

linkages with other activities in the community.

In evaluating this factor, HUD will consider the extent to which:

(1) You have coordinated your proposed activities with those of other groups or organizations prior to submission in order to best complement, support and coordinate all known activities and if funded, the specific steps you will take to share information on solutions and outcomes with others. Any written agreements, memoranda of understanding in place, or that will be in place after award should be described.

(2) You have taken or will take specific steps to become active in the community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address a need/problem that is related to the activities the applicant proposes.

(3) You have shared and coordinated information on solutions and outcomes with other law-enforcement and governmental agencies, and a description of any written agreements in place or that will be put in place.

(4) You have taken or will take specific steps to develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with:

(a) Other HUD-funded project/activities outside the scope of those covered by the Consolidated Plan; and

(b) Other Federal, State, or locally funded activities, including those proposed or on-going in the community.

VI. Application Submission Requirements

Each New Approach Anti-Drug application must conform to the requirements of the applicable application kit, both in format and content. Each New Approach Anti-Drug application must provide the following items in addition to the submission requirements listed in Section VI of this program section of the SuperNOFA:

(A) Application Cover Letter;

(B) Congressional Summary—Summary of your proposed program activities in five (5) sentences or less:

(C) A neighborhood description. The neighborhood description must include a basic description (e.g., boundaries and size), population, number of housing units in the neighborhood, a map, a population profile (e.g., relevant census data on the socio-economic, ethnic and family makeup of neighborhood residents), and the basis on which the area meets the definition of "neighborhood" as described in this

notice (i.e., describe and include a copy of the comprehensive plan, ordinance or other official local document which defines the area as a neighborhood, village, or similar geographical designation). If the entire jurisdiction is defined as a neighborhood by virtue of having a population at less than 25,000, indicate the jurisdiction's population under the 1990 census and describe/include more recent information which gives the best indication as to the current population.

(D) The description of the assisted housing development(s) in the neighborhood. This must include the name of the project; the name of the project owner; the nature, sources, and program titles of all project-based subsidies or other assistance provided to the project by units of government or private nonprofit entities (any names of public or nonprofit programs other than programs sponsored by HUD should be accompanied by a description of the program and the name and business phone number of a contact person responsible for administering the program for the subsidy provider); the number of housing units in the project; and the number of housing units in the project that meet the definition of "assisted housing units" in this notice, and a description of the restrictions on rents and resident incomes that, in combination with the subsidy provided to the project, qualify the units as assisted/affordable in accordance with the definition in this NOFA; and the number, geographic proximity (adjoining, adjacent, or scattered site, and if scattered site, the distance between the two buildings which are furthest apart), and type (single family detached, townhouse, garden, elevator) of buildings in the project.

(E) Application for Federal Assistance form (Standard Form SF-424) signed by the chief executive officer of your organization.

(F) An action plan which describes the activities and roles to be undertaken by you and each subgrantee or subrecipient of program funds. This action plan may be attached to and referenced in your MOU.

(G) Narrative responses to the factors for award including any required documentation identified under each factor.

(H) A line item budget which identifies salaries, fringe benefits, consultants or subgrantees, equipment, supplies, travel, and general and administrative expenses; as well as an estimated dollar amount for each activity to be undertaken as part of your action plan.

(I) Overall budget and timetable that includes separate budgets, goals, milestones, and timetables for each activity and addresses milestones towards achieving the goals described above; and indicates the contributions and implementation responsibilities of each partner for each activity, goal, and milestone.

(J) The number of staff years, the titles and professional qualifications, and respective roles of staff assigned full or part-time to grant implementation by the applicant/grantee.

(K) Your plan and lines of accountability (including an organization chart) for implementing your grant activity, coordinating the partnership, and assuring that your and your subgrantees' commitments will be met. There must be a discussion of the various agencies of the unit of government that will participate in grant implementation (which must include the prosecutor's office and at least one, but preferably both, of the following: the police department and an agency dealing with community development), their respective roles (i.e., which has the lead), and their lines of communication.

VII. Corrections to Deficient Applications

The General Section of this SuperNOFA provides the procedures for corrections to deficient applications.

VIII. Environmental Requirements

Prior to the award of grant funds under the program, HUD will perform an environmental review to the extent required under the provisions of 24 CFR part 50. Should the environmental review indicate adverse environmental impacts, your application may be downgraded or rejected.

The General Section of this SuperNOFA provides additional guidance on Environmental Reviews.

IX. Authority

This program is authorized under the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Pub.L. 105-276, approved October 21, 1998), under the heading "Drug Elimination Grants for Low-Income Housing."

Appendix A—Office of Public Housing, Field Office Directory

New England Region

Boston (Hub)

Donna Ayala, Deputy Director, Office of Public Housing, DHUD—Massachusetts State Office, Thomas P. O'Neill, Jr. Federal Building, 10 Causeway Street, Room 553, Boston, MA 02222-1092, (617) 565-5197, (617) 565-7305 (FAX)

Hartford (Program Center)

Sonia D. Samuels, Program Center
Coordinator, Office of Public Housing,
DHUD—Connecticut State Office, One
Corporate Center, 19th Floor, Hartford, CT
06103-3220, (860) 240-4800, (860) 240-
4854 (FAX)

New York/NJ Region

New York (Hub)

Mirza Del Rosario, Director, Office of Public
Housing, DHUD—New York State Office,
26 Federal Plaza, Suite 32-116, New York,
New York 10278-0068, (212) 264-8931,
(212) 264-9834 (FAX)

Buffalo (Hub)

Joan Spilman, Director, Office of Public
Housing, DHUD—Buffalo State Office,
Lafayette Court, 465 Main Street, Fifth
Floor, Buffalo, New York 14203-1780,
DIRECT NUMBER: (716) 551-5719, (716)
551-5755, (716) 551-4789 (FAX)

Newark (Hub)

Carmen Valenti, Director, Office of Public
Housing, DHUD—New Jersey State Office,
One Newark Center, 13th Floor, Newark,
NJ 07102-5260, (973) 622-7900, Ext. 3600,
(973) 645-2270 (FAX)

Mid-Atlantic Region

Philadelphia (Hub)

Malinda Roberts, Director, Office of Public
Housing, DHUD—Pennsylvania State
Office, The Wanamaker Building, 100 Penn
Square East, Philadelphia, PA 19107-3390,
(215) 656-0576, ext. 3308, (215) 656-3424
(FAX)

Baltimore (Hub)

William Tamburrino, Director, Office of
Public Housing, DHUD—Maryland State
Office, City Crescent Building, 10 South
Howard Street, 5th Floor, Baltimore,
Maryland 21201-2505, (410) 962-2520,
ext. 3102, (410) 962-4378 (FAX)

Pittsburgh (Hub)

Paul LaMarca, Director, Office of Public
Housing, DHUD—Pittsburgh Area Office,
339 Sixth Avenue, Sixth Floor, Pittsburgh,
PA 15222-2515, (412) 644-6571, (412)
644-5486 (FAX)

Richmond (Program Center)

Pat Anderson, Program Center Coordinator,
Office of Public Housing, DHUD—Virginia
State Office, The 3600 Centre, 3600 West
Broad Street, P.O. Box 90331, Richmond,
VA 23230-0331, (804) 278-4500, X3217,
(804) 278-4636 (FAX)

Washington, DC (Program Center)

Lee Palman, Program Center Coordinator,
DHUD—District of Columbia Office, 820
First Street, NE; Suite 450, Washington, DC
20002-4205, (202) 275-7965, ext 3175,
(202) 275-6690 (FAX)

Southeast Region

Atlanta (Hub)

Boyce Norris, Deputy Director, Office of
Public Housing, DHUD—Georgia State
Office, Richard B. Russell Federal
Building, 75 Spring Street, SW, Atlanta,
GA 30303-3388, (404) 331-4766, (404)
331-1022 (FAX)

Birmingham (Hub)

Mack Heaton, Director, Office of Public
Housing, DHUD—Alabama State Office,
Beacon Ridge Tower, 600 Beacon Parkway
West, #300, Birmingham, AL 35209-4144,
(205) 290-7601, ext 1101, (205) 290-7502
(FAX)

Columbia (Program Center)

Larry Knighter, Program Center Coordinator,
Office of Public Housing, DHUD—South
Carolina State Office, Strom Thurmond
Federal Building, 1835 Assembly Street,
Columbia, SC 29201-2480, (803) 765-5831,
(803) 765-5515 (FAX), (806) 253-3428

Greensboro (Hub)

Ledford Austin, Director, Office of Public
Housing, DHUD—North Carolina State
Office, Koger Building, 2306 West
Meadowview Road, Greensboro, NC
27407-3707, (336) 547-4038, (336) 547-
4129 (FAX)

Jackson (Program Center)

George Smith, Program Center Coordinator,
Office of Public Housing, DHUD—
Mississippi State Office, Doctor A.H.
McCoy Federal Building, 100 West Capitol
Street, Room 910, Jackson, MS 39269-
1016, (601) 965-4761, (601) 965-4733
(FAX)

Coral Gables (Hub)

Karen Cato-Turner, Director, Office of Public
Housing, DHUD—Florida State Office,
Gables I Towers, Suite 501, 1320 South
Dixie Highway, Coral Gables, FL 33146-
2911, (305) 662-4589, X2270, (305) 662-
4537 (FAX)

Jacksonville (Hub)

John Niesz, Director, Office of Public
Housing, DHUD—Jacksonville Area Office,
Southern Bell Tower, 301 West Bay Street,
Suite 2200, Jacksonville, FL 32202-5121,
(904) 232-1777, X2142, (904) 232-1721
(FAX)

Louisville (Hub)

Arthur Wasson, Director, Office of Public
Housing, DHUD—Kentucky State Office,
601 West Broadway, Post Office Box 1044,
Louisville, KY 40201-1044, (502) 582-
6163, ext 370, (502) 582-6558 (FAX)

Knoxville (Program Center)

Sidney McBee, Program Center Coordinator,
Office of Public Housing, DHUD—
Knoxville Area Office, John J. Duncan
Federal Building, 710 Locust Street, Third
Floor, Knoxville, TN 37902-2526, (423)
545-4402, X4, (423) 545-4558 (FAX)

Nashville (Program Center)

Karen Gill, Acting Program Center
Coordinator, Office of Public Housing,
DHUD—Tennessee State Office, 251
Cumberland Bend Drive, Suite 200,
Nashville, TN 37228-1803, (615) 736-
5063, ext. 6132, (615) 736-2385 (FAX)

San Juan (Hub)

Hildamar Ortiz, Director, Office of Public
Housing, DHUD—Caribbean Office,
Administración de Terrenos Building, 171
Carlos E. Chardon Avenue, Suite 301, San
Juan, PR 00918-0903, (787) 766-5400,
X2031, (787) 766-6504 (FAX)

Mid-West Region

Chicago (Hub)

Debra Torres, Director, Office of Public
Housing, DHUD—Illinois State Office,
Ralph H. Metcalf Federal Building, 77 West
Jackson Boulevard, Chicago, IL 60604-
3507, (312) 353-1915, (312) 353-6236,
x2302, (312) 886-4060 (FAX)

Cleveland (Hub)

Thomas Marshall, Director, Office of Public
Housing, DHUD—Cleveland Area Office,
Renaissance Building, 1350 Euclid
Avenue, Suite 500, Cleveland, OH 44115-
1815, (216) 522-2700, (216) 522-7100
(FAX)

Columbus (Program Center)

David Kellner, Program Center Coordinator,
Office of Public Housing, DHUD—Ohio
State Office, 200 North High Street,
Columbus, OH 43215-2499, (614) 469-
5787, X8224, (614) 469-5123 (FAX)

Detroit (Hub)

Joann L. Adams, Director, Office of Public
Housing, DHUD—Michigan State Office,
Patrick V. McNamara Federal Building, 477
Michigan Avenue, Detroit, MI 48226-2592,
(313) 226-6880, X8111, (313) 226-6160
(FAX)

Indianapolis (Program Center)

Forrest Jones, Program Center Coordinator,
Office of Public Housing, DHUD—Indiana
State Office, 151 North Delaware Street,
Suite 1200, Indianapolis, IN 46204-2556,
(317) 226-6557, (317) 226-5594 (FAX)

Milwaukee (Program Center)

John Finger, Program Center Coordinator,
DHUD—Wisconsin State Office, Henry S.
Reuss Federal Plaza, 310 West Wisconsin
Avenue, Suite 1380, Milwaukee, WI
53203-2289, (414) 297-1029, Ext. 8212,
(414) 297-1180 (FAX)

Minneapolis (Hub)

Daniel Larson, Director, Office of Public
Housing, DHUD—Minnesota State Office,
220 South Second Street, Minneapolis,
Minnesota 55401-2195, (612) 370-3135,
Ext. 2220, (612) 370-3003 (FAX)

Southwest Region

Fort Worth (Hub)

Eileen Rogers, Director, Office of Public
Housing, DHUD—Texas State Office, 1600
Throckmorton, Post Office Box 2905, Fort
Worth, TX 76113-2905, (817) 978-9325,
X3332, (817) 978-9382 (FAX)

Albuquerque (Program Center)

Dolly A. Clark, Acting Program Center
Coordinator, Office of Public Housing,
DHUD—New Mexico State Office, 625
Truman Street, N.E., Albuquerque, N.M.
87110-6443, (505) 346-7303, ext. 271,
(505) 346-6604 (FAX)

Houston (Program Center)

Raynold Richardson, Program Center
Coordinator, Office of Public Housing,
DHUD—Houston Area Office, Norfolk
Tower, 2211 Norfolk, Suite 200, Houston,
TX 77098-4096, (713) 313-2274/2280,
(713) 313-2371 (FAX)

Little Rock (Hub)

Catherine Lamberg, Director, Office of Public Housing, DHUD—Arkansas State Office, TCBY Tower, 425 West Capitol Avenue, Suite 900, Little Rock, AR 72201-3488, (501) 324-5933, (501) 324-5448 (FAX)

New Orleans (Hub)

Chester Drozdowski, Director, Office of Public Housing, DHUD—Louisiana State Office, 501 Magazine Street, Ninth Floor, New Orleans, LA 70130, (504) 589-7235, (504) 589-6177 (FAX)

Oklahoma City (Program Center)

Robert Vasquez, Program Center Coordinator, Office of Public Housing, DHUD—Oklahoma State Office, 500 West Main Street, Oklahoma City, OK 73102, (405) 553-7454, (405) 552-7530 (FAX)

San Antonio (Hub)

Diana Armstrong, Director, Office of Public Housing, DHUD—San Antonio Area Office, Washington Square, 800 Dolorosa Street, San Antonio, TX 78207-4563, (210) 475-6865, (210) 472-6816 (FAX)

Great Plains Region

Kansas City (Hub)

Andrew Boeddeker, Director, Office of Public Housing, DHUD—Kansas/Missouri State Office, Gateway Tower II, 400 State

Avenue, Kansas City, KS 66101-2406, (913) 551-5582, (913) 551-6981 (FAX)

Omaha (Program Center)

Charlie D. Hill, Program Center Coordinator, Office of Public Housing, DHUD—Nebraska State Office, Executive Tower Centre, 10909 Mill Valley Road, Omaha, NE 68154-3955, (402) 492-3137, (402) 492-3163 (FAX)

St. Louis (Program Center)

Patricia Straussner, Program Center Coordinator, Office of Public Housing, DHUD—St. Louis Area Office, Robert A. Young Federal Building, 1222 Spruce Street, St. Louis, MO 63103, (314) 539-6505, (314) 539-6508 (FAX)

Rocky Mountain Region

Denver (Hub)

John Dibella, Director, Office of Public Housing, DHUD—Colorado State Office, First Interstate Tower North, 633-17th Street, 12th Floor, Denver, CO 80202-3607, (303) 672-5380, ext 1244, (303) 672-5065 (FAX)

Pacific/Hawaii Region

San Francisco (Hub)

Joyce Lee, Director, Office of Public Housing, DHUD—California State Office, Phillip

Burton Federal Building/Courthouse, 450 Golden Gate Avenue, Ninth Floor, San Francisco, CA 94102-3448, (415) 436-8375, (415) 436-6440 (FAX)

Los Angeles (Hub)

Bob Cook, Director, Office of Public Housing, DHUD—Los Angeles Area Office, AT&T Center, 611 West 6th Street, Suite 800, Los Angeles, CA 90017-3127, (213) 894-8000, ext 3500, (213) 894-8125 (FAX)

NW/Alaska Region

Seattle (Hub)

Lynn Martin, Director, Office of Public Housing, DHUD—Washington State Office, Seattle Federal Office Building, 909-1st Avenue, Suite 360, Seattle, WA 98104-1000, (206) 220-5290, Ext 3694, (206) 220-5255 (FAX)

Portland (Program Center)

Elizabeth Santone, Program Center Coordinator, DHUD—Oregon State Office, 400 Southwest Sixth Avenue, Suite 700, Portland, OR 97204-1596, (503) 326-2619, (503) 326-4065 (FAX)

BILLING CODE 4210-32-P

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**PUBLIC HOUSING DRUG
ELIMINATION
TECHNICAL ASSISTANCE**

Funding Availability for Public and Indian Housing Drug Elimination Technical Assistance Program

Program Overview

Purpose of the Program. The purpose of the Public and Indian Housing Drug Elimination Technical Assistance Program (PHDE-TA) is to provide no more than 30 billable days of technical assistance (TA) consultant services to assist public housing agencies (PHAs), Indian tribes and Tribally Designated Housing Entities (TDHEs), Resident Management Corporations (RMCs), incorporated Resident Councils (RCs), and Resident Organizations (ROs) in responding immediately to drug and drug-related crime in public and Tribal housing communities. The TA services may be conducted over a period of not more than 90 days.

Available Funds. Approximately \$2 million (which includes Fiscal Year 1997 carryover) is available for funding short-term technical assistance.

Eligible Applicants. Public Housing Authorities (PHAs), Indian tribes and Tribally Designated Housing Entities (TDHEs); incorporated Resident Management Corporations (RMCs), incorporated Resident Councils (RCs), and Resident Organizations (ROs).

Application Deadline. June 16, 1999.
Match. None.

Additional Information

If you are interested in applying for Public Housing Drug Elimination Technical Assistance funding, please review carefully the General Section of this SuperNOFA and the following additional information.

I. Application Due Date, Application Kits, Further Information, and Technical Assistance

Application Due Date. Submit one original application and one copy to the Community Safety and Conservation Division (CSCD), Room 4206 at the HUD Headquarters Building located at 451 Seventh Street, SW, Washington, DC, 20410, on or before 12:00 midnight on June 16, 1999. The only exception to this deadline is for HUD-Initiated Public Housing Drug Elimination Technical Assistance, for which there is no application deadline. See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mail applications, express mail, overnight delivery, or hand-carried).

Submit a copy of your application to the appropriate HUD Field Office or HUB with delegated public housing responsibilities for your organization. See Appendix I for a list of HUD offices

with delegated responsibilities. You may also call the SuperNOFA Information Center at 1-800-HUD-8929 if you have a question regarding where you should submit your application (persons with hearing or speech impairments may call the Center's TTY number at 1-800-843-2209).

You must submit with your application(s) to CSCD, a Confirmation Form documenting that the appropriate HUD Field Office or HUB received your TA application (this form is a threshold requirement).

HUD will review PHDE-TA applications on a continuing basis until June 15, 1999, or until funds available under this program are expended. Due to the reduced availability of funds in FY 1999, HUD encourages you to submit early.

For Application Kits. For an application kit and any supplemental information, please call the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-843-2209. When requesting an application kit, please refer to the Public Housing Drug Elimination Technical Assistance Program, and provide your name, address (including zip code) and telephone number (including area code). An application kit is also available on the Internet through the HUD web site at <http://www.hud.gov>.

For Further Information and Technical Assistance. For answers to your questions please call the local HUD Field Office or HUB where you will be submitting your application or you may call the Public Housing Drug Elimination TA Support Center at the 1-800-578-3472.

II. Amount Allocated

For FY 1999, approximately \$2 million is available for Public Housing Drug Elimination Technical Assistance.

III. Program Description; Eligible Applicants; Eligible Activities

(A) Program Description

(1) The purpose of this program is to provide not more than 30 billable days of technical assistance (TA) consultant services to assist public housing agencies (PHAs), Indian tribes and Tribally Designated Housing Entities (TDHEs), Resident Management Corporations (RMCs), incorporated Resident Councils (RCs) and Resident Organizations (ROs) in responding immediately to drug and drug-related crime in public and Tribal housing communities. The TA services may be conducted over a period not to exceed

90 days. Housing Authorities are encouraged to use this program as a tool to evaluate and monitor the Public Housing Drug Elimination Program grants.

(2) HUD may also initiate TA under this program. HUD initiated TA does not require an application but is also short term assistance.

