

departments' direct costs to determine their total costs to the organization.

III. Administrative Costs: What They Are

For the purposes of this HUD grant program, "Administrative Costs" are the Grantee's allowable direct costs for the overall management of the grant program plus the allocable indirect costs. The allowable limit of such costs that can be reimbursed under this program is ten (10) percent of the total grant sum. Should the Grantee's actual costs for overall management of the grant program exceed ten (10) percent of the total grant sum, those excess costs shall be paid for by the Grantee. However, excess costs paid for by the Grantee and may be shown as part of the requirement for cost-sharing funds to support the grant.

IV. Administrative Costs: Definition

A. General

Administrative costs, are the allowable, reasonable, and allocable direct and indirect costs related to the overall management of the HUD grant for lead-hazard reduction activities. Those costs shall be segregated in a separate cost center within the Grantee's accounting system, and they are eligible costs for reimbursement as part of the grant, subject to the ten (10) percent limit. Such administrative costs do not include any of the staff and overhead costs directly arising from specific sub-grantee program activities eligible under Section III(B) of this Healthy Homes Demonstration NOFA, because those costs are eligible for reimbursement under a separate cost center as a direct part of project activities.

The Grantee may elect to serve solely as a conduit to sub-grantees, who will in turn perform the direct program activities eligible under NOFA Section III(B), or the grantee may elect to perform all or a part of the direct program activities in other parts of its own organization, which shall have their own segregated, cost centers for those direct program activities. In either case, not more than 10 percent of the total HUD grant sum may be devoted to administrative costs, and not less than 90% of the total grant sum shall be devoted to direct program activities. Grantee shall take care not to mix or attribute

administrative costs to the direct project cost centers.

B. Specific

Reasonable costs for the Grantee's overall grant management, coordination, monitoring, and evaluation are eligible administrative costs. Subject to the ten (10) percent limit, such costs include, but are not limited to, necessary expenditures for the following, goods, activities and services:

(1) Salaries, wages, and related costs of the Grantee's staff, the staff of affiliated public agencies, or other staff engaged in Grantee's overall grant management activities. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program for each person whose primary responsibilities (more than 65% of their time) with regard to the grant program involve direct overall grant management assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any overall grant management assignments. The Grantee may use only one of these two methods during this program. Overall grant management includes the following types of activities:

(a) Preparing grantee program budgets and schedules, and amendments thereto;

(b) Developing systems for the selection and award of funding to sub-grantees and other sub-recipients;

(c) Developing suitable agreements for use with sub-grantees and other sub-recipients to carry out grant activities;

(d) Developing systems for assuring compliance with program requirements;

(e) Monitoring sub-grantee and sub-recipient activities for progress and compliance with program requirements;

(f) Preparing presentations, reports, and other documents related to the program for submission to HUD;

(g) Evaluating program results against stated objectives;

(h) Providing local officials and citizens with information about the overall grant program; (However, a more general education program, helping the public understand the nature of lead hazards, lead hazard reduction, blood-lead screening, and the

health consequences of lead poisoning is a direct project support activity).

(i) Coordinating the resolution of overall grant audit and monitoring findings; and

(j) Managing or supervising persons whose responsibilities with regard to the program include such assignments as those described in paragraphs (a) through (i).

(2) Travel costs incurred for official business in carrying out the overall grant management;

(3) Administrative services performed under third party contracts or agreements, for services directly allocable to overall grant management such as overall-grant legal services, overall-grant accounting services, and overall-grant audit services;

(4) Other costs for goods and services required for and directly related to the overall management of the grant program, including such goods and services as telephone, postage, rental of equipment, renter's insurance for the program management space, utilities, office supplies, and rental and maintenance (but not purchase) of office space for the program.

(5) The fair and allocable share of Grantee's general costs that are not directly attributable to specific projects or operating departments such as: The Mayor's and City Council's salaries and related costs; the costs of the City's General Council's office, not charged off to particular projects or operating departments; and the costs of the City's Accounting Department not charged back to specific projects or operating departments. (If Grantee has an established burden rate it should be used; if not Grantee shall be assigned a negotiated provisional burden rate, subject to final audit.)

Appendix D

Forms: The non-standard forms, which follow, are required for your Healthy Homes Demonstration application. They are the Checklist and Submission Table of Contents and the Total Budget (Federal Share and Matching Contribution, including instructions).

BILLING CODE 4210-32-P

APPENDIX D

**CHECKLIST AND SUBMISSION TABLE OF CONTENTS
HEALTHY HOMES DEMONSTRATION GRANT PROGRAM**

The following checklist is provided to ensure you have submitted all required items to receive consideration for funding. You must assemble the application in the order shown below and note the corresponding page number where the response is located. You must include this checklist and submission table of contents with the proposal.

- | | | |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <input type="checkbox"/> | Transmittal Letter (limited to one page) | Cover page |
| <input type="checkbox"/> | Applicant Abstract (Limited to two pages; does not count toward the 25- page limit.) | _____ |
| | Application Forms (to be included in Appendix 3) | |
| <input type="checkbox"/> | Standard Form 424 and Standard Form 424A (Section B) | _____ |
| <input type="checkbox"/> | Standard Form 424B (Assurances/Non-Construction Programs) | _____ |
| <input type="checkbox"/> | HUD 424-M | _____ |
| <input type="checkbox"/> | Total Budget (Federal Share and Matching) | _____ |
| <input type="checkbox"/> | HUD 2880 Disclosure and Update Report | _____ |
| <input type="checkbox"/> | HUD 2990 Certification of Consistency with the EZ/EC Strategic Plan | _____ |
| <input type="checkbox"/> | HUD 2992 Certification Regarding Debarment and Suspension | _____ |
| <input type="checkbox"/> | HUD 50070 Certification for a Drug-Free Workplace | _____ |
| <input type="checkbox"/> | HUD 50071 Certifications of Payments to Influence Federal Transactions | _____ |
| <input type="checkbox"/> | Form SF-LLL Disclosure of Lobbying Activities Required | _____ |
| | <input type="checkbox"/> Form SF-LLL Not Required (See SuperNOFA) | |
| |
Rating Factor Response (The narrative response to the Rating Factors cannot exceed a total of 25 pages.) | |
| <input type="checkbox"/> | 1. Capacity of the Applicant and Relevant Organizational Experience | _____ |
| <input type="checkbox"/> | 2. Need/Extent of the Problem | _____ |
| <input type="checkbox"/> | 3. Soundness of Approach | _____ |
| <input type="checkbox"/> | 4. Leveraging Resources | _____ |
| <input type="checkbox"/> | 5. Coordination, Self-Sufficiency and Sustainability | _____ |
| |
Appendices | |
| <input type="checkbox"/> | Appendix 1 – Required materials in support of the Rating Factors (e.g., resumes of 3 key staff members, organizational chart, letters of commitment) arranged in order of Rating Factor. (Materials in this appendix do not count toward the 20-page limit; resumes are limited to 3 pages each.) | _____ |
| <input type="checkbox"/> | Appendix 2 – Optional materials in support of the Rating Factors, arranged in order of Rating Factor, e.g., maps, letters of support. The 20-page limit applies to this Appendix. | _____ |
| <input type="checkbox"/> | Appendix 3 – Material related to the forms, or budget materials. (See Application Forms, above.) | _____ |
| <input type="checkbox"/> | HUD 2993 Acknowledgment of Application Receipt | _____ |
| <input type="checkbox"/> | HUD 2994 Client Comments and Suggestions (Optional) | _____ |

Spreadsheet version available from www.hud.gov/offices/lead

Budget Summary

Total Budget (Federal Share and Matching)

Detailed Description of Budget					
3c. Transportation - Other	Quantity	Unit Cost	Estimated Cost	Federal Share	Match
Subtotal - Transportation - Other					
3d. Per Diem or Subsistence (indicate location)	Days	Rate per Day	Estimated Cost	Federal Share	Match
Subtotal - Per Diem or Subsistence					
Total Travel Cost					
4. Equipment (Only items over \$5,000 each)	Quantity	Unit Cost	Estimated Cost	Federal Share	Match
Total Equipment Cost					
5. Supplies and Materials (Items under \$5,000)					
5a. Consumable Supplies	Quantity	Unit Cost	Estimated Cost	Federal Share	Match
Subtotal - Consumable Supplies					
5b. Non-Consumable Materials	Quantity	Unit Cost	Estimated Cost	Federal Share	Match
Subtotal - Non-Consumable Materials					
Total Supplies and Materials Cost					

Spreadsheet version available from www.hud.gov/offices/lead

Analysis of Total Estimated Costs	Estimated Cost	Percent of Total	Percent of Labor
1 Personnel (Direct Labor)			
2 Fringe Benefits			
3 Travel			
4 Equipment			
5 Supplies and Materials			
6 Consultants			
7 Contracts and Sub-Grantees			
8 Other Direct Costs			
9 Indirect Costs			
Total			

Federal Share
Match

Expressed as a percentage of the Federal Share

Some cells in this spreadsheet are protected. There is no password for this spreadsheet.

Instructions for Completing the Budget Summary Spreadsheet

Note: an electronic version of this spreadsheet may be obtained from the HUD Office of Healthy Homes and Lead Hazard Control website at www.hud.gov/offices/lead

Item	Discussion
1 - Personnel (Direct Labor)	<p>This section should show the labor costs for all individuals supporting the grant effort (regardless of the source of their salaries). The hours and costs are for the full life of the grant. If an individual is employed by a contractor or sub-grantee, their labor costs should not be shown here.</p> <p>Please include all labor costs which are associated with the proposed grant program, including those costs which will be paid for with in-kind or matching funds.</p> <p>Do not show fringe or other indirect costs in this section.</p> <p>Please use the hourly labor cost for salaried employees (use 2080 hours per year or the value your organization uses to perform this calculation). An employee working less than full time on the grant should show the numbers of hours they will work on the grant.</p>
2 - Fringe Benefits	<p>Use the standard fringe rates used by your organization. You may use a single fringe rate (a percentage of the total direct labor) or list each of the individual fringe charges. The spreadsheet is set up to use the Total Direct Labor Cost as the base for the fringe calculation. If your organization calculates fringe benefits differently, please use a different base and discuss how you calculate fringe as a comment.</p>
3 - Travel	
3a - Transportation - Local Private Vehicle	<p>If you plan on reimbursing staff for the use of privately owned vehicles or if you are required to reimburse your organization for mileage charges, show your mileage and cost estimates in this section.</p>
3b - Transportation - Airfare	<p>Show the estimated cost of airfare required to support the grant program effort. Show the destination and the purpose of the travel as well as the estimated cost of the tickets.</p> <p>Each program NOFA discusses the travel requirements which should be listed here.</p>
3c - Transportation - Other	<p>If you or are charged monthly by your organization for a vehicle for use by the grant program, indicate those costs in this section.</p> <p>Provide estimates for other transportation costs which may be incurred (metro, etc.).</p>

