the General Section of this SuperNOFA.

(2) *Preliminary Rating and Ranking.*  
(a) HUD will preliminarily review, rate and rank each eligible application on the basis of the rating factors described in Section V.(C) of this program section of the SuperNOFA, below.

(b) After preliminary review, the following applications will be deemed "competitive:"

(i) Applications with a preliminary score above a base score that

encompasses all applications that represent approximately twice the amount of funds available, and

(ii) Applications that propose revitalization of public housing that was targeted in HOPE VI Revitalization applications submitted to HUD in both the FY 1997 and 1998 HOPE VI Revitalization competitions but were not selected for funding.

(3) *Final Panel Review.* (a) A Final Review Panel will:

(i) Assess each competitive application;

(ii) Assign the final scores; and

(iii) Recommend for funding the most highly-rated eligible applications up to the amount of available funding.

(b) If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for Rating Factor 3, Soundness of Approach. If a tie still remains, HUD will select for funding the application(s) with the highest score for the Capacity rating factor. HUD will select further tied applications on the basis of their scores in the Need, Leveraging Resources, and Comprehensiveness and Coordination rating factors, in that order.

(c) HUD reserves the right to make adjustments to funding in accordance with Section III.(E) of the General Section of this SuperNOFA.

(d) HUD may not give competitive advantage to applications that propose to use HOPE VI grant funds to pay judgments or undertake HOPE VI revitalization activities in order to settle litigation.

### (C) *Revitalization Application Rating Factors.*

The following are the factors HUD will use to rate and rank your HOPE VI Revitalization application and the maximum points for each factor. The maximum number of points for each Revitalization application is 102, which includes two Empowerment Zone/Enterprise Community (EZ/EC) bonus points, in accordance with section III.(C)(1) of the General Section of this SuperNOFA.

#### Rating Factor 1: Capacity (20 Points Total)

This factor measures the capability and record of the applicant PHA or any alternative entity you choose to serve as your representative for managing large-scale redevelopment or substantial rehabilitation projects and administering Community and Supportive Services and management improvements. To ensure that revitalization efforts will take place

without delays due to problems in administration and management, HUD will award the most points to applications that demonstrate the highest degree of capacity to implement revitalization in a timely manner upon grant award.

If you are selected for funding, HUD may require you to use an outside entity as directed by HUD to carry out the revitalization activities. HUD does not require you to select a developer and/or Program Manager, if any, prior to submission of your application, although you may choose to do so. Rather, you must demonstrate (1) your current capacity to manage a large scale redevelopment and/or substantial rehabilitation project, or (2) your ability to identify needs in your current staffing and fill such gaps in order to successfully implement your proposed program, and/or (3) your proposed method for securing a program manager, and/or development partner to implement your plan. The rating of the "applicant" or the "applicant's organization and staff," unless otherwise specified, will include any sub-contractors, consultants, subrecipients, and members of consortia that are firmly committed to the project.

HUD will evaluate the information you provide in your application when rating subfactors (1)–(3) below.

(1) *Revitalization Capacity and Experience:* 7 Points. To receive maximum points, you and/or your proposed partners, including the overall proposed development director and staff of the PHA, the developer (if any), program manager (if any), consultants, and contractors, must convincingly demonstrate your team's knowledge and recent, successful experience in planning, implementing, and managing large scale revitalization activities as described in the first two paragraphs above, and meeting construction timetables.

(2) *Community and Supportive Services Experience:* 5 Points. To receive maximum points, you and/or your proposed partners, including the overall proposed development director and staff of the PHA, the developer (if any), program manager (if any), consultants, and contractors, must convincingly demonstrate your team's knowledge and recent, successful experience in planning, implementing, and managing the Community and Supportive Service Programs proposed in your application.

(3) *Property Management Experience:* 5 Points. To receive maximum points, you and/or your proposed partners, including the overall proposed development director and staff of the

PHA, the developer (if any), program manager (if any), consultants, and contractors, must convincingly demonstrate your team's knowledge and recent, successful experience in property management of public housing. You must thoroughly evaluate the obstacles, if any, that previously prevented good management, as well as other problems that contributed to the severe distress of the targeted project, and develop a new management plan that will protect against such obstacles and problems in the future and will improve the efficiency and economy of management.

(4) *Obligation of Modernization Funds:* 3 Points. To receive maximum points, you must have obligated at least 90 percent of your FY 1997 and prior year Modernization (e.g., Comprehensive Improvement Assistance Program or Comprehensive Grant Program) amounts by the HOPE VI application submission date. HUD will use the LOCCS disbursement system as of the application due date to verify your obligation rate.

#### Rating Factor 2: Need (20 Points Total)

This factor addresses the extent to which you have demonstrated that the targeted public housing project, or portion of the project, is severely distressed.

To be considered for funding, your application must earn at least 12 of the 14 points available for elements (1)–(4) of this rating factor, and your application must earn all 5 points for element (1), Physical Distress.

For all elements under this factor, HUD will consider the extent to which the information you provide is documented by objective, measurable indicators.

In rating this factor, HUD will consider:

(1) *Physical Distress:* 5 Points. To receive maximum points, the targeted project or portion of the project must be severely distressed as defined in Section IV.(B)(1) of this SuperNOFA, above. If a targeted site has been demolished or approved by HUD for demolition (including sites approved for demolition under 24 CFR Part 970 (demolition) and 24 CFR Part 971 (Mandatory Conversion)) on or before the HOPE VI application due date, your application will receive full points for this subfactor. Indications of physical distress may include:

(a) Major structural deficiencies, including settlement, leaking roofs, electrical systems not meeting code, high levels of lead based paint, high levels of deferred maintenance, and

units that do not meet Housing Quality Standards;

(b) Major site deficiencies, including lack of reliable and efficient heat and hot water, poor soil conditions, inadequate drainage, deteriorated laterals and sewers, and inappropriate topography;

(c) Design deficiencies, including inappropriately high population density, isolation, indefensible space, inaccessibility for persons with disabilities with regard to individual units, entrance ways, and/or common areas;

(d) Environmental conditions that make the current site or a portion of the site and its housing structures unsuitable for residential use.

(2) *Impact on the Neighborhood*: 5 Points. To receive maximum points, the public housing must be a significant current or potential contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood. If the surrounding neighborhood is not currently distressed, you must demonstrate that the targeted project is causing deterioration in the neighborhood which will become worse if the project remains in its current condition and that its revitalization would have a positive effect on the neighborhood. It is critical to show concretely how the public housing revitalization through HOPE VI will spur reinvestment in the surrounding community and/or how the redevelopment will positively impact and support the surrounding community. You should include a careful strategy for comprehensive revitalization with housing redevelopment as the impetus.

(3) *Demographic Distress*: 3 Points. To receive maximum points, the public housing must:

(a) Be occupied predominantly by families who are very low-income families with children, are unemployed and dependent on various forms of public assistance; or

(b) Have high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area.

(4) *Need for Funding*: 2 Points. To receive maximum points, the public housing cannot be revitalized with funds from other programs because the costs are much greater than available funds. Indications that you have inadequate funds are:

(a) If you receive Comprehensive Grant Program (CGP) funds and you will use 50 percent or more of your CGP funds for one year to fund a combination of emergency needs and

critical needs at other public housing projects. A critical need is defined as a modernization need that is a threat to health and safety of residents but that does not qualify as an emergency since there is no immediate threat to resident health or safety. An example of a critical need is the repair of roofs and plumbing in cases where failure to repair the problem would result in a significant increase in the expenditure of funds in the future.

(b) If you receive CIAP funds and you do not have adequate leftover CIAP funds (i.e., funds remaining from previous modernization programs that are subject to reprogramming after completion of all approved work items in the program) to perform the revitalization activities without affecting current emergency or critical needs.

(5) *Need for Affordable Housing in the Community*: 2 Points. To receive maximum points, there must be a need for affordable housing in the community, and there must be an inadequate supply of other housing available and affordable to accommodate families receiving tenant-based assistance under Section 8. HUD will make this determination based on your analysis of the need for affordable housing in the community on the basis of the rental apartment listings in a newspaper of general circulation in the community over the most recent complete month prior to the HOPE VI application deadline, supplemented by additional relevant data, if any.

(6) *Documentation of Need*: 3 Points. To receive maximum points, you must document the level of need for your proposed activities and the urgency in meeting the need with statistics and analyses contained in a data source(s) that is sound and reliable. If your community's Consolidated Plan and Analysis of Impediments to Fair Housing Choice identify the level of the problem and the urgency in meeting the need, you must include references to these documents in your response in order to receive maximum points. If these documents are not applicable to your jurisdiction or do not address the level of problem and the urgency in meeting the need, specifically state as such.

If your proposed activities are not covered under the scope of the Consolidated Plan and Analysis of Impediments to Fair Housing Choice, explain why they are not covered and use other sound data sources to identify the level of need and the urgency in meeting the need. Types of other sources include, but are not limited to, Census reports, Continuum of Care gaps analysis, law enforcement agency crime

reports, Public Housing Authorities' Five Year Comprehensive Plan, and other sound and reliable sources.

Rating Factor 3: Soundness of Approach (40 Points Total)

This factor addresses the quality of your design and planning and the cost-effectiveness of your proposed revitalization activities; your plan's appropriateness in the context of the broader community; the degree to which housing and non-housing aspects of your strategy are integrated and well-segmented; how your plan fits into needs of the local housing market; and the likelihood that a HOPE VI grant will result in a revitalized site that will enhance the neighborhood in which the project is located and enhance economic opportunities for residents. HUD will award full points to applications that demonstrate a clear relationship between the proposed activities, community assets and needs, and the purpose of HOPE VI funding.

(1) *Vision*: 5 Points. To receive maximum points, you must present the most innovative physical, social, and economic development approach possible given your local conditions, constraints, and opportunities. HUD will evaluate your Executive Summary to make this determination.

(2) *Feasibility*: 4 Points Total.

(a) *Market*. 1 Point. To receive this point there must be a demonstrated considerable market for the revitalized and/or replacement units of the type and size proposed. HUD will use a preliminary market assessment letter prepared by an independent, third party, recognized market resource firm or professional to make this determination.

(b) *Development Costs*. 2 Points. To receive maximum points, you must show that:

(i) Hard costs are comparable to industry standards for the kind of construction to be performed in the proposed geographic area;

(ii) Soft costs (developers' fees, PHA administration costs, legal fees, program manager's fees, consultants' fees, etc.) are reasonable, comparable to industry standards, and justified. HUD is particularly concerned that soft costs be minimized and will review carefully the proposed soft cost structure (i.e., is your reliance on outside entities at an appropriate level given the scope of your project and your in-house capacity), total soft costs as a percentage of overall development costs, and any innovative means you propose to keep such costs at a minimum so that as many HOPE VI resources as possible

can go into hard development and transforming the lives of the residents;

(iii) Costs are realistic and developed through the use of technically competent methodologies; and

(iv) Cost estimates represent a cost-effective plan for designing, organizing and carrying out your proposed activities.

(c) *Coherence and Consistency.* 1 Point. To receive this point, the information and strategies described in the application must be coherent and internally consistent, particularly the data provided for types and numbers of units, budgets and other financial estimates, and other numerical information. It is critical that you carefully review all numbers for unit mix, costs, etc. to make sure that all numbers are consistent throughout the application. HUD will make this determination based on your entire application.

(3) *Lessen Concentration: 9 Points Total.* The activities you propose must lessen concentration of low-income households, create opportunities for desegregation, and offer viable housing choices.

(a) *Physical Plan and Design.* 6 Points. To receive maximum points, you must show that:

(i) The physical plan and design of the proposed on-site housing will significantly reduce the isolation of low-income residents and/or significantly promote mixed-income communities in well-functioning neighborhoods;

(ii) Any plans for off-site housing will lessen concentration of low-income residents and create opportunities for desegregation by actively ensuring that locations of housing will not be in neighborhoods with high levels of poverty and/or high concentrations of minorities. (You do not have to have selected the precise location of off-site units in your application to receive full points for this element.);

(iii) For both on-site and any off-site units, the plan will increase access to municipal services, jobs, mentoring opportunities, transportation, and educational facilities; i.e., the physical plan and services strategy are integrated;

(iv) Proposed new units and buildings are designed in a creative way that ensures that they blend into and enrich the surrounding neighborhood. Design elements and amenities present in houses in the broader community are incorporated into the revitalized homes and will appeal to the market segments for which they are intended.

(b) *Section 8.* 3 Points. To receive maximum points, you must propose to provide assistance to residents of the targeted development receiving Section

8 certificates and vouchers with relocation assistance and smooth the transition from public to private housing for relocatees and members of their new communities. Such activities include:

(i) Helping Section 8 assistance holders find housing in non-poverty areas;

(ii) Conducting programs designed to prepare residents for the transition to private rental housing;

(iii) Involving faith-based, non-profit and/or other institutions and/or individual members of the community that relocatees choose to move into, in order to ease the transition and minimize the impact on the neighborhood. HUD will view favorably innovative programs such as community mentors, support groups, and the like;

(iv) Tracking families receiving Section 8 assistance;

(v) Providing Community and Supportive Service program support to Section 8 relocatees to achieve self-sufficiency;

(vi) Offering eligible residents who have been given Section 8 relocation assistance as a result of HOPE VI revitalization opportunities to return to the revitalized units.

(4) *Community and Supportive Services:* 5 Points

This factor evaluates the quality of your proposed Community and Supportive Services Programs, as required and described in Section IV.(B)(3) of this program section of the SuperNOFA, above, and gauges the probability that the Community and Supportive Services Programs you propose will result in "living wage" jobs, economic development, and educational advancements which are quantifiable and long-lasting. You are encouraged to be innovative and to create results-based programs which break new ground and can serve as national models.

You must implement public housing revitalization in tandem with the principles of welfare reform, self-sufficiency, and educational achievement. Not only must the physical environment meet the needs of residents, but the social environment must encourage and enable low-income residents to achieve long-term self-sufficiency, particularly for persons enrolled in welfare-to-work programs.

To that end, it is crucial that local welfare agencies are part of your HOPE VI partnership. Many HOPE VI residents are directly affected by Temporary Assistance to Needy Families (TANF), making these self-sufficiency efforts critical to their success. You must design your Community and Supportive

Services Programs not only for residents remaining on-site, but also for residents who have relocated to other PHA units or to Section 8 housing, and for new residents of the revitalized units.

To receive maximum points, your proposed Community and Supportive Services Programs must:

(a) Identify objectives that are results-oriented, with measurable goals and outcomes that will result in "living wage" jobs and educational advancements;

(b) Demonstrate consistency with state and local welfare reform requirements and goals;

(c) Be well integrated with the development process, both in terms of timing and the provision of facilities to house on-site service programs;

(d) Be of an appropriate scale, type, and variety of services to meet the needs of residents remaining on-site, residents who have relocated to other PHA units or Section 8 housing, and new residents of the revitalized units;

(e) Demonstrate an effective use of technology;

(f) Incorporate the enforcement of Section 3, both in the area of hiring residents from the HOPE VI site and in contracting with Section 3 firms;

(g) Be developed in response to a rigorous resident needs identification process and directly respond to the identified needs;

(h) Be coordinated with the efforts of other service providers and agencies in your locality; and

(i) Be sustainable after the grant term has expired.

(5) *Evaluation:* 2 Points

To receive maximum points, you must propose to work with local universities and other institutions of learning, foundations, and/or others to evaluate the performance and impact of your proposed HOPE VI revitalization. Where possible, HUD encourages you to form partnerships with Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HBIs), Community Outreach Partnership Centers (COPCs), others in HUD's University Partnerships Program. Areas for evaluation might include such issues as:

(a) The impact of your HOPE VI effort on the lives of the residents;

(b) The nature and extent of economic development generated;

(c) The effect of the revitalization effort on surrounding communities, including spillover revitalization activities, property values, etc.;

(d) Your success at integrating physical and non-physical (Services) aspects of your strategy.

(6) *Resident and Community Outreach and Involvement:* 5 Points

In addition to the Threshold requirement for public meetings provided in Section IV.(B)(2) of this program section of the SuperNOFA, above, this rating subfactor evaluates the nature, extent, and quality of the resident and community outreach and involvement you have done by the time your application is submitted, as well as your plans for continued and/or additional outreach and involvement. HUD will evaluate your efforts to include affected residents and members of the surrounding community in the planning and development of your application.

To receive maximum points, you must demonstrate that you have:

(a) Communicated regularly with affected residents and members of the surrounding community about your application and that you have:

(i) Included all interested parties, especially affected residents and members of the surrounding community, in the development of your application;

(ii) Developed specific plans for continued or different involvement and participation in the planning and implementation of revitalization activities if your application is successful;

(iii) Scheduled informational and planning meetings with affected residents and other interested parties during the development of your application at frequent and convenient times; and

(iv) Announced meetings in ways that are designed to generate the most participation. Methods of announcing upcoming meetings include, but are not limited to:

(1) Publishing notices of meetings in newspapers of local distribution;

(2) Hand distributing flyers to residences and locations likely to attract notice;

(3) Posting meeting information in adequate time to allow participants to plan to attend;

(4) Addressing the language needs of affected residents;

(5) Making meetings and information available to persons with disabilities.

(b) Communicated effectively with affected residents and members of the surrounding community and that you have:

(i) Provided training and technical assistance on the HOPE VI development process and general principles of development to affected residents to enable them to participate meaningfully in the development of your application, and developed plans to provide further training and technical assistance if your application is successful;

(ii) Provided information to affected residents and other interested parties about your planned revitalization;

(iii) Provided affected residents with substantive opportunities to participate in the development of your HOPE VI plan;

(iv) Incorporated input and recommendations of interested parties, especially affected residents, into your application;

(v) Generated support for your application among interested parties;

(vi) Recognized and addressed dissenting viewpoints among affected residents and other interested parties. Your application will not lose points if there has been opposition to your plan, but may lose points if you do not demonstrate that any such opposition has been addressed; and

(vii) Provided status reports on the development of your application.

(7) *Operation and Management Principles and Policies*: 5 Points.

(a) *Self Sufficiency and Economic Diversity*. To receive maximum points, you must propose operation and management principles and policies to be applied to on-site public housing and any on-site or adjacent assisted housing that will encourage residents to move in, move up, and move on. Such principles must:

(i) Complement self-sufficiency programs and result in a mix of residents in the revitalized development who have a range of incomes, including substantial numbers of working residents;

(ii) Reward work and promote family stability by promoting positive incentives such as income disregards and ceiling rents;

(iii) Promote economic and demographic diversity by instituting a system of local preferences; and

(iv) Encourage self-sufficiency by including lease requirements that promote resident involvement in the tenants association, community service, self-sufficiency, and transition from public housing.

(b) *Safety and Security*. To receive maximum points, you must demonstrate that your proposed operation and management principles and policies will provide greater safety and security by:

(i) Instituting tough screening requirements;

(ii) Enforcing tough lease and eviction provisions;

(iii) Enhancing on-going efforts to eliminate drugs and crime from neighborhoods through collaborative efforts with local law enforcement agencies and local United States Attorneys and program policy efforts

such as "One Strike and You're Out," the "Officer Next Door" initiative, the Department of Justice "Weed and Seed" programs, or HUD's "Operation Safe Home" and Drug Elimination programs;

(iv) Improving the safety and security of residents through the implementation of defensible space principles, anti-crime measures, and the installation of physical security systems such as surveillance equipment, control engineering systems, etc.;

(v) Improving the safety of children by promoting the concept of healthy homes. Healthy homes activities are described in Section VI(D) of the General Section of this SuperNOFA.