(3) The program will fund the use of consultants who can provide the necessary consultation and/or training for the types of activities outlined below. HUD will fund the use of consultants to assist the applicant undertaking tasks including preparing a proposed strategic or long-range plan for reducing drugs and drug-related crime, or conducting a needs assessment or comprehensive crime survey. The PHDE-TA program also funds efforts in:

(a) Assessing, quantifying and establishing performance measurement systems (including gathering baseline statistics) relating to drug and drug-related crime problems in public or Tribal housing development(s) and surrounding community(ies);

(b) Training for housing authority staff and residents in anti-crime and anti-drug prevention practices and programs;

(c) Evaluating current anti-crime and anti-drug-related crime programs.

(d) Designing and identifying appropriate anti-crime and anti-drug-related practices and programs in the following areas:

(i) Law enforcement strategies, including negotiating with the local police, working with Federal law enforcement, Operation Safe Home, Weed and Seed, and other Federal anti-crime efforts;

(ii) Crime data collection for establishing baseline performance measurements;

(iii) Youth leadership development; youth anti-gang, anti-violence, anti-drug initiatives; youth peer mediation and conflict resolution to deal directly with anger/violence to prevent future violent episodes;

(iv) Resident patrols; and

(v) Security and physical design.

(B) Eligible Applicants

PHAs, Indian tribes and TDHEs, RCs, ROs in the case of Indian tribes and TDHEs, and RMCs are eligible to receive short-term technical assistance services under this PHDE-TA Program. Specific eligibility requirements are:

(1) If you are an RC or RO, you must be an incorporated nonprofit organization or association that meets all seven of the following requirements:

(a) You must be representative of the residents you purport to represent.

(b) You may represent residents in more than one development or in all of

the developments of a PHA or Indian tribe or TDHE, but you must fairly represent residents from each development that you represent.

(c) You must adopt written procedures providing for the election of specific officers on a regular basis, but at least once every 3 years.

(d) You must have a democratically elected governing board. The voting membership of your board must consist of residents of the development or developments that you represent.

(e) You must be supported in your application by a PHA or an Indian tribe or TDHE.

(f) You must provide evidence of incorporation.

(g) You must provide evidence of adopted written procedures for electing officers.

(2) If you are an RMC, you must be an entity that proposes to enter into, or that enters into, a management contract with a PHA under 24 CFR part 964, or a management contract with an Indian tribe or TDHE. You must have all seven of the following characteristics:

(a) You must be a nonprofit organization incorporated under the laws of the State or Indian tribe where you are located.

(b) You may be established by more than one RO or RC, so long as each: approves the establishment of your corporation; and has representation on the Board of Directors of your corporation.

(c) You must have an elected Board of Directors.

(d) Your by-laws must require the Board of Directors to include representatives of each RO or RC involved in establishing the corporation.

(e) Your voting members must be residents of the development or developments you manage.

(f) You must be approved by the RC. If there is no council, a majority of the households of the development must approve the establishment of your organization to determine the feasibility of establishing a corporation to manage the development.

(g) You may serve as both the RMC and the RC, so long as your corporation meets the requirements of 24 CFR part 964 for a RC. (In the case of a RMC for an Indian tribe or TDHE, you may serve as both the RMC and the RO, so long as your corporation meets the requirements of this program for a RO.)

(3) You can only submit one application per award period. A PHA and its eligible resident groups, and an Indian tribe and its TDHE may apply during the same award period as long as there is no conflict or overlap in your proposed activities. You are eligible to

apply to receive technical assistance even if you are already receiving technical assistance under this program, as long as your request creates no scheduling conflict with other PHDE-TA requests. If HUD Initiates TA with your organization, you may not receive more than one type of technical assistance concurrently unless HUD, in consultation with your organization, determines that the TA will not negatively affect the quality of the PHDE-TA.

(4) You are eligible to apply to receive technical assistance whether or not you are already receiving drug elimination funds under the Public and Indian Housing Drug Elimination Program.

(5) You must comply with the laws, regulations, and Executive Orders applicable to the Drug Elimination TA Program, including applicable civil rights laws.

(C) Eligible Activities

(1) Funding is limited to technical assistance for carrying out activities authorized under Chapter 2, Subtitle C, Title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et. seq.), as amended by section 581 of the National Affordable Housing Act of 1990 (Pub.L. 101-625, approved November 28, 1990) (NAHA), and section 161 of the Housing and Community Development Act of 1992 (Pub.L. 102-550, approved October 28, 1992) (HCDA 1992).

(2) The following circumstances are eligible for HUD-Initiated Technical Assistance under the Public and Indian Housing Drug Elimination Technical Assistance Program. Eligible parties may receive technical assistance initiated and approved by HUD due to drug- and/or crime-related circumstances that require immediate attention. HUD-Initiated technical assistance may be requested by HUD staff for one or more of the following circumstances:

(a) Housing authorities, Indian tribes, TDHEs, RCs, ROs, and RMCs that applied, but did not receive a Public Housing Drug Elimination Program Grant;

(b) Housing authorities, Indian tribes, TDHEs, RCs, ROs, and RMCs that are unable to document their drug and/or crime problems through crime statistics;

(c) Housing authorities, Indian tribes, TDHEs, RCs, ROs, and RMCs that do not have the expertise to develop effective drug and crime prevention programs;

(d) Housing authorities, Indian tribes, TDHEs, RCs, ROs, and RMCs that have difficulty developing and/or maintaining partnerships within the community;

(e) Housing authorities, Indian tribes, TDHEs, RCs, ROs, and RMCs that have

difficulty developing and/or fostering a sense of partnership regarding drug- and/or crime-related problems with residents;

(f) Housing authorities, Indian tribes, TDHEs, RCs, ROs, and RMCs that need assistance in developing evaluation mechanisms for drug elimination programs and strategies to include "One Strike and You're Out" and the Public Housing Drug Elimination Program; and

(g) Housing authorities, Indian tribes, TDHEs, RCs, ROs, and RMCs with special circumstances whose needs fit under the scope of this program section of the SuperNOFA.

(4) *Ineligible Activities.* Funding is not permitted for:

(a) Any type of monetary compensation for residents.

(b) Any activity that is funded under any other HUD program, including TA and training for the incorporation of RCs or RMCs, and other management activities.

(c) Any type of resident training that does not relate to or result in crime and drug reduction or elimination.

(d) Salary or fees to your staff, or your former staff within a year of their employment.

(e) Underwriting conferences.

(f) Conference speakers.

(g) Program implementation, proposal writing, financial support for existing programs, or efforts requiring more than 30 billable days of technical assistance over a 90 day period or assistance that will require more than 90 days to complete; the purchase of hardware or equipment, or any activities deemed ineligible in the Drug Elimination Program, excluding consultant's fees.

IV. Program Requirements

Except as stated below in this section, you must meet the requirements listed in Section II of the General Section of this SuperNOFA. You must also meet these additional requirements:

(A) *Individual Award Amounts.* You may not submit an application for more than \$15,000.

(1) Applications for short-term technical assistance may be funded up to \$15,000, with HUD providing payment directly to your authorized consultant for the consultant's fee, travel, room and board, and other approved costs at the government rate approved by HUD.

(2) Technical assistance initiated by HUD may be for any amount up to \$25,000 when HUD staff determine that more than 30 billable days of technical assistance over a 90-day period is justified.

(B) *Receipt of More than One Application.* If HUD receives more than

one application from a HA, or a group of RCs, ROs, or RMCs, or an Indian tribe and a TDHE, in proximity to one another, HUD may exercise discretion to consider any two or more applications as one, recommending one or more consultants and executing contracts for any combination of applications.

(C) *Affirmatively Furthering Fair Housing*. Section II.(D) of the General Section does not apply to this technical assistance program.

(D) *Eligible Consultants*. HUD is seeking individuals or entities who have experience working with public or Tribal housing or other low-income populations to provide short-term technical assistance under this PHDE-TA Program section of the SuperNOFA. Consultants who have previously been deemed eligible and are part of HUD's TA Consultant Database need not reapply, but are encouraged to update their file with more recent experience and rate justification.

(1) To qualify as an eligible consultant, you should have experience in one or more of the following general areas:

(a) PHA/Indian tribe or TDHE-related experience with: agency organization and management; facility operations; program development; and experience working with residents and community organizations.

(b) Anti-crime and anti-drug-related experience with: prevention/intervention programs; and enforcement strategies.

(c) Experience as an independent consultant, or as a consultant working with a firm with related experience and understanding of on-site work requirements, contractual, reporting and billing requirements.

(2) HUD is especially interested in encouraging TA consultant applications from persons who are qualified and have extensive experience planning, implementing, and/or evaluating the following professional areas:

(a) Lease, screening and grievance procedures;

(b) Defensible space, security and environmental design;

(c) Parenting, peer support groups and youth leadership;

(d) Career planning, job training, tutoring and entrepreneurship;

(e) Community policing, neighborhood watch and anti-gang work;

(f) Strengthening resident organizing, involvement, and relations with management; and

(g) "One Strike You're Out" programs.

(3) Additional requirements for consultants include the following:

(a) In addition to the conflict of interest requirements in 24 CFR part 85,

no person who is an employee, agent, officer, or appointed official of an eligible applicant may be funded as a consultant to that organization by this Drug Elimination Technical Assistance Program.

(b) If you are a consultant who wishes to provide drug elimination technical assistance services through this program, you must not have had any involvement in the preparation or submission of any PHDE-TA proposal. Your involvement will be considered a conflict of interest, making you ineligible for providing consulting services to the eligible applicant and will disqualify you from future consideration. This prohibition shall also be invoked for preparing and distributing prepared generic or sample applications to entities eligible to apply for funding under this program. If HUD determines that any application submitted by a PHA, Indian tribe or TDHE, RC, RO or RMC duplicates a sufficient amount of any prepared sample to raise issues of possible conflict of interest, and HUD determines you provided and distributed the sample, you will be disqualified from receiving HUD funds.

(4) HUD-registered consultants are eligible to receive funds to be reimbursed for up to \$15,000 for conducting short-term technical assistance. Long-term results are expected from each job. After your work is completed, evaluations from recipients of the technical assistance services will be submitted to HUD on your work performance. The evaluations will be carefully reviewed to make sure the recipients of TA are satisfied with your services. If your performance receives a satisfactory rating, you will be reimbursed by HUD. In extreme cases of technical assistance needs, staff members of HUD Headquarters and field offices may recommend specialized technical assistance for which you can receive up to \$25,000 in funds.

(E) *Ineligible Consultants*. Consultants and/or companies currently debarred or suspended by HUD are not eligible to perform services under this program. Also, consultants that are not in the official Consultant database are considered ineligible for this program.

(F) *Application Process for Consultants*. (1) If you are an individual or entity interested in being listed in the PHDE-TA Consultant Database, you must prepare your application and send it to the address specified in the application kit. Before you can be entered into the Consultant Database, you must submit an application that includes the following information:

(a) The Consultant Resource Inventory Questionnaire, including at least three written references, all related to the general areas listed in this PHDE-TA Program section of the SuperNOFA. One or two of the written references must relate to work for a PHA, Indian tribe or TDHE, RC, RO or RMC;

(b) A resume;

(c) Documented evidence of the standard daily fee previously paid to you for technical assistance services similar to eligible activities under this PHDE-TA Program. If you can justify up to the equivalent of ES-IV, or \$462.00 per day, your evidence must include an accountant's statement, W-2 Wage Statements, or payment statements, supplemented with a signed statement or other evidence from the employer of days worked in the course of the particular project (for a payment statement) or the tax year (for a W-2 Statement).

(2) You may not have any more than two contracts or purchase orders at one time nor be involved with more than one company at a time that has active Technical Assistance contracts. If you are working as a member of a multi-person firm, the key individual for the specific contract must be listed on each contract as the point of contact. The point of contact must be on-site more hours than any other contracted staff billing to the purchase order, and that individual may have no more than two purchase orders active at the same time.

(3) HUD will determine your specific fee based upon the evidence you submitted under this PHDE-TA Program.

(4) If you are an employee of a housing agency (HA), Indian tribe, or TDHE, you may not serve as a consultant to your employer. If you serve as a consultant to other than your employer, you must be on annual leave to receive the consultant fee.

(5)(i) Consultants may not be requested by name from HUD's database.

(ii) Consultants will be recommended to an organization seeking TA, based on factors including previous experience, reasonableness of the fee, and geographic proximity to the site where TA will be provided. Section V of this PHDE-TA section of this SuperNOFA explains this further.

V. Application Selection Process

(A) General

HUD will review applications on a continuing first-come, first-served basis, until funds under this PHDE-TA section of the SuperNOFA are no longer available. Eligible applications will be

funded in the order in which negotiations for a statement of work are completed. HUD-Initiated applications will be received throughout the year with no deadline or until funds are expended.

(B) Threshold Requirements for Funding Consideration

If you are requesting TA services, you must meet the following requirements:

(1) Your application must not request an ineligible activity. You cannot request PHDE-TA by answering "to conduct a needs assessment or survey." You must be able to answer the questions below and discuss what prevents you from identifying, describing, and/or measuring the problems.

(a) What is the nature of the drug-related crime problem in your community in terms of the extent of crime, the types of crime, and the types of drugs being used? You should include quantifiable or qualitative data on drug problems or criminal activity.

(b) What problem(s) do you need technical assistance to address, how do you plan to address them, and how will you know the technical assistance provided was successful in addressing the problem(s)?

(c) What types of partnerships currently exist between your organization and other organizations in or within the community (i.e., the police, social service organizations, universities, the YMCA/YWCA, etc.)?

(d) How will PHDE-TA be used to improve those relationships?

(e) What specific output, outcome, results, or deliverables do you expect from the consultant, including improved coordination or partnership arrangements within your community?

(f) What steps are you and your organization currently taking to measure, understand or address the drug-related crime problem in your development or housing authority?

(g) How will the proposed assistance allow you to develop an anti-drug, anti-crime strategy; or how will the proposed assistance fit into your current strategy?

(2) The application must include the form, "HUD Field Office/AONAP Confirmation Form."

(3) If your application does not meet the requirements described above it will not be considered for funding.

(C) Application Awards

(1) If your application is deemed eligible for funding and sufficient funds are available, you will be contacted by HUD or its agent to confirm the work requirements.

(2) Only one application will be accepted from a HA, Indian tribe or

TDHE; or group of RCs, ROs or RMCs in proximity to one another. HUD may exercise its discretion to consider any two or more applications as one, assuming that the applications are received at the same time, or before approval by the Office of Finance and Accounting and the Office of Procurement and Contracts, executing the contract, and providing notification to the consultant to proceed to work.

(3) Once your application for TA has been reviewed and found acceptable by HUD, the TA Consultant Database will be searched for consultants who have:

(a) A principal place of business or residence located within the same geographic area as the applicant. For purposes of this program section of the SuperNOFA, the term "geographic area" refers to, in order of priority: city, state, region, and country;

(b) The requisite knowledge, skills, and abilities to respond to the request and in address the identified needs; and

(c) The most reasonable (least expensive) fees.

(4) HUD will then forward to you a list of suggested consultants from the consultant data base. From this list, you must select a consultant to provide your requested TA.

(5)(a) From the list provided by HUD, you must contact three TA consultants. HUD may request confirmation from each contacted consultant that they were contacted. If HUD determines that any consultant was not contacted, HUD may consider your selection by the applicant void, and can choose a consultant for you.

(b) After contacting each consultant, you must send a written justification for your recommended selection in order preference. If any are unacceptable, you must also indicate the consultant and the reasons you find them unacceptable.

(c) If you find that all referred consultants lack the requisite expertise, you must provide written detailed documentation justifying this decision. If HUD determines that your justification is adequate, you will be provided with a second list of potential consultants.

(d) If you do not provide HUD the written justification of consultant choice within 30 calendar days, HUD reserves the right to cancel your TA request.

(6)(a) HUD or its agent will work with your selected consultant and you to develop a "statement of work." The statement of work should include:

(i) A time line and estimated budget;

(ii) A discussion of the kind of technical assistance and skills needed to address the problem, and how the technical assistance requested will address these needs; and

(iii) A description of the current crime and drug elimination strategy, and how the requested technical assistance will assist that strategy. If the applicant does not currently have a strategy, there should be a statement of how the technical assistance will help them develop a crime and drug elimination strategy.

(b)(i) When HUD has completed the authorization to begin work, your selected consultant will be contacted to start work. Your consultant must receive written authorization from HUD or its authorized agent before beginning to provide technical assistance. The requesting organization and the relevant Field Office or Area Office of Office of Native American Programs will also be notified that authorization to begin work has been given.

(ii) Work begun before the authorized date will be considered unauthorized and will not be compensated by HUD.

(iii) Consultants will only be reimbursed for a maximum of 30 days of work, which must be completed in fewer than 90 days from the date of the approved statement of work. The exception to this will be for HUD-Initiated technical assistance.

VI. Application Submission Requirements

(A) General

In addition to the program requirements listed in the General Section of this SuperNOFA, each TA application must conform to the requirements of the Public and Indian Housing Drug Elimination Technical Assistance Application Kit, both in format and content. A PHDE-TA application must include both the descriptive letter (or form provided in the application kit) and certification statement (or form provided in the application kit) to be eligible for funding.

(B) Forms, Certifications and Assurances

In addition to the forms, certifications and assurances listed in Section IV of the General Section of the SuperNOFA, the following must be complied with:

(1) Applications must be signed and certified by both the Executive Director or Tribal Council or authorized TDHE official and a resident leader.

(2) The certification must indicate that:

(a) A copy of the application was sent to the local HUD Field Office, Director of Public Housing Division, or Administrator, Office of Native American Programs;

(b) The application was reviewed by both the housing authority Executive

Director or Tribal Council or authorized TDHE official, and a resident leader of your organization; and

(c) Any technical assistance received will be used in compliance with all requirements in the SuperNOFA.

(3) The application must contain a four page (or fewer) application letter responding to each of the requirements listed in Section V(B) of the PHDE-TA Program section of the SuperNOFA.

VII. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

VIII. Environmental Requirements

In accordance with 24 CFR 50.19(b)(9), the assistance provided under this program relates only to the provision of technical assistance and therefore is categorically excluded from the requirements of the National Environmental Policy Act and is not

subject to environmental review under the related laws and authorities. This determination is based on the ineligibility of real property acquisition, construction, rehabilitation, conversion, leasing, or repair for HUD assistance under this program.

IX. Authority

The FY 1999 HUD Appropriations Act under the heading, "Drug Elimination Grants for Low-Income Housing (Including Transfer of Funds)."

BILLING CODE 4210-32-P

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**MULTIFAMILY HOUSING DRUG
ELIMINATION**

Funding Availability for Drug Elimination Grants for Federally Assisted Low-Income Housing (Multifamily Housing Drug Elimination)

Program Overview

Purpose of the Program. The purpose of this Multifamily Housing Drug Elimination Grant Program is to enable owners of federally assisted low-income housing developments to deal effectively with drug-related criminal activity in and around their developments, through a plan of activities including enhanced security measures, and drug-abuse prevention, intervention, referral, and treatment programs.

Available Funds. Approximately \$16.25 million.

Eligible Applicants. Only owners of eligible developments may apply for and become the recipient of grant funds. Property management companies may administer grant programs, but are not eligible applicants.

Application Deadline. June 16, 1999.

Match. None.

Additional Information

If you are interested in applying for funding under this program, please review carefully the General Section of

this SuperNOFA and the following additional information.

I. Application Due Date, Application Kits, Further Information, and Technical Assistance

Application Due Date. Your completed application (an original and two copies) is due on or before 6:00 pm local time in the HUD Field Office with jurisdiction over your development on June 16, 1999.

See the General Section of this SuperNOFA for specific procedures concerning the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

Address for Submitting Applications. The Appendix contains a list of HUD Field Offices where you must send your application by the deadline. Please address your application to the Director, Multifamily Housing Hub or Program Center in your local HUD Field Office.

For Application Kits. For an application kit, please call the SuperNOFA Information Center at 1-800-HUD-8929. If you have a hearing or speech impairment, please call the Center's TTY number at 1-800-843-2209. When requesting an application kit, please refer to Multifamily Housing Drug Elimination Grants, and provide

your name, address (including zip code) and telephone number (including area code). An application kit also will be available on the Internet at <http://www.hud.gov>.

For Further Information and Technical Assistance. Your local HUD Field Office staff can answer most of the questions you have regarding this program section of the SuperNOFA and your application kit. Please contact the Resident Initiatives Specialist or Drug Elimination Grants contact person in your local office.. If you have a general question that the Field staff are unable to answer, please call Carissa Janis, Housing Project Manager, Office of Portfolio Management, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 6174, Washington, DC 20410; (202) 708-3944, extension 2484 (this number is not toll free). If you are hearing or speech impaired, you may access this number via TTY by calling the Federal Information Relay Service at 1-800-877-8339.

