

(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 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 five business 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 HUD receives 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 a notification of deficiency is correct and completes the application, HUD will add to the application's Ordinal the number of business days between notification of the deficiency and curing of the deficiency.

(5) If HUD determines that the information submitted does not make the application complete, HUD will notify you of the remaining deficiency. You will have the opportunity to submit information in response to notifications of deficiency until the HOPE VI Demolition grant application due date.

(6) If you do not submit the requested information by the HOPE VI Demolition

grant deadline date, your application will be ineligible for funding.

(7) If a deficiency is cured on the same day the deficiency letter is sent, the application will add one Ordinal.

(D) *Funding.* HUD will award HOPE VI Demolition grants in the following order, based on fund availability.

(1) HUD will fund Priority Group 1 applications by Ordinal.

(2) If funds remain after HUD has funded all eligible Priority Group 1 applications, HUD will fund Priority Group 2 applications by Ordinal.

(3) If funds remain after HUD has funded all eligible Priority Group 2 applications, HUD will fund Priority Group 3 applications by Ordinal.

(4) At any stage, if there is more than one application with next Ordinal to be funded and there are insufficient funds to fund all of them, HUD will conduct a lottery among those applications to determine which application(s) will be funded.

(5) HUD reserves the right to partially fund the next eligible application if insufficient funds remain to fund the entire amount requested, and HUD determines that the funds available are adequate to carry out some significant demolition activities.

(6) If funds remain after all eligible HOPE VI Demolition grant applications have been funded or if the amount remaining is inadequate to feasibly fund the next eligible Demolition grant application, HUD reserves the right to:

(a) Reallocate unused funds to fund or supplement the next eligible HOPE VI Revitalization application(s), in rank order, or

(b) Carry over unused funds to the next fiscal year.

(E) *Notification of Funding Decisions.* Because the HOPE VI Demolition grants are awarded on a first-come, first-served basis, HUD reserves the right either to award funds to Priority Group 1 applications as soon as they are determined to be eligible for funding, or announce all awards after the HOPE VI Demolition grant application deadline date has passed. HUD will notify

ineligible applicants of their ineligibility immediately after that determination has been made. HUD will provide written notification to all HOPE VI applicants, whether or not they have been selected for funding.

VII. Post Award Requirements

(A) *Demolition Grant Agreement.*

When you are selected to receive a Demolition grant, HUD will send you a HOPE VI Demolition Grant Agreement, which constitutes the contract between you and HUD to carry out and fund public housing demolition activities. Both you and HUD will sign the cover sheet of the Grant Agreement. You must sign the Grant Agreement within 90 days of receiving it. Failure to sign the Grant Agreement within 90 days may cause the Department to withdraw its award of funds. It is effective on the date of HUD's signature.

(B) *Timeliness of Demolition.*

Grantees must proceed within a reasonable timeframe, as indicated below. HUD will take into consideration delays caused by factors beyond your control when enforcing this requirement or as otherwise approved by HUD to accommodate reasonable relocation and demolition schedules.

(1) You must begin the proposed demolition within six months of the date of Grant Agreement execution.

(2) You must complete the proposed demolition within two years of the date of Grant Agreement execution.

(3) In accordance with section 24(i) of the 1937 Act, if you do not proceed within a reasonable timeframe, in the determination of HUD, HUD shall withdraw any grant amounts that you have not obligated. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for HOPE VI assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the activities of the original Grantee.

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