DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5300-N-04]

Notice of Funding Availability (NOFA) for Fiscal Year 2009
Rural Housing and Economic Development Program

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice of Funding Availability (NOFA) for HUD's Fiscal Year (FY) 2009 Rural Housing and Economic Development Program (RHED).

SUMMARY: Today's publication establishes the funding criteria for the FY2009 Rural Housing and Economic Development Program. The Department of Housing and Urban Development Appropriations Act, 2009 appropriates $26 million in RHED funds, to remain available until expended, and this appropriation is to be competitively awarded by September 1, 2009. HUD will award these funds to support federally recognized Indian tribes, state housing finance agencies (HFAs), state community and/or economic development agencies, local rural non-profit organizations, and community development corporations to support innovative housing and economic development activities in rural areas. In addition to the application requirements set forth in this document, applicants must also comply with applicable requirements established in HUD's FY2009 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2009 NOFAs for Discretionary Programs (General Section) published on December 29, 2008 (73 FR 79548), as amended on April 16, 2009 (74 FR 17685). Applicants should take particular note that they must follow the application submission instructions contained in this NOFA and not use those in the General Section.

APPLICATION DEADLINE DATE: The application deadline date is **May 29, 2009.**

FOR FURTHER INFORMATION CONTACT: For information concerning the HUD Rural Housing and Economic Development program, contact a 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 7137, Washington, DC 20410-7000; telephone 202-708-2290 (this is not a toll-free number) or 1-877-787-2526 (this is 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 800-877-8339.

OVERVIEW INFORMATION

A. Federal Agency Name: Department of Housing and Urban Development, Community Planning and Development, Office of Rural Housing and Economic Development.

B. Funding Opportunity Title: Rural Housing and Economic Development (RHED) program. The statutory authority for the Rural Housing and Economic Development NOFA is the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, Pub.L. 105-276, approved October 21, 1998.

C. Announcement Type: Initial Announcement.

D. Funding Opportunity Number: FR- 5300-N-04, OMB Approval Number 2506-0169.

E. Catalog of Federal Domestic Assistance (CFDA) Numbers: 14.250, Rural Housing and Economic Development.

F. Application Date: May 29, 2009.

G. Optional, Additional Overview Information

Purpose of Program: The purpose of the Rural Housing and Economic Development program is to provide support for innovative housing and economic development activities in rural areas.

The funds made available under this program will be awarded competitively through a selection process conducted by HUD in accordance with the HUD Reform Act.

FULL TEXT OF ANNOUNCEMENT

I. Funding Opportunity Description

A. **Background.** There has been a growing national recognition of the need to provide support for local rural nonprofit organizations, community development corporations, federally recognized Indian tribes, state housing finance agencies (HFAs), and state economic development and community development agencies to expand the supply of affordable housing and to engage in economic development activities in rural areas. A number of resources are available from the federal government to address these problems, including programs of the U.S. Department of Agriculture (USDA), the Economic Development Administration (EDA), the Appalachian Regional Commission (ARC), the Department of Interior (for Indian tribes), and HUD. The Rural Housing and Economic Development program was developed to supplement these resources and to focus specifically on promoting innovative approaches to housing and economic development in rural areas. In administering these funds, HUD encourages you to coordinate your activities with those supported by any of the agencies listed above.

B. **Definitions**

1. Appalachia's Distressed Counties means those counties in Appalachia that the Appalachian Regional Commission (ARC) has determined to have unemployment and poverty rates that are 150 percent of the respective U.S. rates and a per capita income that is less than 67 percent of the U.S. per capita income, and have counties with 200 percent of the U.S. poverty rate and one other indicator, such as the percentage of overcrowded housing. Refer to www.arc.gov for a list of ARC-distressed counties and more information.

2. Colonia means any identifiable, rural community that:

a. Is located in the state of Arizona, California, New Mexico, or Texas;

b. Is within 150 miles of the border between the United States and Mexico; and

c. Is determined to be a colonia on the basis of objective need criteria, including a lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, sanitary, and accessible housing.

3. Farm Worker means a farm employee of an owner, tenant, labor contractor, or other operator raising or harvesting agricultural or aquacultural commodities, or a worker who, in the employment of a farm operator, engages in handling, planting, drying, packing, grading, storing, delivering to storage or market, or carrying to market agricultural or aquacultural commodities produced by the operator. Seasonal farm workers are those farm employees who typically do not have a constant year- round salary.

4. Firm Commitment means a letter of commitment from a partner by which an applicant's partner agrees to perform an activity specified in the application, demonstrates the financial capacity to deliver the resources necessary to carry out the activity, and commits the resources to the activity, either in cash or through in-kind contributions. It is irrevocable, subject only to approval and receipt of a fiscal year FY2009 Rural Housing and Economic Development grant. Each letter of commitment must include the organization's name and applicant's name, reference the Rural Housing and Economic Development program, and describe the proposed total level of commitment and responsibilities, expressed in dollar value for cash or in-kind contributions, as they relate to the proposed program. The commitment must be written on the letterhead of the participating organization, must be signed by an official of the organization legally able to make

commitments on behalf of the organization, and must be dated no earlier than the date of publication of this NOFA. In documenting a firm commitment, the applicant's partner must:

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

b. Affirm that the firm commitment is contingent only upon the receipt of FY 2009 Rural Housing and Economic Development funds and state a willingness on the part of the signatory to sign a legally binding agreement (conditioned upon HUD's environmental review and approval of a property, where applicable) upon award of the grant.

5. Federally Recognized Indian tribe means any tribal entity eligible to apply for funding and services from the Bureau of Indian Affairs by virtue of its status as an Indian tribe. The list of federally recognized tribes can be found in the notice published by the Department of the Interior on April 4, 2008 (73 FR 18553) and is also available from HUD.

6. Innovative Housing Activities means projects, techniques, methods, combinations of assistance, construction materials, energy efficiency improvements, or financing institutions or sources new to the eligible area or to its population. The innovative activities can also build upon and enhance a model that already exists.

7. Local Rural Nonprofit Organization or Community Development Corporation means any private entity with tax-exempt status recognized by the Internal Revenue Service (IRS) that

serves the eligible rural area identified in the application (including a local affiliate of a national organization that provides technical assistance in rural areas).

8. Lower Mississippi Delta Region means the eight-state, 240-county/parish region defined by Congress in the Lower Mississippi Delta Development Act, Public Law 100-460. Refer to www.dra.gov for more information.

9. Eligible Rural Area means one of the following:

a. A non-urban place having fewer than 2,500 inhabitants (within or outside of metropolitan areas).

b. A county or parish with an urban population of 20,000 inhabitants or less; or

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

10. State Community and/or Economic Development Agency means any state agency whose primary purpose is promotion of economic development statewide or in a local community.

11. State Housing Finance Agency means any state agency created to assist local communities and housing providers with financing assistance for development of housing in rural areas, particularly for low- and moderate-income people.

II. Award Information

A. Amount Allocated

1. Available Funds. Approximately $26,000,000 in FY2009 funding (plus any additional funds available through recapture) is being made available through this NOFA.