II. Amount Allocated

HUD is allocating grant funds under this Multifamily Drug Elimination Grant Program section of the SuperNOFA to the four Award Offices, in accordance with the following schedule:

Award office covered	Allocation
Buffalo: Vermont, Massachusetts, Connecticut, Rhode Island, Maine, New Hampshire, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, West Virginia, Virginia.	\$4,015,000
Knoxville: Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Puerto Rico, Mississippi, Florida, Iowa, Kansas, Missouri, Nebraska.	4,110,000
Minneapolis Illinois, Minnesota, Indiana, Wisconsin, Michigan, Ohio.	3,919,000
Little Rock Arkansas, Louisiana, New Mexico, Oklahoma, Texas, Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming, Arizona, California, Hawaii, Nevada, Alaska, Idaho, Oregon, Washington.	4,206,000

The Award Offices will select applicants for award according to the process discussed in Section V of this program section of the SuperNOFA.

III. Program Description; Eligible Applicants; Eligible Activities

(A) Program Description

The Federally Assisted Low-Income Housing Drug Elimination Grant program is designed to assist property owners to reduce or eliminate drug-related criminal activity in and around their developments and to provide programs to prevent or eliminate drug use and abuse among their residents. While this program is centered in and around the premises of one or more HUD assisted multifamily housing sites,

you are expected to work closely with other community social service and law enforcement organizations to achieve specific program objectives to reduce or eliminate drug-related criminal activity. The development of these strong working partnerships is an essential part of this program and is seen by the Department as necessary for long-term strategies to fight crime and drug abuse. Thus, while your activities are targeted in or around one or more developments, HUD expects you to link your activities with services available in your community. In particular, HUD is seeking plans that provide successful, proven, and cost-effective deterrents to drug-related crime and drug abuse that are designed to address the realities of

federally assisted low-income housing environments.

Changes to This Year's Program. This year the Rating Factors, application selection process, and submission requirements have changed significantly from last year. In developing your application, please pay special attention to Sections V.(A), V.(B), and VI., below, of this program section of the SuperNOFA, which discuss these items in detail. This program section of the SuperNOFA also clarifies that Section 202 developments with project-based Section 8 assistance are eligible to apply. A number of activities have been added to both the "eligible" and "ineligible" activities sections, so be sure to read these carefully.

(B) Eligible Applicants

(1) To be eligible for funding, you must meet all of the applicable threshold requirements of Section II.(B) of the General Section of the SuperNOFA and must be owners of developments assisted under the following programs:

(a) Sections 221(d)(3), 221(d)(4), or 236 of the National Housing Act;

(b) Section 101 of the Housing and Urban Development Act of 1965; or

(c) Project-based assistance under Section 8 of the United States Housing Act of 1937. This includes Section 202, Section 515, State Housing Finance Agency, and Moderate Rehabilitation developments.

(2) If you are a management agent, you may prepare applications and sign application documents if you provide written authorization from the owner corporation as part of your application.

(3) If your eligibility status changes during the course of the grant term, making you ineligible to receive a grant (e.g. due to prepayment of mortgage, sale of property, or opting out of a Section 8 Housing Assistance Payment (HAP) contract), HUD has the right to terminate your grant.

(C) Eligible Activities

Your proposed drug elimination program should foster interrelationships among the residents, the housing owner and management, the local law enforcement agencies, and other community groups affecting your development. Resident participation in the determination of programs and activities to be undertaken is critical to the success of all aspects of your program. In addition to working closely with the development's residents, your program must include working with community groups, the neighborhood law enforcement precinct, residents of adjacent developments, and the community as a whole to enhance and magnify the effect of your specific program activities. HUD seeks result-oriented programs that promote stability, positive and lasting changes in and around your development and the surrounding community, and which use proven cost-effective measures to reduce drug use or prevent criminal activity.

With the very real need to protect occupants of HUD-assisted housing and the areas around the housing, the civil rights of all citizens must be protected. Your proposed strategies should be developed to ensure that crime-fighting and drug prevention activities are not undertaken in such a manner that civil rights or fair housing statutes are violated. You may not use race, color,

sex, religion, national origin, disability, or familial status to profile persons as suspects or otherwise target them in conducting these activities. In addition, all segments of the population should be represented in developing and implementing your crime-fighting strategies.

(1) *Physical Improvements To Enhance Security.* Physical improvements to enhance security are eligible activities under this program. All physical improvements must be accessible to persons with disabilities and must meet the accessibility requirements of 24 CFR part 8, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development.

Your physical improvements may include systems to limit building access to development residents; installation of barriers, lighting systems, fences, bolts, locks; landscaping or reconfiguration of common areas to discourage drug-related crime; or other physical improvements that enhance security and discourage drug-related activities. Rehabilitation of existing space for use by drug-related intervention and prevention programs is an eligible activity.

(2) The provision of training, communications equipment, and other related equipment for use by voluntary tenant patrols acting in cooperation with local law enforcement officials is an eligible activity.

(3) *Programs to Reduce the Use of Drugs.* Programs to reduce the use of drugs in and around your development, including drug-abuse prevention, intervention, referral, and treatment are eligible for funding. Where appropriate, you must establish a confidentiality policy regarding medical and disability-related information. Funding is permitted for reasonable, necessary, and justified leasing of vehicles for resident youth and adult education and training activities directly related to "programs to reduce the use of drugs" under this section.

(a) *Drug Prevention.* Your drug prevention activities should provide a comprehensive drug prevention approach that will address the individual resident and his or her relationship to family, peers, and the community. Prevention activities should identify and change the conditions in federally assisted low-income housing that lead to drug-related problems and lower the risk of drug usage. Many components of a comprehensive approach, such as refusal and restraint skills training or drug-related family counseling, may

already be available in your community. Your plan should include bringing program components already available in the community onto the premises. Proposed activities may include the following:

(i) *Drug Education Opportunities for Residents.* Activities should provide both young people and adults with the working knowledge and skills needed to avoid the potential and immediate dangers of illegal drugs. You may contract (in accordance with 24 CFR Part 85.36) with drug education professionals to provide training or workshops. Contracted drug education services must reflect or be tied to your program plan.

(ii) *Family and Other Support Services.* Prevention programs should be designed to help foster successful family relationships that may inhibit or reduce drug use. Examples of services include parenting skills workshops, short-term family counseling, child care, or family educational, cultural, or educational programs. You may provide these programs directly or refer residents to such services already available in your community.

(iii) *Youth Services.* If you propose drug prevention services in your plan and your development has a substantial number of young residents, HUD strongly encourages you to include youth in your prevention programs. Your proposed prevention activities for youth must involve the active participation of youth in planning programs and service delivery. Such youth-oriented drug prevention programs may include youth leadership skills training; events incorporating dissemination of drug education information; and sports, recreational, cultural, and general education activities.

(iv) *Economic/Educational Opportunities.* Eligible economic or educational programs should have the objectives of assisting residents in improving their educational status, vocational and job readiness skills, and opportunities for obtaining employment. The ultimate goal of services should be to assist residents in obtaining suitable lifelong employment and self-sufficiency to deter drug use, abuse, and related crime.

(b) *Intervention.* The aim of intervention is to provide residents with substance abuse/dependency remission services to assist them in modifying their behavior; obtaining early treatment and structured aftercare; and maintaining remission. Your program should also be designed to prevent drug problems from continuing once detected. If you propose any

intervention program that seeks to accomplish the above objectives, you must describe how you expect the activities to assist residents in reducing or ceasing their use of illicit drugs and involvement in drug-related crime.

(c) *Drug Treatment.* If your program provides treatment services, they must be targeted to the development and its residents. Your program should be conducted in or around the premises of the development, or residents must be referred to receive treatment from other available sources within the community. You may include implementing new drug referral treatment or aftercare services, or improve or expand currently available services. Your proposed drug treatment program should aim to reduce illicit drug use among residents by increasing resident accessibility to, and effective participation in, drug treatment activities, and decreasing criminal activity in and around your development. Your proposed plan must demonstrate a working partnership with your Single State Agency (or State license provider or authority with drug program coordination responsibilities in your State) to coordinate, develop, and implement your drug treatment program. In particular, you and the appropriate agency must confirm that your proposed drug treatment provider(s) has provided these services to similar populations for two prior years and your drug treatment program is consistent with the State treatment plan, meeting all State licensing requirements. Services eligible for funding may include:

(i) Drug treatment supportive services designed for youth and/or maternal drug abusers. Examples of services are: prenatal/postpartum care; specialized counseling for women; or, parenting classes. You are encouraged to draw upon approaches that have proven effective with similar populations.

(ii) Formal referral arrangements to treatment programs not in or around the development when treatment costs from sources other than this program are available.

(iii) Transportation for residents to out-patient treatment and/or support programs.

(iv) Family/collateral counseling.

(v) Linking programs with educational/vocational counseling.

(vi) Coordinating services with appropriate local drug agencies, HIV-related service agencies, and mental health and public health programs.

(D) *Ineligible Activities*

The following activities are not eligible for funding:

(1) Hiring of, or contracting for, employment of security guards to provide security services in and around the development.

(2) Any activity or improvement that is normally funded from project operating revenues for routine maintenance or repairs, or those activities or improvements that may be funded through reasonable and affordable rent increases;

(3) The acquisition of real property or those physical improvements that involve the demolition of any units in your development or displacement of tenants;

(4) Costs incurred prior to the effective date of your grant agreement, including consultant fees for surveys related to your application or its preparation;

(5) Reimbursement of local law enforcement agencies for additional security and protective services;

(6) Employment of one or more individuals to investigate drug-related crime in or around federally-assisted low-income developments and/or to provide evidence relating to such crime in any administrative or judicial proceeding;

(7) Treatment of residents at any in-patient medical treatment programs or facilities;

(8) Detoxification procedures designed to reduce or eliminate the presence of toxic substances in body tissues of a patient;

(9) Maintenance drug programs; [Maintenance drugs are medications that are prescribed regularly for a long period of supportive therapy (e.g., methadone maintenance), rather than for immediate control of a disorder.]

(10) Programs to treat alcoholism; and

(11) Funding of police informants who provide information about drug-related activity.

IV. Program Requirements

In addition to the requirements listed in Section II of the General Section of this SuperNOFA, you must also meet the additional requirements in this Section IV. These requirements apply to all activities, programs, and functions used to plan, budget, and evaluate the work funded under your program.

(A) *Administrative Costs*

Administrative costs cannot exceed 10% of your proposed program's total cost.

(B) *Term of Funded Activities*

Your grant term cannot exceed twelve months.

(C) *Multiple Developments*

There is no limit to the number of developments that can be included in your application. However, if you include more than one development in your application, all developments must be eligible and located in the same Field Office jurisdiction. In addition, you must demonstrate in your response to Rating Factor 3 "Soundness of Approach—(Quality of the Plan)" that your program will be feasible to implement among all proposed developments.

(D) *Subgrants and Subcontracting*

You may directly undertake or subcontract for any of the eligible activities under this Multifamily Drug Elimination Program section of the SuperNOFA. Resident groups that are not incorporated may work with you in the implementation of your program, but may not receive funds as subgrantees.

(E) *Collection of Crime Data*

If you receive a grant, you will be required to collect and report on Parts I and II crime data. Parts I and II crime data are defined by the Uniform Crime Reporting (UCR) System (see Rating Factor 2, paragraph (1)(d)).

V. Application Selection Process

(A) *Rating and Ranking*

All applications will be evaluated competitively and ranked against applications in the same Field Office.

The maximum number of points for this program is 102. This includes two Empowerment Zone/Enterprise Community (EZ/EC) bonus points, as described in the General Section of the SuperNOFA. For bonus points related to activities located in Empowerment Zones or Enterprise Communities, the applicant must demonstrate that there is a connection between such EZ or EC and tenant, local government, and local community support and participation in the design and implementation of the proposed activities to be funded under this program.

(B) *Distribution of Funds*

Each Award Office may recommend a total number of awards up to the amount allocated for the area covered by the Award Office. Award Offices will receive the scores from each HUD Field Office which has received, rated, and ranked its applications.

The Award Offices will conduct the selection process as follows: The Award Office will first select the highest ranked application in each Field Office for funding. After this "round," the Award Office will select the second highest

ranked application in each Field Office for funding (the second round). The Award Office will continue this process with the third, fourth, and so on, highest ranked applications in each Field Office until the last complete round is selected for funding. If available funds exist to fund some but not all eligible applications in the next round, the Award Office will make awards to those remaining applications in rank order regardless of Field Office and will fully fund as many as possible with remaining funds. Any funds still remaining after the Award Office distribution by rank will be forwarded to Headquarters, which shall make awards to fully fund as many remaining applications as possible by national rank order. All applications must receive a score equal to or greater than the minimum score of 70 without bonus points to be considered for funding.

The selection process is designed to achieve both geographic diversity and a more equitable distribution of grant awards throughout the country. Every HUD Field Office will receive several grant awards, as long as the scores of their applications meet or exceed the minimum score. It also means that your one application submitted to a Field Office will primarily compete for funding with other applications submitted to that same Field Office.

(C) Procedure to resolve tied scores.

If two or more applications have the same score and there are insufficient funds to fund all of them, the application with the highest score for the Soundness of Approach rating factor shall be selected for funding. If a tie still remains, the application with the highest score for the Capacity of the Applicant and Relevant Organizational Experience rating factor shall be selected. Further tied applications will be selected by their scores in the Need/Extent of Problem, Leveraging Resources, and Comprehensiveness and Coordination rating factors, in that order. If the applications received the same score for each of the five factors, the Award office or Headquarters will break the remaining tie by selecting the application that requests less funding.

(D) Factors for Award Used to Evaluate and Rate Applications.

The five factors in this section total 100 points. An application must receive a score of at least 70 points to be eligible for funding under this competition. Each application submitted will be evaluated using the following selection criteria set forth below.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (20 Points)

This factor addresses the extent to which you have organizational resources necessary to successfully implement the proposed activities in a timely manner. In rating this factor, HUD will consider the extent to which you demonstrate the capabilities described below.

(1) (20 points) The knowledge and experience of your staff and administrative capacity to manage grants, including administrative support functions, procurement, lines of authority, and fiscal management capacity. Your narrative must include a discussion of financial capacity, staff resources, and prior experience that will enable you to effectively administer a grant and meet reporting requirements. This narrative must not exceed five pages.

(2) *HUD's evaluation approach.* (a) For Public Housing Authorities (PHAs) and tribally designated housing entities (TDHEs) that had previously applied as IHAs, HUD will also consider such measurements as the uniform crime index, physical inspections, agency monitoring of records, Line of Credit Control System (LOCCS) Reports, audit and such other relevant information available to HUD on the capacity of the owner or manager to administer the grant.

(b) For owners of federally-assisted low income housing, HUD will also consider the most recent Management Review (including Rural Housing Management Review), HUD's Uniform Physical Conditions Standards review, State Agency review, physical inspection, and other relevant information available to HUD on the capacity of the owner and manager to undertake the grant.

(3) (Deduct up to 5 points for prior poor performance) *Your performance in administering Drug Elimination funding in the previous 5 years.*

You must identify your participation in HUD grant programs within the preceding five years and discuss the degree of your success in implementing and managing these grant programs. Your discussion should describe program implementation, timely drawdown of funds, timely submission of required reports with satisfactory outcomes related to the plan and timetable, audit compliance, whether there are any unresolved findings from prior HUD reports (e.g., performance or finance) reviews of audits undertaken by HUD, the Office of Inspector General,

the General Accounting Office or independent public accountants).

For PHAs, your past experience will be evaluated in terms of your ability to attain demonstrated measurable progress in tracking drug related crime, enforcement of screening and lease procedures in implementation of the "One Strike and You're Out Initiative" (as applicable), the extent to which you have formed a collaboration with Tribal, State and local law enforcement agencies and courts to gain access to criminal conviction records of potential tenants to determine their suitability for residence in public housing. Such data will be measured and evaluated based on your Public Housing Management Assessment Program (PHMAP) score (24 CFR part 901).

Rating Factor 2: Need/Extent of the Problem (25 Points)

This factor addresses the extent to which there is a need for funding your proposed program activities to address a documented problem in the target area (i.e., the degree of the severity of the drug-related crime problem in the development proposed for funding). In responding to this factor, HUD will evaluate your application based on the extent to which a critical level of need for the proposed activities is explained and you provide a justification for the urgency of meeting the need in your development and the area around your development. Your application must include a description of the extent and nature of drug-related crime "in or around" the housing units or development you propose for funding.

You will receive up to 25 points for this factor if your statistics and explanation of need establish critical crime problems and an urgency to address these problems in and around your development. To receive the maximum number of points, you must provide statistics for both the premises of your development and the smallest geographic area surrounding your development for which objective statistics are available in your community, town, or city. If you use statistics from institutions (e.g. hospitals or schools), the institutions must directly serve the residents of the targeted development. If the statistics you provide do not indicate a critical need, urgency to meet this need, or you do not provide statistics that document the need within your development or the area around your development, you will not receive the maximum number of points. If you do not submit the letter or documentation for the "non-objective" data, indicated in paragraph

2(a), below, you will also receive fewer points.

The statistics and information you provide must include the following:

(1) *"Objective Crime Data" relevant to the target area.* Such data should consist of verifiable records and not anecdotal reports. Where appropriate, the statistics should be reported both in real numbers and as an annual percentage of the residents in each development (e.g., 20 arrests in a one-year period for distribution of heroin in a development with 100 residents reflects a 20% occurrence rate). Such data may include:

(a) Police records or other verifiable information from records on the types or sources of drug related crime in the targeted development and surrounding area;

(b) The number of lease terminations or evictions for drug-related crime at the targeted development; and

(c) The number of emergency room admissions for drug use or that result from drug-related crime. Such information may be obtained from police Departments and/or fire departments, emergency medical service agencies and hospitals. The number of police calls for service from your development that include resident initiated calls, officer-initiated calls, domestic violence calls, drug distribution complaints, found drug paraphernalia, gang activity, graffiti that reflects drugs or gang-related activity, vandalism, drug arrests, and abandoned vehicles.

(d) To the extent possible, you should obtain statistics on Part I and Part II crimes, as defined by the Uniform Crime Reporting (UCR) System. Part I crimes include: criminal homicide, forcible rape, robbery, aggravated assault two (including domestic violence through use of a weapon or by means likely to produce death or great bodily harm), burglary-breaking or entering, larceny-theft (except motor vehicle theft), motor vehicle theft, and arson. Part II crimes include: assaults, forgery and counterfeiting, fraud, embezzlement, vandalism, weapons (carrying or possessing), prostitution and commercialized vice, sex offenses (except forcible rape, prostitution, and commercialized vice), drug abuse violations, gambling, offenses against the family and children, driving under the influence, violation of liquor laws, drunkenness, disorderly conduct, vagrancy, all other offenses related to curfew and loitering laws and runaways.

For PHAs, such data should include housing authority police records on the types and sources of drug related crime

"in or around" developments as reflected in crime statistics or other supporting data from Federal, State, Tribal, or local law enforcement agencies.

(2) *Other Crime Data.* If you are unable to attain objective crime statistics as mentioned above, you may submit other supporting, verifiable data on the extent of drug-related crime in the target area. If you submit other relevant information in place of objective data, you must provide the following to receive the maximum number of points:

(a) A letter or supporting documentation from your local law enforcement agency or another relevant neighborhood organization explaining why the objective data mentioned above is not available, and

(b) A narrative explanation of the reasons why objective data could not be obtained, what efforts were made to obtain it, and what efforts will be made (if possible) during the grant period to begin obtaining the data. Such data may include the following:

(i) Surveys of residents and staff in the targeted development surveyed on drug-related crime or on-site reviews to determine drug/crime activity; and government or scholarly studies or other research in the past year that analyze drug-related crime activity in your targeted development.

(ii) Vandalism cost at your targeted development, to include elevator vandalism (where appropriate) and other vandalism attributable to drug-related crime.

(iii) Information from schools, health service providers, residents and Federal, State, local, and Tribal officials, and the verifiable opinions and observations of individuals having direct knowledge of drug-related crime, and the nature and frequency of these problems in your development proposed for assistance. (These individuals may include Federal, State, Tribal, and local government law enforcement officials, resident or community leaders, school officials, community medical officials, substance abuse, treatment (dependency/remission) or counseling professionals, or other social service providers.)

(iv) The school dropout rate and level of absenteeism for youth that you can relate to drug-related crime.

(v) To the extent that the community's Consolidated Plan identifies the level of the drug abuse and related crime problems in and around your targeted development, and the urgency in meeting the need, references to these documents should be included in your response. You will receive more points

if you use these documents to identify need.

