

(ii) A very low-income individual or a member of a very low-income family; and

(iii) An individual who has dropped out of high school.

(2) An exception of not more than 25 percent of all full-time participants is permitted for young adults who do not meet the program's income or educational requirements but who have educational needs despite attainment of a high school diploma or its equivalent.

Private nonprofit organization means any private nonprofit organization that:

(1) Is organized and exists under Federal, State, local, or tribal law;

(2) Has no part of its earnings inuring to the benefit of any individual, corporation, or other entity;

(3) Has a voluntary board;

(4) Has an accounting system or has designated a fiscal agent in accordance with requirements established by HUD; and

(5) Practices nondiscrimination in the provision of assistance.

Project-related restrictions mean Youthbuild housing restrictions applicable only in cases where a Youthbuild implementation grant is providing assistance to residential rental, transitional or homeownership housing projects for specific costs relating to property acquisition, architectural and engineering fees, construction, rehabilitation, operating costs, or replacement reserves.

Recipient means any entity that receives assistance under this part.

Related facilities include cafeterias or dining halls, community rooms or buildings, child care centers, appropriate recreation facilities, and other essential service facilities that are physically attached to the housing to be constructed or rehabilitated. Related facilities which stand alone are not appropriate construction sites for trainees.

Title IV means title IV of the National Affordable Housing Act, as amended (42 U.S.C. 1437).

Transitional housing means a project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24

months). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

Useful life shall mean a period of 10 years upon construction completion and issuance of an occupancy permit applicable to a residential rental, transitional or homeownership property acquired, constructed or rehabilitated (including architectural and engineering fees), or maintained (i.e., operating costs or replacement reserves), in whole or in part, with Youthbuild implementation grant funds (as used in section 455(a), Youthbuild Program Requirements, of the Act).

[60 FR 9737, Feb. 21, 1995, as amended at 61 FR 5211, Feb. 9, 1996; 61 FR 52187, Oct. 4, 1996]

Subpart B [Reserved]

Subpart C—Youthbuild Planning Grants

§ 585.201 Purpose.

HUD will award Youthbuild planning grants to eligible applicants for the purpose of developing Youthbuild programs in accordance with subtitle D of title IV of the National Affordable Housing Act. Applications will be selected in a national competition in accordance with the selection process described in the current NOFA.

§ 585.202 Award limits.

Maximum awards. The maximum amount of a Youthbuild planning grant is \$150,000 unless a lower amount is established in the NOFA. HUD may for good cause approve a grant in a higher amount.

§ 585.203 Grant term.

Funds awarded for planning grants are expected to be used within 12 months of the effective date of the planning grant agreement. The award of a Youthbuild planning grant does not obligate HUD to fund the implementation of the program upon completion of the approved planning activities (unless the companion implementation grant was submitted as a

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combined application and funded in the implementation grant competition).

§ 585.204 Locational considerations.

HUD will not approve multiple applications for planning grants in the same jurisdiction unless it determines that the jurisdiction is sufficiently large to justify approval of more than one application.

§ 585.205 Eligible activities.

Planning grant activities to develop a Youthbuild program may include:

(a) The undertaking of studies and research efforts to determine the feasibility and need for a Youthbuild program in a selected location including whether a proposed program can meet the education and training needs of young adults, aid in the expansion of affordable housing to meet the needs of the community, and achieve financial feasibility;

(b) The formation and establishment of a consortium among Federal, State, or local training and education programs, service providers, housing programs and providers including but not limited to homeless providers, housing owners, developers, and other organizations necessary for the establishment of a Youthbuild program;

(c) The preliminary identification and potential selection of housing for the Youthbuild program including an assessment of the type of housing program to be used and the method by which program participants will have access to the housing project;

(d) The planning and identification of resources required for basic skills instruction and education, job training and job development, leadership and employment skills development, counseling, referral, and other related support services that will be provided as part of the Youthbuild program;

(e) The preparation of an application for an implementation grant.

(f) Preliminary architectural and engineering (A & E) work for the Youthbuild proposed housing including:

(1) The development of cost and time estimates associated with the amount of work to be done through new construction or the rehabilitation of existing housing;

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(2) Technical studies to evaluate environmental problems and to determine whether mitigation is feasible on the potential site; and

(3) The identification and initiation of the permit process required to commence work on the selected site.

(g) The planning and development of multi-disciplinary educational and employment training curricula, leadership development training, counseling, and other supportive services and activities for the Youthbuild program including the identification and training of staff assigned to each program component;

(h) The identification and establishment of relationships with local unions, apprenticeship programs, housing owners, local employers and public or private community organizations for job training, development, and placement opportunities;

(i) *Administration.* Youthbuild funds for administrative costs may not exceed 15 percent of the total amount of Youthbuild program and project costs or such higher percentage as HUD determines is necessary to support capacity development by a private nonprofit organization.

Subpart D—Youthbuild Implementation Grants

§ 585.301 Purpose.

HUD will award Youthbuild implementation grants to eligible applicants for the purpose of carrying out Youthbuild programs in accordance with subtitle D of title IV of the National Affordable Housing Act. Applications will be selected in a national competition in accordance with the selection process described in the current NOFA.

§ 585.302 Award limits.

Maximum awards. The maximum award for a Youthbuild implementation grant will be defined in the NOFA for each competition and may vary by competition. HUD may for good cause approve a grant in a higher amount than the specified limit.

§ 585.303 Grant term.

Funds awarded for implementation grants are expected to be used within