2. Funding Award Amount. HUD will award up to approximately $26,000,000 on a competitive basis in the following categories: Category (1) Support for Innovative Housing and Economic Development Activities; Category (2) Economic Development and Entrepreneurship for

Federally Recognized Indian Tribes; and Category (3) Technical Assistance to Increase Capacity through Training and Outreach Activities for Federally Recognized Indian Tribes.

HUD will accept only one application from any given organization. (Note that if the organization is a federally recognized Indian tribe, it must specify in the abstract (see IV.B.1.b. Application Items), which funding category, (1) or (2) for which the tribe is applying.

Category 1 Support for Innovative Housing and Economic Development Activities. HUD will award up to approximately $17 million to federally recognized Indian tribes, state housing finance agencies (HFAs), state community and/or economic development agencies, local rural nonprofit organizations, and community development corporations to support innovative housing and economic development activities in rural areas. The maximum amount awarded to a successful applicant will be $300,000. (See Section V for the Rating Factors for this category.)

Category 2 Economic Development and Entrepreneurship for Federally Recognized Indian Tribes. HUD will award up to approximately $8 million to federally recognized Indian tribes to promote economic development and entrepreneurship through activities including the capitalization of revolving loan programs and business planning and development. The maximum amount awarded to successful applicant will be $300,000. (See Section V for the Rating Factors for this category.)

Category 3 Technical Assistance to Increase Capacity through Training and Outreach Activities for Federally Recognized Indian Tribes. HUD will award up to approximately $1 million to a technical assistance provider to increase the capacity of Federally Recognized Indian tribes through training and outreach activities. (See Section VIII for the Rating Factors for this category.)

B. **Grant Amount**

In the event, you, the applicant, are awarded a grant that has been reduced (e.g., the application contained some activities that were ineligible or budget information did not support the request), you will be required to modify your project plans and application to conform to the terms of HUD's approval before execution of the grant agreement.

HUD reserves the right to reduce or deobligate the award if suitable modifications to the proposed project are not submitted by the awardee within 90 days of the request. Any modifications must be within the scope of the original application. HUD reserves the right to not make awards under this NOFA.

C. **Grant Period**

Recipients will have 36 months from the date of the executed grant agreement to complete all project activities.

III. Eligibility Information

A. **Eligible Applicants**. Eligible Category (1) and Category (2) applicants for the Rural Housing and Economic Development program are local rural nonprofit organizations, community development corporations, federally recognized Indian tribes, state housing finance agencies, and state community and/or economic development agencies. Also, you must meet all of the applicable eligibility requirements described in Section III.C of the **General Section**.

B. **Cost Sharing or Matching**. There is no match required under the Rural Housing and Economic Development program. Category (1) and Category (2) applicants that submit evidence of leveraging dollars under Rating Factor 4 will receive points according to the scale under that factor.

C. **Other**

1. **Eligible Activities**. For Category (1) and Category (2) applicants, the following are examples of eligible activities under the Rural Housing and Economic Development program. Permissible activities may include, but are not limited to the following:

a. The cost of using new or innovative construction, energy efficiency, or other techniques that will result in the design or construction of innovative housing, including persons with disabilities, and economic development projects;

b. Preparation of plans or of architectural or engineering drawings;

c. Preparation of legal documents, government paperwork, and applications necessary for construction of housing and economic development activities to occur in the jurisdiction;

d. Acquisition of land and buildings;

e. Demolition of property to permit construction or rehabilitation activities to occur;

f. Purchase of construction materials;

g. Homeownership counseling, including such subjects as fair housing counseling including information concerning the right of persons with disabilities to accessible housing, credit counseling, budgeting, access to credit, and other federal assistance available. Successful applicants under this NOFA who engage in homeownership counseling, and their subrecipients, must use training facilities and services that are physically accessible to persons with disabilities. Where physical accessibility is not achievable, recipients and subrecipients must give priority to alternative methods of product delivery that offer programs and activities to qualified individuals with handicaps in the most integrated setting appropriate in accordance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and its implementing regulations at 24 CFR Part 8, and Title III of the Americans with Disabilities Act. Furthermore, HUD encourages all grant recipients and subrecipients to adopt the goals and objectives of Section 508

of the Rehabilitation Act of 1973 with regard to accessible technology. See the Accessible Technology Requirements in the General Section.

h. Conducting conferences or meetings with other federal or state agencies, tribes, tribally designated housing entities (TDHE), or national or regional housing organizations, to inform residents of programs, rights, and responsibilities associated with home buying opportunities (all meetings and conferences should be provided in alternative formats for persons with a variety of disabilities, as appropriate, and in applicable languages common in the community for limited English proficient (LEP) families);

i. Establishing Community Development Financial Institutions (CDFIs), lines of credit, revolving loan funds, microenterprises, and small business incubators; and

j. Provision of direct financial assistance to homeowners/businesses/developers, etc. This can be in the form of default reserves, pooling/securitization mechanisms, loans, grants, the funding of existing individual development accounts, or similar activities.

Eligible activities for Category (3) include capitalization of revolving loan programs and business planning and development activities.

2. **Statutory and Regulatory Requirements**. To be eligible for funding under HUD NOFAs issued during FY2009, you, the applicant, must meet all statutory and regulatory requirements applicable to this NOFA as described in the **General Section,** as amended. HUD may also eliminate ineligible activities from funding consideration and reduce funding amounts accordingly.

3. **General HUD Threshold Requirements: See section III.C.2. of the General Section.**

a. Ineligible Applicants. HUD will not consider an application from an ineligible applicant.

b. An applicant that does not meet the threshold requirement found in Section III. C. 2. of the General Section "Fair Housing and Civil Rights" may not be considered for funding.

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

(1) Economic Opportunities for Low-and Very Low-Income Persons (Section 3). The requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 170lu) are applicable to projects receiving an award of $200,000 or more under this NOFA that will involve housing construction; rehabilitation (including the reduction of lead-based paint hazards, but excluding routine maintenance, repair and replacement); or other public construction. Please refer to subparts B and E of 24 CFR part 135 and the NOFA General Section for additional information. The purpose of Section 3 is to ensure that new training, employment or contracting opportunities, created during the completion of your proposed project/activities, will be directed to low-and very low-income persons residing in the service area and to the business concerns that employ these persons, to the greatest extent feasible.

(2) Section 3 Reporting. Each recipient who receives directly from HUD financial assistance that is subject to Section 3 requirements, shall submit to the Assistant Secretary of Community Planning and Development an annual report. The Section 3 report shall be submitted with the annual performance report. If the program does not require an annual report, the Section 3 report is to be submitted by January 10, of each year or within 10 days of project completion, which ever is earlier. Grantees are required to report on form HUD 60002. Section 3 shall also be reported using the RHED Logic Model. All reports are made available to the public.

See; 24 CFR Part 135 and the General Section.

4. Program-Specific Threshold Requirements.

a. The application must receive a minimum rating score of 75 points to be considered for funding.

b. HUD will only fund eligible applicants as defined in this NOFA under Section III.A.

c. Applicants must serve an eligible rural area as defined in Section I.B.9. of this NOFA.

d. Proposed activities must meet the objectives of the Rural Housing and Economic Development program.

e. Applicants must demonstrate that their activities will continue to serve populations, including existing residents that are in need.

f. Applicants must demonstrate that beneficiaries will have a choice of innovative housing and economic development opportunities as a result of the activities.

