

FUNDING AVAILABILITY FOR THE NEW APPROACH ANTI-DRUG PROGRAM PROGRAM OVERVIEW

Purpose of the Program. The purpose of the New Approach to Anti-Drug Program is to provide funding to owners of certain housing developments to: (1) augment security; (2) assist in the investigation and prosecution of drug-related criminal activity in and around the housing developments; and (3) provide for the development of capital improvements directly relating to enhancing the security of the developments. Through these grants, HUD is taking a comprehensive neighborhood/community-based approach to crime prevention.

Available Funds. Approximately \$20 million.

Eligible Applicants. Eligible applicants include: units of general local government, public housing agencies (PHAs), Indian tribes or Tribally Designated Housing Entities (TDHEs), and owners of assisted housing developments. To be an eligible applicant, you must be (1) an owner of an assisted housing development, as defined in this program section of the SuperNOFA; (2) a unit of general local government that operates an assisted housing development; or (3) PHA, TDHE, or an Indian tribe that owns a development with project-based Section 8 assistance, as defined in the U.S. Housing Act of 1937, whose development is included in the proposed plan and is located in the "project area" targeted to receive grant funds.

Application Deadline. June 19, 2001. *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 on June 19, 2001, at your local HUD Field Office.

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 your completed application on or before the application deadline at the

local HUD Field Office. Please address your application to the Director, Multifamily Housing Hub, Program Center in your local HUD Field Office or, in the case of the Native American population, to the local HUD Administrator, Area Offices of Native American Programs (AONAPs), as appropriate. See Appendix A to the Drug Elimination Grants for Multifamily Low Income Housing program section of the SuperNOFA and Appendix A to the General Section of the SuperNOFA for lists of local HUD Field Offices.

For Application Kits. For an application kit and any supplemental information, please call the SuperNOFA Information Center at 1-800-HUD-8929. When requesting an application kit, please refer to the New Approach Anti-Drug Program, and 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. An application kit also will be available on the Internet through the HUD web site at <http://www.HUD.gov>.

For Further Information and Technical Assistance. Your local HUD Field Office staff will be able to answer your question(s) regarding this program section of the SuperNOFA and/or your application kit. If however, the Field staff is unable to answer your question(s), please contact Alicia Anderson, Program Analysts, Office of Housing Assistance and Grant Administration, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Room 6146, Washington, DC 20410; (202) 708-2866, extension 5787 or email Alicia_Anderson@hud.gov. If you are hearing or speech impaired, you may access this number via TTY by calling the Federal information Relay Services at 1-800-877-8339.

Satellite Broadcast. HUD will hold an information broadcast via satellite for potential applicants to learn more about the program and preparation of the application. For more information about the date and time of the broadcast, you should consult the HUD web site at <http://www.hud.gov>.

II. Amount Allocated

(A) *Available Funding.* Approximately \$20 million is available for funding under the New Approach Anti-Drug Program, as provided in the FY 2001 HUD Appropriations Act.

The fair share allocation formula used for this program is based on the number of project-based assisted housing units within each HUD Multifamily Hub Office as a percentage of the total

number of project-based assisted housing units for the United States as a whole (including Puerto Rico, the Virgin Island, and the Pacific Islands).

Based on the aforementioned formula, the following chart details the New Approach to Anti-Drug Program grant funds fair share allocation to each of the 18 Multifamily Hubs:

FISCAL YEAR 2001 FAIR SHARE ALLOCATIONS FOR THE NEW APPROACH TO ANTI-DRUG PROGRAM

| HUB | Grant authority |
|---------------------|-----------------|
| Boston | \$1,426,069 |
| Buffalo | 378,535 |
| New York * | 1,793,623 |
| Philadelphia | 1,886,327 |
| Baltimore | 1,047,633 |
| Greensboro | 754,938 |
| Atlanta | 2,127,040 |
| Jacksonville | 1,343,238 |
| Chicago | 1,463,479 |
| Columbus | 978,706 |
| Detroit | 731,901 |
| Minneapolis | 750,821 |
| Fort Worth ** | 1,648,418 |
| Kansas City | 1,076,022 |
| Denver | 526,228 |
| San Francisco | 936,294 |
| Los Angeles | 629,490 |
| Seattle | 501,238 |
| Total | 20,000,000 |

* This amount includes Grant Authority of \$27,000 to fund the New York Society for the Deaf.

** This amount includes Grant Authority of \$51,032 to fund the Garden City Apartments. Since funding for both applicants were reduced in FY2000 due to HUD error, the applications will be funded from the FY2001 allocation to the applicable Hub.

(B) *Maximum Grant Award.* The maximum grant award amount is limited to \$250,000 per application. The amount of funding requested must be within this maximum grant award.

(C) *Reduction of Requested Grant Amounts.* You may be awarded an amount less than requested if:

(1) HUD determines that some elements of the proposed action plan are ineligible for funding;

(2) HUD determines the amount requested for an eligible activity and/or any budget line item is not cost effective;

(3) Insufficient amounts remain under the allocation to fund the full amount you requested, and HUD determines that partial funding is a viable option; or

(4) HUD determines that a reduced grant would prevent duplicative Federal funding.

III. Program Description; Eligible Applicants; Eligible Activities

(A) Program Description

(1) *Purpose.* The purpose of these competitive grants is to assist entities managing or operating Federally assisted multifamily housing developments, Public and Indian housing developments (including those Indian housing units formerly defined as public housing under section 3 of the U.S. Housing Act of 1937 and now counted as current assisted stock under the Indian Housing Block Grant Program), or other multifamily-housing developments for low-income families supported by non-Federal governmental housing entities or similar housing developments supported by nonprofit private sources, to augment security (including personnel costs), in an effort to solve security problems in the long-term; assist in the investigation and/or prosecution of drug-related criminal activity in and around such developments; and provide for capital improvements that comprehensively enhance security at these developments.

Drug- and crime-fighting activities, if only directed to a single assisted housing development, may have the unfortunate effect of simply moving the problem to nearby housing and businesses. The long term solution to the crime problems of assisted housing developments and their surrounding neighborhoods rest in a comprehensive approach that changes the conditions—and the culture that exists. HUD believes that crime fighting efforts are most effective when partnering takes place with law-enforcement agencies at various levels and with a full range of community stakeholders (such as PHAs and TDHEs). Therefore, to address crime in a comprehensive manner to receive funding, you must take the following actions:

(a) Have a subgrantee or subrecipient relationship with the local police department and the local district attorney or prosecutor's office. If the local police department, local district attorney, or prosecutor's office does not have the legal authority to accept program funds or enter into a binding agreement with you, then you must provide funds through the unit of general local government—city or county.

(b) Enter into partnerships with the owners of, and resident organizations in, assisted housing developments that receive grant funds from you. Multifamily housing developments that may lack the ability to oversee grant functions may delegate this task to a public housing authority or TDHE by

making them a "fiduciary agent", by signed agreement, which must be part of the application.

(c) Encourage other neighborhood based entities to participate in your program of activities through partnership arrangements. Such entities are community residents; neighborhood businesses; and non-profit providers of support services, including faith-based organizations and their affiliates.

(2) *Implementation Principles.* HUD has established the following principles in implementing the New Approach Anti-Drug Program Grants:

(a) *Comprehensive Approach.* With these grants, HUD is taking a comprehensive neighborhood/community-based approach to crime. The long term solution to the crime problems of assisted housing developments and their surrounding neighborhoods rests in changing the conditions—and the culture that exists.

(b) *Required Partnerships.* You will be required to demonstrate that partnerships have been formed with units of general local government, the local police department, and the local district attorney or prosecutor's office. You must also form partnerships with the following entities, if they are to receive funding from you:

(i) Owners of assisted housing developments in the targeted neighborhood, and

(ii) Resident organizations of these assisted housing developments.

(c) *Encouraging Partnerships.* HUD encourages the use of effective working partnerships in new locations to leverage the many Federal resources that are available to eliminate crime in and around public and assisted housing developments through the Drug Elimination Grant, Operation Safe Home, and Weed and Seed programs; and partnering with the U.S. Attorney's Office, the Federal Bureau of Investigation, and the Drug Enforcement Agency. HUD now wishes to encourage these successful partnerships to address similar problems in and around privately-owned, Federally assisted housing. In addition to providing points for applications which have established these partnerships, HUD requires that at least one project in each targeted neighborhood be multifamily housing with either:

(i) A HUD-insured, held, or direct mortgage and Rental Assistance Payments (RAP), Rent Supplement, or interest reduction payments, or

(ii) Section 8 project-based assistance with or without HUD interest in the project mortgage.

This emphasis on HUD assisted privately-owned housing does not

negate the eligibility of other low-income housing developments assisted by Federal, State, and local government, and not-for-profit sources to apply for the New Approach Anti-Drug Program. By awarding points for neighborhoods with high concentrations of assisted housing, HUD is encouraging you to address the needs of multiple assisted housing developments which may consist of a mix of ownership types and subsidy sources.

(d) *Complying with Civil Rights Requirements.* With the very real need to protect occupants of HUD-sponsored 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. Profiling on any prohibited basis is not allowed. In addition, all segments of the population should be represented in developing and implementing crime-fighting strategies.

(e) *Coordination with Other Law Enforcement Efforts.* In addition to working closely with residents and local governing bodies, it is critically important that owners establish ongoing working relationships with Federal, State, and local law enforcement agencies in their efforts to address crime and violence in and around their housing developments. HUD firmly believes that the war on crime and violence in assisted housing can only be won through the concerted and cooperative efforts of owners and law enforcement agencies working together in cooperation with residents and local governing bodies. HUD encourages owners to participate in Departmental and other Federal law enforcement agencies' programs such as: Operation Safe Home, Operation Weed and Seed through the Department of Justice and the Safe Neighborhood Action Program (SNAP). The use of New Approach Anti-Drug funds, however, must be part of a comprehensive approach. These funds may indirectly support other Federal law enforcement activities provided that use is consistent with the comprehensive approach.

(f) *Safe Neighborhood Action Program (SNAP) Grants.* (i) The New Approach Anti-Drug Program was formerly known as the Safe Neighborhood Action Program, announced June 12, 1994 by HUD, the National Assisted Housing Management Association (NAHMA), and the U.S. Conference of Mayors (USCM). The New Approach Anti-Drug Program was expanded from the SNAP Program to include funds to augment

security; assist in the investigation and prosecution of drug related criminal activity in and around the housing developments; and provide for the development of capital improvements directly related to the security of the developments. SNAP is an anti-crime and empowerment strategies initiative in HUD assisted housing neighborhoods in 14 SNAP cities. The major thrust of SNAP is the formation of local partnerships in 14 targeted cities where ideas and resources from government, owners and managers of assisted housing, residents, service providers, law enforcement officials, and other community groups are used to meet to work on innovative, neighborhood anti-crime strategies.

(ii) There is no funding associated with SNAP, which relies on existing ideas and resources of the participants. Some common initiatives from these SNAP teams have included the following: community policing, crime watch programs, tenant selection policies, leadership training, individual development or job skills training, expansion of youth activities, police tip line or form, community centers, anti-gang initiatives, police training for security officers, environmental improvements, and a needs assessment survey to determine community needs.

(iii) In addition, a HUD-sponsored initiative to increase the presence of AmeriCorps' Volunteers in Service to America (VISTAs) in assisted housing units has led to the placement of 25 VISTAs on 12 SNAP teams. The AmeriCorps VISTA program, which incorporates a theme of working within the community to find solutions to community needs, has provided additional technical assistance to the SNAP teams.

(iv) The cities participating in the SNAP initiative include: Atlanta, GA; Boston, Mass; Denver, CO; Houston, TX; Newark, NJ; Philadelphia, PA; Baltimore, MD; Columbus, OH; Detroit, MI; Los Angeles, CA; New Orleans, LA; Little Rock and North Little Rock, AR; Richmond, VA; and Washington, DC.

(3) *Definitions. Assisted Housing Development.* For purposes of this program, the term "assisted housing development" means five or more dwelling units in a building or five or more adjoining, adjacent, or scattered site (within a single neighborhood) dwelling units, having common ownership and project identity. Some or all of the units must be receiving a project-based subsidy from a unit of government at the Federal, State, or local level, or from a private nonprofit entity. This subsidy must be associated with a requirement and/or contractual

agreement that all or a portion of the units be occupied by households with incomes at or below those of families at the low-income limit as defined by the United States Housing Act of 1937.

Assisted Housing Unit. For purposes of this program, the term "assisted housing unit" means a unit within an assisted housing development for which occupancy is restricted to households with incomes at or below that of "low-income families" as defined by the U.S. Housing Act of 1937, and rents are restricted to amounts that the owner/operator entity determines to be affordable.

Augmented Services. For purposes of this program, augmented services are activities which exceed current levels of services or "baseline" services provided by any other parties signing the memorandum of understanding required for this program.

Drug-related crime. For purposes of this New Approach Anti-Drug Program, the term "drug-related crime" means drug-related crime as defined in 42 U.S.C. 11905(2) and Part I Crime and Part II Crime as defined by the Uniform Crime Reporting System.

Eligible project area. For purposes of the New Approach Anti-Drug Program, the term "neighborhood" means a geographic area within a jurisdiction of a unit of general local government designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation. If, however, the unit of general local government has a population of less than 25,000 persons, then "neighborhood" means the entire jurisdiction of the unit of general local government. A project area must include at least one assisted housing development under:

(i) Section 221(d)(3), section 221(d)(4), or section 236 of the National Housing Act (12 U.S.C. 1715l, 1715z-1), provided that such development has been provided a Below Market Interest Rate mortgage, interest reduction payments, or project-based assistance under Rent Supplement, Rental Assistance Payments (RAP) or Section 8 programs. An FHA-insured project that has no project-based subsidy does not qualify as an assisted housing unit for eligibility even if it houses tenants receiving tenant-based assistance, such as Section 8 rental vouchers or certificates.

(ii) Section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s); or

(iii) Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f). This includes housing with project-based Section 8 assistance, whether or

not the mortgage was insured by HUD-FHA. This does not include projects which receive only Section 8 tenant-based assistance (i.e., certificates or vouchers).

Project-based Subsidies. For purposes of this program, the term "project-based subsidies" means financial assistance that is initially designated and assigned by the funding source specifically for the project rather than to eligible assisted resident households who might also benefit from these subsidies, and provided on a one time up-front or on a periodic basis to the project or its owner to write down, subsidize, or waive project development costs, costs of financing, project operating costs (which include but are not limited to the following types of expenses: utilities, taxes, fees, maintenance and debt service payments), owner taxes, unit rent levels, or tenant rent payments.

(B) Eligible Applicants

(1) *General.* (a) Eligible applicants are as follows:

(i) The owner of an assisted housing development. See definition in Section III (A)(3) of this program section of the SuperNOFA. If you are a unit of general local government you do not need to be the owner, but must be the operator of such housing (A TDHE is not a unit of general local government.);

(ii) The owner of an assisted housing development that is assisted by a non-Federal governmental entity or similar housing development supported by nonprofit sources. If you are a unit of general local government, you do not need to be the owner, but must be the operator of such housing;

(iii) PHAs, TDHEs, and Indian tribes are eligible applicants if they own a development with project-based Section 8 assistance, as defined in the U.S. Housing Act of 1937, and that development is included in the proposed plan and is located in the "project area" targeted to receive grant funds. If you do not own such an assisted housing development, you may still participate in the New Approach Anti-Drug Program as a subgrantee or subrecipient of an eligible applicant; or

(b) The development that makes you eligible must be in the neighborhood to be assisted; and You may not have any outstanding findings of civil rights violations. (See Section II(B) of the General Section of this SuperNOFA.)