(8) *Affirmatively Furthering Fair Housing*: 5 Points. To receive maximum points, you must affirmatively further fair housing through the physical design of the revitalized units, the location of new units, and marketing of housing that will encourage diversity. You are encouraged to work with local advocacy groups which represent individuals with disabilities, the elderly, and other special needs populations to further these goals.

(a) *Accessibility*. (i) *Accessibility Requirements*. The design of your proposed new construction and/or rehabilitation of housing must conform to the civil rights statutes and regulations required in Section II.(B) of the General Section of this SuperNOFA.

(ii) *Accessibility Priorities*. HUD encourages you to promote greater opportunities for housing choice by implementing the following accessibility activities:

(1) Make at least 5 percent of for-sale units accessible to individuals with mobility disabilities and 2 percent of for-sale units accessible to individuals who have visual or hearing disabilities;

(2) Provide one-bedroom accessible rental units for single individuals with disabilities so that they too can live in the revitalized community;

(3) Implement innovative designs and room configurations, particularly for homeownership housing, which are both accessible to disabled residents and marketable to non-disabled households;

(4) Provide for accessibility modifications, where necessary, to Section 8 units of residents who have been relocated out of the targeted project due to revitalization activities.

(iii) *Visitability*. HUD encourages you to meet the visitability standards adopted by HUD that apply to units not otherwise covered by the accessibility requirements. The elements of visitability are described in Section VI.(C) of the General Section of this

SuperNOFA and in the HOPE VI Application Kit Glossary.

(iv) *Adaptability*. HUD encourages you to meet the adaptability standards adopted by HUD at 24 CFR 8.3 that apply to those units not otherwise covered by the accessibility requirements. The elements of adaptability are included in the HOPE VI Application Kit Glossary.

(b) *Diversity*. To receive maximum points, program activities must aid a broad diversity of eligible residents, including the elderly, the disabled, etc. HUD will also evaluate your efforts to increase community awareness in a culturally sensitive manner through education and outreach, as applicable. Describe specific steps to address the elimination of impediments to fair housing that were identified in your jurisdiction's Analysis of Impediments to Fair Housing Choice, remedy discrimination in housing, or promote fair housing rights and fair housing choice. Your marketing and outreach activities should be targeted to all segments of the population on a nondiscriminatory basis, promote housing choice and opportunity throughout your jurisdiction, and contribute to the deconcentration of minority and low-income neighborhoods.

#### Rating Factor 4: Leveraging Resources (10 Points Total)

In accordance with Section IV(B)(4) of this program section of the SuperNOFA, above, all HOPE VI Revitalization grant funds are subject to a matching requirement. By signing the HOPE VI Revitalization Applicant Certifications (Appendix A to this NOFA, below), you are certifying that, if selected, you will provide matching funds which can be combined with HUD funds to carry out revitalization activities, including Community and Supportive Services Programs. Although firm commitments for these matching resources are not required in your application, if funded you will be required to show evidence of matching resources through your quarterly reports as your project proceeds.

Although you will provide evidence of matching resources during the course of the grant term, you must provide evidence of any currently-available funds in order to earn points under this rating factor. Your application will be rated based on the extent to which you have secured additional resources now for proposed activities which can be added to HUD funds to achieve program purposes, and will secure additional resources. It is important that you do not just seek endorsements from

organizations or describe vendor relationships, but actively enlist individuals and/or entities who will provide significant financial and/or other assistance to the revitalization effort.

In rating this factor, HUD will evaluate the strength of your partnerships and relationships with other entities, and the extent those other entities will provide significant, *firm* funding commitments and other resources if HOPE VI funds are awarded.

In your application, you must provide evidence of each proposed resource by including letters of firm commitments, memoranda of understanding, agreements to participate, or letters of support. If you cannot secure firm commitments, the entity must describe why the firm commitment cannot be made at the current time and affirm that your PHA and your HOPE VI project meet all eligibility criteria for receiving the resource. This is particularly important with regard to Low Income Housing Tax Credits (LIHTC). All such documentation must include the donor organization's name, the specific resource proposed, and the purpose of that resource. Letters providing only general support of the revitalization effort, and letters offering to provide vendor services will not count toward this rating factor. The commitment must be signed by an official of the organization legally authorized to make commitments on behalf of the organization. HUD will evaluate the strength of commitment that the letters articulate.

If you propose to use Low Income Housing Tax Credits (LIHTC) as a part of your financing, provide in your application a letter from your State Housing Finance Agency that provides information from the state allocation plan regarding the total amount and type (4 percent vs. 9 percent) of tax credits available, any set-asides available for PHAs, per project funding limits, the schedule of funding rounds, verification that your project meets eligibility criteria, and other pertinent information.

(1) *Development Resources*: 6 Points. HUD seeks to fund mixed-finance development that will use HOPE VI funds to leverage other development funds, resulting in revitalized public housing, other types of assisted and market rate housing, and retail and economic development. To receive full points, you must actively enlist other stakeholders who are vested in and can provide significant financial assistance to your revitalization effort. In rating this factor, HUD will consider the

amount, breadth, and firmness of financial commitments for development purposes.

Sources of development resources may include public and private non-profit and for-profit entities with experience in the development and/or management of low- and moderate-income housing; foundations; LIHTC syndicators; State Housing Finance Agencies; nonprofit organizations; private debt and equity; and banks or insured loans. If your PHA is also a redevelopment agency or otherwise has citywide responsibilities, HUD will consider the City's housing and/or redevelopment agency or other functional area to be a separate entity with which you are partnering.

(2) *Community and Supportive Services Program Resources*: 4 Points. It is critical that you form partnerships to achieve quantifiable self-sufficiency goals and that you leverage scarce HOPE VI self-sufficiency funds with other funds. It is essential that you provide for the sustainability of Community and Supportive Services programs so that they may continue after the HUD funds have been expended.

HUD encourages you to create public/private partnerships with hard commitments from and accountability to organizations skilled in the delivery of services to residents of public housing. It is particularly important to create partnerships with local Boards of Education which will provide the foundation for young people from infancy through high school graduation to succeed in academia, the professional world, and mainstream society. You are encouraged to form partnerships with organizations such as local businesses, faith-based organizations, non-profit organizations, foundations, banks, welfare departments, Private Industry Councils, Departments of Transportation, Police, and economic development agencies, charitable, fraternal, and business organizations, Weed and Seed programs, and individual employers. Identify prospective employers, the number and types of jobs they propose to make available, the kind and level of training needed to prepare residents for such jobs and how such training will be provided.

Resources may include financial resources such as Federal, State, or local government grants or private contributions. Resources may also include in-kind contributions such as the value of any donated material or building; the value of any lease on a building; the value of the time and services contributed by volunteers, staff, supplies, municipal or county

government services and infrastructure; and the value of any other in-kind services or administrative costs provided which are critical to the successful transformation of the project and the lives of its residents.

In rating this factor, HUD will consider the amount, breadth and firmness of financial and in-kind commitments for Community and Supportive Services Programs, and the sustainability of such programs during the life of the grant and after HOPE VI funds have been expended.

**Rating Factor 5: Comprehensiveness and Coordination (10 Points Total)**

This factor evaluates your efforts to address the need for revitalized public housing in a holistic and comprehensive manner by creating linkages with other activities in the community, incorporating the revitalization of public housing into the overall plans for revitalization of the broader community, and participating or promoting participation in the community's Consolidated Planning process.

(1) *Coordination: 5 Points.* To receive maximum points, you must indicate that you have and/or will:

(a) Coordinate your proposed activities with related activities of other groups or organizations prior to submission in order to best complement, support and coordinate all known related activities. For example, it is important to know about changes in transportation, infrastructure, land use, and other revitalization issues when planning the locations of revitalized housing to prevent future site problems.

(b) Take specific steps to share information about solutions and outcomes with others.

(c) Take specific steps to develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with other HUD-funded projects/activities outside the scope of those covered by the Consolidated Plan, such as civil rights organizations; Local Area Agency on Aging, if applicable; local agencies and organizations serving persons with disabilities; Local Weed and Seed task force if the targeted project is located in a designated Weed and Seed area; HUD drug elimination, welfare-to-work, and self-sufficiency programs; other Federal, State or locally funded activities, including those proposed or on-going in the community; and Local law enforcement agencies and the local United States Attorney.

(d) Forge relationships with local Boards of Education, institutions of higher learning, non-profit or for-profit educational institutions and public/

private mentoring programs that will lead to new or improved educational facilities and improved educational achievement of young people in the revitalized development from birth through higher education.

(2) *Community Planning: 5 points.* To receive maximum points, you must indicate that you have or that you will take specific steps to become active in the community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address the need for revitalized public housing, that your plans are tied to revitalization plans for the broader community and the jurisdiction as a whole, and that your plans are consistent with plans or organizing efforts in the immediate, surrounding neighborhoods.

**(D) Demolition Application Evaluation**

(1) *Demolition Funding Categories.* HUD will select Demolition applications on a first-come, first-served basis, by an application's Funding Tier, Priority Group, and Ordinal. Demolition applications are not rated.

(a) *Funding Tiers.* If you wish to request more than \$7.5 million for HOPE VI Demolition grants, you must divide your applications and identify each of your applications as either Tier 1 or Tier 2. If funds remain after all Tier 1 applications are funded, HUD will begin to fund Tier 2 applications, in accordance with the procedures in Section V.(D)(3) of this program section of the SuperNOFA, below.

(i) The total amount requested in all of your Tier 1 applications may not equal more than \$7.5 million.

(ii) The total amount requested in all of your Tier 2 applications may not equal more than \$5 million.

(iii) The total amount requested in all your applications, both Tier 1 and Tier 2, may not exceed \$12.5 million.

(b) *Priority Groups.* You must also identify each of your applications by its appropriate Priority Group, as described below. Each application must target units of a single Priority Group, e.g., do not include Priority Group 1 units in the same application as Priority Group 2 units.

(i) *Priority Group 1:* HOPE VI Demolition funding applications that target units included in a Conversion Plan (i.e., plan for removal of the obsolete and/or severely distressed development from the public housing inventory in accordance with the requirements at 24 CFR 971.7(d)) that HUD has approved on or before the HOPE VI Demolition funding application due date under this program section of the SuperNOFA. Please note

that the term "Conversion Plan" used in this program section NOFA is the plan required by 24 CFR part 971.

(ii) *Priority Group 2:* HOPE VI Demolition funding applications that target units that were included in a HOPE VI Demolition funding application that you submitted in FY 1998 and that HUD deemed eligible for funding, but could not select for lack of sufficient funds.

(iii) *Priority Group 3:* (1) HOPE VI Demolition funding applications that target units included in a Conversion Plan (i.e., plan for removal of the obsolete and/or severely distressed development from the public housing inventory in accordance with the requirements at 24 CFR 971.7(d)) that you have submitted to HUD on or before the HOPE VI Demolition funding application due date under this program section of the SuperNOFA.

(a) If you submit a HOPE VI Demolition funding application for units that are targeted in a Conversion Plan that was submitted under 24 CFR Part 971 but not yet approved (Priority Group 3), and the Conversion Plan is subsequently approved (before the application deadline), you may revise your application and it will be reclassified as Priority Group 1. HUD will change the Ordinal to the Ordinal corresponding to the date that the revised application was received.

(b) If you submit a Conversion Plan but you are not eligible under 24 CFR part 971, your HOPE VI Demolition will not be considered to be in Priority Group 3. Please check with your local HUD Office before submitting a HOPE VI Demolition funding application based on submission of a Conversion Plan.

(2) Applications that target units that you included in a HUD-approved 24 CFR part 970 Demolition Application. If you have submitted a Part 970 Demolition Application to HUD's Special Applications Center (SAC) but it has not yet been approved by HUD, your HOPE VI Demolition application will not be considered complete and you will not receive an Ordinal until your Part 970 Demolition application is approved.

(c) *Ordinals.* Upon receipt, HUD will assign each application an Ordinal (i.e., ranking number) that reflects the date HUD Headquarters received the application. Ordinals correspond to business days, starting with the date HUD receives the first Demolition funding application and ending on the application due date, as specified in Section I of this program section of the SuperNOFA, above. HUD will consider all applications received on the same

date as received at the same time on that date, and those applications will all be assigned the same Ordinal.

(2) *Demolition Screening.* (a) Within a day after HUD receives your application, HUD will screen the application to ensure that it has met each HOPE VI Demolition funding program requirement listed in Section IV.(C) of this program section of the SuperNOFA, above, and that it includes each application submission requirement listed in Section VI.(B) of this program section of the SuperNOFA, below.

(b) If HUD determines that an application is not eligible for funding (e.g., the applicant is not a PHA), HUD will not consider the application further and will immediately notify the applicant that the application has been rejected.

(c) If HUD determines that an application is eligible but incomplete, within one day of receipt of the application, HUD will contact you in writing by fax (followed up with a hard copy by mail) to request the missing information. If HUD finds your application and other applications received on the same day to be incomplete, HUD will notify all such applicants of their missing items on the same day. Since Demolition funding applications are not rated, you may submit information to complete your application at any time before the Demolition funding application deadline date. However, if your application is received on the deadline date and it is missing a required submission, you will have no opportunity to submit any missing item after the deadline date and your application will be ineligible for funding.

**Please Note:** This provision means that the nearer to the deadline you submit your application, the less time you will have to correct any deficiencies, and if HUD receives your application ON the deadline date and there is a deficiency, that application will NOT be considered for funding. You are advised to submit your application as soon as possible, in the event that HUD identifies a deficiency that you need to correct.

(d) When HUD receives information in response to its letter asking for missing information and determines that it completes the application, HUD will change the application's Ordinal to the Ordinal corresponding to the date that HUD received the information. If the information does not make the application complete, HUD will treat the submitted information in the same manner as a newly-submitted application and send you another letter

requesting the missing information, up until the deadline date.

(e) Notwithstanding the above, if HUD approves a demolition application or a conversion plan on the day before or on the application deadline date, the requirements to provide evidence of these approvals will be considered to be met and you will not be required to submit your approval letters from HUD.

(3) *Funding.* HUD will award HOPE VI Demolition grants in the following order, based on fund availability.

(a) HUD will fund eligible Tier 1, Priority Group 1 applications by Ordinal.

(b) If funds remain after HUD has funded all eligible Tier 1, Priority Group 1 applications, HUD will fund Tier 1, Priority Group 2 applications by Ordinal.

(c) If funds remain after HUD has funded all eligible Tier 1, Priority Group 2 applications, HUD will fund Tier 1, Priority Group 3 applications by Ordinal.

(d) If funds remain after HUD has funded all eligible Tier 1 HOPE VI Demolition funding applications, HUD will fund eligible Tier 2 applications, by Priority Group and Ordinal.

(e) If funds remain after all eligible Tier 1 and Tier 2 HOPE VI Demolition funding applications have been funded, the remaining funds will be reallocated for HOPE VI Revitalization grants.

(f) At any stage, if there are insufficient funds to fund all applications with the next Ordinal, HUD will conduct a lottery among the applications sharing the Ordinal to determine funding. HUD reserves the right to partially fund the last lottery winner chosen if insufficient funds remain to fund the entire amount requested, if HUD deems such partial funding will be a viable alternative to full funding.

#### (E) *Grant Award Procedures*

##### (1) *Notification of Funding Decisions.*

(a) The HUD Reform Act prohibits HUD from notifying you as to whether or not you have been selected to receive a Revitalization grant until it has announced all HOPE VI Revitalization grant recipients. If your application has been found to be ineligible or that it did not receive enough points to be funded, you will not be notified until the successful applicants have been notified. HUD will provide written notification to all HOPE VI applicants, whether or not they have been selected for funding.

(b) HUD notification that you have been selected to receive a HOPE VI grant constitutes only preliminary approval. Grant funds may not be released until

the following activities have been completed:

(i) You or HUD must complete a subsidy layering review pursuant to 24 CFR 941.10(b), if required by HUD;

(ii) You and HUD must execute a HOPE VI Revitalization Grant Agreement or Demolition ACC Amendment in accordance with Sections (2) or (3) below, as applicable; and

(iii) The responsible entity has completed an environmental review and you have submitted and obtained HUD approval of a request for release of funds and the responsible entity's environmental certification in accordance with Section IV(A)(8) of this program section of the SuperNOFA, above.

#### (2) *Revitalization Grant Agreement.*

When you are selected to receive a Revitalization grant, HUD will send you a HOPE VI Grant Agreement, which constitutes the contract between you and HUD to carry out and fund public housing revitalization activities. Both you and HUD will sign the cover sheet of the Grant Agreement, and it is effective on the date of HUD's signature. The Grant Agreement sets forth:

(a) The amount of the grant;

(b) Applicable rules, terms, and conditions, including sanctions for violation of the Agreement;

(c) The precise schedules of the HOPE VI Program;

(d) Program requirements;

(e) Requirements for implementation of the proposed plan;

(f) Any applicable special conditions that you must meet;

(g) Certifications in which you will agree to:

(i) Carry out the program in accordance with the provisions of this program section of the SuperNOFA, applicable law, the approved application, and all other applicable requirements, including requirements for mixed finance development;

(ii) Comply with any other terms and conditions, including recordkeeping and reports, that HUD may establish for the purposes of administering, monitoring, and evaluating the program in an effective and efficient manner, including full cooperation with HUD's program oversight contractor;

(iii) Assemble a team to implement the HOPE VI Program that has a strong management and development track record and is able to start and carry out a quality HOPE VI program. If you fail to demonstrate your ability to assemble a competent team to the satisfaction of HUD and its program oversight manager, HUD will direct corrective

actions as a condition of retaining the grant;

(iv) Execute a construction contract within 18 months from the date of HUD's approval of the revitalization Plan (or a period specified in the Grant Agreement);

(v) Establish interim performance goals and complete the physical component of the HOPE VI revitalization within 54 months from the date that HUD executed the Grant Agreement. If you fail to meet this or other deadlines established in the Grant Agreement, HUD may enforce default remedies described in the Grant Agreement, up to and including the withdrawal of grant funding. HUD will take into consideration those delays caused by factors beyond your control when enforcing these schedules;

(vi) Execute an ACC Amendment for Mixed-Finance development with HUD, if required by HUD; and

(vii) Foster the involvement of and gather input and recommendations from affected residents throughout the entire development process.

(3) *Demolition ACC Amendment.* If you are selected to receive a Demolition grant, HUD will send you an ACC Amendment setting forth the amount of the grant. Both you and HUD will sign the ACC Amendment, and it is effective on the date of HUD's signature.

(a) By signing the ACC Amendment, you will agree that:

(i) You will carry out the demolition and relocation work in accordance with the requirements of this program section of the SuperNOFA, applicable law including all HUD regulations, the approved HOPE VI Demolition Funding Application, applicable Demolition Application approval, and all other applicable requirements; and

(ii) You will procure a demolition contractor within six months from the date of ACC Amendment execution, and complete the demolition within two years from the date of ACC Amendment execution; and

(iii) You will comply with such other terms and conditions, including recordkeeping and reports, as HUD may establish for the purposes of administering, monitoring, and evaluating the program in an effective and efficient manner.

(b) Subject to the provisions of Part A of the ACC, and to assist in the demolition and relocation, HUD will agree to disburse to the PHA from time to time as needed, up to the amount of funding assistance awarded.

## VI. Application Submission Requirements

### (A) *Revitalization Application Exhibits*

(1) *Application Kit.* The HOPE VI Application Kit provides explicit, specific instructions as to the format of a HOPE VI Revitalization application. Your application must conform to the requirements of this program section of the SuperNOFA and follow the format described in the Kit. In addition to the narratives that respond to the rating criteria in this program section of this SuperNOFA, your application will also include submissions that provide HUD with detailed information about your proposed revitalization, including forms and other documentation.

