

demolition, clearance, or site preparation activities. If the local government used Section 108 funds to make a loan to a developer, BEDI funds could be granted to the developer for the purpose of addressing remediation costs as part of an economic development activity.

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

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

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

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

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

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

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

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

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

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

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

(b) If project funds are disbursed according to a ratio that represents the amount of BEDI 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 BEDI grantee/Section 108 borrower's loan-guaranteed obligation cannot remain undisbursed 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 108 commitment is made.

(B) *Eligible Applicants.* (1) Any public entity eligible to apply for Section 108 loan guarantee assistance in accordance with 24 CFR 570.702 may apply for BEDI grant assistance under Section 108(q). Eligible applicants are CDBG entitlement units of general local government and non-entitlement units of general local government eligible to receive loan guarantees under 24 CFR part 570, subpart M. Urban Counties, as defined at 24 CFR 570.3 and 570.307, are eligible applicants for BEDI funds; units of general local government which participate in an Urban County program are not independently eligible applicants. 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 BEDI 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 eligible to participate in the Section 108 and BEDI programs.

(2) Applicants for BEDI projects must comply with the threshold requirements of Section II of the General Section of the SuperNOFA.

(C) *Eligible Activities and National Objectives.* (1) BEDI 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 a BEDI project as described in this BEDI section of this SuperNOFA, including Section III(A) of this program section of the SuperNOFA. You are required to submit applications that seek funding for BEDI projects that will contribute to the

redevelopment and revitalization of brownfields. Applications that fail to meet the requirements for a BEDI project as set forth in this SuperNOFA will not be rated by HUD.

(2) Each activity assisted with Section 108 loan guarantee or BEDI funds must meet a national objective of the CDBG program as described in 24 CFR 570.208. Applicants must clearly identify in their narrative statement (as described in Section V(B) of this program section below) the CDBG national objective to be achieved by the proposed project and provide the appropriate CDBG national objective regulatory citation found at 24 CFR 570.208. Applicants must also address, when applicable, how the proposed activities will comply with the public benefit standards of the CDBG program as reflected in the regulation at 24 CFR 570.209 for the Entitlement 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) (BEDI) funds provided pursuant to this program section of this SuperNOFA, must comply with the CDBG primary objective requirements as described in section 101(c) of the Act and 24 CFR 570.200(a)(3) or 570.484 in the case of State grantees.

#### IV. Program Requirements

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

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

(C) *Related Section 108 Loan Guarantee Request.* (1) Each BEDI application must be accompanied by a request for new Section 108 loan guarantee assistance. Notwithstanding the form of your request for new Section 108 loan guarantee assistance under paragraphs (a), (b), (c), or (d) below of this Section IV(C), you must include citations to the specific regulatory subsection supporting activity eligibility and national objectives compliance for the project described in your application. (See Section III(C) of this program section of this SuperNOFA.) Both the BEDI and Section 108 funds must be used in conjunction with the same BEDI project. The request may take any of several forms as defined below.

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

(b) A brief description (not to exceed three pages) of the project to be applied for in a new Section 108 loan guarantee application(s). Such 108 application(s) will be submitted within 60 days of written notice of BEDI selection, with HUD reserving the right to extend such period for good cause on a case-by-case basis. BEDI awards will be conditioned on approval of actual Section 108 loan commitments. The application description must be sufficient to support the basic eligibility of the proposed project and activities for Section 108 assistance. (See Section III(C) of this program section of the 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 BEDI application. The applicant's submission of such a BEDI/Section 108 application shall be deemed by HUD to constitute a request to suspend separate processing of the Section 108 application. The Section 108 application will not be approved until on or after the date of the related BEDI award.

(d) A request for Section 108 loan guarantee assistance (analogous to Section IV(C)(1)(a) or (b) of this BEDI section of the SuperNOFA) that proposes to increase the amount of a previously approved application. However, any amount of Section 108 loan guarantee authority approved before HUD's announcement of a BEDI grant for the same project is not eligible to be used in conjunction with a BEDI 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 BEDI grant award, whether or not the Section 108 loan guarantee has been approved as of the date of this SuperNOFA, is not eligible for a BEDI award under this SuperNOFA. For example, if a public entity has a previously approved Section 108 loan guarantee commitment of \$12 million, even if none of the funds have been utilized, or if the public entity had previously been awarded an EDI grant of \$1 million and had certified that it will submit a Section 108 loan application for \$10 million in support of that EDI grant, the public entity's application under this program section of this SuperNOFA must propose to increase the amount of its total Section 108 loan guarantee commitments beyond those amounts (the \$12 million or \$10 million in this example) to which it has previously agreed.

(D) *Prohibitions on Use of BEDI and Section 108 Funds.* Certain restrictions shall apply to the use of BEDI and Section 108 funds:

(1) BEDI 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 BEDI 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. 2.c. 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.

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

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

(E) *Time-frames.* BEDI grant awards will contain conditions requiring grantees to adhere to their stated time-frames for implementing proposed projects and drawing Section 108 and BEDI 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 BEDI funds. If BEDI grant funds and Section 108 loan proceeds have not been disbursed to the applicant within the timeframes specified in the BEDI Grant Agreement and the 108 Contract, HUD reserves the right to recapture the BEDI 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 BEDI NOFA.

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

For example, if you request a BEDI grant of \$1 million, you will be required to leverage a minimum of at least \$1 million in new Section 108 loan guarantee commitments. Of course, even though there is a minimum ratio of 1:1, applications with higher ratios will receive more points under Rating Factor 4, "Leveraging Resources" and, all other things being equal, will be more competitive. You are encouraged to propose projects with a greater leverage ratio of new Section 108 to BEDI grant funds (assuming such projects are financially viable). For example \$1 million of BEDI could leverage \$12 million of new Section 108 loan commitments. HUD intends that the BEDI

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

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

(3) If additional BEDI 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 \$25 million announced in this program of the SuperNOFA, up to the maximum amount authorized by law. In the event you are awarded a BEDI grant that has been reduced below the original request (e.g., your application contained some activities that were ineligible, exceeded the \$2 million cap, or there were insufficient funds to fund the last competitive application at the full amount requested), you will be required to modify your project plans and application to conform to the terms of HUD approval before HUD will execute a grant agreement.

(4) HUD also will proportionately reduce or deobligate the BEDI award if you do not submit an approvable Section 108 loan guarantee application and issue Section 108-guaranteed obligations on a timely basis (including any extension authorized by HUD) in the amount required by the BEDI/108 leveraging ratio, which will be approved by HUD as a special condition of the BEDI grant award (see Section IV(E)(1) above of this program section of the SuperNOFA). Any modifications or amendments to your application approved pursuant to this SuperNOFA, whether requested by you or by HUD, must be within the scope of the approved original BEDI application in all respects material to rating the application, unless HUD determines that your revised application remains within the competitive range and is otherwise approvable under this SuperNOFA competition.

(5) 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 BEDI assistance approved with be based on the increased amount of Section 108 loan guarantee assistance.

(6) Pursuant to another portion of this SuperNOFA, HUD is simultaneously announcing the availability of approximately \$7.02 million of Economic Development Initiative (EDI) funds. While HUD will permit applicants to pursue BEDI and EDI funds for the same project, HUD requires that the BEDI and EDI applications (and their components)

be independent of one another. Thus, each application should have an identifiable amount of Section 108 funding associated with its respective request for EDI and BEDI funds for purposes of determining the leverage of Section 108 funding to the corresponding amount of EDI or BEDI funds requested. Further, the proposed amount of Section 108 borrowing associated with the BEDI or EDI grant shall not be used to determine leverage of other financial resources under Rating 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) To the extent you submit a full Section 108 application with the BEDI grant application, HUD will evaluate your Section 108 application concurrently with your request for BEDI grant funds. Note that the 108 application must be submitted to the appropriate HUD field office concurrently with submission to Headquarters. In addition, BEDI grant assistance cannot be used to leverage a Section 108 loan guarantee approved prior to the date of HUD's announcement of a BEDI grant pursuant to this SuperNOFA. However, the BEDI grant may be awarded prior to HUD approval of the Section 108 commitment if HUD determines that such award will further the purposes of the Act.

(2) HUD's notice to you of the amount and conditions of BEDI funds awarded, based upon review of the BEDI application, constitutes an obligation of grant funds, subject to compliance with the conditions of award and execution of a grant agreement. BEDI funds 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 BEDI 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 application must have a minimum score of 20 points for Rating Factors 1 (Capacity) and 3 (Soundness of Approach) combined to be considered fundable.

(2) Once scores are assigned, HUD will rank all applications meeting program and threshold requirements in order of points assigned, with the applications receiving

more points ranking above those receiving fewer points. Applications will be funded in rank order.

(3) Prior to award, if HUD determines that an application rated, ranked and fundable could be funded at a lesser BEDI grant amount than requested consistent with feasibility of the funded project or activities and the purposes of the Act, HUD reserves the right to reduce the amount of the BEDI award and/or increase the required Section 108 loan guarantee commitment, if necessary, in accordance with such determination. An application in excess of \$2 million will be reduced below the amount requested by the applicant to the extent HUD determines that such a reduction is appropriate.

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

(5) 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 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, Enterprise Communities or Brownfields Showcase 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 total of four bonus points. 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.

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

(2) In the foregoing narrative statement describe how your proposed uses of BEDI funds will meet the national objectives for the CDBG program under 24 CFR 570.208 and qualify as eligible activities under 24

CFR 570.703. *Applications must include citations to the specific regulatory subsections supporting activity eligibility and national objectives compliance.* (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 consider your application for selection based on the following factors that demonstrate the quality of your proposed project or activities, and your creativity, capacity and commitment to obtain maximum benefit from the BEDI funds, in accordance with the purposes of the Act.

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 you have the organizational resources necessary to successfully implement the proposed activities in a timely manner. The rating of the "applicant" or the "applicant's organization and staff" for technical merit or threshold compliance, unless otherwise specified, will include any subcontractors, consultants, subrecipients 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 BEDI/Section 108 project you propose, you must demonstrate that you have the capacity to implement the specific steps required to successfully carry out the proposed BEDI/Section 108 project. Evidence of capacity will be judged by your:

- Performance in the administration of your CDBG, HOME or other programs;
- Performance and capacity in carrying out economic development projects;
- Performance and capacity with respect to Brownfields redevelopment projects similar to that proposed; including the ability to conduct prudent underwriting, if applicable; and
- Capacity to carry out your 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 the recipient 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,

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

(2) An applicant that has previously received an EDI or BEDI grant award(s), you must describe the status of the implementation of those project(s) assisted

with EDI or BEDI funds, any delays that have been encountered and the actions you are taking to overcome any such delays in order to carry out the project in a timely manner. For such previously funded EDI or BEDI grant projects, HUD will 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.

The experience and performance of subrecipients, nonprofit organizations and other entities that have a role in implementing your proposed program will be included in this review.

Experience and performance of subrecipients, nonprofit organizations and other entities that have a role in implementing your proposed program will be included in this review. Experience will be judged in terms of recent and successful performance of activities relevant to those proposed in the BEDI application. The more recent and extensive the experience, the greater the number of points that will be awarded for this Factor.

HUD also may rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making its determination under this factor.

**Rating Factor 2: Distress/Extent of the Problem (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.

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.

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

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:

Equal to but less than twice the national average.	5 points;
Twice but less than three times the national average.	10 points;
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:

Equal to but less than twice the national average.	2 points;
Twice but less than three times the national average.	4 points;
Three but less than four times the national average.	6 points;
Four but less than five times the national average.	8 points;
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 county, 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

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.

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:

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

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

(d) 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 your proposed plan. There must be a sound relationship between the proposed activities, community needs and purposes of the program funding for you to receive points for this factor. In rating this factor, HUD will consider the following:

(1) (5 Points) The quality of your plan/proposal for using BEDI funds and Section 108 loan funds, including the extent to which your proposed plan for effective use of BEDI grant/Section 108-guaranteed loan funds will address the needs you described in Rating Factor 2 above regarding the distress and extent of the problem in your immediate target area and/or jurisdiction. As part of the response to this factor, you should identify the eligible activities you will carry out and fully describe how your project will achieve a CDBG national objective. You should make substantial efforts to demonstrate how your proposed project would mitigate or otherwise address the distress you identified in Rating Factor 2 above.

(2) (5 Points) The extent to which your plan is logical, feasible, and likely to achieve your stated purpose. HUD's desire is to fund projects and activities that will quickly produce demonstrable results and advance the public interest including the number of jobs to be created by the project. You should demonstrate that you have a clear understanding of the steps required to implement your project, the actions that you and others responsible for implementing the project must complete. For example, the application should provide 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 right-of-way, etc.

(3) You must include a reasonable time schedule for carrying out your project. The application kit contains a timeline form that you must use to indicate your project timing.

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

(5) The extent to which your projects will integrate environmental justice concerns and

provide demonstrable benefits for affected communities and their residents. The BEDI program is intended to promote the clean up and redevelopment of brownfields sites.

(6) Financial Feasibility (10 Points). HUD will consider the extent to which you demonstrate that your project is financially feasible. In responding to this subfactor, you must clearly address the question of why the BEDI funds are critical to the success of your project. This may include factors such as:

(a) Project costs and financial requirements. 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 you will establish in connection with your economic development project.

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

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

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

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

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

(8) The extent to which your 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 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 persons, and that are part of a career path or apprenticeship programs. 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 BEDI/Section 108 funds to hire and train welfare recipients.

(9) Due to an order of the U.S. District Court for the Northern District of Texas, Dallas Division, with respect to any application submitted by the City of Dallas, Texas, HUD's consideration of the response to this factor, "Soundness of Approach" will include the extent to which Dallas' plan for BEDI funds and Section 108 loans will speed

eradication of the vestiges of racial segregation in the Dallas Housing Authority's programs consistent with the Court's order.

Up to two (2) additional points will be awarded to any application submitted by the City of Dallas, Texas, to the extent this subfactor is addressed.

#### Rating Factor 4: Leveraging Resources (15 Points)

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

(1) Leverage of Section 108 funds (10 points). [Your response to this subfactor is limited to one (1) page.] The minimum ratio of Section 108 funds to BEDI funds in any project may not be less than 1:1. The extent to which your proposed project leverages an amount of Section 108 funds beyond the 1:1 ratio will be considered a positive factor. If you have a ratio of 1:1, your application will not receive any points under this subfactor. If you use your BEDI grant to leverage more new Section 108 commitments, your application will receive more points under this subfactor.

(2) Leverage of other financial resources (5 points). HUD will evaluate the extent to which other funds (public or private) are leveraged with BEDI 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 you have coordinated your activities with other known organizations; you participate or promote participation in your or a State's Consolidated Planning process; and you are working towards addressing a need in a comprehensive manner through linkages with other activities in the community.

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

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

(2) Developed linkages, or specific steps to develop linkages with other activities, programs or projects (through meetings, information networks, planning processes or other mechanisms to coordinate your

activities), so that solutions are holistic and comprehensive. Describe any linkages with other HUD-funded projects/activities outside the scope of those covered by the Consolidated Plan, as well as established linkages and outreach with residents of your project area.

(3) Coordinated your efforts with other Federal, State or locally supported activities, including US Army Corps of Engineers, Economic Development Administration, U.S. Department of Treasury, EPA's various Brownfields initiatives, and those proposed or on-going in the community.

#### VI. Application Submission Requirements

(A) *BEDI Funding*. An application for funding under the BEDI 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 BEDI application (and listed in paragraph (J) 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 Brownfields 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 your application (form HUD-40076-EDI/BEDI).

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

(E) *EDI/BEDI 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 Response(s) to Factors for Award*:

(1) Rating Factor 1: Capacity and Relevant Organizational Experience. Provide a narrative indicating the relevant 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 has a format to respond to this factor for award.

(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. Your 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 BEDI/108 project. You may submit more than one application for each additional unrelated BEDI/108 project. Each application will be rated and ranked individually. In no event will HUD rate and rank more than one BEDI project per application.

(I) *Threshold Requirements*. Your application must meet all of the applicable threshold requirements of Section II(B) of the General Section of this SuperNOFA.

(J) *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.