If your eligibility status changes during the course of the grant term, thus making you ineligible to receive this grant, HUD reserves the right to terminate your grant.

(2) *Lead Applicant.* Two or more eligible applicants may file a joint application. If filing jointly, you must designate one entity to be the lead applicant. The lead applicant will be the grantee if HUD funds your application.

(3) *Memorandum of Understanding.* You must include with your application a Memorandum of Understanding (MOU) that you have entered into with each required party. (See Section III(B) of this program section of the SuperNOFA). A draft MOU may be acceptable provided a detailed explanation of why a fully ratified MOU is not being presented in your application. You must indicate that the draft MOU is contingent upon HUD funding the grant. In addition, written commitment from the proposed MOU partners must be included in your grant application. If a draft MOU is submitted in the grant application, the finalized MOU must be submitted to the local HUD Field Office within 15 calendar days after HUD's announcement of the award. The finalized MOU must be exactly the same as the draft MOU included in your application.

(4) *Required Parties to the MOU.* In order to receive full points in the applicable Rating Factor for a New Approach Anti-Drug grant:

(a) You MUST sign a MOU that provides funds through a subgrantee or subrecipient relationship with the following two entities:

(i) The local police department; and
(ii) The local prosecutor's office (district attorney).

(b) The two parties signing the MOU must have the legal authority to enter into a binding agreement with you. These two entities must have jurisdiction in your project area.

(5) *Content of MOU.* This MOU must commit these entities to actively support the grant project in partnership with you. The MOU must also describe:

(a) The level of current services (baseline) being provided by these entities;

(b) The level of services above this baseline which the entities are committed to providing in support of your grant;

(c) The amount of time to be devoted to the activities by each party;

(d) The skills each party brings to assist in implementation of your specific action plan activities.

Your MOU will be taken into account in reviewing and rating your application, so you should strive to be as specific as possible in your MOU document.

(6) *Partnerships are encouraged.* We encourage you to partner with other appropriate neighborhood and

community stakeholders, including: neighborhood businesses and business associations; nonprofit service providers; neighborhood resident associations; and faith communities or religious institutions. You are encouraged to enter into MOUs with these entities; however, an MOU is not required.

(C) Eligible Project Areas

(1) HUD will award one grant per project neighborhood. The project area must be a "neighborhood."

(2) The project area must include at least one assisted housing development. See definition in Section III(A)(1) of this program section of the SuperNOFA.

(3) You must provide documentation of the population used to define eligibility as a neighborhood. The documentation may include census data or documentation provided by local government officials or by HUD's Community 2020 program, available by calling 1-800-998-9999 (there may be a charge to you for this information).

(D) Eligible Activities

The following is a listing of eligible activities under this program and guidance as to their parameters:

(1) *Augmenting Security (Including Personnel).*

(a) *General.* You must document in your MOU(s) all security services above baseline established in your MOU. Anyone providing augmented security services must have liability insurance, be licensed, and trained in Fair Housing and other Civil Rights requirements arising out of their role in providing security services.

(b) *Baseline Services.* Additional security services are permitted but must be over and above the local police department's current level of baseline services. If you are seeking funding for augmenting security, you must describe the local police department's current level of baseline services to the neighborhood (including ordinary and routine services, patrols, police officer responses to 911 communications and other calls for services, and investigative follow-up of criminal activity). Your description of baseline services must include the number of officers on a per unit per hour basis, or the actual percentage of their time assigned to the development(s) proposed for funding. For a proposed activity to be considered eligible as an augmented security activity, you must demonstrate to what extent the proposed funded activity will represent an increase over and above the baseline. Funding is permitted for reasonable, necessary, and justified leasing of vehicles or any other

equipment associated with the augmentation of security services.

(c) *Police Presence.* You may reimburse local law enforcement entities for the costs of additional police presence (police salaries and other expenses directly related to additional police presence or security that is over and above baseline services) in and around assisted housing developments in the neighborhood. Of the funds devoted to additional police presence, at least 70 percent of such reimbursed costs must be for police presence in assisted housing developments served and the remaining 30 percent must be for police presence around the assisted housing neighborhood area.

HUD is strongly encouraging that additional law enforcement in the assisted housing developments and surrounding neighborhoods be targeted to implementing an overall proactive crime fighting strategy, rather than merely responding to crime emergencies. Two potentially effective anti-crime strategies that can benefit from additional police presence are:

(i) Combined multi-agency task force initiatives, in which local and Federal law enforcement agencies pool resources, first, to infiltrate organizations that promote violent and/or drug-related crime in the neighborhood and, second, to initiate strategic and coordinated mass arrests to break up these organizations; and
(ii) Community policing (i.e., sustained proactive police presence in the development or neighborhood, often conducted from an on site substation or mini-station, that involves crime prevention, citizen involvement, and other community service activities, as well as traditional law enforcement).

If reimbursement is provided for community policing activities that are committed to occur over a period of at least 3 years and/or are conducted from a police substation or administration within the neighborhood, the costs during the grant period of constructing such a station or of equipping the substation with communications and security equipment to improve the collection, analysis and use of information about criminal activities in the properties and the neighborhood may be reimbursed.

(d) *Security Services Provided by Other Entities (such as the Owner of an Assisted Housing Development).*

(i) The activities of any contract security personnel funded under this Program must be coordinated with other law enforcement and crime prevention efforts under your proposed action plan. You must describe in your action plan your efforts to achieve this coordination.

The coordination efforts must include frequent periodic scheduled meetings of security personnel with housing project management and residents, local police and, as appropriate, with other public law enforcement personnel, neighboring residents, landlords, and other neighborhood stakeholders. Any contract security personnel funded under this Program must meet State and local licensing requirements.

(ii) You may only contract with a security service provider that has a policy manual that directs the activities of its personnel and contains the policies, procedures, and general orders that regulate conduct and describe in detail how jobs are to be performed.

(2) *Enhancing the Investigation and Prosecution of Drug-Related Crime.*

(a) *Reimbursement of State and Local Law Enforcement Agencies.* As the grantee, you may reimburse local or State prosecuting offices and related public agencies for activities, other than salaries or ineligible activities in Section III(G) of this program section of the SuperNOFA, related to the prosecution or investigation of crime committed in the neighborhood identified in your application. These costs are subject to a cost reimbursement agreement. Reimbursement must be for costs over and above what the office or agency incurred for such purposes for crimes committed in the same neighborhood during the period equal in length and immediately before the period of reimbursement. For any grant, at least 70 percent of reimbursed costs must be in connection with crimes committed in and around the assisted housing developments and the remainder of reimbursed costs directly related to crime committed within the neighborhood.

(b) *Hiring of Private Investigator Services.* You may use grant funds to hire private investigator services to investigate crime in and around an assisted housing development and the surrounding neighborhood. You must explain why local law enforcement services are inadequate and justify the need for hiring private investigator services.

(3) *Capital Improvements to Enhance Security.* You may use grant funds for capital improvements to enhance security. You should, however, consider using other sources of funding for this purpose. These 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. For example,

locks or buzzer systems that are not accessible to people with restricted or impaired strength, mobility, or hearing may not be funded by your grant. Capital improvements to implement defensible space concepts in the design and implementation of your enhanced security measures are eligible provided such design elements permit accessibility and visibility by persons with disabilities. Capital improvements to enhance security or crime prevention through environmental design must comply with civil rights requirements and cannot exclude or segregate persons based upon their race, color, or national origin from benefits, services, and other terms and conditions of housing. Under Rating Factor 3, "Quality of Plan", HUD will reward capital improvements to enhance the security of an entire neighborhood as opposed to specific projects at the expense of other dwellings in the neighborhood. The capital improvements may include, but are not limited to:

(a) New construction or rehabilitation of structures housing police substations or mini-stations;

(b) Installation of barriers (including speed bumps and fences) and appropriate use of close circuit television (CCTV), provided that the barriers make reasonable accommodations for persons with disabilities;

(c) Improved door or window security such as locks, bolts, or bars;

(d) Landscaping or other reconfiguration of common areas to discourage drug-related criminal activities; and

(e) Establishment of a Neighborhood Networks center and augmenting existing centers. Up to \$35,000 of the grant funds awarded by HUD may be used towards developing and establishing a new Neighborhood Network center.

If there is an established Neighborhood Networks center you may include up to \$25,000 for the center for further crime prevention activities, such as additional mentoring and/or tutorial education programs, improving job skill programs, and home buyer education. Other crime prevention activities may include, but are not limited to, resident participation in law enforcement community outreach activities such as Drug Abuse Resistance Education (DARE) days and the local office of the FBI's Race Against Drugs activities, etc. The aforementioned monetary limitations only apply to funds from the New Approach Anti-Drug Program. Additional funds may be obtained from other sources. No grant funds will be approved for expenditure until the local

HUD Field Office approves the Neighborhood Network business plan for the Neighborhood Networks center. A sample of the Neighborhood Network business plan may be found on the Neighborhood Networks web page at www.neighborhoodnetworks.org.

(E) *Ineligible Activities.* In addition to the ineligible activities mentioned elsewhere in this program section of the SuperNOFA, New Approach Anti-Drug Program Grant funding is not permitted for any of the activities listed below, unless otherwise specified in this program section of the SuperNOFA:

(1) Drug abuse treatment or intervention activities;

(2) Costs incurred before the effective date of the grant agreement, including but not limited to consultant fees related to the development of your application or the actual writing of your application;

(3) Funding of any form of controlled substances for any purpose. Controlled substance has the meaning provided in section 102 of the Controlled Substance Act (21 U.S.C. 802);

(4) Purchase of motorized vehicles for any purpose;

(5) Funding of any form of weaponry for any purpose;

(6) Funding of any form of tenant patrols;

(7) Compensating informants, including confidential informants. These should be part of the baseline services provided and budgeted by local law enforcement agencies;

(8) Although participation in activities with Federal drug interdiction or drug enforcement agencies is encouraged, these grant funds may not be transferred to any Federal agency.

IV. Program Requirements

In addition to the program requirements listed in the General Section of this SuperNOFA, grantees must meet the following program requirements. These requirements apply to all activities, programs, or functions used to plan, budget, implement, and evaluate the work funded under this program.

(A) *Grant Agreement.* After applications have been ranked and selected, HUD and a successful applicant will enter into a grant agreement setting forth the amount of the grant, the physical improvements or other eligible activities to be undertaken, financial controls, and special conditions, including sanctions for violation of the agreement. The Grant Agreement will incorporate your HUD approved application as may be amended by any special condition in the Grant Agreement. HUD will monitor your grant using your Grant Agreement

to ensure that you have achieved commitments set out in your approved grant agreement. Failure to honor such commitments would be the basis for HUD determining your default of the Grant Agreement, and exercising available sanctions, including grant suspension, termination, and/or the recapture of your grant funds.

(B) *Requirements Governing Grant Administration, Audits and Cost Principles.* The policies, guidelines, and requirements of this program section of the SuperNOFA, 48 CFR part 31, 24 CFR parts 44, 45, 84, 85, and/or 761.40, OMB Circulars A-87 and/or A-122, other applicable administrative, audit, and cost principles and requirements, and the terms of grant/special conditions and subgrant agreements apply to your acceptance and use of funds. The requirements cited above, as applicable, must be followed in determining procedures and practices related to the separate accounting of grant funds from other grant sources, personnel compensation, travel, procurement, the timing of drawdowns, the reasonableness and allocation of costs, audits, reporting and closet, budgeting, and preventing conflict of interests or duplicative charging of identical costs to two different funding sources. Federal labor standard provisions are applicable when grant funds are used to undertake physical improvements to increase security. All costs must be reasonable and necessary.

(C) *Term of Grant.* Your grant funds must be expended within 24 months after HUD executes a Grant Agreement with you. There will be no extensions or waivers of this grant term. Any remaining grant funds will be recaptured.

(D) *Subgrants and Subcontracting.* (1) In accordance with your approved grant agreement, you may directly undertake any of the eligible activities under this program section of the SuperNOFA, you may contract with a qualified third party, or you may make a subgrant to any entity approved by HUD as a member of the partnership, provided such entity is a unit of government, a prosecutor's office, a police department or a TDHE; is incorporated as a not-for-profit organization; or is an incorporated for-profit entity that owns and/or manages an assisted housing project benefiting from the grant. Multifamily housing agents/owners are authorized to make a PHA or THDE their Fiduciary Agent, if the PHA and/or the THDE has the capacity to implement, oversee and close out the grant activities. Resident groups that are not incorporated may participate in the implementation of the program, but may not receive funds as

subgrantees. For-profit organizations other than owners or managers of an assisted housing development benefiting from the grant that have been approved by HUD as part of the partnership may only receive grant funds subject to the applicable Federal procurement procedures (See 24 CFR parts 84 or 85).

(2) Subgrants may be made only under a written agreement executed between you, the grantee, and your subgrantee. The agreement must include a program budget that is acceptable to you, and that is consistent with the eligible activities and requirements. The agreement must require the subgrantee to permit you to inspect your subgrantee's work and to follow applicable OMB and HUD administrative requirements, audit requirements, and cost principles, including those related to procurement, drawdown of funds for immediate use only, and accounting for the use of grant funds and implementation of program activities. In addition, your subgrant must describe the nature of the activities to be undertaken by the subgrantee, the scope of the subgrantee's authority, and the amount of any insurance to be carried by you and the subgrantee to protect your respective interests.

(3) You are responsible for monitoring, and for providing technical assistance to, any subgrantee to ensure compliance with applicable HUD and OMB requirements. You must also ensure that subgrantees have appropriate insurance liability coverage.

(E) *Ineligible Contractors.* The provisions of 24 CFR part 24 relating to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status apply to this grant.

(F) *Section 3 Economic Opportunity.* See Section II(E) of the General Section of the SuperNOFA. The requirements of section 3 of the Housing and Urban Development Act of 1968 may apply to some of the activities that may be funded under this program section of the SuperNOFA.

(G) *Drawdown of Grant Funds.* You will be required to access your grant funds through HUD's Line of Credit Control System—Voice Response System (LOCS/VRS) in accordance with procedures for minimizing the time lapsing between drawdowns and use of funds for eligible purposes as described in 24 CFR parts 84 and/or 85, as applicable. If HUD changes the procedures for the draw of grant funds, HUD will notify you through the issuance of a grant amendment.

(H) *Reports and Closeout.* If you receive a grant, you will be required to submit to HUD a semi-annual progress report (Form 269). The narrative of the Form 269 must be sent in a format prescribed by HUD that indicates program expenditures and measures performance in achieving goals. At grant completion, you will be required to participate in a closeout process which shall include a final report in a format prescribed by HUD that reports final program expenditures and measures performance in achieving program goals. Closeout will culminate in a closeout agreement between you and HUD and, when appropriate, in the return of grant funds which have not been expended in accordance with applicable requirements, or which may be remaining after all activities have been completed and paid for.

(I) *Suspension or Termination of Funding.* HUD may suspend or terminate funding if you fail to undertake the approved program activities on a timely basis in accordance with your grant agreement, adhere to grant agreement requirements or special conditions, or submit timely and accurate reports.

(J) *Affirmatively Furthering Fair Housing.* You must address Section II(D) of the General Section of the SuperNOFA. You must also reference the certifications listed in Section II (G) the General section of the SuperNOFA.

V. Application Selection Process

(A) *Ranking and Selection Procedures.* Your application can only be rated if you are an eligible applicant and you are in compliance with the requirements of the General Section of the SuperNOFA.

(1) All applications will be evaluated competitively and ranked against applications in the same Field Office. Only those applications that have a base score of at least 70 points (excluding the EZ/EC and Dallas bonus points) will be eligible for selection and will be placed in ranked order.