(2) *Submissions Required for Rating.* HUD will review the following application submissions and rate them in accordance with the Revitalization rating factors in section V.(C) of this program section of the SuperNOFA, above. Because these submissions are rated, they cannot be improved after submission of the application, and you may not submit any missing submissions after the deadline date.

(a) An Executive Summary.

(b) A description of your experience and that of your committed partners in developing and managing housing and providing Community and Supportive Services Programs.

(c) A description of existing site conditions, which demonstrates the extent of need for your proposed revitalization.

(d) A description of all predevelopment activities.

(e) A description of all revitalization activities proposed in your application and details of how the proposed work will be accomplished.

(f) A description of Community and Supportive Services Programs.

(g) A plan for resident and community outreach and involvement in the planning process.

(h) A description of current or planned coordination with related activities of other groups or organizations, including any applicable EZ/EC local empowerment board.

(i) A description of proposed management principles and policies which will support revitalization efforts, increase safety and security for residents, affirmatively further fair housing, lessen concentration of low-income residents and create desegregation opportunities, and promote mixed-income communities.

(j) Program Resources and Financing: budget, sources and uses, documentation of resources.

(k) Photographs of distressed public housing and representative photographs of the neighborhood.

(l) A current site map showing the various buildings of the project and identifying the buildings to be demolished and/or disposed of.

(m) A relocation plan for relocation not described in a demolition application.

(n) A city map which clearly identifies key facilities in the context of existing city streets, the central business district, other key city sites, and census tracts and which indicates the existing project, the planned development, and any off-site housing.

(o) A neighborhood map which clearly shows the distance, and distance scale, between two projects, if the two projects are being submitted as a single development for HOPE VI funding, pursuant to Section II.(A)(2)(b), above, of this NOFA.

(p) A proposed site map which indicates where proposed construction, rehabilitation acquisition, or disposition activities will take place.

(q) Site and unit design illustrations.

(3) *Submissions Required for Completeness.* The following submissions are required in your application but HUD will not use them for rating purposes. In accordance with section V. of the General Section of this SuperNOFA, HUD will give you the opportunity to submit missing submissions. If, after the cure period, HUD has not received and accepted the missing submissions, your application will not be eligible for funding.

(a) A certification by an independent engineer that the targeted public housing project, or buildings in a project, meets the severe distress requirement described in Section IV.(B)(1)(a)(i) of this program section of the SuperNOFA, above.

(b) An Implementation Schedule.

(c) Evidence that at least one training session on the HOPE VI development process and three public meetings were held in accordance with the requirements of section IV.(B)(2) of this program section of the SuperNOFA, above.

(d) The HOPE VI Revitalization Applicant Certifications. The text of the Revitalization Applicant Certifications is included as Appendix A below, and the actual form to sign is located in the HOPE VI Application Kit; and

(e) Signed copies of the standard forms, certifications, and assurances listed in section II.(G) of the General Section of this SuperNOFA.

**(B) Demolition Application Requirements**

The HOPE VI Application Kit provides explicit, specific instructions as to the format of a HOPE VI Demolition application. Your application must conform to the requirements of this program section of the SuperNOFA and follow the format described in the kit. The following is a summary of the application information required by this program section of the SuperNOFA. Demolition grants are awarded on a first-come, first-served basis and HUD does not rate the applications. Therefore, any missing information may be submitted after the application is first submitted in accordance with section V.(D) of this program section of the SuperNOFA, above. HUD will not consider any application for funding until you submit each of the following requirements to HUD's satisfaction.

- (1) Standard Form 424, Request for Federal Assistance, signed by a person legally authorized to enter into an agreement with the Department.
- (2) Site Information and Proposed Activities: information and description of the proposed demolition and related activities.
- (3) Documentation of unit eligibility:
  - (a) Evidence of HUD approval of a demolition/disposition application (approval letter); or
  - (b) Approval by HUD or submission to HUD by the HOPE VI demolition application due date of an obsolete and/or severely distressed public housing conversion plan in conformance with the requirements of 24 CFR part 971.
- (4) A description of program financing, including a program budget submitted on Form HUD-52825-A and third-party certification of reasonable and accurate costs.
- (5) A program schedule which clearly shows that you will complete the proposed demolition within two years from the date your ACC Amendment is executed.
- (6) The HOPE VI Demolition Applicant Certifications. The text of the Demolition Applicant Certifications is included in Appendix B below, and the actual form to execute is located in the HOPE VI Application Kit; and
- (7) Signed copies of the standard forms, certifications, and assurances listed in Section II.(G) of the General Section of this SuperNOFA.

**VII. Corrections to Deficient Applications**

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

**VIII. Authority**

The funding for HOPE VI Revitalization and Demolition grants under this program section of the SuperNOFA is provided by the FY 1999 HUD Appropriations Act under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)."

**Appendix A—HOPE VI Revitalization Applicant Certifications**

The text of the HOPE VI Revitalization Applicant Certifications is as follows:

Acting on behalf of the Board of Commissioners of the Housing Authority listed below, as its Chairman, I approve the submission of the HOPE VI application of which this document is a part and make the following certifications to and agreements with the Department of Housing and Urban Development (HUD) in connection with the application and implementation thereof:

1. The PHA will comply with all policies, procedures, and requirements prescribed by HUD for the HOPE VI program, including the implementation of HOPE VI activities in a timely, efficient, and economical manner.
2. The PHA has not and will not receive assistance from the Federal government, State, or unit of local government, or any agency or instrumentality, for the specific activities for which funding is requested in the application. The PHA has established controls to ensure that any activity funded by the HOPE VI grant is not also funded by any other HUD program, thereby preventing duplicate funding of any activity.
3. The PHA will not provide to any development more assistance under the HOPE VI Program than is necessary to provide affordable housing after taking into account other governmental assistance provided. The PHA could not undertake the activities proposed in the application without the additional assistance provided by the requested HOPE VI grant.
4. The PHA will supplement the aggregate amount of the HOPE VI grant with funds from sources other than HOPE VI in an amount not less than 5 percent of the amount of HOPE VI grant.
5. In addition to supplemental amounts provided in accordance with Certification 4 above, if the PHA uses more than 5 percent of the HOPE VI grant for Community and Supportive Services Programs, it will provide supplemental funds from sources other than HOPE VI in an amount equal to the amount used in excess of 5 percent.
6. The PHA has conducted at least one training session for residents on the HOPE VI development process and three public meetings with residents and community members to involve them in the process of planning the revitalization and preparing the application. At least one meeting was held after the publication date of the FY 1999 HOPE VI Revitalization NOFA.
7. The PHA does not have any litigation pending which would preclude timely startup of activities.
8. The application is in full compliance with any desegregation or other court order related to Fair Housing (e.g., Title VI of the Civil Rights Act of 1964, the Fair Housing

Act, and Section 504 of the Rehabilitation Act of 1973) that affects the PHA's public housing program and that is in effect on the date of application submission.

9. Disposition activity under the grant will be conducted in accordance with 24 CFR part 970.

10. Acquisition of land, or acquisition of off-site units with or without rehabilitation to be used as public housing, will be carried out in accordance with 24 CFR part 941.

11. Major rehabilitation and other physical improvements of housing and non-dwelling facilities will be carried out in accordance with 24 CFR 968.112(b), (d), (e), and (g)-(o), 24 CFR 968.130, and 24 CFR 968.135(b) and (d).

12. Construction of replacement rental housing, both on-site and off-site, economic development, and community facilities, will be carried out in accordance with 24 CFR part 941, including mixed-finance development in accordance with subpart F.

13. Replacement housing activity with units acquired or otherwise provided for homeownership under Section 5(h) of the 1937 Act will be conducted in accordance with 24 CFR part 906.

14. Replacement housing activities provided through housing opportunity programs of construction or substantial rehabilitation of homes will meet essentially the same eligibility requirements of the Nehemiah Program.

15. The administration and operation of units will be in accordance with all existing public housing rules and regulations.

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

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

18. The PHA has adopted the goal of awarding a specified percentage of the dollar value of the total of the HOPE VI contracts to be awarded during subsequent fiscal years to minority business enterprises and will take appropriate affirmative action to assist resident-controlled and women's business enterprises in accordance with the requirements of Executive Orders 11246, 11625, 12432, and 12138.

19. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 CFR part 135.

20. The PHA will comply with Davis-Bacon or HUD-determined prevailing wage rate requirements to the extent required under Section 12 of the U.S. Housing Act of 1937.

21. The PHA will comply with the relocation assistance and real property acquisition requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and government-wide implementing regulations at 49 CFR part 24 and will provide temporary relocation assistance in accordance with 24 CFR 968.108.

22. The PHA will comply with the HOPE VI requirements for reporting, and for access to records and audits as required in the HOPE VI Grant Agreement.

23. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.) and is subject to 24 CFR parts 35 and 965 (subpart H) and Section 968.110(k), as they may be amended from time to time.

24. The PHA will comply with the policies, guidelines, and requirements of OMB Circular Nos. A-87 (Cost Principles Applicable to Grants, Contracts, and Other Agreements with State and Local Governments) and 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments), as modified by 24 CFR 941 subpart F relating to the procurement of partners in mixed finance developments, except when inconsistent with the provisions of the 1998 Appropriations Act or other applicable Federal statutes or the NOFA pursuant to which the application was submitted.

25. PHA has returned any excess advances received during development or modernization, or amounts determined by HUD to constitute excess financing based on a HUD-approved Actual Development Cost Certificate (ADCC) or Actual Modernization Cost Certificate (AMCC), or that HUD has approved a pay-back plan.

26. There are no environmental factors, such as sewer moratoriums, precluding development in the requested locality.

27. The application is consistent with Environmental Justice Executive Order 12898, in that the proposed public housing will be developed only in environmentally sound and desirable locations and will avoid disproportionately high and adverse environmental effects on minority and low-income communities.

28. The PHA will comply with the provisions of 24 CFR part 24 with regard to the employment, engagement of services,

awarding of contracts, subgrants, or funding of any recipients, or contractors or subcontractors, during any period of debarment, suspension, or placement in ineligibility status.

29. The public housing project or building in a project targeted in this HOPE VI application meets the definition of severe distress provided in Section IV.(B)(1) of the FY 1999 HOPE VI NOFA.

#### **Appendix B—HOPE VI Demolition Applicant Certifications**

The text of the HOPE VI Demolition Applicant Certifications is as follows:

Acting on behalf of the Board of Commissioners of the Public Housing Authority (PHA) listed below, as its Chairman, I approve the submission of the HOPE VI Demolition funding application of which this document is a part and make the following certifications to and agreements with the Department of Housing and Urban Development (HUD) in connection with the application and implementation thereof:

1. The PHA will comply with all policies, procedures, and requirements prescribed by HUD for the HOPE VI program, including the implementation of HOPE VI activities in a timely, efficient, and economical manner.

2. The PHA has not and will not receive assistance from the Federal government, State, or unit of local government, or any agency or instrumentality, for the specific activities for which funding is requested in the application. The PHA has established controls to ensure that any activity funded by the HOPE VI grant is not also funded by any other HUD program, thereby preventing duplicate funding of any activity.

3. The PHA will not provide to any development more assistance under the HOPE VI Program than is necessary to perform demolition activities after taking into account other governmental assistance provided.

4. Disposition activity under the grant will be conducted in accordance with 24 CFR part 970;

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

6. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and regulations issued pursuant thereto (24 CFR part 146); the prohibitions against discrimination against, and reasonable modification and accommodation and accessibility requirements for, handicapped individuals under Section 504 of the

Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations issued pursuant thereto (24 CFR part 8); the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and regulations issued pursuant thereto (28 CFR Part 36); and the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151) and regulations issued pursuant thereto (24 CFR Part 40).

7. The PHA will address the elimination of impediments to fair housing that were identified in the jurisdiction's Analysis of Impediments to Fair Housing Choice; remedy discrimination in housing; and promote fair housing rights and fair housing choice.

8. The PHA has adopted the goal of awarding a specified percentage of the dollar value of the total of the HOPE VI contracts to be awarded during subsequent fiscal years to minority business enterprises and will take appropriate affirmative action to assist resident-controlled and women's business enterprises in accordance with the requirements of Executive Orders 11246, 11625, 12432, and 12138.

9. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 CFR part 135.

10. The PHA will comply with Davis-Bacon or HUD-determined prevailing wage rate requirements to the extent required under Section 12 of the U.S. Housing Act of 1937.

11. The PHA will comply with the relocation assistance and real property acquisition requirements of 24 CFR 970.5.

12. The PHA will keep records in accordance with 24 CFR 85.20 that facilitate an effective audit to determine compliance with program requirements.

13. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.) and is subject to 24 CFR parts 35 and 965 (subpart H) and Section 968.110(k), as they may be amended from time to time.

14. The PHA will comply with the policies, guidelines, and requirements of OMB Circular Nos. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).

15. The PHA does not have any litigation pending which would preclude timely startup of activities.

16. PHA has returned any excess advances received during development or modernization, or amounts determined by HUD to constitute excess financing based on a HUD-approved Actual Development Cost Certificate (ADCC) or Actual Modernization Cost Certificate (AMCC), or that HUD has approved a pay-back plan.

BILLING CODE 4210-32-P

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**PUBLIC HOUSING DRUG  
ELIMINATION PROGRAM**



## Funding Availability for the Public and Indian Housing Drug Elimination Program (PHDEP)

### Program Overview

**Purpose of the Program.** To provide grants to eliminate drugs and drug-related crime in public housing and Indian communities.

**Available Funds.** Approximately \$242,750,000 is available during FY 99 for PHDEP grants.

**Eligible Applicants.** Public Housing Authorities (PHAs), Tribes, or Tribally Designated Housing Entities (TDHEs) on behalf of the Tribe.

**Application Deadline.** June 16, 1999.

**Match.** None

### Additional Information:

If you are interested in applying for funding under this program, please review carefully the General Section of this SuperNOFA and the following information.

### I. Application Due Date, Application Kits, Further Information and Technical Assistance

**Application Due Date.** Applications (an original and two copies) are due on or before 6:00 pm local time on June 16, 1999 at the address shown below.

See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

**Address For Submitting Applications.** Submit an original and two identical copies of the application by the application due date at the local Field Office with delegated public housing responsibilities: Attention: Director, Office of Public Housing, or, in the case of the Tribes or TDHEs, to the local HUD Administrator, Area Office of Native American Programs (AONAP), as appropriate.

**For Application Kits.** To receive a copy of the Public Housing Drug Elimination Program (PHDEP) application kit please call the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-483-2209. When requesting an application kit, please refer to the Public Housing Drug Elimination Program (PHDEP). Please provide your name, address (including zip code, and telephone number (including area code)). The application kit contains information on all exhibits, forms, and certifications required for PHDEP.

**For Further Information and Technical Assistance.** Please call the

local HUD Field Office HUB with delegated housing responsibilities for your housing agency, the Area Office of Native American Programs (AONAPs) with jurisdiction over your Tribe or Tribally Designated Housing Entity (TDHE) preparing your application, HUD's Drug Information and Strategy Clearinghouse (DISC) at 1-800-952-2232; or Sonia Burgos in the Community Safety and Conservation Division, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4206, Washington, DC 20410, telephone (202) 708-1197, extension 4227; or Tracy C. Outlaw, National Office of Native American Programs, Department of Housing and Urban Development, 1999 Broadway, Suite 3390, Denver, CO 80202, telephone (303) 675-1600. (With the exception of the "1-800" telephone number, these are not toll-free numbers.)

### II. Amount Allocated

Public Law 105-276 (the FY 1999 HUD Appropriations Act) appropriated \$310,000,000 for the Public Housing Drug Elimination Program. Of the total \$310,000,000 appropriated, approximately \$242,750,000 is being made available for PHDEP grants. Additionally, \$14,399 in FY 1999 funds is awarded to the Housing Authority of the City of Cedartown, GA, an FY 1997 PHDEP grantee mistakenly denied this amount for an eligible law enforcement activity.

### III. Program Description; Eligible Applicants; Eligible/Ineligible Activities

#### (A) Program Description

Funds are available for Public Housing Authorities (PHAs), Tribes or Tribally Designated Housing Entities (TDHEs) to develop and finance drug and drug-related crime elimination efforts in their developments. You may use funds for enhancing security within your developments, making physical improvements to enhance security; and/or developing and implementing prevention, intervention and treatment programs to stop drug use in public and Indian housing communities.

In FY 1999, HUD is requiring all applicants to establish measurable baseline information and realistic goals for drug-related crime in Public Housing and for all major PHDEP activities being proposed. This information will be reported in a new PHDEP Semi-Annual Reporting System which will be implemented by July 1999. In addition, HUD is developing a formula based system for use in awarding PHDEP grants.

#### (B) Eligible Applicants

Eligible applicants include PHAs, Tribes or TDHEs. (A Tribe can apply either in its own name or through its TDHE. A TDHE cannot apply on behalf of a Tribe that is applying on its own behalf.) Resident Management Corporations (RMCs); and incorporated Resident Councils (RCs) are eligible for funding from PHAs as sub-grantees. RMCs and ROs that were operating pursuant to 24 CFR part 950 are eligible for funding from Tribes or TDHEs as subgrantees to develop security and substance abuse prevention programs.

#### (C) Eligible/Ineligible Activities

Under statute, PHDEP grants may be used for seven types of activities including: Physical improvement specifically designed to enhance security; Programs designed to reduce use of drugs in and around public or Indian housing developments including drug-abuse prevention, intervention, referral, and treatment; Funding for non-profit public housing resident management corporations (RMCs), Resident Councils (RCs), and Resident Organizations (ROs) to develop security and drug abuse prevention programs involving site residents; Employment of security personnel; Employment of personnel to investigate and provide evidence in administrative or judicial proceeding; Reimbursement of local law enforcement agencies for additional security and protective services; and Training, communications equipment, and related equipment for use by voluntary tenant patrols.

Following is a discussion by activity type of: what is fundable; what is not fundable; and specific requirements or items that need to be discussed in your application if you are including that activity in your application.

(1) **Physical Improvements to Enhance Security.** (a) Physical improvements specifically designed to enhance security may include: installing barriers, speed bumps, lighting systems, fences, surveillance equipment (e.g., Closed Circuit Television (CCTV), computers and software, fax machines, cameras, monitors, and supporting equipment), bolts, locks, and landscaping or reconfiguring common areas to discourage drug-related crime.

(i) All physical improvements must be accessible to persons with disabilities. For example, locks or buzzer systems that are not accessible to persons with restricted or impaired strength, mobility, or hearing may not be funded by PHDEP. Defensible space improvements must comply with civil rights requirements and cannot exclude

or segregate people because of their race, color, or national origin from benefits, services, or other terms or conditions of housing. All physical improvements must meet the accessibility requirements of 24 CFR part 8.

(ii) Funding is permitted for the purchase or lease of house trailers of any type that are not designated as a building if they are used for eligible community policing, educational, employment, and youth activities. A justification of purchase versus lease must be supported by your cost-benefit analysis.

(b) *Ineligible Improvements.* (i) Physical improvements that involve demolishing any units in a development.

(ii) Physical improvements that would displace persons are ineligible.

(iii) Acquiring real property.

(2) *Programs to Reduce Drug Use (Prevention, Intervention, Treatment, Structured Aftercare and Support Systems).* (a) *General Requirements and Strategies.* HUD is looking for you to structure your substance abuse prevention, intervention, treatment, and aftercare program using a "continuum of care" approach. A "continuum of care" approach includes not just treating the addiction or dependency but providing aftercare, mentoring, and support services such as day care, family counseling, education, training, employment development opportunities, and other activities.