5. DUNS and CCR Requirements. Note that eligible applicants must have a valid DUNS number and updated CCR registration.

The Federal government requires applicants to have a DUN and Bradstreet Universal Identifier Numbering System (DUNS) number and Register with the Central Contractor Registration (CCR). Although applications submitted in response to the BEDI NOFA will not use the services of Grants.gov for FY2009, the requirement to a have DUNS number and current CCR registration is still a requirement to receive an award of funds from HUD. For information on how to obtain a DUNS number you can call toll free at 866-705-5711, and then select option 4; or you or use the online webform process at http://fedgov.dnb.com/webform.

Applicant Organizations must annually update or renew their CCR registration. If you need assistance, you can contact CCR Assistance Center at Monday - Friday, from 8:00 AM to 4:00 PM eastern time, at 888–227–2423 or 269-961-5757. You may also use the on-line registration process by going to http://www.ccr.gov/Start.aspx.

IV. Application and Submission Information

A. Application Package Available on HUD's Internet Site

Copies of the published Rural Housing and Economic Development NOFA and application forms may be downloaded from the HUD website at http://www.hud.gov/RHED.

B. Content and Form of Application Submission

1. Application Submission Requirements. Be sure to read and follow the application submission requirements carefully.

a. Page Numbering. All pages of the application must be numbered sequentially.

b. Application Items. Your application must contain the items listed below.

(1) An abstract or summary with: (a) the dollar amount requested; (b) if you are a federally recognized Indian tribe, the funding category under which you are applying, either: Category (1) "Support for innovative Housing and Economic Development Activities" or Category (2). "Economic Development and Entrepreneurship"; and (c) the category under which you qualify for "Demographics of Distress-Special Factors" under Rating Factor 2 (Need and Extent of the Problem), which of the three definitions of the term "rural area" set forth in Section I.B.9 of this NOFA applies to the proposed service area, and accompanying documentation as indicated on the SF-424 form.

(2) Table of Contents.

(3) A signed Application for Federal Assistance (SF-424) (application form).

(4) SF-424 Supplement Survey on Equal Opportunity for Applicants "Faith Based EEO Survey" (SF-424 SUPP) on Grants.gov (optional submission).

(5) Disclosure of Lobbying Activities (SF-LLL).

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

Applicant Recipient Disclosure Report" on Grants.gov.

(7) You Are Our Client! Grant Applicant Survey (HUD 2994-A) (Optional).

(8) Program Outcome Logic Model (HUD-96010). (Category (1) and (2) applicants only)

(9) A budget for all funds (federal and non-federal including the Detailed Budget Form (HUD-424-CB) and the Grant Application Detailed Budge Worksheet (HUD 424-CBW).

(10) Certification of Consistency with RC/EZ/EC-II Strategic Plan (HUD-2990), if applicable. (Category (1) and (2) applicants only)

(11) Certification of Consistency with the Consolidated Plan (HUD-2991), if applicable.

(12) Documentation of funds pledged in support of Rating Factor 4 - "Leveraging Resources." This documentation, which will not be counted in the 15-page limitation, must be in the form of a "firm commitment" as defined in Section I.B.4. of this NOFA. (Category (1) and (2) applicants only)

(13) If you are a private nonprofit organization, a copy of your organization's IRS ruling providing tax-exempt status under section 501 of the Internal Revenue Code of 1986, as amended.

(14) Narrative response to Factors for Award. The total narrative response to all factors should not exceed 15 pages and should be submitted on 8.5 x 11 inch single-sided paper, with 12-point font and double lined spacing. Please note that although submitting pages in excess of the page limit will not disqualify your application, HUD will not consider or review the information on any excess pages, and if you place key information on those pages, you may fail to meet a threshold requirement.

(15) If you want a Receipt for the Application you must complete the form HUD-2993, Acknowledgement of Application Receipt, and include it with your application.

All applicants are required to use the following format in their 15 page narrative responses to the rating factors included in the program NOFA.

For Category (1) and Category (2):

Rating Factor 1 – Relevant Organizational Experience;

Rating Factor 2 – Need and Extent of the Problem;

Rating Factor 3 – Soundness of Approach;

Rating Factor 4 – Leveraging Resources; and

Rating Factor 5 – Achieving Results and Program Evaluation.

See Section V of this NOFA for further details.

For Category (3):

Rating Factor 1 – Applicant's Capacity and Relevant Experience;

Rating Factor 2 – Soundness of Approach

Rating Factor 3 – Leveraging

Rating Factor 4 – Achieving Results and Program Evaluation

See Section VIII of this NOFA for further details.

(16) In accordance with Section III. C. 4. C. of the General Section, successful applicants engaged in housing or housing related activities are obliged to affirmatively further fair housing including taking reasonable steps to overcome impediments to fair housing choice in its service area such as:

(a) Identify Impediments to Fair Housing Choice — Applicants must submit a description of impediments to fair housing in their jurisdiction or service area.

(b) Specify Activities to Affirmatively Further Fair Housing –Applicants must describe how they will address impediments to fair housing, including specifying applicable and eligible

uses of RHED funds – for example, housing counseling to make persons aware of discriminatory practices, universal housing design or construction to increase access for persons with disabilities, language assistance services to persons with limited English proficiency (on the basis of national origin), affirmative fair housing marketing, or location of new or rehabilitated housing in a manner that provides greater housing choice or mobility for persons in classes protected by the Fair Housing Act.

(c) Reporting---Applicants are obliged to maintain records of their activities to affirmatively further fair housing and describe how they plan to document such activities, as well as maintaining records on the race, ethnicity, disability status, and family status of the beneficiaries of RHED programs. Form HUD-27061 should be used to report racial and ethnic data.

C. **Submission Dates and Times**

1. Applications for the Rural Housing and Economic Development program must be received at or before midnight of **May 29, 2009**, the application due date.

2. Applications must be sent to HUD either of three ways: United States Postal Service Overnight delivery, United Parcel Service (UPS) or Federal Express. These delivery services are the only ones allowed to enter the HUD building unescorted.

3. Applications received after the application due date will be deemed late and will not be considered.

4. The receipt received from the delivery service indicating that the package was placed with the delivery service in time to reach the HUD building for delivery on or before the due date will be proof to determine timely receipt.

5. Only one application will be accepted from any given organization. If more than one application is received from an organization, the application that was received first in HUD's Processing and Control Unit will be considered for funding. Any subsequent application from that organization will be deemed ineligible.

D. **Intergovernmental Agency Review**

Intergovernmental agency review is not required for this program.

E. **Funding Restrictions**

1. Administrative Costs. Administrative costs for assistance under the Rural Housing and Economic Development program may not exceed 10 percent of the total HUD Rural Housing and Economic Development grant award. **Note that the budget forms HUD-424-CB and HUD 424-CBW may not contain a budget line for indirect costs unless the applicant has a federally approved indirect cost allocation plan. All administrative and other cost items must be allocable to the RHED eligible activities in the application.**

2. Ineligible Activities. RHED funds cannot be used for the following activities:

a. Income payments to subsidize individuals or families;

b. Political activities;

c. General governmental expenses other than expenses related to the administrative cost of the grant; or

d. Projects or activities intended for personal gain or private use.