The Budget Information on Standard Forms 424B or 424C is not required under this BEDI 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 BEDI 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. In addition to the fair housing and other civil rights assurance described under Section II(B) of the SuperNOFA General Section, applicants for BEDI 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 BEDI application submission.

#### VII. Corrections to Deficient Applications

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

#### VIII. Environmental Requirements

(A) *Environmental Review*. After the completion of this competition and after HUD's award of BEDI grant funds, pursuant to 24 CFR 570.604, each project or activity assisted under this program is subject to the provisions of 24 CFR part 58, including limitations on the BEDI 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. HUD will not release such

assistance until you submit a request for release of funds and you satisfy the requirements of 24 CFR part 58. All public entities, including nonentitlement public entities, must submit the request for release of funds and related certification, pursuant to 24 CFR part 58, to the appropriate HUD field office for each project to be assisted.

(B) *Environmental Justice*. (1) Executive Order 12898 (Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations) directs Federal agencies to develop strategies to address environmental justice.

Environmental justice seeks to rectify the disproportionately high burden of environmental pollution that is often borne by low-income, minority, and other disadvantaged communities, and to ensure community involvement in policies and programs addressing this issue.

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

#### IX. Authority

Section 108(q), title I. Housing and community Development act of 1974, as amended, (42 U.S.C. 5301); 24 CFR part 570.

#### Appendix A

The non-standard forms for your BEDI 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.

<b>Check Off</b>	<b>Page Number</b>
<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"/> <b><u>Request for Loan Guarantee Assistance</u></b> (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	
 <b><u>Response to Rating Factors</u></b>	
<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. _____
 <b><u>Application Forms and Certifications</u></b>	
<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. _____
 <b><u>Appendices</u></b>	
<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 Poverty Rate	_____	_____	_____	_____
2 Unemployment	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Required Indicators	Target Area	County	Nation	Data Source & Date
3 Other	_____	_____	_____	_____
4 Other	_____	_____	_____	_____
5 Other	_____	_____	_____	_____
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.

Eligible Activities 1/	EDI or BEDI	Section 108	CDBG 2/	Total
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(j) (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.

form HUD-40076-EDI/BEDI(2/2000)

**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><b>PLEASE NOTE:</b> 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="border: 1px solid black; width: 150px; height: 25px; margin: 0 auto;"></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="border: 1px solid black; width: 150px; height: 25px; margin: 0 auto;"></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 1				Year 2				Year 3				EDI/BEDI/ 108 Funds for Task	Other Funds for Task
		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															
	<b>TOTAL</b>														

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

Applicant: \_\_\_\_\_

Project Name/Title: \_\_\_\_\_

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

**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**

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



## FUNDING AVAILABILITY FOR SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM (SHOP)

### Program Overview

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

*Available Funds.* Approximately \$20 million.

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

*Application Deadline.* May 29, 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, Standard Forms, Further Information, and Technical Assistance

*Application Due Date.* Applications for SHOP grants must be physically received by HUD on or before 12:00 midnight, Eastern time on May 29, 2001.

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

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

*For Application Forms.* There is no separate application kit. This notice contains all the information necessary for submission of your application. Copies of the standard forms are located in the General Section of this SuperNOFA or you may request copies by calling HUD's 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 standard forms, you should refer to SHOP and provide your name and address (including zip code) and telephone number (including area code). See Section VI for application submission requirements. You may also access the application requirements on

the Internet through HUD's web site at [www.hud.gov](http://www.hud.gov).

*Further Information and Technical Assistance.* You may contact Lou Thompson, Office of Affordable Housing Programs, Department of Housing and Urban Development, Room 7168, 451 Seventh Street, SW, Washington, DC 20410; telephone (202) 708-2684, ext. 4594 (this is not a toll-free number). This number can be accessed via TTY by calling the Federal Information Relay Service Operator at 1-800-877-8339.

*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

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

#### III. Program Description; Eligible Applicants; Eligible Activities

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

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

(B) *Eligible Applicants.* You must be a nonprofit national or regional organization or consortium that has the capacity and experience to provide or facilitate self-help housing homeownership opportunities. Local affiliates of national or regional organizations or consortia must apply as part of the national or regional organization or consortia and may not apply for SHOP independently. "Regional" is defined for the purpose of this program section of the SuperNOFA to be a "regional area" such as the Southwest or Northeast which must

include at least two or more States (the States need not be contiguous and the operational boundaries of the organization need not precisely conform to State boundaries). If you are a consortium, one organization must be chosen as the lead entity. The lead entity must submit the application and, if selected for funding, will execute the grant agreement and assume primary responsibility for carrying out grant activities in compliance with all program requirements. Other participants in your consortium must be identified in your application.

Your application may not propose a partnership with or funding for any affiliate or consortium member which is also included in another SHOP application. You must assure that any affiliate or consortium member under your FY 2001 application is not also seeking funding from another SHOP applicant for FY 2001 funds.

(C) *Eligible Activities.* The only eligible activities are: (1) land acquisition (including financing and closing costs), which may include reimbursing an organization, consortium, or affiliate, upon approval of any required environmental review, for nongrant amounts of the organization, consortium, or affiliate advanced to acquire land before completion of the review; (2) infrastructure improvements (installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure, including removal of environmental hazards); and (3) administration, planning and management development as defined under the HOME Investment Partnerships Program (24 CFR part 92.207), and not to exceed 20 percent of any SHOP grant. Funding of eligible activities may be used for both single-family and multifamily dwellings.

(D) *Ineligible Costs:* Costs associated with the rehabilitation, improvement, or construction of dwellings are not eligible uses of program funds.

#### IV. Program Requirements

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

(A) *Statutory Requirements.* You must comply with all statutory requirements applicable to SHOP as cited in Section IX of this program section below. There are no regulations for this program. You must be capable of:

(1) Developing, through significant amounts of sweat-equity and volunteer labor, at least 30 dwellings at an average

cost of no more than \$10,000 per unit in SHOP funds;

(2) Using your grant to leverage other sources of funding, including private or other public funds;

(3) Developing quality dwellings that comply with local building and safety codes and standards and which will be available to homebuyers at prices below the prevailing market price; and

(4) Scheduling activities to expend all grant funds awarded and substantially fulfill your obligations under your grant agreement, including timely development of the appropriate number of dwelling units. Grant funds must be expended within 24 months, except that grant funds provided to affiliates that develop five or more units must expend funds within 36 months.

(B) *Economic Opportunities for Low- and Very Low-Income Persons (Section 3)*. If you fund infrastructure improvements under this program, you are required to comply with section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u (Economic Opportunities for Low- and Very Low-Income Persons) and the HUD regulations at 24 CFR part 135, including the reporting requirements in subpart E. Section 3 requires that you provide training, employment and other economic opportunities, to the greatest extent feasible, to: (1) low- and very low-income persons, particularly those who are recipients of government assistance for housing and (2) business concerns which provide economic opportunities to low- and very low-income persons.

## V. Application Selection Process

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

(B) *Ranking and Selection Procedures*. Applications that receive a total rating of 60 points or more (without the addition of EZ/EC bonus points) will be eligible for selection, and HUD will place them in rank order. After adding any bonus points for EZ/EC, HUD will consider rank order and funds availability in the selection and funding of applications.

HUD reserves the right to fund less than the full amount requested in any application to ensure a fair distribution

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

(C) *Threshold Requirements*. The following threshold requirements apply specifically to SHOP. You must also be sure to address the threshold requirements listed in Section II(B) of the General Section of the SuperNOFA and must submit all forms, certifications, and assurances identified in Section II(G) of the General Section.

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

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

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

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

### *Submission Threshold Requirements:*

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

documentation for each participant in your consortium.

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

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

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

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

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

#### *Submission Requirements for Rating Factor 1.*

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

(2) You must demonstrate that you have completed at least 30 self-help homeownership units within a national

or regional area (where the homebuyers contributed sweat-equity and/or volunteer labor toward the construction of the dwellings) within the 24-month period preceding the publication of this SuperNOFA.

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

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

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

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

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

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

#### *Submission Requirements for Rating Factor 2.*

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

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

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

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

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

(d) Evidence of housing discrimination;

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

#### *Rating Factor 3: Soundness of Approach (40 Points)*

This factor examines the quality of your plan of proposed activities. In evaluating this factor HUD will consider:

(1) The specificity in your plan; your established timeline for performance; your schedule for expending funds and completing construction; your proposed budget and the cost effectiveness of your program; and your plans to reach all potentially-eligible homebuyers, including those with disabilities or least likely to apply.

(2) How your planned activities further the Departmental initiatives noted in Section VI of the General Section. These initiatives are:

(i) Promoting healthy homes and educating homeowners on what is a healthy home;

(ii) Providing educational and job training opportunities through Neighborhood Networks, and linking programs to AmeriCorps activities;

(iii) Encouraging universal design when developing housing and when communicating with community residents at public meetings or events;

(iv) Encouraging visitability in new construction and substantial rehabilitation activities; and

(v) Employing the President's Partnership for Advancing Technology in Housing (PATH) technologies to improve the affordability, durability, energy efficiency, environmental protection, disaster resistance and safety of housing. HUD will consider how your planned activities exceed prevailing national building practices by: reducing costs of housing; improving durability, reducing maintenance costs; increasing safety and disaster resistance; and improving energy consumption and reducing environmental impact.

#### *Submission Requirements for Factor 3.*

(1) Identify all activities you propose to fund with SHOP.

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

(3) Identify the housing type (single family or multifamily) you plan to develop and the form of ownership (fee simple, condominium, cooperative, etc.) you propose to use.

(4) Submit a construction and completion schedule which expends SHOP funds and substantially fulfills your obligations, including the development of the appropriate number of dwelling units, within 24 months, or

in the case of affiliates that develop five or more units, within 36 months, and demonstrates that remaining housing construction will be completed within a reasonable period of time.

(5) Submit a timeline listing milestones against which HUD is to measure your performance progress in expending funds, and completing acquisition, infrastructure and housing construction activities within the schedule in Item 4 above. These milestones should be at reasonable intervals (e.g., monthly, quarterly, etc.).

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

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

(8) Provide a detailed budget with a break-out for each proposed task and each budget category (acquisition, infrastructure improvements, and administration) in the SF-424A.

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

(10) Describe how the initiatives of the Department are furthered by your proposed activities.

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

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

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

(14) Describe how your program will provide reasonable accommodations for persons with a variety of disabilities by providing "sweat equity" assignments which can be performed by the client regardless of disability; accessible housing regardless of the nature of the disability of its intended residents; and "visitable" housing for all clients.

**Rating Factor 4: Leveraging Resources (15 Points)**

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

**Submission Requirements for Factor 4.**

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

(2) Provide copies of written evidence to support your list of firm commitments from the source of the commitment. There must be a written agreement identifying the leveraging sources that support your FY 2001 SHOP application. The written agreement may be contingent upon your receiving a grant award.

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

**Rating Factor 5: Comprehensiveness and Coordination (10 Points)**

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

(1) The extent to which you demonstrate the support and participation of the community's residents, organizations, businesses, and government in the design and implementation of the proposed activities.

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

(3) The specific steps you have taken or will take to coordinate, through

meetings, information networks, planning processes, or other mechanisms, your activities with other proposed or on-going activities in the community funded by Federal, State, local, or private sources.

**Submission Requirements for Factor 5.**

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

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

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

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

**VI. Application Requirements and Checklist for Application Submission**

Your application consists of the items listed in this Section VI. The standard forms, certifications, and assurances that are applicable to this funding (collectively, referred to as the "standard forms") can be found in Appendix B to the General Section of the SuperNOFA. The following checklist helps to ensure that all of the required items have been submitted in order to receive consideration for funding:

- \_\_\_ Standard Form 424, Application for Federal Assistance (signed by the authorized representative of the organization eligible to receive funds)
- \_\_\_ Evidence of Non-Profit status

**Narrative Statement Addressing:**

- \_\_\_ Factor 1—Capacity of the Applicant and Relevant Organizational Staff, including recent audit
- \_\_\_ Factor 2—Need/Extent of the Problem
- \_\_\_ Factor 3—Soundness of Approach
- \_\_\_ Factor 4—Leveraging Resources
- \_\_\_ Factor 5—Comprehensiveness and Coordination

**Forms, Certifications and Assurances:**

- \_\_\_ SF 424A, Budget Information, Non-Construction Programs
- \_\_\_ SF 424B, Assurances—Non-Construction Programs
- \_\_\_ SF 424M, Federal Assistance Funding Matrix
- \_\_\_ HUD-50070, Certification for a Drug-Free Workplace
- \_\_\_ HUD-50071, Certification of Payment to Influence Federal Transactions
- \_\_\_ SF-LLL, Disclosure of Lobbying Activity, as applicable
- \_\_\_ HUD-2880, Applicant/Recipient Disclosure/Update Report
- \_\_\_ HUD-2990, Certification of Consistency with the EZ/EC Strategic Plan
- \_\_\_ HUD-2992, Certification Regarding Debarment and Suspension
- \_\_\_ HUD-2993, Acknowledgment of Application Receipt

**VII. Corrections to Deficient Applications**

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

**VIII. Environmental Requirements**

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

**IX. Authority**

The funding made available under this program section of the SuperNOFA is authorized by section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) (the "Extension Act").

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**YOUTHBUILD**



## Funding Availability for the Youthbuild Program

### Program Overview

*Purpose of the Program.* The purpose of the Youthbuild program is to assist disadvantaged young adults in distressed communities to complete their high school education, to provide on-site construction training experiences which also result in the rehabilitation or construction of housing for homeless persons and low- and very low-income families, to foster leadership skills, and to further opportunities for placement in apprenticeship programs and employment in living wage jobs.

*Available Funds.* Approximately \$52,925,000 is available for the Youthbuild Program.

*Adjustments to Funding.* HUD reserves the right to utilize this year's funding to fund previous year's errors prior to rating and ranking this year's applications. HUD reserves the right to reallocate funds between categories to achieve the maximum allocation of funds.

*Eligible Applicants.* Eligible applicants are public or private nonprofit agencies, State or local housing agencies or authorities, State or units of local government, or any entity eligible to provide education and employment training under other Federal employment training programs, as further defined in HUD's regulation at 24 CFR 585.4.

*Application Deadline.* May 30, 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, and Technical Assistance

*Application Due Date.* Completed applications (one original and two copies) must be submitted on or before 12:00 midnight, Eastern time, on May 30, 2001 to the HUD Headquarters address shown below. See the General Section of this SuperNOFA for specific procedures that you must follow for the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

*Addresses for Submitting Applications.* Completed applications (one original signed application and two copies) must be submitted to the Processing and Control Unit, Office of Community Planning and Development, Department of Housing and Urban

Development, 451 Seventh Street, SW, Room 7255, Washington, DC 20410, Attention: Youthbuild Program. When submitting your application, please include your name and mailing address (including zip code and telephone number and fax number including area code).

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

*For information concerning the HUD Youthbuild program,* contact Ms. Donna Clarke, Community Planning and Development Specialist, Office of Rural Housing and Economic Development, Office of Economic Development, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7136, Washington, DC 20410; telephone (202) 708-2035 (this is not a toll-free number). Persons with speech or hearing impairments may access this number via TTY by calling toll-free Federal Information Relay Service at 1-800-877-8339.

*For Technical Assistance.* Write or call Peter Twichell, YouthBuild USA, 58 Day Street, Somerville, MA 02144, telephone (617) 623-9900, ext. 1211, under contract with HUD to provide technical assistance. Prior to the application deadline, YouthBuild USA will be available to provide general guidance on the application submission process and location of information, but not guidance in actually preparing the application. HUD Economic Development Specialists located in HUD field offices will also be available to provide technical assistance.

*Satellite Broadcast.* HUD will hold an information broadcast via satellite for potential applicants to learn more about the program and preparation of an application. For more information about the date and time of this broadcast, you should consult the HUD web site at the web address listed above.

#### II. Amount Allocated

(A) *Available Funds.* Approximately \$52,925,000 in Fiscal Year (FY) 2001 funding is being made available through this program section of this SuperNOFA for the Youthbuild program. The

breakdown of funding is discussed below.

The FY 2001 HUD Appropriations Act. The Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Pub. L. 106-377 approved October 27, 2000) (the "FY 2001 HUD Appropriations Act") made \$60,000,000 available of which \$52,925,000 is allocated for grants.