You must develop a substance abuse/sobriety (remission)/treatment (dependency) strategy to adequately plan your substance abuse prevention, intervention, treatment, and structured aftercare efforts. In many cases, you may want to include education, training, and employment opportunities for residents; and support Welfare to Work initiatives. When undertaking these activities, you should be leveraging your PHDEP resources with other Federal, State, local and Tribal resources. For example, your application may propose providing space and other infrastructure for these efforts with several public agencies providing staff and other resources at limited or no cost. Your application should also discuss how your strategy incorporates existing community resources and how they will be used in your program. The strategy should also document how community resources will be provided on-site, or how participants will be referred and transported to treatment programs that are not on-site.

A community-based approach also requires you to develop a culturally appropriate strategy. Curricula,

activities, and staff should address the cultural issues of the local community, which requires your application to indicate your familiarity and facility with the language and cultural norms of the community. As applicable, your strategy should discuss cultural competencies associated with Hispanic, African-American, Asian, Native American or other racial or ethnic communities.

Your activities should focus resources directly to housing authority residents and families.

For all activities involving education, training and employment, you should demonstrate efforts to coordinate with Federal, Tribal, State and local employment training and development services, "welfare to work" efforts, or other new "welfare reform" efforts.

The current Diagnostic and Statistical Manual (DSM) of Mental Disorders of the American Psychiatric Association dated May 1994, contains information on substance abuse, dependency and structured aftercare. For more information about this reference, contact: APPI, 1400 K. Street, NW, Suite 1100, Washington, DC 20005 on 1(800) 368-5777 or World Wide Web site at <http://www.appi.org>.

Eligible activities may include:

- (i) Substance abuse prevention, intervention, and referral programs;
- (ii) Programs of local social, faith-based and/or other organizations that provide treatment services (contractual or otherwise) for dependency/remission; and
- (iii) Structured aftercare/support system programs.

(b) *Activities must be "in and around".* PHDEP funding is permitted for programs that reduce/eliminate drug-related crime "in and around" the premises of the housing authority/development(s). HUD has defined the term "in and around" to mean within, or adjacent to, the physical boundaries of a public or Indian housing development. This ensures that program funds and activities are targeted to benefit, as directly as possible, public and Indian housing developments and their residents.

(c) *Eligible cost.* (i) Funding is permitted for reasonable, necessary, and justified purchasing or leasing (whichever is documented as the most cost effective) of vehicles for transporting adult and youth residents for education, job training, and off-site treatment programs directly related to reducing drugs and drug-related crime. The cost reasonableness can be determined by a comparison of the number of participants in and anticipated costs of these programs

compared to the purchase or lease cost of the vehicles. If these costs are included in your application, you must include a description of why the expenses are necessary. Under no circumstances are these vehicles to be used for other than their intended purpose under your grant.

(ii) Funding is permitted for reasonable, necessary and justified program costs, such as meals and beverages incurred only for training, education and employment activities, and youth services directly related to reducing drugs and drug-related crime. Refer to Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments.

(d) *Prevention.* Prevention programs must demonstrate that they will provide directly, or otherwise make available, services designed to distribute substance/drug education information, to foster effective parenting skills, and to provide referrals for treatment and other available support services in the housing development or the community for housing authority families.

Prevention programs should provide a comprehensive prevention approach for residents that address the individual resident and his or her relationship to family, peers, and the community. Your prevention programs activities should identify and change the causal factors present in housing authorities that lead to drug-related crime thereby lowering the risk of drug usage. Many components of a comprehensive approach, including refusal and restraint skills training programs or drug, substance abuse/dependency and family counseling, may already be available in the community of your housing developments and should be included to the maximum extent possible in your proposed program of activities.

The following eligible activities under a prevention program are discussed in more detail below: educational opportunities; family and other support services; youth services; and economic and educational opportunities for resident adult and youth activities.

(i) *Educational Opportunities.* The causes and effects of illegal drug/substance abuse must be discussed in a culturally appropriate and structured setting. You may contract (in accordance with 24 CFR 85.36) to provide such knowledge and skills through training programs. The professionals contracted to provide these services are required to base their services on your needs assessment and program plan. These educational opportunities may be a part of resident

meetings, youth activities, or other gatherings of public and Indian housing residents.

(ii) *Family and Other Support Services.* "Supportive services" are services that allow housing authority families to have access to prevention, educational and employment opportunities. Supportive services may include: child care; employment training; computer skills training; remedial education; substance abuse counseling; help in getting a high school equivalency certificate; and other services to reduce drug-related crime.

(iii) *Youth Services.* "Educating and enabling America's youth to reject illegal drugs" is Goal #1 of the Office of National Drug Control Policy (ONDCP) top five goals in the Nation's Drug Control Strategy. Activities that target youth further this goal. Proposed youth prevention programs must demonstrate that they have included groups composed of young people ages 16 through 18. Your youth prevention activities should be coordinated by adults but have housing authority youth actively involved in organizing youth leadership, sports, recreational, cultural and other activities. Eligible youth services may include: youth sports; youth leadership skills training; cultural and recreational activities. These youth services provide an alternative to drugs and drug-related criminal activity for public housing and Native American youth. Youth leadership skills training may include training in leadership, peer pressure reversal, resistance or refusal skills, life skills, goal planning, parenting skills, and other relevant topics. Youth leadership training should be designed to place youth in leadership roles including: mentors to younger program participants, assistant coaches, managers, and team captains. Cultural and recreational activities may include ethnic heritage classes, art, dance, drama and music appreciation.

The following are eligible youth services activities:

(1) Salaries and expenses for staff for youth sports programs and cultural activities and leadership training;

(2) Sports and recreation equipment to be used by participants;

(3) Non-profit subgrantees that provide scheduled organized sports competitions, cultural, educational, recreational or other activities, including: Boys and Girls Clubs, YMCAs, YWCAs, the Inner City Games, Association of Midnight Basketball Leagues.

(4) Liability insurance costs for youth sports activities.

(iv) *Economic and Educational Opportunities for Resident Adult and*

*Youth.* Your proposed economic and educational activities must provide residents opportunities for interaction with, or referral to, established higher education, vocational institutions and/or private sector businesses in the immediate surrounding communities with the goal of developing or building on the residents' skills to pursue educational, vocational and economic goals and become self-sufficient.

You should discuss your economic and educational opportunities for residents and youth activities in the context of "welfare to work" and related Federal, Tribal, State and local government efforts for employment training, education and employment opportunities related to "welfare to work" goals. Establishing or referring adults and youth to computer learning centers, employment service centers (coordinated with Federal, Tribal, State and local employment offices), and micro-business centers are eligible.

Limited educational scholarships are permitted under this section. No one individual award may exceed \$500.00, and there is a total maximum scholarship program cap of \$10,000. Educational scholarship FY 1999 PHDEP funds must be obligated and expended during the term of your grant. You must demonstrate in your plan and timetable the scholarship strategy; the financial and management controls that will be used; and projected outcomes.

(e) *Intervention.* The aim of intervention is to identify or detect residents with substance abuse issues, assist them in modifying their behavior, and in getting early treatment, and structured aftercare.

(f) *Substance Abuse/Dependency Treatment.* (i) Treatment funded under this program should be "in and around" the premises of the housing authority/development(s) you proposed for funding. In undertaking substance abuse/dependency treatment programs, you must establish a confidentiality policy regarding medical and disability related information.

(ii) Funds awarded for substance abuse/dependency treatment must be targeted towards developing and implementing, or expanding and improving sobriety maintenance, substance-free maintenance support groups, substance abuse counseling, referral treatment services, and short or long range structured aftercare for residents.

(iii) Your proposed drug program must address the following goals for residents:

(1) Increasing accessibility of treatment services;

(2) Decreasing drug-related crime "in and around" your housing authority/development(s) by reducing and/or eliminating drug use; and

(3) Providing services designed for youth and/or adult drug abusers and recovering addicts (e.g., prenatal and postpartum care, specialized family and parental counseling, parenting classes, domestic or youth violence counseling).

(iv) Approaches that have proven effective with similar populations will be considered for funding. You must discuss in your overall strategy the following factors:

(1) Formal referral arrangements to other treatment programs in cases where the resident is able to obtain treatment costs from sources other than this program.

(2) Family/youth counseling.

(3) Linkages to educational and vocational training and employment counseling.

(4) Coordination of services from and to appropriate local substance abuse/treatment agencies, HIV-related service agencies, mental health and public health programs.

(v) As applicable, you must demonstrate a working partnership with the Single State Agency or local, Tribal or State license provider or authority with substance abuse program(s) coordination responsibilities to coordinate, develop and implement your substance dependency treatment proposal.

(vi) You must demonstrate that counselors (contractual or otherwise) meet Federal, State, Tribal, and local government licensing, bonding, training, certification and continuing training recertification requirements.

(vii) You must get certification from the Single State Agency or authority with substance abuse and dependency programs coordination responsibilities that your proposed program is consistent with the State plan; and that the service(s) meets all Federal, State, Tribal and local government medical licensing, training, bonding, and certification requirements.

(viii) Funding is permitted for drug treatment of housing authority residents at local in-patient medical treatment programs and facilities. PHDEP funding for structured in-patient drug treatment under PHDEP funds is limited to 60 days, and structured drug out-patient treatment, which includes individual/family aftercare, is limited to 6 months. If you are undertaking drug treatment programs, your proposal must demonstrate how individuals that complete drug treatment will be provided employment training, education and employment

opportunities related to "welfare to work."

(ix) Funding is permitted for detoxification procedures designed to reduce or eliminate the short-term presence of toxic substances in the body tissues of a patient.

(x) Funding is not permitted for maintenance drug programs. Maintenance drugs are medications that are prescribed regularly for a short/long period of supportive therapy (e.g. methadone maintenance), rather than for immediate control of a disorder.

(3) *Resident Management Corporations (RMCs), Resident Councils (RCs), and Resident Organizations (ROs).* RMCs, and incorporated RCs and ROs, may be a subcontractor to their housing authorities, or Tribe/TDHE, to develop security and substance abuse prevention programs for residents. Such programs may include voluntary tenant patrol activities, substance abuse education, intervention, and referral programs, youth programs, and outreach efforts. The elimination of drug-related crime within housing authorities/developments must have the active involvement and commitment of public and Indian housing residents and their organizations. Active involvement requires that residents be involved in the planning process and implementation.

To enhance the ability of housing authorities, and Tribes/TDHEs, to combat drug-related crime within their developments, Resident Councils (RCs), Resident Management Corporations (RMCs), and Resident Organizations (ROs) may undertake program management functions, notwithstanding the otherwise applicable requirements of 24 CFR part 964. Subcontracts with the RMC/RC/RO must include the amount of funding, applicable terms, conditions, financial controls, payment mechanism schedule, performance and financial report requirements, special conditions, including sanctions for violating the agreement, and monitoring requirements.

Costs must not be incurred until a written contract is executed.

(4) *Employment of HA Security Personnel.* You may employ HA security personnel. Employment of security personnel is divided into two categories: security personnel services, and housing authority police departments. You are encouraged to involve police officials residing in public housing to partake in PHDEP security-related programs. The following specific requirements apply to all employment of security personnel activities funded under PHDEP:

(a) *Compliance.* Security guard personnel and public housing authority police departments must meet; and demonstrate compliance with, all relevant Federal, State, Tribal or local government insurance, licensing, certification, training, bonding, or other law enforcement requirements.

(b) *Law Enforcement Service Agreement.* You must enter into a law enforcement service agreement with the local law enforcement agency and if applicable, the contract provider of security. Your service agreement must include:

(i) The activities security guard personnel or the public housing authority police department (HAPD) will perform; the scope of authority; written policies, procedures, and practices that will govern security personnel or HAPD performance (i.e., a policy manual and how security guard personnel or the HAPD shall coordinate activities with your local law enforcement agency);

(ii) The types of activities that your approved security guard personnel or the HAPD are expressly prohibited from undertaking.

(c) *Policy Manual.* Security guard personnel services and PHPDs must be guided by a policy manual that directs the activities of its personnel and contains the policies, procedures, and general orders that regulate conduct and describes in detail how jobs are to be performed. The policy manual must exist before HUD will execute your grant agreement. To comply with State police department standards and/or Commission on Accreditation Law Enforcement Agencies (CALEA), you must also ensure all security guard personnel and housing authority police officers are trained in the following areas. These areas must also be covered in your policy manual:

- (i) Use of force;
- (ii) Resident contacts;
- (iii) Enforcement of HA rules;
- (iv) Response criteria to calls;
- (v) Pursuits;
- (vi) Arrest procedures;
- (vii) Reporting of crimes and workload;
- (viii) Feedback procedures to victims;
- (ix) Citizens' complaint procedures;
- (x) Internal affairs investigations;
- (xi) Towing of vehicles;
- (xii) Authorized weapons and other equipment;
- (xiii) Radio procedures internally and with local police;
- (xiv) Training requirements;
- (xv) Patrol procedures;
- (xvi) Scheduling of meetings with residents;
- (xvii) Reports to be completed;
- (xviii) Record keeping and position descriptions on all personnel;

- (xix) Post assignments;
- (xx) Monitoring;
- (xxi) Self-evaluation program requirements; and
- (xxii) First aid training.

(d) *Data Management.* A daily activity and incident complaint form approved by the housing authority must be used by security personnel and officers for the collection and analysis of criminal incidents and responses to service calls. Security guard personnel and HAPDs must establish and maintain a system of records management for the daily activity and incident complaint forms that appropriately ensures the confidentiality of personal criminal information. Management Informational Systems (MIS) (computers, software, and associated equipment) and management personnel. Costs in support of these activities are eligible for funding.

(5) *Security Personnel Services.* Contracting for, or direct housing authority employment of, security personnel services in and around housing development(s) is permitted under this program. However, contracts for security personnel services must be awarded on a competitive basis.

(a) *Eligible Services—Over and Above.* Security guard personnel funded by this program must perform services that are over and above those usually performed by local municipal law enforcement agencies on a routine basis. Eligible services may include patrolling inside buildings, providing personnel services at building entrances to check for proper identification, or patrolling and checking car parking lots for appropriate parking decals.

(b) *Employment of Residents.* HUD encourages you to employ qualified resident(s) as security guard personnel, and/or to contract with security guard personnel firms that demonstrate a program to employ qualified residents as security guard personnel. Since your program of eliminating drug-related crime should promote "welfare to work" an excellent way to implement this is to employ residents.

(6) *Employment of Personnel and Equipment for HUD Authorized Housing Authority Police Departments.* Funding equipment and employment of housing authority police department (HAPD) personnel is permitted for housing authorities that already have HAPDs. The following 12 housing authorities are approved by HUD as being eligible under the FY 1999 PHDEP for these activities:

Baltimore Housing Authority and  
Community Development, Baltimore, MD  
Boston Housing Authority, Boston, MA  
Buffalo Housing Authority, Buffalo, NY

Chicago Housing Authority, Chicago, IL  
 Cuyahoga Metropolitan Housing Authority,  
 Cleveland, OH  
 Housing Authority of the City of Los Angeles,  
 Los Angeles, CA  
 Housing Authority of the City of Oakland,  
 Oakland, CA  
 Philadelphia Housing Authority,  
 Philadelphia, PA  
 Housing Authority of the City of Pittsburgh,  
 Pittsburgh, PA  
 Waterbury Housing Authority, Waterbury, CT  
 Virgin Islands Housing Authority, Virgin  
 Islands  
 District of Columbia Housing Authority,  
 Washington, DC

(a) Notice PIH 98-16, issued March 11, 1998, reinstated PIH 95-58 (PHA) "Guidelines for Creating, Implementing and Managing Public Housing Authority Police Departments in Public Housing Authorities." This Notice identifies prerequisites for creating HAPDs and provides guidance to assist housing authorities in making decisions about public housing security, analysis of security needs, and performance measures and outcomes.

(b) Housing authorities with their own HAPDs, but that are not included in the list above, shall request (in writing) to be recognized by HUD as a HAPD. The written request must be sent to the Office of the Deputy Assistant Secretary for Public and Assisted Housing Delivery, Public and Indian Housing, Department of Housing and Urban Development, Room 4204, 451 Seventh Street, SW, Washington, D.C. 20410. This request must be approved by HUD before you submit your FY 1999 PHDEP application.

(c)(i) HAPDs funded under this program that are not nationally or state accredited must submit a plan and timetable for such accreditation. Housing authorities may use either their State accreditation program, if one exists, or the Commission on Accreditation for Law Enforcement Agencies (CALEA) for this purpose. Use of grant funds for HAPD accreditation activities is permitted.

(ii) Housing authorities receiving grants for funding HAPDs are required to hire an HAPD accreditation specialist to manage the accreditation program. HAPDs must submit a plan and timetable to be funded for this activity. If you have a public housing police department funded under the FY 1996, 1997, or 1998 PHDEP you must demonstrate in your plan what progress you made in implementing your accreditation program and the projected date of accreditation. HUD will monitor results of your plan and timetable. HAPDs not meeting their timetables will be ineligible for funding in FY 2000.

(d) If you are an applicant seeking funding for this activity, you must describe the current level of local law enforcement agency baseline services being provided to the housing authority/development(s) proposed for assistance. Local law enforcement baseline services are defined as ordinary and routine services provided to the residents as part of the overall city and/or county-wide deployment of police resources to respond to crime and other public safety incidents including: 911 communications, processing calls for service, routine patrol officer responses to calls for service, and investigative follow-up of criminal activity.

(e) If you are requesting funding for housing authority public housing authority police department officers, you must have car-to-car (or other vehicles) and portable-to-portable radio communications links between public housing authority police officers and local law enforcement officers to assure a coordinated and safe response to crimes or calls for services. The use of scanners (radio monitors) is not sufficient to meet the requirements of this section. If you do not have such links you must submit a plan and timetable for the implementation of such communications links. This activity is eligible for funding. If you were a housing authority funded under the FY 1994, 1995, 1996, 1997, and/or 1998 PHDEP for public housing police departments, you must demonstrate what progress has been made in implementing its planned communications links.

(f) HAPDs funded under this program that are not employing a community policing concept must submit a plan and timetable for the implementation of community policing with their application for funding. If you were a housing authority funded under the FY 1994, 1995, 1996, 1997, or 1998 PHDEP for HAPDs shall demonstrate what progress they have made in implementing a community policing program.

(g) Community policing under PHDEP is defined as a method of providing law enforcement services partnership among residents, police, schools, churches, government services, the private sector, and other local, State, Tribal, and Federal law enforcement agencies to prevent crime and improve the quality of life by addressing the conditions and problems that lead to crime and fear of crime. Community policing uses proactive measures including foot patrols, bicycle patrols, and motor scooters patrols. It also includes KOBAN activities where police officers operate out of police mini-stations, and

other community-based facilities in housing authorities providing human resource activities with youth), and citizen contacts. This concept empowers police officers at the beat and zone level and residents in neighborhoods to:

- (i) Reduce crime and fear of crime;
- (ii) Ensure the maintenance of order;
- (iii) Provide referrals of residents, victims, and homeless persons to social services and government agencies;
- (iv) Ensure feedback of police actions to victims of crime; and
- (v) Promote a law enforcement value system based on the needs and rights of residents.

For additional information regarding KOBAN community policing contact Cedric Brown, (202) 708-1197, extension 4057.

(h) Authorized PHPDs can purchase or lease law enforcement clothing or equipment. Eligible law enforcement clothing or equipment may include uniforms and protective vests; firearms/weapons and ammunition; police vehicles including cars, vans, buses; or other equipment supporting PHPDs crime prevention and security mission. If you have not been identified by HUD as having an authorized PHPD, you are not permitted to use PHDEP funds to purchase any clothing or equipment for use by local municipal police departments and/or other law enforcement agencies.

