

that targets units associated with a HOPE VI Revitalization Grant is only eligible for Priority Group 4.

(b) *Priority Group 2.*

(i) Priority Group 2 applications:

a. Target units included in a Section 202 Mandatory Conversion Plan that you have submitted to HUD on or before the HOPE VI Demolition grant application deadline date, or

b. Target units that, in HUD's sole determination under section 537(c) of QHWRRA, are subject to the removal requirements of 24 CFR part 971 and can be expected to be demolished in accordance with the time schedule required by Section XIII(A) of this NOFA.

(ii) If you submit a HOPE VI Demolition grant application for units that are targeted in a Section 202 Mandatory Conversion Plan that was submitted under 24 CFR part 971 but not yet approved (Priority Group 2), and HUD subsequently approves the Conversion Plan before the HOPE VI Demolition grant application deadline date, you may revise your application and it will be reclassified as Priority Group 1. HUD will change the original Ordinal to the Ordinal corresponding to the date that the revision was received.

(iii) If you submit a Section 202 Mandatory Conversion Plan but HUD determines that the targeted project does not qualify for conversion under 24 CFR part 971, your HOPE VI Demolition grant application will not be eligible for funding. If you intend to submit a Priority 1 or 2 application, discuss the project with your Field Office to ensure that it qualifies under the standards of 24 CFR part 971.

(iv) Units associated with a HOPE VI Revitalization grant are not eligible for this Priority Group. Every application that targets units associated with a HOPE VI Revitalization Grant is only eligible for Priority Group 4.

(c) *Priority Group 3.* Priority Group 3 applications target units that were included in a HUD-approved application for demolition that was developed in accordance with section 18 of the 1937 Act, as amended ("section 18 demolition application").

(i) HUD must approve your section 18 demolition application on or before the HOPE VI Demolition grant application deadline. If your section 18 demolition application does not meet the statutory requirements of section 18, including the requirement for HUD Field Office approval of the Interim or PHA Plan as required by 24 CFR part 903, HUD will not approve the section 18 demolition application and your HOPE VI Demolition grant application will not be eligible for funding.

(ii) If you have submitted a section 18 demolition application to the SAC but it has not yet been approved by HUD when you submit your HOPE VI Demolition grant application, your HOPE VI application will not be considered complete and you will not receive an Ordinal unless and until your section 18 demolition application is approved on or before the HOPE VI Demolition Grant Application deadline.

(iii) If your section 18 demolition application is approved by HUD on June 2, 2003 or June 3, 2003 only, you are not required to submit your approval letter to HUD, and HUD will deem the approval letter to have been submitted in the application. In such a case, if your application is otherwise complete, your Ordinal will be the date that HUD approves your section 18 demolition application.

(iv) If HUD has previously approved your section 18 demolition application but HUD later rescinded the approval, your section 18 demolition application will not be considered approved by HUD and your HOPE VI Demolition grant application will not be eligible for funding.

(v) Units associated with a HOPE VI Revitalization grant are not eligible for this Priority Group. Every application that targets units associated with a HOPE VI Revitalization Grant is only eligible for Priority Group 4.

(d) *Priority Group 4.*

(i) Priority Group 4 applications target units that:

a. Were targeted for demolition in a previously-approved HOPE VI Revitalization application and the demolition has not yet been carried out; or

b. Were not originally targeted for demolition in a previously-approved HOPE VI Revitalization application but are located in the same project and at the same site that will be revitalized using an existing Revitalization grant, and have not yet been demolished.

(ii) The requested HOPE VI Demolition grant funds, in combination with the existing HOPE VI Revitalization grant funds, may not exceed the Total Development Cost (TDC)/Housing Cost Cap (HCC) limits.

a. If the Revitalization grant is below TDC/HCC, any dollars freed up as a result of the proposed additional demolition grant funds may be used for any development costs, up to the project's TDC/HCC limit.

b. If the Revitalization grant is below or at TDC/HCC, the dollars freed up from the proposed additional demolition grant funds may be used for the demolition of additional units or for Community Renewal costs such as

Extraordinary Site Costs that fall outside of HCC.

(iii) If a Priority Group 4 HOPE VI Demolition application is selected for funding, HUD will approve the planned demolition:

a. In its approval of your Supplemental Submissions for the Revitalization grant;

b. By amending its approval of your Supplemental Submissions, if it has already been approved by HUD; or

c. By approving a section 18 demolition application, if you choose to submit one.

(B) *Ordinals.* Upon receipt, HUD will assign each HOPE VI Demolition grant 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 grant application and ending on the HOPE VI Demolition grant application deadline date. 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.

(C) *Demolition Screening.*

(1) HUD will screen the application to ensure that it meets each HOPE VI threshold criterion listed in this NOFA.

(2) If HUD determines that an application is not eligible (*e.g.*, the applicant is not a PHA, the units have already been demolished, etc.), HUD will not consider the application further and will immediately notify the applicant that the application has been rejected.

(3) If HUD determines that an applicant is eligible but the application is incomplete, within approximately two days of receipt of the application, HUD will contact the applicant in writing by fax (followed with a hard copy by mail) to request the missing information. Applicants whose applications are received by HUD on the same date, and who have missing items, will be notified by HUD of their missing items on the same day to ensure that all applicants have the same number of days to provide the missing information.

Please Note: This provision means that the nearer to the deadline date 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 eligible 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.

(4) If HUD determines that the information you submit in response to