HUD reserves the right to reduce or deobligate the award if suitable modifications to the proposed project are not submitted by the awardee within 90 days of a request from HUD. Any modification must be within the scope of the original application. HUD reserves the right not to make awards under this NOFA.

F. **Other Submission Requirements.**

1. *Address for Submitting Applications.* Completed applications (one original and two complete copies) must be submitted to Processing and Control Unit, Room 7251, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW.,Washington, DC 20410–7000, ATTN: Office of Rural Housing and Economic Development. Please identify if your application is for Category (1), Category (2), or Category (3). When submitting your application, please include your name, mailing address (including ZIP Code), telephone number, and fax number (including area code).

2. *Delivery and Receipt Procedures.* The following procedures apply to the delivery and receipt of applications in HUD Headquarters. Please read the following instructions carefully and completely, because failure to comply with these procedures may disqualify your application. HUD's delivery and receipt policies are:

a. HUD will not accept or consider any application sent by facsimile.

b. HUD urges applicants sending packages by courier to the Robert C. Weaver Headquarters Building to use the following courier services, because these services have unescorted access to the building: Federal Express (FedEx) and United Parcel Service (UPS). Packages may be mailed via overnight delivery using the United States Postal Service. Mailed applications will be accepted as being timely submitted if they are received at the designated HUD location (including specified room number for receipt) on the due date and show a postmark of being delivered to the postal facility for mailing at least 48 hours prior to the application due date and time. If the Postal Service does not normally postmark large packages, the proof of timely submission shall be upon request by a HUD official, proof of mailing using USPS Form 3817 (Certificate of Mailing), the overnight delivery receipt with the date and time submitted to the

Post Office for deliver, or a receipt from the Postal Service which contains the post office name, location, and date and time of mailing that allows sufficient time for delivery by the due date. For submission through the United States Postal Service, no other proof of timely submission will be accepted.

c. Applications mailed to a location or office not designated for receipt of the application, which results in the designated office not receiving your application in accordance with the requirements for timely submission, will result in your application being considered late and will not receive funding consideration. HUD will not be responsible for directing packages to the appropriate office. Applicants should pay close attention to these submission and timely receipt instructions as it can make a difference in HUD accepting your application for funding consideration. Please remember that mail sent to federal facilities is screened prior to delivery, so please allow sufficient time for your package to be delivered. If an application is received late because of the processing time required for the screening, the application will not be considered for funding.

3. *Proof of Timely Submission.* Proof of timely submission of an application is specified below.

a. In the case of packages sent to HUD via a delivery service, other than the United States Postal Service, timely submission shall be evidenced via a delivery service receipt indicating that the application was delivered to a carrier service at least 48 hours prior to the application deadline, and, if applicable, that through no fault of the applicant, the delivery could not be made on or before the application due date. Couriers turned away from an HUD facility due to security issues will not be considered as meeting the requirement of ''no fault of the applicant,'' because applicants have been advised that delivery delays can arise when using courier services, resulting in a late application submission.

4. *Addresses.* You, the applicant, must submit a complete application and the required number of copies to the location identified in this NOFA. When submitting your application, you must refer to the name of the program for which you are applying and include the correct room number to ensure that your application is properly directed. The address for deliveries to the Robert C. Weaver Federal Building is identified in this NOFA. Please be sure to include the NOFA name and room number on your submission package.

V. Application Review Information

A. **Criteria**. Carefully review all the Application Review procedures in Section V of the **General Section**. In addition, the following Rating Factors (for Category (1) and Category (2)) will be used to rate your application. (For Category (3) - Technical Assistance to Increase Capacity through Training and Outreach Activities for Federally Recognized Indian Tribes applicants, read Section VII of this NOFA for the Rating Factors)

1. **Rating Factor 1 - Capacity of the Applicant and Relevant Organizational Experience (20 points)**. This rating factor addresses the extent to which you have the organizational resources necessary to successfully implement your proposed workplan, as further described in Rating Factor 3, within the 36-month award period.

a. Team members, composition, and experience **(10 points)**. HUD will evaluate the experience (including for recentness and relevancy) of your project director, core staff, and any outside consultant, contractor, subrecipient, or project partner as it relates to innovative housing and economic development and to the implementation of the activities in your work plan. HUD also will assess the services that consultants or other parties will provide to fill gaps in your staffing structure to enable you to carry out the proposed work plan; the experience of your project director in managing projects of similar size, scope, and dollar amount; the lines of authority and

procedures that you have in place for ensuring that work plan goals and objectives will be met, that consultants and other project partners will perform as planned, and that beneficiaries will be adequately served. In judging your response to this factor, HUD will only consider work experience gained within the last 7 years. When responding, please be sure to provide the dates, job titles, and relevancy of the past experience to the work to be undertaken by the employee or contractor under your proposed Rural Housing and Economic Development award. The more recent, relevant, and successful the experience of your team members is in relationship to the work plan activities, the greater the number of points you will receive. Please **do not** include the Social Security Numbers (SSN) of any staff members.

b. Organizational structure and management capacity **(10 points)**. HUD will evaluate the extent to which you can demonstrate your organization's ability to manage a workforce composed of full-time or part-time staff, as well as any consultant staff, and your ability to work with community-based groups or organizations in resolving issues related to affordable housing and economic development. In evaluating this subfactor, HUD will take into account your experience in working with community-based organizations to design and implement programs that address the identified housing and economic development issues. The more recent, relevant, and successful the experience of your organization and any participating entity, the greater the number of points you will receive.

c. Experience with performance based funding requirements. HUD will evaluate your performance in any previous grant program undertaken with HUD funds or other federal, state, local, or nonprofit or for-profit organization funds. (**Note:** Previous HUD performance-based experience may be verified through HUD's field offices as needed. Other relevant past performance information should be included as part of the application.) HUD reserves the right

to take into account your past performance in meeting performance and reporting goals for any previous HUD award, in particular whether the program achieved its outcomes.

HUD reserves the right to give zero points for Rating Factor 1, if the applicant has been determined to have a pattern or practice of any or all of the following activities related to the management and operation of previous grant awards: (1) mismanagement of funds, including the inability to account for funds appropriately; (2) untimely use of funds received either from HUD or other federal, state, or local programs; and (3) significant and consistent failure to measure performance outcomes. Among the specific outcomes to be measured are the increases in program accomplishments as a result of capacity building assistance and the increase in organizational resources as a result of assistance.

Applicants who have been awarded Rural Housing and Economic Development program funds prior to FY 2009 must indicate in their response to Rating Factor 1 the fiscal year and funding amount. HUD field offices may be consulted to verify information submitted by the applicant as a part of the review of applications.

2. **Rating Factor 2 - Need and Extent of the Problem (20 points)**

The Rural Housing and Economic Development program is designed to address the problems of rural poverty, inadequate housing, and lack of economic opportunity. This factor addresses the extent to which there is a need for funding the proposed activities based on levels of distress, and 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 to target area and national data.

a. In applying this factor, HUD will compare the current levels of need in the area (i.e., Census Tract(s) or Block Group(s) immediately surrounding the project site or the target area to be served by the proposed project to national levels of need. This means that an application that provides data that show levels of need in the project area at a percent greater than the national average will be rated higher under this factor. Applicants should provide data that address indicators of need as follows:

(1) Poverty Rate **(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:

(a) Less than the national average = 0 points;

(b) Equal to but less than twice the national average = 1 point;

(c) Twice but less than three times the national average = 3 points;

(d) Three or more times the national average = 5 points.

