

Accessibility and Visitability for HOPE VI and Mixed Finance Homeownership, go to the publications and resource page of the HOPE VI Web site at <http://www.huduser.org/publications/pubasst/strategies.html>.

(11) *Threshold*. Separability. In accordance with section 24(j)(2)(A)(v) of the 1937 Act, if you propose to target only a portion of a project for revitalization, you must:

(a) Demonstrate to HUD's satisfaction that the severely distressed public housing is sufficiently separable from the remainder of the project of which the building is part to make use of the building feasible for revitalization, and

(b) Demonstrate that the site plan and building designs of the revitalized portion will provide defensible space for the occupants of the revitalized building(s) and that the properties that remain will not have a negative influence on the revitalized buildings(s), either physically or socially. Separations may include a road, berm, catch basin, or other recognized neighborhood distinction.

IV. Capacity

(A) Thresholds

(1) *Threshold*: Troubled Status. If HUD has designated your housing authority as troubled pursuant to section 6(j)(2) of the 1937 Act, HUD's Troubled Agency Recovery Centers will use documents and information available to it to determine whether you qualify as an eligible applicant. In accordance with section 24(j) of the 1937 Act, the term "applicant" means:

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

(b) 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

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

(i) Is designated as troubled principally for reasons that will not affect its capacity to carry out a revitalization program;

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

(iii) Is otherwise determined by HUD to be capable of carrying out a revitalization program.

(2) *Threshold*: Obligation of Capital Funds. In order to be considered for funding, you must have obligated Capital Fund amounts (including the Comprehensive Improvement

Assistance Program (CIAP) or Comprehensive Grant Program (CGP) in a timely manner. HUD will not consider any application from a PHA that failed to obligate 90 percent or more of its FY 1999, 2000, and 2001 Capital Funds by the applicable obligation deadlines, as required by section (9)(j) of the U.S. Housing Act of 1937, unless the Deputy Secretary has approved an extension. HUD will use LOCCS to determine compliance with the applicable obligation deadlines. Replacement Housing Factor funds are not excluded from the calculation of Capital Fund obligation rates, pursuant to 24 CFR 905.10(i), as they are part of the Capital Fund Program formula allocation. Some PHAs have executed Moving To Work (MTW) Agreements that exempt the PHA from the statutory Capital Fund obligation and expenditure deadlines. Accordingly, those PHAs will not be subject to this provision.

(3) *Threshold*: Performance of Existing HOPE VI Grantees. If an applicant has one or more existing HOPE VI Revitalization grants, the Department will disqualify such an applicant if the applicant 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 date the application is due to HUD.

(4) *Threshold*: Selection of Developer. In a departure from previous years, in order to be selected for funding, you must provide a signed certification that:

(a) You have initiated RFQ competitive procurement procedures in accordance with 24 CFR 85.36 and 23 CFR 941.602(d) (as applicable), but have not entered into a contract with a developer for your first phase of construction by the application due date. A developer is an entity contracted to develop (and possibly operate) a mixed finance development that includes public housing units, pursuant to 24 CFR part 941 subpart F, and contingent on a satisfactory environmental review under 24 CFR part 58 or part 50, under the terms of a HUD-approved proposal. A developer most often has an ownership interest in the entity that is established to own and operate the replacement units (e.g. as the General Partner of a Limited Partnership). It is not necessary to have executed a Master Development Agreement with the selected developer in order to meet the threshold. If you change developers after you are selected for funding, HUD reserves the right to rescind the grant; or

(b) You will act as your own developer for the proposed project. If you change your plan and procure an

outside developer after you are selected for funding, HUD reserves the right to rescind the grant.

(5) *Threshold*: Operation and Management Principles and Policies.

(a) Authority. Any HOPE VI-funded activities at public housing projects 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 project, a waiver of HUD regulations, subject to statutory limitations and a finding of good cause under 24 CFR 5.110 if the waiver will permit you to undertake measures that enhance the long-term viability of a project revitalized under this program. HUD will assess each request to determine whether good cause is established to grant the waiver.

(b) Requirements. HOPE VI Revitalization Grantees will be required to develop Management Agreements that describe their operation and management principles and policies for their public housing units. In your application, you must provide a certification that you will ensure that you and/or your procured property manager have complied (to the extent required) with the provisions of 24 CFR 966.3 in planning for the implementation of the operation and management principles and policies described below.

(i) Rewarding work and promoting family stability by promoting positive incentives such as income disregards and ceiling rents;

(ii) Instituting a system of local preferences adopted in response to local housing needs and priorities, e.g., preferences for victims of domestic violence, residency preferences, disaster victims;

(iii) Encouraging self-sufficiency by including lease requirements that promote involvement in the resident association, performance of community service, participation in self-sufficiency activities, and transitioning from public housing;

(iv) Implementing site-based waiting lists for the redeveloped public housing and/or following project-based management principles;

(v) Instituting strict applicant screening requirements such as credit checks, references, home visits, and criminal records checks;

(vi) Strictly enforcing lease and eviction provisions;

(vii) Improving the safety and security of residents through the implementation