(B) *Funding Categories.* HUD will award up to \$52,925,000 on a competitive basis. Funds will be divided between three categories of grants as described in Section II(C) of this program section of the SuperNOFA.

(1) \$10,000,000—Grants for up to \$400,000 for new applicants that have not previously received grants since the inception of the Program for a period not to exceed 36 months.

(2) \$32,925,000—Grants for up to \$500,000 for a period not to exceed 36 months.

(3) \$10,000,000—Grants for up to \$400,000 for underserved and rural areas for a period not to exceed 36 months.

#### III. Program Description; Eligible Applicants; and Eligible Activities

(A) *Program Description.* The purposes of the Youthbuild Program are to:

(1) Provide economically-disadvantaged young adults with opportunities to obtain an educational experience that will enhance their employment skills, as a means to achieving self-sufficiency;

(2) Foster the development of leadership skills and commitment to community;

(3) Expand the supply of permanent affordable housing for homeless and low- and very low-income persons by providing implementation grants for carrying out a Youthbuild program;

(4) Provide disadvantaged young adults with meaningful on-site training experiences in housing construction and rehabilitation to enable them to render a service to their communities by helping to meet the housing needs of homeless persons and low-income families; and

(5) Give to the greatest extent feasible, job training, employment, contracting and other economic opportunities to low-income persons.

HUD also focuses on the Youthbuild Program as a way to foster the development of nonprofit organizations which over time can provide the services mentioned above to disadvantaged youth and which at the same time rely less on HUD's financial support to carryout these activities.

(B) *Eligible Activities.* (1) Work and activities associated with the acquisition, rehabilitation or construction of the housing, as defined in HUD's regulations at 24 CFR 585.309, 585.310, and 585.311; Construction and rehabilitation costs must not exceed 10 percent of the grant award. HUD encourages you to use grant funds for outreach, recruitment, training and other services for the youth participants which facilitates program implementation;

(2) Relocation payments and other assistance required to comply with HUD's regulation at 24 CFR 585.308;

(3) Costs of ongoing training and technical assistance needs related to carrying out a Youthbuild program;

(4) Education, job training, counseling, employment, leadership development services and optional activities that meet the needs of the participants including entrepreneurial training, drivers' education, apprenticeship opportunities and, programs for those with learning disabilities, and in-house staff training;

(5) Outreach to potential participants;

(6) Wages, benefits, and need-based stipends for participants; and  
(7) Administrative costs must not exceed 10 percent of the grant award.

Please refer to HUD's regulation at 24 CFR 585.305 for further details on eligible activities.

#### IV. Program Requirements

In addition to the program requirements listed in the General Section of this SuperNOFA, as an applicant you must comply with the following Youthbuild program requirements:

(A) *Eligible Applicants.* Eligible applicants as defined in HUD's regulation at 24 CFR 585.4.

(B) *Eligible Participants.* Participants in a Youthbuild program must be very low-income high school dropouts between the ages of 16 and 24, inclusive, at the time of enrollment. Up to 25 percent of participants may be above very low-income, but must have educational needs, (such as lack of reading, writing and communication skills) that justify their participation in the program.

(C) *Locational Limitations.* You may submit more than one application in the current competition if your program's participant recruitment and housing areas are in different jurisdictions. Each application you submit may only propose activities to carry out one Youthbuild program, i.e., to start a new Youthbuild program or to fund new classes of Youthbuild participants for an existing program.

(D) *Response to NOFA—Page Limitation.* The total narrative response to all factors identified in Section VI(C) of this program NOFA must not exceed 15 pages, and must be submitted on 8.5" by 11" paper, using a 12 point size, with lines double spaced and printed only on one side. Please note that submitting pages in excess of the page limit will not disqualify your application. However, HUD will not review or consider the information on any excess pages, which may result in a lower score or failure to meet a threshold.

(E) *Youthbuild Program Components.* Applications that receive assistance under this Youthbuild Program section of the SuperNOFA must contain the three components described as follows:

(1) Educational and job training services;

(2) Leadership training, counseling, and other support activities;

(3) On-site training through actual housing rehabilitation and/or new construction work, including the provision of alternative training experiences that are necessary as a reasonable accommodation for students with disabilities.

(F) *Access to Property.* Your application must contain a letter from the property owner or management company(ies) allowing access to the housing site(s) for on-site construction training.

(G) *Training Requirement.* Each program must be structured so that 50 percent of each participant's time is spent in on-site training and the other 50 percent in educational training.

(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 the Youthbuild program. Please see Section II of the General Section of the SuperNOFA.

#### V. Desirable Elements of a Youthbuild Program

You should document the extent to which HUD's initiatives are furthered by the proposed activities. Such initiatives include:

(1) Promoting healthy and safe homes;

(2) Providing opportunities for self-sufficiency, particularly for persons enrolled in welfare to work programs;

(3) Providing educational, apprenticeship and job training opportunities and linking programs to Americorps activities;

(4) Promoting welfare reform

(5) Encouraging visitability in new construction and substantial rehabilitation activities;

(6) Encouraging universal design; and

(7) Participation in Partnership for Advancing Technology in Housing (PATH).

First time applicants. If you are a first time applicant applying for funding under Category 1, HUD recommends that you should have a graduating class of not more than 20 students.

#### VI. Application Selection Process

You, the applicant, must meet all of the applicable threshold requirements of Section II(B) of the General Section of the SuperNOFA and Section IV(A), (B), (C), (D), (E), (F), (G) and (H), of this program section of the SuperNOFA. HUD will review each application and assign points in accordance with the selection factors described in this section. The maximum number of points is 102 (except for an application submitted by the City of Dallas, Texas, which would be eligible for a maximum of 104 points). HUD will award up to two (2) additional points, as described in the General Section of the SuperNOFA, to any application submitted by the City of Dallas, Texas, to the extent that Factor 3 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 will consider the extent to which the application's proposed activities will eradicate the vestiges of racial segregation in the Dallas Housing Authority's programs consistent with the Court's order. This maximum includes two Empowerment Zone/Enterprise Community (EZ/EC) bonus points as described in the Section III(C) of the SuperNOFA.

(A) *Rating and Ranking.* (1) *General.* To review and rate applications, HUD may establish panels including officials from other Federal agencies and outside experts or consultants to obtain certain expertise and other outside points of view.

(2) *Rating.* All applications for funding will be evaluated against the rating factors described in Section (VI)G of this NOFA.

(3) *Ranking.* Applications will be ranked separately within each of the 3 funding categories. Applications will be selected for funding in accordance with their rank order in each category.

(4) To be eligible for funding, an application must have a minimum score of 25 points for the total combined number of points for Rating Factors 1 and 3.

If two or more applications are rated fundable, and have the same score, but there are insufficient funds to fund all of them, HUD will select the application(s) with the highest score for

Rating Factor 2, Need/Extent of Problem. If two or more applications still have the same score, the highest score in the following factors will be selected sequentially until one highest score can be determined: Rating Factor 3 (Soundness of Approach), Rating Factor 1 (Capacity and Experience), Rating Factor 5 (Comprehensiveness and Coordination), Rating Factor 4 (Leveraging of Resources).

(B) *Categories of Grants.* HUD will make grants in three categories:

(1) *Category 1 Grants.* Grants for new applicants that have not previously received funding under the Youthbuild program since the inception of the Program and that have elected not to apply under Category 2 or 3 Grants, below. HUD will make available approximately \$10,000,000 to new applicants proposing grant(s) of \$400,000 or less for activities not to exceed 36 months.

(2) *Category 2 Grants.* HUD will make available approximately \$32,925,000 to applicants proposing grant(s) of \$500,000 or less for activities not to exceed 36 months.

(3) *Category 3 Grants.* HUD will make available \$10,000,000 for applicants proposing grant(s) of \$400,000 or less to establish programs in underserved and rural areas not to exceed 36 months. Rural and Underserved areas are defined as follows:

(a) *Rural Area.* A Rural area is defined in one of five ways:

(i) A place having fewer than 2,500 inhabitants (within or outside of metropolitan areas).

(ii) A county with no urban population of 20,000 inhabitants or more.

(iii) Rural portions of extended cities, as identified by the U.S. Census Bureau.

(iv) Open country which is not part of or associated with an urban area. The United States Department of Agriculture (USDA) describes "open country" as a site separated by open space from any adjacent densely populated urban area. Open space includes undeveloped land, agricultural land or sparsely settled areas but does not include physical barriers (such as rivers and canals), public parks, commercial and industrial developments, small areas reserved for recreational purposes, and open space set aside for future development.

(v) Any place with a population not in excess of 20,000 and not located in a Metropolitan Statistical Area.

(b) *Underserved Area.* An underserved area is defined as an area comprised of census tracts with the following distress criteria:

(i) A census tract where the unemployment remains high (50

percent or more above the nation's unemployment rate) and

(ii) A census tract where high rates of poverty (50 percent or more above the national average) persists.

(C) *Grant Period.* You must expend funds awarded within 36 months of the effective date of the grant agreement, or such other period specified.

(D) *Maximum Awards.* Under the competition established by this Youthbuild Program section of the SuperNOFA, the maximum award for a Youthbuild grant is \$500,000. HUD will not make amendments to awards under this competition that will increase previously approved grant amounts.

(E) *Potential Environmental Disqualification.* HUD reserves the right to disqualify an application where one or more environmental thresholds are exceeded if HUD determines that it cannot conduct the environmental review and satisfactorily complete the review within the HUD application review period. (See 24 CFR 585.307.) Environmental thresholds are explained in Appendix A of this program section of this SuperNOFA. Complete form 2C13a, 2C13b, or 2C13c and form 2C15 only if you are proposing to use Youthbuild funds for new housing construction or rehabilitation.

(F) *Notification of Approval or Disapproval.* HUD will notify you whether or not you have been selected for an award. If you are selected, HUD's notice to you of the amount of the grant award based on the approved application will constitute HUD's preliminary approval, subject to negotiation and execution of the grant agreement by HUD.

(G) *Factors for Award Used To Evaluate and Rate Applications.*

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

This factor addresses the extent to which you have the resources necessary to successfully implement the proposed young adult education and training program in accordance with your work plan as further described in Factor 3. HUD will review and evaluate information provided documenting recent capacity. Experience within the last 5 years will be considered recent. In reviewing this rating factor, HUD will review the following categories:

(1) (5 points) *Team Member Composition and Experience.* Your experience and the experience of your project director, core staff competencies including your day-to-day program manager, consultants and contractors. You must demonstrate that your program manager has the background,

experience and capacity to implement all of the program components of the proposed work plan, as evidenced by recent work experience (within the last 5 years) in managing projects of the same or similar size, dollar amount, types of activities and beneficiaries as those proposed in your work plan. If any gaps exist in your experience or organizational structure to carry out the program, describe how you will fill those gaps including the hiring of consultants or other outside parties.

(2) (5 points) *Organizational Structure.* The structure of your organization, management structure, including reporting relationships of key staff, a system for coordinating with outside contractors or third party service providers, a mechanism for an internal and external auditing relationships, and an accounting system which meets Federal accounting system requirements. You should provide a clear description of how your organizational structure will operate to carry out your work plan.

(3) (5 points) *Relevant Experience.* The objectives and accomplishments of your past experience in conducting similar activities. You must describe your past project objectives and accomplishments which are similar to those of your proposed work plan to show your effectiveness and timeliness in managing similar projects. If you have received similar grants including previous Youthbuild grants, you must describe your effectiveness of your administration including timeliness and completeness of your compliance in completing reporting requirements and your ability to have resolved problems which presented themselves during the grant period. In addressing timeliness of reports, you must compare when your reports were due with when they were actually submitted. You must describe your achievements, including those of previous Youthbuild grants, of specific measurable outcome objectives. Specific outcome objectives include: number of youth recruited, trained and received GEDs; number of youth obtaining living wage jobs, (i.e. those that are a part of a career path or apprenticeship programs), number of youth participating in apprenticeships and number of housing units rehabilitated or constructed and made available for low and moderate income persons.

HUD will evaluate this Factor based upon your response including letters of commitment from all participating entities for any staffing or other resources to be contributed to the project. The more recent, relevant, and successful the experience of the proposed team members, organization

and other participating entities in relation to the work plan, the greater the number of points that you will receive. Applicants that can demonstrate a closer and greater linkage between the expected outcomes and the previously generated outcomes will also receive a higher amount of points for this Factor.

**Rating Factor 2: Need/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 need for the proposed activity and the urgency in meeting the need are documented and compared, vis-a-vis, the target area, the county 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 county in which the project is to be located, and third, in the nation. This means that an application that provides data that show levels of distress in the target area 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 and linkage 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 target area.

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

(a) Poverty (15 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 county; 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:

- (1) Equal to but less than twice the national average—5 points
- (2) Twice but less than three times the national average—10 points
- (3) Three or more times the national average—15 points

(b) Unemployment (10 points)—for both the project area and county;

- (1) Equal to but less than twice the national average—2 points
  - (2) Twice but less than three times the national average—4 points
  - (3) Three but less than four times the national average—6 points
  - (4) Four but less than five times the national average—8 points
  - (5) Five or more times the national average—10 points
- (c) High School Dropouts (10 points)—for both project area and county;

- (1) Equal to but less than twice the national average—2 points
  - (2) Twice but less than three times the national average—4 points
  - (3) Three but less than four times the national average—6 points
  - (4) Four but less than five times the national average—8 points
  - (5) Five or more times the national average—10 points
- (d) 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 on the community'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 county, urgency in addressing problems facing youth, local crime statistics, etc.

(3) 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 and local crime statistics for both the project site and the county, etc.

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 data being the most recent available.

**Rating Factor 3: Soundness of Approach (25 Points)**

Youthbuild Program Work Plan. This factor addresses the quality and cost-

effectiveness of your proposed work plan. There must be a clear relationship between your proposed activities, community needs and the purpose of the Youthbuild program. HUD will consider the overall quality and feasibility of your proposed work plan and budget which must be consistent with the Youthbuild program as measured by your specific activities and outcomes. HUD is also interested in applicants becoming self-sustaining so that activities can continue in the future without relying on further assistance from the Department.

Specifically, HUD will consider the following categories when assessing your proposed work plan:

- (1) (10 points) Program components.
  - (a) Outreach, recruitment and selection activities. HUD will determine the extent to which you demonstrate a clear linkage with the following work plan activities and proposed outcomes and results. Points will be awarded based upon overall quality and feasibility of the outreach, recruitment and selection activities, the number and types of outreach activities, number of youth to be recruited including eligible participants who are harder to reach and comprehensiveness of the local selection process.

Letters describing specific resources or services to be contributed by non-applicant organizations must be included in your application. In evaluating this category, HUD will consider:

- (i) Specific steps you will take to attract potential eligible participants who are unlikely to be aware of this program (because of race, ethnicity, sex or disability) and selection strategies;
- (ii) Special outreach efforts you will make to recruit eligible young women, young women with dependent children, and persons receiving public assistance; and
- (iii) Recruitment arrangements you have made with public agencies, courts, homeless shelters, local school systems, local workforce development systems and one-stop centers, community-based organizations, etc. You will receive a greater number of points if your outreach and recruitment arrangements are consistent with the purpose of the Youthbuild program and your project goals and the resources provided.

(b) Educational and job training services and activities. HUD will evaluate the extent to which you demonstrate a clear linkage with the following work plan activities and proposed outcomes and results.

Letters describing specific resources or services to be contributed by non-applicant organizations must be

included in your application. Points will be awarded based upon the quality and feasibility of your proposed curriculum, qualifications of instructors and proposed wages and stipends for youth participants. In evaluating this category, HUD will consider:

(i) The types of in-class academic and vocational instruction you will provide;

(ii) The number and qualifications of program instructors and ratio of instructors to participants;

(iii) Scheduling plan for classroom and on-the-job training needed to meet program requirements and ensure timely completion of your program; and

(iv) Reasonable payments of participants' wages, stipends, and incentives. You will receive a greater number of points if your educational and job training services are consistent with the purpose of the Youthbuild program and your project goals and the resources provided.