(2) Unemployment **(5 points)** – for the target area:

(a) Less than the national average = 0 points;

(b) Equal to but less than twice the national average = 1 point;

(c) Twice but less than three times the national average = 2 points;

(d) Three but less than four times the national average = 3 points;

(e) Four but less than five times the national average= 4 points;

(f) Five or more times the national average = 5 points.

(3) Other indicators of social or economic decline that best capture the applicant's local situation **(5 points)**.

(a) Data 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 or overcrowded units; rent burden (defined as average housing cost divided by average income) for the target area; and local crime statistics, falling property values, etc. To the extent that the applicant's statewide or local Consolidated Plan, its Analysis of Impediments to Fair Housing Choice (AI), its Indian housing plan, or its anti-poverty strategy identify the level of distress in the community 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.

(b) In rating applications under this factor, HUD reserves the right to consider sources of available objective data other than or in addition to those provided by applicants, and to compare such data to those provided by applicants for the project site. These may include U.S. Census data.

(c) HUD requires use of sound, verifiable, and reliable data (e.g., U.S. Census data, state statistical reports, university studies/reports, or Home Mortgage Disclosure Act or Community Reinvestment Act databases) to support distress levels cited in each application. See http://www.census.gov/ for census data. A source for all information along with the publication or origination date must also be provided.

(d) Updated Census data are available for the following indicators:

(i) Unemployment rate – estimated monthly for counties/parishes, with a 2-month lag;

(ii) Population – estimated for incorporated places and counties/parishes, through 2000;

(iii) Poverty rate – through 2000.

(4) Demographics of Distress - Special Factors **(5 points)**. Because HUD is concerned with meeting the needs of certain underserved areas, you will be awarded a total of five points if you are located in or propose to serve one or more of the following populations, or if your application demonstrates that 100 percent of the beneficiaries supported by Rural Housing and Economic Development funds are in one or more of the following populations. You must also specifically identify how each population will be served and that the proposed service area meet the definition of "eligible rural area" in Section I of this NOFA:

(a) Areas with very small populations in non-urban areas (2,500 population or less);

(b) Seasonal farm workers;

(c) Federally recognized Indian tribes;

(d) Colonias;

(e) Appalachia's Distressed Counties; or

(f) The Lower Mississippi Delta Region (eight states and 240 counties/parishes).

For these underserved areas, you should ensure that the populations that you serve and the documentation that you provide are consistent with the information described in the above paragraph under this rating factor.

3. **Rating Factor 3 - Soundness of Approach (16 points)**. This factor addresses the overall quality of your proposed work plan, taking into account the project and the activities proposed to be undertaken; the cost-effectiveness of your proposed program; and the linkages between identified needs, the purposes of this program, and your proposed activities and tasks. In addition, this factor addresses your ability to ensure that a clear linkage exists between innovative rural housing and economic development for Category 1 applicants (Support for Innovative Housing and Economic Development). For Category 2 (Economic Development and

Entrepreneurship for Federally Recognized Indian Tribes), this factor addresses your ability to promote economic development and entrepreneurship through activities including the capitalization of revolving loan programs and business planning and development. In assessing cost-effectiveness, HUD will take into account your staffing levels, beneficiaries to be served, and your timetable for the achievement of program outcomes, the delivery of products and reports, and any anticipated outcome or product. You will receive a greater number of points if your work plan is consistent with the purpose of the Rural Housing and Economic Development program, your program goals, and the resources provided.

a. Management Plan **(8 points)**. A clearly defined management plan should be submitted that: identifies each of the projects and activities you will carry out to further the objectives of this program; describes the linkage between rural housing and economic development activities; and addresses the needs identified in Factor 2, including needs that previously were identified in a statewide or local Analysis of Impediments to Fair Housing Choice (AI) or Consolidated Plan. The populations that were described in Rating Factor 2 for the purpose of documenting need should be the same populations that will receive the primary benefit of the activities, both immediately and over the long term. The benefits should be affirmatively marketed to those populations least likely to apply for and receive these benefits without such marketing. Your timetable should address the measurable short-term and long-term goals and objectives to be achieved through the proposed activities based on annual benchmarks; the method you will use for evaluating and monitoring program progress with respect to those activities; and the method you will use to ensure that the activities will be completed on time and within your proposed budget estimates. Your management plan should also include the budget for your program, broken out by line item. Documented projected cost estimates from outside sources are also

required. Applicants should submit their work plan on a spreadsheet showing each project to be undertaken and the tasks (to the extent necessary or appropriate) in your work plan to implement the project with your associated budget estimate for each activity/task. Your work plan should provide the rationale for your proposed activities and assumptions used in determining your project timeline and budget estimates. Failure to provide your rationale may result in your application receiving fewer points for lack of clarity in the proposed management plan.

This subfactor should include information that indicates the extent to which you have coordinated your activities with other known organizations (e.g., through letters of participation or coordination) that are not directly participating in your proposed work activities, but with which you share common goals and objectives and that are working toward meeting these objectives in a holistic and comprehensive manner. The goal of this coordination is to ensure that programs do not operate in isolation. Additionally, your application should demonstrate the extent to which your program has the potential to be financially self-sustaining by decreasing dependence on Rural Housing and Economic Development funding and relying more on state, local, and private funding. The goal of sustainability is to ensure that the activities proposed in your application can be continued after your grant award is complete.

b. Policy Priorities **(8 Points)**. Policy priorities are outlined in detail in the **General Section**. You should document the extent to which HUD's policy priorities are advanced by the proposed activities. Applicants that include activities that can result in the achievement of the following departmental policy priorities will receive higher rating points in evaluating their application for funding. Seven departmental policy priorities are listed below. When you include policy priorities, describe in brief detail how those activities will be carried out.

The point values for policy priorities are as follows:

(1) Improving the Knowledge of Homeowners, Homebuyers and Renters to be Aware of Discriminatory practices and their Rights and Increase Financial Literacy to Prevent Foreclosure and to Address the Needs of Households Facing Foreclosure. = 1 point;

(2) Encouraging accessible design features = 1 point;

(3) Providing full and equal access to grassroots faith-based and other community-based organizations in HUD program implementation = 1 point;

(4) Participation of Minority-Serving Institutions (MSIs) in HUD Programs = 1 point;

(5) Ending chronic homelessness = 1 point;

(6) Promoting Energy Star (1 point) and Green Development (1 point) = 2 points;

(7) Promoting Assistance to Veterans = 1 point.

4. **Rating Factor 4 - Leveraging Resources (20 points)**. This factor addresses the extent to which applicants have obtained firm commitments of financial or in-kind resources from other federal, state, local, and private sources. For every Rural Housing and Economic Development program dollar anticipated, you should provide the specific amount of dollars leveraged. In assigning points for this criterion, HUD will consider the level of outside resources obtained in the form of cash or in-kind goods or services that support activities proposed in your application. HUD will award a greater number of points based on a comparison of the extent of leveraged funds with the requested Rural Housing and Economic Development award. The level of outside resources for which commitments are obtained will be evaluated based on their importance to the total program. Your application must provide evidence of leveraging in the form of letters of firm commitment from any entity, including your own organization that will be providing the leveraging funds to the project. Each commitment described in the narrative of this factor must be in accordance with the definition of "firm commitment," as defined in Section I.B.4. of this

NOFA. The commitment letter must be on letterhead of the participating organization, must be signed by an official of the organization legally able to make commitments on behalf of the organization, and must not be dated earlier than the date this NOFA is published.

