

related to homeownership replacement units.

(G) Acquisition.

(1) Rental Units. For acquisition of rental units in existing or new apartment buildings, single family subdivisions, etc., with or without rehabilitation, for use as public housing replacement units, you must submit a Development Proposal in accordance with CFR part 941.304 (conventional development) or 24 CFR 941.606 (mixed finance development).

(2) Land for Off-Site Replacement Units. For acquisition of land for public housing or homeownership development, you must comply with 24 CFR part 941 or successor part.

(3) Land for Economic Development-Related Activities.

(a) You may use HOPE VI grant funds to acquire land for economic development-related activities if those activities specifically promote the economic self-sufficiency of residents.

(b) With HUD approval, you may also use HOPE VI grant funds for limited infrastructure and site improvements associated with developing retail, commercial, or office facilities, such as rough grading and bringing utilities to (but not on) the site.

(c) You may not use HOPE VI grant funds to pay hard construction costs or to buy equipment for retail, commercial, or non-public housing office facilities.

(4) Acquisition Proposal. Before you may undertake acquisition activities with HOPE VI or other public housing funds, you must submit an acquisition proposal to HUD that meets the requirements of 24 CFR 941.303.

(H) Necessary management improvements, including transitional security activities.

(I) Reasonable costs for administration, planning, technical assistance, and fees and costs, as established by HUD guidance and policies regarding cost controls. These costs are limited to the costs of implementing the Revitalization Plan, as specifically approved by HUD, such as fees for architectural and engineering work, program management (if any), and reasonable legal fees. See Section III(C)(3) for soft development costs guidelines.

(J) Community and Supportive Services (CSS). The CSS Component of the HOPE VI Program encompasses all activities that are designed to promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing project involved. The CSS Component is described in Section VIII of this NOFA.

(K) Leveraging other resources, including additional housing resources,

supportive services, job creation, and other economic development uses on or near the project that will benefit future residents of the site.

*II. Summary of Threshold Requirements*

(A) The following are summary descriptions of threshold requirements that must be met in order for a HOPE VI Revitalization application to be considered for funding. These threshold requirements are described in more detail at the citations identified below. If the application fails to meet any one of these thresholds, HUD will not rate or rank the application, in accordance with Section XIV(B)(5) of this NOFA.

(B) Unless specifically stated that an item is curable, the threshold items in this Section II(B) are not subject to Section XIV(B)(3) of this NOFA regarding the correction of deficiencies.

(1) The applicant must qualify as an eligible applicant, as defined in Section IV(A)(1) of this NOFA.

(2) HUD must receive the application by the deadline date and time, in accordance with Section III(B) of the General Section of this NOFA.

(3) Standard certifications must be submitted in accordance with Section XIII(A)(4) of this NOFA. Deficiencies for this item are curable, in accordance with Section XIV(B)(3) of this NOFA.

(4) The application must include a certification by a third party professional that the proposed costs meet the requirements of Section III(C) of this NOFA. Deficiencies for this item are curable, in accordance with Section XIV(B)(3) of this NOFA.

(5) In accordance with Section III(D)(1) of this NOFA, each applicant may submit only one HOPE VI Revitalization application.

(6) If an application proposes to revitalize more than one severely distressed public housing project, those projects must meet the requirements of Section III(D)(3) of this NOFA.

(7) If an application proposes to revitalize a severely distressed scattered site project, the project must meet the requirements of Section III(D)(4) of this NOFA.

(8) An application may not request HOPE VI Revitalization grant funds to revitalize units that were funded by an existing HOPE VI Revitalization grant, in accordance with Section III(D)(6) of this NOFA.

(9) If an application proposes to use HOPE VI Revitalization funds to develop market rate units or affordable units which do not qualify as replacement units in accordance with Section III(D)(7) of this NOFA, the entire application will be disqualified.

(10) If applicable, the application must meet the requirements of separability, as described in Section III(D)(11) of this NOFA.

(11) If an applicant has been designated as troubled, it must meet the requirements of Section IV(A)(1) of this NOFA.

(12) An applicant must have obligated at least 90 percent of its FY 1999–2001 Capital Funds in accordance with Section IV(A)(2) of this NOFA.

(13) An applicant which has one or more existing HOPE VI Revitalization grants will be disqualified if it has an open Inspector General (IG) or General Accounting Office (GAO) audit finding related to the HOPE VI or Capital Fund Programs as of the application due date, in accordance with Section IV(A)(3) of this NOFA.

(14) An applicant must provide a signed certification that it has either initiated competitive procurement procedures to select a developer by the application deadline date or that it will act as its own developer, in accordance with Section IV(A)(4) of this NOFA. Deficiencies for this item are curable, in accordance with Section XIV(B)(3) of this NOFA.

(15) An application must include a program schedule that, at a minimum, reflects the timeliness of construction requirements of Section XVI(C) of this NOFA, in accordance with Section IV(C).

(16) An application must include a signed certification that the applicant or its procured property manager will implement the operation and management principles and policies in accordance with Section IV(A)(5) of this NOFA. Deficiencies for this item are curable, in accordance with Section XIV(B)(3) of this NOFA.

(17) An application must include a certification signed by an engineer or architect that the targeted public housing project meets the definition of severe physical distress in accordance with Section V(A) of this NOFA. Deficiencies for this item are curable, in accordance with Section XIV(B)(3) of this NOFA.

(18) An application must include commitments of resources in an amount that meets the match requirements of Section VI(A) of this NOFA.

(19) An application must include a certification by the applicant that a resident training session and public meetings were held in accordance with Section VII(A) of this NOFA. Deficiencies for this item are curable, in accordance with Section XIV(B)(3) of this NOFA.

(20) An application must include a certification that the applicant has