improvement needs. Physical improvement needs should be reviewed against the modernization standards, as set forth in HUD Handbook 7485.2, as revised, and any cost-effective energy conservation measures, identified in updated energy audits. The modernization standards include development specific work to ensure the long-term viability of the developments, such as amenities and design changes to promote the integration of low-income housing into the broader community. (See section I(b)(1)(i) of this Notice). In addition, the HA is strongly encouraged to contact the Field Office to discuss its modernization needs and obtain information. The term "Field Office" includes the ONAP.

(b) Resident Involvement/Local Official Consultation Requirements.

(1) Residents/Homebuyers. The CIAP regulations at §§ 968.220 or 905.624 require the HA to establish a Partnership Process for rental developments which ensures full resident participation in the planning, implementation and monitoring of the modernization program, as follows:

(i) Before submission of the CIAP Application, consultation with residents, resident organization, and resident management corporation (herein referred to as residents) of the development(s) being proposed for modernization and request for resident recommendations:

(ii) Reasonable opportunity for residents, including duly-elected resident councils, to present their views on the proposed modernization and alternatives to it, and full and serious consideration of resident recommendations;

(iii) Written response to residents, including duly-elected resident councils, indicating acceptance or rejection of resident recommendations, consistent with HUD requirements and the HA's own determination of efficiency, economy and need, with a copy to the Field Office at Joint Review;

(iv) After HUD funding decisions, notification to residents of the approval or disapproval and, where requested, provision to residents of a copy of the HUD-approved CIAP budget; and

(v) During implementation, periodic notification to residents of work status and progress and maximum feasible employment of residents in the modernization effort.

(2) Local Officials. Before submission of the CIAP Application, consultation with appropriate local officials regarding how the proposed modernization may be coordinated with any local plans for neighborhood revitalization, economic development,

drug elimination and expenditure of local funds, such as Community Development Block Grant funds.

(c) Contents of CIAP Application. Within the established time frame, the HA shall submit the CIAP Application to the Field Office, with a copy to appropriate local/tribal officials. The HA may obtain the necessary forms from the Field Office. The CIAP Application is comprised of the following documents:

(1) Form HUD-52822, CIAP Application, in an original and two

copies, which includes:

- (i) A general description of HA development(s), in priority order, (including the current physical condition, for each development for which the HA is requesting funds, or for all developments in the HA's inventory) and physical and management improvement needs to meet the Secretary's standards in § 968.115 or § 905.603; description of work items required to correct identified deficiencies; and the estimated cost. For example:
- Development 1–1: 50 units of low-rent; 25 years old; physical needs are: new roofs; LBP testing; storm windows and doors; and electrical upgrading at estimated cost of \$150,000.

Development 1–2: 40 units of low-rent; 20 years old; physical needs are: physical accessibility of 2 units; kitchen floors; shower/bathtub surrounds; fencing; and exterior lighting at estimated cost of \$90,000.

Development 1–3: 35 units of Turnkey III; 15 years old; physical needs are: physical accessibility of 3 units; and roof insulation at estimated cost of \$50,000.

Development 1-4: 20 units of low-rent; 5 years old; no physical needs; no funding requested.

Note: Refer to Section IV(d)(3) of this Notice regarding the consequences of not including all developments in the CIAP Application, even where there are no known current needs.

(ii) Where funding is being requested for management improvements, an identification of the deficiency, a description of the work required for correction, and estimated cost. *Examples* of management improvements include, but are not limited to the following areas:

(A) the management, financial, and accounting control systems of the HA;

(B) the adequacy and qualifications of personnel employed by the HA in the management and operation of its developments by category of employment; and

(Ĉ) the adequacy and efficacy of resident programs and services, resident

and development security, resident selection and eviction, occupancy and vacant unit turnaround, rent collection, routine and preventive maintenance, equal opportunity, and other HA policies and procedures.

(iii) a certification that the HA has met the requirements for consultation with local officials and residents/ homebuyers and that all developments included in the application have long term physical and social viability, including prospects for full occupancy. If the HA cannot make this certification with respect to long-term viability, the HA shall attach a narrative, explaining its viability concerns.

(2) A narrative statement, in an original and two copies, addressing each of the technical review factors in section IV(c)(5) and, where applicable, the bonus points in section IV(c)(6).

(3) Form HUD-50071, Certification for Contracts, Grants, Loans and Cooperative Agreements, in an original only, required of HAs established under State law, applying for grants exceeding \$100,000.

- (4) SF-LLL, Disclosure of Lobbying Activities, in an original only, required of HAs established under State law, only where any funds, other than federally appropriated funds, will be or have been used to influence Federal workers, Members of Congress and their staff regarding specific grants or contracts.
- (5) Form HUD-2880, Applicant/ Recipient Update/Disclosure Report, in an original only, required of HAs established under State law.
- (6) At the option of the HA, photographs or video cassettes showing the physical condition of the developments.

IV. Application Processing by Field Office

- (a) Completeness Review (Corrections to Deficient Applications). To be eligible for processing, the CIAP Application must be physically received by the Field Office within the time period specified in the NOFA to be published at a future date, and must be complete, including the signed certification. Immediately after the application deadline, the Field Office shall perform a completeness review to determine whether an application is complete, responsive to the NOFA and acceptable for technical processing.
- (1) If either Form HUD–52822, CIAP Application, *or* the narrative statement on the technical review factors is missing, the HA's application will be considered substantially incomplete and, therefore, ineligible for further