3d - Per Diem or Subsistence	<p>For travel which will require the payment of subsistence or per diem in accordance with your organization's policies. Indicate the location of the travel.</p> <p>Each program NOFA discusses the travel requirements that should be listed here.</p>
4 - Equipment	<p>Equipment is defined by HUD regulations as tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.</p> <p>Each program NOFA describes what equipment may be purchased using grant funding.</p>
5 - Supplies and Materials	<p>Supplies and materials are consumable and non-consumable items that have a unit value of less than \$5,000. Please list the proposed supplies and materials as either Consumable Supplies or as Non-Consumable Materials.</p>
5a - Consumable Supplies	<p>List the consumable supplies you propose to purchase. General office or other common supplies may be estimated using an anticipated consumption rate.</p>
5b - Non-consumable materials	<p>List furniture, computers, printers, and other items that will not be consumed in use. Please list the quantity and unit cost.</p>
6 - Consultants	<p>Please indicate the consultants you will use. Indicate the type of consultant (skills), the number of days you expect to use them, and their daily rate.</p>
<p>7 - Contracts and Sub-Grantees</p> <p><i>Note: If any contractor, sub-contractor, or sub-grantee is expected to receive over 10% of the total Federal amount requested, a separate Total Budget Summary spreadsheet should be developed for that contractor or sub-grantee and the total amount of their proposed effort should be shown as a single entry in this section.</i></p>	<p>List the sub-grantees, sub-recipients, or sub-contractors that will help accomplish the grant effort. Besides, sub-grantees or sub-recipients, other contracts for services including those for conducting inspections, risk assessments, and clearance inspections; contracts with faith-based and community-based organizations; liability insurance; contracts with laboratories; and training and certification for contractors and workers should be listed under this item.</p> <p>Unless your proposed program will perform the primary grant effort with in-house employees (costs listed in Items 1 and 2), the costs for contractors, sub-grantees or sub-recipients performing the primary grant activities should be identified and listed in this section.</p> <p>Types of activities which should be shown in this section:</p> <ul style="list-style-type: none"> • Contracts for all services • Training • Contracts with Faith-Based and Community Based Organizations or Other Governmental Organizations (note the 10% requirement discussed in this section) • Insurance if your program will procure it separately <p>Please provide a short description of the activity the contractor or sub-grantee will perform, if not evident.</p>

8 - Other Direct Costs	<p>Other Direct Costs include a number of items that are not appropriate for other sections.</p> <p>Other Direct Costs may include:</p> <ul style="list-style-type: none"> • Staff training • Telecommunications • Printing and postage • Relocation, if costs are paid directly by your organization (if relocation costs are paid by a sub-grantee, it should be reflected in Section 7)
9 - Indirect Costs	<p>OMB Circular A87 defines indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. Indirect costs include (a) the indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.</p> <p>The spreadsheet is set up to use the Total Direct Labor plus the Fringe Benefits costs as the base for the indirect cost calculation. If your organization calculates indirect costs differently, please use a different base and discuss how you calculate fringe as a comment.</p>

The three rightmost columns allow you to identify how the costs will be spread between the Federal Share and the Match. This information will help the reviewers better understand your program and priorities. The far right column is an "error checking" function to confirm that the estimated cost is equal to the sum of the Federal Share and the Match. If there is a discrepancy, the word "Error" will appear.

Note: The formats and many of the cells for the spreadsheet (which can be downloaded from the HUD Office of Healthy Homes and Lead Hazard Control's website at: www.hud.gov/offices/lead) are protected. There is no password for the protection.

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**BROWNFIELDS ECONOMIC
DEVELOPMENT INITIATIVE (BEDI)**

Billing Code 4210-32-C

FUNDING AVAILABILITY FOR THE BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE (BEDI) PROGRAM OVERVIEW

Purpose of the Program. BEDI funds are used to enhance the security of a loan guaranteed by HUD under Section 108 of the Housing and Community Development Act of 1974, as amended, for the same project, or to improve the viability of a project financed with the Section 108-guaranteed loan. HUD intends to make available approximately \$26 million in BEDI funds along with almost \$3 million in unobligated Economic Development Initiative (EDI) funds, totaling approximately \$29 million that will be available in FY 2002 to stimulate economic development by local governments and private sector parties in brownfields.

HUD desires to see BEDI funds (as defined in Section III (A)(1) below) and Section 108 funds used to finance projects and activities in brownfields that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base. A BEDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment. In FY 2002, HUD seeks to increase economic development opportunity throughout the country and promote energy efficient projects.

Available Funds. Approximately \$29 million, as further described in Section II below. The maximum amount of any BEDI grant award this year will be \$2 million per project.

Eligible Applicants. Only units of general local government eligible for assistance under the Community Development Block Grant (CDBG) program may apply for a BEDI grant and a Section 108 Guaranteed Loan. CDBG-eligible urban counties may also apply for funding, but units of general local government which participate in the Urban County may not submit an application independent of the Urban County. (See Section III(B) below for additional information regarding eligible applicants.)

Application Deadline. July 9, 2002.

ADDITIONAL INFORMATION

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

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

Application Due Date. Please submit your completed applications (one

original and three copies) on or before July 9, 2002, to the addresses shown below.

Application Submission Procedures. New Security Procedures. HUD has implemented new security procedures that apply to application submission. Please read the following instructions carefully and completely. HUD will not accept hand delivered applications. Only a limited number of express delivery services have access to the Robert C. Weaver, HUD Headquarters Building. All applications to field offices, homeownership centers and program hubs must be delivered by the United States Postal Service (USPS). Applications sent to the Robert C. Weaver Building may be mailed using the United States Postal Service or may be shipped via the following delivery services: United Parcel Service (UPS), FedEx, DHL, or Falcon Carrier. No other delivery services are permitted into the Robert C. Weaver Building without escort. To avoid potential delivery problems, therefore, you must use one of the four carriers listed above. For purposes of this program section to the SuperNOFA, delivery by the approved services must be made during HUD's business hours, i.e., between 8:30 AM and 5:30 PM Eastern time, Monday through Friday. If one of these companies does not serve your area, you should submit your application via the USPS.

Mailed Applications. Your application will be considered timely filed if it is postmarked on or before 12:00 midnight of the application due date and received by the designated HUD office by or within fifteen (15) days of the application due date. *All applicants must obtain and save a Certificate of Mailing (PS Form 3817) showing the date when the application was submitted to the USPS. The Certificate of Mailing will be your documentary evidence that the application was timely filed. The Certificate of Mailing is available from the USP.*

Applications Sent by Overnight/ Express Mail Delivery To HUD Headquarters. An application sent by overnight delivery or express mail to HUD Headquarters will be considered by HUD as timely filed if it is received before or on the application due date, or if documentary evidence is provided that the application was placed in transit with the overnight delivery/ express mail service by no later than the application due date.

Applications to HUD Field Offices. Applications submitted to HUD Field Offices must be mailed via the United States Postal Service. At the same time

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

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

When submitting the application, please specify BEDI on any label or mailing container, and include the applicant's name, mailing address (including zip code), street address (if different from mailing address) and zip code, and voice and facsimile telephone numbers (including area code), along with the contact person's name and voice and facsimile telephone numbers (including area code).

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

For Further Information and Technical Assistance. Contact Lisa Peoples, Economic Development Specialist, Office of Economic Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7140, Washington, DC 20410, telephone (202) 708-0614 ext. 4456 (this is not a toll-free number). Persons with speech or hearing impairments may access this number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339. Before the application due date, HUD staff will be available to provide you with general guidance and technical assistance about this BEDI NOFA. However, HUD staff are not permitted to assist in preparing your BEDI application. Following selection of applicants, but before awards are made, HUD staff are available to assist in clarifying or confirming information

that is a prerequisite to the offer of an award by HUD. In addition, the Section 108 Loan Guarantee program is not a competitive program and therefore is not subject to those provisions of the HUD Reform Act pertaining to competitions that do not permit HUD staff to assist in the preparation of applications. HUD staff are available to provide advice and assistance to develop your Section 108 loan application.

Applicant Debriefing. Beginning not less than 30 days after the awards for assistance are announced, HUD will, upon receiving written request from the applicant, provide a debriefing to the requesting applicant. Information provided during a briefing will be the applicant's final scores for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied. Applicants requesting to be debriefed must send a written request to the contact person for the BEDI program, Ms. Lisa Peoples, at the address listed in the preceding paragraph.

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

II. Amount Allocated

HUD has available a maximum of \$29,008,155 for grant awards under this program section. This amount consists of \$25 million in appropriations under "Brownfields Redevelopment" heading in the Fiscal Year 2002 HUD Appropriations Act, \$1,065,000 of unobligated appropriated funds from the Fiscal Year 2001 HUD Appropriations Act under the "Brownfields Redevelopment" heading, and \$2,943,155 in funds originally appropriated for awards under the competitive Economic Development Initiative (EDI) program under the Fiscal Year 2000 HUD Appropriations Act. All such funds are authorized by Section 108(q) of the Act (as defined below). Consequently there will be no separate competition for EDI funds this year, and all of these funds are being made available by HUD for the purpose of assisting public entities in the redevelopment of brownfields. The maximum amount of a BEDI award under this competition is \$2 million per project. If any additional funds become available for the BEDI program during Fiscal Year 2002, HUD may either fund

additional applicants in accordance with this program section of the SuperNOFA, or may add these funds to funds available for future competitions pursuant to Section 108(q) of the Act.

III. Program Description; Eligible Applicants; Eligible Activities

(A) **Program Description.** BEDI is designed to help cities redevelop abandoned, idled, or underutilized industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination, i.e., brownfields. BEDI provides funding to local governments to be used in conjunction with Section 108 loan guarantees to finance redevelopment of brownfields sites. A BEDI grant award will be conditioned upon, and must be used in conjunction with, a new Section 108-guaranteed loan commitment. Both Section 108 loan guarantee proceeds and BEDI grant funds are initially made available by HUD to units of general local government eligible for assistance through either HUD's Entitlement or State and Small Cities segments of the Community Development Block Grant program. Such public entities may re-loan the Section 108 loan proceeds and provide BEDI funds to a business or other entity to carry out an approved brownfield economic development project, or the public entity may carry out the eligible project itself, as provided in the approved application. In either case, BEDI grant funds and the 108 proceeds must be used to support the same eligible project.

(1) **Definitions.** Unless otherwise defined herein, terms defined in 24 CFR part 570 and used in this program section of this SuperNOFA shall have the respective meanings given thereto in that part.

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

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

office concurrently with its submission to Headquarters.

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

Brownfields Economic Development Initiative (BEDI) funds means the appropriated funds made available for the competition under this program section from any available BEDI or EDI appropriation.

Brownfields Economic Development Initiative (BEDI) project means an activity or activities (including mixed use projects with housing components) that are eligible under Section 108(q) of the Act and under 24 CFR 570.703, and that increase economic opportunity for persons of low- and moderate-income or that stimulate or retain businesses or jobs or that otherwise lead to economic revitalization in connection with brownfields.

