

32. The PHA will complete construction within 48 months from the date of HUD's approval of the Supplemental Submissions. This time period for completion may not exceed 54 months from the date the Grant Agreement is executed.

33. All activities that include construction, rehabilitation, lead-based paint removal, and related activities will meet or exceed local building codes. New construction will comply with the latest HUD-adopted Model Energy Code issued by the Council of American Building Officials.

HOPE VI Demolition Grants Section

The Demolition Grants Section of the HOPE VI NOFA contains information that applies to the HOPE VI Demolition Program. Unless otherwise noted, citations refer to the HOPE VI Demolition Grants Section.

I. Application Thresholds

(A) Each required element of a HOPE VI Demolition grant application is a threshold requirement. Your application will not be eligible for funding unless each requirement listed in this NOFA is included in your application. HUD will give you the opportunity to submit any missing information up to the application deadline date, as provided in Section III(B) of the General Section.

II. Eligible Demolition Activities

(A) Relocation for residents displaced as a result of the demolition of the project. This includes reasonable moving expenses as well as mobility counseling and other services to help displaced residents relocate. See Section V of this NOFA for relocation requirements.

(B) Demolition of dwelling units in buildings, in whole or in part, including the abatement of environmentally hazardous materials such as asbestos, in accordance with section 18 of the 1937 Act as amended.

(C) Demolition of nondwelling structures, if such demolition is directly related to the demolition of severely distressed dwelling units to be demolished with funds from the HOPE VI Demolition Grant.

(D) Restoration of the site to a "greenfield," a clean site by removing all demolished materials, filling in the site, and establishing a lawn. No additional improvements, such as constructing new curbs and gutters, installing playground equipment, installing permanent fences, or planting gardens, may be paid for with HOPE VI Demolition grant funds.

(E) In the case of partial demolition of a site, minimal site restoration after demolition and subsequent site improvements to benefit the remaining portion of the project in order to provide project accessibility or to make the site more marketable.

(F) Reasonable costs for administration, planning, technical assistance, and fees and costs that are deemed to be incremental costs of carrying out the demolition as specifically approved by HUD.

III. Application and Grant Limitations

(A) *Application Limitations.* (1) You may submit up to ten HOPE VI Demolition grant applications that target a total of no more than 2,500 severely distressed public housing units.

(2) You may target units in only one public housing project (i.e., units that have the same project number) per application.

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

(4) You may target as many or as few units per application as you wish, up to the overall 2,500 unit maximum.

(B) *Grant Limitations.* (1) *Demolition.* You may request up to \$6,000 per unit for demolition and other eligible related costs. Demolition of streets, sidewalks, curbs, gutters, and driveways; removal of underground storage tanks and sewer lines; capping of utilities; restoration of the site; abatement of environmentally hazardous materials; and costs for administration, planning, technical assistance, fees, and permits are to be included in this figure.

(2) *Relocation.* You may request up to \$3,000 in relocation costs for each unit that is occupied as of the date you submit your HOPE VI Demolition grant application.

(3) *Nondwelling Structures.*

(a) You may request reasonable amounts to pay for the demolition of significant nondwelling structures related to the demolition of dwelling units. These costs must be included as part of an application for funding of demolition of public housing units; you may not apply for them separately. Examples of such structures include community centers, heating plants, playgrounds, and management offices. These facilities must be under the Annual Contributions Contract.

(b) Such costs must be justified and verified by an engineer or architect licensed by his or her State licensing board who is not an employee of the housing authority or the city. The engineer or architect must provide his or her license number and State of registration. A Nondwelling Structures Cost Certification is included in the HOPE VI Demolition Grant Application.

(C) HUD recognizes that the HOPE VI grant may not cover the total costs of relocation, abatement, demolition, and site restoration in all cases and that you

may have to provide additional funding from other sources.

(D) You may not use HOPE VI Demolition Grant funds to pay for any demolition or related activities carried out before the date of the letter announcing the award of the HOPE VI Demolition Grant.

IV. Statutory Requirements

(A) *Severe Distress.* In accordance with Section IV of the General Section of this NOFA, the targeted public housing project or building in a project must be severely distressed.

(1) *Demonstration of Severe Distress.* Units will be considered severely distressed if:

(a) They are included in a HUD-approved Section 202 Mandatory Conversion Plan. The Section 202 Conversion Plan must be approved by HUD on or before the HOPE VI Demolition grant application due date;

(b)(i) They are 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

(ii) They are, in HUD's sole determination under section 537(c) of QHWR, 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 VII(B) of this NOFA; or

(c) They are 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").

(B) *Separability.* In accordance with section 24(j)(2)(A)(v) of the 1937 Act, if you propose to target only individual buildings of a project for demolition, you must:

(1) Demonstrate to HUD's satisfaction that the severely distressed public housing is sufficiently separated from the remainder of the project of which the building is part to make demolition of the building feasible, and

(2) Demonstrate that the plan for the demolished portion will provide defensible space for the occupants of the remaining building(s). Separations may include a road, berm, catch basin, or other recognized neighborhood distinction.

(C) *Appropriateness of Proposal.* In accordance with section 24(e)(1) of the 1937 Act, each application must demonstrate the appropriateness of the proposal in the context of the local housing market relative to other alternatives. You must briefly discuss other possible alternatives to your