(c) Leadership development. HUD will determine the extent to which you demonstrate a clear linkage with work plan activities and proposed outcomes and results. Letters describing specific resources or services to be contributed by non-applicant organizations must be submitted in your application. Points will be awarded based upon the quality and feasibility of your proposed leadership curriculum, qualifications of instructors and the impact of the proposed leadership activities on the target area. You must describe the leadership development training you will offer to participants, and strategies for providing the training to build group cohesion and peer support. You will receive a greater number of points if your leadership development activities are consistent with the purpose of the Youthbuild program and your project goals and the resources provided.

(d) Support services. HUD will determine the extent to which you demonstrate a clear linkage with work plan activities and proposed outcomes and results.

Letters describing specific resources or services to be contributed by non-applicant organizations must be included in your application. Points will be awarded based upon the quality and feasibility of your proposed support services strategy and stipends for youth participants. You must assess the need for counseling and referral services during each stage of program implementation: outreach, recruitment, youth interviewed and not selected for the program, program participants, youth who drop out of the program and graduates of the program. Describe how the participant needs will be addressed, document counseling and referral

services to be offered to participants, the type of counseling, social services, and/or need-based stipends you will provide. You will receive a greater number of points if your support service activities are consistent with the purpose of the Youthbuild program and your project goals and the resources provided.

(e) Follow-up assistance and support activities to program graduates. HUD will evaluate the extent to which you provide assistance to Youthbuild program participants after graduation. Letters describing specific resources or services to be contributed by non-applicant organizations must be included in your application. Points will be awarded based upon the quality and feasibility of your proposed strategy. You must describe the type of proposed assistance and support which should be based upon an assessment of the needs of the program graduates and should include continued linkage to the local Youthbuild program, counseling and social service referral services. You will receive a greater number of points if your follow-up assistance and support service activities to program graduates are consistent with the purpose of the Youthbuild program and your project goals and the resources provided.

(f) On-site training. HUD will evaluate the extent to which the work plan provides for quality and comprehensive on-site construction training by addressing the categories below. Letters describing specific resources or services to be contributed by any non-applicant organizations must be included in your application. Points will be awarded based upon the quality and feasibility of your proposed curriculum, experience of proposed instructors, number of youth to be trained and wages or stipends for youth participants. HUD will consider:

(i) The housing construction or rehabilitation activities participants will undertake at the site(s) to be used for the on-site training component of the program as provided in the training curriculum and methodology for carrying out on-site training;

(ii) The qualification and number of on-site supervisors;

(iii) The ratio of trainers to students;

(iv) The number of students per site; and

(v) The amounts, wages, and/or stipends you will pay to participants during on-site work. You will receive a greater number of points if your on-site training plan is consistent with the purpose of the Youthbuild program and your project goals and the resources provided.

(2) (5 points) Strategy for job placement. HUD will evaluate the quality and feasibility of your proposed strategy to place youth participants in permanent jobs.

Letters describing specific resources or services to be contributed by non-applicant organizations must be included in your application. You will be rated on the following factors: (a) proposed number of youth to obtain a living wage job (i.e. those that a part of career paths or apprenticeship programs); (b) proposed number of youth continuing on to be enrolled in post or secondary education; (c) proposed number of youth to receive entrepreneurship training; (d) proposed placement of youth in apprenticeships. Two points of this factor will be awarded based upon the comprehensiveness and feasibility of your strategies and procedures to place youth participants in related apprenticeships and commitments from construction trade unions. You will receive a greater number of points if your strategy for job placement is consistent with the purpose of the Youthbuild program, your proposed project and the resources provided.

(3) (10 points) Expected outcomes. Describe the number of youth to be trained and the number of housing units to be rehabilitated or constructed. As a part of this evaluation, HUD will assess the cost effectiveness of your stated outcomes as compared to the funds that you are requesting in the Youthbuild Grant Budget. You will receive a greater number of points if your proposed outcomes are consistent with the purpose of the Youthbuild program, your proposed project and the resources provided.

#### **Rating Factor 4: Leveraging Resources (15 Points)**

This factor addresses the ability of the applicant to secure non-HUD resources. This factor measures the extent to which you have established partnerships with other entities to secure resources for your proposed program. Each commitment described in the narrative for this Factor must have a firm commitment letter.

HUD will evaluate the extent to which firm commitment of resources are obtained from Federal, State, local, and private and nonprofit sources in an amount of at least 50% of the Youthbuild budget. The greater the amount of resources leveraged, the higher the points that will be awarded. In assigning points for this criterion, HUD will consider the level of non-applicant resources obtained for cash or

in-kind contributions to cover the following kinds of areas:

- (1) Social services (i.e., counseling and training);
- (2) Use of existing vocational, adult, and bilingual educational courses;
- (3) Donation of labor, resource personnel, supplies, teaching materials, classroom, and/or meeting space;
- (4) Hard costs for rehabilitation and construction;
- (5) Other commitments.

In rating this element, HUD will consider only those contributions for which current firm commitments have been provided. HUD will evaluate the level of non-applicant resources proposed based on their importance to the total program. Leveraging will only be counted if you have secured a firm financial commitment. A firm commitment letter means the agreement by which an applicant's partner or contributing entity agrees to perform an activity specified in the application and demonstrates the financial capacity to deliver the resources necessary to carry out the activity, and commits the resources to the activity either in cash, through in-kind services or contributions and is irrevocable, subject only to approval and receipt of a FY 2001 Youthbuild grant. Each letter of commitment should include the organization's name, the applicant's name, the proposed program, the proposed total level of commitment and responsibilities as they relate to the proposed program. The commitment must also be signed by an official of the organization legally able to make commitments on behalf of the organization and not earlier than the date that this NOFA is published. In documenting a firm commitment, the applicant's partner or contributing entity must:

(i) Specify the authority by which the commitment is made, the amount of the commitment and the use of funds. If the committed activity is to be self-financed, the applicant's partner or contributing entity must evidence its financial capability through a corporate or personal financial statement or other appropriate means. If any portion of it is to be financed through a lending institution, the participant must evidence the institution's commitment to fund the loan;

(ii) State the amount and use of the commitment, and the relationship of the commitment to the proposed investment; and

(iii) Affirm that its investment is contingent only upon receipt of FY 2001 Youthbuild funds and state a willingness on the part of the signatory to sign a legally binding commitment

(conditioned on HUD environmental review and approval of a property, where applicable) upon award of the grant.

*Resources from other Federal, State, Local governments or Private Entities.* HUD encourages use of existing housing and homeless assistance programs administered by HUD or other Federal, State, local governments, or private and nonprofit housing programs as part of your Youthbuild program. In addition, HUD encourages use of other non-Youthbuild funds available for vocational, adult, and bilingual education programs or for job training under the Workforce Investment Act and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The greater the number of resources leveraged for each of the categories presented below, the applicant will receive a greater number of points.

(1) (8 points) Public sector sources—Federal, State, or local government sources to provide resources to carry out Youthbuild activities.

(2) (7 points) Private or nonprofit sector sources to provide resources to carry out Youthbuild activities.

#### **Rating Factor 5: Comprehensiveness and Coordination (5 Points)**

HUD will evaluate the extent to which you:

(1) Have coordinated among third parties dealing with youth issues including community based organizations and partners that provide assistance as you prepared your proposal and Work Plan. Indicate your success in actively participating in the Consolidated Planning process, the Public Housing Authority Five Year Comprehensive Plan process, local Workforce Investment Board Youth Council and other information networks; and

(2) Will maintain your coordinating efforts over the grant period.

The more comprehensive, relevant and successful your coordination activities conducted to date and those projected for the future, the greater points you will receive for this Factor.

#### **VI. Application Submission Requirements**

(A) *Site Access Submission Requirements.* You must submit a schedule for the program, budgets, identification of specific housing sites, and firm evidence of site access.

(1) Guidance on evidence of site access:

(i) If the applicant or joint applicant have a contract or option to purchase the property, you should provide a

statement to that effect and include a copy of the contract or option;

(ii) If a third party owns the property or has a contract or option to purchase, that third party must provide a letter to you stating the nature of the ownership and specifically providing you with access to the property for the purposes of the program and the time frame in which the property will be available. In the case of a contract or option, include a copy of the document; and

You must provide the required certification that the proposed activities are consistent with the HUD-approved Consolidated Plan in accordance with 24 CFR part 91 and referenced in Section II of the General Section of the SuperNOFA.

(B) *Category 3 applicants only.* You must state that the proposed project to be established will be located in an underserved or rural area as defined in Section (V)(B)(3) of this notice.

(C) *Application Items.* Your application must contain the items listed in this Section VI(C). 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:

(1) SF-424, Application for Federal Assistance.

(2) HUD-424M, Federal Assistance Funding Matrix.

(3) SF-424A, Budget Information for Non-Construction Programs.

(4) SF-424B, Assurances for Construction Programs.

(5) SF-424C, Budget Information for Construction Programs.

(6) HUD-50070, Certification of Drug-Free Workplace.

(7) HUD-2880, Applicant/Recipient Disclosure/Update Form.

(8) HUD-50071, Certification of Payments to Influence Certain Federal Transactions;

(9) SF-LLL, Disclosure of Lobbying Activities (if applicable);

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

(11) Letters from property owners allowing access to the housing site for construction training.

(12) Submission of 501(c)(3) status and/or letter certifying non-profit status if the applicant is a public non-profit organization.

(13) Narrative Response to Factors for Award.

Factor 1—Capacity

Factor 2—Need

Factor 3—Soundness of Approach, including the following non-narrative items: (a) completed Youthbuild Grant Budget (Exhibit 4A), (b) housing site description (Exhibit 2C), (c) Youthbuild Grant individual housing site estimate (Exhibit 2C10), (d) letters from non-applicant resource providers describing contributions or support, (e) documentation necessary to complete environmental review (Exhibit 2C15), and description of relocation, if applicable.

Factor 4—Leveraging, including your letters(s) evidencing the leveraged commitment(s), which will not be counted in the 15 page limitation.

Factor 5—Coordination, include HUD-2991, Certification of Consistency with the Consolidated Plan.

(14) HUD-2990, Certification of Consistency with the EZ/EC Strategic Plan (if applicable);

(D) The total narrative response to all factors identified in Section VI(C)(13) of this program NOFA must not exceed 15 pages, and must be submitted on 8.5" by 11" paper, using a 12 point size, with lines double spaced and printed only on one side. Please note that submitting pages in excess of the page limit will not disqualify your application. However, HUD will not review or consider the information on any excess pages, which may result in a lower score or failure to meet a threshold.

## VII. Corrections to Deficient Applications

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

## VIII. Environmental Requirements

Environmental procedures apply to HUD approval of grants when you propose to use Youthbuild funds to cover any costs for the lease, acquisition, rehabilitation, or new construction of real property proposed for housing project development. Environmental procedures do not apply to HUD approval of your application when you propose to use your Youthbuild funds solely to cover costs for classroom and/or on-the-job construction training and support services.

If you propose to use your Youthbuild funds to cover any costs of the lease, acquisition, rehabilitation, or new construction of real property, you must submit all relevant environmental information in your application to support HUD decision making in

accordance with the environmental procedures and standards set forth in HUD Regulation 24 CFR 585.307.

## IX. Authority

This program is authorized under subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as added by section 164 of the Housing and Community Development Act of 1992 (Pub.L. 102-550, 106 Stat. 3723, 42 U.S.C. 12899). The Youthbuild Program regulations are found in 24 CFR part 585.

## Appendix A—Instructions for Completion of Youthbuild Environmental Requirements (Exhibit 2C(15))

### A. Instructions to Applicants

1. If you propose to use Youthbuild funds to cover any costs of the lease, acquisition, rehabilitation, or new construction of real property, you shall submit all relevant environmental information in your application to support HUD decision making in accordance with the environmental procedures and standards set forth in 24 CFR 585.307. For each proposed Youthbuild property for which HUD environmental procedures apply, you are to prepare a separate Exhibit 2C(15) in which you supply HUD with environmental threshold information and letters from qualified data sources (see definition below) which support the information. HUD will review your submission and determine how, if necessary, HUD will comply with any Federal laws and authorities that may be applicable to your property proposed for Youthbuild funding. If environmental procedures apply and Exhibit 2C(15) with supporting documentation is not included then the application will be deemed ineligible.

You are to follow these instructions for preparing Exhibit 2C(15). The instructions advise you on how to obtain and document certain information to be supplied to HUD in this exhibit. Before selecting a property for Youthbuild funding, you should read these instructions and be advised that HUD encourages you to select, to the extent practicable, properties and locations that are free of environmental hazards and problems discussed in these instructions. The responses to the environmental criteria in Exhibit 2C(15) will be used to determine environmental approval or disapproval by HUD of proposals for physical development of properties.

2. After selecting a property for proposed Youthbuild funding, you are to determine the activities to be

undertaken with your Youthbuild funds. You are to indicate in Section E whether the Youthbuild funds will be used for:

- (a) Lease or purchase of a property;
- (b) Minor rehabilitation or
- (c) Major rehabilitation; or
- (d) New construction of housing.

The activities proposed for Youthbuild funding will determine the kind of data that you will need to obtain from a qualified data source in order to complete Exhibit 2C(15).

3. Once you have selected a property and determined the activities for Youthbuild funding, you are advised to check with your city or county agency that administers HUD's Community Development Block Grant program and performs environmental reviews, or the local planning agency. The reason is that most, if not all, the data needed for preparing Exhibit 2C(15) is readily available from the local community development agency and the local planning agency. You are advised to ask the environmental staff of those agencies the following:

- (a) Has the agency ever prepared an environmental review of the proposed Youthbuild property or the neighborhood in which the property is located, and if so, would it provide a copy to the applicant for use by HUD;
- (b) Would the agency assist you in completing section G; or if the agency is not able to help complete any item in section G, would the agency advise you which local or State agency is the appropriate qualified data source for obtaining the information.

Also, you should check with the local planning agency before proceeding elsewhere for the information.

You are advised that the cost of preparing information and analyses needed for Exhibit 2C(15) is an eligible cost under the Youthbuild program and is reimbursable if you are approved for a grant.

4. The following definitions are of key terms used in these instructions. Most of the other terms are technical and their definition would be known to qualified data sources.

(a) Qualified data source means any Federal, State or local agency with expertise or experience in environmental protection (e.g., the local community development agency; the land planning agency; the State environmental protection agency; the State Historic Preservation Officer) or any other source qualified to provide reliable information on the particular subject. A letter supporting the information from each qualified data source is to be attached to Exhibit 2C(15).

(b) Minor rehabilitation means proposed fixing and building repair:

- (i) Where the estimated cost of the work is less than 75 percent of the property value after completion;
- (ii) That does not involve changes in land use from residential to nonresidential, or from nonresidential to residential;
- (iii) That does not involve the demolition of one or more buildings, or parts of a building, containing the primary use served by the project; and
- (iv) That does not increase unit density by more than 20 percent.

For minor rehabilitation of a building located in a floodplain, the criteria for substantial improvement modify this definition. (See Item B 3 below)

(c) Major rehabilitation means proposed fixing and building repair:

- (i) Where the estimated cost of the work is 75 percent or more of the property value after completion; or
- (ii) That involves changes in land use from residential to nonresidential, or from nonresidential to residential; or
- (iii) That involves the demolition of one or more buildings, or parts of a building, containing the primary use served by the project; or
- (iv) That increases unit density by more than 20 percent.

(d) Multifamily housing means any residential building that contains five or more apartments or rooming units.

(e) Single-family housing means any residential building that contains one-to-four dwelling units.

Because each Federal environmental law or authority has compliance requirements that differ according to the type of proposed activity to be funded, you are required to supply information in Exhibit 2C(15) only for the type of activity for which the Youthbuild grant will be used.

(a) If you propose new construction or major rehabilitation of multifamily housing, you must supply complete and reliable environmental threshold information for items 1 through 13 in section G.

(b) If you propose new construction of single family housing, you must supply complete and reliable environmental threshold information for items 1 through 12 in section G.

(c) If you propose minor rehabilitation of multifamily or single-family housing, or the purchase or lease of a property, you must supply complete and reliable environmental threshold information for items 1 through 7 in section G.

5. Applicants subject to HUD's environmental procedures are to submit Exhibit 2C(15) and accompanying documentation to HUD with the applications for grant assistance. Such

applicants are prohibited from committing or expending State, local or other funds to undertake property rehabilitation, construction (including demolition), or acquisition (including lease), until HUD and the grantee execute a grant agreement for the proposed Youthbuild project.