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

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

EPA means the U.S. Environmental Protection Agency.

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

- (1) Agrees to perform an activity specified in the application, and demonstrates its relationship to the proposed BEDI/Section 108 project;
- (2) Specifies the amount of the commitment, and demonstrates that it has the financial and organizational capacity to deliver the resources necessary to successfully complete the activity; if the committed activity is to be self-financed, the third party must evidence its financial capacity through a corporate or personal financial statement or other appropriate means; and

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

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

In order for an applicant's commitment of CDBG funds to be accepted by HUD as additional financing for a BEDI project, a resolution from the local governing body (e.g., city/borough council) authorizing the amount and permitted use(s) of the funds must be provided. Each agreement or letter of commitment must include the organization's name and proposed total level of commitment (including how the value was determined) and responsibilities as they relate to the proposed BEDI project. The commitment must be signed by an official of the organization legally authorized to make commitments on behalf of the organization, and remain in effect for a period stated in the commitment.

Grassroots organization means any such organization as defined in Section VI (E)(2) of the General Section of the SuperNOFA above.

Showcase Community means an applicant chosen by the Federal Government's Brownfields National Partnership for inclusion in the Federal Government's Brownfields Showcase Communities program. (See Section III(C)(2) of the General Section of the SuperNOFA for advice on locating a list of Showcase communities.)

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

(2) *Background.* HUD has multiple programs which are intended to stimulate economic and community development and promote economic revitalization of distressed areas, and which can be effectively employed to address and remedy brownfields conditions. Primary among HUD's resources are the Community Development Block Grant (CDBG) program and the Section 108 loan guarantee program.

(a) The CDBG program provides grant funds (\$4.341 billion in FY 2002) by formula to local governments (either directly or through States) to carry out community and economic development activities. The Section 108 loan guarantee program provides CDBG-recipient communities with a source of financing for economic development, public facilities, and other eligible large scale physical development projects. HUD is authorized pursuant to Section

108 to guarantee notes issued by CDBG entitlement communities and non-entitlement units of general local government eligible to receive funds under the State CDBG program. The Section 108 program is subject to the regulations of 24 CFR part 570 applicable to the CDBG program as described in 24 CFR part 570, subpart M. BEDI grants must support Section 108 loan guarantees as generally described in this program section of this SuperNOFA.

(b) For FY 2002, the Section 108 program is authorized at \$608,696,000 in loan guarantee authority. The full faith and credit of the United States is pledged to the payment of all guarantees made under Section 108. Under this program, communities (and States, as applicable) pledge their continuing CDBG allocations as security for loans guaranteed by HUD. The Section 108 program, however, does *not* require CDBG funds to be escrowed for loan repayment (unless such an arrangement is specifically negotiated as loan security and included in the applicable "Contract for Loan Guarantee Assistance.") This means that a community can ordinarily continue to spend its existing allocation for other CDBG purposes, unless needed for loan repayment.

(3) *EDI Program.* The EDI authorization, Section 108(q) of the Act, was enacted in 1994 and is intended to complement and enhance the Section 108 Loan Guarantee program. \$2,943,155 in FY 2000 EDI appropriations is being made available under this program section of the SuperNOFA, conditioned on their award and use for brownfields economic development projects in accordance with this program section. A purpose of EDI (and BEDI) grant funds is to reduce grantees' potential loss of future CDBG allocations:

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

(b) By directly enhancing the security of the Section 108-guaranteed loan; or

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

(4) *BEDI Program.* In the FY 2002 HUD Appropriations Act, Congress has made a specific appropriation of \$25 million as authorized by Section 108(q) of the Act to assist in financing brownfields redevelopment, which funds are being made available under this program section along with \$1,065,000 in unobligated funds

appropriated for FY 2001 for brownfields redevelopment.

HUD intends all the funds available pursuant to this program section of the SuperNOFA to be used for purposes of the redevelopment of brownfields sites. Accordingly, BEDI funds shall be used as the stimulus for local governments and private sector parties to commence redevelopment or continue phased redevelopment efforts on brownfields sites where contamination is known or suspected and a redevelopment plan exists. HUD desires to see BEDI and Section 108 funds used to finance projects and activities that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base. HUD does not encourage applications whose scope is limited only to site acquisition and/or remediation (i.e., land banking), where there is no immediately planned redevelopment.

(5) *Integration of Other Government Brownfields Programs.* HUD expects and encourages local governments which are designated through (a) the Federal Government's Brownfields Showcase Community program, (b) other Federal brownfields programs (e.g., EPA's Assessment Pilot, Tax Incentive, or Revolving Loan Fund programs), (c) a State-supported brownfields program, or (d) a State or local related economic development program, to integrate efforts arising from those programs in developing projects for assistance under HUD's BEDI and Section 108 programs. Applicants should elaborate upon these ties in their response to the rating factors, where appropriate (e.g., "Capacity of the Applicant," "Soundness of Approach," "Leveraging Resources," or "Coordination, Self-Sufficiency and Sustainability"—Rating Factors 1, 3, 4, and 5 respectively.)

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

will satisfy the additional collateral requirements.

(7) *Uses of BEDI Funds.* Provided that proposals are consistent with other CDBG requirements, including meeting National Objectives and activity eligibility requirements under § 570.703 of the Section 108 Loan Guarantee regulations, the following are illustrative of ways in which BEDI funds can be used to support 108-guaranteed loans:

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

(b) *Site Remediation Costs.* Local governments may use BEDI funds in any of several ways to address site remediation costs. If the local government proposes to use Section 108 funds to acquire real property, BEDI funds could be used to address assessment and site remediation costs as part of demolition, clearance, or site preparation activities. If the local government uses Section 108 funds to make a loan to a developer, BEDI funds could be granted or loaned 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 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.* The use of BEDI grant funds may be structured in appropriate cases to improve the likelihood that project-generated cash flow will be sufficient to cover debt service on the Section 108 loan directly and therefore enhance the security of the guaranteed loan. One technique for accomplishing this approach is over-collateralization of the Section 108 loan.

The creation of a loan pool funded with both Section 108 and BEDI grant funds, for example, would provide 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 could then 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 credit enhancements for the Section 108 loan. For example, the BEDI grant can be used 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.*

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, non-profit groups or public entities in severely economically distressed neighborhoods. The BEDI grant can be used to make Section 108 financing affordable by serving to "buy down" the interest rate up front, or make full or partial interest payments. This might increase the financial viability of the businesses or other entities in the early start-up period, which might not otherwise be possible with Section 108 alone. This strategy would be particularly useful where a community was undertaking a large commercial or retail project in a brownfield area in order to act as a catalyst for other development in the area.

(g) *Combination of Techniques.* A combination of the above could be employed to implement a BEDI project successfully.

(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 that 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 that it will support the related Section 108 loan with a pledge of its CDBG funds pursuant to the requirements of 24 CFR 570.705(b)(2). Such evidence shall take the form of the HUD Certification titled "SECTION 108 LOAN GUARANTEES: State Certifications Related to Nonentitlement Public Entities" included in this program section to the SuperNOFA, or 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 are 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 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 threshold requirements found in Section II(B) of the General Section of the SuperNOFA and the program requirements of this section will not be rated, ranked, or otherwise considered 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) A grantee's aggregate use of its CDBG funds, including any Section 108 loan guarantee proceeds and Section 108(q) (BEDI) funds provided pursuant to this program section of the 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) for entitlement grantees, or 570.484 in the case of a recipient under a State's program.

(4) Applicants are reminded of the Department's Policy Priorities for FY 2002 found in Section VI of the General Section of the SuperNOFA, several of which apply to this program section, as described below, under Rating Factors 3 and 5 in Section V of this program section.

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 applicable 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. The request may take any of the four forms as defined below. 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 Section 108 funds described in your application. (See Section III(C) of this program section of the SuperNOFA.) Both the BEDI and Section 108 funds

must be used in conjunction with the same BEDI project.

(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 subsequent new Section 108 loan guarantee application(s). Such a 108 application(s) will be submitted within 60 days of written notice of BEDI selection. BEDI awards will be conditioned on approval of actual Section 108 loan commitments in a specific ratio of BEDI funds to Section 108 funds as approved by HUD in the BEDI award. 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 a BEDI grant of \$1 million and had agreed to submit a Section 108 loan application for \$10 million in support of that BEDI 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 grant funds 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 own 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.

(4) 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.

(5) Your attention is called to Section I (D) of the General Section of the SuperNOFA, which notes that the FY 2001 HUD Appropriations Act prohibits the use of funds appropriated under such Act from being used to benefit a facility whose predominant use is the sale of tobacco. See that section for more details.

(6) 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 before HUD approval of the Section 108 commitment if HUD

determines that such award will further the purposes of the Act.

(7) A BEDI award will not be made if the Section 108 request contained in the application (See Section IV(C) of this program section) calls for the use of the Section 108-guaranteed obligation solely as security for other financing on the project.

(A) *Time-frames.* BEDI grant awards will contain conditions requiring grantees to adhere to time-frames mutually agreed on by the applicant/grantee and HUD for implementing proposed projects and drawing Section 108 and BEDI funds. However, as a condition of any award under this program section, 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. In addition, if a grantee should fall fifty percent (50%) or more behind both the stated activity and draw-down schedules provided for in the BEDI grant agreement within the first eighteen (18) months of the grant period, and for each quarter thereafter, HUD may recapture the balance of the grant funds (unless HUD has authorized an amendment to the stated schedules in writing, in which case the aforementioned 50% calculation would apply to the amended and approved schedules). If BEDI grant funds and Section 108 loan proceeds are not disbursed to the applicant within the timeframes specified in the BEDI Grant Agreement, HUD reserves the right to recapture the BEDI funds.

(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 \$1.00 of Section 108 loan guarantee commitments for every \$1.00 of BEDI grant funds. However, if you propose a leverage ratio of exactly 1:1, your application, while still meeting the threshold requirement, will not receive any points under the Rating Factor 4, paragraph (1): "Leverage of Section 108 Funds."

To receive points under this Factor, applications will have to exceed the 1:1 minimum ratio, and the higher the ratio, the more points will be awarded. Because the proposed ratio of BEDI funds to Section 108 funds represents an applicant's financial commitment, HUD will condition the BEDI grant award on the grantee's achievement of that specific ratio. Its failure to meet that condition by obtaining timely HUD approval of a commitment for, and

issuance of, the required Section 108 guaranteed obligations ratio will 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 per project. An application in excess of \$2 million will be reduced to the extent HUD determines that such a reduction is appropriate.

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

(4) 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 the terms of HUD approval before HUD will execute a grant agreement.

(5) 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).

(6) 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.

(7) 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 will be based on the increased amount of Section 108 loan guarantee assistance.