Points for this factor will be awarded based on the satisfactory provision of evidence of leveraging and financial sustainability, as described above, and the ratio of leveraged funds to requested HUD Rural Housing and Economic Development funds as follows:

a. 50 percent or more of requested HUD Rural Housing and Economic Development funds = 20 points;

b. 49-40 percent of requested HUD Rural Housing and Economic Development funds = 18 points;

c. 39-30 percent of requested HUD Rural Housing and Economic Development funds = 16 points;

d. 29-20 percent of requested HUD Rural Housing and Economic Development funds = 14 points;

e. 19-9 percent of requested HUD Rural Housing and Economic Development funds = 12 points;

f. Less than 9 percent of HUD requested Rural Housing and Economic Development funds = 0 points.

See the **General Section** for instructions for submitting third-party letters and other documents with your electronic application.

5. **Rating Factor 5 - Achieving Results and Program Evaluation (24 points).**

This factor emphasizes HUD's commitment to ensure that applicants keep promises made in their application. This factor assesses their performance to ensure that rigorous and

useful performance measures are used and goals are met. Achieving results means you, the applicant, have clearly identified the benefits or outcomes of your program. Outcomes are ultimate project end goals. Benchmarks or outputs are interim activities or products that lead to the ultimate achievement of your goals. Program evaluation requires that you, the applicant, identify program outcomes, interim products or benchmarks, and performance indicators that will allow you to measure your performance. Performance indicators should be objectively quantifiable and measure actual achievements against anticipated achievements. Your evaluation plan should identify what you are going to measure, how you are going to measure it, and the steps you have in place to make adjustments to your work plan if performance targets are not met within established time frames.

Under this rating factor, applicants will receive a maximum of 24 points. HUD will evaluate and analyze how well an applicant implemented the required Rural Housing and Economic Development output and outcome goals and identified other stated benefits or outcomes of the applicant's program. In order to receive the highest number of points, applicants should present a clear plan to address the RHED output and outcome measures.

a. Output Measures are quantifiable. RHED outputs include: number of housing units constructed; number of housing units rehabilitated; number of jobs created; number of participants trained; number of new businesses created; and number of existing businesses assisted.

b. Outcomes Measures are benefits accruing to the program participants and/or communities during or after participation in the RHED program. RHED outcomes include: the number of housing units rehabilitated that will be made available to low-to-moderate-income participants; the percentage change in earnings as a result of employment for those participants; the percent of

participants trained who find a job; annual estimated savings for low-income families as a result of energy efficiency improvements; and the increase in organizational resources as a result of assistance (e.g., dollars leveraged).

You must clearly identify the outcomes to be achieved and measured. Proposed program benefits should include program activities, benchmarks, and interim activities or performance indicators with timelines. Applications should include an evaluation plan that will effectively measure actual achievements against anticipated achievements.

c. Logic Model. HUD requires RHED applicants to develop an effective, quantifiable, outcome-oriented evaluation plan for measuring performance and determining whether goals have been met using the Master Logic Model for RHED. Your application must include the form to receive any points under this factor.

Although the following list is not all-inclusive, program outcomes for the Rural Housing and Economic Development program must include, where applicable: **(22 points)**

(1) Total number of housing units constructed;

(2) Total number of housing units rehabilitated;

(3) Number of Housing units rehabilitated that will be made available to low- to moderate- income participants;

(4) Number of Housing units constructed that will be made available to low- to moderate- income participants;

(5) Number of jobs created;

(6) Percentage change in earnings as a result of employment for those participants;

(7) Number of participants trained;

(8) Percent of participants trained who find a job;

(9) Number of new businesses created;

(10) Number of existing businesses assisted;

(11) Annual estimated savings for low-income families as a result of energy efficiency improvements;

(12) Increase in program accomplishments as a result of capacity building assistance (e.g. the number of employees hired or retained, or the efficiency or effectiveness of services provided); and

(13) Increase in organizational resources as a result of assistance (e.g., dollars leveraged).

(14) Economic Opportunities for Low- and Very Low-Income Persons (2 points maximum). You will receive 1 point if your application demonstrates that you have a feasible plan for directing new employment and contracting opportunities created during the expenditure of covered financial assistance to Section 3 residents and Section 3 business concerns; and you will receive 1 point if you demonstrate compliance with the requirements of Section 3 during the most recent fiscal or calendar year.

i. Feasible Section 3 Plans may address the following (at a minimum):

- Types and amounts of employment and contracting opportunities to be generated as a result of proposed project activities;
- Specific actions that will be taken to ensure that low- and very low-income persons and the business concerns that substantially employ these persons will be given priority consideration for employment and contracting opportunities in accordance with 24 CFR Part 135.34 and Part 135.36;

- Eligibility criteria to be used for certifying Section 3 residents and business concerns;
- Process to be used for notifying Section 3 residents and business concerns about the availability of training, employment, and contracting opportunities;
- Methodology to be used for monitoring contractors and subcontractors that are awarded covered contracts to ensure their compliance with the requirements of Section 3;
- Strategies for meeting the Section 3 minimum numerical goals for employment and contracting opportunities found at 24 CFR Part 135.30;
- Contact information and qualifications for staff persons that will be responsible for the day-to-day implementation of Section 3, including the submission of Section 3 annual reports in accordance with 24 CFR Part 135.90.

ii. Evidence that demonstrates the applicant's current compliance with the requirements of Section 3 may include the following:

- A copy of the applicant's most recent Section 3 Annual Summary Report (Form HUD 60002);
- Evidence that the applicant met the minimum Section 3 employment and contracting numerical goals found at 24 CFR Part 135.30; or

- A description of efforts that were taken by the applicant to comply with the requirements of Section 3, results achieved, and factors that prevented the applicant from meeting the minimum numerical goals.

You will receive zero points if your application does not meet the criteria listed above, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

If you receive an award of funds, you will be required to use the Logic Model to report progress against the proposed outcomes in your approved application and award agreement.

The applicant's proposed budget must reflect a breakdown of estimated dollar amount of the Rural Housing and Economic Development grant to be expended on each of the activities/outputs and the anticipated results included on the Form HUD-96010 and under the Rating Factor 5 narrative section of your application.

6. **RC/EZ/EC-II Bonus Points (2 points)**

HUD will award two bonus points to all applications that include documentation stating that the proposed eligible activities/projects will be located in and serve federally designated renewal community (RCs), empowerment zone (EZs), or enterprise communities (ECs) designated by the U.S. Department of Agriculture (USDA) in round II RC/EZ/EC. A listing of federally designated RC/EZ/EC-II is available on the Internet at www.hud.gov/crlocator.

This notice contains a certification (Form HUD-2990) that must be completed for the applicant to be considered for Rural EZ/Round II EC bonus points.