Rating Factor 3: Soundness of Approach—(Quality of the Plan) (35 Points)

This factor addresses the quality and effectiveness of your proposed work plan. In rating this factor, HUD will consider the impact of your proposed activities and the tangible benefits that can be attained by the community and by the target population. Your application must include a detailed narrative describing each proposed activity for crime reduction and elimination efforts for each development proposed for assistance, the amount and extent of resources committed to each activity or service proposed, and process used to collect, maintain, analyze and report Part I and II crimes as defined by the Uniform Crime Reporting (UCR) System, as well as police workload data.

In evaluating this factor, HUD will consider the following:

(1) (14 points) Your plan's approach to address the drug-related crime problem and associated problems in the development proposed for funding, the resources allocated, and the extent to which your proposed activities are targeted to residents, provide for linkages with existing community resources, and are likely to have long term impacts on reducing drug use and drug-related crime in and around your targeted development. Also, you must include the rationale for the proposed activities and methods to be used in developing your program and approach to reducing drug-related crime and drug abuse. If you propose drug prevention or intervention activities, these services must constitute a continuing and comprehensive approach to deter drug use or abuse among your residents and their neighbors. Your proposal must demonstrate how your activities work together with other on-going activities in the community and how these activities rely upon each other to form a holistic plan. Your plan must include the following items. If these are not included, you will receive fewer points under this subfactor:

(a) An explanation of how any proposed physical improvements will be accessible to persons with disabilities and a statement that they will meet the accessibility requirements of 24 CFR part 8, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development;

(b) A discussion of how any drug education services that you propose to

undertake directly or through a subcontract will reflect the objectives of your program plan;

(c) A specific explanation of how you plan to incorporate the active participation of youth in planning prevention programs and services targeted to their needs; and

(d) If you propose drug treatment activities, you must provide a letter from your Single State Agency (or State license provider or authority with drug program coordination responsibilities in your State) that states that your program is effectively coordinating, developing, and implementing drug treatment programs in partnership with that entity.

(2) (10 points) The anticipated effectiveness of the plan and proposed activities in reducing or eliminating drug-related crime problems immediately and over an extended period. This should include the following:

(a) A description of established performance goals for the results to be achieved during the period of your grant. The goals must be objective, quantifiable, and measurable, and they must be outcome or result-oriented. Outcomes include accomplishments, results, impact and the ultimate effects of the program on the drug or crime problem in the target/development area.

(b) An explanation of how your proposed activities enhance and are coordinated with on going or proposed programs sponsored by HUD, such as Neighborhood Networks, Campus of Learners, Operation Safe Home, "One Strike and You're Out", Department of Justice Weed and Seed Efforts, or any other prevention/intervention/treatment activities in your community. Explain the specific steps you will take to share and coordinate information on solutions and outcomes with other law-enforcement and governmental agencies, and a description of any written agreements in place or that will be put in place by you with these entities.

(3) (3 points) Evidence and explanation of how proposed activities have been effective in similar circumstances in controlling drug-related crime. If you are proposing new methods for which there is limited knowledge of effectiveness, you should provide the basis for modifying past practices and rationale for why you believe the modification will yield more effective results. HUD will look more favorably upon proposals that target grant funds to hard program costs and propose minimal, if any, administrative expenses.

(4) (3 points) The process you will use to maintain, analyze, and report Part I and II crimes, as well as police workload data. Police workload data may include, but are not limited to: all calls for service by residents of your development, crime pattern over a period of time by type of crime, and plans to improve data collection and reporting. Your proposed analysis of the data collected must include a method for assessing the impact of activities on the collected crime statistics throughout your award period. The results of your activities and the effect on statistics is of much greater importance than the method you will use to collect such data, so you should pay attention to the benchmarks you establish for measuring and evaluating your performance, particularly measuring changes in crime rates by Part I and Part II crime data.

(5) (1 point deducted if not addressed) The extent to which the applicant's elimination of crime in a development or neighborhood will expand fair housing choice and will affirmatively further fair housing. Provide a brief statement outlining the benchmarks you will use to measure your success in affirmatively furthering fair housing through this program. This may include such items as lower vacancy and turnover rates and increased new applications for housing in your development and in other rental properties in your neighborhood, new businesses and other community development initiatives in your area, or increased rates of homeownership in your community. If such a statement is not provided, you will not receive this point.

(6) (5 points) *Resident Support*. The extent to which you have sought the support of residents in planning and implementing the proposed activities.

(a) You must provide evidence that you actively sought comments, suggestions, and support from residents for your proposed plan. State the steps you took to obtain this information and support.

(b) Describe and provide written documentation of these comments, suggestions, and support. HUD needs clear evidence that the residents agree with, support, and will work with your proposed program. If applicable, you must explain why you do not have written documentation of such support or did not receive any comments or suggestions.

(c) Describe how residents will be involved in implementing your program. If involvement would be minimal or not appropriate, please state and explain why.

Rating Factor 4: Leveraging Community Resources (10 Points)

To receive points under this rating factor, you must provide evidence of the level and type of participation and support by the local government or law enforcement agency for your proposed activities. This should include the level of assistance received from local government, community organizations, and/or law enforcement agencies. If a community organization is providing you with staff or supporting services, you must include a letter from each organization providing staff or support in order to receive maximum points. Each letter *must* specify what type of participation or contributions the organization will make to your program. Such letters must be from community or public agencies (or businesses) within your unit of general local government (i.e. county, town, city) or incorporated resident organizations. Letters stating general support or from people or organizations not in or around your development are not adequate and you should not include them in your application.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which you coordinate your activities with other known organizations, participate or promote participation in your community's Consolidated Planning process, and are working towards addressing a need in a holistic and comprehensive manner through linkages with other activities in the community.

In evaluating this factor, HUD will consider your prior efforts and future plans to coordinate with other local agencies and organizations as follows:

(1) (3 points) Describe past efforts to coordinate your proposed activities with those of other groups or organizations prior to submission of your application in order to best complement, support, and coordinate all known activities. Explain what specific steps you will take to share information on solutions and outcomes with others. Please describe any written agreements or memoranda of understanding that are or will be in place after award.

(2) (6 points) Explain what specific steps you have taken or will take to develop linkages or coordinate comprehensive solutions through meetings, information networks, planning processes, or other mechanisms. Explain your past efforts or planned efforts for involvement with such programs or other HUD-funded projects/activities outside the scope of

those covered by the Consolidated Plan; and/or other Federal, State, or locally funded activities, including those proposed or on-going in the community.

(3) (1 point) Explain specific steps you have taken or will take to become active in your community's Consolidated Planning process (including the Analysis of Impediments to Fair Housing Choice) established to identify and address a need/problem that is related to the activities you propose.

VI. Application Submission Requirements

(A) *Number of Applications, Projects Per Application, and Maximum Application Amounts.* If you are an owner of an eligible project listed in Section III.(B) of this program section of the SuperNOFA, you may only submit one application for one or more projects within a local HUD Field Office jurisdiction. The maximum amount of funds you may receive for an application with one development is

\$125,000 and the maximum for an application for two or more developments is \$200,000.

(B) If you are an owner of developments served by a number of HUD Field Offices, you may submit multiple applications, as long as you submit only one application per Field Office jurisdiction.

(C) There is no limit to the number of developments per application. However, all developments in one application must be eligible and located in the same Field Office jurisdiction. You must demonstrate in Rating Factor 3 "Soundness of Approach—(Quality of the Plan)" that your program will be feasible to implement among all proposed developments. In addition, you must provide pertinent information for each Rating Factor for each proposed development.

VI. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

VII. Environmental Requirements

It is anticipated that activities under this program are categorically excluded under 24 CFR 50.19(b)(4), (b)(12), or (b)(13). If grant funds will be used to cover the cost of any non-exempt activities, HUD will perform an environmental review to the extent required by 24 CFR part 50, prior to grant award.

VIII. Authority

This program is authorized under Chapter 2, subtitle C, title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et. seq.), as amended by section 581 of the National Affordable Housing Act of 1990 (Pub. L. 102-550, approved October 28, 1992). The regulations for the program are found in 24 CFR part 761, Drug Elimination Programs.

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**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**ECONOMIC DEVELOPMENT
INITIATIVE (EDI)**

Funding Availability for the Economic Development Initiative (EDI)

Program Overview

Purpose of the Program. EDI funds are used to enhance the security of the Section 108 guaranteed loan for the same project or to improve the viability of a project financed with a Section 108-guaranteed loan. An EDI grant is required to be used in conjunction with a new Section 108 guaranteed loan commitment.

Available Funds. Approximately \$35 million is available for EDI grants under this SuperNOFA.

Eligible Applicants. Any public entity eligible to apply for Section 108 loan guarantee assistance in accordance with 24 CFR 570.702 may apply for EDI assistance under section 108 (q) and this SuperNOFA. (See Section III(B) below for additional information regarding eligible applicants.)

Application Deadline. June 11, 1999.

Match. None.

Additional Information:

If you are interested in applying for funding under this program, please review carefully the General Section of this SuperNOFA and the following additional information.

I. Application Due Date, Application Kits, Further Information, and Technical Assistance

Application Due Date. Submit your completed applications (one original and two copies) on or before 12:00 midnight, Eastern time, on June 11, 1999, to the addresses shown below.

See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

Address for Submitting Applications. To HUD Headquarters. Submit your completed application (an original and one copy) to: Processing and Control Unit, Room 7251, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410.

Attention: EDI Grant, by mail or hand delivery.

To the Appropriate CPD Field Office. At the same time you submit your application to HUD Headquarters, you must submit an additional copy of your application to the Community Planning and Development Division of the appropriate HUD Field Office for your jurisdiction.

When submitting your application, please refer to EDI, and include your

name, mailing address (including zip code) and telephone number (including area code).

For Application Kits. For an application kit and any supplemental information, please call HUD's SuperNOFA Information line toll free at 1-800-HUD-8929. When requesting the application kit, please refer to EDI. Please provide your name, address (including zip code), and telephone number (including area code). The application kit also will be available on the Internet through the HUD web site at <http://www.hud.gov>. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-HUD-2209 to obtain an application kit.

For Further Information and Technical Assistance. Contact either Stan Gimont or Paul Webster, Financial Management Division, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7178, Washington, DC 20410; telephone (202) 708-1871 (this is not a toll-free number). Persons with speech or hearing impairments may access this number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

See the General Section of this SuperNOFA for guidance on technical assistance. With respect to the Section 108 Loan Guarantee program, which is not a competitive program and thus not subject to those provisions of the HUD Reform Act pertaining to competitions, HUD staff will be available to provide advice and assistance to develop Section 108 loan applications.

II. Amount Allocated

HUD has available a maximum of \$35 million for the EDI program, as appropriated in Pub.L. 105-276 (the FY 1999 VA-HUD Appropriations Act). If any additional EDI grant monies for this SuperNOFA become available, HUD may either fund additional applicants in accordance with this SuperNOFA during Fiscal Year 1999 or may add any funds that became available to funds that are available for any future EDI competitions.

As part of EDI, HUD is developing a program enhancement designed to reduce the risk that CDBG funds will have to be used to repay Section 108 loans that finance economic development projects. This mechanism will allow public entities to pool economic development loans and related reserves. The diversification created by the pooling of loans and reserves will reduce the risk that a public entity will incur a catastrophic loss to its CDBG program if a business

defaults on an economic development loan made with Section 108 funds. The CDBG Risk Reduction Pool will also assist public entities in satisfying the collateral requirements for Section 108 loans. The pool's reserves and incremental cash flows will provide an additional credit enhancement for the Section 108 loan and thereby satisfy Section 108 additional collateral requirements.

HUD is developing this pooling mechanism in consultation with other Federal agencies and outside experts. HUD is considering a \$10 to \$20 million demonstration in FY 1999 (only \$10 million of this demonstration will be from FY 1999 funds). If the demonstration occurs, then \$25 million will be available for the EDI competition announced in this SuperNOFA. In this event, HUD will publish a notice announcing the availability of the funds for the FY 1999 demonstration of this mechanism. Should there be no demonstration in FY 1999, then HUD reserves the right to utilize the \$10 million in FY 1999 funds for the EDI competition announced in this SuperNOFA, making the total amount available \$35 million.

III. Program Description; Eligible Applicants; Eligible Activities.

(A) Program Description.

EDI is designed to enable local governments to enhance both the security of loans guaranteed through HUD's Economic Development Loan Fund (also known as the Section 108 loan guarantee program) and the feasibility of the economic development and revitalization projects that Section 108 guarantees finance. EDI accomplishes this by providing grants to local governments to be used in conjunction with Section 108 loan guarantees.

(1) **Definitions.** Terms used in this program section of this SuperNOFA have the meanings given in 24 CFR part 570 unless otherwise specified.

Act means Title I, Housing and Community Development Act of 1974, as amended, (42 U.S.C. 5301-*et seq.*).

CDBG funds means those funds collectively defined at 24 CFR 570.3, including grant funds received pursuant to section 108(q) of the Act and this program section of this SuperNOFA.

Economic Development Initiative (EDI) means the provision of economic development grant assistance under section 108(q) of the Act, as authorized by Section 232 of the Multifamily Housing Property Disposition Reform Act of 1994 (Pub.L. 103-233, approved April 11, 1994).

Economic development project means an activity or activities (including mixed use projects with housing components) that are eligible under the Act and under 24 CFR 570.703, and that increase economic opportunity for persons of low- and moderate-income or that stimulate or retain businesses or jobs or that otherwise lead to economic revitalization.

Empowerment Zone or Enterprise Community means an urban area so designated by the Secretary of HUD pursuant to 24 CFR part 597 or 598, or a rural area so designated by the Secretary of Agriculture pursuant to 7 CFR part 25, subpart B.

Strategic Plan means a strategy developed and agreed to by the nominating local government(s) and State(s) and submitted in partial fulfillment of the application requirements for an Empowerment Zone or Enterprise Community designated pursuant to 24 CFR part 597 or 598.

(2) *Background.* (a) HUD has multiple programs which are intended to stimulate and promote economic and community development. Primary among HUD's resources are the Community Development Block Grant (CDBG) program and the Section 108 loan guarantee program.

(b) The CDBG program provides grant funds (approximately \$4.232 billion in FY 1999) by formula to local governments (either directly or through States) to carry out community and economic development activities. The Section 108 loan guarantee program provides local governments with a source of financing for economic development, housing rehabilitation and other eligible large scale physical development projects. HUD is authorized pursuant to Section 108 to guarantee notes issued by CDBG entitlement communities and non-entitlement units of general local government eligible to receive funds under the State CDBG program. The Section 108 program is subject to the regulations of 24 CFR part 570 applicable to the CDBG program, with the exception of changes embodied in 24 CFR part 570, subpart M. EDI grants support Section 108 loan guarantees as generally described under the above section entitled "Purpose of the Program."

(c) For FY 1999, the Section 108 program is authorized at \$1.261 billion in loan guarantee authority. The full faith and credit of the United States will be pledged to the payment of all guarantees made under Section 108. Under this program, communities (and States, if applicable) pledge their future years' CDBG allocations as security for

loans guaranteed by HUD. The Section 108 program, however, does *not* require CDBG funds to be escrowed for loan repayment (unless such an arrangement is specifically negotiated as loan security and included in the applicable "Contract for Loan Guarantee Assistance"). This means that a community can ordinarily continue to spend its existing allocation for other CDBG purposes, unless needed for loan repayment.

(3) *EDI Program.* The EDI program was enacted in 1994 and is intended to complement and enhance the Section 108 Loan Guarantee program. A purpose of EDI grant funds is to further minimize the potential loss of future CDBG allocations:

(a) By strengthening the economic feasibility of the projects financed with Section 108 funds (and thereby increasing the probability that the project will generate enough cash to repay the guaranteed loan);

(b) By directly enhancing the security of the guaranteed loan; or

(c) Through a combination of these or other risk mitigation techniques.

(4) *Purpose of EDI Funding.* HUD intends the approximately \$35 million in EDI funds to stimulate economic development by local governments and private sector parties. HUD desires to see EDI and Section 108 funds used to finance projects and activities that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base.

(5) *Additional Security for Section 108 Loan Guarantee.* Public entities should be mindful of the need to provide additional security for the Section 108 loan guarantee pursuant to 24 CFR 570.705(b)(3). Although a public entity is required by the Act to pledge its current and future CDBG funds as security for the Section 108 loan guarantee, the public entity will usually be required to furnish additional collateral. In most cases, the additional collateral consists (in whole or in part) of the asset financed with the Section 108 loan funds (e.g., a loan made to a business as part of an economic development project). Applications proposing uses for EDI funding that enhance the viability of projects will help ensure that the project-based asset(s) will satisfy the additional collateral requirements.

(6) *Typical Project Structures.* Provided that proposals are consistent with other CDBG requirements, including national objectives, HUD envisions that the following project structures could be typical:

(a) *Funding Reserves.* The cash flow generated by an economic development project may be expected to be relatively "thin" in the early stages of the project, i.e. potentially insufficient cash flows to meet operating expenses and debt service obligations. The EDI grant can make it possible for reserves to be established in a way that enhances the economic feasibility of the project.

(b) *Over-Collateralizing the Section 108 Loan.* (i) The use of EDI grant funds may be structured in appropriate cases so as to improve the likelihood that project-generated cash flow will be sufficient to cover debt service on the Section 108 loan and directly to enhance the guaranteed loan. One technique for accomplishing this approach is over-collateralization of the Section 108 loan.

(ii) An example is the creation of a loan pool funded with Section 108 and EDI grant funds. The community would make loans to various businesses from the combined pool at an interest rate equal to or greater than the rate on the Section 108 loan. The total loan portfolio would be pledged to the repayment of the Section 108 loan.

(c) *Direct Enhancement of the Security of the Section 108 Loan.* The EDI grant can be used to cover the cost of providing credit enhancements. An example of how the EDI grant can be used for this purpose is by using the grant funds to cover the cost of a standby letter of credit, issued in favor of HUD. This letter of credit will be available to fund amounts due on the Section 108 loan if other sources fail to materialize and thus will serve to protect the public entity's future CDBG funds.

(d) *Provision of Financing to For-Profit Businesses at a Below Market Interest Rate.* (i) While the rates on loans guaranteed under Section 108 are only slightly above the rates on comparable U.S. Treasury obligations, they may nonetheless be higher than can be afforded by businesses in severely economically distressed neighborhoods. The EDI grant can be used to make Section 108 financing affordable.

(ii) EDI grant funds could serve to "buy down" the interest rate up front, or make full or partial interest payments, allowing the businesses to be financially viable in the early start-up period not otherwise possible with Section 108 alone. This strategy would be particularly useful where a community was undertaking a large commercial/retail project in a distressed neighborhood to act as a catalyst for other development in the area.

(e) *Combination of Techniques.* You could employ a combination of these or other techniques in order to implement a strategy that carries out an economic development project.

(B) Eligible Applicants.

Any public entity eligible to apply for Section 108 loan guarantee assistance pursuant to 24 CFR 570.702 may apply for EDI grant assistance under Section 108(q). *Eligible applicants are CDBG entitlement units of general local government and non-entitlement units of general local government eligible to receive loan guarantees under 24 CFR part 570, subpart M.* Urban Counties, as defined at 24 CFR 570.3 and 570.307, are eligible applicants for EDI funds; units of general local government which participate in an Urban County program are not independently eligible applicants. For non-entitlement applicants other than those in the States of Hawaii and New York, non-entitlement applicants will be required to provide proof that the State will support the related Section 108 loan with a pledge of its CDBG funds pursuant to the requirements of 24 CFR 570.705(b)(2). Note that effective January 25, 1995, non-entitlement public entities in the states of New York and Hawaii were authorized to apply to HUD for Section 108 loans (see 59 FR 47510, December 27, 1994). Thus, non-entitlement public entities in all 50 states and Puerto Rico are eligible to participate in the Section 108 and EDI programs.

(C) Eligible Activities and National Objectives.

(1) EDI grant funds may be used for activities listed at 24 CFR 570.703, provided such activities are carried out as part of an economic development project as described in Section III(A) of this EDI section of this SuperNOFA. If your application fails to meet the requirements for an EDI project as set forth in this SuperNOFA, HUD will not give it a rating.

(2) Each activity assisted with Section 108 loan guarantee or EDI funds must meet a national objective of the CDBG program as described in 24 CFR 570.208. You must clearly identify in your narrative statement (as described in Section V.(B) below) the CDBG national objective your proposed project will achieve and provide the appropriate CDBG national objectives regulatory citation found at 24 CFR 570.208. Also, you must address, when applicable, how your proposed activities will comply with the public benefit standards of the CDBG program as reflected in the regulation at 24 CFR

570.209 for the CDBG Entitlement program and 24 CFR 570.482 for the State CDBG program.