(G) *Timing of Grant Awards and Disbursements.* (1) To the extent you submit a full and complete Section 108

application with the BEDI grant application, HUD will evaluate your Section 108 application immediately following the competition for BEDI grant funds. Note that the 108 application must be submitted to the appropriate HUD field office concurrently with submission to Headquarters.

(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. However, BEDI funds must not be disbursed to the grantee before the issuance of the related Section 108 guaranteed obligations.

(3) Pursuant to the FY 2002 HUD Appropriations Act (Pub. L. 107-73, under the "Brownfields Redevelopment" heading) and 31 U.S.C. 1552(a), FY 2002 BEDI funds must be obligated (i.e., awarded) by HUD by September 30, 2003, and must be disbursed by HUD to the grantee by September 30, 2008. FY 2000 EDI funds must be obligated by September 30, 2002, and must be disbursed by HUD to the grantee by September 30, 2007. FY 2001 BEDI funds are not subject to statutory obligation or disbursement deadlines. In all cases, however, HUD reserves the right to require earlier disbursement under a BEDI grant agreement.

(H) *Economic Opportunities for Low and Very Low-Income Persons, including Those with Disabilities.* Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is applicable to BEDI grant recipients. Please see Section II(E) of the General Section of the SuperNOFA.

(I) *Nondiscrimination.* In addition to the other requirements found in Section II of the General Section of this SuperNOFA, 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, and must have resolved to HUD's satisfaction any letter of noncompliance findings under Section 109 before the deadline for BEDI application submission.

(J) *Obligation to affirmatively further fair housing.* Grantees that use BEDI funds in projects that involve the construction, rehabilitation, or other provision of residential housing are obliged to affirmatively further fair

housing. Therefore, applicants that propose to use BEDI funds in projects that involve residential housing must include in their applications an explanation of how they propose to further fair housing opportunities for persons on the basis of race, color, national origin, sex, religion, familial status, or disability. Applicants should respond to this requirement under Rating Factor 3, subfactor (1). Affirmative activities include, but are not limited to, initial and periodic assessments of the extent to which affordable and accessible housing opportunities are provided or denied to persons by race, color, national origin, sex, religion, familial status, or disability; outreach to persons in underserved population groups or advocacy organizations representing such persons; and affirmatively fair marketing. Applicants that do not propose to use BEDI funds in projects that involve residential housing should include a statement to this effect in their applications.

(K) *Core Values—your attention is called to Section II(B)(2) of the General Section of the SuperNOFA.*

(L) *Small Businesses—another of HUD's goals, to increase the participation of small and disadvantaged, including women-owned, businesses, if possible, is described more particularly in Section II(F) of the General Section of the SuperNOFA.*

V. The Application Selection Process

(A) Rating and Ranking.

(1) Each rating factor and the maximum number of points are provided below. The maximum number of points to be awarded is 106. To be eligible for funding, a BEDI application must obtain a total score of at least 70 points, of which a minimum of 40 points (out of a maximum possible score of 60 points) must be achieved in Rating Factors 1 (Capacity) and 3 (Soundness of Approach) combined.

(2) All applications meeting BEDI program and threshold requirements will be rated under the selection criteria below. *Applications must include citations to the specific regulatory subsections supporting eligibility of activities and compliance with National Objectives.* (See Section III(C) of this program section of this SuperNOFA). The applicant must also provide narrative statements in response to each of the rating factors below.

Applications will be selected for funding as follows:

(3) All BEDI grant applications that meet threshold requirements will be

ranked separately in order of points assigned with the applications receiving more points ranked above those receiving fewer points.

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

(5) Fundable BEDI project applications must meet the threshold requirements stipulated in Section II(B) of the General Section of this SuperNOFA and be complete as required by the submission requirements of this program section of the SuperNOFA or they will not be ranked. 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 limitations described in Section IV(F) above).

(B) BEDI Narrative Statement

(1) Applications must contain narrative statements printed in 12 point type, with sequentially numbered pages for the entire application, including forms and exhibits. The BEDI narrative statement must not exceed three (3) 8.5" by 11" pages, doubled-spaced. The BEDI narrative statement should:

(a) Describe the activities that will be carried out with the BEDI grant funds, and explain the nature and extent of the brownfield problem(s) affecting the site and/or structure(s) already on the site; and

(b) Describe how the proposed uses of BEDI funds will meet the National Objectives under 24 CFR 570.208 of the CDBG program and qualify as eligible activities under 24 CFR 570.703.

Applications must include citations to the specific regulatory subsections supporting eligibility of activities and compliance with National Objectives. (See Section III(C) of this program section of this SuperNOFA).

(2) The applicant must also provide in narrative form responses to each of the rating factors below.

(C) *Factors for Award Used to Evaluate and Rate Applications.* HUD will evaluate all applications for

funding assistance based on the following factors, the responses to which demonstrate the quality of the proposed project or activities, and the applicant's capacity and commitment to use the BEDI funds in accordance with the purposes of the Act.

(D) Responses to Rating Factors 1–5 below shall not exceed fifteen (15) double-spaced pages combined.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (25 Points Maximum)

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" will include any subcontractors, consultants, and sub-recipients 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) (up to 15 points) The applicant should demonstrate that it has the organization, the staff and financial resources in place to implement the specific steps required to successfully carry out its proposed BEDI/Section 108 project. Evidence of this capacity includes:

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

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

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

(d) If applicable, capacity to manage projects and funds awarded as a result of a federal Empowerment Zone/Enterprise Community designation (including Enhanced Enterprise Community (EEC) designation).

(e) An applicant that has previously received an EDI or BEDI grant award must describe the status of the implementation of those project(s) assisted with EDI or BEDI funds, any delays that have been encountered and the actions it is taking to overcome any

such delays in carrying out the project(s) 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 approved activities funded with such grant funds and the associated Section 108-guaranteed loan funds.

If any of the rating criteria listed under (a) through (e) above do not apply to an application, the rating for this subfactor (1) shall be based solely upon the other applicable criteria.

(2) (up to 10 points) Experience and performance of subrecipients, nonprofit organizations and other entities, if any, that have a role in implementing the proposed BEDI/108 program should be included in the response to this subfactor (2). If there are no third parties participating with the applicant in the proposed project, points under this subfactor (2) will be allocated under subfactor (1) and added to the maximum points possible under it.

Experience will be judged in terms of recent (i.e., within the past 3 years) 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.

In responding to sections (1) and (2) above of this Factor, applications that merely summarize the amount of funds received/spent/under management will receive fewer points than those providing specific measurable information on accomplishments.

In addition to the application, HUD also may rely on information at hand or available from public sources such as newspapers, from performance and/or monitoring reports, Inspector General or Government Accounting Office reports or findings, hotline complaints that have been proven to have merit, audit reports and other available information in rating this Factor.

Rating Factor 2: Distress/Extent of the Problem (20 Points Maximum)

This Factor addresses the extent to which there is need for funding the proposed activities based on levels of distress in both the jurisdiction of the public entity that is the applicant and the geographic area that will benefit from the project. In responding to this Factor, applications will be evaluated on the extent to which the level of distress is documented and compared with national data.

(1) In applying this Factor, HUD will consider current levels of distress defined in standard geographic terms in

the area (i.e., Census Tract(s) or Block Groups immediately surrounding the project site up to a radius of one-half mile), or it may be the target area proposed to be served by the project, along with the jurisdiction in which the project is to be located. The applicant should describe the nature of the distress that the project is designed to address and the rationale for its definition of the area to be benefited. Examples of project beneficiaries include: (a) those receiving or using products or services produced by the project, and (b) those employed by the project.

To the extent that the applicant's Consolidated Plan, its Analysis of Impediments to Fair Housing choice (AI), and/or its Anti-Poverty Strategy found therein 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.

Notwithstanding the above, an applicant proposing a project to be located outside the area for which benefit is claimed could still receive points under this Factor if a clear rationale is provided linking the proposed project location and the benefits to be derived by persons living in the target area.

(2) Applicants should provide data that address the following specific indicators of distress:

(a) Poverty rate (up to 8 points)—data should be provided in both absolute and percentage form (i.e., whole numbers and percents) for both the target area and the applicant's jurisdiction as a whole; an application that compares the local poverty rate in the following manner to the national average at the time of submission will receive points under this section as follows:

(i) Equal to or greater than, but less than twice, the national average: 2 points;

(ii) Equal to or greater than twice, but less than three times, the national average: 5 points;

(iii) Equal to or greater than three times the national average: 8 points.

(b) Unemployment (up to 8 points)—an application that compares the local unemployment rate for the applicant's jurisdiction and the target area in the following manner to the national average at the time of submission will receive points under this Section as follows:

(i) Equal to or greater than, but less than twice, the national average: 2 points;

(ii) Equal to or greater than twice, but less than three times, the national average: 4 points;

(iii) Equal to or greater than three times, but less than four times, the national average: 6 points;

(iv) Equal to or greater than four times the national average: 8 points.

(c) Other Indicators of social and/or economic decline that best capture the applicant's local situation (up to 4 points)—examples that could be provided under this section include information demonstrating the target area and the jurisdiction's stagnant or falling tax base, including recent (within the last three years) commercial or industrial closings, downturns or layoffs; housing conditions, such as the number and percentage of substandard and/or overcrowded units; rent burden (defined as average housing cost divided by average income) for both the target area and jurisdiction; local crime statistics.

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;

Poverty rate—estimated every two years, with a three-year lag, with 2000 being the most recent available.

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, in order to compare such data to those provided by applicants.

Rating Factor 3: Soundness of Approach (35 Points Maximum)

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

(1) Consistency/appropriateness of proposed activities with identified needs. (Up to 8 points)—The extent to which the proposed plan for use of BEDI grant/Section 108-guaranteed loan funds will address the needs described in Rating Factor 2 above regarding the distress and extent of the problem in the target area or area to be benefited. The

applicant should provide a clear and quantified explanation of this relationship. As part of the response to this Factor, an applicant should also identify the specific eligible activities it will carry out, and should fully describe:

(a) How the project will achieve one of the National Objectives under the Community Development Block Grant program, and

(b) How the project will address the applicant's Consolidated Plan and its Analysis of Impediments, if any, including the following issues:

(i) Affordable housing—the extent to which the applicant will offer current residents of the proposed site or area that will benefit from the proposal an opportunity to relocate to environmentally healthy housing or neighborhoods which have more amenities and services, better employment and educational opportunities, and to housing that provides the accessibility and visitability features that families require, or to remain in the revitalized neighborhood, if applicable; and

(ii) The extent to which it will be used to accommodate people with disabilities.

(2) Feasibility and Demonstrable Benefits. (Up to 15 points)—The extent to which the plan is logical, feasible and likely to achieve its stated purpose. HUD's desire is to fund projects and activities that will quickly produce demonstrable results and advance the purposes of the BEDI program. Points for this subfactor will be awarded in two parts, for the following:

(a) Understanding of Steps to Implement. (Up to 8 points)—The extent to which the plan demonstrates a clear understanding of the steps required to implement the project, including the actions that all parties responsible for implementing the project must complete.