(2) This year HUD will distribute funds to each Multifamily Housing Hub Office based on the fair share allocation formula. (See Section II-A for a thoroughly detailed discussion of the fair share allocation formula). Each Multifamily Hub Office may recommend a total number of awards up to the dollar amount allocated for the area covered by the Hub Office. Hub Offices will receive the scores from each HUD Field Office which has received, rated, and ranked its applications.

The Hub Office will conduct the selection process as follows: Where a Multifamily Hub covers more than one

Field Office jurisdiction, the Hub Office will first select the highest ranked application in each Field Office for funding. After this selection, the Hub will use remaining funds to fully fund as many applications as possible in rank order, regardless of Field Office. Hub Offices representing only one Field Office shall use their distribution of funds to fully fund in rank order as many applications as possible. Hub Offices must not skip over any applications in order to select one based on the remaining funds.

Any funds still remaining after Hub Office distribution by rank must be forwarded to Headquarters. Headquarters will use these funds for selecting applications based on field offices' ranking, beginning with the highest rated application nationwide. Only one application will be selected per Hub Office from the national residual amount. However, if there are no approvable applications in other Hub Office, the process will begin with the selection of the next highest rated application nationwide. This process will continue until all approvable applications are selected using the available remaining funds.

(3) In the event of a tie, HUD will select the applicant with the highest score in Rating Factor 1. If Rating Factor 1 is scored identically, the scores in Rating Factors 2, 3 and 4 will be compared in that order, until one of the applications receives a higher score. If both applications still score the same then the application which requests the least funding will be selected to promote the more efficient use of resources.

(4) HUD will evaluate all eligible applications based on the factors for award identified in this Section V.

(B) *Factors For Award Used To Evaluate and Rate Applications.* The maximum number of points for this program is 102 (except for an application submitted by the City of Dallas, Texas which would be eligible for a maximum of 104 points in accordance with Rating Factor 3, paragraph (6), below. 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 Experience (20 Points)

This factor addresses the extent to which you have proper organizational resources necessary to successfully implement the proposed New Approach Anti-Drug Program activities in an effective, efficient, and timely manner. In rating this factor, HUD will consider the extent to which the application

demonstrates the capabilities described below:

(1) (5 Points) *The applicants' administrative capacity to implement the grant.* HUD will award points based on the quality and amount of staff allocated to the grant activity by you; the anticipated effectiveness of your systems for budgeting, procurement, drawdown, allocation, and accounting for grant funds and matching resources in accordance with OMB administrative requirements; and the lines of accountability for implementing your grant activity, coordinating your partnerships, measuring the effect of the expenditure of grant funds and ensuring that you and your MOU partners' commitments will be met. You must include in your narrative a discussion of financial capacity, staff resources, and prior experience that will enable you to effectively administer the grant and meet reporting requirements. This narrative must not exceed five pages. For an owner of an assisted housing development that is HUD-insured, HUD will consider the most recent Management Review (including Rural Housing Management Review), HUD's Uniform Physical Condition Standards review (as codified in 24 CFR part 5 subpart G), State Agency review and such other relevant information available to HUD on the capacity of the owner and manager to undertake the grant. You must include a copy of the most recent management review (not a physical inspection report) for the development(s) to be served by your grant. These documents will not be counted against your 5 page narrative limitation.

(2) (15 Points) *The applicant's performance in administering Drug Elimination grants and/or other Federal, State, or local grants of similar size and complexity during the last 3 years.* In assessing this factor, HUD will verify you and your partners' successful experience and performance based on information on file with HUD and will consider the following factors with the indicated total available points:

(a) (5 Points) *Your successful experience combined with your MOU partners' successful experience in utilizing similar strategies to alleviate crime.* You must identify your participation in HUD grant programs within the last three years and discuss the degree of your success in implementing planned activities measuring progress towards achieving program goals and objectives; timely drawdown of funds; timely submission of required reports and ability to complete activities on time and within budget; what if any audit findings were

noted; whether there was audit compliance; whether there are and the extent of any unresolved findings and/or outstanding recommendations from prior HUD reviews or audits undertaken by HUD, HUD-Office of Inspector General, the General Accounting Office (GAO) or independent public accountants (IPAs). To receive maximum points under this section, you must have worked in partnership with one or more of your MOU partners (or two or more of your MOU partners may have worked together in partnership) using similar strategies to reduce crime in and around assisted housing developments. To demonstrate success in implementing past projects, you must identify the reduction in the occurrence of the types of crime as indicated in Rating Factor 2 of this program section of the SuperNOFA. In the absence of previous partnerships, your capacity will weigh more heavily than the experience of any of your partners, in HUD's assignment of points under this subfactor.

(b) (4 Points) *Your performance in administering other Federal, State or local grant programs.* You must identify your participation in HUD grant programs within the preceding three years, and discuss the degree of your success in implementing and managing these grant programs. This includes implementation, timely drawdown of funds, timely submission of required drawdown of funds, timely submission of required reports with satisfactory outcomes related to the plan and timetable, audit compliance and other HUD reviews.

(3) (6 Points) *The strength of the applicants' partnership as it relates to eliminating the crime problem identified in Rating Factor 2.* HUD will award points in this area based on the strength of resource commitments identified in your MOUs in terms of the amount of staff, time, money, or other assets committed by each MOU party toward implementing your program. Your description should include the following:

(a) Identification of the skills each party will bring to help successfully implement your program and the firmness of the commitments;

(b) evidence of your MOU partners' (and project tenants') pre-application role in developing the plan and prospective role in program implementation;

(c) Indications of the capacity of the assisted housing developments' ownership and management (based on available management reviews by governing public entities) to undertake their share of responsibilities in the

partnership (including evidence of whether management carefully screens applicants for units and takes appropriate steps to deal with tenants known to exhibit or suspected of exhibiting criminal behavior) and to cooperate with law enforcement actions on their project premises;

(d) The willingness of the unit of general local government to use its prosecutor's office as its lead agency in implementing the grant;

(e) Participation of additional partners other than those required to sign MOUs (for example, neighborhood business organizations); and

(f) The effectiveness of the partnership structure.

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 the documented degree of the severity of the drug-related crime problem in the project area proposed for funding. Any collection of data should include summaries at the beginning of the data. In responding to this factor, HUD will evaluate the extent to which you have explained a critical level of need for your proposed activities and have indicated the urgency of meeting the need in the target area. You must include a description of the extent and nature of drug-related crime "in and around" the housing units or developments proposed for funding.

To the extent that you can provide objective crime data specific to the community or targeted development proposed for funding, your application is eligible to be awarded up to the full 25 points. If you do not provide documented objective crime data specific to the community or targeted development proposed for funding, your application is only eligible to receive up to 15 points for this factor.

You will be evaluated on the following:

(1) (25 Points) "Objective Crime Data" relevant to the target area. Your application must include the most current and specific Part I Crime data and relevant Part II Crime data available from the FBI's Uniform Crime Reporting Program (UCR) system or the local law enforcement's crime statistics. Part I Crimes include: homicide; rape; robbery; aggravated assault; burglary; larceny; auto theft; and arson. Part II drug-related crimes include: drug abuse violations; simple assault; vandalism; weapons violations; and other crimes which you are proposing to be targeted as part of your grant. In assessing this subfactor, HUD will consider the extent

of specificity that the statistical data is provided (e.g., data specific to the neighborhood covered by your application). These data must 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 two-year period for distribution of heroin in a development with 100 residents reflects a 20% occurrence rate). These data may include:

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

(b) The number of lease termination's or evictions for drug-related crime at your targeted developments; 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 the targeted developments 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.

For PHAs, such data should include housing authority police records on the types and sources of drug related crime "in and around" developments as reflected in crime statistics or other supporting data from Federal, State, Tribal or local law enforcement agencies.

If you submit objective data you do not need to submit other crime data. You should include summaries with the objective data that establish the drug related crime problem.

(2) (15 Points) Other Crime Data— *Other supporting data on the extent of drug-related crime.* To the extent that objective data as described above may not be available, you must use data from other verifiable sources that have a direct bearing on drug related crime in the developments proposed for assistance under this program. However, to qualify for points your application must indicate the reasons why you could not obtain objective data and what efforts you made to obtain it and what efforts you will make during the grant period to begin obtaining the data. Examples of the data should include (but are not necessarily limited to):

(a) Surveys of residents and staff in your targeted developments 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 the targeted developments.

(b) Vandalism cost at your targeted developments, including elevator vandalism (where appropriate) and other vandalism attributable to drug-related crime.

(c) 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 developments 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.)

(d) The school dropout rate and level of absenteeism for youth that you can relate to drug-related crime. If crime or other statistics are not available at the development or precinct level, you must use other verifiable, reliable and objective data; and

(e) To the extent that your community's Consolidated Plan identifies the level of the problem and the urgency in meeting the need, references to the Consolidated Plan should be included in your response. HUD will review more favorably those applicants who used the Consolidated Plan to identify need, when applicable.

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

This factor addresses the quality and anticipated effectiveness of your proposed action plan using grant funds and other resources in taking a comprehensive community-based approach toward the problem of drugs and drug-related crime in the neighborhood identified in your application.

Your application must include an action plan for crime reduction and elimination efforts, describing in detail: the specific activities to be undertaken; the parties responsible for or involved in the activities for each development proposed for assistance; and the dollar amount and extent of resources committed to each activity or service proposed.

In evaluating this factor, HUD will consider the following:

(1) (25 Points) The quality and comprehensiveness of your action plan to address the drug-related crime problem and the problems associated with drug-related crime in the developments proposed for funding. You must include a description of your plan's anticipated effectiveness in reducing or eliminating drug-related crime problems immediately and over an extended period, as evidenced by:

(a) The extent to which your proposed activities provide services over the existing baseline of services currently provided to the project area;

(b) The extent to which the activities of the two required MOU entities are comprehensive and, as result of collective actions, will effectively work together. If you provide for a comprehensive approach, you will receive a higher number of rating points. HUD will provide only one-half of the eligible points under this subfactor if your application only includes an MOU with either:

(i) The local law enforcement entity; or

(ii) The local prosecutor (district attorney) with jurisdiction over the neighborhood identified in your application. If you include no MOUs with either party, you will receive zero points.

(c) The extent to which you have partnered with appropriate neighborhood and community stakeholders;

(d) The extent to which the resources allocated and the budget proposed are adequate to conduct the work plan as proposed; and

(e) Your rationale for the proposed activities and methods and why you believe the activities will be effective in reducing drug use and drug-related crime. If you are proposing new methods for which there is limited knowledge of the effectiveness, you should provide the basis for modifying past practices and rationale for why you believe the modification will yield more effective results.

(2) (10 Points) The adequacy of the process you will use 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. The process must include the collection of police workload data such as, but not limited to, all calls for service at the housing authority by individual development, patterns over a period of time, type of crime, and plans to improve data collection and reporting. Your proposed analysis of the data collected should

include a method for assessing the impact of grant activities on the collected crime statistics on an on-going basis during the award period.

(3) 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. 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 this subfactor will consider the extent to which the applicant's plan for the use of New Approach Anti-Drug funds will be used to eradicate the vestiges of racial segregation in the Dallas Housing Authority's programs consistent with the Court's order.

Rating Factor 4: Leveraging Resources (Support of Residents, the Local Government and the Community in Planning and Implementing the Proposed Activities and Interagency Activities) (10 Points)

This factor addresses your ability to secure community and government resources, in-kind services from local governments, non-profit entities, including resident organizations, for-profit entities, or private organizations to be combined with HUD's program resources to achieve program purposes. To be considered as documented evidence of leveraging, you must submit a letter signed by the organization head authorized to commit the organization which details the amount of funds or type of services to be provided. The letter also must identify the dollar value of any services or goods in lieu of a cash contribution. Therefore, in responding to the factor you must translate the time or services provided into a dollar value. This dollar value will be added to any cash funding commitments identified as part of your leveraging of funds. For example, if you are receiving a donation of security alarm systems, you should indicate the number of security systems to be provided and give a dollar value for those alarm systems. The value will be added to any cash contributions you have noted from others. The letter may indicate that the commitment is predicated on the applicant receiving the grant from HUD. In assessing this factor, HUD will consider the following:

(1) Evidence of the extent and amount of the commitment of funding, staff, or in-kind resources, partnership agreements, and on-going or planned cooperative efforts with law enforcement agencies, memoranda of understanding, or agreements to participate. Such commitments must be signed by an official of the organization

legally able to make commitments for the organization. This evidence of commitment must include organization name, resources, and responsibilities of each participant. This also includes interagency activities already undertaken, participation in local, state, Tribal, or Federal anti-drug related crime efforts such as: education, training and employment provision components of Welfare Reform efforts, Operation Weed and Seed, Operation Safe Home, local law enforcement initiatives and/or successful coordination of its law enforcement, or other activities with local, state, Tribal, or Federal law enforcement agencies.

(2) HUD may award more points for applications with a higher percentage of these resources as compared to New Approach Anti-Drug funds requested.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

This factor addresses the extent to which you have coordinated your activities with other known organizations, participants or have promoted participation in a community's Consolidated Planning process. You should demonstrate that you 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 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. Describe any written agreements and memoranda of understanding currently in place, or that will be in place after award.

(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 have described 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 provide the items listed in this Section VI of this program section of the SuperNOFA. Your application must contain the items listed in this Section VI(B). These items include the standard forms, certifications, and assurances listed in the General Section of the SuperNOFA that are applicable to this funding (collectively, referred to as the "standard forms"). The standard forms can be found in Appendix B to the General Section of the SuperNOFA. The remaining application items that are forms (i.e., excluding such items as narratives, or letters), referred to as the "non-standard forms" can be found as Appendix B to this program section of the SuperNOFA. The items are as follows:

(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 program section of the SuperNOFA (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 development by units of government or private nonprofit entities. Any names of public or nonprofit assisted housing 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, you must include the number of housing units in the development, and the number of housing units in the development that meet the definition of "assisted housing units" in this funding announcement, and a description of the restrictions on rents and resident incomes that, in combination with the subsidy provided to the development, qualify the units as assisted/affordable in accordance with the definition in this program section of the SuperNOFA; 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 development.

(E) Application for Federal Assistance, 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 the police department).

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, 2001 (Pub.L. 106-377, approved October 18, 2000), under the heading "Drug Elimination Grants for Low-Income Housing."

Appendix A—HUD Field Office List for Multifamily Housing

Please see Appendix A to the Multifamily Housing Drug Elimination Program section of this SuperNOFA for a list of the HUD Field Offices for Multifamily Housing.

Appendix B

The non-standard forms, which follow, are required for your New Approach Anti-Drug application.

BILLING CODE 4210-32-P

**NEW APPROACH ANTI-DRUG PROGRAM
2001 DATA INPUT FORM****U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

Project Number _____

IRS Employer Identification Number (EIN) _____ (from Item 6. Of the SF-424)

Lead Applicant _____

Lead Applicant Type (Please Check One)

Owner PHA Local Government Indian Tribe TDHE

Lead Applicant Address _____

Lead Applicant Official _____ Phone _____

Total Grant Amount Requested \$ _____

Project to be funded _____

Project Address _____

Project Owner _____

Neighborhood to be funded _____

Sub-Applicant Name (If applicable) _____

HUD Field Office or AONAP _____

**NEW APPROACH ANTI-DRUG PROGRAM
2001 NEIGHBORHOOD AND ASSISTED
HOUSING INFORMATION FORM****U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

You must provide the following information. For narratives and other submission requirements please attach pages directly behind this form.

Provide a description of the neighborhood.

1. A basic description of the neighborhood (i.g. boundaries and size).

- a. Population _____
- b. Number of Housing units in neighborhood _____

Please also attach a map showing the location of these housing units.