(3) In the aggregate, your use of CDBG funds, including any Section 108 loan guarantee proceeds and section 108(q) (EDI) funds provided pursuant to this program section of this SuperNOFA, must comply with the CDBG primary objectives requirement as described in section 101(c) of the Act and 24 CFR 570.200(c)(3), or 24 CFR 570.484 in the case of State grantees.

IV. Program Requirements

(A) CDBG Program Regulations

In addition to 24 CFR 570.701 (Definitions), 570.702 (Eligible applicants), and 570.703 (Eligible activities), as explained elsewhere in this program section of the SuperNOFA, the CDBG regulatory requirements cited in 24 CFR 570.707, including subparts J (Grant Administration), K (Other Program Requirements), and O (Performance Reviews) govern the use of EDI funds, as applicable.

(B) Compliance with Applicable Laws

An award of EDI funding does not in any way relieve you or third party users of EDI funds from compliance with all applicable Federal, State and local laws.

(C) Related Section 108 Loan Guarantee Application

(1) Each EDI application must be accompanied by a request for new Section 108 loan guarantee assistance. Both the EDI and Section 108 funds must be used in conjunction with the same economic development project. This request may take any of several forms as defined below.

(a) A formal application for new Section 108 loan guarantee(s), including the documents listed at 24 CFR 570.704(b).

(b) A brief description (not to exceed three pages) of a new Section 108 loan guarantee application(s). Such 108 application(s) will be submitted within 60 days, with HUD reserving the right to extend such period for good cause on a case-by-case basis, of a notice of EDI selection. EDI awards will be conditioned on approval of actual Section 108 loan commitments. This Section 108 application description must be sufficient to support the basic eligibility of the proposed project or activities for Section 108 assistance. (See Section III(C) of this program section of this SuperNOFA.)

(c) A copy of a pending, unapproved Section 108 loan guarantee application, and any proposed amendments to the Section 108 application which are

related to the EDI application. The applicant's submission of such a EDI/Section 108 application shall be deemed by HUD to constitute a request to suspend separate processing of the Section 108 application. The Section 108 application will not be approved until on or after the date of the related EDI award.

(d) A request for a Section 108 loan guarantee amendment (analogous to Section IV(C)(1)(a) or (b) above) that proposes to increase the amount of a previously approved application. However, any amount of Section 108 loan guarantee authority approved before HUD's announcement of an EDI grant for the same project pursuant to this SuperNOFA is not eligible to be used in conjunction with a EDI grant under this SuperNOFA.

(2) Further, a Section 108 loan guarantee amount that is required to be used in conjunction with a prior EDI or Brownfields Economic Development Initiative (BEDI) grant award, whether or not the Section 108 loan guarantee has been approved as of the date of this SuperNOFA, is not eligible for an EDI award under this SuperNOFA. For example, if a public entity has a previously approved Section 108 loan guarantee commitment of \$12 million, even if none of the funds have been utilized, or if the public entity had previously been awarded an EDI grant of \$1 million and had certified that it will submit a Section 108 loan application for \$10 million in support of that EDI grant, the public entity's EDI application under this SuperNOFA must propose to increase the amount of its total Section 108 loan guarantee commitments beyond those amounts (the \$12 million or \$10 million in this example) to which it has previously agreed.

(D) Limitations on Use of EDI and Section 108 Funds

Certain restrictions shall apply to the use of EDI and Section 108 funds:

(1) EDI grants must not be used as a resource to immediately repay the principal of a loan guaranteed under Section 108. Repayment of principal is only permissible with EDI grant funds as a matter of security if other sources projected for repayment of principal prove to be unavailable.

(2) You should not use Section 108 funds to finance activities that also include financing generated through the issuance of federally tax exempt obligations. Pursuant to Office of Management and Budget (OMB) Circular A-129 (Policies for Federal Credit Programs and Non-Tax Receivables), Section 108 guaranteed loan funds may not directly or

indirectly support federally tax-exempt obligations.

(3) HUD will not consider for funding any EDI proposal in which the related Section 108 loan guarantee would be used solely as security. EDI funds are to be used to support and enhance activities financed with Section 108 loan guarantee proceeds from HUD's interim lending or public offering mechanisms and thereby leverage greater use of the Section 108 program. Awarding EDI funds to a project which would use the Section 108 guarantee only as a security guarantee for other financing can be tantamount to making a simple grant to the project and thereby fails to fulfill the goals of the EDI program.

(E) Limitations on Grant Amounts

(1) HUD expects to approve EDI grant amounts for approvable applications at a range of ratios of EDI grant funds awarded to new Section 108 loan guarantee commitments, but the minimum ratio will be \$1 of Section 108 loan guarantee commitments for every \$1 of EDI grant funds. However, if you propose a leverage ratio of 1:1, you will not receive any points under Rating Subfactor 4(1): "Leverage of Section 108 Funds." For example, an applicant requesting an EDI grant of \$1 million will be required to leverage a minimum of at least \$1 million in new Section 108 loan guarantee commitments. This will be a special condition of the EDI grant award. Of course, even though there is a minimum ratio of 1:1, applications with higher ratios will receive more points under Rating Factor 4, "Leveraging Resources/Financial Need" and, all other things being equal, will be more competitive. You should propose projects with a greater leverage ratio of new Section 108 to EDI grant funds (assuming such projects are financially viable). For example, \$1 million of EDI could leverage \$12 million of new Section 108 loan commitments. HUD intends that the EDI funds will be used for projects which leverage the greatest possible amount of Section 108 loan guarantee commitments. Because a fundable application is competitive in part because of the applicant's proposed ratio of EDI funds to funds guaranteed by a Section 108 loan guarantee, HUD will condition a EDI grant award on the grantee's achievement of that specific ratio. Your failure to meet that condition by obtaining timely HUD approval of a commitment for, and issuance of, the required Section 108 guaranteed obligations ratio may result in the cancellation and recapture of all or a proportionate share of the EDI grant award.

(2) HUD will cap EDI awards at a maximum of \$2 million. Any application in excess of \$1 million may be reduced below the amount requested by the applicant if HUD determines that such a reduction is appropriate.

(3) If additional EDI grant funds become available to HUD as the result of recaptures prior to the date of this SuperNOFA, HUD reserves the right to award grants under this SuperNOFA whose aggregate total may exceed the \$35 million announced in this SuperNOFA, up to the maximum amount authorized by law.

(4) In the event you are awarded an EDI grant that has been reduced below the original request (e.g. the application contained some activities that were ineligible or there were insufficient funds to fund the last competitive application at the full amount requested), you will be required to modify your project plans and application to conform to the terms of HUD's approval before HUD will execute a grant agreement. HUD also will proportionately reduce or deobligate the EDI award if you do not submit approvable Section 108 loan guarantee applications on a timely basis (including any extension authorized by HUD) in the amount required by the EDI/108 leveraging ratio which will be approved by HUD as a special condition of the EDI grant award (see Section IV(E)(1) above of this program section of the SuperNOFA). Any modifications or amendments to your application approved pursuant to this SuperNOFA, whether requested by you or by HUD, must be within the scope of the approved original EDI application in all respects material to rating the application, unless HUD determines that the revised application remains within the competitive range and is otherwise approvable under this SuperNOFA competition.

(5) In the case of requested amendments to a previously approved Section 108 loan guarantee commitment (as further discussed in Section IV(C)(1)(d), above), the EDI assistance approved will be based on the increased amount of Section 108 loan guarantee assistance.

(6) Pursuant to another portion of this SuperNOFA, HUD is simultaneously announcing the availability of \$25 million of Brownfields Economic Development Initiative (BEDI) funds. While HUD will permit applicants to pursue BEDI and EDI funds for the same project, HUD requires that the BEDI and EDI applications (and their components) be independent of one another. Thus, each application should have an identifiable amount of Section 108

funding associated with its respective request for EDI and BEDI funds for purposes of determining the leverage of Section 108 funding to the corresponding amount of EDI or BEDI funds requested. Further, the proposed amount of Section 108 borrowing associated with the BEDI or EDI grant shall not be used to determine leverage of other financial resources under Rating Subfactor 4(3). Further, if you seek both BEDI and EDI funds for the same project, you must include in your response to Rating Factor 3 and the "Financial feasibility" portion of Rating Factor 4 a discussion of how the project can be financed and implemented if you fail to obtain either BEDI or EDI funds under this SuperNOFA.

(F) Timing of Grant Awards

(1) To the extent you submit a full Section 108 application with your EDI grant application, HUD will evaluate the Section 108 application concurrently with the request for EDI grant funds. Note that EDI grant assistance cannot be used to leverage a Section 108 loan guarantee approved prior to the date of HUD's announcement of an EDI grant pursuant to this SuperNOFA. However, the EDI grant may be awarded before HUD approval of the Section 108 commitment if HUD determines that such award will further the purposes of the Act.

(2) HUD notice to you of the amount and conditions of EDI funds awarded, based upon review of the EDI application, constitutes an obligation of grant funds, subject to compliance with the conditions of award and execution of a grant agreement. EDI funds must not be disbursed to the public entity before the issuance of the related Section 108 guaranteed obligations.

(G) Economic Opportunities for Low and Very Low-Income Persons (Section 3)

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is applicable to EDI grant recipients. Please see Section II(E) of the General Section of the SuperNOFA.

V. The Application Selection Process

(A) Rating and Ranking

(1) Each rating factor and the maximum number of points is provided below. The maximum number of points to be awarded is 102. This includes two EZ/EC bonus points as described in the General Section of this SuperNOFA.

(2) Once scores are assigned, all applications will be ranked in order of points assigned, with the applications receiving more points ranking above those receiving fewer points.

Applications will be funded in rank order.

(3) Prior to award, if HUD determines that your application rated, ranked and fundable could be funded at a lesser EDI grant amount than requested consistent with feasibility of the funded project or activities and the purposes of the Act, HUD reserves the right to reduce the amount of the EDI award and/or increase the Section 108 loan guarantee commitment, if necessary, in accordance with such determination. An application in excess of \$1 million may be reduced below the amount requested by the applicant if HUD determines that such a reduction is appropriate.

(4) HUD may decide not to award the full amount of EDI grant funds available under this program section of this SuperNOFA and may make any remaining amounts available under a future SuperNOFA, or under a supplementary notice.

(5) HUD desires to fund projects which will quickly produce demonstrable results. EDI grant awards will contain conditions requiring you to adhere to your stated timeframes for implementing your proposed projects and drawing Section 108 and EDI funds. If you fail to adhere to these schedules, HUD may recapture the EDI funds.

(B) Narrative Statement

(1) Provide narrative statements describing the activities that you will carry out with the EDI grant funds. Your narrative statement must not exceed three (3) 8.5" by 11" pages.

(2) Describe how your proposed uses of EDI funds will meet the national objectives under 24 CFR 570.208 for the CDBG program and qualify as eligible activities under 24 CFR 570.703. You must include citations to the specific regulatory subsections supporting eligibility and national objective. (See Section III(D) of this program section of this SuperNOFA).

(3) Respond to the rating factors below. Each of the listed rating factors (or, where applicable, each subfactor) below also has a separate page limitation specified.

(4) Print your narrative statement in 12 point type/font, and use sequentially numbered pages.

(C) Factors for Award Used to Evaluate and Rate Applications

HUD will consider your application for selection based on the following factors that demonstrate the quality of your proposed project or activities, and your creativity, capacity and commitment to obtain maximum benefit

from the EDI funds, in accordance with the purposes of the Act.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (15 Points)

[Your response to this factor is limited to three (3) pages.]

This factor addresses the extent to which you have the organizational resources necessary to successfully implement your proposed activities in a timely manner. The rating of the "applicant" or the "applicant's organization and staff" for technical merit or threshold compliance, unless otherwise specified, will include any subcontractors, consultants, subrecipients, and members of consortia that are firmly committed (i.e., has a written agreement or a signed letter of understanding with the applicant agreeing in principle to its participation and role in the project). In rating this factor, HUD will consider the following:

(1) With regard to the EDI/Section 108 project you propose, you should demonstrate that you have the capacity to implement the specific steps required to successfully carry out your proposed EDI/Section 108 project. This includes factors such as your:

(a) Performance in the administration of your CDBG, HOME or other programs;

(b) Previous experience, if any, in administering a Section 108 loan guarantee;

(c) Performance and capacity in carrying out economic development projects;

(d) Ability to conduct prudent underwriting;

(e) Capacity to manage and service loans made with the guaranteed loan funds or previous EDI or BEDI grant funds;

(f) Capacity to carry out your projects and programs in a timely manner; and,

(g) If applicable, your capacity to manage projects under this program section of this SuperNOFA along with any federal funds awarded as a result of a federal urban Empowerment Zone/Enterprise Community designation (including Enhanced Enterprise Community (EEC) designation).

(2)(a) If you have previously received an EDI or BEDI grant award(s), you must describe the status of the implementation of those project(s) assisted with EDI or BEDI funds, any delays that have been encountered and the actions you are taking to overcome any such delays in order to carry out the project in a timely manner. For such previously funded EDI or BEDI grant projects, HUD will consider the extent to which you have used the awarded

EDI or BEDI grant funds and the associated Section 108 guaranteed loan funds.

(b) Further, if you have EDI or BEDI funds and related Section 108 loan guarantee authority available as a result of earlier HUD awards and commitments for activities such as (but not limited to) economic development loan funds, community development banks, and community and individual investment corporations, you should use those existing financial resources before applying for additional EDI or BEDI funds and Section 108 commitments. If HUD determines that you could fund your project from such existing resources, HUD will reduce your score under this rating factor to 0.

(3) The capacity of subrecipients, nonprofit organizations and other entities that have a role in implementing the proposed program will be included in this review. HUD also may rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making its determination under this factor.

Rating Factor 2: Distress/Extent of the Problem (15 Points)

[Your response to this factor is limited to three (3) pages.]

This factor addresses the extent to which there is need for funding your proposed activities based on levels of distress, and an indication of the urgency of meeting the need/distress in your target area.

(1) In applying this factor, HUD will consider current levels of distress in the immediate community to be served by your project and the jurisdiction applying for assistance. If you are able to indicate a level of distress in the immediate project area that is greater than the level of distress in your jurisdiction as a whole, HUD will give your application a higher score under this factor than other applications that do not. HUD requires you to use sound and reliable data that is verifiable to support the level of distress you claim in your application. You must provide a source for all information you cite and indicate the publication date or origination date of the data.

(2) In previous EDI competitions, the poverty rate was often considered the best indicator of distress. You must provide the poverty rate for your jurisdiction as a whole and for the areas to be served and/or where the EDI/Section 108 funded project is located; however, in addition, you may demonstrate the level of distress with other factors such as income levels and unemployment rates.

(3) To the extent that your Consolidated Plan and your Analysis of Impediments to Fair Housing choice (AI) identifies the level of distress in the community and the neighborhood in which your project is being carried out, you should include references to such documents in preparing your response to this factor. Also, you should discuss the extent to which the analysis of impediments identifies unhealthy environmental conditions in your project area, and how such conditions negatively impact your target neighborhood.

Rating Factor 3: Soundness of Approach (25 Points)

[Your response to this factor is limited to three (3) pages.]

This factor addresses the quality and cost-effectiveness of your proposed plan. There must be a clear relationship between the proposed activities, community needs and purposes of the program funding for you to receive points for this factor. In rating this factor, HUD will consider the following:

(1) The quality of your plan/proposal for the use of EDI funds and Section 108 loan funds, including the extent to which your proposed plan for effective use of EDI grant/Section 108-guaranteed loan funds will address the needs you described in Rating Factor 2 above regarding the distress and extent of the problem in your immediate community and/or jurisdiction. As part of the response to this factor, you should identify the eligible activities you will carry out and fully describe how your project will achieve a national objective. You should make substantial efforts to demonstrate how your proposed project would mitigate or otherwise address the distress identified in Rating Factor 2 above.

(2) The extent to which the plan is logically, feasibly, and substantially likely to achieve its stated purpose. HUD's desire is to fund projects and activities which will quickly produce demonstrable results and advance the purposes of the EDI program, including the number of jobs to be created by the project and the impact of the project on job creation that will benefit individuals on or previously on welfare. You should demonstrate that you have a clear understanding of the steps required to implement your project, the actions that you and others responsible for implementing your project must complete. You must include a reasonable time schedule for carrying out your project. The application kit contains a timeline form that you must use to indicate your project timing.

(3) The extent to which your proposed project addresses your Analysis of Impediments and the needs identified in Rating Factor 2; the extent to which such project activities will result in the physical and economic improvement for the residents in the neighborhood in which your project will be carried out; the extent to which you will offer residents an opportunity to relocate to environmentally healthy housing or neighborhoods; or the extent to which residents will benefit from the funded project to enable them to continue to live in a redeveloped or revitalized neighborhood and thus share in the anticipated economic benefits your project is expected to generate.

(4) The extent to which your project incorporates one or more elements that facilitate a successful transition of welfare recipients from welfare to work. Such an element could include, for example, linking your proposed project or loan fund to social and/or other services needed to enable welfare recipients to successfully secure and carry out full-time jobs in the private sector; provision of job training to welfare recipients who might be hired by businesses financed through the proposal; and/or incentives for businesses financed with EDI/section 108 funds to hire and train welfare recipients.

(5) Due to an order of the U.S. District Court for the Northern District of Texas, Dallas Division, with respect to any application submitted by the City of Dallas, Texas, HUD's consideration of the response to this factor, "Soundness of Approach," will include the extent to which Dallas' plan for the use of EDI funds and Section 108 loans will be used to eradicate the vestiges of racial segregation in the Dallas Housing Authority's programs consistent with the Court's order. Up to two (2) additional points will be awarded to any application submitted by the City of Dallas, Texas, to the extent this subfactor is addressed.

Rating Factor 4: Leveraging Resources/ Financial Need (35 Points)

[Page limits for the response to this factor are listed separately for each subfactor under this factor.]

In evaluating this factor, HUD will consider the extent to which your response demonstrates the financial need and feasibility of your project and the leverage ratio of Section 108 loan proceeds to EDI grant funds. This factor has three subfactors, each with its own maximum point total:

(1) *Leverage of Section 108 funds* (20 points). Your response to this subfactor is limited to one (1) page. The minimum

ratio of Section 108 funds to EDI funds in any project may not be less than 1:1. The extent to which your proposed project leverages an amount of Section 108 funds beyond the 1:1 ratio will be considered a positive factor. If you have a ratio of 1:1, your application will not receive any points under this subfactor. If you use your EDI grant to leverage more new Section 108 commitments, your application will receive more points under this subfactor.

(2) *Financial feasibility* (10 points). [Your response to this subfactor is limited to three (3) pages.] HUD will consider the extent to which you demonstrate that your project is financially feasible. In responding to this subfactor, you must clearly address the question of why the EDI funds are critical to the success of this project. This may include factors such as:

(a) Project costs and financial requirements. You should provide a funding sources and uses statement (not included in the 3 page narrative limit), as well as justifications for project costs.

(b) The amount of any debt service or operating reserve accounts you will establish in connection with the economic development project.

(c) The reasonableness of the costs of any credit enhancement paid with EDI grant funds.

(d) The amount of program income (if any) you will receive each year during the repayment period for the guaranteed loan.

(e) Interest rates on those loans to third parties (other than subrecipients) (either as an absolute rate or as a plus/minus spread to the Section 108 rate).

(f) Underwriting criteria that you will use in determining project feasibility.

(3) *Leverage of other financial resources* (5 points). [Your response to this subfactor is limited to one (1) page plus supporting documentation evidencing third party commitment (written and signed) of funds.] HUD will evaluate the extent to which you leverage other funds (public or private) with EDI grant funds and Section 108 guaranteed loan funds and the extent to which such other funds are firmly pledged to the project. This could include the use of CDBG funds, other Federal or state grants or loans, your general funds, project equity or commercial financing provided by private sources or funds from non-profits or other sources. Funds will be considered pledged to the project if there is evidence of the third party's written commitment to make the funds available for the EDI/108 project, subject to approval of the EDI and Section 108 assistance and completion of any environmental review required under 24

CFR part 50 for the project. Note, that with respect to CDBG funds, your pledge of its CDBG funds will be considered sufficient commitment.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

[Your response to this factor is limited to two (2) pages.]

This factor addresses the extent to which you have coordinated your activities with other known organizations; you participate or promote participation in your or a State's Consolidated Planning process; and you are working towards addressing a need in a comprehensive manner through linkages with other activities in the community.

In evaluating this factor, HUD will consider the extent to which you demonstrate you have:

(1) Coordinated your proposed activities with those of other groups or organizations before submission, in order to best complement, support and coordinate all known activities; and developed specific steps to share information on solutions and outcomes with others. Describe any written agreements, memoranda of understanding in place, or that will be in place after award.