(i) Pre-construction—the extent to which your response to this Factor takes into account site selection, planning, and environmental issues typical of many brownfields remediation efforts will be considered under this subfactor. You are cautioned, for example, 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.

Moreover, 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 or

redevelopment in a time-frame consistent with HUD's desire for rapid progress in the use of BEDI and Section 108 funds.

(ii) Description of problem and solution—the applicant should explain each undertaking and the sequence of undertakings that are required to complete the project. This includes a full description of both the problem (including, but not limited to, the extent of environmental contamination) and the benefits that will accrue from the project, i.e., permanent jobs, amount of commercial or industrial space, housing units to be provided, and the timing of the delivery of benefits. For multi-phase projects, the response to this Factor must clearly delineate the different phases, whether or not they are to be funded by BEDI/Section 108 funds, as well as a proposed schedule for drawing down all funds necessary to complete the project, including BEDI and Section 108 funds.

(iii) Monitoring performance—the extent to which applications describe means of assessing progress, tracking performance goals and achievements against Plan objectives.

(b) Timeliness (Up to 7 points)—The extent to which the plan demonstrates that the project is "ready to go", i.e., will produce demonstrable benefits within a short period of time.

(i) Applications providing evidence that authority necessary to proceed with the project activities identified in subfactor (a) above, such as any necessary zoning classification, waivers, general and special use permits, assessment district designation, public easements and rights-of-way, memoranda of understanding, site control, etc., have been sought and/or received will receive up to three (3) points for this subfactor (i).

(ii) The applicant should provide a specific time schedule (with both beginning and end dates) for carrying out the project and identify measurable objectives (acquisition, site improvements, construction, etc.) to be accomplished. (Up to 2 points)

A timeline form is provided in Appendix A to this program section of the NOFA and also in the Application Kit for this purpose, but HUD will consider the timeline only as an illustration of the narrative response to this subfactor (2).

(iii) BEDI applications accompanied by a full and complete Section 108 application will receive up to two (2) points for this subfactor (iii).

(3) Financial Feasibility/Need (up to 10 Points)—The extent to which the applicant demonstrates that its project is financially feasible based on its

proposed use of BEDI and Section 108 funds. In responding to this subfactor (3), the applicant must clearly address the question of why the BEDI funds are critical to the success of this project by providing the following items, as applicable:

(a) Project costs and financial requirements—a funding sources and uses statement, as well as the derivation of project costs;

(b) How the BEDI and Section 108 funds will be used;

(c) The applicant's criteria for determining funding need and feasibility;

(4) Other (Up to 2 Points)—

(a) The extent to which the project demonstrates energy-efficient solutions to the problems addressed in Rating Factor 2 above, in the construction and/or the operation phases once the overall project is completed. Examples of such conservation and/or other efficiencies include the following: combining heat and power systems as part of electrical generation; adopting Department of Energy weatherization guidelines for property rehabilitation; and purchasing Environmental Protection Agency-identified Energy Star appliances. (Up to 1 point)

(b) Applications providing evidence of partnership, funding and/or subcontracting agreements with grassroots organizations, as defined in Section II(F)(2) of the General Section of the SuperNOFA, will receive up to one (1) point under this subfactor (b).

Rating Factor 4: Leveraging Resources (15 Points Maximum)

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

(1) *Leverage of Section 108 funds.* (Up to 8 points)—

The minimum ratio of Section 108 funds to BEDI funds in any project may not be less than 1:1. The extent to which the proposed project leverages an amount of Section 108 funds greater than a 1:1 ratio will result in that application's receiving a higher number of points. If the application has a ratio of 1:1, it will not receive any points under this subfactor. The higher the ratio of additional new Section 108 funds to BEDI funds proposed in an application, the more points it will receive under this subfactor. (See Section IV(F)(1) and (5) of this program section of the SuperNOFA regarding the

conditioning of BEDI awards on achievement of a specific BEDI/Section 108 leveraging ratio.)

(2) *Leverage of Other Financial Resources.* (Up to 7 points)—

HUD will evaluate the extent to which other funds (public or private) are leveraged by BEDI grant 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 definition of "Firm Commitment" found in Section III(A)(1) above, and may be subject to completion of any environmental review required under 24 CFR part 58 for the project.

Rating Factor 5: Coordination, Self-Sufficiency & Sustainability (5 Points Maximum)

This factor addresses the extent to which the applicant has coordinated its activities with other organizations not directly participating in the proposed project, but which share common community development goals; the extent to which it participates or promotes participation in its or the State's Consolidated Planning process; and that it is working towards addressing a need described in Rating Factor 2 above in a comprehensive manner through linkages with other activities in the community.

(1) *Coordination*—in evaluating this factor, HUD will consider the extent to which the applicant demonstrates it has coordinated its proposed activities with those of other groups or organizations, including other federal, state or local governmental activities in the area, if any, before submission, in order to best complement, support and coordinate all activities; and developed specific steps to share information on solutions and outcomes with others. Any written agreements or memoranda of understanding in place, or that will be in place after award, should be described in the application.

(2) *Developed linkages*—applications should describe linkages with other HUD-funded projects/activities outside the scope of those covered by the Consolidated Plan, as well as established linkages and outreach with residents of the project area, i.e., specific steps to develop linkages with other activities, programs or projects (through meetings, information networks, planning processes or other mechanisms to coordinate activities), so

that solutions are holistic and comprehensive.

(3) *Self-sufficiency*—applications should describe the extent to which project activities will result in long term physical and economic improvement for the current residents of the target area or neighborhood in which the project will be carried out, and which will allow them to continue to live in a redeveloped or revitalized neighborhood and thus share in the anticipated economic benefits the project is expected to generate.

(4) *Sustainability*—the extent to which the project incorporates one or more elements that facilitate a successful transition of welfare recipients to work, including the number of jobs that are part of career path or apprenticeship programs to be created by the project and the impact of the project on job creation that will benefit individuals on welfare or low-to very low-income persons. 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, including those with disabilities.

Bonus Points

An application may receive up to six (6) bonus points, until the maximum of six points are achieved. Two bonus points may be awarded for each of the following:

(a) Projects that are located either in federally-designated Empowerment Zones, Enterprise or Renewal Communities, or Strategic Planning Communities (See Section III(C)(2) of the General Section of the SuperNOFA) for advice on locating a list of designated communities);

(b) Projects that are located in Brownfields Showcase Communities designated by EPA (See Section III(C)(2) of the General Section of the SuperNOFA) for advice on locating a list of Showcase communities.)

(c) Qualifying projects in the City of Dallas, Texas, as mandated by a decision by the U.S. District Court for the Northern District of Texas, Dallas Division. Up to two (2) additional points will be awarded to an application that describes how the use of BEDI and Section 108 loan funds will be used to help eradicate the vestiges of racial segregation in the Dallas Housing

Authority's programs consistent with the Court's order. For specific details, please see Section III(C)(3) in the General Section of the SuperNOFA.

VI. Application Submission Requirements

(A) *BEDI Funding.* An application for a BEDI grant 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 (I) below) can be found in Appendix B to the General Section. The remaining application items that are forms (i.e., excluding such items as narratives or letters, etc.), referred to as the "non-standard forms", can be found in Appendix A 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 a BEDI project.

(C) *Checklist and Submission Table of Contents* indicating the page numbers where the submission items can be found in the application (form HUD-40076-EDI/BEDI).

(D) *BEDI Narrative Statement* (not to exceed 3 pages) describing BEDI-funded eligible activities within the proposed project. (See Section V(B) of this program section.)

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

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

(G) *Narrative Responses to Factors for Award (not to exceed 15 pages overall):*

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

(2) *Rating Factor 2: Need Statement Identifying the level of Distress/Extent of the Problem.* Provide a narrative statement including any documentation supporting the statement of need. Optional form HUD-40076-EDI/BEDI may also be used as 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. The response should include a completed copy of form HUD-40076-EDI/BEDI, "Rating Factor 4: Leveraging Resources—Sources and Uses Statement."

(5) Rating Factor 5: Coordination, Self-sufficiency and Sustainability: 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. An applicant may submit more than one application for each additional unrelated BEDI/108 project, but in no event will HUD rate and rank more than one BEDI project per application.

(I) *Additional Application Forms and Certifications*. In addition to any forms that have been submitted in response to Section VI (A)—(H) above (which may be found at Appendix A), the following forms and certifications must also be submitted in accordance with Section II(H) of the General Section of this SuperNOFA:

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

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

(3) Standard Form for Assurances—Non-Construction Programs (SF 424-B) and/or Standard Form for Assurances—Construction Programs (SF 424-D): not required for BEDI applications since the "Leveraging Resources—Sources and Uses Statement" serves the same purpose as a budget form, but must be submitted with the Section 108 application. Since these forms contain assurances of compliance with civil rights and other regulatory requirements, BEDI applicants may elect

to provide the signed assurances either with the BEDI or the Section 108 application.

(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 non-standard forms for the BEDI applications are in Appendix A to this program section.

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

VII. Corrections to Deficient Applications

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

VIII. Environmental Requirements

(A) *Environmental Review*. After the completion of this competition and after HUD's award of 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. No such assistance will be released by HUD until a request for release of funds is submitted and the

requirements of 24 CFR part 58 have been met. All public entities, including non-entitlement public entities, shall submit the request for release of funds and related certification, required pursuant to 24 CFR part 58, to the appropriate HUD field office for each project to be assisted.

(B) *Environmental Justice*. (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 current residents for the long term.

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

APPENDIX A

CHECKLIST AND SUBMISSION TABLE OF CONTENTS

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

Check Off	Page Number
<input type="checkbox"/> Standard Form for Application for Federal Assistance (SF-424)	cover page 1
<input type="checkbox"/> Transmittal Letter	cover page 2
<input type="checkbox"/> Checklist and Submission Table of Contents	p. 1
<input type="checkbox"/> Applicant Narrative Statement (3 pages)	p. _____
<input type="checkbox"/> EDI/BEDI/108/CDBG Funding Eligibility Statement form (2 pages)	p. _____
<input type="checkbox"/> Request for Loan Guarantee Assistance (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	
 Response to Rating Factors	
<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"/> Sources and Uses Statement form	p. _____
<input type="checkbox"/> #5 Coordination, Self-Sufficiency & Sustainability	p. _____
 Application Forms and Certifications	
<input type="checkbox"/> Section 108 Certifications	p. _____
<input type="checkbox"/> Federal Assistance Funding Matrix (HUD 424-M)	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 (HU D-2992)	p. _____
<input type="checkbox"/> Certification of Consistency with EZ/EC/RC Strategic Plan (HUD-2990)	p. _____
<input type="checkbox"/> Certification for a Drug-Free Workplace (HUD-50070)	p. _____
<input type="checkbox"/> Certification of Payments to Influence Federal Transactions (HUD-50071)	p. _____
<input type="checkbox"/> Certification of Consistency with the Consolidated Plan (HUD-2991)	
 Appendices	
<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 Indicator	Target Neighborhood	Jurisdiction	Data Source & Date
1 Poverty Rate	_____	_____	_____

Optional Indicators	Target Neighborhood	Jurisdiction	Data Source & Date
2 Unemployment	_____	_____	_____
3 Median Income	_____	_____	_____
4 _____	_____	_____	_____
5 _____	_____	_____	_____
6 _____	_____	_____	_____
7 _____	_____	_____	_____
8 _____	_____	_____	_____

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

Neighborhood: _____

Jurisdiction: _____

**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. Use as many as you need to show beginning -- end timeframes for all phases.