- c. Population profile (e.g. relevant census data on socio-economic, ethnic and family makeup of neighborhood).
- d. Describe how the area meets the definition of "neighborhood" (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 (please attach).
2. Provide a description of the Assisted housing development(s) in the neighborhood.
- a. Name of Project _____
- b. Name of the Project Owner _____
- c. Nature, source, and program titles of all project based subsidies or other assistance provided to the projects 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);
- d. 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 NOFA, 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.
- e. 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.
-

BUDGET SUMMARY**FEDERAL FUNDS REQUESTED
FY 2001 NEW APPROACH ANTI-
DRUG PROGRAM****U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

Name and Address of Applicant: _____

Program: _____

Field Office: _____

Detailed Description of Budget

| Budget Line Item No. | Activities | Funds Requested |
|----------------------|--|-----------------|
| 9150 | Reimbursement of local law enforcement Agencies over and above baseline services | \$ |
| 9160 | Security Personnel | |
| | 1. Employment of Security Personnel | \$ |
| | 2. Contracted Security Guards | \$ |
| | Sub-Total: (1-2) | \$ |
| 9170 | Employment of Investigator(s) and/or prosecution | \$ |
| 9180 | Physical Improvements | \$ |
| | HA Total funding requested: | \$ |
| | | |
| | HUD Official Use: Total funding approved by HUD | \$ |

PROJECT SUMMARY
CONGRESSIONAL NOTIFICATION
INFORMATION SHEET

**U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

FY 2001 NEW APPROACH ANTI-DRUG PROGRAM

A narrative (one paragraph only) must be completed by each applicant. HUD will use this narrative for congressional notifications.

PLEASE INCLUDE IN YOUR NARRATIVE:

1. Components or elements of your comprehensive plan.
2. Major activities and/or programs.
3. Use specific names of targeted developments including location of developments.
4. Identify population to be assisted and projected number of residents served (if applicable).

| NAME(S) OF CONGRESSIONAL REPRESENTATIVE(S) | CONGRESSIONAL DISTRICT |
|--|------------------------|
| 1. _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |

**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, support of tenant patrols, 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: May 23, 2001.

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, on May 23, 2001 at the address shown below.

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. Appendix A to this program section 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-HUD-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/grants>.

For Further Information and Technical Assistance. You may contact

your local HUD Field Office staff for 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 question that the Field staff are unable to answer, please call Carissa Janis, Housing Project Manager, Office of Housing Assistance and Grants Administration, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 6146, Washington, DC 20410; (202) 708-2866, extension 2487 (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.

Satellite Broadcast. HUD will hold an information broadcast via satellite for potential applicants to learn more about the program and preparation of the application. For more information about the date and time of the broadcast, you should consult the HUD web site at <http://www.hud.gov/grants>.

II. Amount Allocated

(A) *Available Funding.* HUD is allocating funds under this Multifamily Drug Elimination Grant Program section of the SuperNOFA to the eighteen Multifamily Housing Hub Offices, in accordance with the following schedule:

HUB OFFICES AND FIELD OFFICE JURISDICTIONS

| | |
|--|-------------------|
| Atlanta Hub (Atlanta, Caribbean, Knoxville, Nashville, Louisville) | \$1,219,019 |
| Baltimore Hub (Baltimore, Richmond, Washington, DC) | 801,213 |
| Boston Hub (Boston, Hartford, Manchester, Providence) | 1,310,033 |
| Buffalo Hub | 329,658 |
| Chicago Hub (Chicago, Indianapolis) | 989,691 |
| Columbus Hub (Columbus, Cincinnati, Cleveland) | 945,259 |
| Denver Hub | 757,497 |
| Detroit Hub (Detroit, Grand Rapids) | 619,184 |
| Ft. Worth Hub (Ft. Worth, Albuquerque, Houston, Little Rock, New Orleans, San Antonio, Shreveport) | 1,161,687 |
| Greensboro Hub (Greensboro, Columbia) | 811,246 |
| Jacksonville Hub (Jacksonville, Birmingham, Jackson) | 1,006,891 |
| Kansas City Hub (Kansas City, Des Moines, Oklahoma City, Omaha, St. Louis, Tulsa) | 1,183,903 |
| Los Angeles Hub | 761,080 |
| Minneapolis Hub (Minneapolis, Milwaukee) | 999,008 |
| New York Hub | 599,118 |
| Philadelphia Hub (Philadelphia, Pittsburgh, Charleston, Newark) | 1,138,754 |
| San Francisco Hub (San Francisco, Honolulu, Las Vegas, Phoenix, Sacramento) | 909,427 |
| Seattle Hub (Seattle, Portland, Anchorage) | 707,332 |
| Grand Total | 16,250,000 |

The Multifamily Housing Hub offices will select applicants for award according to the process discussed in Section V of this program section of the SuperNOFA.

(B) *Maximum Grant Award.* 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.

(C) *Reduction of Requested Grant Amounts.* You may be awarded an amount less than requested if:

(1) HUD determines that some elements of your proposed action plan are ineligible for funding;

(2) Insufficient amounts remain under the allocation to fund the full amount you requested, and HUD determines

that partial funding is a viable option; or

(3) HUD determines that a reduced grant would prevent duplicative Federal funding.

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 and 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.

(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) below market interest rate, or 236 of the National Housing Act;

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

(c) Any development receiving project-based assistance under Section 8 of the United States Housing Act of 1937. This includes Section 202, Section 515, State Housing Finance Agency, Moderate Rehabilitation, Section 8 New Construction and Substantial Rehabilitation, 221(d)(3), 221(d)(4), and 236 developments.

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

(4) To be eligible, developments must also meet the following criteria:

(a) Are current in mortgage payments or are current under a workout agreement;

(b) Meet HUD's Uniform Physical Conditions Standards (codified in 24 CFR part 5, subpart G), based on the most recent physical inspection report and responses thereto, as evidenced by a score of 60 or better or an approved plan for developments scoring less than 60, and

(c) Are in compliance with your regulatory agreement, HAP Contract, and other outstanding directives.

(5) Eligible owners may apply for and receive both Multifamily Housing Drug Elimination Grants and New Approach Anti-Drug grants.

(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.* 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. In addition, such physical improvements must support or enhance visitability for people with mobility impairments.

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. All such services and educational and training programs must be fully accessible to people with disabilities.

(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 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, 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 and 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 and around the development when treatment funding 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 employment 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 and 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 Section IV of this program section of the SuperNOFA. 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. HUD will look more favorably upon proposals that target grant funds to hard program costs and propose minimal, if any, administrative expenses.

(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)).

(F) *Forms, Certifications and Assurances.* See the General Section of the SuperNOFA for the applicable forms, certifications, and assurances that you must submit. This includes a certification that you are in compliance with Federal Civil Rights laws, as specified in Section II(G)(7) of the General Section of this SuperNOFA.

(G) *Affirmatively Furthering Fair Housing.* You must comply with Section II(D) of the General Section of this SuperNOFA.

(H) *Federal Labor Standards.* In accordance with 24 CFR 761.40, when grant funds are used to undertake physical improvements to assisted multifamily housing, you must comply with Davis-Bacon prevailing wage requirements.

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, you 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.* This year HUD will distribute funds to each Multifamily Housing Hub Office, in proportion to the number of eligible developments in that area. Each Multifamily Hub Office may recommend a total number of awards up to the dollar amount allocated for the area covered by the Hub Office. Hub Offices will receive the scores from each HUD Field Office which has received, rated, and ranked its applications.

The Hub Offices will conduct the selection process as follows: Where a Multifamily Hub covers more than one Field Office jurisdiction, the Hub Office will first select the highest ranked application in each Field Office for funding. After this selection, the Hub will use remaining funds to fully fund as many applications as possible in rank order, regardless of Field Office. Hub Offices representing only one Field Office shall use their distribution of funds to fully fund in rank order as many applications as possible. Any funds still remaining after the Hub Office distribution by rank will be forwarded to Headquarters, which shall make awards to 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.

This process balances a geographic distribution with a process that gives priority to the most highly rated applications. Your application will primarily compete for funding with other applications submitted within that same Hub Office jurisdiction.

(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 Multifamily Hub Office or Headquarters will break the remaining tie by selecting the application whose developments(s) are in most financial need based on a per unit negative cash flow analysis of the most recent Annual Financial Statement (AFS).

(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 your 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) Administrative Capacity.

(a) The knowledge and experience of your staff and your 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. Your narrative should not exceed five pages.

(b) HUD's evaluation approach. (i) 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.

(ii) 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.

(2) (Deduct up to 5 points for prior poor performance) Your performance in administering Drug Elimination funding in the previous 5 years. HUD will consider your participation in HUD grant programs within the preceding five years and evaluate the degree of your success in implementing and managing these grant programs. HUD will look at 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 assessment score (24 CFR parts 901/902).

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(s) 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 your proposed activities is explained and you provide a justification for the urgency of meeting the need in your development(s) and the area around your development(s). Your application must include a description of the extent and nature of drug-related crime "in and around" the housing units or development(s) you propose for funding.

(1) *Drug-Related Crime Statistics.* (23 Points) You will receive up to 23 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(s). To receive the maximum number of points, you must provide statistics for both the premises of your development(s) and the smallest geographic area surrounding your development(s) 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(s). 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(s) or the area around your development(s), 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:

(a) "*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:

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

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

(iii) 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.

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

(b) *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:

(i) 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

(ii) 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:

- 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.
- Vandalism cost at your targeted development, to include elevator vandalism (where appropriate) and other vandalism attributable to drug-related crime.
- 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.)
- The school dropout rate and level of absenteeism for youth that you can relate to drug-related crime.
- 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.

(2) *Development Need Based on Prior Award.* (2 points) If you have not received an award for the development(s) submitted in your FY 2001 application in the FY 1998, 1999, or 2000 competitions, you will receive two points. If you submit an application with multiple developments and one or more developments did not receive an award in FY 1998, 1999, or 2000, you will receive one point.

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, services, and training programs will be accessible and visitable 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 your 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.

(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 your program to eliminate crime in your 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 making physical improvements accessible to persons with disabilities, 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.

(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. Demonstrate that you made your proposed plan available and that you requested comments in the language(s) of the tenants residing in your development(s).

(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 businesses, non-profit or public agencies 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 and around your development are not relevant 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) 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.

(B) Your application must contain the items listed in this Section VI(B). These items include the standard forms, certifications, and assurances listed in the General Section of the SuperNOFA that are applicable to this funding (collectively, referred to as the "standard forms"). The standard forms can be found in Appendix B to the General Section of the SuperNOFA. The remaining application items that are forms (i.e., excluding such items as narratives, letters, referred to as the "non-standard forms" can be found as Appendix B to this program section of the SuperNOFA: The items are as follows:

Standard Forms

—Standard Form for Application for Federal Assistance (SF-424) (which includes civil rights/fair housing certification);
—Federal Assistance Funding Matrix and Certifications (HUD-424M);

—Standard Form for Budget Information—Non-Construction Programs (SF 424A);
—Standard Form for Assurances—Non-Construction Programs (SF-424B);
—Drug Free Workplace Certification (HUD-50070);
—Certification of Payments to Influence Federal Transactions (HUD-50071) and if engaged in lobbying, the Disclosure Form Regarding Lobbying (SF-LLL);
—Applicant/Recipient Disclosure/Update Report Form (HUD-2880);
—Acknowledgment of Application Receipt (HUD-2993)

Other Application Items

(1) *Application Cover Letter* that outlines and explains the application structure; includes the name of a contact person and a number where he/she can be reached, and provides any other information you feel would assist HUD in reviewing your application.

(2) *Applicant Data Input Form*.

(3) *Abstract of Proposed Program*, consisting of one paragraph which summarizes your proposed program.

(4) *Rating Factor 1 Narrative*. A narrative, not to exceed five pages, which includes a discussion of your organization's financial capacity, staff resources, and prior experience that will enable you to effectively administer a grant and meet reporting requirements.

(5) *Rating Factor 2 Narrative and Statistics*. The narrative and data must describe critical level of need for your proposed activities and a justification for the urgency of meeting the need in your development(s) and the area around your development(s). The description must indicate the extent and nature of drug-related crime.

(a) "Objective Crime Data" (i.e. statistics and other information) relevant to the target area, or

(b) 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 also provide the following:

(i) A letter or supporting documentation from your local law enforcement agency or another relevant neighborhood organization explaining why objective data are not available, and

(ii) A narrative explanation of the reasons why objective data could not be obtained, what efforts were made to obtain them, and what efforts will be made (if possible) during the grant period to begin obtaining the data.

(6) *Rating Factor 3 Narrative*. A narrative describing your plan's approach to address the drug-related

crime problem and associated problems in the development proposed for funding. The narrative must include:

(a) An explanation of the anticipated effectiveness of your plan and proposed activities in reducing or eliminating drug-related crime problems immediately and over an extended period.

(b) Evidence and explanation of how proposed activities have been effective in similar circumstances in controlling drug-related crime.

(c) A description of the process you will use to maintain, analyze, and report Part I and II crimes, as well as police workload data.

(d) An explanation of the extent to which your program to eliminate crime in your development or neighborhood will expand fair housing choice and will affirmatively further fair housing.

(e) Evidence that you actively sought comments, suggestions, and support from residents for your proposed plan. Provide written documentation of these comments, suggestions, and support. If applicable, you must explain why you do not have written documentation of such support or did not receive any comments or suggestions. Describe how residents will be involved in implementing your program.

(f) Drug Treatment Program Certification (if applicable).

(7) *Rating Factor 4 Narrative and Letters.* The narrative and letters must provide evidence of the specific type of participation, assistance, or other support received from local government, community organizations, and/or law enforcement agencies for your proposed activities. If a community organization is providing you with staff or supporting services, you must include a letter from each organization providing staff or support.

(8) *Rating Factor 5 Narrative.* The narrative must describe your past efforts to coordinate your proposed activities with those of other groups or organizations prior to submission of your application. The narrative must include;

(a) An explanation of the 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 relevant community activities.

(b) An explanation of the specific steps you have taken or will take to become active in your community's Consolidated Planning process.

VII. Corrections to Deficient Applications

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

VIII. Environmental Requirements

It is anticipated that most activities under this program are categorically excluded from NEPA and related environmental authorities under 24 CFR 50.19(b)(3), (4), (12), or (13). If grant funds will be used to cover the cost of any activities which are not exempted from environmental review requirements—such as acquisition, leasing, construction, or building rehabilitation, HUD will perform an environmental review to the extent required by 24 CFR part 50, prior to grant award.

IX. 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) and section 161 of the Housing and Community Development Act of 1992, (Pub.L. 102-550), and further amended by Title V, Subtitle F, section 586 of the Fiscal Year 1999 HUD Appropriations Act (Pub.L. 105-276, approved October 21, 1998). The regulations for the program are found in 24 CFR part 761, Drug Elimination Programs.