(2) Developed linkages, or specific steps to develop linkages with other activities, programs or projects (through meetings, information networks, planning processes or other mechanisms to coordinate its activities), so that solutions are holistic and comprehensive. Describe any linkages with other HUD-funded projects/ activities outside the scope of those covered by the Consolidated Plan, as well as established linkages and outreach with residents of your project area.

VI. Application Submission Requirements

(A) Public entities seeking EDI assistance must make a specific request for that assistance, in accordance with the requirements of this program section of this SuperNOFA.

(B) You must submit an original and one copy of the items listed below to HUD Headquarters (see the section "Addresses For Submitting Applications in this program section of

this SuperNOFA). In addition, you must submit one additional copy directly to the Community Planning and Development Division of the appropriate HUD Field Office for your jurisdiction.

(C) Your EDI application shall consist of the following items:

- (1) Your transmittal letter;
- (2) Table of contents;
- (3) Application check list (supplied in application kit);

(4) A request for loan guarantee assistance under Section 108 as further described in Section IV(C) of this program section of the SuperNOFA. Application guidelines for the Section 108 loan guarantee program are found at 24 CFR 570.704;

(5) As described in Section V(B) of this program section of this SuperNOFA, a narrative statement (3 page limit) describing the activities that you will carry out with the EDI grant funds;

(6) Responses to each of the rating factors (within the page limits provided for each factor or subfactor as applicable);

(7) Completion of a funding sources and uses statement and a EDI and Section 108 eligibility statement (see the application kit);

(8) Written agreements or signed letters of understanding in support of Rating Factor 1: "Capacity of the Applicant and Relevant Organizational Experience;"

(9) Signed third party commitment letters pledging funds in support of subfactor 4(2): "Leverage of other financial resources;"

(10) In addition to the certifications specified in section II(G) of the General Section of this SuperNOFA, the forms and certifications required at 24 CFR 570.704(b)(3), (b)(4), (b)(8)(i), (b)(8)(ii), (b)(8)(vi), (b)(8)(vii), (b)(8)(viii), (b)(8)(x), and (b)(9); and

(11) Acknowledgement of Application Receipt form.

(D) A single application must contain a request for funds for a single EDI project. You may submit more than one application for each additional unrelated EDI project. Each application will be rated and ranked individually. In no event will HUD rate and rank more than one EDI project per application.

(E) Your application must meet all of the applicable threshold requirements of Section IIB of the General Section of this SuperNOFA.

VII. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

VIII. Environmental Requirements

(A) Environmental Review

After the completion of this competition and after HUD's award of EDI grant funds, pursuant to 24 CFR 570.604, each project or activity assisted under this program is subject to the provisions of 24 CFR part 58, including limitations on the EDI grant and Section 108 public entity's commitment of HUD and non-HUD funds prior to the completion of environmental review, notification and release of funds. No such assistance will be released by HUD until a request for release of funds is submitted and the requirements of 24 CFR part 58 have been met. All public entities, including nonentitlement public entities, shall submit the request for release of funds and related certification, required pursuant to 24 CFR part 58, to the appropriate HUD field office for each project to be assisted.

(B) Environmental Justice

Executive Order 12898 (Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations) directs Federal agencies to develop strategies to address environmental justice. Environmental justice seeks to rectify the disproportionately high burden of environmental pollution that is often borne by low-income, minority, and other disadvantaged communities, and to ensure community involvement in policies and programs addressing this issue.

IX. Authority

Section 108(q), Title I, Housing and Community Development Act of 1974, as amended, (42 U.S.C. 5301-5320); 24 CFR part 570.

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**BROWNFIELDS ECONOMIC
DEVELOPMENT INITIATIVE (BEDI)**

Funding Availability for the Brownfields Economic Development Initiative (BEDI)

Program Overview

Purpose of the Program. BEDI funds are used to enhance the security of the Section 108 guaranteed loan for the same project or to improve the viability of a project financed with a Section 108-guaranteed loan. A BEDI grant is required to be used in conjunction with a new Section 108 guaranteed loan commitment.

Available Funds. Approximately \$25 million is available for BEDI grants under this SuperNOFA.

Eligible Applicants. Any public entity eligible to apply for Section 108 loan guarantee assistance in accordance with 24 CFR 570.702 may apply for BEDI grant assistance under section 108(q) and this SuperNOFA. (See Section III(B) below for additional information regarding eligible applicants.)

Application Deadline. June 25, 1999.
Match. None.

Additional Information

If you are interested in applying for funding under this program, please review carefully the General Section of this SuperNOFA and the following additional information.

I. Application Due Date, Application Kits, Further Information, and Technical Assistance.

Application Due Date. Submit your completed applications (one original and two copies) on or before 12:00 midnight, Eastern time, on June 25, 1999, to the addresses shown below.

See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

Addresses for Submitting Applications. To HUD Headquarters. Submit your completed application (an original and one copy) to: Processing and Control Unit, Room 7251, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, D.C. 20410, Attention: BEDI Grant, by mail or hand delivery.

To the Appropriate CPD Field Office. At the same time you submit your application to HUD Headquarters, you must submit an additional copy of the application to the Community Planning and Development Division of the appropriate HUD Field Office for your jurisdiction.

When submitting your application, please refer to BEDI, and include your

name, mailing address (including zip code) and telephone number (include area code).

For Application Kits. For an application kit and any supplemental information, please call HUD's SuperNOFA Information line toll free at 1-800-HUD-8929. When requesting an application kit, please refer to BEDI. Please be sure to provide your name, address (including zip code), and telephone number (including area code). Persons with hearing or speech impairments may call the Center's TTY number at 1-800-HUD-2209 to obtain an application kit. The application kit will also be available on the Internet through the HUD web site at <http://www.hud.gov>.

For Further Information and Technical Assistance. Contact either Stan Gimont or Paul Webster, Financial Management Division, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7178, Washington, DC 20410, telephone (202) 708-1871 (this is not a toll-free number). Persons with speech or hearing impairments may access this number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

See the General Section of this SuperNOFA for guidance on technical assistance. With respect to the Section 108 Loan Guarantee program, which is not a competitive program and thus not subject to those provisions of the HUD Reform Act pertaining to competitions, HUD staff will be available to provide advice and assistance to develop Section 108 loan applications.

II. Amount Allocated

HUD has available a maximum of \$25 million for the BEDI program, as appropriated in Pub.L. 105-276 (the FY 1999 VA-HUD Appropriations Act) for the purpose of assisting public entities in the redevelopment of brownfields.

III. Program Description; Eligible Applicants; Eligible Activities

(A) Program Description.

BEDI is designed to help cities redevelop abandoned, idled, or underutilized industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination—brownfields. BEDI accomplished this by providing funding to local governments to be used in conjunction with Section 108 loan guarantees to finance redevelopment of brownfield sites.

(1) *Definitions.* Unless otherwise defined herein, terms defined in 24 CFR

part 570 and used in this program section of this SuperNOFA shall have the respective meanings given thereto in that part.

Act means Title I, Housing and Community Development Act of 1974, as amended, (42 U.S.C. 5301 *et seq.*).

Brownfield means abandoned, idled, or under-used real property (including industrial and commercial facilities) where expansion or redevelopment is complicated by real or perceived contamination.

Brownfields Economic Development Initiative (BEDI) means the competitive award of up to \$25 million, as appropriated in the FY 1999 VA-HUD Appropriations Act, for economic development grant assistance under section 108(q) of the Act for the purpose of assisting public entities in the redevelopment of brownfields.

Brownfields economic development initiative (BEDI) project means an activity or activities (including mixed use projects with housing components) that are eligible under the Act and under 24 CFR 570.703, and that increase economic opportunity for persons of low- and moderate-income or that stimulate or retain businesses or jobs or that otherwise lead to economic revitalization in connection with brownfields.

CDBG funds means those funds collectively defined at 24 CFR 570.3, including grant funds received pursuant to section 108(q) and this program section of this SuperNOFA.

Economic Development Initiative (EDI) means the provision of economic development grant assistance under section 108(q) of the Act, as authorized by Section 232 of the Multifamily Housing Property Disposition Reform Act of 1994 (Pub. L. 103-233, approved April 11, 1994).

Empowerment Zone or Enterprise Community means an urban area so designated by the Secretary of HUD pursuant to 24 CFR part 597 or 598, or a rural area so designated by the Secretary of Agriculture pursuant to 7 CFR part 25, subpart B.

EPA means the U.S. Environmental Protection Agency.

Showcase Community means an applicant chosen by the Federal Government's Brownfields National Partnership for inclusion in the Federal Government's Brownfields Showcase Communities program.

Strategic Plan means a strategy developed and agreed to by the nominating local government(s) and State(s) and submitted in partial fulfillment of the application requirements for an Empowerment Zone

or Enterprise Community designated pursuant to 24 CFR part 597 or 598.

(2) *Background.*

(a) HUD has multiple programs which are intended to stimulate and promote economic and community development and can be effectively employed to address and remedy brownfield conditions. Primary among HUD's resources are the Community Development Block Grant (CDBG) program and the Section 108 loan guarantee program.

(b) The CDBG program provides grant funds (approximately \$4.232 billion in FY 1999) by formula to local governments (either directly or through States) to carry out community and economic development activities. The Section 108 loan guarantee program provides local governments with a source of financing for economic development, housing rehabilitation, and other eligible large scale physical development projects. HUD is authorized pursuant to Section 108 to guarantee notes issued by CDBG entitlement communities and non-entitlement units of general local government eligible to receive funds under the State CDBG program. Regulations governing the Section 108 program are found at 24 CFR part 570, subpart M. It must be noted that the Section 108 program is subject to the regulations of 24 CFR part 570 applicable to the CDBG program with the exception of changes embodied in 24 CFR part 570, subpart M. EDI and BEDI grants support Section 108 loan guarantees as generally described under the above section entitled "Purpose of the Program."

(c) For FY 1999, the Section 108 program is authorized at \$1.261 billion in loan guarantee authority. The full faith and credit of the United States will be pledged to the payment of all guarantees made under Section 108. Under this program, communities (and States, if applicable) pledge their future years' CDBG allocations as security for loans guaranteed by HUD. The Section 108 program, however, does *not* require CDBG funds to be escrowed for loan repayment (unless such an arrangement is specifically negotiated as loan security) and included in the applicable "Contract for Loan Guarantee Assistance." This means that a community can ordinarily continue to spend its existing allocation for other CDBG purposes, unless needed for loan repayment.

(3) *EDI Program.* The EDI program was enacted in 1994 and is intended to complement and enhance the Section 108 Loan Guarantee program. A purpose of EDI (and BEDI) grant funds is to

further minimize the potential loss of future CDBG allocations:

(a) By strengthening the economic feasibility of the projects financed with Section 108 funds (and thereby increasing the probability that the project will generate enough cash to repay the guaranteed loan);

(b) By directly enhancing the security of the guaranteed loan; or

(c) Through a combination of these or other risk mitigation techniques.

(4) *BEDI Program.* For FY 1999, Congress has made a specific appropriation of \$25 million for the EDI program to assist in financing "brownfields" redevelopment. HUD intends the \$25 million in Brownfields EDI (BEDI) funds available pursuant to this program section of this SuperNOFA to be used with a particular emphasis upon the redevelopment of brownfield sites consistent with the statutory purpose of the FY 1999 HUD Appropriations Act. Accordingly, BEDI funds shall be used as the stimulus for local governments and private sector parties to commence redevelopment or continue phased redevelopment efforts on brownfield sites where contamination is known or suspected and a redevelopment plans exist. HUD desires to see BEDI and Section 108 funds used to finance projects and activities that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base. HUD does not encourage applications whose scope is limited only to site acquisition and/or remediation (i.e., land banking), where there is no immediately planned redevelopment.

(5) *Redevelopment Focus.* The redevelopment focus for BEDI-assisted projects is also prompted by the need to provide additional security for the Section 108 loan guarantee pursuant to 24 CFR 570.705(b)(3). While public entities are required by the Act to pledge their current and future CDBG funds as a source of security for the Section 108 loan guarantee, the public entity will usually be required to furnish additional collateral which, ideally, will be the assets financed with the Section 108 loan funds. Clearly, a redevelopment focus for the BEDI funds will help achieve this goal by enhancing the value and improving the viability of projects assisted with Section 108 financing.

(6) *Integration of Other Government Brownfield Programs.* HUD expects and encourages local governments which are designated through (a) the Federal Government's Brownfields Showcase Community program, (b) other Federal brownfields programs (e.g., EPA's

Assessment Pilot or Revolving Loan Fund programs), (c) a State-supported brownfields program, or (d) a State or local related economic development program, to integrate efforts arising from those programs in developing projects for assistance under HUD's BEDI and Section 108 programs. Applicants should elaborate upon these ties in their response to the rating factors, where appropriate (e.g. "Capacity of the Applicant," "Soundness of Approach," "Leveraging Resources," or "Comprehensiveness and Coordination,"—Rating Factors 1, 3, 4, and 5 respectively.)

(7) *Typical Project Structures.*

Provided that proposals are consistent with other CDBG requirements, including national objectives, HUD envisions that the following project structures could be typical:

(a) *Land Writedowns.* Local governments may use a combination of Section 108 and BEDI funds to acquire a brownfield site for purposes of reconveying the site to a private developer at a discount from its purchase price. This approach would provide the developer with an asset of enhanced value which could be used as collateral for other sources of funding. Such other sources of financing could be used to finance environmental remediation or other development costs. In theory, the level of BEDI assistance would approximate the difference between the original cost of the site and its remediation in comparison to the market value of the remediated property.

(b) *Site Remediation Costs.* Local governments may use BEDI funds in any of several ways to address site remediation costs. If the local government used Section 108 funds to acquire real property, BEDI funds could be used to address assessment and site remediation costs as part of demolition, clearance, or site preparation activities. If the local government used Section 108 funds to make a loan to a developer, BEDI funds could be granted to the developer for the purpose of addressing remediation costs as part of an economic development activity.

(c) *Funding Reserves.* The cash flow generated by an economic development project may be expected to be relatively "thin" in the early stages of the project, i.e. potentially insufficient cash flows to meet operating expenses and debt service obligations. The BEDI grant can make it possible for reserves to be established in a way that enhances the economic feasibility of the project.

(d) *Over-Collateralizing the Section 108 Loan.*

(i) The use of BEDI grant funds may be structured in appropriate cases so as to improve the likelihood that project-generated cash flow will be sufficient to cover debt service on the Section 108 loan and directly to enhance the guaranteed loan. One technique for accomplishing this approach is over-collateralization of the Section 108 loan.

(ii) An example is the creation of a loan pool made up of Section 108 and BEDI grant funds. The community would make loans to various businesses from the combined pool at an interest rate equal to or greater than the rate on the Section 108 loan. The total loan portfolio would be pledged to the repayment of the Section 108 loan.

(e) *Direct Enhancement of the Security of the Section 108 Loan.* The BEDI grant can be used to cover the cost of providing enhanced security. An example of how the BEDI grant can be used for this purpose is by using the grant funds to cover the cost of a standby letter of credit, issued in favor of HUD. This letter of credit will be available to fund amounts due on the Section 108 loan if other sources fail to materialize and thus will serve to protect the public entity's future CDBG funds.

(f) *Provision of Financing to For-Profit Businesses at a Below Market Interest Rate.*

(i) While the rates on loans guaranteed under Section 108 are only slightly above the rates on comparable U.S. Treasury obligations, they may nonetheless be higher than can be afforded by businesses in severely economically distressed neighborhoods. The BEDI grant can be used to make Section 108 financing affordable.

(ii) BEDI grant funds could serve to "buy down" the interest rate up front, or make full or partial interest payments, allowing the businesses to be financially viable in the early start-up period not otherwise possible with Section 108 alone. This strategy would be particularly useful where a community was undertaking a large commercial/retail project in a distressed neighborhood to act as a catalyst for other development in the area.

(g) *Combination of Techniques.* An applicant could employ a combination of these or other techniques in order to implement a strategy that carries out an economic development project.

(B) *Eligible Applicants.* Any public entity eligible to apply for Section 108 loan guarantee assistance in accordance with 24 CFR 570.702 may apply for BEDI grant assistance under section 108(q). *Eligible applicants are CDBG entitlement units of general local government and non-entitlement units*

of general local government eligible to receive loan guarantees under 24 CFR part 570, subpart M. Urban Counties, as defined at 24 CFR 570.3 and 570.307, are eligible applicants for BEDI funds; units of general local government which participate in an Urban County program are not independently eligible applicants. Non-entitlement applicants, other than those in the States of Hawaii and New York, will be required to provide proof that the State will support the related Section 108 loan with a pledge of its CDBG funds pursuant to the requirements of 24 CFR 570.705(b)(2). Note that effective January 25, 1995, non-entitlement public entities in the states of New York and Hawaii were authorized to apply to HUD for Section 108 loans (see 59 FR 47510, December 27, 1994). Thus non-entitlement public entities in all 50 states and Puerto Rico are eligible to participate in the Section 108 and BEDI programs.

(C) *Eligible Activities and National Objectives*

(1) BEDI grant funds may be used for activities listed at 24 CFR 570.703, provided such activities are carried out as part of a BEDI project as defined in Section III(A) of this BEDI section of this SuperNOFA. You are required to submit applications that seek funding for BEDI projects that will contribute to the redevelopment and revitalization of brownfields. Applications that fail to meet the requirements for a BEDI project as set forth in this SuperNOFA will not be rated by HUD.

(2) Each activity assisted with Section 108 loan guarantee or BEDI funds must meet a national objective of the CDBG program as described in 24 CFR 570.208. Applicants must clearly identify in their narrative statement (as described in Section V.(B) below) the CDBG national objective to be achieved by the proposed project and provide the appropriate CDBG national objective regulatory citation found at 24 CFR 570.208. Applicants must also address, when applicable, how the proposed activities will comply with the public benefit standards of the CDBG program as reflected in the regulation at 24 CFR 570.209 for the Entitlement program and 24 CFR 570.482 for the State CDBG program.

(3) In the aggregate, a grantee's use of CDBG funds, including any Section 108 loan guarantee proceeds and section 108(q) (EDI) funds provided pursuant to this program section of this SuperNOFA, must comply with the CDBG primary objectives requirements as described in section 101(c) of the Act

and 24 CFR 570.200(c)(3) or 570.484 in the case of State grantees.

IV. Program Requirements

(A) CDBG Program Regulations

In addition to 24 CFR 570.701 (Definitions), 570.702 (Eligible applicants), and 570.703 (Eligible activities), as explained elsewhere in this program section of the SuperNOFA, the CDBG regulatory requirements cited in 24 CFR 570.707, including subparts J (Grant Administration), K (Other Program Requirements), and O (Performance Reviews) govern the use of BEDI funds, as applicable.

(B) Compliance with Applicable Laws

Applicants are advised that an award of BEDI funding does not in any way relieve the applicant or third party users of BEDI funds from compliance with all applicable Federal, State and local laws, particularly those addressing the environment. Applicants are further advised that HUD may require evidence that any project involving remediation has been or will be carried out in accordance with State law, including voluntary clean up programs.

(C) Related Section 108 Loan Guarantee Application

(1) Each BEDI application must be accompanied by a request for new Section 108 loan guarantee assistance. Both the BEDI and Section 108 funds must be used in conjunction with the same BEDI project. The request may take any of several forms as defined below.

(a) A full application for new Section 108 loan guarantee(s), including the documents listed at 24 CFR 570.704(b).

(b) A brief description (not to exceed three pages) of a new Section 108 loan guarantee application(s). Such 108 application(s) will be submitted within 60 days of a notice of BEDI selection, with HUD reserving the right to extend such period for good cause on a case-by-case basis. BEDI awards will be conditioned on approval of actual Section 108 loan commitments. The application description must be sufficient to support the basic eligibility of the proposed project or activities for Section 108 assistance. (See Section III(C) of this program section of this SuperNOFA.); or

(c) A copy of a pending, unapproved Section 108 loan guarantee application, and any proposed amendments to the Section 108 application which are related to the BEDI application. The applicant's submission of such a BEDI/Section 108 application shall be deemed by HUD to constitute a request to

suspend separate processing of the Section 108 application. The Section 108 application will not be approved until on or after the date of the related BEDI award.

(d) A request for a Section 108 loan guarantee amendment (analogous to Section IV(C)(1)(a) or (b) of this BEDI section of the SuperNOFA) that proposes to increase the amount of a previously approved application. However, any amount of Section 108 loan guarantee authority approved *before* HUD's announcement of a BEDI grant for the same project pursuant to this SuperNOFA is not eligible to be used in conjunction with a BEDI grant under this SuperNOFA.