	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															
	TOTAL														

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(i) (and 570.203/.204)				
10 Construction of Housing 24 CFR 570.703(j)				
11 Debt Service Reserve 24 CFR 570.703(k)				
12 Public Facilities 24 CFR 570.703(l)				
13 Public Facilities - Colonias 24 CFR 570.703(m)				
14 Subtotal				
15 Costs Paid with Non CDBG-Related Funds				
16 Total Project Costs 3/				

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

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

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

form HUD-40076 EDI/BEDI (8/2004)

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"/>
<input type="checkbox"/>	Low-Mod Limited Clientele	24 CFR 570.208(a)(2)	<input type="checkbox"/>
<input type="checkbox"/>	Low-Mod Area Housing	24 CFR 570.208(a)(3)	<input type="checkbox"/>
<input type="checkbox"/>	Low-Mod Job Creation/Retention	24 CFR 570.208(a)(4)	<input type="checkbox"/>
<input type="checkbox"/>	Slum/Blight Area Basis	24 CFR 570.208(b)(1)	<input type="checkbox"/>
<input type="checkbox"/>	Slum/Blight Spot Basis	24 CFR 570.208(b)(2)	<input type="checkbox"/>
<input type="checkbox"/>	Slum/Blight Urban Renewal	24 CFR 570.208(b)(3)	<input type="checkbox"/>
<input type="checkbox"/>	Urgent Need/Imminent Threat	24 CFR 570.208(c)	<input type="checkbox"/>

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

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

**Certification of Consistency
with the RC/EZ/EC Strategic
Plan**

**U.S. Department of Housing
and Urban Development**

I certify that the proposed activities/projects in this application are consistent with the Strategic Plan of a Federally-designated Empowerment Zone (EZ), Enterprise Community (EC), an Urban Enhanced Enterprise Community, Strategic Planning Community or Renewal Community.

(Type or clearly print the following information)

Applicant Name _____

Name of the Federal
Program to which the
applicant is applying _____

Name of RC/EZ/EC _____

I further certify that the proposed activities/projects will be located within the RC/EZ/EC/Urban Enhanced EC or Strategic Planning Community and will serve the RC/EZ/EC/Urban Enhanced EC, Strategic Planning Community residents, or Renewal Community.
(2 points)

Name of the
Official Authorized
to Certify the RC/EZ/EC _____

Title _____

Signature _____

Date (mm/dd/yyyy) _____

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

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

Billing Code 4210-32-C

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 \$22 million.

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

Application Deadline. June 19, 2002. *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 are due on or before June 19, 2002.

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

Application Submission Procedures. *New Security Procedures.* HUD has implemented new security procedures that apply to application submission. Please read the following instructions carefully and completely. HUD will not accept hand-delivered applications. Applications may be mailed using the United States Postal Service (UPS) or may be shipped via the following delivery services: United Parcel Service (UPS), FedEx, DHL, or Falcon Carrier. No other delivery services are permitted into HUD Headquarters without an escort. You must, therefore, use one of the four carriers listed above.

Mailed Applications. Your application will be considered timely filed if your application is postmarked on or before 12:00 midnight on the application due date and received in HUD Headquarters on or within fifteen (15) days of the application due date. Applicants must obtain and save a Certificate of Mailing showing the date, when your application was submitted to the United States Postal Service (USPS). The Certificate of Mailing will be your documentary evidence that your application was timely filed.

Applications Sent by Overnight/Express Mail Delivery. If your

application is sent by overnight delivery or express mail, your application will be timely filed if it is received before or on the application due date, or when you submit documentary evidence that your application was placed in transit with the overnight delivery/express service no later than the application due date. Due to new security measures, you must use one of four carrier services that do business with HUD Headquarters regularly. These services are UPS, DHL, FedEx and Falcon Carrier. Delivery by these services must be made during HUD's Headquarters business hours, between 8:30 AM and 5:30 PM Eastern time, Monday through Friday. If these companies do not service your area, you should submit your application via the United States Postal Service.

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 (SHOP).

For Application Forms. Only national and regional nonprofit organizations and consortia are eligible to apply. 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/grants.

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/grants>.

II. Amount Allocated

The amount available for this program is approximately \$22 million. Any unobligated funds from previous competitions or additional funds that may become available, as a result of deobligation or recaptures from previous awards or budget transfers, may be used in addition to the Fiscal Year 2002 appropriation to fund applications submitted in response to this NOFA.

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 individuals and families (those 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 that involve the community in the project.

(B) *Eligible Applicants.* You must be a national or regional nonprofit 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 that 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 that is also included in another SHOP application. You must assure that any affiliate or consortium member under your FY 2002 application is not also seeking funding from another SHOP applicant for FY 2002 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 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 meeting the Requirements and Procedures Applicable to All Programs in Section II of the General Section of this SuperNOFA, you are subject to the following SHOP requirements:

(A) *Conducting Business In Accordance With Core Values and Ethical Standards:* See Section II(B)(2) of General Section of the SuperNOFA.

(B) *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 for land acquisition and infrastructure improvements;

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

(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 and consortium members that develop five or more units must be expended within 36 months.

(C) *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 Section III of the General Section of this SuperNOFA. HUD will review all applications based on the threshold factors listed in Section V(D) of this program section below. Applications that meet all threshold requirements will be rated according to the selection factors in this section of the SuperNOFA. Applications that do not meet all threshold factors will be rejected and not rated.

(B) *Ranking and Selection Procedures.* Applications that receive a total rating of 70 points or more (without the addition of Empowerment Zones/Enterprise Communities/Urban Enhanced Enterprise Communities/Strategic Planning Communities, or Renewal Communities [RC/EZ/ECs] bonus points) will be eligible for selection, and HUD will place them in rank order. After adding any bonus points for RC/EZ/ECs, 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 investment 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) *Applicant Debriefing.* Beginning not less than 30 days after the awards for assistance are announced in the **Federal Register**, and not longer than 120 days, HUD will, upon receiving a written request from an applicant, provide a debriefing to the requesting applicant. Materials provided during a briefing will be the applicant's final score for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied. Applicants requesting to be debriefed must send a written request to Lou Thompson, Office of Affordable Housing Programs, Department of Housing and Urban Development, Room 7168, 451 Seventh Street, SW, Washington, DC 20410.

(D) *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(H) 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 investment of \$10,000 per unit in SHOP funding.

(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. Each consortium member must submit evidence of its nonprofit status to the lead entity for inclusion in the Consortium's application package.

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.

(E) *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 RC/EZ/EC bonus points, as described in Section III(C)(1) of the General Section of the SuperNOFA. In evaluating applications for funding, HUD will take into account an applicant's past performance in managing funds, including accounting for funds appropriately, the timely use of funds received from HUD, meeting performance targets for completion of activities, and the number of persons served.

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 and fiscal management capability to administer the grant, including the ability to account for funds appropriately. HUD will assess your organization's past performance based upon performance reports for completion of activities and the number of families/persons provided housing, financial status information focusing on expediency of draws and use of funds, 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 should submit any existing internal or external performance reports or other information that will assist HUD in making this determination.

Submission Requirements for Rating Factor 1.

(1) You must describe your past experience in carrying out activities (describe the time frame when these activities occurred) 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 consistent with the time frame you proposed for completion of all work. 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. In identifying these recent projects, please include all projects completed, regardless of whether they were funded with Federal, State, local, public or private funds.

(3) You must provide a description of your organization's management structure. You must also describe how you will staff and manage your proposed activities within the organization if funds are awarded.

(4) You must demonstrate your ability to handle financial resources with adequate financial control and accounting procedures. You must describe how your financial control

procedures 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 by describing the kinds of features that you have used to design homes in accordance with universal design or otherwise make homes accessible to the elderly or persons with disabilities.

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 Consolidated 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 that shows the need for this program.

Rating Factor 3: Soundness of Approach (45 Points)

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

(1) Your specific use of SHOP funds, the number of units and the type(s) of housing to be constructed, and the use of sweat equity/volunteer labor; your established timeline for performance; your schedule for expending funds and completing construction; the proposed budget and cost effectiveness of your program; and your plans to reach all potentially-eligible homebuyers, including those with disabilities or least likely to apply. You may not require a homebuyer to make financial contributions to a unit other than cash contributed for down payment or closing costs at the time of acquisition.

(2) How your planned activities further the Department's FY 2002 policy priorities noted in Section VI of the General Section. You will receive one rating point for each priority addressed in your program of activities and associated with performance measures. For FY 2002, HUD's policy priorities are:

(i) Increasing Homeownership Opportunities for Low- and Moderate-Income Persons, Persons with Disabilities and the Elderly, and Minorities and Families where English may be a second language.

(ii) Improving the Quality of Public Housing and Providing More Choices for Its Residents.

(iii) Encouraging Accessible Design Features: Visitability in New Construction and Substantial Rehabilitation Activities and Universal Design.

(iv) Improving Computer Access, Literacy, and Employment Opportunities.

(v) Providing Full and Equal Access to Faith Based and Other Community Based Organizations in HUD Program Implementation.

(vi) Ensuring that Programs are Accountable for the Promises Made and the Actions Taken.

(vii) Colonias.

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(s) (single family or multifamily, or both) 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. If SHOP funds will be used for administration of your grant, you must include the cost of monitoring affiliates once during the grant period. Your budget must also include leveraged funding to cover all costs of completing the proposed number of units.

(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 illustrate your ability to carry out your proposed activities cost effectively.

(10) Describe how each of the Department's policy priorities are furthered by your proposed activities. To receive a point for a policy priority, you must describe how your proposed work activities address the specific policy and list proposed performance measurements related to it.

(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, and use of minority media to attract those least likely to apply).

(12) Describe your criteria and procedures for selecting homebuyers and how activities will benefit eligible 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 that can be performed by the client regardless of disability.

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 only those leveraging contributions for which current firm commitments have been provided. Leveraging can be counted only if you have secured a firm financial commitment described and listed under this Factor. A firm commitment letter means the agreement by which the contributing partner or entity agrees to perform an activity specified in your application which should demonstrate your financial capacity to deliver the resources necessary to carry out the activity. Firm commitments of resources may be in the form of cash funding, in-kind contributions, or personnel from Federal, State, local, and private sources, which 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 the proposed number of units in your application, which must be 30 units or more.