Appendix A—HUD Field Office List for Multifamily Housing

Alabama

Multifamily Housing Program Center, HUD—Birmingham Office, 600 Beacon Parkway West, Rm. 300, Birmingham, AL 35209-3144, OFC Phone: (205) 290-7611, FAX: (205) 290-7632

Alaska

Multifamily Housing Hub, HUD Seattle Office, 909 First Avenue, Suite 190, MS-0AHM, Seattle, WA 98104-1000, OFC Phone: (206) 220-5228 ext. 3250, FAX: (206) 220-5206

Arizona

Multifamily Housing Program Center, HUD Phoenix Office, 400 North Fifth Street, Suite 1600, Phoenix, AZ 85004-2361, OFC Phone: (602) 379-4434, FAX: (602) 379-3985

Arkansas

Multifamily Housing Program Center, HUD Little Rock Office, 425 West Capitol Avenue #900, Little Rock, AR 72201-3488, OFC Phone: (501) 324-5401, FAX: (501) 324-6142

California

Multifamily Housing Hub, HUD—San Francisco Office, 450 Golden Gate Avenue,

PO Box 36003, San Francisco, CA 94102-3448, OFC Phone: (415) 436-6505, FAX: (415) 436-8996

Los Angeles Multifamily Hub, 611 West Sixth Street, Suite 800, Los Angeles, CA 90017, OFC Phone: (213) 894-8000 x 3634, Fax: (213) 894-8255

Colorado

Multifamily Housing Hub, HUD Denver Office, 633 17th Street, 11th Floor, Denver, CO 80202-3607, OFC Phone: (303) 672-5343, FAX: (303) 672-5153

Connecticut

Multifamily Housing Program Center, HUD—Hartford Office, One Corporate Center, 19th floor, Hartford, CT 06103-3220, OFC Phone: (860) 240-4800 Ext. 3068, FAX: (860) 240-4850

Delaware

Multifamily Housing Hub, HUD Philadelphia Office, The Wanamaker Building, 100 Penn Square, East, Philadelphia, PA 19107-3380, OFC Phone: (215) 656-0609 Ext. 3533, FAX: (215) 656-3427

District of Columbia

Multifamily Housing Program Center, HUD Washington, DC Office, Suite 300, 820 First Street, 0, Washington, DC 20012-4205, OFC Phone: (202) 275-9200, FAX: (202) 275-9212

Florida

Multifamily Housing Hub, HUD—Jacksonville Office, 301 West Bay Street, Suite 2200, Jacksonville, FL 32202-5121, OFC Phone: (904) 232-1777 x2144, FAX: (904) 232-2731

Georgia

Multifamily Housing Hub, HUD—Atlanta Office, Five Points Plaza Building, 40 Marietta Street, SW, Atlanta, Georgia 30303-2806, OFC Phone: (404) 331-4976, FAX: (404) 331-4028

Hawaii

Multifamily Housing Program Center, HUD Honolulu Office, 7 Waterfront Plaza, 500 Ala Moana Blvd. #500, Honolulu, HI 96813-4918, OFC Phone: (808) 522-8185 Ext. 244, FAX: (808) 522-8194

Idaho

Multifamily Housing Hub, HUD Seattle Office, 909 First Avenue, Suite 190, MS-0AHM, Seattle, WA 98104-1000, OFC Phone: (206) 220-5228 ext. 3250, FAX: (206) 220-5206

Illinois

Multifamily Housing Hub, HUD—Chicago Office, Ralph Metcalfe Federal Building, 77 West Jackson Boulevard, Chicago, IL 60604-3507, OFC Phone: (312) 353-6236 Ext. 2202, FAX: (312) 886-2729

Indiana

Multifamily Housing Program Center, HUD Indianapolis Office, 151 North Delaware Street, Suite 1200, Indianapolis, IN 46204-2526, OFC Phone: (317) 226-6303, FAX: (317) 226-7308

Iowa

Multifamily Housing Program Center, HUD Des Moines Office, 210 Walnut Street,

- Room 239, Des Moines, IA 50309-2155, OFC Phone: (515) 284-4736, FAX: (515) 284-4743
- Kansas**
Multifamily Housing Hub, HUD Kansas City Office, 400 State Avenue, Room 200, Kansas City, KS 66101-2406, OFC Phone: (913) 551-6844, FAX: (913) 551-5469
- Kentucky**
Multifamily Housing Program Center, HUD—Louisville Office, 601 West Broadway, PO Box 1044, Louisville, KY 40201-1044, OFC Phone: (502) 582-6124, FAX: (502) 582-6547
- Louisiana**
Multifamily Housing Program Center, HUD New Orleans Office, Hale Boggs Bldg.—501 Magazine Street, 9th Floor, New Orleans, LA 70130-3099, OFC Phone: (504) 589-7236, FAX: (504) 589-6834
- Maine**
Multifamily Housing Program Center, HUD—Manchester Office, Norris Cotton Federal Bldg., 275 Chestnut Street, Manchester, NH 03101-2487, OFC Phone: (603) 666-7684, FAX: (603) 666-7697
- Maryland**
Multifamily Housing Hub, HUD Baltimore Office, 5th Floor, 10 South Howard Street, Baltimore, MD 21201-2505, OFC Phone: (410) 962-2520 Ext. 3474, FAX: (410) 962-1849
- Massachusetts**
Multifamily Housing Hub, HUD—Boston Office, O'Neil Federal Building, 10 Causeway Street, Rm. 375, Boston, MA 02222-1092, OFC Phone: (617) 565-5162, FAX: (617) 565-6557
- Michigan**
Multifamily Housing Hub, HUD Detroit Office, 477 Michigan Avenue, Detroit, MI 48226-2592, OFC Phone: (313) 226-7900, FAX: (313) 226-5611
Multifamily Housing Program Center, HUD Grand Rapids, Trade Center Building, 50 Louis Street, NW., Grand Rapids, MI 49503-2648, OFC Phone: (616) 456-2100, FAX: (616) 456-2191
- Minnesota**
Multifamily Housing Hub, HUD Minneapolis Office, 220 Second Street, South, Minneapolis, MN 55401-2195, OFC Phone: (612) 370-3051 Ext. 0, FAX: (612) 370-3090
- Mississippi**
Multifamily Housing Program Center, HUD Jackson Office—McCoy, Federal Building, 100 W. Capitol Street, Room 910, Jackson, MS 39269-1096, OFC Phone: (601) 965-4738, FAX: (601) 965-4773
- Missouri**
Multifamily Housing Hub, HUD Kansas City Office, 400 State Avenue, Room 200, Kansas City, KS 66101-2406, OFC Phone: (913) 551-6844, FAX: (913) 551-5469
Multifamily Housing Program Center, HUD St. Louis Office, Robert A. Young Federal Building, 1222 Spruce Street—Third Floor, St. Louis, MO 63103-2836, OFC Phone: (314) 539-6382, FAX: (314) 539-6356
- Montana**
Multifamily Housing Hub, HUD Denver Office, 633 17th Street, 14th Floor, Denver, CO 80202-3607, OFC Phone: (303) 672-5343, FAX: (303) 672-5153
- Nebraska**
Multifamily Housing Program Center, HUD Omaha Office, 10909 Mill Valley Road, Suite 100, Omaha, NE 68154-3955, OFC Phone: (402) 492-3113, FAX: (402) 492-3184
- Nevada**
Multifamily Housing Program Center, HUD Las Vegas Office, 333 N. Rancho Drive—Atrium Bldg. Suite 700, Las Vegas, NV 89106-3714, OFC Phone: (702) 388-6525, FAX: (702) 388-6244
- New Hampshire**
Multifamily Housing Program Center, HUD—Manchester Office, Norris Cotton Federal Bldg., 275 Chestnut Street, Manchester, NH 03101-2487, OFC Phone: (603) 666-7684, FAX: (603) 666-7697
- New Jersey**
Multifamily Housing Program Center, HUD—Newark Office—13th Floor, One Newark Center, Newark, NJ 07102-5260, OFC Phone: (973) 622-7900 Ext. 3400, FAX: (973) 645-2271.
- New Mexico**
Multifamily Housing Hub, HUD Ft. Worth Office, 801 Cherry Street, PO Box 2905, Ft. Worth, TX 76102-2905, OFC Phone: (817) 978-5764, FAX: (817) 978-5520
- New York**
Multifamily Housing Hub, HUD—New York Office, 26 Federal Plaza—Room 3214, New York, NY 10278-0068, OFC Phone: (212) 264-0777 Ext. 3713, FAX: (212) 264-1277
Multifamily Housing Hub, HUD—Buffalo Office, Lafayette Court, 5th Floor, 465 Main Street, Buffalo, NY 14203-1780, OFC Phone: (716) 551-5755 Ext. 5506, FAX: (716) 551-3252
- North Carolina**
Multifamily Housing Hub, HUD Greensboro Office—Koger Building, 2306 West Meadowview Road, Greensboro, NC 27407, OFC Phone: (336) 547-4034, FAX: (336) 547-4121
- North Dakota**
Multifamily Housing Hub, HUD Denver Office, 633 17th Street, 14th Floor, Denver, CO 80202-3607, OFC Phone: (303) 672-5343, FAX: (303) 672-5153
- Ohio**
Multifamily Housing Hub, HUD Columbus Office, 200 North High Street, Columbus, OH 43215-2499, OFC Phone: (614) 469-5737, Ext. 8111 FAX: (614) 469-2432
Multifamily Housing Program Center, HUD Cincinnati Office, 525 Vine Street, Suite 700, Cincinnati, OH, 45202-3188, OFC Phone: (513) 684-2350, FAX: (513) 684-6224
Multifamily Housing Program Center, HUD Cleveland Office, 1350 Euclid Avenue, Suite 500, Cleveland, OH 44115-1815, OFC Phone: (216) 522-4058 Ext. 7000, FAX: (216) 522-4067
- Oklahoma**
Multifamily Housing Program Center, HUD Oklahoma City Office, 500 W. Main Street, Suite 400, Oklahoma City, OK 73102-2233, OFC Phone: (405) 553-7410, FAX: (405) 553-7406
- Oregon**
Multifamily Housing Hub, HUD Seattle Office, 909 First Avenue, Suite 190, MS-0AHM, Seattle, WA 98104-1000, OFC Phone: (206) 220-5228 Ext. 3250, FAX: (206) 220-5206
- Pennsylvania**
Multifamily Housing Hub, HUD Philadelphia Office, The Wanamaker Building, 100 Penn Square, East, Philadelphia, PA 19107-3380, OFC Phone: (215) 656-0609 Ext. 3533, FAX: (215) 656-3427
Multifamily Housing Program Center, HUD Pittsburgh Office, 339 Sixth Avenue—Sixth Floor, Pittsburgh, PA 15222-2515, OFC Phone: (412) 644-6639, FAX: (412) 644-5872
- Puerto Rico**
Multifamily Housing Program Center, HUD Caribbean Office, 171 Carlos E. Chardon Avenue, San Juan, PR 00918-0903, OFC Phone: (787) 766-5401, FAX: (787) 766-5522
- Rhode Island**
Multifamily Housing Program Center, HUD—Providence Office, 10 Weybosset Street, Sixth Floor, Providence, RI 02903-2808, OFC Phone: (401) 528-5230, FAX: (401) 528-5097
- South Carolina**
Multifamily Housing Program Center, HUD Columbia Office, 1835, Assembly Street, Columbia, SC 29201-2480, OFC Phone: (803) 765-5162, FAX: (803) 253-3043
- South Dakota**
Multifamily Housing Hub, HUD Denver Office, 633 17th Street, 14th Floor, Denver, CO 80202-3607, OFC Phone: (303) 672-5343, FAX: (303) 672-5153
- Tennessee**
Multifamily Housing Program Center, HUD—Knoxville Office, 710 Locust Street, SW, Knoxville, TN 37902-2526, OFC Phone: (423) 545-4411, FAX: (423) 545-4578
Multifamily Housing Program Center, HUD—Nashville Office, 251 Cumberland Bend Drive, Suite 200, Nashville, TN 37228-1803, OFC Phone: (615) 736-5748, FAX: (615) 736-2018
- Texas**
Multifamily Housing Hub, HUD Ft. Worth Office, 801 Cherry Street, PO Box 2905, Ft. Worth, TX 76102-2905, OFC Phone: (817) 978-5764, FAX: (817) 978-5520
Multifamily Housing Program Center, HUD Houston Office, 2211 Norfolk, #200, Houston, TX 77098-4096, OFC Phone: (713) 313-2274 Ext. 7015, FAX: (713) 313-2319
Multifamily Housing Program Center, HUD San Antonio Office, 800 Dolorosa, San Antonio, TX 78207-4563, OFC Phone: (210) 475-6831, FAX: (210) 472-6897

Utah

Multifamily Housing Hub, HUD Denver Office, 633 17th Street, 14th Floor, Denver, CO 80202-3607, OFC Phone: (303) 672-5343, FAX: (303) 672-5153

Vermont

Multifamily Housing Program Center, HUD—Manchester Office, Norris Cotton Federal Bldg. 275 Chestnut Street, Manchester, NH 03101-2487, OFC Phone: (603) 666-7684, FAX: (603) 666-7697

Virginia

Multifamily Housing Hub, HUD Richmond Office, 3600 West Broad Street, Richmond, VA 23230-4920, OFC Phone: (804) 278-4500 Ext. 3146, FAX: (804) 278-4613

Washington

Multifamily Housing Hub, HUD Seattle Office, 909 First Avenue, Suite 190, MS-0AHM, Seattle, WA 98104-1000, OFC Phone: (206) 220-5228 ext. 3250, FAX: (206) 220-5206

West Virginia

Multifamily Housing Program Center, HUD—Charleston Office, 405 Capitol Street, Suite 708, Charleston, WV 25301-1795, OFC Phone: (304) 347-7000 Ext. 103, FAX: (304) 347-7050

Wisconsin

Multifamily Housing Program Center, HUD Milwaukee Office, 310 West Wisconsin Avenue, Room 1380, Milwaukee, WI

53203-2289, OFC Phone: (414) 297-3214 Ext. 8662, FAX: (414) 297-3204

Wyoming

Multifamily Housing Hub, HUD Denver Office, 633 17th Street, 14th Floor, Denver, CO 80202-3607, OFC Phone: (303) 672-5343, FAX: (303) 672-5153

Appendix B

The non-standard forms, which follow, are required for your Multifamily Housing Drug Elimination Program application.

BILLING CODE 4210-32-P

**FY 2001 MULTIFAMILY HOUSING
DRUG ELIMINATION GRANT PROGRAM
APPLICANT DATA INPUT FORM**

**U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

Owner (Funds Recipient) Name _____

Address _____

City _____ State _____ Zip _____

Phone (Include Area Code) _____

Grant Contact Person (Name) _____

Phone (Include Area Code) _____

E-mail address _____

List the specific development(s) targeted for assistance under this grant. Use additional sheets as needed.

Development Name _____

Address _____

City _____ State _____ Zip _____

FHA/Project Number _____ Sec.8 Number _____

Project Type (e.g., 236) _____ No. of Units _____

Location (Urban, suburban, or rural) _____

Senators 1. _____ 2. _____

Congressional Representative(s) Name(s) 1. _____ District(s) 1. _____

2. _____ 2. _____

DETAILED DESCRIPTION OF BUDGET

| Budget Line Item Number | Activities | Funds Requested |
|---|---|-----------------|
| 9140 | Support for Tenant Patrols | \$ |
| 9150 | Physical Improvements to enhance security | \$ |
| Programs to reduce the use of illegal drugs | | |
| 9160 | Drug Prevention | \$ |
| 9170 | Drug Intervention | \$ |
| 9180 | Drug Treatment | \$ |
| Total Amount Requested | | \$ |
| HUD Official Use Only: TOTAL FUNDS APPROVED: | | \$ |

CERTIFICATION OF DRUG TREATMENT PROGRAM (SINGLE STATE AGENCY OR LOCAL TRIBAL COMMISSION)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Applicable only if applying for Treatment Activities.

The administrator/director or designee for the single state agency or tribal commission hereby certifies:

The proposal drug treatment activity is appropriate and consistent with the State plan; and that the service(s) meets all Federal, State, Tribal and local government medical licensing, training, bonding, and certification requirements;

The applicant has notified and consulted with the relevant single state agency or authority with drug coordination responsibilities concerning its application; and

The administrator/director or designee understands that the application deadline date is on or before _____, 2001, _____ P.M., local time.

State or local agency Administrator/Director/Designee

Signed this _____ day of _____, 2001

Administrator/Director/Designee (Print Name and Title)

Name

Title

X _____
Signature

Check if comments by residents are attached.