(2) Further, a Section 108 loan guarantee amount that is required to be used in conjunction with a prior EDI or BEDI grant award, whether or not the Section 108 loan guarantee has been approved as of the date of this SuperNOFA, is not eligible for a BEDI award under this SuperNOFA. For example, if a public entity has a previously approved Section 108 loan guarantee commitment of \$12 million, even if none of the funds have been utilized, or if the public entity had previously been awarded an EDI grant of \$1 million and had certified that it will submit a Section 108 loan application for \$10 million in support of that EDI grant, the public entity's application under this program section of this SuperNOFA must propose to increase the amount of its total Section 108 loan guarantee commitments beyond those amounts (the \$12 million or \$10 million in this example) to which it has previously agreed.

(D) Limitations on Use of BEDI and Section 108 Funds

Certain restrictions shall apply to the use of BEDI and Section 108 funds:

(1) BEDI grants shall not be used as a resource to immediately repay the principal of a loan guaranteed under Section 108. Repayment of principal is only permissible with BEDI grant funds as a matter of security if other sources projected for repayment of principal prove to be unavailable.

(2) You should not use Section 108 funds to finance activities which also include financing generated through the issuance of federally tax exempt obligations. Pursuant to Office of Management and Budget (OMB) Circular A-129 (Policies for Federal Credit Programs and Non-Tax Receivables), Section 108 guaranteed loan funds may not directly or indirectly support federally tax-exempt obligations.

(3) HUD will not consider for funding any BEDI proposal in which the related Section 108 loan guarantee would be used solely as security. BEDI funds are to be used to support and enhance activities financed with Section 108 loan guarantee proceeds from HUD's interim lending or public offering mechanisms and thereby leverage greater use of the Section 108 program. Awarding BEDI funds to a project which would use the Section 108 guarantee only as a security guarantee for other financing can be tantamount to making a simple grant to the project and thereby fails to fulfill the goals of the BEDI program.

(4) BEDI grant funds shall not be used in any manner by grantees to provide public or private sector entities with funding to remediate conditions caused by their actions, where the public entity (or other known prospective beneficiary of the proposed BEDI grant) has been determined responsible for causation and remediation by order of a court or a Federal, State, or local regulatory agency, or is responsible for the remediation as part of a settlement approved by such a court or agency.

(5) Applicants may not propose projects on sites which are listed or proposed to be listed on EPA's National Priority List (NPL). Further, applicants are cautioned against proposing projects on sites where the nature and degree of environmental contamination is not well quantified or which are the subject of on-going litigation or environmental enforcement action.

(E) Limitations on Grant Amounts

(1) HUD expects to approve BEDI grant amounts for approvable applications at a range of ratios of BEDI grant funds awarded to new Section 108 loan guarantee commitments but the minimum ratio will be \$1 of Section 108 loan guarantee commitments for every \$1 of BEDI grant funds. However, if you propose a leverage ratio of 1:1, your application will not receive any points under the Rating Subfactor 4(1): "Leverage of Section 108 Funds."

For example, if you request a BEDI grant of \$1 million, you will be required to leverage a minimum of at least \$1 million in new Section 108 loan guarantee commitments. Of course, even though there is a minimum ratio of 1:1, applications with higher ratios will receive more points under Rating Factor 4, "Leveraging Resources/Financial Need" and, all other things being equal, will be more competitive. You are encouraged to propose projects with a greater leverage ratio of new Section 108 to BEDI grant funds (assuming such projects are financially viable). For

example \$1 million of BEDI could leverage \$12 million of new Section 108 loan commitments. HUD intends that the BEDI funds will be used for projects that leverage the greatest possible amount of Section 108 loan guarantee commitments. Because a fundable application is competitive in part because of the applicant's proposed ratio of BEDI funds to funds guaranteed by a Section 108 loan guarantee, HUD will condition a BEDI grant award on the grantee's achievement of that specific ratio. Your failure to meet that condition by obtaining timely HUD approval of a commitment for, and issuance of, the required Section 108 guaranteed obligations ratio may result in the cancellation and recapture of all or a proportionate share of the BEDI grant award.

(2) HUD will cap BEDI awards at a maximum of \$2 million. Any application in excess of \$1 million may be reduced below the amount requested by the applicant if HUD determines that such a reduction is appropriate.

(3) In the event you are awarded a BEDI grant that has been reduced below the original request (e.g., your application contained some activities that were ineligible or there were insufficient funds to fund the last competitive application at the full amount requested), you will be required to modify your project plans and application to conform to the terms of HUD approval before execution of a grant agreement. HUD also will proportionately reduce or deobligate the BEDI award if you do not submit an approvable Section 108 loan guarantee application on a timely basis (including any extension authorized by HUD) in the amount required by the BEDI/108 leveraging ratio, which will be approved by HUD as a special condition of the BEDI grant award (see Section IV(E)(1) above of this program section of the SuperNOFA). Any modifications or amendments to your application approved pursuant to this SuperNOFA, whether requested by you or by HUD, must be within the scope of the approved original BEDI application in all respects material to rating the application, unless HUD determines that your revised application remains within the competitive range and is otherwise approvable under this SuperNOFA competition.

(4) In the case of requested amendments to a previously approved Section 108 loan guarantee commitment (as further discussed in section IV(C)(1)(d) above), the BEDI assistance approved will be based on the increased amount of Section 108 loan guarantee assistance.

(5) Pursuant to another portion of this SuperNOFA, HUD is simultaneously announcing the availability of up to \$35 million of EDI funds. While HUD will permit you to pursue BEDI and EDI funds for the same project, HUD requires that your BEDI and EDI applications (and components contained in the applications) be independent of one another. Thus, each application should have an identifiable amount of Section 108 funding associated with its respective request for EDI and BEDI funds, for purposes of determining the leverage of Section 108 funding to the corresponding amount of EDI or BEDI funds requested. Further, the proposed amount of Section 108 borrowing associated with either the BEDI or EDI grant must not be used to determine leverage of other financial sources under Rating Subfactor 4(3). Further, if you seek both BEDI and EDI funds for the same project, you must include, in your response to Rating Factor 3 and the "Financial feasibility" portion of Rating Factor 4, a discussion of how your project can be financed and implemented if you fail to obtain either BEDI or EDI funds under this SuperNOFA.

(F) Timing of Grant Awards

(1) To the extent you submit a full Section 108 application with the BEDI grant application, HUD will evaluate your Section 108 application concurrently with your request for BEDI grant funds. Note that BEDI grant assistance cannot be used to leverage a Section 108 loan guarantee approved prior to the date of HUD's announcement of a BEDI grant pursuant to this SuperNOFA. However, the BEDI grant may be awarded prior to HUD approval of the Section 108 commitment if HUD determines that such award will further the purposes of the Act.

(2) HUD's notice to you of the amount and conditions of BEDI funds awarded, based upon review of the BEDI application, constitutes an obligation of grant funds, subject to compliance with the conditions of award and execution of a grant agreement. BEDI funds will not be disbursed to the public entity before the issuance of the related Section 108 guaranteed obligations.

(G) Economic Opportunities for Low and Very Low-Income Persons (Section 3)

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is applicable to BEDI grant recipients. Please see Section II(E) of the General Section of the SuperNOFA.

V. The Application Selection Process

(A) Rating and Ranking

(1) Each rating factor and the maximum number of points is provided below. The maximum number of points to be awarded is 102. This includes two EZ/EC bonus points as described in the General Section of the SuperNOFA, or two bonus points for having received a Federal designation as a Brownfields Showcase Community. (Please note that in any event, the maximum number of bonus points is limited to a total of two (2).)

(2) Once scores are assigned, HUD will rank all applications in order of points assigned, with the applications receiving more points ranking above those receiving fewer points. Applications will be funded in rank order.

(3) Prior to award, if HUD determines that an application rated, ranked and fundable could be funded at a lesser BEDI grant amount than requested consistent with feasibility of the funded project or activities and the purposes of the Act, HUD reserves the right to reduce the amount of the BEDI award and/or increase the Section 108 loan guarantee commitment, if necessary, in accordance with such determination. An application in excess of \$1 million may be reduced below the amount requested by the applicant if HUD determines that such a reduction is appropriate.

(4) HUD may decide not to award the full amount of BEDI grant funds available under this program section of this SuperNOFA and may make any remaining amounts available under a future SuperNOFA.

(5) HUD desires to fund projects which will quickly produce demonstrable results. BEDI grant awards will contain conditions requiring you to adhere to your stated timeframes for implementing your proposed projects and drawing Section 108 and EDI funds. Failure to adhere to these schedules may be cause for HUD to recapture the BEDI funds.

(B) Narrative Statement

(1) Provide a narrative statement describing the activities that you will carry out with the BEDI grant funds, explaining the nature and extent of the Brownfield's problems(s) affecting the project. Your narrative statement must not exceed three (3) 8.5" by 11" pages for the description of the activities to be carried out with the BEDI grant funds.

(2) Describe how your proposed uses of BEDI funds will meet the national objectives for the CDBG program under 24 CFR 570.208 and qualify as eligible

activities under 24 CFR 570.703. You must include citations to the specific regulatory subsections supporting eligibility and national objectives. (See Section III(C) of this program section of this SuperNOFA.)

(3) Respond to the rating factors below. Each of the listed rating factors (or, where applicable, each subfactor) below also has a separate page limitation specified.

(4) Print your narrative statement in 12 point type/font, and use sequentially numbered pages.

(C) Factors for Award Used to Evaluate and Rate Applications

HUD will consider your application for selection based on the following factors that demonstrate the quality of your proposed project or activities, and your creativity, capacity and commitment to obtain maximum benefit from the BEDI funds, in accordance with the purposes of the Act.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (15 Points)

[Your response to this factor is limited to three (3) pages.]

This factor addresses the extent to which you have the organizational resources necessary to successfully implement the proposed activities in a timely manner. The rating of the "applicant" or the "applicant's organization and staff" for technical merit or threshold compliance, unless otherwise specified, will include any subcontractors, consultants, subrecipients, and members of consortia that are firmly committed (i.e. have a written agreement or a signed letter of understanding with you agreeing in principle to their participation and role in the project). In rating this factor, HUD will consider the following:

(1) With regard to the BEDI/Section 108 project you propose, you should demonstrate that you have the capacity to implement the specific steps required to successfully carry out the proposed BEDI/Section 108 project. This includes factors such as your:

(a) Performance in the administration of your CDBG, HOME or other programs;

(b) Previous experience, if any, in administering a Section 108 loan guarantee;

(c) Performance and capacity in carrying out economic development projects;

(d) Performance and capacity to carry out Brownfields redevelopment projects;

(e) Ability to conduct prudent underwriting;

(f) Capacity to manage and service loans made with the guaranteed loan funds or previous EDI or BEDI grant funds;

(g) Capacity to carry out your projects and programs in a timely manner; and,

(h) If applicable, your capacity to manage projects under this program section of this SuperNOFA along with any federal funds awarded as a result of a federal urban Empowerment Zone/Enterprise Community designation (including Enhanced Enterprise Community (EEC) designations).

(2)(a) If you have previously received an EDI or BEDI grant award(s), you must describe the status of the implementation of those project(s) assisted with EDI or BEDI funds, any delays that have been encountered and the actions you are taking to overcome any such delays in order to carry out the project in a timely manner. For such previously funded EDI or BEDI grant projects, HUD will consider the extent to which you have used the awarded EDI or BEDI grant funds and the associated Section 108-guaranteed loan funds.

(b) Further, if you have EDI or BEDI funds and related Section 108 loan guarantee authority available as a result of earlier HUD awards and commitments for activities such as (but not limited to) economic development loan funds, community development banks, and community and individual investment corporations, you should use those existing financial resources before applying for additional BEDI or EDI funds and Section 108 commitments. If HUD determines that you could fund your project from such existing resources, HUD will reduce your score under this rating factor to 0.

(3) The capacity of subrecipients, nonprofit organizations and other entities that have a role in implementing your proposed program will be included in this review. HUD also may rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making its determination under this factor.

Rating Factor 2: Distress/Extent of the Problem (15 Points)

[Your response to this factor is limited to three (3) pages.]

This factor addresses the extent to which there is need for funding your proposed activities based on levels of distress, and an indication of the urgency of meeting the need/distress in your target area.

(1) In applying this factor, HUD will consider current levels of distress in the immediate community to be served by

your project and the jurisdiction applying for assistance. If you are able to indicate a level of distress in the immediate project area that is greater than the level of distress in your jurisdiction as a whole, HUD will give your application a higher score under this factor than other applications that do not. HUD requires you to use sound and reliable data that is verifiable to support the level of distress you claim in your application. You must provide a source for all information you cite and indicate the publication date or origination date of the data.

(2) In previous EDI competitions, the poverty rate was often considered the best indicator of distress. You must provide the poverty rate for your jurisdiction as a whole and for the areas to be served and/or where the BEDI/Section 108-funded project is located; however, in addition, you may demonstrate the level of distress with other factors such as income levels and unemployment rates.

(3) To the extent that your Consolidated Plan and its Analysis of Impediments to Fair Housing choice (AI) identifies the level of distress in the community and the neighborhood in which your project is being carried out, you should include references to such documents in preparing your response to this factor. Also, you should discuss the extent to which the analysis of impediments identifies unhealthy environmental conditions, such as contaminated soil and/or water and how such conditions negatively impact your target neighborhood.

Rating Factor 3: Soundness of Approach (25 Points)

[Your response to this factor is limited to three (3) pages.]

This factor addresses the quality and cost-effectiveness of your proposed plan. There must be a clear relationship between the proposed activities, community needs and purposes of the program funding for you to receive points for this factor. In rating this factor, HUD will consider the following:

(1) The quality of your plan/proposal for using BEDI funds and Section 108 loan funds, including the extent to which your proposed plan for effective use of BEDI grant/Section 108-guaranteed loan funds will address the needs you described in Rating Factor 2 above regarding the distress and extent of the problem in your immediate community and/or jurisdiction. As part of the response to this factor, you should identify the eligible activities you will carry out and fully describe how your project will achieve a CDBG national objective. You should make

substantial efforts to demonstrate how your proposed project would mitigate or otherwise address the distress you identified in Rating Factor 2 above.

(2) The extent to which your plan is logically, feasibly, and substantially likely to achieve your stated purpose. HUD's desire is to fund projects and activities that will quickly produce demonstrable results and advance the public interest including the number of jobs to be created by the project. You should demonstrate that you have a clear understanding of the steps required to implement your project, the actions that you and others responsible for implementing the project must complete. You must include a reasonable time schedule for carrying out your project. The application kit contains a timeline form that you must use to indicate your project timing.

(3) The extent to which your response to this factor takes into account certain site selection, planning, and environmental issues. Further, you are cautioned against proposing projects on sites where the nature and degree of environmental contamination is not well quantified or that are the subject of on-going litigation or environmental enforcement. Sites with unknown or exceptionally expensive contamination problems may be beyond the scope of the BEDI program's financial resources, and sites subject to pending and current litigation may not be available for remediation and development in a timeframe consistent with HUD's desire for rapid progress in the use of BEDI and Section 108 funds.

(4) The extent to which your projects will integrate environmental justice concerns and provide demonstrable benefits for affected communities and their residents. The BEDI program is intended to promote the clean up and redevelopment of brownfield sites.

(5) The extent to which your proposed project addresses your Analysis of Impediments and the needs identified in Rating Factor 2; the extent to which such project activities will result in the physical and economic improvement for the residents in the neighborhood in which your project will be carried out; the extent to which you will offer residents an opportunity to relocate to environmentally healthy housing or neighborhoods; or the extent to which residents will benefit from the funded project to enable them to continue to live in a redeveloped or revitalized neighborhood and thus share in the anticipated economic benefits and environmental improvements your project is expected to generate.

(6) The extent to which your project incorporates one or more elements that

facilitate a successful transition of welfare recipients from welfare to work. Such an element could include, for example, linking your proposed project or loan fund to social and/or other services needed to enable welfare recipients to successfully secure and carry out full-time jobs in the private sector; provision of job training to welfare recipients who might be hired by businesses financed through the proposal; and/or incentives for businesses financed with BEDI/section 108 funds to hire and train welfare recipients.

(7) Due to an order of the U.S. District Court for the Northern District of Texas, Dallas Division, with respect to any application submitted by the City of Dallas, Texas, HUD's consideration of the response to this factor, "Soundness of Approach" will include the extent to which Dallas' plan for BEDI funds and Section 108 loans will speed eradication of the vestiges of racial segregation in the Dallas Housing Authority's programs consistent with the Court's order. Up to two (2) additional points will be awarded to any application submitted by the City of Dallas, Texas, to the extent this subfactor is addressed.

Rating Factor 4: Leveraging Resources/ Financial Need (35 Points)

[Page limits for the response to this factor are listed separately for each subfactor under this factor.]

In evaluating this factor, HUD will consider the extent to which your response demonstrates the financial need and feasibility of your project and the leverage ratio of Section 108 loan proceeds to BEDI grant funds. This factor has three subfactors, each with its own maximum point total:

(1) *Leverage of Section 108 funds* (20 points). [Your response to this subfactor is limited to one (1) page.] The minimum ratio of Section 108 funds to BEDI funds in any project may not be less than 1:1. The extent to which your proposed project leverages an amount of Section 108 funds beyond the 1:1 ratio will be considered a positive factor. If you have a ratio of 1:1, your application will not receive any points under this subfactor. If you use your BEDI grant to leverage more new Section 108 commitments, your application will receive more points under this subfactor.

(2) *Financial feasibility* (10 points). [Your response to this subfactor is limited to three (3) pages.] HUD will consider the extent to which you demonstrate that your project is financially feasible. In responding to this subfactor, you must clearly address the question of why the BEDI funds are

critical to the success of your project. This may include factors such as:

(a) Project costs and financial requirements. You should provide a funding sources and uses statement (not included in the 3 page narrative limit), as well as justifications for project costs.

(b) The amount of any debt service or operating reserve accounts you will establish in connection with your economic development project.

(c) The reasonableness of the costs of any credit enhancement you pay with BEDI grant funds.

(d) The amount of program income (if any) you will receive each year during the repayment period for the guaranteed loan.

(e) Interest rates on those loans to third parties (other than subrecipients) (either as an absolute rate or as a plus/minus spread to the Section 108 rate).

(f) Underwriting criteria that you will use in determining project feasibility.

(3) *Leverage of other financial resources* (5 points). [Your response to this subfactor is limited to one (1) page plus supporting documentation evidencing third party commitment (written and signed) of funds.] HUD will evaluate the extent to which you leverage other funds (public or private) with BEDI grant funds and section 108 guaranteed loan funds, and the extent to which such other funds are firmly pledged to the project. This could include the use of CDBG funds, other Federal or state grants or loans, your general funds, project equity or commercial financing provided by private sources or funds from non-profits or other sources. Funds will be considered pledged to your project if there is evidence of the third party's written commitment to make the funds available for the BEDI/108 project, subject to approval of the BEDI and Section 108 assistance and completion of any environmental clearance required under 24 CFR part 58 for the project. Note that with respect to CDBG funds, your pledge of your CDBG funds will be considered sufficient commitment.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

[Your response to this factor is limited to two (2) pages.]

This factor addresses the extent to which you have coordinated your activities with other known organizations; you participate or promote participation in your or a State's Consolidated Planning process; and you are working towards addressing a need in a comprehensive manner through linkages with other activities in the community.

In evaluating this factor, HUD will consider the extent to which you demonstrate you have:

(1) Coordinated your proposed activities with those of other groups or organizations before submitting your application, in order to best complement, support and coordinate all known activities; and developed specific steps to share information on solutions and outcomes with others. Describe any written agreements, memoranda of understanding in place, or that will be in place after award.

(2) Developed linkages, or specific steps to develop linkages with other activities, programs or projects (through meetings, information networks, planning processes or other mechanisms to coordinate your activities), so that solutions are holistic and comprehensive. Describe any linkages with other HUD-funded projects/ activities outside the scope of those covered by the Consolidated Plan, as well as established linkages and outreach with residents of your project area.

(3) Coordinated your efforts with other Federal, State or locally supported activities, including EPA's various Brownfields initiatives, and those proposed or on-going in the community.

VI. Application Submission Requirements

(A) Public entities seeking BEDI assistance must make a specific request for that assistance, in accordance with the requirements of this program section of this SuperNOFA.

(B) You must submit an original and one copy of the items listed below to HUD Headquarters (see the section "Addresses For Submitting Applications in this program section of this SuperNOFA). In addition, you must submit one additional copy directly to the Community Planning and Development Division of the appropriate HUD Field Office for your jurisdiction.

