

(E) Initiating other steps to remedy discrimination in housing and promote fair housing rights and fair housing choice.

(b) You will receive 1 Point if you address all of the above issues only in a general way.

(c) You will receive 0 Points if you do not address all of the above issues, or if there is insufficient information to rate this factor.

(2) Economic Opportunities for Low- and Very Low-Income Persons (Section 3)—1 Point.

(a) HOPE VI grantees must comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Economic Opportunities for Low- and Very Low-Income Persons in Connection with assisted Projects) and its implementing regulations at 24 CFR part 135. Information about Section 3 can be found at HUD's section 3 Web site at www.hud.gov/fhe/sec3over.html.

(b) You will receive 1 Point if you describe a feasible plan to implement Section 3 that not only meets the minimum requirements described in Section (a) above but also exceeds those requirements. Your plan must include your goals by age group, types of jobs and other opportunities to be provided, and plans for tracking and evaluation. Section 3 firms must be in place quickly so that residents are trained in time to take advantage of employment opportunities such as jobs and other contractual opportunities in the pre-development, demolition, and construction phases of the revitalization. Your section 3 plan must demonstrate that you will, to the greatest extent feasible, direct training, employment and other economic opportunities to:

(i) Low- and very low-income persons, particularly those who are recipients of government assistance for housing, and

(ii) Business concerns which provide economic opportunities to low- and very low-income persons.

(c) You will receive 0 Points if your plan to implement Section 3 does not meet the standards listed in Section (b) above, or if there is inadequate information in your application to rate this factor.

XI. Well-Functioning Communities—8 Points Total

(A) Rating Factor: On-Site Housing—3 Points

Your proposed unit mix must be designed to achieve a well functioning community on the revitalized site. While it is up to you to determine the unit mix that is appropriate for your

site, it is essential that this unit mix include a sufficient amount of public housing rental units. Reducing concentration in this context does not necessarily mean reducing density of housing units; a well-functioning, mixed-income housing community may actually have a higher density of units, but with a unit mix appropriate for the site's market conditions. For purposes of this section, "public housing rental units" mean rental units under the ACC. Homeownership units and lease-purchase units would not be counted. Units sold under section 32 are not considered as public housing rental units for this section.

(1) You will receive 3 Points if your application describes a unit mix that is more than 35 percent or more public housing rental units.

(2) You will receive 2 Points if your application describes a unit mix that is between 25 and 34 percent public housing rental units.

(3) You will receive 1 Point if your application describes a unit mix that is between 15 and 24 percent public housing rental units.

(4) You will receive 0 Points if your application describes a unit mix that is 14 percent or less, or if there is inadequate information in your application to rate this factor.

(B) Off-Site Housing—1 Point

(1) Although not required, you are encouraged to consider development of replacement housing in locations other than the original severely distressed site (*i.e.*, off-site housing). Locating off-site housing in neighborhoods with low levels of poverty and/or low concentrations of minorities will provide maximized housing alternatives for low-income residents who are currently on-site and assist the goal of creating desegregated, mixed-income communities. The effect on-site will be to assist in the deconcentration of low-income residents and increase the number of replacement units.

(2) Although it is acknowledged that off-site housing is not appropriate in some communities, if you do not propose to include off-site housing in your Revitalization Plan, you are not eligible to receive this Point.

(3) If you propose an off-site housing component in your application, you must be sure to include that component when you discuss other components (*e.g.* on-site housing, homeownership housing, etc.). Throughout your application, your unit counts and other numerical data must take into account the off-site component.

(4) *Threshold:* If you propose to develop off-site housing in any phase of

your proposed revitalization plan, you MUST provide evidence in your application that you (not your developer) have site control of the property(ies). Evidence may include an option to purchase the property, a sales agreement, a land swap, or a deed. Evidence may not include a letter from the Mayor or other official, letters of support from members of the appropriate municipal entities, or a resolution evidencing the PHA's intent to exercise its power of eminent domain. Evidence of site control may only be made contingent upon the receipt of the HOPE VI grant, satisfactory compliance with the environmental review requirements in accordance with Section XVII of this NOFA, and the site and neighborhood standards in Section X(C)(3) of this NOFA. If you demonstrate site control through an option to purchase, the option must extend for at least 180 days after the application due date. If you propose to develop off-site housing and you do not provide acceptable site control, your entire application will be ineligible for funding.

(5) *Rating factor.* You will receive 1 Point if you propose to develop an off-site housing component(s) and document that: you have site control of the property(ies), that the site(s) meets all environmental review requirements, and that the site(s) meets site and neighborhood standards, in accordance with (4) above.

(C) Threshold: Market Rate Housing

If you include market rate housing in your Revitalization Plan, you must demonstrate that there is a demand for the housing units of the type, number, and size proposed in the location you have chosen. In your application you must provide a preliminary market assessment letter prepared by an independent, third party, credentialed market research firm, or professional that describes its assessment of the demand and associated pricing structure for the proposed residential units and any community facilities, economic development, and retail structures, based on the market and economic conditions of the project area. If, after the cure period, this letter is not included in your application, it will be ineligible for funding.

(D) Rating Factor: Homeownership Housing—4 Points

The Department has placed the highest priority on increasing homeownership opportunities for low- and moderate-income persons, persons with disabilities, the elderly, minorities, and families where English may be a