(7) *Reimbursement of Local Law Enforcement Agencies for Additional (Supplemental—Over and Above Local Law Enforcement Baseline Services) Security and Protective Services.* Additional security and protective services are permitted if services are over and above the local police department's current level of baseline services. Housing authorities, Tribes, and TDHEs are required to identify the level of local law enforcement services received and the increased level of services to be received in their local Cooperation Agreement.

(8) *Employment of Investigators.* Employment of, and equipment for, one or more individuals to investigate drug-related crime "in and around" the real property comprising your development(s) and providing evidence relating to such crime in any administrative or judicial proceedings is permitted. Under this section, reimbursable costs associated with the investigation of drug-related crimes (e.g., travel directly related to the investigator's activities, or costs associated with the investigator's testimony at judicial or administrative proceedings) may only be those directly incurred by the investigator.

(a) If you are a housing authority that employs investigators funded by this program, you must demonstrate compliance with all relevant Federal, Tribal, State or local government insurance, licensing, certification, training, bonding, or other similar law enforcement requirements.

(b) Both you and the provider of the investigative services are required to execute a written agreement that describes the following:

(i) The activities that your investigators will perform, their scope of authority, reports to be completed, established investigative policies, procedures, and practices that will govern their performance (i.e., a Policy Manual; and how your investigators will coordinate their activities with local, State, Tribal, and Federal law enforcement agencies); and prohibited activities.

(ii) The activities the housing authority/Tribal investigators are expressly prohibited from undertaking.

(c) Your investigator(s) may use PHDEP funds to purchase or lease any law enforcement clothing or equipment, such as vehicles, uniforms, ammunition, firearms/weapons, or vehicles; including cars, vans, buses, protective vests, and any other supportive equipment.

(d) Your investigator(s) shall report on drug-related crime in your developments. You must establish, implement and maintain a system of records management that ensures confidentiality of criminal records and information. Housing authority-approved activity forms must be used for collection, analysis and reporting of activities by your investigators. You are encouraged to develop and use Management Information Systems (MIS) (Computers, software, hardware, and associated equipment) and hire management personnel for crime and workload reporting in support of your crime prevention and security activities.

(e) You may not expend funds and funds will not be released by the local HUD Field Office/AONAP until you have met the requirements of (6)(i)(d).

(9) *Voluntary Tenant Patrols.* HUD believes the elimination of drug-related crime within and around the housing authority/development(s) requires the active involvement and commitment of residents and their organizations. Members of tenant patrols must be volunteers and must be residents of the housing authority's development(s). Voluntary tenant patrols are expected to patrol in your development(s) proposed for assistance, and to report illegal activities to appropriate housing authority staff, and local, State, Tribal,

and Federal law enforcement agencies, as appropriate.

(a) Training equipment, uniforms) for use by voluntary tenant patrols acting in cooperation with officials of local law enforcement agencies is permitted. All costs must be reasonable, necessary and justified. Bicycles, motor scooters, all season uniforms and associated equipment to be used, exclusively, by the members of your voluntary tenant patrol are eligible items. Voluntary tenant patrol uniforms and equipment must be identified with your specific housing authority/development(s) identification and markings.

(b) Housing authorities are required to obtain liability insurance to protect themselves and the members of the voluntary tenant patrol against potential liability for the activities of the patrol under this program. The cost of this insurance is eligible.

(c) If you are funding voluntary tenant patrol activities, you, your local law enforcement agency, and the tenant patrol, before expending grant funds, are required to execute a written agreement that includes:

(i) The nature of the activities to be performed by your voluntary tenant patrol, the patrol's scope of authority, assignment, policies, procedures, and practices that will govern the voluntary tenant patrol's performance and how the patrol will coordinate its activities with the law enforcement agency;

(ii) The activities the voluntary tenant patrol is expressly prohibited from undertaking and that the carrying or use of firearms, weapons, nightsticks, clubs, handcuffs, or mace is prohibited;

(iii) Required initial and on-going voluntary tenant patrol training members will receive from the local law enforcement agency; (Please note that training by HUD-approved trainers and/or the local law enforcement agency is required before putting a voluntary tenant patrol into effect); and

(iv) Voluntary tenant patrol members will be subject to individual or collective liability for any actions undertaken outside the scope of their authority (described in paragraph (ii) above) and that such acts are not covered under your housing authority liability insurance.

(d) PHDEP grant funds *must not* be used for any type of financial compensation, such as full-time wages or salaries for voluntary tenant and/or patrol participants. Funding for housing authority personnel or resident(s) to be hired to coordinate this activity is permitted. Excessive staffing is not submitted.

(10) *Evaluation of PHDEP Activities.* Funding is permitted to contractually

hire organizations and/or consultant(s) to conduct an independent assessment and evaluation of the effectiveness of your PHDEP program. You should include in your plan and budget contracting with an independent survey organization to conduct an annual resident survey in your targeted developments/areas. The amount of funding proposed for conducting assessments or evaluations should be necessary, reasonable, and justified. However, even except if adequately justified, HUD would not expect that this cost should exceed ten (10) percent of the total grant amount requested.

(11) *High Intensity Drug Trafficking Areas (HIDTAs).* Funding may be used for activities to eliminate drug-related crime in housing owned by a public housing agency that is not public housing assisted under the United States Housing Act of 1937 and is not otherwise federally assisted. For example, housing that receives tenant subsidies under Section 8 is federally assisted and would not qualify, but housing that receives only State, Tribal, or local assistance would qualify if it meets the following two requirements:

(a) The housing is located in a high intensity drug trafficking area designated pursuant to Section 1005 of the Anti-Drug Abuse Act of 1988 (see Appendix A); and

(b) The PHA owning the housing demonstrates, on the basis of information submitted, that the drug-related crime at the housing authority project has a detrimental affect in or around the housing.

The High Intensity Drug Trafficking Areas (HIDTAs) are areas identified as having problems that adversely impact the rest of the country.

*(D) Ineligible Activities.*

PHDEP funding is not permitted for any of the activities listed below, unless otherwise specified in this PHDEP section of the SuperNOFA.

(1) Costs incurred before the effective date of your grant agreement (Form HUD-1044), including, but not limited to, consultant fees related to the development of your application or the actual writing of your application.

(2) The purchase of controlled substances for any purpose. Controlled substance shall have the meaning provided in section 102 of the Controlled Substance Act (21 U.S.C. 802).

(3) Compensation of informants, including confidential informants. These should be part of the baseline services provided and budgeted by local law enforcement agencies.

(4) Direct purchase or lease of clothing or equipment, vehicles (including cars, vans, and buses), uniforms, ammunition, firearms/weapons, protective vests, and any other supportive equipment for use in law enforcement or military enforcement except for HAPDs and investigator activities listed in this program section of the SuperNOFA.

(5) Construction of facility space in a building or unit, and the costs of retrofitting/modifying existing buildings owned by the housing authorities and TDHEs for purposes other than: community policing mini-station operations, adult/youth education, employment training facilities, and drug abuse treatment activities.

(6) Organized fund raising, advertising, financial campaigns, endowment drives, solicitation of gifts and bequests, rallies, marches, community celebrations, stipends and similar expenses.

(7) Court costs and attorneys fees related to screening or evicting residents for drug-related crime are not allowable.

(8) PHDEP grant funds cannot be transferred to any Federal agency.

(9) Costs to establish councils, resident associations, resident organizations, and resident corporations are not allowable.

(10) Indirect costs are not allowable.

(11) Supplant existing positions/activities. For purposes of the PHDEP, supplanting is defined as "taking the place of or to supersede".

(12) Alcohol-exclusive activities and programs are *not eligible* for funding under this program section of the SuperNOFA, although activities and programs may address situations of multiple abuse involving controlled substances and alcohol. This is because under law, PHDEP is limited to only controlled substances.

#### IV. Program Requirements

Your application must meet all the applicable threshold requirements described in Section II.B. of the General Section of this SuperNOFA. In addition to the program requirements listed in the General Section of this SuperNOFA, the following are requirements specific to PHDEP:

##### (A) Maximum Grant Award Amounts

HUD is distributing grant funds for PHDEP under this SuperNOFA on a national competition basis. Maximum grant award amounts are computed for PHDEP on a sliding scale, using an overall maximum cap, depending upon the number of housing authority, tribe or TDHE units eligible for funding.

(1) PHAs. (a) The unit count includes rental, Turnkey III Homeownership, and Section 23 leased housing bond-financed projects. Eligible units are those that are under management and fully developed, and must be covered by an ACC during the period of grant award. In determining unit count for PHA-Owned Rental Housing, a long-term vacancy unit as defined in 24 CFR 990.102 is included in the count.

(b) PHAs preparing PHDEP applications are required to confirm/validate the unit count with the local Field Office (Office of Public Housing) before you submit your application. Field Offices shall not include non-Federally Assisted Housing located in High Intensity Drug-Trafficking Areas in the unit count. Confirmation/Validation may be given if the unit count to be used for a particular program (e.g., PHA-Owned Rental) is the same as the unit count reflected on a PHA's most recently approved Operating Budget (Form HUD-52564) and/or subsidy calculation (Form HUD-52723) submitted for that program. Field Offices that have PHAs that are not required to submit either of these forms may confirm/validate the PHDEP unit count if it is the same as the most recently submitted Form HUD-51234. Field Offices in validating the unit count shall not include Non-Federally Assisted Housing units located in High Intensity Drug-Trafficking Areas.

(2) Tribes and TDHEs. (a) The unit count includes rental, Turnkey III and Mutual Help Homeownership units which have not been conveyed to a homebuyer, and Section 23 lease housing bond-financed projects. Such units must be counted as Current Assisted Stock under the Indian Housing Block Grant Program.

(b) Eligible units are those units which are under management and fully developed. However, you should note that in determining the unit count for PHA-owned or Native American rental housing, a long-term vacancy unit, as defined in 990.102 or 24 CFR 950.102 (as revised May 1, 1996), is still included in the count. If you are an applicant for Native American housing developments, you must certify that the targeted units were covered by an Annual Contributions Contract (ACC) on September 30, 1997.

(c) Use the number of units counted as Formula Current Assisted Stock for Fiscal Year 1999 as defined in 24 CFR 1000.316.

(3) FY 1999 grant award amounts. (i) If you are a PHA, Tribe, or TDHE with 1-1,250 units: The maximum grant award cap is \$300.00 multiplied by the number of eligible units.

(ii) If you are a PHA, Tribe, or TDHE with 1,251-24,999 units: The maximum grant award is \$260.00 multiplied by the number of eligible units.

(iii) If you are a PHA, Tribe, or TDHE with 25,000-49,999 units: The maximum grant award is \$230.00 multiplied by the number of eligible units.

(iv) If you are a PHA, Tribe, or TDHE with 50,000 or more units: The grant award is \$200.00 multiplied by the number of eligible units; up to, but not to exceed, a maximum grant award of \$35 million.

You can not apply for more funding than is permitted in accordance with the maximum grant award amounts described above. If you request funding that exceeds the maximum grant award amount permitted your application will be rejected and you will not be eligible for any funding, unless a computational error was involved in the funding request.

##### (B) Complying With Civil Rights Requirements

To protect and insure the civil rights of occupants of HUD-sponsored housing and residents around that housing, your proposed strategies should ensure that you do not undertake crime-fighting and drug prevention activities that violate civil rights and fair housing statutes. You may not use race, color, sex, religion, national origin, disability or familial status to profile persons as suspects or otherwise target them in conducting these activities. You are encouraged to involve as many segments of your intended population as possible in developing and implementing your strategies.

##### (C) Section 3 Economic Opportunity

Please see Section II of the General Section of this SuperNOFA. Section 3 may be applicable to some of your activities funded by this PHDEP NOFA.

##### (D) Confidentiality of Records Requirements

You must establish a confidentiality policy regarding medical and disability-related information for programs involving prevention, intervention, or substance abuse/dependency treatment and aftercare.

##### (E) Commingling of Funds

Housing authorities must not commingle funds of multiple HUD programs including: CIAP; CGP; OTAR; EDSS; TOP; IHBG; HOPE projects; Family Investment; Elderly Service Coordinator; and Operating Subsidy.

*(F) Term of Grant*

Your grant funds must be expended within 24 months after HUD executes a Grant Agreement. There will be no extensions of this grant term and at the end of the grant term all unspent funds will be returned to HUD.

*(G) Reports and Closeout*

(1) In accordance with 24 CFR 761.35, if funded, you are required to submit semiannually a PHDEP Semi-Annual Performance Report and the Semi-Annual Financial Status Report (SF-269A) to the appropriate HUD Field Office.

(2) In the past, the PHDEP Semi-Annual Performance report was often referred to as the "narrative" report. For FY 1999 PHDEP grants, HUD will be requiring more specific data to facilitate providing more meaningful performance information to comply with the requirements of the Government Performance and Results Act (GPRA), and to provide greater assurance that the program activities undertaken are effective in reducing drugs and drug-related or violent crime in areas targeted by PHDEP funds. These reports will evaluate your overall performance under the grant, against the baselines and goals and objectives contained in your approved FY 99 application.

(3) For FY 1999 grants, HUD will require selected applicants to report semiannually on their progress in reducing drugs and drug-related crime using the objective Part I and Part II crime data as a baseline and the specific percentage reduction goals within targeted areas over the 24 month grant period as stated in your application. HUD will also be requiring you to report the number of full-time equivalent positions for law enforcement and security services. Thirdly, you will be reporting on PHDEP-supported activities for residents broken out by: (1) youth; and (2) adults, families, or communities. For each category of PHDEP-supported activities, other than law enforcement, you will be required to report program or activity goals that are specific, measurable and were contained in your application, the results achieved and the total hours of participation in the activity. Lastly, you will be required to have an independent survey organization conduct an annual resident survey within the PHDEP targeted developments to determine if residents feel safer than before PHDEP activities began.

(4) These PHDEP Semi-Annual Performance Reports shall cover the periods ending June 30 and December 31, and must be submitted to HUD by

July 30 and January 31 of each year. You must submit these reports electronically. Access to grants funds will be denied if these reports are not received on a timely basis.

(5) At grant completion, you must comply with the closeout requirements described in Public Housing Notice PIH 98-60 (HA), entitled "Grant Closeout Procedures," and, when appropriate, in the return of grant funds not expended according to applicable requirements.

*(H) Affirmatively Furthering Fair Housing*

The first two sentences of the requirement in Section II.(D) of the General Section of this SuperNOFA do not apply to this program.

**V. Application Selection Process***(A) Rating and Ranking*

(1) *General.* HUD will rate and rank applications based on the 5 rating factors listed in Section V(B) of this PHDEP section of the SuperNOFA, below. HUD will select and fund the highest ranking applications based on total score, and continue the process until all funds allocated to it have been awarded or to the point where there are insufficient acceptable applications for to award funds. The maximum number of points for this program is 102. This includes two EZ/EC bonus points, as described in the General Section of the SuperNOFA, and included under Rating Factor 3.

(2) *Tiebreakers.* In the event of a tie, HUD will select the highest ranking application that can be fully funded. In the event that two eligible applications receive the same score, and neither can be funded because of insufficient funds, the applicant with the highest score in rating factor two will be funded. If rating factor two is scored identically, the scores in rating factors one and four will be compared in that order, until one of the applications receives a higher score. If both applications still score the same then the application which requests the least funding will be selected in order to promote the more efficient use of resources.

(B) *Factors For Award to Evaluate and Rank Applications.* Your application must address the five (5) factors, and subfactors listed below. The maximum number of points for this program is 102. This includes the two bonus points for EZ/EC. Your application must receive a score of at least 70 points to be eligible for funding.

**Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (20 Points)**

This factor addresses the extent to which you have the capacity, the proper organizational experience and resources to implement the proposed activities in a timely and effective manner. The rating of the "applicant" or the "applicant's organization and staff" for technical merit, unless otherwise specified, includes any subcontractors, consultants, subrecipients, and members of consortia which are firmly committed to your project. In rating this factor, HUD will consider the following:

(1) (10 points.) The knowledge and experience of your staff and your administrative capability to manage grants of this size and type. This includes your administrative support and procurement entities, defined organizational lines of authority, and demonstrated fiscal management capacity.

(2) (10 points.) Past performance in administering Drug Elimination grants and/or other Federal, state or local grants of similar size and complexity during the last 3 years.

You must identify your participation in HUD grant programs within the last three years and discuss the degree of your success in implementing planned activities, achieving program goals and objectives, timely drawdown of funds, timely submission of required reports with satisfactory outcomes within budget and schedule, audit compliance, whether there are, and the extent of any, unresolved findings and/or outstanding recommendations from prior HUD reviews or audits undertaken by HUD, HUD-Office of Inspector General, the General Accounting Office (GAO) or independent public accountants (IPAs). For PHAs (and TDHEs that had previously applied as IHAs), HUD will consider the results of: PHMAP and more specifically Security Indicator #8, physical inspections, agency monitoring of records, Line of Credit Control System Reports (LOCCS) on the status of prior grants, audits and other relevant information available to HUD on your capacity to undertake this grant.

In response to HUD-OIG audit findings concerning outstanding, unexpended PHDEP funds remaining from prior grants, HUD will reduce your score by two (2) points for every open PHDEP grant for FY 91 through FY 95 without HUD approved extensions or waivers. HUD will use the LOCCS disbursement system as of the date the application is received to verify grant status.

**Rating Factor 2: Need/Extent of the Problem (25 Points)**

This factor examines the extent to which there is a need for funding the proposed program activities to address a documented problem in your proposed target area (i.e., the degree of the severity of the drug-related crime problem in the project proposed for funding). In responding to this factor, you will be evaluated on: (1) the extent to which a critical level of need for your proposed activities is explained; and (2) the urgency of meeting the need in the target area. You must include in your response a description of the extent and nature of drug-related crime "in or around" the housing units or developments proposed for funding.

Applicants will be evaluated on the following:

(1) (20 points) "Objective Crime Data" relevant to your target area. To the extent that you can provide objective drug-related crime data specific to the community or targeted development proposed for funding, you will be awarded up to 20 points. Objective crime data must include the most current and specific Part I Crime data and relevant Part II Crime data available from the FBI's Uniform Crime Reporting Program (UCR) system or the local law enforcement's crime statistics. Part I Crimes include: homicide; rape; robbery; aggravated assault; burglary; larceny; auto theft; and arson. Part II drug-related crimes include: drug abuse violations; simple assault; vandalism; weapons violations; and other crimes which you are proposing to be targeted as part of your grant. In assessing this subfactor, HUD will consider the extent of specificity that the statistical data is provided and the data's specificity to the targeted sites (e.g., data specific to those targeted developments proposed for funding by Part I crime type versus HA/TDHE-wide data by aggregated Part I crimes).

The objective crime data provided in your application will become a "baseline" against which the success of your grant activities will be measured if funded. You will also be required to report not only this objective crime data in your first PHDEP Semiannual Performance Report but your goal(s) for reducing drug-related crime in the developments targeted under your grant. Your grant will be measured against these targets. This information will also support the ONDCP's National Drug Control Strategy's Goal 2 to, "increase the safety of America's citizens by substantially reducing drug-related crime and violence."

If you can not provide objective crime data, you will receive 5 points for including:

- (a) The reasons why objective crime data can not be obtained;
- (b) The efforts being made to obtain it;
- (c) What efforts will be made during the grant period to begin obtaining the data; and
- (d) An explanation of how you plan to measure how grant activities will result in reducing drug-related crime in the targeted developments and what will be used as a baseline. If you can not provide objective crime data and are awarded an FY 99 PHDEP grant, you will be required to provide baseline objective crime data in your first PHDEP semi-annual report. Such data may include police records or other verifiable information from records on the types or sources of drug related crime in the targeted developments and surrounding area, PHA/Tribe or TDHE wide, or at jurisdictional level.