B. **Review and Selection Process**

1. Application Selection Process for Category (1) and Category (2). (For Category (3) Technical Assistance to Increase Capacity through Training and Outreach Activities for

Federally Recognized Indian Tribes applicants, read Section VIII of this NOFA for the Rating Factors)

a. Rating and Ranking.

(1) General. To review and rate applications, HUD may establish panels that may include outside experts or consultants to obtain certain expertise and outside points of view, including views from other federal agencies.

(2) Rating. All applicants for funding will be evaluated against applicable criteria. 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, the applicant's timely use of funds received either from HUD or other federal, state, or local programs; its success in meeting performance targets for completion of activities; and the number of persons to be 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, HUD Inspector General or Government Accountability Office reports or findings, or hotline complaints that have been found to have merit, or other such sources of information. In evaluating past performance, HUD will deduct points from rating scores as specified under Rating Factor 1.

(3) Ranking. Applications will be ranked separately within each of the two funding categories. Applications will be selected for funding in accordance with their rank order. An application must receive a minimum score of 75 points to be eligible for funding. If two or more applications are rated fundable and have the same score, but there are insufficient funds to fund all of them, the application(s) with the highest score for Rating Factor 2 will be selected. If applications still have the same score, the highest score in the following factors will be selected

sequentially until one highest score can be determined: Rating Factor 3, Rating Factor 1, Rating Factor 5, and Rating Factor 4.

b. Initial screening. During the period immediately following the application deadline, HUD will screen each application to determine eligibility. Applications will be rejected if they:

(1) Are submitted by ineligible applicants;

(2) Do not serve an eligible rural area as defined in section III of this NOFA;

(3) Do not meet the objectives of the Rural Housing and Economic Development program; or

(4) Propose a project for which the majority of the activities are ineligible.

c. Rating Factors for Award Used to Evaluate and Rate Applications. The factors for rating and ranking applicants and the maximum points for each factor are provided above. The maximum number of points for this program is 102. This includes 100 points for all five rating factors and two RC/EZ/EC-II bonus points, as described above.

d. Environmental Review. Each application constitutes an assurance that the applicant agrees to assist HUD in complying with the provisions set forth in 24 CFR part 50. Selection for award does not constitute approval of any proposed site. Following selection for award, HUD will perform an environmental review of activities proposed for assistance under this part, in accordance with 24 CFR part 50. The results of the environmental review may require that proposed activities be modified or that proposed sites be rejected. Applicants are particularly cautioned not to undertake or commit HUD funds for acquisition or development of proposed properties (including establishing lines of credit that permit financing of such activities or making commitments for loans that would finance such activities from a revolving loan fund capitalized by funds under this NOFA) prior to HUD approval of specific properties or areas.

Each application constitutes an assurance that you, the applicant, will assist HUD in complying with part 50; will supply HUD with all available relevant information to perform an environmental review for each proposed property; will carry out mitigating measures required by HUD or select alternate property; and will not acquire, rehabilitate, convert, demolish, lease, repair, or construct property, or commit or expend HUD or local funds for these program activities with respect to any eligible property until HUD approval of the property is received. In supplying HUD with environmental information, grantees must use the guidance provided in Notice CPD 05-07, entitled "Field Environmental Review Processing for Rural Housing and Economic Development (RHED) Grants," issued August 30, 2005, which can be found at www.hud.gov/offices/cpd/energyenviron/environment/lawsandregs/notices.cfm. HUD's funding commitment is contingent on HUD's site approval following an environmental review.

e. Adjustments to Funding.

(1) HUD will not fund any portion of your application that is ineligible for funding and does not meet the requirements of this NOFA, or is duplicative of other funded programs or activities from prior year awards or other selected applicants. Only the eligible non-duplicative portions of your application will be funded.

(2) HUD reserves the right to utilize this year's funding to fund previous years' errors prior to rating and ranking this year's applications.

(3) For either Category (1) or Category (2), if sufficient funds are available to fund all eligible applications in that category and there are unallocated funds remaining in that Category, HUD reserves the right to reallocate the unallocated funds to the other category. However, in no event will more than $3 million be allocated from Category ((2) to Category (1).

(4) If a balance remains, HUD reserves the right to utilize those funds toward the following year's awards.

(5) Please see the section VI.A.2 and 3 of the **General Section** for more information about funding.

(6) Performance and Compliance Actions of Funding Recipients. HUD will measure and address the performance and compliance actions of funding recipients in accordance with the applicable standards and sanctions of the Rural Housing and Economic Development program.

f. Corrections to Deficient Applications. After the application deadline date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that you, the applicant, may want to provide. HUD may contact you to clarify an item in your application or to correct technical deficiencies. See section V.B.4. of the **General Section** for more detailed information on this topic.

VI. Award Administration Information

A. **Award Notice.**

1. HUD will notify you whether or not you have been selected for an award. If you are selected, HUD's notice to you concerning the amount of the grant award (based on the approved application) will constitute HUD's conditional approval, subject to negotiation and execution of a grant agreement by HUD. Successful Rural Housing and Economic Development program applicants will be notified of grant award and will receive post-award instructions by mail.

2. **Debriefing**. See the **General Section** for information on how to obtain a debriefing on your application review and evaluation.

B. **Administrative and National Policy Requirements**. In addition to the requirements listed below, please review all requirements in Section III of the **General Section**, as amended.

1. Lead-Based Paint Hazard Control. All property assisted under the Rural Housing and Economic Development program is covered by the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) , the Residential Lead-Based Paint Hazard Reduction Act (42 U.S.C. 4851 et seq.), and HUD's implementing regulations at 24 CFR part 35.

2. Procurement of Recovered Materials. See the **General Section** for further information.

3. Audit Requirements. Any grantee that expends $500,000 or more in federal financial assistance in a single year (this can be program year or fiscal year) must meet the audit requirements established in 24 CFR parts 84 and 85 in accordance with OMB A-133.

4. Accounting System Requirements. The Rural Housing and Economic Development program requires that successful applicants have in place an accounting system that meets the policies, guidance, and requirements described in the following applicable OMB Circulars and Code of Federal Regulations:

a. OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments);

b. OMB Circular A-122 (Cost Principles for Non-Profit Organizations);

c. OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations);

d. 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations); and

e. 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments).

C. **Reporting**.

1. Reporting Requirements. Reporting documents apply to the award, acceptance and use of assistance under the Rural Housing and Economic Development program and to the remedies for

noncompliance, except when inconsistent with HUD's Appropriation Act, or other federal statutes or the provisions of this NOFA.

For each semi-annual reporting period, as part of your required report to HUD, grantees must include a completed Logic Model (Form HUD 96010), which identifies output and outcome achievements. If you are reporting race and ethnic data, you must use Form HUD-27061, Race and Ethnic Data Reporting Form.

2. Racial and Ethnic Data. HUD requires that funded recipients collect racial and ethnic beneficiary data. It has adopted the Office of Management and Budget's Standards for the Collection of Racial and Ethnic Data. In view of these requirements, you should use Form HUD-27061, Racial and Ethnic Data Reporting Form (instructions for its use), found on www.hud.gov/offices/adm/huclips/forms/ or a comparable electronic data system for this purpose.