6. HUD reserves the right to disqualify any application where one or more environmental thresholds are exceeded if HUD determines that the compliance review cannot be conducted and satisfactorily completed within the HUD review period for Youthbuild applications.

#### *B. Environmental Threshold and Documentation Requirements*

The threshold and documentation requirements for each of the Federal environmental laws and authorities are described below, following the same order as they appear in section G.

1. Site within designated coastal barrier resources: Threshold: Youthbuild applicants are prohibited by Federal law from using Federal financial assistance for properties, if the properties are located within designated coastal barriers of the Atlantic Ocean, Gulf of Mexico, and the Great Lakes (Coastal Barrier Resources Act, as amended, 16 U.S.C. 3501).

\*Documentation: You are to select either A or B for the condition that best describes the property and report the option selected in item 1 of section G.

A. You state that your program operates in a community that does not contain any shores along the Atlantic Ocean, the Gulf of Mexico, or the Great Lakes.

B. If your program operates in a community that does contain shores along the Atlantic Ocean, the Gulf of Mexico, or the Great Lakes, you must provide HUD with a finding made by a qualified data source stating that the proposed property is not located within a designated coastal barrier resource by citing the map panel number of the official maps issued by the Department of the Interior (DOI) on the basis of which the finding was made.

2. Site contaminated with toxic chemicals and radioactive materials: Threshold: Under HUD policy, as described in HUD Notice 79-33 (Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials), HUD will not approve the provision of financial assistance to residential properties located on contaminated sites. Sites known or suspected to be contaminated by toxic chemicals or radioactive materials include but are not limited to sites: (i) listed on either an EPA

Superfund National Priorities List (NPL) or CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act) List, or equivalent State list; (ii) located within 3,000 feet of a toxic or solid waste landfill site; or (iii) with an underground storage tank (which is not a residential fuel tank).

\*Documentation: You are to select either A or B for the condition that best describes property and report the option selected in item 2 of section G.

A. You are providing HUD with a finding made by a qualified data source stating that the proposed Youthbuild property and any neighboring properties do not contain any sites known or suspected to be contaminated with toxic chemicals and radioactive materials.

B. You are providing any site contamination data by a qualified data source in your letter for HUD's evaluation of contamination and/or suspicion of any contamination of a proposed property or any neighboring properties.

3. Site affecting a floodplain: Threshold: A property located within a floodplain and proposed for funding is subject to Executive Order 11988, Floodplain Management. The Executive Order directs HUD to avoid, where practicable, proposed financial support for any floodplain property, whenever HUD has options to approve properties in flood-free locations. The Order does not apply to existing single-family properties proposed for purchase or lease except for: (i) Property that is located within a floodway or coastal high hazard area; and (ii) substantial improvement. Substantial improvement for flood hazard purposes means any property rehabilitation which: (a) Increases the unit density of the property; or (b) equals or exceeds 50 percent of the market value of the property before rehabilitation, but excluding the costs for correcting health, sanitary, and safety code violations. Note: Proposed funding for substantial improvement and new construction are subject to the Executive Order decision making process. This may result in a disqualification of your application (refer above to number 7 under "Instructions to Applicants").

\*Documentation: You are to select A or B for the condition that best describes your property and report the option selected in item 3 of section G.

A. You are providing HUD with a finding made by a qualified data source stating that the property is not located within the Special Flood Hazard Area (SFHA).

B. You are providing HUD with a finding made by a qualified data source

that the property is located within the Special Flood Hazard Area (SFHA) and indicating if whether the property is located within a floodway or coastal high hazard area.

The information for A and B must provide HUD with the flood map panel number obtained either from the official maps issued for the National Flood Insurance Program or from the property appraisal report used to make the finding.

For all proposed rehabilitation of properties that are located within a SFHA, you must provide HUD with estimates of: (i) The property value before rehabilitation, and (ii) the cost of the proposed rehabilitation. Provide the estimates in section F.

If the property is found to be located within a SFHA, proceed to item 4 on flood insurance protection. Otherwise proceed to item 5.

4. Building requiring flood insurance protection: Threshold: HUD will estimate the amount and period of flood insurance coverage that is to be made a condition of approval of any HUD financial assistance for a building located within a Special Flood Hazard Area (SFHA). The Flood Disaster Protection Act of 1973 requires owners of HUD-assisted buildings to purchase and maintain flood insurance protection as a condition of approval of any HUD financial assistance for the proposed purchase, rehabilitation, or new construction of any SFHA building. The law prescribes the coverage period and dollar amount of flood insurance protection.

Proof of Purchase of Flood Insurance Protection: You must provide HUD with proof of purchase of flood insurance protection for any proposed Youthbuild building located within the SFHA, whenever HUD funding is being used for property purchase, rehabilitation, or new construction. The standard documentation for compliance is the Policy Declarations form issued by the National Flood Insurance Program (NFIP) or issued by any property insurance company offering coverage under the NFIP. Whenever the requirement applies to coverage which extends to future years, the grant agreement will require that the insured has its insurer automatically forward to HUD, in the same manner as to the insured, an information copy of the Policy Declarations form, which is used to verify compliance. The Youthbuild applicants responsibility ceases in cases where a mortgage loan is approved requiring flood insurance as condition of loan approval by a lender (other than the Youthbuild applicant), whose

responsibility is to assure flood insurance coverage for the loan.

\*Documentation: You are to select either A or B for the condition that best describes your property and report the option selected in item 4 of section G.

A. You already own the property and attach a copy of the Policy Declarations form confirming that a current flood insurance policy is in effect and the policy provides adequate coverage for the building proposed for the Youthbuild project located within the Special Flood Hazard Area.

B. After you have purchased (or constructed, in the case of proposed new construction) the Youthbuild property, you must obtain and maintain flood insurance protection. For the term and amount of coverage prescribed by law, you must provide HUD with a copy of the Policy Declarations form confirming that the flood insurance policy is in effect and the policy provides adequate coverage for the Youthbuild building located within the Special Flood Hazard Area.

5. Site within clear zones or accident potential zones of airports and airfields: Threshold: HUD policy as described in 24 CFR part 51, subpart D applies to HUD approval of financial assistance to: (a) properties located within clear zones; and (b) in the case of new construction or major rehabilitation, properties located within accident potential zones.

(a) Clear zones: New construction and major rehabilitation of a property that is located on a clear zone site is prohibited. HUD financial assistance in a clear zone is allowed only for the proposed lease, purchase, or minor rehabilitation of properties (24 CFR 51.302(a)). For HUD funding approval for any property in a clear zone: (a) HUD will give advance written notice to the prospective property buyer in accord with 24 CFR 51.303(a)(3); and (b) a copy of the HUD notice signed by the prospective property buyer will be placed in the property file. The written notice informs the prospective property buyer of: (i) The potential hazards from airplane accidents which studies have shown more likely to occur within clear zones than in other areas around the airport/airfield; and (ii) the potential acquisition by airport or airfield operators, who may wish to buy the property at some future date as part of a clear zone acquisition program.

(b) Accident potential zones: For properties located within the accident potential zone (APZ), HUD shall determine whether the use of the property is generally consistent with Department of Defense "Land Use

Compatibility Guidelines for Accident Potential Zones."

\*Documentation: You are to select either A or B for the condition that best describes your property and report the option selected in item 5 of section G.

A. The property is not located within 3,000 feet of a civil airport or military airfield.

B. If your property is located within 3,000 feet of a civil airport or military airfield, you must provide HUD with a finding from the airport operator stating whether or not the property is located within a runway clear zone at a civil airport, or a clear zone or accident potential zone at a military airfield.

For properties that are located within a runway clear zone or a clear zone or accident potential zone, if you propose to rehabilitate such a property you must provide HUD with estimates of: (i) The cost of the proposed rehabilitation, and (ii) the property value after completion of the rehabilitation. The estimates are to be provided in section F.

6. Site is or affects an historic property: Threshold: Only if a property is proposed for rehabilitation or new construction must HUD in consultation with the State Historic Preservation Officer (SHPO), and following the Department of the Interiors Standards and Guidelines for Evaluation, make a determination whether the property is:

(a) Listed on or formally determined to be eligible for listing on the National Register of Historic Places;

(b) Located within or directly adjacent to an historic district; or

(c) A property whose area of potential effects includes an historic district or property.

Historic properties and districts are subject by law to special protection and historic preservation processing which HUD must perform to comply with the regulations of the Advisory Council on Historic Preservation (ACHP: 36 CFR part 800). Note: If you are using information from the SHPO as a qualified data source you need to allow sufficient time to obtain the information from the SHPO. You may wish to make special arrangements with the SHPO for rapid review of the proposed property where this is practicable. In addition, for properties determined to be historic properties, HUD will require 30 to 90 days in most cases for HUD to perform historic preservation compliance with the ACHP regulations. This may result in a disqualification of the application (refer above to number 7 under "Instructions to Applicants").

\*Documentation: You are to select one of the following options that best describes the condition of your property

and report the option selected in item 6 of section G.

A. You propose financial assistance for rehabilitation or new construction, and are providing HUD with a SHPO's finding that the proposed Youthbuild activity:

1. Is located within an area where there are no historic properties; or
2. Will have no effect on historic properties; or
3. Will have an effect on historic properties not considered adverse.

B. You propose financial assistance for rehabilitation or new construction, and are providing HUD with a SHPO's finding that the proposed Youthbuild activity will have an adverse effect on historic properties.

C. You are providing HUD with a copy of a letter from the SHPO stating any reasons for not being able to provide you with the requested information and finding.

7. Site near hazardous industrial operations: Threshold: Properties that are located near hazardous industrial operations handling fuels or chemicals of an explosive or flammable nature are subject to HUD safety standards (24 CFR 51, Subpart C). However, under the Youthbuild program, these standards would apply only if you propose: (i) Construction of a building; (ii) conversion of a non-residential land use to a residential land use including making habitable a building condemned for habitation; or (iii) rehabilitation that increases the density of a residential structure by increasing the number of dwelling or rooming units. In the case of tanks containing common liquid fuels, the requirement for an acceptable separation distance (ASD) calculation only applies to storage tanks that have a capacity of more than 100 gallons.

\*Documentation: You are to select one of the following options that best describe the condition of the property, and report the option selected in item 7 of section G.

A. The proposed project does not include: (i) Construction of a building; (ii) conversion of a non-residential land use to a residential land use including making habitable a building condemned for habitation; or (iii) rehabilitation that increases the density of a residential structure by increasing the number of dwelling or rooming units.

B. The proposed project includes: (i) Construction of a building; (ii) conversion of a non-residential land use to a residential land use including making habitable a building condemned for habitation; or (iii) rehabilitation that increases the density of a residential structure by increasing the number of dwelling or rooming units; and you are

providing HUD with a finding by a qualified data source that the proposed property is not located within the immediate vicinity of hazardous industrial operations handling fuel or chemicals of an explosive or flammable nature by citing data used and the maps used.

C. The applicant proposes: (i) Construction of a building; (ii) conversion of a non-residential land use to a residential land use including making habitable a building condemned for habitation; or (iii) rehabilitation that increases the density of a residential structure by increasing the number of dwelling or rooming units; and the grantee provides HUD a finding made by a qualified data source stating: (1) That the proposed property is located within the immediate vicinity of hazardous industrial operations handling fuel or chemicals of an explosive or flammable nature; (2) the type and scale of such hazardous industrial operations; (3) the distance of such operations from the proposed property; (4) a preliminary calculation of the acceptable separation distance (ASD) between such operations and the proposed property; and (5) a recommendation as to whether it is safe to use the property in accord with 24 CFR 51, Subpart C.

8. Site near high noise source: Threshold: For new construction which is to occur in high noise areas (*i.e.* exceeding 65 decibels), applicants shall incorporate noise attenuation features to the extent required by HUD environmental criteria and standards contained in Subpart B (Noise Abatement and Control) of 24 CFR part 51. Approvals in a Normally unacceptable noise zone require a minimum of 5 decibels additional sound attenuation for buildings having noise-sensitive uses if the day-night average sound level is greater than 65 decibels but does not exceed 70 decibels, or a minimum of 10 decibels of additional sound attenuation if the day-night average sound level is greater than 70 decibels but does not exceed 75 decibels.

Proposed housing sites with above 75 decibels are unacceptable and the noise attenuation measures require the approval of the Assistant Secretary for Community Planning and Development. In Unacceptable noise zones, HUD strongly encourages conversion of noise-exposed sites to non-housing land uses compatible with the high noise levels.

For major rehabilitation projects involving five or more dwelling units located in the "Normally Unacceptable" and "Unacceptable" noise zones, HUD actively seeks to have project sponsors

incorporate noise attenuation features, given the extent and nature of the rehabilitation being undertaken and the level of exterior noise exposure.

Documentation: You are to select A or B for the condition that best describes their project and report the option selected in item 8 of section G.

A. You are providing HUD with a finding made by a qualified data source stating that the property proposed by the applicant for a major rehabilitation or new construction project involving five or more dwelling units is not located within: (i) 1,000 feet of a major noise source, road, or highway; (ii) 3,000 feet of a railroad; or (iii) 1 mile of a civil or 5 miles of a military airfield.

B. The applicant provides HUD with a finding made by a qualified data source: (i) stating that the plans for the property proposed by the applicant for a major rehabilitation or new construction project involving five or more dwelling units will incorporate noise attenuation features in accord with HUD environmental criteria and standards contained in Subpart B (Noise Abatement and Control) of 24 CFR part 51; (ii) stating whether the property is located within a "Normally Unacceptable" or "Unacceptable" noise zone; and (iii) providing HUD plans and a statement of the anticipated interior noise levels.

9. Site affecting coastal zone management: Threshold: Only for proposed activities involving new construction or major rehabilitation of multifamily housing does the Coastal Zone Management (CZM) authority apply. Projects which can affect the coastal zone must be carried out in a manner consistent with the approved State coastal zone management program under Sec. 307 of the Coastal Zone Management Act of 1972, as amended.

\* Documentation: You are to select either A or B for the condition that best describes the project and report the option selected in item 9 of section G.

A. You state that your project is not located within a coastal zone, as defined by the States Coastal Zone Management Plan.

B. If your project is located within a coastal zone, you are providing HUD with a finding made by the State CZM agency that the project proposed by the applicant is consistent with the approved State coastal zone management program.

10. Site affecting a sole source aquifer: Threshold: The sole source aquifer authority applies primarily to activities involving proposed new construction or conversion to housing of non-residential property. Projects which can affect aquifers designated by the

Environmental Protection Agency (EPA) must be reviewed for impact on such designated aquifer sources. The Safe Drinking Water Act of 1974 requires protection of drinking water systems which are the sole or principal drinking water source for an area and which, if contaminated, would create a significant hazard to public health.

\*Documentation: You are to select either A or B for the condition that best describes their project and report the option selected in item 10 of section G.

A. You are providing HUD with a finding made by a qualified data source stating that the proposed property is not located on nor does it affect a sole source aquifer designated by EPA.

B. If your project proposes new construction or conversion activities that are located on or may affect any sole source aquifer designated by the EPA, you are identifying the aquifer and providing HUD with an explanation of the effect on the aquifer from a qualified data source, and/or a copy of any comments on the proposed project that have been received from the EPA Regional Office as well as from any State or local agency with jurisdiction for protecting the drinking water system.

11. Site affecting endangered species: Threshold: The Endangered Species Protection (ESP) authority applies primarily to activities involving proposed new construction or conversion to housing of a non-residential property. Projects which can affect listed or proposed endangered or threatened species or critical habitats require consultation with the Department of the Interior in compliance with the procedure of Section 7 of the Endangered Species Act of 1973, as amended.

\*Documentation: You are to select either A or B for the condition that best describes the property and report the option selected in item 11 of section G.

A. If your project proposes new construction or conversion activities, you are providing HUD with a finding made by a qualified data source that the

project is not likely to affect any listed or proposed endangered or threatened species or critical habitat. The finding shall indicate whether the project is located within a critical habitat, and if so, explain why the project is not likely to affect the species or habitat.