(2) (5 Points) *Other Data Supporting the extent of Drug and Drug-related Crime*. You must identify supporting data indicating the extent of drugs and drug-related crime problems in the developments proposed for assistance under your program. HUD will consider the extent and quality of the data provided. Examples of the data include:

- (a) Surveys of residents and staff in your targeted developments about drugs and drug-related crime or on-site reviews to determine drug/crime activity;

- (b) Government or scholarly studies or other research in the past year that analyze drug-related crime activity in your targeted developments.

- (c) Annual vandalism cost at your targeted developments, to include elevator vandalism (where appropriate) and other vandalism attributable to drug-related crime as a ratio to total annual approved budget for the targeted developments.

- (d) Information from schools, health service providers, residents and Federal, State, local, and Tribal officials, and the verifiable opinions and observations of individuals having direct knowledge of drug-related crime and the nature and frequency of these problems in developments proposed for assistance. (These individuals may include Federal, State, Tribal, and local government law enforcement officials, resident or community leaders, school officials, community medical officials, substance abuse, treatment (dependency/remission) or counseling professionals, or other social service providers).

- (e) The school dropout rate and level of absenteeism for youth that you can relate to drug-related crime as a

percentage or ratio of the rate outside the area.

(f) To the extent that your community's Consolidated Plan identifies the level of the problem and the urgency in meeting the need, references to these documents should be included in your response. The Department will review more favorably applicants who used these documents to identify need, when applicable.

(g) The number of lease terminations or evictions for drug-related crime at the targeted developments; and

(h) The number of emergency room admissions for drug use or that result from drug-related crime. Such information may be obtained from police Departments and/or fire departments, emergency medical service agencies and hospitals.

(i) The number of police calls for service from housing authority developments that include resident initiated calls, officer-initiated calls, domestic violence calls, drug distribution complaints, found drug paraphernalia, gang activity, graffiti that reflects drugs or gang-related activity, vandalism, drug arrests, and abandoned vehicles. You should show these as a ratio of calls for service to calls in the community as a whole.

**Rating Factor 3: Soundness of Approach—(Quality of the Plan) (35 Points)**

This factor examines the quality and effectiveness of your proposed work plan. In rating this factor, HUD will consider the impact of your activities on the drug and drug-related crime problems identified in Factor 2 and the extent to which you identify attainable goals, objectives, and performance measures to ensure that; tangible benefits can be attained by the community and by your target population.

Your application must include a detailed narrative describing: each proposed activity for your developments proposed for assistance; the amount and extent of resources committed to each activity or service proposed; measurable goals and objectives for all major program activities that focus on outcome and results; and the process used to collect the data needed to report progress made against these goals.

In evaluating this factor, HUD will consider the following:

(1) The quality of your plan to address the drug-related crime problem, and the problems associated with drug-related crime in your developments proposed for funding, the resources allocated, and how well the proposed activities fit with the plan, including:

(a) The extent to which you have stated:

(i) Performance goals that will measure program outcomes;

(ii) The actual baseline data which will establish a starting point against which program outcomes will be measured and stated expected results for all major grant activities proposed in your application;

(iii) What performance measurement system exists for providing information to HUD semi-annually on progress made in achieving the established outcome goals. Please note: If your application is funded, this information will be the basis for required semi-annual reporting throughout your grant period.

(b) The extent to which you have designed your major activities to meet stated, measurable goals and objectives for drug and drug-related crime reduction. The extent to which your goals and objectives focus on program outcomes and results in addition to "process or output" data measures. While measures of process or outputs (number of residents trained) are important, they do not measure program outcomes. Outcomes include accomplishments, results, impact, and the ultimate effects of your program on the drug or crime problem in your target/project area. The goals must be objective, quantifiable, and/or qualitative and they must be stated in such a way that at the end of the 24 month grant, one can determine if the activities were effective.

(c) The extent and quality of your plan in defining specific crime reduction goals that are specific and measurable, and defining "baselines from objective crime" data in Factor 2. For example, eliminate or reduce crime and drug-related crime is not specific nor measurable, whereas a goal of, "reducing Part I reported homicides or Part II drug abuse, etc. by 5% in development X by the end of the 24 month grant period based on measurements against the baseline year crime selection rate in the targeted development X as stated in the application," is specific and measurable.

(d) The rationale for your proposed activities and methods used including evidence that proposed activities have been effective in similar circumstances in controlling drug-related crime. If you are proposing new methods for which there is limited knowledge of the effectiveness, you should provide the basis for modifying past practices and rationale for why you believe the modification will yield more effective results.

If you are proposing PHDEP supported activities for residents, HUD will evaluate the quality and extent to which you provide measurable, specific and objective goals and objectives for your major activities and programs; and how the data to measure success against your goals will be obtained. HUD will award greater points if you report youth activities separately from activities for families, adults, or communities.

(2) Two bonus points will be awarded for EZs/ECs as described in the General Section of this SuperNOFA. For bonus points related to activities located in Empowerment Zones or Enterprise Communities, the applicant must demonstrate that there is a connection between such EZ or EC and tenant, local government, and local community support and participation in the design and implementation of the proposed activities to be funded under this program.

Rating Factor 4: Leveraging Resources—(Support of Residents, the Local Government and the Community in Planning and Implementing the Proposed Activities) (10 Points)

This factor addresses your ability to secure community and government resources that can be combined with HUD's program resources to achieve program purposes.

(1) In assessing this factor, HUD will consider the following:

(a) Evidence of commitment of funding, staff, or in-kind resources, partnership agreements, and on-going or planned cooperative efforts with law enforcement agencies, memoranda of understanding, or agreements to participate. Such commitments must be signed by an official of the organization legally able to make commitments for the organization.

(b) This evidence of commitment must include organization name, resources, and responsibilities of each participant. This also includes interagency activities already undertaken, participation in local, state, Tribal or Federal anti-drug related crime efforts such as: education, training and employment provision components of Welfare Reform efforts, "One Strike and You're Out," Operation Weed and Seed, Neighborhood Networks, Campus of Learners, Computerized Community Connections, Operation Safe Home, Safe Neighborhood Anti-drug Program (SNAP), local law enforcement initiatives and/or successful coordination of its law enforcement, or other activities with local, state, Tribal or Federal law enforcement agencies. Additional points will be given if your

activities supporting these efforts extend beyond the 24 month grant period.

(2) In evaluating this factor, HUD will also consider the extent to which these initiatives are used to leverage resources for your housing authority community, and are part of the comprehensive plan and performance measures outlines in Rating Factor 3, Soundness of Approach—Quality of the Plan.

(a) Your application must describe what role residents in your targeted developments, applicable community leaders and organizations, and law enforcement agencies have had in planning the activities described in your application and what role they will have in carrying out such activities.

(b) Your application must include a discussion of the extent to which community representatives and Tribal, local, state and Federal Government officials, including law enforcement agency officials were actively involved in the design and implementation of your plan and will continue to be involved in implementing such activities during and after the period of your PHDEP funding.

(c) Your application must demonstrate the extent to which the relevant governmental jurisdiction has met its local law enforcement obligations under the Cooperation Agreement with your organization (as required by the Annual Contributions Contract with HUD). You must describe the current level of baseline local law enforcement services being provided to your housing authority/developments proposed for assistance.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which you have coordinated your activities with other known organizations, participate or promote participation in your Community's Consolidated Planning Process, and is working towards addressing a need in a holistic and comprehensive manner through linkages with other activities in your community. In evaluating this factor, HUD will consider the extent to which you can demonstrate you have:

(1) Coordinated your proposed activities with those of other groups or organizations prior to submission in order to best complement, support and coordinate all known activities and if funded, the specific steps you will take to share information on solutions and outcomes with others. Any written agreements, memoranda of understanding in place, or that will be in place after award should be described.

(2) Taken or will take specific steps to become active in your community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address a need/problem that is related to the activities you propose.

(3) Taken or will take specific steps to develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with:

(a) Other HUD-funded projects/activities outside the scope of those covered by the Consolidated Plan; and

(b) Other Federal, State, or locally funded activities, including those proposed, or on-going in the community.

## VI. Application Submission Requirements

(A) You must comply with the submission requirements described in the General Section of the SuperNOFA. To qualify for a grant under this program, your application submitted to HUD must also include those requirements listed under Section V., above, of the PHDEP section of this SuperNOFA, including the plan to address the problem of drug-related crime in the developments proposed for funding. You must accurately complete the form for HUD's application database entry. The form, with examples, is provided in the application kit.

(B) You must submit no more than one application per housing authority (or per Tribe or TDHE on behalf of the Tribe) for each drug elimination program contained in this PHDEP section of the SuperNOFA. In addition, joint applications that include more than one housing authority (or TDHE representing the Tribe) are permitted only in those cases where the HAs have a single administration (such as HAs managing another HA under contract or HAs sharing a common executive director). In those cases, a separate budget, plan and timetable, and unit count shall be supplied in the application. In addition, you must respond to the factors for award for each HA for which you are acting as administrator and requesting funds, if your responses would be different (e.g., the HAs are in different jurisdictions and, therefore, the Consolidated Plans, crime data, etc. would all be different). The application kit includes the forms, certifications and assurances listed in the General Section of the SuperNOFA.

(C) Each PHDEP application must conform to the requirements of this PHDEP section of the SuperNOFA and

the PHDEP application kit, both in format and content. Each PHDEP application must include the following items:

(1) An application cover letter.

(2) A summary of the proposed program activities in five (5) sentences or less.

(3) A description of the subgrantees, if applicable. The description must include the names of the subgrantees, as well as the relative roles and contributions of each subgrantee in implementing the PHDEP grant activities.

(4) An overall budget and timetable that includes separate budgets, goals, and timetables for each activity, and addresses milestones towards achieving each described goal. You must also describe the contributions and implementation responsibilities of each partner for each activity, goal, and milestone.

(5) A description of the number of staff, the titles, professional qualifications, and respective roles of the staff assigned full or part-time to grant implementation.

(6) Your plan and lines of accountability (including an organization chart) for implementing the grant activity, coordinating the partnership, and assuring that the commitment made by you and your subgrantees will be met.

## VII. Corrections to Deficient Applications

The General Section of this SuperNOFA provides the procedures for corrections to deficient applications.

## VIII. Environmental Requirements

It is anticipated that activities under the PHDEP will be categorically excluded under 24 CFR 50.19(b)(4), (b)(12), or (b)(13). If grant funds will be used to cover the cost of any non-exempt activities, HUD will perform an environmental review to the extent required by 24 CFR part 50, prior to grant awards.

## IX. Authority

Chapter 2, Subtitle C, Title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et. seq), as amended by section 581 of the National Affordable Housing Act of 1990 (Pub.L. 101-625, approved November 28, 1990) (NAHA), and section 161 of the Housing and Community Development Act of 1992 (Pub.L. 102-550, approved October 28, 1992 (HCDA 1992)). The regulations for this program are found in 24 CFR part 761, Drug Elimination Programs.

## Appendix A

Additional Information on High Intensity Drug Trafficking Areas (HIDTAs). These areas

are designated as HIDTAs by the Director, Office of National Drug Control Policy (ONDCP), pursuant to the Anti-Drug Abuse Act of 1988. As of October 30, 1998, the following areas were confirmed by the ONDCP as designated HIDTAs:

—New York/New Jersey HIDTA consists of the city of New York and all the municipalities therein and Nassau, Suffolk, and Westchester Counties (in New York), and Union, Hudson, Essex, Bergen, and Passaic Counties (in New Jersey) and all municipalities therein.

—Washington, DC/Baltimore HIDTA consists of Washington, DC; the City of Baltimore, and Baltimore, Howard, Anne Arundel, Prince George's, Montgomery and Charles Counties (in Maryland); and the City of Alexandria, and Arlington, Fairfax, Prince William, and Loudoun Counties (in Virginia) and all municipalities therein.

—South Florida HIDTA consists of the city of Miami and the surrounding areas of Broward, Dade, and Monroe Counties and all municipalities therein.

—Houston HIDTA consists of the city of Houston and surrounding areas of Harris, and Galveston Counties, and Aransas, Brooks, Jim Wells, Kenedy, Kleberg, Nueces, Refugio, San Patricio, and Victoria counties, and all municipalities therein;

—Lake County HIDTA consists of Lake County, Indiana, and all municipalities therein.

—Gulf Coast HIDTA consist of Baldwin, Jefferson, Mobile, and Montgomery Counties (in Alabama); Caddo, East Baton Rouge, Jefferson, and Orleans Parishes (in Louisiana); and Hancock, Harrison, Hinds, and Jackson Counties (in Mississippi) and all the municipalities therein.

—Midwest HIDTA consists of Muscatine, Polk, Pottawattamie, Scott and Woodbury Counties (in Iowa); Cherokee, Crawford, Johnson, Labette, Leavenworth, Saline, Seward, and Wyandotte Counties (in Kansas); Cape Garardeau, Christian, Clay, Jackson, Lafayette, Lawrence, Ray, Scott, and St. Charles Counties, and the City of St. Louis (in Missouri); Dakota, Dawson, Douglas, Hall, Lancaster, Sarpy, and Scott's Bluff Counties (in Nebraska); Clay, Codington, Custer, Fall River, Lawrence, Lincoln, Meade, Minnehaha, Pennington, Union, and Yankton Counties (in South Dakota); and all municipalities therein.

—Rocky Mountains HIDTA consists of Adams, Arapahoe, Denver, Douglas, Eagle, El Paso, Garfield, Jefferson, La Plata, and Mesa Counties (in Colorado); Davis, Salt Lake, Summit, Utah, and Weber Counties (in Utah); and Laramie, Natrona, and Sweetwater Counties (in Wyoming) and all municipalities therein.

—Southwest Border HIDTA consists of San Diego and Imperial Counties (in California), and all municipalities therein; Yuma, Maricopa, Pinal, Pima, Santa Cruz, and Cochise Counties, (in Arizona) and all municipalities therein; Bernalillo, Hidalgo, Grant, Luna, Dona Ana, Eddy, Lea, and Otero, Chaves, and Lincoln counties, (in New Mexico) and all municipalities therein; El Paso, Hudspeith, Culberson, Jeff Davis, Presidio, Brewster, Pecos, Terrell, Crockett Counties (in West Texas) and all

- municipalities therein; Bexar, Val Verde, Kinney, Maverick, Zavala, Dimmit, La Salle, Webb, Zapata, Jim Hogg, Starr, Hildago, Willacy and Cameron Counties (in South Texas) and all municipalities therein.
- Northwest HIDTA consists of King, Pierce, Skagit, Snohomish, Thurston, Whatcom and Yakima Counties (in the State of Washington) and all municipalities therein.
- Los Angeles HIDTA consists of the city of Los Angeles and surrounding areas of Los Angeles, Orange, Riverside, and San Bernadino Counties, and all municipalities therein.
- Puerto Rico/U.S. Virgin Islands HIDTA consists of the U.S. territories of Puerto Rico and the Virgin Islands.
- San Francisco Bay Area HIDTA consists of Alameda, Contra Costa, Lake, Marin, Monterey, San Francisco, San Mateo, Santa Clara, Santa Cruz, Sonoma counties and all the municipalities therein.
- Appalachia HIDTA consist of Adair, Bell, Breathitt, Clay, Clinton, Cumberland, Floyd, Harlan, Jackson, Knott, Knox, Laurel, Lee, Leslie, McCreary, Magoffin, Marion, Monroe, Owsley, Perry, Pike, Pulaski, Rockcastle, Taylor, Wayne, and Whitley counties in Kentucky; Boone, Braxton, Cabell, Gilmer, Lewis, Lincoln, Logan, Mason, McDowell, Mingo and Wayne Counties in West Virginia, Bledsoe, Campbell, Claiborne, Clay, Cocke, Cumberland, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hancock, Hawkins, Jackson, Jefferson, Macon, Marion, Overton, Pickett, Putnam, Rhea, Scott, Sequatchie, Sevier, Unicoi, Van Buren and White Counties in Tennessee and all the municipalities therein.
- Central Florida HIDTA consists of Hillsborough, Orange, Osceola, Pinellas, Polk, Seminole, and Volusia counties and all the municipalities therein.
- Chicago HIDTA consists of Cook County, incorporating the City of Chicago.
- Atlanta HIDTA consists of Fulton, Dekalb counties and the City of Atlanta.
- Milwaukee HIDTA consists of Milwaukee county and all the municipalities therein.
- Southeastern Michigan HIDTA consists of Wayne, Oakland, Macomb, and Washtenaw counties and all the municipalities therein.
- Philadelphia/Camden HIDTA: consists of the Cities of Philadelphia and Camden.
- North Texas HIDTA consists of the cities of Dallas and Fort Worth, the surrounding counties of Collin, Dallas, Ellis, Henderson, Hood, Hunt, Johnson, Lubbock, Kaufman, Parker, Rockwall and Tarrant, Texas and all the municipalities therein.

For further information on HIDTAs contact Rich Yamamoto, at the ONDCP, Executive Office of the President, Washington, DC 20500 on (202) 395-6755 and/or Catherine S. Barker on (202) 395-6603, fax (202) 395-6841.

**BILLING CODE 4210-32-P**

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**PUBLIC HOUSING DRUG  
ELIMINATION -- NEW APPROACHES**



## Funding Availability for the New Approach Anti-Drug Program (Formerly Known as the Safe Neighborhood Grant Program)

### Program Overview

**Purpose of the Program.** The purpose of this program is to provide funding to owners or managers of certain housing developments to: (1) augment security; (2) assist in the investigation and prosecution of drug-related criminal activity in and around the housing developments; and (3) provide for the development of capital improvements directly relating to the security of the developments. With these grants, HUD is taking a comprehensive neighborhood/community-based approach to crime prevention. In applying, you will be required to demonstrate that you have formed a partnership with units of general local government, including with the local law enforcement agency to play key roles in this partnership.

**Available Funds.** Approximately \$28.3 million, which includes FY 1998 carryover funds.

**Eligible Applicants.** Eligible applicants include: units of general local government, public housing agencies (PHAs), Indian tribes or Tribally Designated Housing Entities (TDHEs), and owners of assisted housing developments. To be an eligible applicant you must be an owner of an assisted housing development, as defined in this program section of the SuperNOFA, except a unit of general local government may qualify if it operates an assisted housing development. The assisted housing development that makes a PHA eligible may not be assisted under the United States Housing Act of 1937 with the exception of project-based Section 8 assistance. Similarly, for an Indian tribe or a TDHE, the development may not be formerly assisted under those programs.

**Application Deadline.** July 1, 1999.

**Match.** None.

### Additional Information

If you are interested in applying for funding under this program, please review carefully the General Section of this SuperNOFA and the following additional information.

**Application Due Date.** Your application must be physically received on or before 6:00 pm, local time on July 1, 1999 at the address shown below.

See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

**Address for Submitting Applications.** An original and two copies of your application must be physically received on or before the application deadline at the local HUD Field Office, Attention: Director of Multifamily Housing Programs or, in the case of the Native American population, to the local HUD Administrator, Area Offices of Native American Programs (AONAPs), as appropriate. See Appendix A to this NOFA for a list of local HUD Field Offices, AONAPs, and their respective jurisdictions.

**For Application Kits.** For an application kit and any supplemental information, please call the SuperNOFA Information Center at 1-800-HUD-8929. When requesting an application kit, please refer to the New Approach Anti-Drug Program, and provide your name, address (including zip code) and telephone number (including area code). Persons with hearing or speech impairments may call the Center's TTY number at 1-800-483-2209. An application kit also will be available on the Internet through the HUD web site at <http://www.HUD.gov>.