(2) Provide firm written commitments (letters, agreements, etc.) from the source of the commitment to support your list of firm commitments. This written commitment should include your organization's name, the contributing organization's name, and the proposed type and level of commitment and responsibilities as they relate to your proposed program. This leveraging commitment must be signed by an official of the organization legally able to make the commitment on behalf of the organization and must be specifically targeted to support your FY 2002 SHOP application. The written commitment may be contingent upon your receiving a grant award.

(3) Provide a description of the individual sweat-equity requirements (types of tasks and number of hours) 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: Coordination, Self-Sufficiency and Sustainability (5 Points)

This factor addresses the extent to which your application reflects a comprehensive approach that coordinates effectively with other organizations in the community and fosters self-sufficiency of beneficiaries in your program after completion of the grant award. In evaluating this factor, HUD will consider:

(1) The extent to which you have coordinated your activities with other known organizations that are not directly participating in your proposed work activities, but with which you share common goals and objectives and are working toward meeting these objectives in a holistic and comprehensive manner; and

(2) The extent to which your application implements practical solutions within the grant term to result in assisting beneficiaries of grant program funds in achieving independent living, housing choice or improved living environments.

Submission Requirements for Factor 5

(1) Describe the steps taken to coordinate your program activities at the national, regional and local levels with other organizations not directly participating in your program and work activities. If affiliates are selected after grant award, you must describe how your selections will be made to ensure that the affiliates' programs fit in with other activities and programs that are being carried out by others in the local communities.

(2) Describe the steps to be taken within the grant term that provide assistance to homebuyers in a manner that achieves independent living, housing choice in a wider range of neighborhoods and improved living conditions free from overcrowding and

environmental hazards, such as lead-based paint, Brownfields, etc.

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
 _____ A copy of your code of conduct and a narrative description of the methods you will use to ensure that all officers, employees and agents of your organization become aware of your code of conduct.

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—Coordination, Self Sufficiency and Sustainability

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 RC/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. Notwithstanding the preceding sentence, in accordance with Section 11(d)(2)(A) of the Housing Opportunity Extension Act of 1996 and HUD Notice CPD-01-09, an organization, consortium or affiliate receiving SHOP assistance may advance nongrant funds to acquire land prior to completion of an environmental review and HUD's approval of a request for release of funds and environmental certification. Any advances to acquire land prior to such approval are made at the risk of the organization, consortium or affiliate and reimbursement from SHOP funds for such advances will depend on the result of the environmental review.

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").

BILLING CODE 4210-32-P

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

YOUTHBUILD

Billing Code 4210-32-C

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 in completing their high school education, to provide on-site construction training experiences which also results in the rehabilitation or construction of housing for homeless persons and low- and very low-income families, to foster leadership skills, to further opportunities for placement in apprenticeship programs, and to promote economic self-sufficiency.

Available Funds. Approximately \$59,750,000 is available for the Youthbuild Program.

Adjustments to Funding. HUD reserves the right to utilize this year's funding to fund previous years 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, including 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, 2002.
Match. None.

ADDITIONAL INFORMATION

If you are interested in applying for funding under this program, please carefully review 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 signed application and two copies) must be submitted on or before May 30, 2002 to the HUD Headquarters address shown below.

Application Submission Procedures. *New Security Procedures.* HUD has implemented new security procedures that impact application submission procedures. Please read the following instructions carefully and completely.

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).

Applications sent to HUD headquarters may be mailed using the United States Postal (USPS) or may be shipped via the following delivery services: United Parcel Services (UPS), FedEx, DHL, or Falcon Carrier. *No other delivery services are permitted into HUD Headquarters without escort. You must, therefore, use one of the four carriers listed above. Delivery of these services must be made during business hours between 8:30 AM and 5:30 PM Eastern time, Monday through Friday. If these companies do not service your area, you should submit your application via the United State Postal Service.*

Mailed Applications. Your applications will be considered timely filed if postmarked on or before 12:00 midnight (Eastern Time) on the application due date and received at the address above on or within fifteen (15) calendar days of the application due date. All applicants must obtain and save a Certificate of Mailing showing the date when you submitted your application to the United States Postal Service (USPS). The Certificate of Mailing will be your documentary evidence that your application was filed in a timely manner.

Applications sent by overnight delivery or express mail will be considered timely filed if they are received before or on the application due date, or upon submission of documentary evidence that your application was placed in transit with the overnight delivery service by no later than the specified application due date. *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. Phyllis Williams, Community Planning and Development Specialist, Office of Rural Housing and 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 the toll-free Federal Information Relay Service at 1-800-877-8339.

For Technical Assistance. Write or call Mr. 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 staff 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 <http://www.hud.gov>.

II. Amount Allocated

(A) *Available Funds.* Approximately \$59,750,000 in Fiscal Year (FY) 2002 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 2002 HUD Appropriations Act. The Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002 (Pub.L. 107-73 approved November 26, 2001) (the "FY 2002 HUD Appropriations Act") made \$65,000,000 available of which \$59,750,000 is allocated for grants.

(B) *Funding Categories.* HUD will award up to \$59,750,000 on a competitive basis. Funds will be divided between four categories of grants as described below.

Category 1 New Applicants. HUD will award up to \$10,000,000 for new applicants that have not previously received implementation grants since the inception of the Program for a period not to exceed 30 months. The maximum amount awarded to a successful applicant in this category is \$400,000.

Category 2 Grants up to \$700,000. HUD will award up to \$37,750,000 for grants up to \$700,000 for a period not to exceed 30 months. The maximum

amount awarded to a successful applicant in this category is \$700,000.

Category 3 *Underserved and Rural Areas*. HUD will award up to \$10,000,000 for grants to organizations serving clients in underserved and rural areas as defined in this NOFA for a period not to exceed 30 months. The maximum amount awarded to a successful applicant in this category is \$400,000.

Category 4 *Individual Development Accounts (IDAs)*. HUD will award up to \$2,000,000 for grants for previous or existing Youthbuild grantees for a period not to exceed 30 months, to support the outreach, development and implementation of Individual Development Accounts (IDAs) for Youthbuild program participants. The maximum amount awarded under this category is \$200,000.

Applicants must indicate on their transmittal/cover letter which funding categories they are applying for.

III. Program Description 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 that will 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 possible, job training, employment, contracting and other economic opportunities to low-income young adults.

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, architectural and

engineering work, rehabilitation or construction of the housing, as defined in HUD's regulations at 24 CFR 585.309, 585.310, and 585.311.

(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, financial literacy, credit counseling, assistance 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, which 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 participants that facilitate program implementation. Please refer to HUD's regulation at 24 CFR 585.305 for further details on eligible activities.

IV. Program Requirements

In addition to the 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, or may be high school graduates (or equivalent), 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 of

this program NOFA must not exceed 15 pages, and must be submitted on 8.5" by 11" paper, using a 12 point font, 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) *Identification of and Access to Property*. Your application must identify the location of the site(s) or property(ies) (e.g. addresses, parcel numbers, etc.) that will be used for on-site construction. Your application MUST contain a letter from the property owner or property management company(ies) allowing access to the housing site(s) for on-site construction training. HUD may deem as ineligible any application that fails to specifically identify the location of the on-site construction.

(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.

(I) *Participation in Local Workforce Investment Act One-Stop Center*. Youthbuild grantees are mandatory partners in one-stop centers authorized by the Workforce Investment Act of 1998 (Pub. L. 105-220).

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, safe, and energy efficient homes;

(2) Affirmatively furthering fair housing by promoting greater opportunities for housing choice for minorities and persons with disabilities;

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

(4) Providing educational, apprenticeship and job training opportunities;

(5) Promoting welfare reform;

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

(7) Encouraging universal design.

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

VI. Application Selection Process

Applicants must meet all of the applicable threshold requirements of Section II(B) of the General Section of the SuperNOFA and Sections 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 Renewal Community/Empowerment Zone/Enterprise Community (RC/EZ/EC) bonus points as described in Section III(C) of the General Section of the SuperNOFA. An application must receive a minimum of 70 points to be eligible for funding.

(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. In evaluating applications for funding, HUD will take into account an applicant's past performance in

managing funds, including the ability to account for funds appropriately, timely use of funds received either from HUD or from other Federal, State or local programs and meeting performance targets for completion of activities and number of persons served or targeted for assistance. HUD may use information relating to these items based on information at hand or available from public sources such as newspapers, Inspector General or Government Accounting Office Reports or Findings, hotline complaints that have been proven to have merit, or other such sources of information.

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

(3) *Ranking.* Applications will be ranked separately within each of the four 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 an overall minimum score of 70 points and a minimum score of 40 points for the total combined number of points for Rating Factors 1 (Capacity of the Applicant and Relevant Organization) and Rating Factor 3 (Soundness of Approach).

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 3 (Soundness of Approach). 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 1 (Capacity of the Applicant and Relevant Organization); Rating Factor 4 (Leveraging of Resources) and Rating Factor 2 (Need/Extent of the Problem).

(B) *Categories of Grants.* HUD will make grants in four 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. HUD will make available approximately \$10,000,000 to new applicants proposing grant(s) of \$400,000 or less for activities not to exceed 30 months.

(2) *Category 2 Grants.* HUD will make available approximately \$37,750,000 to applicants proposing grant(s) of \$700,000 or less for activities not to exceed 30 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 30 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 an 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.

(4) *Category 4 Grants.* HUD will make available approximately \$2,000,000 for applicants proposing grants of \$200,000 or less to develop or support Individual Development Accounts (IDAs).

IDAs are matched savings accounts designed to assist low and very low-income families to accumulate savings for education, job training, homeownership or small business or micro-enterprise development. IDAs may be structured to provide both current program participants and those who successfully completed the program with access to IDAs. This category of funds must be used in conjunction with funds awarded under Category 2 or Category 3 and may be used for outreach, financial literacy training, matching funds, administrative costs and/or monitoring. Participants save monthly for a specific purpose with their savings matched by designated funders (usually at a rate ranging from one dollar for each dollar saved to four dollars for each dollar saved). In order to be considered for

funding under Category 4 (Individual Development Accounts), the applicant must apply for Category 4 along with either Category 2 or Category 3. In order to be awarded funding under Category 4, the applicant must also be awarded funding under either Category 2 or Category 3.

(C) *Grant Period.* You must expend funds awarded within 30 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 \$700,000. Special Note: The maximum award under the combined categories 2 and 4 is \$900,000. 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 CONDITIONAL approval, subject to negotiation and execution of the grant agreement by HUD.

(G) *Rating Factors for Award Used to Evaluate and Rate Applications.* The factors for rating and ranking applicants, and maximum points for each factor, are provided below. The maximum number of points for the program is 104. This includes two RC/EZ/EC bonus points, as described in the General Section of the SuperNOFA and two bonus points given to the city of Dallas, TX.

