Department shall endeavor to fund category 1 and category 2 applications meeting the following descriptions: replacement related to litigation settlements or court orders, if the necessary funds have not yet been reserved; replacement for emergency demolition/disposition, if any; replacement for demolition/disposition to complete treatment of sites partially funded under the Urban Revitalization Demonstration Program authorized by the HUD Appropriations Acts of 1993, 1994 and 1995 or partially funded for comprehensive modernization or major reconstruction activities; replacement for obsolete family highrises; replacement for essential public housing density reduction at large family lowrises or as part of other efforts to end the isolation of large family public housing communities; prior replacement housing obligations; and category 2 replacement applications for homeownership, particularly where the transfer of property will occur this fiscal year and the units in question have not yet been replaced. Of these categories, replacement related to litigation settlements or court orders will be funded first.

3. Category 4 (other) applications will be funded up to the fair share amounts for each Area.

4. Any funds not required for categories 1, 2, or 3 or initially allocated to categories 4 or technical assistance as outlined above will be utilized for any additional "other" approvable applications as determined by the Department.

D. Disclosure of Information

The Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act) prohibits advance disclosure of funding decisions (see 24 CFR part 4); civil penalties related to advance disclosure are set out in 24 CFR part 30. Application approval/nonapproval notifications shall not occur until the Congressional notification process is completed.

E. Records Retention

Applications and materials related to applications (e.g., Field Office analyses, application scoring sheets, and notifications of selection/non-selection) will be retained in the appropriate Field Office for five years, and be available for public inspection in accordance with 24 CFR part 12.

III. Application Requirements

A. All Applicants

Each application must specify the housing type (new construction,

rehabilitation, or acquisition), development method (conventional, turnkey, or acquisition), and community for which the project is proposed. No more than one housing type, development method, and locality may be proposed for an application. Each such application shall consist of an original and two copies, and must include the following:

1. Cover Letter. The cover letter must identify the category of application (see Section II.B. of this NOFA for a description of the categories; see also subparagraph 6 of Section III.A of this NOFA).

2. Application-Form HUD 52470. The application must be signed by the person authorized and dated and include the information as specified in the form.

3. Evidence of Legal Eligibility. If it has not previously done so, the PHA must document that it is legally organized. A current General Certificate (Form HUD 9009) must be submitted.

4. Cooperation Agreement (Form HUD 52481). The PHA must document that the number of units requested, along with units in management and other units in development, are covered by Cooperation Agreements.

5. PHA Resolution In Support of the Application (Form HUD–52471). Under this resolution, the PHA agrees to comply with all requirements of 24 CFR part 941 (see also paragraph 6 of this Section III.A). By executing the PHA Resolution, the PHA also certifies that it will comply with Title II of the Americans with Disabilities Act (42 U.S.C. 12131) and the implementing regulations at 28 CFR part 35.

6. Front-End Funds. If front-end funds are being requested, the PHA must so state in its cover letter; should the PHA desire the project only if front-end funds can be approved, the PHA must so state. The Form HUD–52471 (PHA Resolution) must refer to the request, and include Form HUD–52472 (Local Governing Body Resolution/Transcript of Proceedings) approving the request.

7. Drug-Free Workplace. The PHA must submit the Certification for a Drug-Free Workplace (Form HUD–50070) in accordance with 24 CFR 24.630.

8. Certification for Contracts, Grants, Loans and Cooperative Agreement (Form HUD–50071). In accordance with section 319 of the Department of Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) (the "Byrd Amendment") and the implementing regulations at 24 CFR part 87, the PHA must certify that no federally appropriated funds have been paid or will be paid, by or on behalf of the PHA, for influencing or attempting to influence an officer or employee of any agency, or a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modifications of any Federal contract, grant, loan, or cooperative agreement.

9. Form SF-LLL, Disclosure of Lobbying Activities. Also in accordance with the Byrd Amendment and the regulations at 24 CFR part 87, the PHA must complete and submit Form SF-LLL if funds other than federally appropriated funds have been paid or will be paid by or on behalf of the PHA for influencing or attempting to influence an officer or employee of any agency, or a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modifications of any Federal contract, grant, loan, or cooperative agreement.

10. Disclosure of Government Assistance and Identity of Interested Parties (Form HUD 2880). The PHA must submit the Applicant/Recipient Disclosure/Update Report (Form HUD– 2880) in accordance with the requirements of 24 CFR part 12, subpart C.

11. Family Self-Sufficiency (FSS). Section 23 of the USHA requires PHAs that are awarded new public housing units to implement an FSS program. Applicants for Category 3 (Headquarters Reserve) or Category 4 (Other) funds must certify that they will comply with 24 CFR part 962, which requires successful applicants to initiate or expand an FSS program for the number of families that equals the total number of units they have been awarded (unless otherwise excepted).

B. Applications for New Construction

In accordance with section 6(h) of the USHA, new construction may be engaged in only if the PHA demonstrates to the satisfaction of the Secretary that the cost of new construction in the neighborhood where the PHA determines the housing is needed is less than the cost of acquisition or acquisition and rehabilitation in such neighborhood. Therefore, every application for a new construction project (conventional or turnkey) must be accompanied by either the information described in paragraphs B.1 and B.3 of this section, or, at the applicant's option, the information