B. If your project proposes new construction or conversion activities that are likely to affect listed or proposed endangered or threatened species or critical habitat, you are providing HUD with a statement from a qualified data source explaining the likely affect, and/or a finding made by the Fish and Wildlife Service of the Department of the Interior stating as acceptable the proposed mitigation that you will provide to protect any affected endangered or threatened species or critical habitat.

12. Site affecting a designated wetland: Threshold: New construction or conversion to housing of a non-residential property located within a designated wetland is subject to Executive Order 11990, Protection of Wetlands. This Executive Order directs HUD to avoid, where practicable, financial support for new construction on wetland property. Note: Proposed funding for new construction or conversion is subject to the Executive Order decision making process. This may result in a disqualification of the application (refer above to number 7 under "Instructions to Applicants").

\* Documentation: You are to select A or B for the condition that best describes the property and report the option selected in item 12 of section G.

A. You are providing HUD with a finding made by a qualified data source stating that the property is not located within a designated wetland where new construction or conversion is proposed.

B. You are providing HUD with a finding made by a qualified data source that the property is located within a designated wetland, which applies only to property where new construction or conversion is proposed.

The information for A and B must provide HUD with the wetland panel

number obtained from official maps issued by the Department of the Interior on the basis of which the finding was made, or where DOI has not mapped the area, a letter or other documentation from the Army Corps of Engineers or other Federal agency.

13. Significant impact to the human environment: Threshold: HUD must perform an environmental assessment of any property proposed for major rehabilitation or new construction except for a single-family property having one-to-four dwelling units. It is the policy of the Department to reject proposals which have significant adverse environmental impacts and to encourage the modification of projects in order to enhance environmental quality and minimize environmental harm. This policy is authorized by the National Environmental Policy Act (NEPA) and the implementing regulations of the Council on Environmental Quality and HUD's Environmental Rule at 24 CFR part 50.

\*Documentation: You are to provide HUD with any information on any adverse environmental impacts that affect the property or that the project would create. You are to report this data on a separate sheet and attach it to Exhibit 2C(15). Examples of adverse impacts are: soil instability and erodibility; natural or person-made hazards and nuisances; air pollution; inadequate infrastructure (e.g., water supply, waste water treatment, storm water management, solid waste collection), inadequate public services (i.e., fire, police, health care, social services, schools, parks) and transportation; and encroachment on prime farmlands and wild and scenic river areas. You are to identify any significant impacts to the human environment.

## Appendix B

The non-standard forms, which follow, are required for your Youthbuild application.

**BILLING CODE 4210-32-P**

(Place this document behind the SF-424)

Youthbuild Program  
Project Summary Sheet

Name of Applicant \_\_\_\_\_

Amount Requested from HUD \$ \_\_\_\_\_

Total Amount Leveraged \$ \_\_\_\_\_

Please indicate the category under which you wish this application to be considered:

(Only check ONE)

Category 1

Category 2

Category 3

For Category 3 Only - Please indicate which of the following definitions applies to the service area proposed in this application:

A place having fewer than 2,500 inhabitants (within or outside of metropolitan areas)

A county with no urban population of 20,000 inhabitants or more.

Territory, persons, and housing units in the rural portions of "extended cities." The U.S. Census Bureau identifies the rural portions of extended cities in the United States

Open country which is not part of or associated with an urban area. The United States Department of Agriculture (USDA) describes "open country" as a site separated by open space from any adjacent densely populated urban area. Open space includes undeveloped land, agricultural land, or sparsely settled areas, but does not include physical barriers (such as rivers and canals), public parks, commercial and industrial developments, small areas reserved for recreational purposes, and open space set aside for future development.

Any place with a population not in excess of 20,000 and not located in a Metropolitan Statistical Area.

Number of youth trained \_\_\_\_\_

Number of housing units constructed \_\_\_\_\_

Number of housing units rehabilitated \_\_\_\_\_

Is the project located in an EZ/EC?  Yes  No      If yes,  EZ  EC

Program Summary

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**Exhibit 2F: Court-ordered Consideration**

Due to an order of the U.S. District Court for the Northern District of Texas, Dallas Division, with respect to any application by the City of Dallas, Texas, for HUD funds, HUD shall consider the extent to which the Youthbuild strategy for the Dallas area will be used to eradicate the vestiges of segregation in the Dallas Housing Authority's low-income housing programs.

Is the applicant the City of Dallas, Texas?

No

Yes

If "yes", please attach a statement that addresses the effect(s), if any, that vestiges of racial segregation in the Dallas Housing Authority's low-income programs have on potential participants in the Youthbuild program and identify proposed actions for remedying those vestiges. Label this documentation Exhibit 2F.

**Exhibit 4A**

**Total Youthbuild Grant Budget**

Grant Activities	Sources of Funds					Total
	Youthbuild	Other Federal	State	Local	Private	
1. Acquisition	\$	\$	\$	\$	\$	\$
2. Architecture and Engineering						
3. Housing construction						
4. Housing rehabilitation						
5. Relocation						
6. Outreach and Recruitment Activities						
7. Education and job training (includes on-site training)						
8. Trainee wage, etc.*						
9. Leadership development, counseling, support services						
10. Job placement and follow-up						
11. Subtotal (sum of lines 1 through 10)						
12. Costs of administering Grant. **						
13. Total Costs (sum of lines 11 and 12)	\$	\$	\$	\$	\$	\$

\* Include need-based stipends/benefits/incentives/tools/clothing/etc.  
 \*\* Request may not exceed 20% of Youthbuild subtotal (line 11).

## 2 C 15: Environmental Threshold Information for a Property Proposed for Youthbuild Funding

(See instructions for completing this exhibit.)

Youthbuild Applicant's Name.	Contact Person's Name.	Phone Number (include Area Code).
------------------------------	------------------------	-----------------------------------

A. Street address for the property:(include City, State, Zip Code)	B. Attach a map of the community and mark on the map the location of the property. Map is attached:    Yes <input type="checkbox"/> No <input type="checkbox"/>
C. Attach a copy of any environmental review for the property obtained from the local qualified data source. Environmental review is attached:    Yes <input type="checkbox"/> No <input type="checkbox"/>	

D. Indicate the present and proposed use of the property (i.e., whether single-family, multifamily or non-residential); and number of dwellings or rooming units.

Present use: \_\_\_\_\_ No. of units: \_\_\_\_\_

Proposed use: \_\_\_\_\_ No. of units: \_\_\_\_\_

E. Indicate the activities for which you are proposing to use Youthbuild funds for the property.

Lease or purchase of a property   
  Major Rehabilitation   
  Minor Rehabilitation   
  New Construction

F. If the proposed Youthbuild property is located within a floodplain, or a clear zone or accident potential zone of an airport or airfield, provide the following information:

Property value before rehabilitation (est. in thousands)	Rehabilitation costs (est. in thousands)	Property value after completion of rehabilitation (est. in thousands)
\$	\$	\$

**G. For new construction or major rehabilitation of multifamily housing, complete items 1 through 13. For new construction of single-family housing, complete items 1 through 12. For minor rehabilitation of multifamily or single-family housing, or for the purchase or lease of a property, complete items 1 through 7. The designation "A" or "B" or "C" refers to the type of documentation required by the Instructions contained in the Appendix**

- |   |                     |       |
|---|---------------------|-------|
| 1. Site within designated coastal barrier resources:  | Indicate A or B     | _____ |
| 2. Site contaminated with toxic chemicals and radioactive materials:  | Indicate A or B     | _____ |
| 3. Site affecting a floodplain:   | Indicate A or B     | _____ |
| 4. Building requiring flood insurance protection:   | Indicate A or B     | _____ |
| 5. Site within clear zones or accident potential zones of airports and airfields:   | Indicate A or B     | _____ |
| 6. Site is or affects an historic property:   | Indicate A, B, or C | _____ |
| 7. Site near hazardous industrial operations:   | Indicate A, B, or C | _____ |
| 8. Site near high noise source:   | Indicate A or B     | _____ |
| 9. Site affecting coastal zone management:  | Indicate A or B     | _____ |
| 10. Site affecting a sole source aquifer:   | Indicate A or B     | _____ |
| 11. Site affecting endangered species:  | Indicate A or B     | _____ |
| 12. Site affecting a designated wetland:  | Indicate A or B     | _____ |
| 13. Significant impact to the human environment: Are there any adverse environmental impacts that affect the property or that the project would create? |                     |       |
| Yes <input type="checkbox"/> If yes, document on separate sheet(s).<br>No <input type="checkbox"/>  |                     |       |

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**2 C 13c: Housing Project Certifications For Homeownership**

**Applicants requesting Youthbuild Grant funds to fund any part of the acquisition, architectural and engineering fees, construction, or rehabilitation for a housing property that will be used for homeownership must provide the certifications below. If the rightful property owner is not the applicant, then these certifications must be signed by that property owner. A separate certification must be signed for each housing project.**

The Applicant or Rightful Property Owner certifies that, for a period of not less than ten (10) years after construction or rehabilitation is completed and an occupancy permit is issued for the Youthbuild homeownership housing project receiving Youthbuild assistance, it:

- A. Will ensure that the homeownership project will comply with the requirements of the HOPE II or HOPE III programs authorized under subtitles B or C respectively of title IV of the Cranston-Gonzales National Affordable Housing Act.
- B. Will not convey ownership of the property unless the instrument of conveyance requires a subsequent owner to comply with the above certification for the balance of the ten year period.

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Signature of Authorized Certifying Official of:

Applicant Organization  Rightful Property Owner

Title \_\_\_\_\_

Organization \_\_\_\_\_

Date \_\_\_\_\_

Address of Property: \_\_\_\_\_

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Page no:

form HUD-40200 (4/97)

**2 C 13b: Housing Project Certifications For Transitional Housing**

**Applicants requesting Youthbuild Grant funds to fund any part of the acquisition, architectural and engineering fees, construction, rehabilitation, operating costs or replacement reserves for a housing property that will be used for Transitional housing for the homeless must make the certifications below. If the rightful property owner is not the applicant, these certifications must be signed by that owner. A separate certification must be signed for each housing project.**

The Applicant or Rightful Property Owner certifies that, for a period of not less than ten (10) years after construction or rehabilitation is completed and an occupancy permit is issued for the Youthbuild transitional housing project receiving Youthbuild assistance, it:

- A. Will ensure that the aggregate monthly rental for each Youthbuild project will not exceed the operating costs of the project (including debt service, management, adequate reserves and other documented operating costs) plus a six percent return on any equity investment of the project owner.
- B. Will, **if it is a nonprofit organization**, use any profit received from the operation, sale or other disposition of the project for the purposes of providing housing for low- and moderate-income families. Any profit-motivated partners in a nonprofit partnership will receive: (i) not more than a six percent return on their equity investment from project operations; and (ii) upon disposition of the project, not more than an amount equal to their initial equity investment plus a return on that investment equal to the increase in the Consumer Price Index for the geographic location of the project since the time of the initial investment of such partner in the project.
- C. Will ensure that the transitional housing project shall adhere to the requirements regarding service delivery, housing standards and rent limitations applicable to comparable housing receiving assistance under title IV of the Stewart B. McKinney Homeless Assistance Act, unless these requirements are expressly waived by the Secretary of HUD to permit the conversion of the project to a permanent housing project.
- D. Will not convey ownership of the property unless the instrument of conveyance requires a subsequent owner to comply with the above certifications for the balance of the ten year period.

Signature of Authorized Certifying Official of:

Applicant Organization  Rightful Property Owner

Title \_\_\_\_\_

Organization \_\_\_\_\_

Date \_\_\_\_\_

Address of Property:

**2 C 13a: Housing Project Certifications For Residential Rental Units**

Applicants requesting Youthbuild Grant funds to fund any part of the acquisition, architectural and engineering fees, construction, rehabilitation, operating costs or replacement reserves for a housing project that will be used for residential rental units, must make the following certifications. If the rightful property owner is not the applicant, then these certifications must be signed by that property owner. A separate certification must be signed for each housing project.

The Applicant or Rightful Property Owner certifies that, for a period of not less than ten (10) years after construction or rehabilitation is completed and an occupancy permit is issued for the Youthbuild residential rental housing project receiving Youthbuild assistance, it:

- A. Will maintain at least a 90 percent level of occupancy for individuals and families with incomes less than 60 percent of the area median income, adjusted for family size. The remaining ten percent of the units will be made available to and occupied by low-income families. The income test will be conducted only at the time of entry for each unit available for occupancy. Each available rental unit will be made available to the 60 percent-of-area-median-income group for an advertising period of not less than 90 days upon each vacancy occurrence throughout the ten year period. Community-wide advertisements for tenants of this income group will be conducted. If, at the end of the 90-day advertising period, no qualifying tenant leases the unit, the unit will be advertised for individuals and families with incomes between 60 and 80 percent of the area median income, adjusted for family size, for another 90-day period. Leases for tenants whose incomes are between 60 and 80 percent of the area median income (exclusive of the ten percent allowance) will be limited to one year and such temporary tenants are not covered by paragraphs C., E., and F. below.
- B. Will use the model lease submitted with the Youthbuild application with any modifications approved by HUD at the time of grant award.
- C. Will not terminate the tenancy or refuse to renew the lease of a tenant occupying a Youthbuild residential rental housing unit except for serious or repeated violations of the terms and conditions of the lease, or for violation of applicable Federal, state or local laws, or for other good cause. Any termination or refusal to renew the lease will be preceded by a not less than 30-day written notice to the tenant specifying the grounds for the action.
- D. Will maintain the premises in compliance with all applicable HUD, other Federal, State or local program housing quality standards and local code requirements. If no public assistance is involved other than the Youthbuild grant, HUD's Section 8 housing quality standards will be followed.
- E. Will develop and adopt a tenant selection plan that:
  - (1) is consistent with the purpose of providing housing for homeless and very low-income families and individuals;
  - (2) is reasonably related to program eligibility and the certifying entity's ability to perform the obligations of the lease;
  - (3) gives reasonable consideration to the housing needs of families that would qualify for a preference under section 6(c)(4)(A) of the United States Housing Act of 1937;
  - (4) provides for the selection of tenants from a written waiting list in the chronological order of their application, to the extent practicable, and for the prompt notification in writing of any rejected applicant of the grounds for any rejection; and
  - (5) acknowledges that a family holding tenant-based assistance under section 8 of the United States Housing Act of 1937 will not be refused tenancy because of the status of the prospective tenant as a holder of such assistance.

## 2 C 10: Youthbuild Grant Individual Housing Project Site Estimate

Address of Property (Include city, state, and zip code)

Grant Activities	Resources					Total
	Youthbuild	Other Federal	State	Local	Private	
1. Acquisition	\$	\$	\$	\$	\$	\$
2. Architecture and Engineering						
3. Housing Construction						
4. Housing Rehabilitation						
5. Total Housing Project Costs for Site						

**Note 1:** Include both **cash** and **in-kind** contributions.

**Note 2:** When paid, in whole or in part, with Youthbuild program funds, the activities above will trigger applicable Youthbuild project-related restrictions contained in Youthbuild regulations CFR Part 585.309, 310, or 311. Applicants who propose to use Youthbuild funds for one or more of these activities are required to complete the appropriate certifications.

### Documentation of Housing Resources

Attach a letter of commitment from each source of funding.