(C) Your BEDI application consists of the following items:

(1) Your transmittal letter;
 (2) Table of contents;
 (3) Application check list (supplied in application kit);
 (4) A request for loan guarantee assistance under Section 108, as further described in Section IV(C) of this program section of this SuperNOFA. Application guidelines for the Section 108 program are found at 24 CFR 570.704;

(5) As described in Section V(B) of this program section of this SuperNOFA, a narrative statement (3 page limit) describing the activities that

you will carry out with the BEDI grant funds;

(6) Responses to each of the rating factors (within the page limits provided for each factor or subfactor as applicable);

(7) Completion of a funding sources and uses statement and a BEDI and Section 108 eligibility statement (see the application kit);

(8) Written agreements or signed letters of understanding in support of Rating Factor 1: "Capacity of the Applicant and Relevant Organizational Experience;"

(9) Signed third party commitment letters pledging funds in support of subfactor 4(2): "Leverage of other financial resources;"

(10) In addition to the certifications specified in section II(G) of the General Section of this SuperNOFA, the forms and certifications required at 24 CFR 570.704(b)(3), (b)(4), (b)(8)(i), (b)(8)(ii), (b)(8)(vi), (b)(8)(vii), (b)(8)(viii), (b)(8)(x), and (b)(9); and

(11) Acknowledgement of Application Receipt form.

(D) A single application must contain a request for funds for a single BEDI project. You may submit more than one application for each additional unrelated BEDI project. Each application will be rated and ranked individually. In no event will HUD rate and rank more than one BEDI project per application.

(E) Your application must meet all of the applicable threshold requirements of Section II.B. of the General Section of this SuperNOFA.

VII. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

VIII. Environmental Requirements

(A) Environmental Review

After the completion of this competition and after HUD's award of BEDI grant funds, pursuant to 24 CFR 570.604, each project or activity assisted under this program is subject to the provisions of 24 CFR part 58, including limitations on the EDI grant and Section 108 public entity's commitment of HUD and non-HUD funds prior to the completion of environmental review, notification and release of funds. HUD will not release such assistance until you submit a request for release of funds and you satisfy the requirements of 24 CFR part 58. All public entities, including nonentitlement public entities, must submit the request for release of funds and related certification, pursuant to 24 CFR part 58, to the appropriate HUD field office for each project to be assisted.

(B) Environmental Justice

(1) Executive Order 12898 (Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations directs Federal agencies to develop strategies to address environmental justice. Environmental justice seeks to rectify the disproportionately high burden of environmental pollution that is often borne by low-income, minority, and other disadvantaged communities, and to ensure community involvement in policies and programs addressing this issue.

(2) Brownfields are often located in distressed neighborhoods, contribute to neighborhood blight, and lower the quality of social, economic, and environmental health of communities. The BEDI program is intended to promote the clean up and redevelopment of brownfield sites and, to this end, HUD expects that projects presented for BEDI funding will integrate environmental justice concerns and provide demonstrable benefits for affected communities and their residents.

IX. Authority

Section 108(q), Title I, Housing and Community Development Act of 1974, as amended, (42 U.S.C. 5301-5320); 24 CFR part 570.

BILLING CODE 4210-32-P

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**SELF-HELP HOMEOWNERSHIP
PROGRAM (SHOP)**

Funding Availability for Self-Help Homeownership Opportunity (SHOP) Program

Program Overview

Purpose of the Program. To facilitate and encourage innovative homeownership opportunities through self-help housing where the homebuyer contributes a significant amount of sweat-equity toward the construction of the new dwelling.

Available Funds. \$20,000,000.

Eligible Applicants. You must be a nonprofit national or regional organization or consortium.

Application Deadline. April 29, 1999.

Match. None.

Additional Information

If you are interested in applying for funding under this program, please review carefully the General Section of this SuperNOFA and the following additional information:

I. Application Due Date, Standard Forms, Further Information, and Technical Assistance

Application Due Date. Applications for SHOP grants must be physically received by HUD on or before 12:00 midnight Eastern Time on April 29, 1999.

See the General Section of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

Address for Submitting Applications. Submit one original and two copies of the application to Department of Housing and Urban Development, Office of Community Planning and Development, Processing and Control Unit, 451 Seventh Street, SW, Room 7251, Washington, DC 20410, ATTN: Self-Help Program.

Standard Forms. No kit will be made available. For copies of the standard forms, please call HUD's SuperNOFA Information Center at: 1-800-HUD-8929. Please refer to the "Self-Help Program" in your request.

Further Information. Further information and technical assistance is available from Joan Morgan, Office of Affordable Housing Programs, Department of Housing and Urban Development, room 7168, 451 Seventh Street, SW, Washington, DC 20410; telephone (202) 708-3226, ext. 2213; (this is not a toll-free number). This number can be accessed via TTY by calling the Federal Information Relay Service Operator at 1-800-877-TDDY (1-800-877-8339).

II. Amount Allocated

The amount available for this program is \$20,000,000

III. Program Description; Eligible Applicants; Eligible Activities

(A) Program Description

SHOP is intended to facilitate and encourage innovative homeownership opportunities on a national geographically-diverse basis through self-help housing where the homebuyer contributes a significant amount of sweat-equity toward the construction or rehabilitation of the dwelling.

Decent, safe, and sanitary non-luxury dwellings developed under SHOP must be made available to eligible homebuyers at prices below the prevailing market prices. Eligible homebuyers are low-income families (families whose annual incomes do not exceed 80 percent of the median income for the area, as established by HUD) who are unable to purchase a dwelling. Housing assisted under this Notice must involve community participation through the use of homebuyers and/or volunteers in the construction of dwellings and by other activities which involve the community in the project.

(B) Eligible Applicants

You must be a nonprofit national or regional organization or consortium that has the capacity and experience to provide or facilitate self-help housing homeownership opportunities. Local affiliates of national or regional organizations or consortia must apply as part of the national or regional organization and may not apply for SHOP independently. "Regional" is defined for the purpose of this program section of the SuperNOFA to be a "regional area" such as the Southwest or Northeast which must include at least two or more States (the States need not be contiguous and the operational boundaries of the organization need not precisely conform to State boundaries). If you are a consortium, one organization must be chosen as the lead entity. The lead entity must submit the application and, if selected for funding, will execute the grant agreement and assume primary responsibility for carrying out grant activities in compliance with all program requirements. Other participants in your consortium must be identified in your application.

Your application may not propose a partnership with or funding for any affiliate or consortium member which is also included in another SHOP application. You must assure that any affiliate, consortium member, or

potential subrecipient under your FY 1999 application is not also seeking funding from another SHOP applicant for FY 1999 funds.

(C) Eligible Activities

The only eligible activities are land acquisition (including financing and closing costs), infrastructure improvement (installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure, including removal of environmental hazards), and administration, planning and management development (as defined under the HOME Investment Partnerships Program (24 CFR Part 92.207) and not to exceed 20 percent of any SHOP grant). Costs associated with the rehabilitation, improvement, or construction of dwellings are *not eligible* uses of program funds.

IV. Program Requirements

In addition to the program requirements listed in the General Section of this SuperNOFA, you are subject to the following SHOP requirements:

(A) Statutory Requirements

You must comply with all statutory requirements applicable to SHOP as cited in Section VIII below. There are no regulations for this program. You must be capable of:

- (1) Developing, through significant amounts of sweat-equity and volunteer labor, at least 30 dwellings at an average cost of no more than \$10,000 per unit in SHOP funds;
- (2) Using your grant to leverage other sources of funding, including private or other public funds;
- (3) Developing quality dwellings that comply with local building and safety codes and standards and which will be available to homebuyers at prices below the prevailing market price; and
- (4) Scheduling activities to expend all grant funds awarded and substantially fulfill your construction obligations under your grant agreement within 24 months after grant funds are first made available to you.

(B) Economic Opportunities for Low and Very Low-Income Persons (Section 3)

If you fund infrastructure improvements under this program, you are required to comply with Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u (Economic Opportunities for Low and Very Low-Income Persons) and the HUD regulations at 24 CFR part 135, including the reporting requirements subpart E. Section 3 requires that you

provide training, employment and other economic opportunities, to the greatest extent feasible, to (1) low and very low income persons, particularly those who are recipients of government assistance for housing and (2) business concerns which provide economic opportunities to low and very low income persons.

V. Application Selection Process

(A) Rating

HUD will review all applications in accordance with the Application Selection Process in the General Section of this SuperNOFA. HUD will review all applications based on the threshold factors listed in Section V.(C) below. Applications which meet all threshold requirements will be rated according to the selection factors in this section of the SuperNOFA. Applications which do not meet all threshold factors will be rejected and will not be rated.

(B) Ranking and Selection Procedures

Applications that receive a total rating of 60 points or more (without the addition of EC/EZ bonus points) will be eligible for selection, and HUD will place them in rank order. After adding any bonus points for EC/EZ, HUD will select these applications based on rank order, up to and including the last application that can be funded, up to amount of funding available.

HUD reserves the right to fund less than the full amount requested in any application to ensure fair distribution of the funds and that dwellings will be developed on a national geographically-diverse basis as required by the statute. HUD may choose not to fund portions of your application that are ineligible for funding under program statutory requirements, or which do not meet the requirements of the General Section of this SuperNOFA or the requirements in the SHOP section of the SuperNOFA, and fund eligible portions of your applications. HUD will not fund any eligible applicant for less than the minimum amount necessary to complete at least 30 homes (at a maximum of \$10,000 per home or a lesser amount if lower costs are reflected in the application). If funds remain after all selections have been made, these funds may be available for other competitions.

(C) Threshold Requirements

The following threshold requirements apply specifically to SHOP. You must also be sure to address the threshold requirements listed in the General Section of the SuperNOFA and must submit all forms, certifications, and

assurances identified in the General Section.

(1) You, the applicant, must be eligible to apply under SHOP (see Section III(B) of this program section of the SuperNOFA.

(2) The amount of funding you request must support no less than 30 self-help units and may not exceed an average amount of \$10,000 per unit.

(3) The population you plan to serve must be eligible under SHOP (see Section III(A) of this program section of the SuperNOFA.

(4) You must demonstrate that you have completed at least 30 self-help homeownership units within a national or regional area (where the homebuyers contributed a significant amount of sweat-equity and/or volunteer labor toward the construction of the dwellings) within the 24 month period preceding the publication of this SuperNOFA.

Submission Requirements for Thresholds:

(1) Evidence of your non-profit status, such as a copy of a current Internal Revenue Service ruling that your organization is exempt from taxation under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986. Where an IRS ruling is unavailable, you may submit a certified copy of your approved charter, articles of incorporation or bylaws demonstrating that you are established as a nonprofit organization under state law. If you are a consortium, each participant in your consortium must be a nonprofit organization, but only the lead entity should submit evidence of its nonprofit status. However, the lead entity must maintain a copy of the above-described documentation for each participant in your consortium.

Submission requirements (2) through (4) require no additional submissions, these requirements are addressed under the submission requirements for the rating factors listed in Section V(D) of this program section of the SuperNOFA below.

(D) Factors for Award Used to Evaluate Applications

HUD will rate all SHOP applications that successfully complete technical processing using the Rating Factors and the Application Submission Requirements described below. The maximum number of points for this program is 102. This includes two EZ/EC bonus points, as described in the General Section of the SuperNOFA.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff (20 Points)

This factor examines the extent to which you, as a single applicant or as a consortium (including sub-recipients and/or members of the consortium, if any), have the experience and organizational resources necessary to carry out the proposed activities in a timely manner.

In evaluating this factor, HUD will consider your recent and relevant experience in carrying out the activities you propose, and your administrative ability, and fiscal management ability. HUD may also rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making its determination under this factor. If you are not a current recipient of HUD funds, you may submit evidence of internal or external performance reports or other information which will assist HUD in making this determination.

Submission Requirements for Factor 1

(1) You must describe your past experience in carrying out activities that are the same as, or similar to, the activities you propose for funding, and demonstrate reasonable success in carrying out those activities. You may demonstrate such reasonable success by showing that your previous activities were carried out as proposed and in a timely manner. You must show that established benchmarks were met and performance reports were prepared, as required. You must also describe any delays that were encountered, and the actions you took to overcome such delays to successfully complete your program.

(2) You must demonstrate that you have completed at least 30 self-help homeownership units within a national or regional area (where the homebuyers contributed sweat-equity and/or volunteer labor toward the construction of the dwellings) within the 24 month period preceding the publication of this SuperNOFA.

(3) You must provide a description of your management structure. You must also describe how you will staff and manage your proposed activities.

(4) You must demonstrate your ability to handle financial resources with adequate financial control and accounting procedures. Your existing financial control procedures must meet 24 CFR Part 84.21, "Standards for Financial Management Systems". You must provide a copy of your most recent audit (only an audit of the lead entity

must be provided with an application for a consortium).

(5) You must demonstrate your experience and ability in constructing and altering homes with accessibility features, when necessary.

Rating Factor 2: Need/Extent of the Problem (15 Points)

This factor examines the extent to which you identify the community need, or problem, or distress that your proposed activities will target, and the urgency of meeting that need.

The purpose of this factor is to make sure that funding is provided where a need for funding exists. Under this factor, you must identify the need or needs in the community that your proposed activities are designed to address or, if you plan to select specific subrecipients only after you receive SHOP funding, you must demonstrate how you plan to identify need prior to your selection of any subrecipients.

Submission Requirements for Factor 2.

(1) Identify the communities or areas in which your proposed activities will be carried out or how you will select communities or projects based on need after you have received an award under SHOP.

(2) Depending on the type of activities proposed, the kind of information you submit to demonstrate the need or needs in the target area may include, but is not limited to, one or more of the following:

(a) Housing market data such as information included in the local Five Year Comprehensive Plan or other data sources;

(b) Data dealing with such factors as housing density, housing affordability, housing age or deterioration, and lack of adequate infrastructure or utilities;

(c) Data on the need for accessible homes in the area;

(d) Evidence of housing discrimination;

(e) Evidence from the local Analysis of Impediments to Fair Housing Choice which shows the need for this program.

Rating Factor 3: Soundness of Approach (40 Points)

This factor examines the quality of your plan of proposed activities. In evaluating this factor HUD will consider the specificity in your plan; your established benchmarks for performance; your schedule; your proposed budget and the cost effectiveness of your program; and your plans to reach all potentially-eligible homebuyers, including those with disabilities or least-likely to apply.

In addition, HUD will consider how your planned activities further one or

more of the policy priorities of the Department. Department policy priorities are: (i) Affirmatively furthering fair housing by promoting greater opportunities for housing choice for all segments of the population regardless of race, color, religion, national origin, sex, familial status and disability; (ii) Promoting healthy homes; (iii) Providing opportunities for self-sufficiency, particularly for persons enrolled in Welfare to Work programs; (iv) Providing educational and job training opportunities through such initiatives as Neighborhood Networks, and linking programs to AmeriCorps activities; and (v) Enhancing on-going efforts to eliminate drugs and crime from neighborhoods through program policy efforts such as "One Strike and You're Out" or the "Officer Next Door" initiative.

Submission Requirements for Factor 3.

(1) You must identify all activities you propose to fund with SHOP.

(2) Provide a timetable for the selection of your participating local affiliates or partners, if they are not specified in the application.

(3) You must submit a construction and completion schedule which expends SHOP funds within 24 months.

(4) List the benchmarks against which HUD is to measure your performance progress in expending funds, completing activities, and substantially fulfilling the obligations of SHOP.

(5) Describe how your proposed activities address the need or needs you have identified under Factor 2, above.

(6) List the long and short term benefits from your activities to the community and targeted groups within the community, and describe how you will ascertain and measure the benefits.

(7) Provide a detailed budget with a break-out for each proposed task and each budget category in the SF-424A.

(8) Demonstrate that projected costs for the proposed activities do not deviate substantially from the norm in the locale in which your activities will take place, will not exceed an average cost of \$10,000 per home in SHOP funds, and your ability to carry out your proposed activities cost effectively.

(9) Describe how the policy priorities of the Department are furthered by your proposed activities.

(10) Describe how you will reach potential homebuyers through the use of services and materials that are accessible or visitable to all persons, including persons with disabilities (e.g., languages, formats, locations, distribution, use of minority media to attract those least likely to apply).

(11) Describe how activities will benefit eligible homebuyers and your selection factors for participating homebuyers.

(12) Describe how your proposed activities will yield long-term results and innovative strategies or "best practices" that can be readily disseminated to other organizations, communities, and/or State and local governments.

Rating Factor 4: Leveraging Resources (15 Points)

This factor addresses your ability to secure other resources that can be combined with HUD's program resources to achieve the purposes of SHOP. HUD will consider the extent to which you document firm commitments of resources in the form of cash funding, in-kind contributions, or personnel from Federal, State, local, and private sources, who are jointly referred to as your leverage partners. HUD will also consider the extent that the applicant's proposed sweat-equity requirements and other leveraged resources will serve to reduce costs to the homebuyers.

Submission Requirements for Factor 4.

(1) Provide a list of amounts and sources of all firm commitments of cash funding, in-kind contributions, or personnel from other Federal, State, local, and private sources which will be available to complete your project. Together with the grant funds, these commitments must be sufficient to develop not less than 30 units.

(2) Provide copies of written evidence to support your list of firm commitments from the source of the commitment. There must be a written agreement to provide the resources. The written agreement may be contingent upon you receiving a grant award.

(3) You must provide a description of the individual sweat-equity requirements of your program and how this contribution of labor will serve to reduce the costs of the home to the homebuyer. Reasonable accommodation must be allowed for persons with a variety of disabilities to participate in your program.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which your application reflects a coordinated, comprehensive approach to identifying community needs and addressing them on an ongoing basis. In evaluating this factor, HUD will consider:

(1) The extent to which you demonstrate the support and participation of the community's

residents, organizations, businesses, and government in the design and implementation of the proposed activities.

(2) The specific steps you will take to share information on solutions, outcomes, and best practices resulting from the activities, if funded.

(3) The specific steps you have taken or will take to coordinate, through meetings, information networks, planning processes, or other mechanisms, your activities with other proposed or on-going activities in the community funded by Federal, State, local, or private sources.

Submission Requirements for Factor 5

(1) Describe what role residents, community leaders and organizations, and government and private entities in the targeted community have had, or will have, in planning the activities described in your application and what role they will have in carrying out such activities.

(2) Describe how you will share with others information on solutions and outcomes resulting from the activities, if funded.

(3) Describe the specific steps you have taken or will take to become active in the community's Consolidated Plan and Analysis of Impediments to Fair Housing Choice process; or the community's Indian Housing Plan process; and to address, through these processes, the needs that are the focus of the proposed activities.

(4) Describe the specific steps you have taken, or will take, to coordinate your activities with other proposed or on-going activities in the community funded by Federal, State, local, or private sources (through meetings,

information networks, planning processes, or other mechanisms).

VI. Checklist for Application Submission

- _____ Standard Form 424, Application for Federal Assistance
- _____ Signed by organization eligible to receive funds
- _____ Evidence of Non-Profit status
- Narrative Statement Addressing:
 - _____ Factor 1—Capacity of the Applicant and Relevant Organizational Staff
 - _____ Factor 2—Need/Extent of the Problem
 - _____ Factor 3—Soundness of Approach
 - _____ Factor 4—Leveraging Resources
 - _____ Factor 5—Comprehensiveness and Coordination Forms, Certifications and Assurances:
 - _____ SF 424A, Budget Information, Non-Construction Programs
 - _____ SF 424B, Assurances—Non-Construction Programs
 - _____ SF 424M, Federal Assistance Funding Matrix
 - _____ HUD-50070, Certification for a Drug-Free Workplace
 - _____ HUD-50071, Certification of Payment to Influence Federal Transactions
 - _____ SF LLL, Disclosure of Lobbying Activity
 - _____ HUD-2880, Applicant/Recipient Disclosure/Update Report
 - _____ HUD-2990, Certification of Consistency with the EZ/EC Strategic Plan
 - _____ HUD-2992, Certification Regarding Debarment and Suspension
 - _____ Acknowledgement of Application Receipt

Note: No kit will be made available. (See Section I for information on how to obtain standard forms.)

VII. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

VIII. Environmental Requirements

The provisions contained in Section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994, Environmental Review, implemented in the Environmental Review regulations at 24 CFR part 58, are applicable to properties assisted with SHOP funds. All SHOP assistance is subject to the National Environmental Policy Act of 1969 and related federal environmental authorities. SHOP grant applicants are cautioned that no federal or non-federal funds or assistance which limits reasonable choices or could produce a significant adverse environmental impact may be committed to a project until all required environmental reviews and notifications have been completed by a unit of general local government, tribe or State and until HUD approves a recipient's request for release of funds under the environmental provisions contained in 24 CFR part 58.

VIII. Authority

The funding made available under this program section of the SuperNOFA is authorized by section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) (the "Extension Act"). No separate implementing regulations will be issued.

BILLING CODE 4210-32-P

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

YOUTHBUILD