**For Further Information and Technical Assistance.** For program, policy, and other guidance, contact Henry Colonna, Department of Housing and Urban Development, Virginia State Office, 3600 West Broad Street, Richmond, VA 23230-4920, telephone (804) 278-4500, x 3027, or (804) 278-4501 (the TTY number).

## II. Amount Allocated

### (A) Available Funding

Approximately \$28.3 million is available for funding under the New Approach Anti-Drug Program, as provided in the FY 1999 Appropriations Act, including FY 1998 carryover funding.

### (B) Maximum Grant Award

The maximum grant award amount is limited to \$250,000 per application.

### (C) Reduction of Requested Grant Amounts

You may be awarded an amount less than requested if:

- (1) HUD determines that some elements of the proposed action plan are ineligible for funding;
- (2) HUD determines the amount requested for an eligible activity and/or any budget line item is not cost effective;
- (3) Insufficient amounts remain under the allocation to fund the full amount you requested, and HUD determines that partial funding is a viable option; or

(4) HUD determines that a reduced grant would prevent duplicative Federal funding.

## III. Definitions, Program Description; Eligible Applicants; Eligible Activities

### (A) Definitions

(1) **Assisted Housing Development.** For purposes of this program, the term "assisted housing development" means five or more dwelling units in a building or five or more adjoining, adjacent, or scattered site (within a single neighborhood) dwelling units, having common ownership and project identity. Some or all of the units must be receiving a project-based subsidy from a unit of government at the Federal, State, or local level, or from a private nonprofit entity. This subsidy must be associated with a requirement and/or contractual agreement that all or a portion of the units be occupied by households with incomes at or below those of families at the low-income limit as defined by the United States Housing Act of 1937.

(2) **Assisted Housing Unit.** For purposes of this program, the term "assisted housing unit" means a unit within an assisted housing development for which occupancy is restricted to households with incomes at or below that of "low-income families" as defined by the U.S. Housing Act of 1937 or to households meeting an income standard below that defined as "low-income;" and rents are restricted to amounts that the public or nonprofit entity determines to be affordable.

(3) **Augmented Services.** For purposes of this program, augmented services are activities which exceed current levels of services or "baseline" services provided by any other parties signing the memorandum of understanding required for this program.

(4) **Drug-related crime.** For purposes of this New Approach Anti-Drug Program, the term "drug-related crime" means drug-related crime as defined in 42 U.S.C. 11905(2) and Part I Crime and Part II Crime as defined by the Uniform Crime Reporting System.

(5) **Eligible project area.** For purposes of the New Approach Anti-Drug Program, the term "neighborhood" means a geographical area within a jurisdiction of a unit of general local government designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation. If, however, the unit of general local government has a population of less than 25,000 persons, then "neighborhood" means

the entire jurisdiction of the unit of general local government.

(c) A project area must include at least one assisted housing development under:

(i) Section 221(d)(3), section 221(d)(4), or section 236 of the National Housing Act (12 U.S.C. 1715l, 1715z-1), provided that such development has been provided a Below Market Interest Rate mortgage, interest reduction payments, or project-based assistance under Rent Supplement, Rental Assistance Payments (RAP) or Section 8 programs. An FHA-insured project that has no project-based subsidy does not qualify as an area for eligibility even though it houses tenants receiving tenant-based assistance, such as Section 8 rental vouchers or certificates.

(ii) Section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s); or

(iii) Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f). This includes housing with project-based Section 8 assistance, whether or not the mortgage was insured by HUD-FHA, but does not include projects which receive only Section 8 tenant-based assistance (i.e., certificates or vouchers).

(5) *Project-based Subsidies.* For purposes of this program, the term "project-based subsidies" means financial assistance that is initially designated and assigned by the funding source specifically for the project rather than to eligible assisted resident households which might also benefit from these subsidies, and provided on a one time up-front or on a periodic basis to the project or its owner to write down, subsidize, or waive: project development costs; costs of financing; project operating costs (including but are not limited to: utilities, taxes, fees, maintenance and debt service payments); owner taxes; unit rent levels; or tenant rent payments.

#### (B) Program description

(1) *Purpose.* The purpose of these competitive grants is to assist entities managing or operating Federally assisted multifamily housing developments, public and Indian housing developments (including those Indian housing units formerly defined as public housing under section 3 of the U.S. Housing Act of 1937 and now counted as current assisted stock under the Indian Housing Block Grant Program), or other multifamily-housing developments for low-income families supported by non-Federal governmental housing entities or similar housing developments supported by nonprofit private sources, to augment security

(including personnel costs); assist in the investigation and/or prosecution of drug-related criminal activity in and around such developments, and provide for capital improvements that enhance security at these developments.

Drug- and crime-fighting activities, if only directed to a single assisted housing development, may have the unfortunate effect of simply moving the problem to nearby housing and businesses. The long term solution to the crime problems of assisted housing developments and their surrounding neighborhoods rest in a comprehensive approach that changes the conditions—and the culture that exists. HUD believes that crime fighting efforts are most effective when partnering takes place with law-enforcement agencies at various levels and with a full range of community stakeholders (such as PHAs and TDHEs). Therefore, to address crime in a comprehensive manner to receive funding, you must take the following actions:

(a) Have a subgrantee or subrecipient relationship with the local police department and the local district attorney or prosecutor's office. If the local police department, local district attorney or prosecutor's office does not have the legal authority to accept program funds or enter into a binding agreement with you, then you must provide funds through the unit of general local government—city or county.

(b) Enter into Memorandums of Understanding with the owners of, and resident organizations in, assisted housing developments that receive grant funds from you.

(c) Encourage other neighborhood based entities to participate in your program of activities through partnership arrangements. Such entities are community residents; neighborhood businesses; and non-profit providers of support services, including spiritually-based organizations and their affiliates.

(2) *Implementation Principles.* HUD has established the following principles in implementing the New Approach Anti-Drug Program Grants:

(a) *Comprehensive Approach.* With these grants, HUD is taking a comprehensive neighborhood/community-based approach to crime. The long term solution to the crime problems of assisted housing developments and their surrounding neighborhoods rests in changing the conditions—and the culture that exists.

(b) *Required Partnerships.* You will be required to demonstrate that you have formed a partnership with units of general local government, with the local police department and the local district

attorney or prosecutor's office playing key roles in this partnership. You must also form partnerships with the following entities, if they will receive funding from you:

(i) All owners of assisted housing developments in the targeted neighborhood; and

(ii) Resident organizations of these assisted housing developments.

(c) *Encouraging Partnerships.* (i) HUD encourages the use of effective working partnerships in new locations to leverage the many Federal resources that are available to eliminate crime in and around public and assisted housing developments through the Drug Elimination Grant, Operation Safe Home, and Weed and Seed programs; and partnering with the U.S. Attorney's Office, the Federal Bureau of Investigation, and the Drug Enforcement Agency. HUD now wishes to encourage these successful partnerships to address similar problems in and around privately-owned, Federally assisted housing. In addition to providing points for applications with these partnerships, HUD is requiring that at least one project in each targeted neighborhood be multifamily housing with either:

(A) A HUD-insured, held, or direct mortgage and Rental Assistance Payments (RAP), Rent Supplement, or interest reduction payments; or

(B) Section 8 project-based assistance with or without HUD interest in the project mortgage.

(ii) This emphasis on HUD assisted privately-owned housing does not negate the eligibility of other low-income housing developments assisted by Federal, State, and local government, and not-for-profit sources to apply for the New Approach Anti-Drug Program. By awarding points for neighborhoods with high concentrations of assisted housing, HUD is encouraging you to address the needs of multiple assisted housing developments which may feature a mix of ownership types and subsidy sources.

(d) *Complying with Civil Rights Requirements.* With the very real need to protect occupants of HUD-sponsored housing and the areas around the housing, the civil rights of all citizens must be protected. Your proposed strategies should be developed to ensure that crime-fighting and drug prevention activities are not undertaken in such a manner that civil rights or fair housing statutes are violated. Profiling on any prohibited basis is not allowed. In addition, all segments of the population should be represented in developing and implementing crime-fighting strategies.

(e) *Coordination with Other Law Enforcement Efforts.* In addition to working closely with residents and local governing bodies, it is critically important that owners establish ongoing working relationships with Federal, State, and local law enforcement agencies in their efforts to address crime and violence in and around their housing developments. HUD firmly believes that the war on crime and violence in assisted housing can only be won through the concerted and cooperative efforts of owners and law enforcement agencies working together in cooperation with residents and local governing bodies. HUD encourages owners to participate in Departmental and other Federal law enforcement agencies' programs such as: Operation Safe Home, Operation Weed and Seed through the Department of Justice and the Safe Neighborhood Action Program (SNAP). The use of New Approach Anti-Drug funds, however, is to be part of a comprehensive approach. These funds may indirectly support other Federal law enforcement activities provided that use is consistent with the comprehensive approach.

(f) *Safe Neighborhood Action Program (SNAP) Grants.* (i) The New Approach Anti-Drug Program was formerly known as the Safe Neighborhood Action Program, announced June 12, 1994 by HUD, the National Assisted Housing Management Association (NAHMA), and the U.S. Conference of Mayors (USCM). The New Approach Anti-Drug Program was expanded from the SNAP Program to include funds to augment security; assist in the investigation and prosecution of drug related criminal activity in and around the housing developments; and provide for the development of capital improvements directly related to the security of the developments. SNAP is an anti-crime and empowerment strategies initiative in HUD assisted housing neighborhoods in 14 SNAP cities. The major thrust of SNAP is the formation of local partnerships in 14 targeted cities where ideas and resources from government, owners and managers of assisted housing, residents, service providers, law enforcement officials, and other community groups meet to work on innovative, neighborhood anti-crime strategies.

(ii) There is no funding associated with SNAP, which relies on existing ideas and resources of the participants. Some common initiatives from these SNAP teams have included the following: community policing; crime watch programs; tenant selection policies; leadership training; individual development or job skills training;

expansion of youth activities; police tip line or form; community centers; anti-gang initiatives; police training for security officers; environmental improvements; and a needs assessment survey to determine community needs.

(iii) In addition, a HUD-sponsored initiative to increase the presence of AmeriCorps' VISTAs in assisted housing units has led to the placement of 25 VISTAs on 12 SNAP teams. The AmeriCorps VISTA program, which incorporates a theme of working within the community to find solutions to community needs, has provided additional technical assistance to the SNAP teams.

(iv) The cities participating in the SNAP initiative include: Atlanta, Ga; Boston, Mass; Denver, Co; Houston, TX; Newark, NJ; Philadelphia, PA; Baltimore, MD; Columbus, OH; Detroit, MI; Los Angeles, CA; New Orleans, LA; Little Rock, AR; Richmond, VA; and Washington, DC.

(v) For more information on SNAP, contact Henry Colonna, National SNAP Coordinator, Virginia State Office, 3600 West Broad Street, Richmond, VA 23230-4920; telephone (804) 278-4500, extension 3027; or (804) 278-4501 (TTY). For more information on AmeriCorps' VISTAs in Assisted Housing, contact Deanna E. Beaudoin, National VISTAs in Assisted Housing Coordinator, Colorado State Office, First Interstate Tower North, 633 17th Street, Denver, CO 80202; telephone (303) 672-5291, extension 1068; or (303) 672-5248 (TTY). These numbers are not toll-free.

#### (C) *Eligible Applicants*

(1) *General.* To be an eligible applicant:

(a) You must be:

(i) The owner of a federally-assisted housing development. If you are a unit of general local government you do not need to be the owner, but must be the operator of such housing. (A TDHE is not a unit of general local government.);

(ii) The owner of an assisted housing development that is assisted by a non-Federal governmental entity or similar housing development supported by nonprofit sources. If you are a unit of general local government, you do not need to be the owner, but must be the operator of such housing;

(iii) A PHA. To be eligible to apply you must own an assisted housing development that is not assisted under the United States Housing Act of 1937, with the exception of project-based assistance under section 8 of the Act. If you do not own such an assisted housing development, you may still participate in the New Approach Anti-

Drug Program as a subgrantee or subrecipient of an eligible applicant; or

(iv) An Indian tribe or TDHE. To be eligible to apply you must own an assisted housing development that was not formerly assisted under the United States Housing Act of 1937, with the exception of project-based assistance under section 8 of the Act. If you do not own such an assisted housing development, you may still participate in the New Approach Anti-Drug Program as a subgrantee or subrecipient of an eligible applicant;

(b) The property that makes you eligible must be in the neighborhood to be assisted; and

(c) You may not have any outstanding findings of civil rights violations. (See Section II(B) of the General Section of this SuperNOFA.)

(2) *Lead Applicant.* Two or more eligible applicants may file a joint application. If filing jointly, you must designate one entity to be the lead applicant. The lead applicant will be the grantee if HUD funds your application.

#### (D) *Memorandum of Understanding*

You must include with your application Memorandums of Understanding (MOU) that you have entered with each required party. (See Section III(B) of this program section of the SuperNOFA). The MOU may indicate the agreement is subject to the actual receipt of funds from HUD.

(1) *Required Parties to the MOU.* (a) You must sign a MOU that provides funds through a subgrantee or subrecipient relationship with the following entities:

(i) The local police department; and

(ii) The local district attorney's office or the local prosecutor's office.

(b) If you provide funds to an owner or entity participating in the program, you also must sign a MOU with that owner or other entity; and

(c) You also must sign an MOU with each resident organization that will receive grant funding through you. The resident organization must have been established by, and have a governing board consisting of, tenants in an assisted housing development in the neighborhood. The resident organization's commitment must describe the extent to which it is involved in the planning, and will be participating in, and supporting, your action plan.

(d) All parties signing the MOU must have the legal authority to enter into a binding agreement with you.

(2) *Content of MOU.* This MOU must commit these entities to actively support the grant project in partnership with you. The MOU must also describe:

(a) The level of current services (baseline) being provided by these entities;

(b) The level of services above this baseline which the entities are committed to providing in support of your grant;

(c) The amount of time to be devoted to the activities by each party;

(d) The skills each party brings to assist in implementation of your specific action plan activities.

Your MOU will be taken into account in reviewing and rating your application, so you should strive to be as specific as possible in your MOU document.

(3) *Encourage Partnerships.* We encourage you to partner with other appropriate neighborhood and community stakeholders, including: neighborhood businesses and business associations; nonprofit service providers; neighborhood resident associations; and faith communities or religious institutions. You are encouraged to enter into MOUs with these entities but an MOU is not required.

#### (E) Eligible Project Areas

(1) HUD will award one grant per project neighborhood. The project area must be a "neighborhood."

(2) The project area must include at least one assisted housing development. See definition in Section III(A)(1) of this program section of the SuperNOFA.

(3) You must provide documentation of the population used to define eligibility as a neighborhood. The documentation may include census data or documentation provided by local government officials.

#### (F) Eligible Activities

The following is a listing of eligible activities under this program and guidance as to their parameters:

##### (1) *Augmenting Security (Including Personnel).*

(a) *General.* You must document in your MOU(s) all security services above baseline established in your MOU. Anyone providing augmented security services must have liability insurance.

(b) *Baseline Services.* Additional security services are permitted but must be over and above the local police department's current level of baseline services. If you are seeking funding for augmenting security, you must describe the local police department's current level of baseline services to the neighborhood (including ordinary and routine services, patrols, police officer responses to 911 communications and other calls for services, and investigative follow-up of criminal activity). Your

description of baseline services must include the number of officers and the actual percent of their time assigned to the development(s) proposed for funding. For a proposed activity to be considered eligible as an augmented security activity, you must demonstrate to what extent the proposed funded activity will represent an increase over and above the baseline.

(c) *Police Presence.* You may reimburse local law enforcement entities for the costs of additional police presence (police salaries and other expenses directly related to additional police presence or security that is over and above baseline services) in and around assisted housing developments in the neighborhood. Of the funds devoted to additional police presence, at least 70 percent of such reimbursed costs must be for police presence in assisted housing developments served and the remaining 30 percent must be for police presence within the project area.

HUD is strongly encouraging that additional law enforcement in the assisted housing developments and surrounding neighborhoods be targeted to implementing an overall crime fighting strategy, rather than merely responding to crime emergencies. Two potentially effective anti-crime strategies that can benefit from additional police presence are:

(i) Combined multi-agency task force initiatives, in which local and Federal law enforcement agencies pool resources, first, to infiltrate organizations that promote violent and/or drug-related crime in the neighborhood and, second, to initiate strategic and coordinated mass arrests to break up these organizations; and

(ii) Community policing (i.e., sustained proactive police presence in the development or neighborhood, often conducted from an on site substation or mini-station, that involves crime prevention, citizen involvement, and other community service activities, as well as traditional law enforcement).

If reimbursement is provided for community policing activities that are committed to occur over a period of at least 3 years and/or are conducted from a police substation or administration within the neighborhood, the costs during the grant period of constructing such a station or of equipping the substation with communications and security equipment to improve the collection, analysis and use of information about criminal activities in the properties and the neighborhood may be reimbursed.

(d) *Security Services Provided by Other Entities (such as the Owner of an*

*Assisted Housing Development).* (i) The activities of any contract security personnel funded under this Program must be coordinated with other law enforcement and crime prevention efforts under your proposed action plan. You must describe in your action plan your efforts to achieve this coordination. The coordination efforts must include frequent periodic scheduled meetings of security personnel with housing project management and residents, local police and, as appropriate, with other public law enforcement personnel, neighboring residents, landlords, and other neighborhood stakeholders. Any contract security personnel funded under this Program must meet State and local licensing requirements.

(ii) You may only contract with a security service provider that has a policy manual that directs the activities of its personnel and contains the policies, procedures, and general orders that regulate conduct and describe in detail how jobs are to be performed. If you use your own staff to provide security services, then you must have such a policy manual.

##### (2) *Enhancing the Investigation and Prosecution of Drug-Related Crime.*

###### (a) *Reimbursement of State and Local Law Enforcement Agencies.*

As the grantee, you may reimburse local or State prosecuting offices and related public agencies for activities, other than salaries or ineligible activities in Section III(G) of this program section of the SuperNOFA, related to the prosecution or investigation of crime committed in the neighborhood identified in your application. These costs are subject to a cost reimbursement agreement. Reimbursement must be for costs over and above what the office or agency incurred for such purposes for crimes committed in the same neighborhood during the period equal in length and immediately before the period of reimbursement. For any grant, at least 70 percent of reimbursed costs must be in connection with crimes committed in and around the assisted housing developments and the remainder of reimbursed costs directly related to crime committed within the neighborhood.

(b) *Hiring of Private Investigator Services.* You may use grant funds to hire private investigator services to investigate crime in and around an assisted housing development and the surrounding neighborhood. You must explain why local law enforcement services are inadequate and justify the need for hiring private investigator services.

(3) *Capital Improvements to Enhance Security.* You may use grant funds for capital improvements to enhance security. You should, however, consider using other sources of funding for this purpose. These improvements must be accessible to persons with disabilities. For example, locks or buzzer systems that are not accessible to people with restricted or impaired strength, mobility, or hearing may not be funded by your grant. Capital improvements to implement defensible space concepts in the design and implementation of your enhanced security measures are eligible provided such design elements permit accessibility and visitability by persons with disabilities. Capital improvements to enhance security must comply with civil rights requirements and cannot exclude or segregate persons based upon their race, color, or national origin from benefits, services, and other terms and conditions of housing. Under the selection criterion entitled "Quality of Plan," HUD will reward capital improvements to enhance the security of an entire neighborhood as opposed to specific projects at the expense of other dwellings in the neighborhood. The capital improvements may include, but are not limited to:

- (a) New construction or rehabilitation of structures housing police substations or mini-stations;
- (b) Installation of barriers (including speed bumps and fences) and appropriate use of close circuit television (CCTV), provided any barriers make reasonable accommodations for persons with disabilities;
- (c) Improved door or window security such as locks, bolts, or bars; and
- (d) Landscaping or other reconfiguration of common areas to discourage drug-related criminal activities.