Name of Provider (Donor)	Cash or In-Kind	Dollar Value Provided	Page No. of Letter	HUD Use Only
		\$		
		\$		
		\$		
		\$		
Total		\$		

Page no:

**C. Housing Site Description**Complete **all** sections.

1. Housing Site Identification	2. Number of housing units planned to be produced	3. Type of housing to be produced: (check all that apply) <input type="checkbox"/> residential rental <input type="checkbox"/> homeownership <input type="checkbox"/> transitional housing for the homeless
4. Homeless Housing: For housing that will be transitional housing for the homeless, attach a description of the plan for the outreach and placement of homeless families or individuals. (1 page) Label this narrative Exhibit 2C4.		
5. Will all housing produced be provided for homeless, low-income, or very-low income persons? <input type="checkbox"/> Yes <input type="checkbox"/> No	6. The on-site training will consist of: <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation	
7. Are any of the units currently occupied? <input type="checkbox"/> Yes <input type="checkbox"/> No  If yes, attach a relocation narrative that identifies: the number of persons, the business or others occupying the property on the date of submission of this application, the number to be displaced, the number to be temporarily relocated but not displaced, the estimated cost of relocation services payments and services, the source of funds for relocation, and the organization that will provide relocation assistance to occupants and the contact person's name and phone number. Label this attachment as Exhibit 2C7.	8. Name of the current owner of the property.	
9. Documentation of Access: Attach required evidence of site access. Label this attachment Exhibit 2C9.		
10. Individual Housing Project Site Estimate and Documentation of Resources  Complete the attached Exhibit 2C10 for each housing project site to be used in conjunction with the Youthbuild implementation program. Attach documentation of resources behind each Exhibit 2C10.		
11. Describe the applicant's role and responsibilities for the on-site housing construction or rehabilitation work. Label this description Exhibit 2C11.		
12. Name the entity which will own and manage the property after the construction or rehabilitation work is completed.	13. Housing Project Certifications. Housing Certifications are Attached: <input type="checkbox"/> Yes <input type="checkbox"/> No	
14. Model Lease A Model Lease is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No	15. Environmental Threshold Information for Property Proposed for Youthbuild funding Exhibit 2C15 and supporting documentation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No	
16. Picture: (optional) Provide a picture of each potential housing site. Label it Exhibit 2C16.		



**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**RESIDENT OPPORTUNITIES AND  
SELF-SUFFICIENCY (ROSS)  
PROGRAM**



## FUNDING AVAILABILITY FOR PUBLIC HOUSING RESIDENT OPPORTUNITIES AND SELF SUFFICIENCY (ROSS) PROGRAM

### Program Overview

*Purpose of Program.* The purpose of the Public Housing Resident Opportunities and Self Sufficiency (ROSS) Program is to link services to public housing residents by providing grants for supportive services, resident empowerment activities and activities to assist residents in becoming economically self-sufficient.

*Available Funds.* Approximately \$55 million.

*Eligible Applicants.* Public Housing Agencies (PHAs), resident management corporations, resident councils, resident organizations, Intermediary Resident Organizations (IROs), City-Wide Resident Organizations (CWROs) and nonprofit entities supported by residents. Indian Tribes (Tribes) and Tribally Designated Housing Entities (TDHEs) are eligible for grants under the Technical Assistance/Training Support for resident organizations and Resident Service Delivery Models (RSDM) funding categories.

*Application Deadline.* May 24, 2001, for Resident Management and Business Development;

May 24, 2001, for Capacity Building or Conflict Resolution;

June 26, 2001, for Resident Service Delivery Models; and

After publication of this SuperNOFA, Service Coordinator grant renewals under the Service Coordinator category will be accepted until all funds are awarded or June 28, 2001, whichever occurs first.

*Match.* At least 25% of the grant amount. This match does not have to be a cash match. The match can be in-kind and/or cash contributions.

### Additional Information

If you are interested in applying for funding under any of these programs, 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 (one original and two copies) is due on or before 12:00 midnight, Eastern time, on the following application due dates to HUD Headquarters at the address shown below.

May 24, 2001, for Resident Management and Business Development;

May 24, 2001, for Capacity Building or Conflict Resolution;

June 26, 2001, for Resident Service Delivery Models; and

After publication of this SuperNOFA Service Coordinator grant renewals under the Service Coordinator Category will be accepted until all funds are awarded or June 28, 2001, whichever occurs first.

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

*Address for Submitting Applications.* Submit your completed application (the original and one copy) to Grants Management Center (GMC), 501 School Street, SW, Suite 800, Washington, DC 20024.

In the case of tribes/TDHEs, please submit your completed application (the original and one copy) to ONAP, Denver Program Office, 1999 Broadway, Suite 3390, Denver, CO 80202.

Submit your second copy of your application to the local HUD Field Office with delegated public or assisted housing responsibilities attention: Director, Office of Public Housing. See Appendix A of the SuperNOFA for a list of HUD offices with delegated responsibility. The original application and one copy must be sent to the GMC. You may also call the SuperNOFA Information Center at 1-800-HUD-8929 if you have a question regarding where you should submit your application. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-HUD-2209.

On the application due date, hand carried applications will be accepted until 12:00 midnight in the South Lobby at HUD Headquarters, 451 Seventh Street, SW, Washington DC 20410.

In the case of tribes/TDHEs, please submit your completed application (the original and one copy) to ONAP, Denver Program Office, 1999 Broadway, Suite 3390, Denver, CO 80202. All applications must be received and postmarked by the specific program application due date to the ONAP Denver Program Office before 12:00 midnight, Mountain Standard Time.

*For Application Kits.* For an application kit and any supplemental material, please call the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-HUD-2209. When requesting an application kit, please refer to the ROSS Program, and provide your name, address (including zip code) and telephone number (including area

code). An application kit is also available on the Internet through the HUD web site at <http://www.hud.gov/grants>.

*For Further Information and Technical Assistance.* You may contact the local HUD field office where you will be submitting your application or you may call the Public and Indian Housing Information and Resource Center at 1-800-955-2232. In the case of tribes/TDHEs, please contact the Local Area ONAP or Tracy Outlaw, ONAP, Denver Program Office at 1-800-561-5913 or (303)675-1600 (this is not a toll free number).

*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) *Total Amount.* For FY 2001, approximately \$55 million is available for the Resident Opportunities and Self Sufficiency Program.

(B) *Allocation.* To the extent that there are a sufficient number of qualified applications, not less than 25 percent of funds available for ROSS shall be provided directly to resident councils, resident organizations, resident management corporations, Intermediary Resident Organizations (IROs), Tribes/TDHEs on behalf of Tribal residents and City-Wide Resident Organizations (CWROs). This requirement will be implemented by the awards made to resident organizations for the Technical Assistance/Training Support for Resident Organizations and the Resident Service Delivery Models funding categories.

(C) *Funding Categories and Funds Allocated to Each Category.* There are three funding categories under ROSS. The funding categories and the amount allocated for each funding category and any subcategories are as follows:

(1) *Technical Assistance/Training Support for Resident Organizations.* A total of \$11 million is allocated for this first funding category.

(a) *Resident Management and Business Development (RMBD).* A total of \$6 million is allocated for this funding subcategory of which \$500,000 is for Tribes/TDHEs that partner with Tribal ROs and Tribal RMCs.

(i) Grants will be made directly to site-based resident associations, Resident Management Corporations (RMCs), CWROs, and to Tribes/TDHEs that partner with Tribal resident organizations (ROs) and Tribal resident

management corporations (RMCs) to: increase resident involvement and participation in their housing developments; develop resident management opportunities; provide resident-led business or cooperative development opportunities; and obtain necessary supportive services for self-sufficiency.

(i) The maximum grant award for this funding category is \$100,000 per applicant.

(b) *Capacity Building or Conflict Resolution (CB/CR)*. A total of \$5 million is allocated for this funding subcategory, of which \$400,000 is for Tribes or TDHEs. These are two separate funding categories that are described below:

(i) *Capacity Building (CB)*. Grants to Intermediary Resident Organizations (IROs) and Tribes/TDHEs on behalf of tribal housing residents, Tribal ROs, Tribal RMCs and non-profits which operate associations and networks that administer programs benefiting resident organizations. These grants provide or assistance to site-based resident associations who do not yet have the capacity to administer a welfare-to-work program or conduct management activities. You may apply for funding that will be used to assist public and Tribal housing residents in establishing a new resident organization or you may apply for funds to help or enhance the capacity of existing resident organizations to enable residents to participate in housing agency decision-making, manage all or a portion of their housing developments, and/or apply for and administer grants.

(ii) *Conflict Resolution (CR)*. This funding category is designed to provide grants to Intermediary Resident Organizations (IROs), Tribes/TDHEs on behalf of tribal housing residents, Tribal ROs, Tribal RMCs and non-profits which operate associations and networks administering programs that benefit public housing residents, or resident organizations, and to partner with professional mediators or groups with grass roots intervention experience to resolve conflicts involving public housing residents, and/or site-based resident associations. (See Section IV of this ROSS competition for specific requirements for this funding category).

(iii) The maximum amounts for CB/CR are as follows: \$100,000 for City-Wide Resident Organizations (CWROs) per applicant, and \$240,000 per applicant for all other eligible applicants in these funding categories. Applicants are required to allocate at least two-thirds of the total grant to direct funding of CB or CR activities for Site-Based Resident Associations (RAs)

and/or Tribal ROs. CWROs are required to serve a minimum of 3 RAs and/or Tribal ROs. All other applicants are required to serve a minimum of 10 RAs and/or Tribal ROs.

(2) *Resident Service Delivery Models (RSDM)*. A total of \$24 million is allocated for this second category of funding of which \$1,200,000 is for Tribes/TDHEs.

(i) The Resident Service Delivery Models (RSDM) funding category provides grants to Public Housing Agencies (PHAs), Tribes/TDHEs or directly to resident management corporations, resident councils, or resident organizations, and nonprofit entities supported by residents. There are two sub-categories of grants under this funding category: Family Grants for program-related activities and supportive services to establish and implement comprehensive programs that achieve resident self-sufficiency for families; and Elderly and Persons with Disabilities Grants for independent living for the elderly and persons with disabilities.

(iii) For RSDM, the maximum grant amounts are as follows:

For PHAs applying for family grants, the maximum grant application award will be based on the number of occupied family conventional public housing units. For PHAs applying for elderly and persons with disabilities grants, the maximum grant application award will be based on the number of occupied elderly and persons with disabilities conventional public housing units.

(B) For the RSDM family category, PHAs must use the number of occupied conventional family public housing units to determine the maximum grant amount in accordance with the categories listed below for families:

- For PHAs with 1 to 780 occupied family units, the maximum grant award is \$250,000.
- For PHAs with 781 to 7,300 occupied family units, the maximum grant award is \$500,000.
- For PHAs with 7,301 or more occupied family units, the maximum grant award is \$1,000,000.

(C) For the Elderly and Persons with Disabilities RSDM Category, PHAs must use the number of occupied elderly conventional public housing units to determine the maximum awards listed below:

- For 1 to 217 units occupied by elderly residents and persons with disabilities, the maximum grant award is \$100,000.
- For 218 to 1,155 units occupied by elderly residents and persons with

disabilities, the maximum grant award is \$200,000.

—For 1,156 or more units occupied by elderly residents and persons with disabilities, the maximum grant award is \$300,000.

(D) The maximum grant award is \$100,000 for each RA.

(E) Nonprofit entities supported by residents or RAs/ROs are limited to \$100,000 for each RA/RO. A non-profit may submit a single application for no more than three different RAs for a maximum grant award of \$300,000.

(F) Tribes/TDHEs should use the number of units counted as Formula Current Assisted Stock for Fiscal Year 1999 as defined in 24 CFR 1000.316. Tribes who have not previously received funds from the Department under the 1937 Housing Act should count housing units under management that are owned and operated by the Tribe and are identified in their housing inventory as of September 30, 1998.

(3) *Service Coordinator Renewals*. A total of \$20 million is allocated for this third funding category.

(i) The Service Coordinator Renewal category provides grants to PHAs to address the needs of public housing residents who are elderly and persons with disabilities. Service coordinators help residents obtain supportive services that are needed to maintain independent living. Only renewals of prior FY 1995 Public Housing Elderly and Persons with Disabilities Service Coordinator grants will be funded under this ROSS competition; no applications for new Service Coordinator grants will be accepted.

(ii) These funds may only be used as follows:

- Renewal of existing Service Coordinator (SC) grants from prior years. This limitation is imposed to achieve Congressional intent to renew all service coordinator and congregate services grants. No applications for new elderly Service Coordinator grants will be accepted under this funding category.
- For the Elderly and Persons with Disabilities Service Coordinators category, award amounts cannot be higher than your highest funding and staffing level for any one-year period that was approved for their last funded Service Coordinator Grant. An increase of up to 2 percent over this amount will be allowed if supported by a narrative justification.

(iii) The Service Coordinator renewal application will be accepted until all funds are awarded under this Service Coordinator Category or until June 28, 2001, whichever occurs first. No new

Service Coordinator renewal applications will be accepted after June 28, 2001.

(F) *Transfer of Funds*. If all funds are not awarded in one funding category, funds are transferable to other ROSS funding categories in this competition.

(G) *Number of Applications Permitted*. You may submit no more than one application under this ROSS competition. The only exception is that PHAs applying for Service Coordinator Renewal grants under this program section of the SuperNOFA may apply for one renewal grant and one additional grant in another category. A PHA, RA, RO or nonprofit may not submit an application to serve the same development. Please read each funding category carefully for additional limitations.

### III. Program Description; Eligible Applicants; Eligible Activities

(A) *Program Description*. The purpose of ROSS is to assist residents to become economically self sufficient by providing supportive services and resident empowerment activities. This program is consistent with the Department's goal to most effectively focus resources on "welfare to work" and on independent living for the elderly and persons with disabilities. HUD is looking for applications which implement practical solutions within the grant term, and result in improved economic self-sufficiency for public or tribal housing residents. HUD seeks holistic solutions that involve the support of the entire community in providing self sufficiency opportunities for residents. Therefore, HUD encourages you to involve elderly and persons with disabilities in activities which support self sufficiency, such as child care, mentoring, or after school care. This philosophy should be reflected in your proposed grant activities for all funding categories within this ROSS competition. A description of each of the funding categories was provided in Section II of this program section. This section describes the eligible applicants and eligible activities of each funding category.

#### (B) *Definitions*.

*City-Wide Resident Organization* consists of members from Resident Councils, Resident Management Corporations, and Resident Organizations who reside in housing developments that are owned and operated by the same PHA within a city.

*Community Facility* means a non-dwelling structure that provides space for multiple supportive services for the benefit of public housing residents and

others eligible for the services provided. Services that may include but are not limited to:

- (1) Child care;
- (2) After-school activities for youth;
- (3) Job training;
- (4) Twenty/20 Education Communities (TECs) (formerly Campus of Learners) activities; and
- (5) English as a Second Language (ESL) classes.

*Contract Administrator* means an overall administrator and/or a financial management agent that oversees the financial aspects of a grant and assists in the entire implementation of the grant. A signed Contractor Administrator Partnership Agreement must be included in your application. This agreement may be contingent upon you receiving a grant award and adherence to PHA procurement policies. The contract administrator must assure that the financial management system and procurement procedures fully comply with 24 CFR part 84. The Contract Administrator may be: Local Housing Agencies; community-based organizations such as Community Development Corporations (CDC), churches; non-profits; State/Regional associations and organizations. Troubled PHAs are not eligible to be Contract Administrators.

*Firmly Committed* means the amount of resources and their dedication to ROSS-funded activities must be explicit and in writing. The writing must be signed by a person authorized to make the commitment or certify the commitment by an authorized body or person. This written agreement may be contingent upon receiving an award.

*Elderly person* means a person who is at least 62 years of age.

*Jurisdiction-Wide Resident Organization* means an incorporated nonprofit organization or association that meets the following requirements:

- (1) Most of its activities are conducted within the jurisdiction of a single housing agency;
- (2) There are no incorporated Resident Councils or Resident Management Corporations within the jurisdiction of the single housing agency;
- (3) It has experience in providing start-up and capacity-building training to residents and resident organizations; and

Public housing residents representing unincorporated Resident Councils within the jurisdiction of the single housing agency must comprise the majority of the board of directors.

*Tribally Designated Housing Entity (TDHEs)* is an entity authorized or established by one or more Indian tribes

to act on behalf of each such tribe authorizing or establishing the housing entity.

*Indian Tribe* means a tribe that is a federally recognized tribe or a State recognized tribe or a Federally recognized tribe means any tribe, band, nation, or other organized group for a community of Indians, including any Alaska native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self Determination and Education Act of 1975.

*Intermediary Resident Organizations* means Jurisdiction-Wide Resident Organizations, City-Wide Resident Organizations, State-Wide Resident Organizations, Regional Resident Organizations, and National Resident Organizations.

*National Resident Organization (NRO)* means an incorporated nonprofit organization or association for public housing that meets each of the following requirements:

- (1) It is national (i.e., conducts activities or provides services in at least two HUD Areas or two States);
- (2) It has experience in providing start-up and capacity-building training to residents and resident organizations; and
- (3) Public housing residents representing different geographical locations in the country must comprise the majority of the board of directors.