**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 a loan guaranteed by HUD under Section 108 of the Act (as defined in Section III(A)(1) below) for the same project, or to improve the viability of the project financed with the Section 108-guaranteed loan. HUD intends to make available \$10,728,155 in EDI funds in FY 2001 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. An EDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment. In FY 2001, HUD seeks to increase economic development opportunity for those areas of the country having the greatest distress.

Available Funds. Although no new funds were appropriated for the EDI program in FY 2001, \$10,728,155 from the past two fiscal years is unobligated and therefore HUD proposes to make these funds available for EDI grants in FY 2001. This amount includes \$3,710,000 from the Community Empowerment Fund (CEF) Pilot. A notice announcing this pilot program was published in the **Federal Register** on June 30, 2000. On reconsideration, HUD has decided not to proceed with this pilot program. *Please note that there is no separate category for regional economic development applications, unlike last year's SuperNOFA, in this year's competition.* The maximum EDI grant awards will be in the amount of \$1 million.

Eligible Applicants. Any public entity eligible to apply for and receive loan guarantee assistance under 24 CFR part 570, subpart M. Urban counties, as defined in 24 CFR 570.3 and 570.307, may apply for funding, but units of general local government which participate in the Urban County may not submit an application independent of the Urban County. (See Section III(B) below for additional information regarding eligible applicants.)

Application Deadline. July 6, 2001.

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. Please submit your completed applications (one original and three copies) on or before 12:00 midnight, Eastern time, on July 6, 2001, 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: The completed application (an original and two copies) should be submitted by mail or hand delivery 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.

To the Appropriate CPD Field Office: At the same time the EDI application and copies are submitted to HUD Headquarters, an additional copy should be submitted to the Community Planning and Development Division of the appropriate HUD Field Office for the applicant's jurisdiction.

When submitting the application, please refer to EDI, and include the applicant's name, mailing address (including zip code) and telephone number (including area code), along with the contact person's name and phone number.

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 the applicant's name, address (including zip code), and telephone number (including area code), along with the contact person's name and phone number. The application kit also will be available on the Internet through the HUD web site at <http://www.hud.gov/grants>. 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 Bill Seedyke at (202) 708-1686, extension 4445, of the Office of Economic Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7158, Washington, DC 20410; (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 the provision of technical assistance for EDI grants. The Section 108 Loan Guarantee program is not a competitive program and therefore is not subject to the 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.

Satellite Broadcast. HUD will hold an information broadcast via satellite for potential applicants to learn more about the program and preparation of the EDI application. For more information about the date and time of the broadcast, please consult the HUD web site at <http://www.hud.gov/grants>.

II. Amount Allocated

No new funds were appropriated for the EDI program under the FY 2001 HUD Appropriations Act. However, \$10,728,155 in funds appropriated for Fiscal Years 1999 and 2000 remain unobligated and available for the EDI program for FY 2001. This amount includes \$3,710,000 that had been set aside administratively for the Community Empowerment Fund (CEF) Pilot. A notice announcing this pilot program was published in the **Federal Register** on June 30, 2000 (65 FR 40836). On reconsideration, HUD has decided not to proceed with this pilot program. For the EDI program, if any additional funds become available during Fiscal Year 2001, HUD may either fund additional applicants in accordance with this program section of the SuperNOFA or may add these funds to any future EDI competitions.

III. Program Description; Eligible Applicants; Eligible Activities

(A) *Program Description.* EDI funds are used to enhance the security of a loan guaranteed by HUD under Section 108 of the Act (as defined in Section III(A)(1) below) for the same project, or to improve the viability of the project financed with the Section 108-guaranteed loan. An EDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment. Both Section 108 loan guarantee proceeds and EDI grant funds are initially made available by HUD to public entities approved for assistance. Such public entities may re-loan the Section 108 loan proceeds and provide EDI funds to a business or other entity to carry out an approved economic development project, or the public entity may carry out the eligible project itself, as provided in the approved application.

In either case, EDI grant funds and the 108 proceeds must be used together to support the same eligible project.

(1) *Definitions.* Terms used in this program section of the 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.*).

Application means a single set of documents submitted by an eligible applicant for EDI grant funds, in accordance with the provisions of this program section of the SuperNOFA to finance an economic development project. An EDI application must be accompanied by a Section 108 loan guarantee request, which may consist of either a brief summary of the proposed use of 108 funds, or a full application, which may either be submitted at the same time as the EDI application or be provided within 60 days of EDI grant award, as more fully explained in Section IV(C) of this program section. Note that the Section 108 application must be submitted to the appropriate HUD field office concurrently with its submission to Headquarters.

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

Economic Development Initiative (EDI) means the competitive award 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 part 598, or a rural area so designated by the Secretary of Agriculture pursuant to 7 CFR part 25, subpart B.

Firm Commitment means either a written agreement or letter of understanding by which an applicant and/or its partner:

(1) agrees to perform an activity specified in the application, and demonstrates its relationship to the proposed EDI project;

(2) specifies the amount of the commitment, and demonstrates that it has the financial and organizational capacity to deliver the resources necessary to successfully complete the activity; if the committed activity is to be self-financed, the applicant's partner must evidence its financial capacity through a corporate or personal financial statement or other appropriate means; and

(3) irrevocably commits the resources to the activity either through cash or in-kind services or contributions; if any portion is to be financed through a grant or loan from another public or private organization, that institution's grant or loan commitment must be firmly committed as well.

Any such agreement or letter of understanding shall be understood as being contingent upon receipt of the EDI grant.

In order for an applicant's commitment of CDBG funds to be counted by HUD, a resolution from the local governing body (e.g., city/borough council) authorizing the amount and permitted use(s) of the funds must be provided. Each agreement or letter of commitment must include the organization's name and proposed total level of commitment and responsibilities as they relate to the proposed EDI project. The commitment must be signed by an official of the organization legally authorized to make commitments on behalf of the organization and have an effective date not earlier than the publication date of the NOFA.

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 part 598.

(2) *Background.* 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.

(a) The CDBG program provides grant funds (approximately \$4.44 billion in FY 2001) by formula to eligible 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, public facilities 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, as described in 24 CFR part 570, subpart M. EDI grants must support Section 108 loan guarantees as generally described in this program section of the SuperNOFA.

(b) For FY 2001, the Section 108 program is authorized at \$1.26 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 continuing 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 reduce grantees' 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 \$7.0 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 directly enhance the value of the assets securing the Section 108 loan 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 “ ” in the early stages of the project, i.e., potentially insufficient 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 to improve the likelihood that project-generated cash flow will be sufficient to cover debt service on the Section 108 loan directly and therefore enhance the security of 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 both 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, which might not otherwise be 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 in order to act as a catalyst for other development in the area.

(e) *Combination of Techniques.* A combination of the above or other techniques could be employed in implementing an economic development project.

(7) *Additional Project Structure.* HUD will consider funding an EDI proposal in which the related Section 108-guaranteed obligation would be used solely as security only under the following conditions:

(a) If EDI funds are not the first source of funds injected into the project, and

(b) If project funds are disbursed according to a ratio that equals the amount of EDI funds to the amount of private or public debt that is firmly committed to the project, as required under Rating Factor 4 “Leveraging Resources” below, and

(c) If the grantee maintains in its records a listing of the amount of private funds being distributed by the private party (i.e., the financing institution) to the project.

Grantees are reminded that the EDI grantee/Section 108 borrower's loan guaranteed obligation cannot remain undischarged for more than five years following the year in which the Section 108 commitment is made.

Consequently, the borrower's 108-guaranteed obligation cannot have a term that exceeds five years plus the remaining portion of the fiscal year in which the commitment is made.

(B) *Eligible Applicants.* (1) 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 subject to 24 CFR 570, subpart F, applicants will be required to provide evidence in the application from an authorized official of the State agency responsible for administering the State CDBG program stating its intention to support the related Section 108 loan with a pledge of its CDBG funds pursuant to the requirements of 24 CFR 570.705(b)(2). Such evidence shall take the form of the HUD Certification titled “SECTION 108 LOAN GUARANTEES: State Certifications Related to Nonentitlement Public Entities” which may be obtained either by downloading from the Internet or in the EDI Application Kit to be published shortly after publication of this SuperNOFA. Note that effective January 25, 1995, non-entitlement public entities in the State of 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 now eligible to participate in the Section 108 and EDI programs.

(2) Applicants for economic development projects under this section must comply with the threshold requirements of Section II of the General Section of the SuperNOFA.

(C) *Eligible Activities and National Objectives.* (1) EDI grant funds and section 108 loan guarantee 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 this EDI section of the SuperNOFA. If the application fails to meet the requirements for an EDI project as set forth in this program section of the 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. The applicant must clearly identify in its narrative statement (as described in Section V(B) below) the CDBG national objective the proposed project will achieve and provide the appropriate CDBG national objective's regulatory citation found at 24 CFR 570.208. Also, the applicant must 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 CDBG Entitlement and Small Cities programs, or 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 the SuperNOFA, must comply with the CDBG primary objective requirement as described in Section 101(c) of the Act and 24 CFR 570.200(a)(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 in Section III(C) above of this SuperNOFA, the CDBG regulatory requirements 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 grant recipients or third party users of EDI funds from compliance with all applicable Federal, State and local laws.

(C) *Related Section 108 Loan Guarantee Request*.

(1) Each EDI application must be accompanied by a request for new Section 108 loan guarantee assistance. Notwithstanding the form of the request for new Section 108 loan guarantee assistance under paragraphs (a), (b), (c), or (d) of this section below, the applicant must include citations to the specific regulatory subsections supporting activity eligibility and national objectives compliance for the project described in its application. 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 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 the project to be applied for in a new Section 108 loan guarantee application. Such 108 application must be submitted within 60 days of written notice of EDI selection, with HUD reserving the right to extend such period on a case-by-case basis where HUD determines there is evidence of good cause. 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 and 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 an 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 assistance (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 is not eligible to be used in conjunction with an EDI grant under this program section.

(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) *Prohibitions 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) Section 108 loan obligations may not be subordinated, directly or indirectly, to federally tax exempt obligations. Pursuant to Office of Management and Budget (OMB) Circular A-129 (REV.), Appendix A, Sections II c.2 and d. (Policies for Federal Credit Programs and Non-Tax Receivables), Section 108 guaranteed loan funds may not directly or indirectly support federally tax-exempt obligations.

(E) *Time-frames*. EDI grant awards will contain conditions requiring grantees to adhere to their stated timeframes for implementing proposed projects and drawing Section 108 and EDI funds. If the related Section 108 application has not been submitted and approved and the Note guaranteed within fifteen (15) months of written HUD notification of grant award, HUD may deobligate the EDI funds. If EDI grant funds and Section 108 loan proceeds have not been disbursed to the applicant within the timeframes specified in the EDI Grant Agreement and the 108 Contract, HUD reserves the right to recapture the EDI funds, unless an extension of time has been authorized in writing by HUD, and either award them to the applicant that scored the next highest in that year's competition, provided that such applicant's application remains feasible and appropriate under this program section of the NOFA, or make them available as part of the next EDI NOFA.

(F) *Limitations on Grant Amounts*. (1) HUD expects to approve EDI grant amounts for approvable applications with 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 an applicant proposes a leverage ratio of 1:1, it will not receive any points under Rating Factor 4, paragraph (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. Even with a ratio of 1:1, applications with higher ratios will receive more points under Rating Factor 4, "Leveraging Resources". Because the proposed ratio of EDI funds to Section 108 funds represents an applicant's financial commitment, HUD will condition the EDI grant award on the grantee's achievement of that specific ratio. Its 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.

HUD will cap EDI awards at a maximum of \$1 million. An application in excess of \$1 million will be reduced below the amount requested by the applicant to the extent HUD determines that such a reduction is appropriate.

After selection, but prior to grant award, if HUD determines that an application can be funded at a lesser EDI grant amount than requested and still be feasible and consistent with the proposed plan and the purposes of the Act, it reserves the right to reduce the amount of the EDI award and/or increase the required Section 108 loan guarantee commitment, if appropriate.

(4) If additional EDI grant funds become available to HUD (e.g., from recaptures or other appropriations), HUD reserves the right to award grants under this SuperNOFA during FY 2001 whose aggregate total may exceed the approximately \$7 million announced in this program section of the SuperNOFA, up to the maximum amount authorized by law.

(5) If an applicant is awarded an EDI grant that has been reduced below the original request (e.g., the application contained some activities that were ineligible, the grant request exceeded the funding cap, there were insufficient funds to reach all applications (as defined in Section V(A) below) at the full amount requested, or there were technical deficiencies that could not be resolved), it will be asked to modify its project plan 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 an applicant does not submit an approvable Section 108 loan guarantee application and issue Section 108-guaranteed obligations on a timely basis 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(F)(1) above of this program section of the SuperNOFA). Any modifications or amendments to an application approved pursuant to this SuperNOFA, whether requested by the grantee 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 scores above the level of the lowest funded application and is otherwise approvable under this SuperNOFA competition.

(6) In the case of a requested increase in guarantee assistance for a project

with 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.

(7) Pursuant to another portion of this SuperNOFA, HUD is simultaneously announcing the availability of \$25 million of Brownfields Economic Development Initiative (BEDI) funds. The BEDI program's principal purpose is to assist in the remediation of contaminated commercial and industrial sites, but economic development proposals that contain some limited amount of environmental site remediation as part of the overall cost may be submitted under the EDI portion of this SuperNOFA as well. 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. Also, 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 Factor 4, paragraph (2). Further, if an applicant seeks both BEDI and EDI funds for the same project, it must include in its response to Rating Factor 3 a discussion of how the project can be financed and implemented if it fails to obtain either BEDI or EDI funds under this SuperNOFA.

(G) *Timing of Grant Awards.* (1) If an applicant submits a full Section 108 application with its EDI grant application, HUD will evaluate the Section 108 application concurrently with the request for EDI grant funds. Note that the 108 application must be submitted to the appropriate HUD field office concurrently with submission to Headquarters. In addition, 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 a grant recipient 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 grantee before the issuance of the related Section 108-guaranteed obligations.

(H) *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.

(I) *Nondiscrimination.* Section 109 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5309), is applicable to EDI grant recipients. Applicants must therefore adhere to HUD regulations at 24 CFR parts 6 and 570, including, but not limited to, reporting and record-keeping requirements under 24 CFR 570.506 and 570.507.

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 104. To be eligible for funding, an EDI application must obtain a total score of at least 20 points in Rating Factors 1 (Capacity) and 3 (Soundness of Approach) combined.

(2) All applications meeting program and threshold requirements will be scored under the selection criteria below. Applications will be selected for funding as follows:

All EDI grant applications will be separately ranked in order of points assigned with the applications receiving more points ranking above those receiving fewer points.

In the event two or more applications are given the same score, but there are insufficient funds for all, the application(s) with the highest score(s) on Rating Factor 2 (Distress/Extent of the Problem) shall be selected. If there is still a tie, the following Factors will be considered sequentially as follows, with the application having the high score on that Factor taking precedence until the tie is broken: Rating Factor 3 (Soundness of Approach), Rating Factor 1 (Capacity and Experience), Rating Factor 4 (Leveraging Resources), and Rating Factor 5 (Comprehensiveness and Coordination).

Fundable economic development applications must meet the threshold requirements stipulated in the General Section of this SuperNOFA and be complete as required by the Submission requirements of this program section of the SuperNOFA. Economic development projects will be funded in rank order until the total aggregate

amount of the applications funded is equal to the maximum amount available in the competition (subject to the Department's discretion as described in Section IV(F) below).