*(G) Ineligible Activities*

In addition to the ineligible activities mentioned elsewhere in this program section of the SuperNOFA, New Approach Anti-Drug Program Grant funding is not permitted for any of the activities listed below, unless otherwise specified in this program section of the SuperNOFA:

- (1) Crime prevention, treatment, or intervention activities;
- (2) Costs incurred before the effective date of the grant agreement, including but not limited to consultant fees related to the development of your application or the actual writing of your application;
- (3) Purchase of controlled substances for any purpose. Controlled substance has the meaning provided in section 102 of the Controlled Substance Act (21 U.S.C. 802);

(4) Compensating informants, including confidential informants. These should be part of the baseline services provided and budgeted by local law enforcement agencies; or

(5) Although participation in activities with Federal drug interdiction or drug enforcement agencies is encouraged, these grant funds may not be transferred to any Federal agency.

Profiling on any prohibited basis is not allowed.

*(H) Threshold Requirements*

In addition to requirements listed in Section II of the General Section of the SuperNOFA, you are subject to the following:

- (a) You must show how you meet the eligibility requirements; and
- (b) The amount of funding requested must be within the maximum grant award amount.

**IV. Program Requirements**

The following requirements apply to all activities, programs, or functions used to plan, budget, implement, and evaluate the work funded under this program.

*(A) Grant Agreement*

After applications have been ranked and selected, HUD and a successful applicant will enter into a grant agreement setting forth the amount of the grant, the physical improvements or other eligible activities to be undertaken, financial controls, and special conditions, including sanctions for violation of the agreement. The Grant Agreement will incorporate your HUD approved application as may be amended by any special condition in the Grant Agreement. HUD will monitor your grant using your Grant Agreement to ensure that you have achieved commitments set out in your approved grant agreement. Failure to honor such commitments would be the basis for HUD determining your default of the Grant Agreement, and exercising available sanctions, including grant suspension, termination, and/or the recapture of your grant funds.

*(B) Requirements Governing Grant Administration, Audits and Cost Principles*

The policies, guidelines, and requirements of this NOFA, 48 CFR part 31, 24 CFR parts 44, 45, 84 and/or 85, OMB Circulars A-87 and/or A-122, other applicable administrative, audit, and cost principles and requirements, and the terms of grant/special conditions and subgrant agreements apply to your acceptance and use of funds. The requirements cited above, as

applicable, must be followed in determining procedures and practices related to the separate accounting of grant funds from other grant sources, personnel compensation, travel, procurement, the timing of drawdowns, the reasonableness and allocation of costs, audits, reporting and closeout, budgeting, and preventing conflict of interests or duplicative charging of identical costs to two different funding sources. All costs must be reasonable and necessary.

*(C) Term of Grant*

Your grant funds must be expended within 24 months after HUD executes a Grant Agreement with you. There will be no extensions or waivers of this grant term.

*(D) Subgrants and Subcontracting*

(1) In accordance with your approved grant agreement, you may directly undertake any of the eligible activities under this NOFA, you may contract with a qualified third party, or you may make a subgrant to any entity approved by HUD as a member of the partnership, provided such entity is a unit of government, a prosecutor's office, a police department or a TDHE; is incorporated as a not-for-profit organization; or is an incorporated for-profit entity that owns and/or manages an assisted housing project benefiting from the grant. Resident groups that are not incorporated may participate in the implementation of the program, but may not receive funds as subgrantees. For-profit organizations other than owners or managers of an assisted housing development benefiting from the grant that have been approved by HUD as part of the partnership may only receive grant funds subject to the applicable Federal procurement procedures (See 24 CFR parts 84 or 85).

(2) Subgrants may be made only under a written agreement executed between you, the grantee, and your subgrantee. The agreement must include a program budget that is acceptable to you, and that is consistent with the eligible activities and requirements. The agreement must require the subgrantee to permit you to inspect your subgrantee's work and to follow applicable OMB and HUD administrative requirements, audit requirements, and cost principles, including those related to procurement, drawdown of funds for immediate use only, and accounting for the use of grant funds and implementation of program activities. In addition, your subgrant must describe the nature of the activities to be undertaken by the subgrantee, the scope of the subgrantee's authority, and

the amount of any insurance to be carried by you and the subgrantee to protect your respective interests.

(3) You are responsible for monitoring, and for providing technical assistance to, any subgrantee to ensure compliance with applicable HUD and OMB requirements. You must also ensure that subgrantees have appropriate insurance liability coverage.

*(E) Ineligible Contractors*

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

*(F) Section 3 Economic Opportunity*

See Section II(E) of the General Section of the SuperNOFA. The requirements of Section 3 apply to some of the activities that may be funded by this NOFA.

*(G) Drawdown of Grant Funds*

You will be required to access your grant funds through HUD's Line of Credit Control System-Voice Response System in accordance with procedures for minimizing the time lapsing between drawdowns and use of funds for eligible purposes as described in 24 CFR parts 84 and/or 85, as applicable. If HUD changes the procedures for the draw of grant funds, HUD will notify you through the issuance of a grant amendment.

*(H) Reports and Closeout*

If you receive a grant, you will be required to submit to HUD a semi-annual progress report (Form 269). The narrative of the Form 269 must be sent in a format prescribed by HUD that indicates program expenditures and measures performance in achieving goals. At grant completion, you will be required to participate in a closeout process which shall include a final report in a format prescribed by HUD that reports final program expenditures and measures performance in achieving program goals. Closeout will culminate in a closeout agreement between you and HUD and, when appropriate, in the return of grant funds which have not been expended in accordance with applicable requirements, or which may be remaining after all activities have been completed and paid for.

*(I) Suspension or Termination of Funding*

HUD may suspend or terminate funding if you fail to undertake the approved program activities on a timely

basis in accordance with your grant agreement, adhere to grant agreement requirements or special conditions, or submit timely and accurate reports.

*(J) Affirmatively Furthering Fair Housing*

You do not have to address Section II(D) of the General Section of the SuperNOFA.

**V. Application Selection Process**

*(A) Rating and Ranking*

(1) HUD will evaluate all eligible applications based on the factors for award identified in this Section V.

(2) After the applications have been scored, HUD will rank them on a national basis. An application must receive a score of at least 70 points, excluding the EZ/EC and Dallas bonus points, to be eligible for funding. Awards will be made in ranked order until all funds are expended.

(3) In the event of a tie, HUD will select the applicant with the highest score in Rating Factor 1. If Rating Factor 1 is scored identically, the scores in Rating Factors 2, 3 and 4 will be compared in that order, until one of the applications receives a higher score. If both applications still score the same then the application which requests the least funding will be selected to promote the more efficient use of resources.

*(B) Factors for Award To Evaluate and Rank Applications*

The maximum number of points for this program is 102 (except for an application submitted by the City of Dallas, Texas which would be eligible for a maximum of 104 points in accordance with Rating Factor 3, paragraph (7), below. This includes two EZ/EC bonus points, as described in the General Section of the SuperNOFA.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (20 Points)

This factor addresses the extent to which you have proper organizational resources necessary to successfully implement the proposed New Approach Anti-Drug Program activities in an effective, efficient, and timely manner. In rating this factor, HUD will consider the extent to which the application demonstrates the capabilities described below:

(1) (5 Points) *The applicants' administrative capacity to implement the grant.* HUD will award points based on the quality and amount of staff allocated to the grant activity by you; the anticipated effectiveness of your systems for budgeting, procurement,

drawdown, allocation, and accounting for grant funds and matching resources in accordance with OMB administrative requirements; and the lines of accountability for implementing your grant activity, coordinating your partnerships, and ensuring that you and your MOU partners' commitments will be met. You must include in your narrative a discussion of financial capacity, staff resources, and prior experience that will enable you to effectively administer the grant and meet reporting requirements. This narrative must not exceed five pages. For an owner of an assisted housing development that is HUD-insured, HUD will consider the most recent Management Review (including Rural Housing Management Review), Housing Quality Standards (HQS) review, State Agency review and such other relevant information available to HUD on the capacity of the owner and manager to undertake the grant; you must include a copy of the most recent management review (not a physical inspection report) for the property to be served by your grant. These documents will not be counted against your 5 page narrative limitation.

(2) *The applicant's performance in administering Drug Elimination grants and/or other Federal, state or local grants of similar size and complexity during the last 3 years.* In assessing this factor, HUD will verify you and your partners' successful experience and performance based on information on file with the Department and will consider the following factors with the indicated total available points:

(a) (5 Points) *Your successful experience combined with your MOU partners' successful experience in utilizing similar strategies to alleviate crime.* You must identify your participation in HUD grant programs within the last three years and discuss the degree of your success in implementing planned activities; achieving program goals and objectives; timely drawdown of funds; timely submission of required reports and ability to complete activities on time and within budget; what if any audit findings were noted; whether there was audit compliance; whether there are and the extent of any unresolved findings and/or outstanding recommendations from prior HUD reviews or audits undertaken by HUD, HUD-Office of Inspector General, the General Accounting Office (GAO) or independent public accountants (IPAs). To receive maximum points under this section, you must have worked in partnership with one or more of your MOU partners (or two or more of your

MOU partners may have worked together in partnership) using similar strategies to reduce crime in and around assisted housing developments. To demonstrate success in implementing past projects, you must identify the reduction in the occurrence of the types of crime as indicated in Rating Factor 2 of this NOFA. In the absence of previous partnerships, your capacity will weigh more heavily than the experience of any of your partners, in HUD's assignment of points under this subfactor.

(b) (4 Points) *Your performance in administering other Federal, State or local grant programs.* You must identify your participation in HUD grant programs within the preceding three years, and discuss the degree of your success in implementing and managing (program implementation, timely drawdown of funds, timely submission of required drawdown of funds, timely submission of required reports with satisfactory outcomes related to the plan and timetable, audit compliance and other HUD reviews) these grant programs.

(3) (6 Points) *The strength of the applicants' partnership as it relates to eliminating the crime problem identified in Rating Factor 2.* HUD will award points in this area based on the strength of resource commitments identified in your MOUs in terms of the amount of staff, time, money, or other assets committed by each MOU party toward implementing your program. Your description should identify what skill each party will bring to help successfully implement your program, and the firmness of the commitments); evidence of your MOU partners' (and project tenants') pre-application role in developing the plan and prospective role in program implementation; indications of the capacity of the assisted housing developments' ownership and management (based on available management reviews by governing public entities) to undertake their share of responsibilities in the partnership (including evidence of whether management carefully screens applicants for units and takes appropriate steps to deal with tenants known to exhibit or suspected of exhibiting criminal behavior) and to cooperate with law enforcement actions on their project premises; the willingness of the unit of general local government to use its prosecutor's office as its lead agency in implementing the grant; participation of additional partners other than those required to sign MOUs (for example, neighborhood business organizations); and the effectiveness of the partnership structure.

Rating Factor 2: Need/Extent of the Problem (25 Points)

This factor addresses the extent to which there is a need for funding your proposed program activities to address the documented degree of the severity of the drug-related crime problem in the project area proposed for funding. In responding to this factor, HUD will evaluate the extent to which you have explained a critical level of need for your proposed activities and have indicated the urgency of meeting the need in the target area. You must include a description of the extent and nature of drug-related crime "in and around" the housing units or developments proposed for funding.

You will be evaluated on the following:

(1) (15 points) "Objective Crime Data" relevant to the target area. To the extent that you can provide objective crime data specific to the community or targeted development proposed for funding, your application will be awarded up to 15 points. Your application must include the most current and specific Part I Crime data and relevant Part II Crime data available from the FBI's Uniform Crime Reporting Program (UCR) system or the local law enforcement's crime statistics. Part I Crimes include: homicide; rape; robbery; aggravated assault; burglary; larceny; auto theft; and arson. Part II drug-related crimes include: drug abuse violations; simple assault; vandalism; weapons violations; and other crimes which you are proposing to be targeted as part of your grant. In assessing this subfactor, HUD will consider the extent of specificity that the statistical data is provided (e.g., data specific to the neighborhood covered by your application). These data must consist of verifiable records and not anecdotal reports. Where appropriate, the statistics should be reported both in real numbers and as an annual percentage of the residents in each development (e.g., 20 arrests in a two-year period for distribution of heroin in a development with 100 residents reflects a 20% occurrence rate). These data may include:

(a) Police records or other verifiable information from records on the types or sources of drug related crime in your targeted developments and surrounding area;

(b) The number of lease terminations or evictions for drug-related crime at your targeted developments; and

(c) The number of emergency room admissions for drug use or that result from drug-related crime. Such information may be obtained from

police departments and/or fire departments, emergency medical service agencies and hospitals. The number of police calls for service from housing authority developments that include resident initiated calls, officer-initiated calls, domestic violence calls, drug distribution complaints, found drug paraphernalia, gang activity, graffiti that reflects drugs or gang-related activity, vandalism, drug arrests, and abandoned vehicles.

For PHAs, such data should include housing authority police records on the types and sources of drug related crime "in and around" developments as reflected in crime statistics or other supporting data from Federal, State, Tribal or local law enforcement agencies.

(2) (10 Points) *Other Crime Data: Other supporting data on the extent of drug-related crime.* For this element, you can receive up to 10 points. To the extent that objective data as described above may not be available, or to complement that data, your assessment must use data from other verifiable sources that have a direct bearing on drug-related crime in the developments proposed for assistance under this program. If you are using other relevant information in place of objective data, however, your application must indicate the reasons why you could not obtain objective data and what efforts you made to obtain it and what efforts you will make during the grant period to begin obtaining the data. Examples of the data should include (but are not necessarily limited to):

(a) Surveys of residents and staff in your targeted developments surveyed on drug-related crime or on-site reviews to determine drug/crime activity; and government or scholarly studies or other research in the past year that analyze drug-related crime activity in the targeted developments.

(b) Vandalism cost at your targeted developments, including elevator vandalism (where appropriate) and other vandalism attributable to drug-related crime.

(c) Information from schools, health service providers, residents and Federal, State, local, and Tribal officials, and the verifiable opinions and observations of individuals having direct knowledge of drug-related crime and the nature and frequency of these problems in developments proposed for assistance. (These individuals may include Federal, State, Tribal, and local government law enforcement officials, resident or community leaders, school officials, community medical officials, substance abuse, treatment (dependency/

remission) or counseling professionals, or other social service providers.)

(d) The school dropout rate and level of absenteeism for youth that you can relate to drug-related crime. If crime or other statistics are not available at the development or precinct level, you must use other verifiable, reliable and objective data.

(e) To the extent that the community's Consolidated Plan identifies the level of the problem and the urgency in meeting the need, references to the Consolidated Plan should be included in your response. The Department will review more favorably those applicants who used the Consolidated Plan to identify need, when applicable.

#### Rating Factor 3: Soundness of Approach (Quality of the Plan) (35 Points)

This factor addresses the quality and anticipated effectiveness of your proposed action plan in taking a comprehensive community-based approach toward the problem of drugs and drug-related crime in the neighborhood identified in your application.

Your application must include an action plan for crime reduction and elimination efforts, describing in detail: the specific activities to be undertaken; the parties responsible for or involved in the activities for each development proposed for assistance; and the dollar amount and extent of resources committed to each activity or service proposed.

In evaluating this factor, HUD will consider the following:

(1) (25 Points) The quality, comprehensiveness of your action plan to address the drug-related crime problem, and the problems associated with drug-related crime in the developments proposed for funding, including its anticipated effectiveness in reducing or eliminating drug-related crime problems immediately and over an extended period, as evidenced by:

(a) The extent to which your proposed activities provide services over the existing baseline of services currently provided to the project area;

(b) The extent of the commitment of the partners, as described and documented in the MOU in implementing your plan. HUD will evaluate the extent to which the activities are comprehensive and result of collective actions that effectively work together. If you provide for a comprehensive approach, you will receive a higher number of rating points. HUD will provide no points under this subfactor if your application does not include an MOU with the local law enforcement entity with jurisdiction

over the neighborhood identified in your application;

(c) The extent to which you have partnered with appropriate neighborhood and community stakeholders;

(d) The extent to which the resources allocated and the budget proposed are adequate to conduct the work plan as proposed; and

(e) Your rationale for the proposed activities and methods and why you believe the activities will be effective in reducing drug use and drug-related crime. If you are proposing new methods for which there is limited knowledge of the effectiveness, you should provide the basis for modifying past practices and rationale for why you believe the modification will yield more effective results.

(2) (10 Points) The adequacy of the process you will use to collect, maintain, analyze and report Part I and II crimes as defined by the Uniform Crime Reporting (UCR System), as well as police workload data. The process must include the collection of police workload data such as, but not limited to, all calls for service at the housing authority by individual development, patterns over a period of time, type of crime, and plans to improve data collection and reporting. Your proposed analysis of the data collected should include a method for assessing the impact of grant activities on the collected crime statistics on an on-going basis during the award period.

(3) Up to two (2) additional points will be awarded to any application submitted by the City of Dallas, Texas, to the extent this subfactor is addressed. Due to an order of the U.S. District Court for the Northern District of Texas, Dallas Division, with respect to any application submitted by the City of Dallas, Texas, HUD's consideration of this subfactor will consider the extent to which the applicant's plan for the use of New Approach Anti-Drug funds will be used to eradicate the vestiges of racial segregation in the Dallas Housing Authority's programs consistent with the Court's order.

#### Rating Factor 4: Leveraging Resources (Support of Residents, the Local Government and the Community in Planning and Implementing the Proposed Activities and Interagency Activities) (10 Points)

This factor addresses your ability to secure community and government resources, in-kind services from local governments, non-profit entities, including resident organizations, for-profit entities, or private organizations to be combined with HUD's program

resources to achieve program purposes. To be considered as documented evidence of leveraging, you must submit a letter signed by the organization head authorized to commit the organization which details the amount of funds or type of services to be provided. The letter also must identify the dollar value of any services or goods in lieu of a cash contribution. Therefore, in responding to the factor you must equate the time or services provided into a dollar value. This dollar value will be added to any cash funding commitments identified as part of your leveraging of funds. For example, if you are receiving a donation of security alarm systems, you should indicate the number of security systems to be provided and give a dollar value for those alarm systems. The value will be added to any cash contributions you have noted from others. The letter may indicate that the commitment is predicated on the applicant receiving the grant from HUD. In assessing this factor, HUD will consider the following:

(1) Evidence of the extent and amount of the commitment of funding, staff, or in-kind resources, partnership agreements, and on-going or planned cooperative efforts with law enforcement agencies, memoranda of understanding, or agreements to participate. Such commitments must be signed by an official of the organization legally able to make commitments for the organization. This evidence of commitment must include organization name, resources, and responsibilities of each participant. This also includes interagency activities already undertaken, participation in local, state, Tribal or Federal anti-drug related crime efforts such as: education, training and employment provision components of Welfare Reform efforts, Operation Weed and Seed, Operation Safe Home, local law enforcement initiatives and/or successful coordination of its law enforcement, or other activities with local, state, Tribal or Federal law enforcement agencies.

(2) HUD may award more points for applications with a higher percentage of these resources as compared to Anti-Drug New Approach funds requested.

#### Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which you have coordinated your activities with other known organizations, participants or have promoted participation in a community's Consolidated Planning process, and are working towards addressing a need in a holistic and comprehensive manner through