*Person with disabilities* means a person who:

- (1) Has a condition defined as a disability in section 223 of the Social Security Act;
- (2) Has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act; or
- (3) Is determined to have a physical, mental, or emotional impairment which:
  - (a) Is expected to be of long-continued and indefinite duration;
  - (b) Substantially impedes his or her ability to live independently; and
  - (c) Is of such a nature that such ability could be improved by more suitable housing conditions.

The term "person with disabilities" does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. In addition, no individual shall be considered a person with disabilities, for purposes of eligibility for low-

income housing, solely on the basis of any drug or alcohol dependence.

The definition provided above for persons with disabilities is the proper definition for determining program qualifications. However, the definition of a person with disabilities contained in section 504 of the Rehabilitation Act of 1973 and its implementing regulations must be used for purposes of reasonable accommodations.

*Program Coordinator* is a person who is responsible for coordinating various proposed activities to ensure that their accomplishment will assist in achieving the overall grant goals and objectives.

*Project* is the same as "low-income housing project" as defined in section 3(b)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) (1937 Act).

*Resident Association (RA)* means any or all of the forms of resident organizations as they are defined elsewhere in this Definitions section and includes Resident Councils (RC), Resident Management Corporations (RMC), Regional Resident Organizations (RRO), Statewide Resident Organizations (SRO), Jurisdiction-Wide Resident Organizations, and National Resident Organizations (NRO).

*Resident Council (RC)* means (as provided in 24 CFR 964.115) an incorporated or unincorporated nonprofit organization or association that shall consist of persons residing in public housing and must meet each of the following requirements in order to receive official recognition from the PHA/HUD, and be eligible to receive funds for RC activities and stipends for officers for their related costs for volunteer work in public housing. (Although 24 CFR part 964 defines an RC as an incorporated or unincorporated nonprofit organization, HUD requires RC applicants for ROSS grants to be registered with the State at the time of application submission.) The following also applies to resident councils:

(1) The RC must adopt written procedures such as by-laws, or a constitution which provides for the election of residents to the governing board by the voting membership of the public housing residents. The elections must be held on a regular basis, but at least once every 3 years. The written procedures must provide for the recall of the resident board by the voting membership. These provisions shall allow for a petition or other expression of the voting membership's desire for a recall election, and set the percentage of voting membership which must be in agreement in order to hold a recall election. This threshold shall not be less

than 10 percent of the voting membership.

(2) The RC must have a democratically elected governing board that is elected by the voting membership. At a minimum, the governing board should consist of five elected board members. The voting membership must consist of heads of households (any age) and other residents at least 18 years of age or older and whose name appear on a lease for the unit in the public housing that the resident council represents.

(3) The RC may represent residents residing in:

- (a) Scattered site buildings in areas of contiguous row houses;
- (b) One or more contiguous buildings;
- (c) A development; or
- (d) A combination of the buildings or developments described above.

*Regional Resident Organization (RRO)* means an incorporated nonprofit organization or association for public housing that meets each of the following requirements:

- (1) The RRO is regional (i.e., not limited by HUD Areas);
- (2) The RRO has experience in providing start-up and capacity-building training to residents and resident organizations; and
- (3) Public housing residents representing different geographical locations in the region must comprise the majority of the board of directors.

*Resident Management Corporation (RMC)* (see 24 CFR 964.7, 964.120) means an entity that consists of residents residing in public housing and must have each of the following characteristics in order to receive official recognition by the PHA and HUD:

- (1) The RMC shall be a nonprofit organization that is validly incorporated under the laws of the State in which it is located;
- (2) The RMC may be established by more than one RC, so long as each such council:

(a) Approves the establishment of the corporation; and

(b) Has representation on the Board of Directors of the corporation.

(3) The RMC shall have an elected Board of Directors, and elections must be held at least once every 3 years;

(4) The RMC's by-laws shall require the Board of Directors to; include resident representatives of each RC involved in establishing the corporation; include qualifications to run for office, frequency of elections, procedures for recall; and term limits if desired;

(5) The RMC's voting members shall be heads of households (any age) and other residents at least 18 years of age

and whose name appears on the lease of a unit in public housing represented by the RMC;

(6) Where an RC already exists for the development, or a portion of the development, the RMC shall be approved by the RC board and a majority of the residents. If there is no RC, a majority of the residents of the public housing development it will represent must approve the establishment of such a corporation for the purposes of managing the project; and

(7) The RMC may serve as both the RMC and the RC, so long as the corporation meets the requirements of 24 CFR part 964 for an RC.

*Resident Organization (RO) for tribal entities* means an incorporated or nonprofit tribal organization or association that meets each of the following criteria: (1) It shall consist of residents only, and only residents may vote; (2) If it represents residents in more than one development or in all of the developments of the tribal/TDHE community, it shall fairly represent residents from each development that it represents; (3) It shall adopt written procedures providing for the election of specific officers on a regular basis; (4) It shall have democratically elected a governing board. The voting membership of the board shall consist solely of the residents of the development or developments that the tribal RO represents.

*Secretary* means the Secretary of Housing and Urban Development.

*Site-Based Resident Associations* means Resident Councils and Resident Management Corporations.

*Statewide Resident Organization (SRO)* means a Site-Based incorporated nonprofit organization or association for public housing that meets the following requirements:

- (1) The SRO is Statewide;
- (2) The SRO has experience in providing start-up and capacity-building training to residents and resident organizations; and
- (3) Public housing residents representing different geographical locations in the State must comprise the majority of the Board of Directors.

(C) *Resident Management and Business Development (RMBD)*.

(1) *Eligible applicants*. Site-Based Resident Associations (RAs), Tribes/TDHEs that partner with Tribal ROs or Tribal RMCs and City-Wide Resident Organizations (CWROs). If you are an RA/RO that is a beneficiary or recipient of proposed grant activities by a CWRO/TDHE, then you cannot also apply under this category. You may only

submit one application under this funding category.

(2) *Eligible participants.* Program participants must be residents of conventional public housing. You must provide a certification that at least 51 percent of those served by your proposed activities are residents affected by welfare reform.

(3) *Eligible Activities.* Funding is limited to the following activities below:

(a) Training related to resident-owned business or cooperative development and technical assistance for job training and placement in housing developments;

(b) Technical assistance and training in resident managed business development through: feasibility and market studies; development of business plans; outreach activities; and innovative financing methods including revolving loan funds and the development of credit unions; and legal advice in establishing a resident-managed business entity or cooperative. Revolving loan funds can not be used for acquisition, disposition, or physical development;

(c) Establishing and funding revolving loan funds. Revolving loan funds can not be used for acquisition, disposition, or physical development;

(d) Training residents, as potential employees of an RMC, in skills directly related to the operation, management, maintenance and financial systems of a development;

(e) Training residents with respect to fair housing requirements; and

(f) Gaining assistance in negotiating management contracts and designing a long-range planning system.

(g) Providing social support needs (such as self sufficiency and youth initiatives) including:

(h) Feasibility studies to determine training and social services needs;

(i) Training in management-related trade skills, computer skills, and similar skills;

(j) Management-related employment training and counseling including job search assistance, job development assistance, job placement assistance, and follow up assistance;

(k) Supportive services including: child care services; educational services, remedial education, literacy training, ESL instruction, assistance in attaining a GED; vocational training including computer training; health care outreach and referral services; meal services for the elderly or persons with disabilities; personal assistance to maintain hygiene/appearance for the elderly or persons with disabilities; housekeeping assistance for the elderly or persons with disabilities; transportation

services; congregate services for the elderly or persons with disabilities; and case management;

(l) Training for programs such as child care, early childhood development, parent involvement, volunteer services, parenting skills, before and after school programs;

(m) Training programs on health, nutrition, safety and substance abuse; Food costs that are directly attributable to the nutrition and health training are eligible grant expenditures. These are not food costs associated with entertainment.

(n) Workshops for youth services including: child abuse and neglect prevention, tutorial services, youth leadership skills, youth mentoring, peer pressure reversal, life skills, and goal planning. The workshops can be held in partnership with community-based organizations such as local Boys and Girls Clubs, YMCA/YWCA, Boy/Girl Scouts, Campfire, and Big Brother/Big Sisters;

(o) Training in the development of strategies to successfully implement a youth program. For example, assessing the needs and problems of youth, improving youth initiatives that are currently active, and training youth, housing agency staff, resident management corporations and resident councils or resident organizations on youth initiatives and program activities;

(p) Physical improvements to facilities at public or tribal housing developments to provide space for self-sufficiency activities for residents, i.e. to provide cosmetic improvements and repairs to space to conduct community activities; or to expand existing community space for your proposed ROSS activities or modifications for accessibility for persons with disabilities. Your physical improvements may not exceed 50% of the total grant amount and must be directly related to providing space for self-sufficiency activities for residents. Refer to Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments;

(i) Renovation, conversion, and repair costs may be essential parts of physical improvements. In addition, architectural, engineering, and related professional services required to prepare architectural plans or drawings, write-ups, specifications or inspections may also be part of the cost components to implement physical improvements.

(ii) The renovation, conversion, or combination of vacant dwelling units in a PHA or tribal development to create common areas to accommodate the provision of supportive services is an

eligible activity for physical improvements.

(iii) The renovation of existing common areas in a PHA or tribal development to accommodate the provision of supportive services.

(iv) The renovation or repair of facilities located near the premises of one or more PHA or tribal developments to accommodate the provision of supportive services.

(v) If renovation, conversion, or repair is done off-site, the PHA, tribe or owner must provide documentation that it has control of the proposed property for not less than 2 years and preferably for 4 years or more. Control can be evidenced through a lease agreement, ownership documentation, or other appropriate documentation.

(vi) All renovations must meet appropriate accessibility requirements, including Section 504 requirements at 24 CFR 8, Architectural Barriers Act at 24 CFR 40, the Americans with Disabilities Act and the Fair Housing Act.

(q) Establishing and operating Neighborhood Networks Centers that use computer technology and telecommunications for job training, after-school youth programs, educational, and health activities.

(4) *Ineligible Resident Management and Business Development Activities and Costs.*

(a) Entertainment, including associated costs such as food and beverages, except normal per diem for meals related to travel performed in connection with implementing the Work Plan. (See HUD Travel Notice 99-24 for more specific guidance.)

(b) Purchase or rental of land.

(c) Activities not directly related to the welfare-to-work initiatives (e.g., lead-based paint testing and abatement and operating capital for economic development activities).

(d) Purchase of any vehicle (car, van, bus, etc.).

(e) Payment of salaries for routine project operations, such as security and maintenance, or for applicant staff, except that a reasonable amount of grant funds may be used to hire a person to coordinate the Resident Management and Business Development grant activities or coordinate on-site social services.

(f) Payment of fees for lobbying services.

(g) Any expenditures that are fraudulent, wasteful or otherwise incurred contrary to HUD or OMB directives.

(h) Any cost otherwise eligible under this program section of the SuperNOFA

for which funds are being provided from any other source.

(i) Entertainment equipment such as televisions, radios, stereos, and VCRs. An exception to this item may be granted by the HUD Field Office or Area ONAP Office if funding is being utilized specifically for the purposes of establishing a business directly related to radio, television or film or some other form of technical communication, and equipment is being utilized for training of residents, ROs or RAs. All such exceptions must be authorized in writing by the HUD Field Office or Area ONAP Office before purchases may be made.

(j) The cost of application preparation is not eligible.

(5) *Supporting Information.* The following information may be useful in developing proposed grant activities and costs:

(a) *Training.* Training activities may include training on HUD regulations and policies governing the operation of low-income public housing including contracting/procurement regulations; financial management; job and business development training; capacity building to develop the necessary skills to assume management responsibilities at the project and property management; and training in accessing other funding sources.

(b) *Hiring trainers or other experts.* Resident grantees must ensure that all training is provided by a qualified public housing or management specialist (Consultant/Trainer), HUD Headquarters, Field or ONAP staff, or the local PHA or tribe /TDHE. To ensure the successful implementation of the grant Work Plan activities, you are required to determine the need to contract for outside consulting/training services. You and the PHA or tribe/ TDHE must jointly select and approve the consultant/trainer. Your application should make maximum use of your PHA, non profit, or other Federal, State, or local government resources for technical assistance and training needs. The amount allowed for hiring an individual consultant for this purpose shall not exceed 30% of your total grant amount or \$30,000, whichever is less. The amount available for all consultants and contracts should not exceed 50% of your grant amount or \$50,000 whichever is less. HUD Field or ONAP Offices will monitor this process to ensure compliance with program and OMB requirements, and particularly the requirement for competitive bidding. Where it is necessary to exceed the 50% limitation you must use performance based contracting. Performance based contracts require that fees be paid in

exchange for goods and services actually delivered. For example, a trainer would be paid for the number of residents that were trained, i.e. performance, regardless of the maximum dollar amount quoted in the contract.

(c) *Stipends.* Trainees and program participants of an RA, RO or CWRO, may receive stipends for participating in or receiving training under Resident Management to cover reasonable costs related to participation in training and other activities in your program, subject to the availability of funds. The stipends should be used for additional costs incurred during the training programs, such as child care and transportation costs. The cost of stipends may not exceed \$200 per month per trainee without written HUD Field Office authorization.

(d) *Reimbursement of Reasonable Expenses.* Reimbursement of reasonable expenses incurred by Officers and Board members in the performance of their fiduciary duties and/or training related to the performance of their official duties.

(e) *Travel.* Travel directly related to the successful completion of your required Work Plan. You must adhere to the travel policy established by HUD Notice 99-24. This policy sets travel costs at a maximum amount of \$5,000 per RA or RO without special HUD approval.

(f) *Child-Care Expenses.* Child care expenses for individual staff, board members, or residents in cases where those who need child care are involved in training-related activities associated with your grant activities.

(g) *Costs incurred by a RA or RO in applying for 501(c) tax exempt status with Internal Revenue Service.* Please refer to the Internal Revenue Service (IRS) Publication 557, which describes the requirements for section 501(c) tax exempt organizations and list the applicable forms required.

(h) *Administrative costs.* These costs are necessary for the implementation of your grant activities. Administrative costs are not to exceed 20% of the grant. Appropriate administrative costs include, but are not limited to, the following reasonable costs or activities:

(i) *Space and equipment.* Maintenance, utility costs, postage, building lease/rental costs, purchase or lease of telephone, computer, printing, copying, and sundry non-dwelling equipment (such as office supplies, software, and furniture). You must justify the need for this equipment or space based on services being delivered in relationship to implementing your approved grant activities.

(ii) *Rental or lease of vehicles.* Rental or lease of a car, van, or bus by resident grantees to attend training;

(6) *Grant term.* The grant term for Resident Management and Business Development grants is thirty-six months from the execution date of your grant agreement.

(D) *Capacity Building or Conflict Resolution.*

(1) *Eligible applicants.* (a) Intermediary Resident Organizations (IROs) on behalf of public or Indian housing residents, which include Public Housing Site-Based Resident Councils, Resident Organizations and Resident Management Corporations may apply for Capacity Building and/or Conflict Resolution grants. IROs include National Resident Organizations, Statewide Resident Organizations, Regional Resident Organizations, City-Wide Resident Organizations, and Jurisdiction-Wide Resident Organizations.

(b) Eligible applicants cited above may submit either one application for conflict resolution or one application for capacity building under this funding category.

(c) Non-profits that operate as associations or networks that administer programs that benefit public or Indian housing resident organizations are also eligible for this funding category.

(2) *Eligible activities.* (a) *Conflict resolution.* Conflict resolution grant activities may include, but are not limited to:

(i) Establishing violence-free zones to enhance the quality of living environment for public housing residents. The eligible activities for your proposed program must address one or more of the following areas: violent crime, youth violence, and/or violent gang activity in your housing development or living environment. These areas must be addressed in your application. You must at a minimum focus on one of these areas, but may include the others where appropriate. Your grant application must include specific processes or techniques to prevent and reduce violent crime that are measurable within the grant term. Implementation strategies may include training at the grass roots level, resident employment; resident partnership with local law enforcement; personal skill-building to strengthen individual character development; and management techniques for preventing violence. You must identify the public housing development(s) that will serve as the focus for proposed grant activities. Any other areas, (e.g., negatively impacted neighborhoods and assisted/insured housing developments)