(H) *Application Debriefing.* Beginning not less than 30 days after the awards for assistance are announced in the **Federal Register**, and for not less than 120 days, HUD will, upon written request from the applicant, provide a debriefing to the requesting applicant. Materials provided during the debriefing will be the applicant's final scores for each rating factor, final

evaluator comments for each rating factor, and the final assessment indicating the basis upon which the assistance was provided or denied. Applicants requesting to be debriefed must send a written request to Ms. Jackie W. Mitchell, Director, Office of Rural Housing and Economic Development (ORHED), Office of Community Planning and Development, 451 Seventh Street, SW, Room 7136, Washington, DC 20410. Debriefing information can be found in Section VII(E)(2) of the General Section of the SuperNOFA.

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

This factor addresses the qualifications and experience of the applicant and participating parties to implement a successful young adult education, training program in accordance with your work plan as further described in Factor 3. HUD will review and evaluate information provided documenting recent capability. Experience within the last 5 years will be considered recent. In reviewing this rating factor, HUD will evaluate the following sub-factors:

(1) *Team Member Composition and Experience (5 points).* 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. Applicants for funding under Category 4 (Individual Development Accounts) should include in their response their experience and capability in providing support services to low income individuals and families seeking to achieve economic sustainability and self-sufficiency and in recruiting, educating and assisting project participants to increase their economic independence and general well-being through economic literacy education and the accumulation of assets.

(2) *Organizational Structure (5 points).* 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) *Relevant Experience (5 points).* 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 performance in meeting reporting requirements and your ability to have resolved problems that 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 youths recruited, trained and received GEDs; number of youths obtaining jobs (i.e. those that are a part of a career path or apprenticeship program), number of youths participating in apprenticeships and number of housing units rehabilitated or constructed and made available for low and moderate income persons.

Also, you must describe the extent to which you or participating partners have been successful in past education, training and employment programs and activities, including Federally-funded Youthbuild programs. If you have received a Youthbuild grant, you must submit copies of your last two progress reports or, if applicable, a closeout report. In applying the rating criteria, HUD will take into consideration your performance (including meeting target dates and schedules) as reported.

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. For previous and existing Youthbuild grantees, applicants that can demonstrate a closer and greater linkage between the expected outcomes and the previously generated outcomes will

receive a higher amount of points for this Factor.

Rating Factor 2: Need/Extent of the Problem (25 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 and national data.

(1) In applying this Factor, HUD will consider current levels of distress for 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, and 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 (5 points)—data should be provided in both absolute and percentage form (i.e., whole numbers and percents) for the target area(s); 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) Less than the national average: 0 points
- (2) Equal to but less than twice the national average: 1 point
- (3) Twice but less than three times the national average: 3 points
- (4) Three or more times the national average: 5 points

(b) Unemployment (5 points)—for the project area;

- (1) Less than the national average: 0 points
- (2) Equal to but less than twice the national average: 1 point
- (3) Twice but less than three times the national average: 2 points
- (4) Three but less than four times the national average: 3 points

- (5) Four but less than five times the national average: 4 points
- (6) Five or more times the national average: 5 points

(c) High School Dropouts (10 points)—for the project area;

- (1) Less than the national average: 0 points
- (2) Equal to but less than twice the national average: 2 points
- (3) Twice but less than three times the national average: 4 points
- (4) Three but less than four times the national average: 6 points
- (5) Four but less than five times the national average: 8 points
- (6) 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 the target area and 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, such as the U.S. Census, 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 the project site.

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, with a two-month lag;
- (b) Population—estimated for incorporated places through 2000;
- (c) Poverty rate—1990 data being the most recent available.

Rating Factor 3: Soundness of Approach (40 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.

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

(1) Program Components (15 points):

(a) Outreach strategy, recruitment strategy 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 youths 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, one-stop centers and, 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 the participants.

You must assess the need for counseling and referral services during each stage of program implementation: outreach strategy, recruitment strategy, youths interviewed and not selected for the program, program participants, youths 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.

Special Note to applicants under Category 4 for Individual Development Accounts:

Applicants under this Category should precisely identify the target population(s) to be served and provide a description of the geographic area to be impacted. Applicants that target individuals residing in one or more well defined neighborhoods or communities (including public housing developments, RCs/EZs/ECs) that experience high rates of poverty or unemployment will also receive a greater number of points under this subfactor. Applicants applying under Category 4 should describe, in outline form, how the IDA program would operate. The applicant should outline: (i) The process for the recruitment of participants; (ii) how participants will be selected; (iii) how and with what assistance will the participant determine the levels of savings and purpose or qualified expenses; (iv) when, where and with whom the participant is to sign a savings plan agreement; (v) the process for opening an IDA account and the role of the participating financial institution; (vi) how and where savings deposits are to be made and the consequences to a participant should the participant fail to make a scheduled deposit; (vii) where, when and from whom the participant will receive financial literacy, credit repair and other training and support services; (viii) where, when and from whom will the participant receive training needed support to remain employed to assure continued savings from earned income; (ix) where, when and from whom the participant will receive training needed with respect to the qualified expenditure or purpose of the IDA, in the area of homeownership, pursuit of educational goal, business plan development and management, etc.; and (x) when, where and how the participant will make withdrawals to support the purposes of the IDA, once the IDA savings and match goals have been achieved. Applicants must also identify the state or Federal institution with which they are partnering in the development and implementation of their IDA project.

All applicants under Category 4 must include a copy of a signed agreement between the applicant and the financial institution(s), which sets forth: (i) That the project's reserve fund will be established in the financial institution; (ii) the rate of interest to be paid on amounts in the reserve fund; (iii) how, when, and where participant deposits will be made; (iv) how and when matching contributions will be made (e.g. in a parallel account); (v) the rate and frequency of interest payments on accounts, including matching

contributions; (vi) the data and reports that will be furnished to the grantee concerning the reserve fund and IDA accounts; (vii) the contribution, if any, being made by the financial institution for deposit in the reserve fund, and the schedule of deposits of such contribution; and (viii) other services to be provided by the financial institution(s) that could strengthen the project, such as financial education seminars, favorable pricing on fees, out-stationing of services in community facilities, or assistance in recruitment of project participants. The narrative response to this subfactor need only identify the partnering financial institution(s) and reference the agreement(s) provided with the application.

Applicants 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 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 participants;

(iv) The number of participants per site; and

(v) The amounts, wages, and/or stipends you will pay to participants during on-site work.

All applicants 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) Strategy for Job Placement. (10 points)

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 jobs that promote economic self-sufficiency (*i.e.* those that are a part of career paths or apprenticeship programs); (b) proposed number of youths who will continue post-secondary or secondary education; (c) proposed number of youths to receive entrepreneurship training. 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) Expected Outcomes. (5 points). Describe the number of youths 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.

(4) Housing Program Priority. (10 points) HUD will assign Housing Program Priority points to all applications that contain evidence that housing resources for other Federal, State, local or private sources that are

available and firmly committed to cover all costs, in full, for the following housing activities for the proposed Youthbuild program: acquisition, architect and engineering fees, construction, and rehabilitation.

Applications that do not include proper documentation of firm financial commitments of non-Youthbuild resources or propose to use Youthbuild grant funds, in whole or in part, or do not evidence site control, for any one of the housing activities listed above will not be entitled to housing program priority points. Forms 2C, Housing Site Description, and 2C10, Youthbuild Grant Individual Housing Project Site Estimate, must be completed to receive the Housing Program Priority points.

Rating Factor 4: Leveraging Resources (10 Points)

(Exhibit 4B Non-Housing Program Resources Must Be Complete and You Must Provide Letters of Firm Commitment From the Donor With the Amount of Cash or In-Kind Contribution) 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. Grantees who leverage significant resources will receive a greater number of points.

HUD will evaluate the extent to which firm commitment of resources are obtained from Federal, State, local, and private and nonprofit sources. HUD will award a greater number of points based upon a comparison of the extent of leveraged funds and the requested Youthbuild grant. 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) For Individual Development Accounts matching funds, financial services or other resources to be provided in support of such accounts; and

(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 2002 Youthbuild grant. For all applicants, 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 commitment.

(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 2002 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.

Grantees who leverage significant resources will receive more points.

(1) Public sector sources—Federal, State, or local government sources to provide resources to carry out Youthbuild activities. (5 points)

(2) Private or nonprofit sector sources to provide resources to carry out Youthbuild activities. (5 points)

Rating Factor 5: Coordination, Self-Sufficiency and Sustainability (10 Points)

This factor addresses the extent to which your proposed program is coordinated with other ongoing and related activities in the area you propose to serve, how well your program outcomes result in increased independence and empowerment to your beneficiaries, and your organization's ability to becoming financially self-sustaining into the future absent any HUD funding. Your response to this sub-factor should provide a clear statement of the adverse conditions to be addressed by your organization's assistance, the expertise of your organization in addressing those conditions and your plans for ensuring that your organization will be able to sustain those efforts without further assistance from HUD at the conclusion of the grant period. HUD will evaluate the extent to which your application meets the following three elements: (1) *Coordination of activities* (4 points). The extent to which you have coordinated your activities with other known organizations that are not directly in your proposed work activities, but with which you share common goals and objectives and are working toward meeting these objectives in a holistic and comprehensive manner. The goal of coordination is to ensure that programs do not operate in isolation. The more your activities are coordinated with other agencies in your service area, the more points you will receive. An example of coordination activities would be the applicant's partnership with an existing child day care facility (which is not funded by program) that provides day care services to the Youthbuild participants during the hours they are being trained or receiving education. (2) *Self-Sufficiency* (3 points) The extent to which your application implements practical solutions within the grant term that result in assisting beneficiaries of grant program funds in achieving independent living, economic empowerment, educational

opportunities, housing choice or improved environments which are free from environmental hazards such as lead hazards, brownfields, overcrowded housing, etc. Applicants that clearly describe the extent to which proposed activities result in increased independence and empowerment for their beneficiaries will receive higher points in this sub-factor. (3) *Sustainability* (3 points). The extent to which your program exhibits the potential to be financially self-sustaining by decreasing dependence on Youthbuild funding and relying more on state, local and private funding so your activities can be continued after your grant award is complete. Applicants that demonstrate a reduced dependence on Youthbuild funds over the life of their award will receive a greater number of points for this sub-factor. This decreasing dependence on Youthbuild funds should be present in a workplan that explains how this independence will be achieved.

VII. Application Submission Requirements

(A) *Site Access Submission Requirements*. You must submit 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 has 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

(iii) 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 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 (VI)(B)(3) of this notice.

(C) *Application Items*. Your application must contain the items listed in this section. 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 of the Applicant and Relevant Organizational Experience.

Factor 2—Need/Extent of the Problem.

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

Factor 5—Coordination, Self Sufficiency and Sustainability, 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 font, 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 neither review nor consider the information on any excess pages, which may result in a lower score or failure to meet a threshold.

VIII. Corrections to Deficient Applications

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

IX. 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.

X. 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 applicant's 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.