Bonus Points

An additional two points may be awarded for projects that are located either in federally-designated Empowerment Zones and Enterprise Communities; two points may also be awarded for qualifying projects in Dallas, Texas as mandated by a decision by the U.S. District Court for the Northern District of Texas, for a maximum of four points possible. For specific details, please see Section III(C)(1) in the General Section of the SuperNOFA, and Rating Factor 3, paragraph (6) below.

(B) Narrative Statements.

Applications must:

(1) Provide a narrative statement describing the activities that will be carried out with the EDI grant funds. The EDI narrative statement must not exceed three (3) 8.5" by 11" pages, doubled-spaced.

(2) Describe how the 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. *Applications must include citations to the specific regulatory subsections supporting eligibility of activities and compliance with national objectives.* (See Section III(C) of this program section of this SuperNOFA).

(3) The applicant must also provide narrative statements in response to each of the rating factors below.

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

(C) *Factors for Award Used to Evaluate and Rate Applications.* HUD will evaluate all applications for funding assistance based on the following factors, the responses to which demonstrate the quality of the proposed project or activities, and the applicant's capacity and commitment to use the EDI funds in accordance with the purposes of the Act. Responses to Rating Factors 1–5 below shall not exceed fifteen (15) pages combined.

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

This factor addresses the extent to which the applicant has the organizational resources necessary to successfully implement its proposed activities in a timely manner. The rating of the "applicant" or the "applicant's organization and staff" will include any

subcontractors, consultants, and subrecipients that are firmly committed (see definition in Section III(A)(1) above) to participate in the activities described in the application. In rating this factor, HUD will consider the following:

(1) With regard to the EDI/Section 108 project, the applicant should demonstrate that it has the organization and the staff and financial resources in place to implement the specific steps required to successfully carry out its proposed EDI/Section 108 project. This includes factors such as:

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

(b) Performance, if any, in carrying out economic development projects similar to that proposed, including the ability to conduct prudent underwriting, if applicable;

(c) Ability to carry out projects and programs in a timely manner; an applicant must address its performance in spending previously awarded funds, if any, in a timely manner, including, for CDBG entitlement recipients, the extent to which it has met the HUD standard of having no more than 1.5 times its entitlement amount undisbursed (see 24 CFR 570.902(a)(1)(i); and,

(d) If applicable, capacity to manage projects under this program section of the 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) An applicant that has previously received an EDI or BEDI grant award 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 it is taking to overcome any such delays to carry out the project in a timely manner. For such previously funded EDI or BEDI grant projects, HUD will award more rating points for applications providing evidence of achievement of specific measurable outcomes in carrying out activities funded with previous EDI or BEDI grant funds and the associated Section 108 guaranteed loan funds.

(3) Experience and performance of subrecipients, nonprofit organizations and other entities that have a role in implementing the proposed program should be included in this review. Experience will be judged in terms of recent and successful performance of activities relevant to those proposed in the EDI application. The more recent and extensive the experience, the

greater the number of points that will be awarded for this Factor.

(4) In addition to the application, HUD also may rely on information from performance reports, financial status information, monitoring reports, audit reports and other available information in making its determination under this factor.

Rating Factor 2: Distress/Extent of the Problem (40 Points)

This Factor addresses the extent to which there is need for funding the proposed activities based on levels of distress, and an indication of the urgency of meeting the need/distress in the applicant's target area. In responding to this Factor, applications will be evaluated on the extent to which the level of distress is documented and compared, vis-a-vis, the target area, the jurisdiction, and national data.

(1) In applying this Factor, HUD will consider current levels of distress for the following areas affected by the project: first, in the area (i.e., Census Tract(s) or Block Groups) immediately surrounding the project site or the target area to be served by the proposed project; second, in the jurisdiction in which the project is to be located; third, relative to the similar measures of distress in the nation. Applicants may also provide data for the overall jurisdiction alongside comparable jurisdictions in the county and state, as appropriate to the activity, in order to demonstrate the various levels of distress in context. This means that an application that provides data that show levels of distress in the project area and the jurisdiction expressed as a percent greater than the national average will be rated higher under this Factor.

Notwithstanding the above, an applicant proposing a project to be located outside the target area could still receive points under the Distress Factor if a clear rationale is provided linking the proposed project location and the benefits to be derived by persons living in more distressed area(s) of the applicant's jurisdiction.

(2) Applicants should provide data that address all indicators of distress, if applicable, as follows:

(a) Poverty rate (20 points)—data should be provided in both absolute and percentage form (i.e., whole numbers and percents) for both the target area(s) and the jurisdiction as a whole; an application that compares the local poverty rate in the following manner to the national average at the time of submission will receive points under this Section as follows:

(i) Equal to but less than twice the national average—5 points;

(ii) Twice but less than three times the national average—10 points;

(iii) Three or more times the national average—20 points.

(b) Unemployment (15 points)—; for both the project area and jurisdiction; an application that compares the local unemployment rate in the following manner to the national average at the time of submission will receive points under this Section as follows:

(i) Equal to but less than twice the national average—2 points;

(ii) Twice but less than three times the national average—4 points;

(iii) Three but less than four times the national average—6 points;

(iv) Four but less than five times the national average—8 points;

(v) Five or more times the national average—10 points.

(c) Other Indicators of social and/or economic decline that best capture the applicant's local situation (5 points)—examples that could be provided under this Section are information demonstrating the jurisdiction's stagnant or falling tax base, including recent commercial or industrial closings, housing conditions, such as the number and percentage of substandard and/or overcrowded units, rent burden (defined as average housing cost divided by average income) for both the target area and jurisdiction, local crime statistics, etc.

(3) To the extent that the applicant's Consolidated Plan, its Analysis of Impediments to Fair Housing choice (AI), and/or its Anti-Poverty Strategy identify the level of distress in the jurisdiction and the neighborhood in which the project is to be carried out, references to such documents should be included in preparing the response to this Factor.

(4) In rating applications under this Factor, HUD reserves the right to consider sources of available objective data other than, or in addition to, those provided by applicants, and to compare such data to those provided by applicants.

(5) HUD requires use of sound and reliable data (e.g., U.S. Census data, State statistical reports, university studies/reports that are verifiable) to support distress levels cited in each application. A source for all information along with the publication or origination date must also be provided. Updated Census data are available as follows for the listed indicators:

(a) Unemployment rate—estimated monthly for counties, with a two-month lag;

(b) Population—estimated for incorporated places and counties, through 1999;

(c) Poverty rate—estimated every two years, with a three-year lag, with 1997 being the most recent available.

Rating Factor 3: Soundness of Approach (25 Points)

This factor addresses the quality and cost-effectiveness of the proposed plan. The relationship between the proposed activities, community needs and purposes of the program funding must be clearly described, as follows, in order to receive points for this factor. In rating this factor, HUD will consider the following:

(1) (5 Points) The quality of the plan/proposal for the use of EDI funds and Section 108 loan funds, including the extent to which the proposed plan for use of EDI grant/Section 108-guaranteed loan funds will address the needs described in Rating Factor 2 above regarding the distress and extent of the problem in the immediate target area and/or jurisdiction. As part of the response to this factor, an applicant should identify the specific eligible activities it will carry out and should fully describe how the project will achieve one of the national objectives under the Community Development Block Grant program. Applications should also demonstrate how the proposed project would mitigate or otherwise address the distress identified in Rating Factor 2 above.

(2) (5 Points) The extent to which the plan is logical, feasible and 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. The applicant should:

(a) Demonstrate that it has a clear understanding of the steps required to implement its project, including the actions that all parties responsible for implementing the project must complete. For example, applications providing evidence that authority necessary to proceed with the project has been sought and/or received, in the form of any necessary zoning classification, waivers, general permits, special use permits, assessment district designation, public easements and rights-of-way, etc., will receive more points for this Factor.

(b) Provide a specific time schedule for carrying out the project and identify measurable objectives to be accomplished. The timeline form contained in the Appendix A to this program section of the SuperNOFA should be included in the application.

(3) The extent to which the proposed project addresses the 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 the project will be carried out; the extent to which the applicant 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 the project is expected to generate.

(4) Financial feasibility. (10 Points) HUD will consider the extent to which the applicant demonstrates that its project is financially feasible. In responding to this subfactor, the applicant must clearly address the question of why the EDI funds are critical to the success of this project. The response should include these items, as applicable:

(a) Project costs and financial requirements. A funding sources and uses statement must be provided, as well as justifications for project costs;

(b) The amount of any debt service or operating reserve accounts that will be established 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) to be received each year during the repayment period for the guaranteed loan;

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

(f) The applicant's underwriting criteria that will be used in determining project feasibility.

(5) The extent to which the project incorporates one or more elements that facilitate a successful transition of welfare recipients from welfare to work, including the number of living wage jobs (i.e., those that are part of career path or apprenticeship programs) to be created by the project and the impact of the project on job creation that will benefit individuals on welfare or low to very low income. Such an element could include, for example, linking the 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.

(6) 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 loan funds 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 (15 Points)

In evaluating this factor, HUD will consider the extent to which the response demonstrates the likelihood that the project will leverage both Section 108 loan and other public or private funds as part of the total project resources. This factor has two subfactors, each with its own maximum point total:

(1) *Leverage of Section 108 funds* (10 points).

The minimum ratio of Section 108 funds to EDI funds in any project may not be less than 1:1. The extent to which the proposed project leverages an amount of Section 108 funds greater than a 1:1 ratio will result in that application's receiving a higher number of points. If the application has a ratio of 1:1, it will not receive any points under this subfactor. If an application proposes that the EDI funds will leverage additional new Section 108 commitments, it will receive more points under this subfactor.

(2) *Leverage of other financial resources* (5 points). HUD will evaluate the extent to which other funds (public or private) are leveraged with EDI grant funds and Section 108 guaranteed loan funds, and the extent to which such other funds are firmly committed to the project. This could include the use of CDBG funds, other Federal or state grants or loans, local general funds, project equity or commercial financing provided by private sources or funds from non-profits or other sources. Funds will be considered committed to the project if they meet the requirements of "Firm Commitment" as defined in Section III(A)(1) above, and shall be subject to completion of any environmental review required under 24 CFR part 58 for the project.

Rating Factor 5: Comprehensiveness and Coordination (5 Points)

This factor addresses the extent to which the applicant has coordinated its activities with other known organizations; that it participates or promotes participation in its or the State's Consolidated Planning process; and that it is 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 the applicant demonstrates it has:

(1) Coordinated its 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. Any written agreements or memoranda of understanding in place, or that will be in place after award, should be described in the application.

(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 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 the project area.

VI. Application Submission Requirements

(A) *EDI Funding*. An application for funding under the EDI funding allocation under this program section of the SuperNOFA must have the following items to be complete. The standard forms, certifications and assurances that are required for the EDI application (and listed in paragraph (I) below) can be found in Appendix B to the General Section. The remaining application items that are forms (i.e., excluding such items as narratives or letters, etc.), referred to as the "non-standard forms" can be found in Appendix B to this program section of the SuperNOFA.

(B) *Transmittal Letter* signed by the authorized representative of the eligible applicant indicating that it is submitting the application for funding under the Economic Development Initiative Program and is requesting funding consideration for an EDI project.

(C) *Checklist and Submission Table of Contents* indicating the page numbers

where the submission items can be found in the application (form HUD-40076-EDI/BEDI).

(D) *EDI Narrative Statement* describing EDI funded eligible activities within the proposed project.

(E) *EDI/BEDI/Section 108 Funding Eligibility Statement*. A completed EDI/BEDI Section 108 Funding Eligibility Statement (form HUD-40076-EDI/BEDI).

(F) *Request for Loan Guarantee Assistance*. A request for loan guarantee assistance under Section 108, as further described in Section IV(C) of this program section of the SuperNOFA. Full application guidelines for the Section 108 program are found at 24 CFR 570.704.

(G) *Narrative Responses to Factors for Award*:

(1) Rating Factor 1: Capacity and Relevant Organizational Experience. Provide a narrative indicating the capacity of your organization and staff to perform the work for which it is requesting funding.

(2) Rating Factor 2: Need Statement Identifying the level of Distress/Extent of the Problem. Provide a narrative statement including any documentation supporting the statement of need. Optional form HUD-40076-EDI/BEDI as a format to respond to this factor for award may also be used.

(3) Rating Factor 3: Soundness of Approach. Include the activities, budget and time frame for conducting activities in the response (see form HUD 40076-EDI/BEDI).

(4) Rating Factor 4: Leveraging Resources. The response should include a completed copy of form HUD-40076-EDI/BEDI, "Rating Factor 4: Leveraging Resources Sources and Uses Statement."

(5) Rating Factor 5: Comprehensiveness and Coordination. Provide a narrative response to this factor.

(H) *Request for Funds*. A single application must contain a request for funds for a single EDI/108 project. You may submit more than one application for each additional unrelated EDI/108 project. Each application will be rated and ranked individually. In no event will HUD rate and rank more than one EDI project per application.

(I) *Additional Application Forms and Certifications*. In addition to any forms that have been submitted in response to the Factors for Award (which may be found at Appendix A, the following forms and certifications must also be submitted:

(1) Application for Federal Assistance (Standard Form (SF) 424);

(2) Federal Assistance Funding Matrix (HUD 424M);

(3) Standard Form for Assurances—Non-Construction Programs (SF 424B) and/or Standard Form for Assurances—Construction Programs (SF 424D)—not applicable for this program section.

(4) Drug-Free Workplace Certification, HUD-50070.

(5) Certification of Payments to Influence Federal Transactions, HUD 50071, (and if applicant and/or participating parties are engaged in lobbying, the Disclosure Form Regarding Lobbying, SF-LLL);

(6) Applicant/Recipient Disclosure/Update Report, HUD-2880;

(7) Certification Regarding Debarment and Suspension, HUD-2992;

(8) Certification of Consistency With EZ/EC Strategic Plan, HUD-2990;

These forms are found in the Appendix B to the General Section of this SuperNOFA. Budget Information on Standard Forms 424B or 424C are not required under this EDI section of the SuperNOFA

In addition to the fair housing and other civil rights assurance described under Section II(B) of the SuperNOFA General Section, applicants for EDI funds must provide assurance that they will comply with Section 109 of the Housing and Community Development Act of 1974, as amended, and must have

resolved to HUD's satisfaction any letter of noncompliance findings under Section 109 before the deadline for EDI application submission.

If an applicant wishes to receive an acknowledgment of HUD's receipt of its application, it should submit a completed Acknowledgment of Receipt of Application form.

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 grantee 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.

Appendix A

The non-standard forms for the EDI application follow.

BILLING CODE 4210-32-P

CHECKLIST AND SUBMISSION TABLE OF CONTENTS

The following checklist helps you to ensure that all of the required items have been submitted in order to receive consideration for funding. The applicant should assemble the application package in the order shown below, check off each item included in its submission package and note the corresponding page number where the response is located.

| Check Off | Page Number |
|--|------------------------|
| <input type="checkbox"/> Standard Form for Application for Federal Assistance (SF-424) | cover page 1 |
| <input type="checkbox"/> Transmittal Letter | cover page 2 |
| <input type="checkbox"/> Checklist and Submission Table of Contents | p. 1 |
| <input type="checkbox"/> Applicant Narrative Statement (3 pages) | p. _____ |
| <input type="checkbox"/> EDI/BEDI/108/CDBG Funding Eligibility Statement form (2 pages) | p. _____ |
| <input type="checkbox"/> <u>Request for Loan Guarantee Assistance</u> (check off one of the four options) | p. _____ |
| <input type="checkbox"/> Formal application | |
| <input type="checkbox"/> Brief description; formal application to be submitted in 60 days | |
| <input type="checkbox"/> Copy of previously submitted, but not yet approved, Section 108 application. | |
| <input type="checkbox"/> Request for Section 108 loan guarantee amendment to increase previously approved amount | |
| <u>Response to Rating Factors</u> | |
| <input type="checkbox"/> #1 Capacity of the Applicant and Relevant Organizational Experience | p. _____ |
| <input type="checkbox"/> #2 Distress/Extent of the Problem | p. _____ |
| <input type="checkbox"/> Distress/Extent of the Problem form (optional) | p. _____ |
| <input type="checkbox"/> #3 Soundness of Approach | p. _____ |
| <input type="checkbox"/> Project Timeline form | p. _____ |
| <input type="checkbox"/> #4 Leveraging Resources/Financial Need | p. _____ |
| <input type="checkbox"/> Source & Use Statement form | p. _____ |
| <input type="checkbox"/> #5 Comprehensiveness and Coordination | p. _____ |
| <u>Application Forms and Certifications</u> | |
| <input type="checkbox"/> Section 108 Certifications | p. _____ |
| <input type="checkbox"/> Federal Assistance Funding Matrix (HUD-424M) | p. _____ |
| <input type="checkbox"/> Certification and Disclosure Form Regarding Lobbying (SF-LLL) | p. _____ |
| <input type="checkbox"/> Applicant/Recipient Disclosure Update Report (HUD-2880) | p. _____ |
| <input type="checkbox"/> Certification Regarding Debarment & Suspension (HUD2992) | p. _____ |
| <input type="checkbox"/> Certification of Consistency with EZ/EC Strategic Plan | p. _____ |
| <input type="checkbox"/> Certification for a Drug-Free Workplace | p. _____ |
| <input type="checkbox"/> Certification of Payments to Influence Federal Transactions | p. _____ |
| <u>Appendices</u> | |
| <input type="checkbox"/> Written Agreements or Signed Letters of Understanding - Rating Factor 1 | p. _____ |
| <input type="checkbox"/> Third Party Funding Commitment Letters - Rating Factor 4, subfactor 3 | p. _____ |
| <input type="checkbox"/> Acknowledgment of Application Receipt | last page |

RATING FACTOR 2: DISTRESS/EXTENT OF PROBLEM
(optional form)

Applicant: _____

Project Name/Title: _____

Instructions: The applicant is required to provide information related to the poverty rate for the Target Neighborhood (the area in which EDI/BEDI assistance will be used) and the larger jurisdiction. In addition, the applicant may include optional indicators such as the unemployment rate, median income of persons living in the area, or other indicators of the applicant's choosing. A data source and date are required for each indicator. Use of data from the applicant's Consolidated Plan and/or its Analysis of Impediments to Fair Housing Choice (AI) is encouraged.

| Required Indicators | Target Area | County | Nation | Data Source & Date |
|----------------------------|--------------------|---------------|---------------|-------------------------------|
| 1 <u>Poverty Rate</u> | _____ | _____ | _____ | _____ |
| 2 <u>Unemployment</u> | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

| Required Indicators | Target Area | County | Nation | Data Source & Date |
|----------------------------|--------------------|---------------|---------------|-------------------------------|
| 3 <u>Other</u> | _____ | _____ | _____ | _____ |
| 4 <u>Other</u> | _____ | _____ | _____ | _____ |
| 5 <u>Other</u> | _____ | _____ | _____ | _____ |
| 6 _____ | _____ | _____ | _____ | _____ |

Definitions: Describe how the areas are defined (i.e., city boundaries, census tracts, zip codes, etc.)

Target Area: _____

County: _____

EDI/BEDI/SECTION 108/CDBG FUNDING ELIGIBILITY STATEMENT

Page 1 of 2

Applicant: _____

Project Name/Title: _____

Instructions: The applicant should first enter the total project cost (line 16). Then, working backwards, the applicant should enter the total costs paid with CDBG (line 14) and non CDBG-related funds (line 15). These two amounts should equal the total listed in line 16. Next, the applicant should enter dollar amounts on lines 1-13 in order to demonstrate among which eligible activities the EDI/BEDI, Section 108 or CDBG funds are to be allocated.

| <u>Eligible Activities 1/</u> | <u>EDI or BEDI</u> | <u>Section 108</u> | <u>CDBG 2/</u> | <u>Total</u> |
|--|--------------------|--------------------|----------------|--------------|
| 1 Acquisition of Real Property 24 CFR 570.703(a) | | | | |
| 2 Rehabilitation of Publicly Owned Real Property 24 CFR 570.703(b) | | | | |
| 3 Payment of Interest 24 CFR 570.703(c) | | | | |
| 4 Relocation Payments 24 CFR 570.703(d) | | | | |
| 5 Clearance, Demolition, Removal 24 CFR 570.703(e) | | | | |
| 6 Site Preparation 24 CFR 570.703(f) | | | | |
| 7 Payment of Issuance Fees 24 CFR 570.703(g) | | | | |
| 8 Housing Rehabilitation 24 CFR 570.703(h) | | | | |
| * 9 Economic Development Activities 24 CFR 570.703(i) (and 570.203/.204) | | | | |
| 10 Construction of Housing 24 CFR 570.703(j) | | | | |
| 11 Debt Service Reserve 24 CFR 570.703(k) | | | | |
| 12 Public Facilities 24 CFR 570.703(l) | | | | |
| 13 Public Facilities - Colonias 24 CFR 570.703(m) | | | | |
| 14 Subtotal | | | | |
| 15 Costs Paid with Non CDBG-Related Funds | | | | |
| 16 Total Project Costs 3/ | | | | |

1/ The eligible Section 108 activities are defined in detail at 24 CFR 570.703.

2/ CDBG grants and program income other than EDI, BEDI or Section 108.

3/ This figure should match the total provided on the Sources & Uses Statement.

EDI/BEDI/SECTION 108/CDBG FUNDING ELIGIBILITY STATEMENT

Page 2 of 2

Applicant: _____

Project Name/Title: _____

| National Objective 1/ | | | |
|---------------------------------|--------------------------------|----------------------------------|--------------------------|
| Single Project (check one only) | | Loan Fund (check all that apply) | |
| <input type="checkbox"/> | Low-Mod Area Benefit | 24 CFR 570.208(a)(1) | |
| <input type="checkbox"/> | Low-Mod Limited Clientele | 24 CFR 570.208(a)(2) | |
| <input type="checkbox"/> | Low-Mod Area Housing | 24 CFR 570.208(a)(3) | |
| <input type="checkbox"/> | Low-Mod Job Creation/Retention | 24 CFR 570.208(a)(4) | |
| <input type="checkbox"/> | Slum/Blight Area Basis | 24 CFR 570.208(b)(1) | |
| <input type="checkbox"/> | Slum/Blight Spot Basis | 24 CFR 570.208(b)(2) | |
| <input type="checkbox"/> | Slum/Blight Urban Renewal | 24 CFR 570.208(b)(3) | |
| <input type="checkbox"/> | Urgent Need/Imminent Threat | 24 CFR 570.208(c) | |
| | | | <input type="checkbox"/> |

| Public Benefit |
|---|
| <p>PLEASE NOTE: This section is applicable only to projects which plan to spend funds on eligible economic development activities as defined by 24 CFR 570.703(i).</p> <p>A. If this project will meet the public benefit standard based upon the number of jobs to be created [see 570.209(b)(3)(i)(A)], enter the total number of jobs:</p> <div style="text-align: center; margin-left: 150px;"> <input style="width: 100px; height: 20px;" type="text"/> </div> <p>B. If this project will meet the public benefit standard based upon the number of low- and moderate-income persons served in the project area [see 570.209(b)(3)(i)(B)], enter the number of low- and moderate-income persons living in the project area:</p> <div style="text-align: center; margin-left: 150px;"> <input style="width: 100px; height: 20px;" type="text"/> </div> |

1/ The CDBG national objectives are defined in detail at 24 CFR 570.208.

**RATING FACTOR 3: SOUNDNESS OF APPROACH
PROJECT TIMELINE**

Applicant: _____

Project Name/Title: _____

Instructions: Identify and list each major task/activity associated with the project. Darken appropriate boxes for quarter(s) when task/activity will occur. Fill in the amount of EDI/BEDI/108 funds associated with each task/activity in column labeled EDI/BEDI/108 Funds for Task." Fill in the amount of other sources of funding associated with each task in the column labeled "Other Funds." If the project extends beyond the timeframe indicated on the form, please attach justification/description of project term.

| | Tasks/Activities | Year | | | | | | | | | | | | EDI/BEDI/ 108 Funds for Task | Other Funds for Task |
|----|-----------------------|--------|----|----|----|--------|----|----|----|--------|----|----|----|------------------------------------|----------------------------|
| | | Year 1 | | | | Year 2 | | | | Year 3 | | | | | |
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | |
| | EXAMPLE: Construction | | | | | | | | | | | | | \$1,500,000 | \$2,500,000 |
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | | |
| | TOTAL | | | | | | | | | | | | | | |

**RATING FACTOR 4: LEVERAGING RESOURCES
SOURCES & USES STATEMENT**

Applicant: _____

Project Name/Title: _____

| <u>Sources</u> | | <u>Uses</u> | |
|---|---------------|--------------------------------------|---------------|
| | <u>Amount</u> | | <u>Amount</u> |
| Federal | | Acquisition of Real Property | |
| ED I or BEDI (circle one) | | Construction/Rehab | |
| Section 108 | | (excl. infrastructure & remediation) | |
| CDBG | | Infrastructure | |
| | | Remediation | |
| | | M&E | |
| | | Working Capital | |
| State/Local | | Creation of Loan Fund for | |
| | | ED Activities | |
| | | Project Delivery Costs | |
| | | Contingency | |
| | | Loan Loss Reserve | |
| | | Land Writedown | |
| | | Interest Rate Writedown | |
| Private (include debt financing) | | Credit Enhancements | |
| Equity | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL: | | TOTAL: | |

Instructions: Fill in the dollar amounts corresponding to each project source in the **Amount** column on the left half of the table. Sources of funding not listed should be added under the relevant category (Federal, State/Local, Private). For each of the project uses (on the right half of the table), fill in the dollar amount to be spent in the **Amount** column. Add additional uses in the blank lines at the bottom of the **Uses** column.

**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 a loan guaranteed by HUD under Section 108 of the Act (as defined in Section III(A)(1) below) for the same project, or to improve the viability of the project financed with the Section 108-guaranteed loan. HUD intends to make available approximately \$25 million in BEDI funds in FY 2001 to stimulate economic development by local governments and private sector parties. 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. A BEDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment. In FY 2001, HUD seeks to increase economic development opportunity for those areas of the country having the greatest distress.

Available Funds. Approximately \$25 million. The maximum BEDI grant awards will be in the amount of \$2 million.

Eligible Applicants. Any public entity eligible to apply for and receive 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. May 22, 2001.

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. Please submit your completed applications (one original and three copies) on or before 12:00 midnight, Eastern time, on May 22, 2001, 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 two copies) 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: BEDI Grant, by mail or hand delivery.

To the Appropriate CPD Field Office. At the same time the application and copies are submitted to HUD Headquarters, an additional copy should be submitted to the Community Planning and Development Division of the appropriate HUD Field Office for the applicant's jurisdiction.

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

mailing address (including zip code) and telephone number (include area code), along with the name and phone number of your contact person.

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 the applicant's name, address (including zip code), and telephone number (including area code), along with the name and phone number of your contact person. 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/grants>.

For Further Information and Technical Assistance. Contact Lisa Peoples, Office of Economic Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7140, Washington, DC 20410, telephone (202) 708-0614 ext. 4456 (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 the provision of technical assistance for EDI grants. The Section 108 Loan Guarantee program is not a competitive program and therefore is 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 your Section 108 loan application.

Satellite Broadcast. HUD will hold an information broadcast via satellite for potential applicants to learn more about the program and preparation of BEDI application. For more information about the date and time of the broadcast, you should consult the HUD web site at <http://www.hud.gov>.

II. Amount Allocated

HUD has available a maximum of \$25 million for the BEDI program, as appropriated in the FY 2001 HUD Appropriations Act for the purpose of assisting public entities in the redevelopment of brownfields. The maximum funding amount of a BEDI award is \$2 million.

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 provides funding to local governments to be used in conjunction with Section 108 loan guarantees to finance redevelopment of brownfields sites. A BEDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment. Both Section 108 loan guarantee proceeds and BEDI grant funds are initially made available by HUD to public entities approved for assistance. Such public entities may re-loan the Section 108 loan proceeds and provide BEDI funds to a business or other entity to carry out an

approved brownfield economic development project, or the public entity may carry out the eligible project itself, as provided in the approved application. In either case, BEDI grant funds and the 108 proceeds must be used together to support the same eligible project.

(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.*).

Application means a single set of documents submitted by an eligible applicant for BEDI grant funds, in accordance with the provisions of this program section of the SuperNOFA to finance a brownfield economic development project. A BEDI application must be accompanied by a Section 108 loan guarantee request, which may consist of either a brief summary of the proposed use of 108 funds, or a full application, which may either be submitted at the same time as the BEDI application or be provided within 60 days of BEDI grant award, as more fully explained in Section IV(C) of this program section. Note that the Section 108 application must be submitted to the appropriate HUD field office concurrently with its submission to Headquarters.

Brownfields 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 \$2 million, as appropriated in the FY 2001 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 (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 so 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 part 598, or a rural area so designated by the Secretary of Agriculture pursuant to 7 CFR part 25, subpart B.

Firm Commitment means either a written agreement or letter of understanding by which an applicant and/or its partner:

(1) Agrees to perform an activity specified in the application, and demonstrates its relationship to the proposed EDI project;

(2) Specifies the amount of the commitment, and demonstrates that it has the financial and organizational capacity to deliver the resources necessary to successfully complete the activity; if the committed activity is to be self-financed, the applicant's partner must evidence its financial capacity through a corporate or personal financial statement or other appropriate means; and

(3) Irrevocably commits the resources to the activity either through cash or in-kind services or contributions; if any portion is to be financed through a grant or loan from another public or private organization, that institution's grant or loan commitment must be firmly committed as well.

Any such agreement or letter of understanding shall be understood as being contingent upon receipt of the EDI grant.

In order for an applicant's commitment of CDBG funds to be counted by HUD, a resolution from the local governing body (e.g., city/borough council) authorizing the amount and permitted use(s) of the funds must be provided. Each agreement or letter of commitment must include the organization's name and proposed total level of commitment and responsibilities as they relate to the proposed EDI project. The commitment must be signed by an official of the organization legally authorized to make commitments on behalf of the organization and have an effective date not earlier than the publication date of this NOFA.

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 part 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 brownfields conditions. Primary among HUD's resources are the Community Development Block Grant (CDBG) program and the Section 108 loan guarantee program.

The CDBG program provides grant funds (\$4.4 billion in FY 2001) 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, public facilities, 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 as described in 24 CFR part 570, subpart M. BEDI grants must support Section 108 loan guarantees as generally described in this program section of this SuperNOFA.

(c) For FY 2001, the Section 108 program is authorized at \$1.26 billion in loan guarantee authority. The full faith and credit of the United States is pledged to the payment of all guarantees made under Section 108. Under this program, communities (and States, as applicable) pledge their continuing 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 reduce grantees' 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 2001, Congress has made a specific appropriation of \$25 million for the BEDI program to assist in financing "brownfields" redevelopment. HUD intends the \$25 million in Brownfields (BEDI) funds available pursuant to this program section of this SuperNOFA to be used with a particular emphasis upon the redevelopment of brownfields sites consistent with the statutory purpose of the FY 2001 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 brownfields 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 of the assets securing the Section 108 loan.

(6) *Integration of Other Government Brownfields 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) *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 BEDI funding that directly enhance the value of the assets securing the Section 108 loan will help ensure that the project-based asset(s) will satisfy the additional collateral requirements.

(8) *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 brownfields 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