VII. Technical Assistance (TA) to Increase Capacity through Training and Outreach Activities for Federally Recognized Indian Tribes

A. Capacity and Funding Summary. All TA applicants are required to submit a one-page capacity and funding summary. Although the capacity and funding summary will not be rated based on the factors, the summary is a submission requirement for the TA program. HUD will use the summary to determine; the types of TA activities the applicant is willing to undertake based on staff skill and experience; and given the organizational capacity of the applicant, a funding amount the applicant can reasonably expect to expend within the requirements and timeframes of the TA program. The summary must include:

1. A list of the eligible TA activities the applicant is prepared to undertake, based on the applicant's organizational capacity and staff skills.

2. A funding estimate, by national jurisdiction, that the applicant believes it can reasonably expend within the three-year performance period based on organizational capacity,

B. Criteria. The maximum number of points to be awarded for a TA application is 100. The minimum score for an application to be considered for funding is 75 with a minimum of 35 points on Factor 1. The TA program is not subject to bonus points, as described in the **General Section**.

Points are assigned on four factors. Applicants should review the factors carefully. When addressing the four factors, applicants should discuss the relevant successful experience of both their organization as a whole, and the individual staff and dedicated contractors who may work under the award if the application is funded. Applicants should also address the overall management of the award including policies and procedures for ensuring that all TA program requirements are met and quality products are developed and delivered. Please note that Rating Factor 2 – Need – as identified in the **General Section** does not apply under the TA program.

Rating Factor 1: Applicant's Capacity and Relevant Experience (50 points) (Minimum for Funding Eligibility is 35 points)

a. **(25 points)** Recent experience. Provide examples of recent experience, (within the past 18 months) managing existing TA award programs. Examples should include a discussion of the specific TA tasks undertaken, program beneficiaries served, program topics addressed, and quantifiable outcomes achieved. TA providers should also note any outstanding performance issues under open TA awards, and the steps the TA provider is taking to address these issues.

HUD will evaluate this factor based upon the breadth and accuracy of the applicant's program knowledge, ability to provide and deliver technically accurate TA, compliance with

cooperative agreement provisions, financial and performance reporting requirements, and timeliness of drawdown of funds.

b. **(25 points)** Organizational capacity. In narrative form, describe the technical assistance skills and related TA program knowledge of your organization's key staff and, based on the organization's capacity, identify the types of TA activities the applicant is prepared to undertake and how this will further the TA priorities for which you are seeking funding.

Key staff is defined as all in-house staff and hired consultants who will be developing technical assistance products and/or delivering training courses, conferences, or direct TA. Applicants should include specific examples of each key staff member's TA skills and areas of expertise. The applicant's description of staff capacity should clearly support the specific types of TA activities the applicant is willing and able to undertake with TA funds. In rating this subfactor, HUD will evaluate each key staff member's program knowledge, and TA skills.

HUD will also compare the specific types of TA activities the applicant is willing to undertake in relation to stated staff capacity. Staff program knowledge and TA skills should clearly support the possible TA activities the applicant may undertake.

Rating Factor 2: Soundness of Approach (35 points)

a. **(5 points)** Key management staff. The successful administration and management of a technical assistance award is key to: (1) the timeliness of delivery of required technical assistance; (2) the sound financial management of the project; and (3) the appropriate prioritization of multiple technical assistance needs. In evaluating the soundness of approach under this rating factor, HUD will consider the breadth of key management staff experience administering multiple, complex tasks within the demand-response system, or a similar client-driven environment. Applicants should clearly demonstrate recent experience managing and

coordinating financial resources, and administrative, training, and consultant staff among complex and varied technical assistance tasks. HUD will also evaluate the roles and responsibilities key management staff would assume under a TA award in light of each individual's recent experience.

Identify the key staff responsible for the overall management and administration of the TA award. Key management staff is defined as any individual who will have decision-making authority related to the financial or task management, performance reporting, or overall coordination of the award. The applicant must identify key management staff, including their individual roles and responsibilities, as well as their recent experience (within the past 18 months), managing people and tasks within the demand-response system or a similar client-driven environment. Please do not include the Social Security Numbers (SSN) of any staff members.

b. **(20 points)** Procedures. Present detailed, practical policies and procedures for managing multiple, large and/or complex technical assistance awards in multiple jurisdictions. The policies and procedures must discuss how the applicant will manage TA activities within the specific structure of the demand-response system, including processes for fielding TA needs from HUD; assigning appropriate skilled and knowledgeable staff to develop or provide the TA; prioritizing and managing multiple TA needs, to multiple entities, in multiple jurisdictions; providing feedback to HUD on TA progress and outcomes; and addressing and effectively resolving any delays encountered. In rating this factor, HUD will consider the level of detail and efficiency of the applicant's proposed processes for fielding and prioritizing multiple TA needs, allocating limited TA financial resources among multiple TA tasks, and coordinating and assigning skilled in-house and consultant staff to address multiple TA needs, to multiple entities in multiple

jurisdictions. HUD will also evaluate the suitability of the applicant's proposed policies and procedures within the specific structure of the demand-response system.

c. **(10 points)** Quality control**.** Present a detailed plan for ensuring that all TA products developed or delivered under the TA program are of the highest quality. Applicants should present a detailed plan for ensuring that all TA activities are eligible, accurate program guidance is provided, correct beneficiaries are served, and positive outcomes are achieved. The applicant should also present a detailed plan for addressing and remediating any eligibility or product quality issues that may arise. In rating this factor, HUD will review the applicant's quality control procedures for thoroughness and efficiency, and the likelihood that such procedures will ensure that positive outcomes are achieved. Applicants should clearly describe established policies and procedures for ensuring the eligibility, accuracy, and quality of all aspects of TA development and delivery. The applicant should also present a detailed remediation plan should any eligibility or quality issues arise.

Rating Factor 3: Leveraging Resources (5 points)

Present an effective, practical plan for transferring products developed through the TA program, including manuals, guides, assessment forms, and other work products, to other TA providers and program beneficiaries. The applicant's plan should address the re-use of existing "step-in" packages and how it will share its resources with a wide audience, avoiding the cost and time in creating new products, so that the duplication of TA products doe not occur. In rating this factor, HUD will evaluate the extent to which the application demonstrates a practical and effective means of sharing TA resources with a wide audience, including other TA providers and program beneficiaries.

Rating Factor 4: Achieving Results and Program Evaluation (10 points)

To promote economic development and entrepreneurship through activities including the capitalization of revolving loan programs and business planning and development, the applicant must identify at least two quantifiable outcomes. Describe the general methods and measures the applicant will use to evaluate the effectiveness of the TA. While the specific TA topics to be addressed by successful applicants will be identified post-award through the demand-response system, HUD has identified the broad eligible activities that encompass technical assistance. The applicant must present a clear plan for evaluating the effectiveness of each of the possible TA activities the applicant may be asked to undertake and deliver.

In rating this factor, HUD will evaluate whether the outcomes identified by the applicant are both measurable and appropriately related to the TA program. HUD will also assess whether the TA evaluation methods described by the applicant will thoroughly and accurately measure the effectiveness of each eligible TA activity identified.

Review and Selection Process

1. **Review Types.** Two types of reviews will be conducted. First, HUD will review each application to determine whether it meets threshold eligibility requirements. Second, HUD will review and assign scores to applications using the Rating Factors for Category 3.

2. **Ranked Order**. Once rating scores are assigned, rated applications submitted for the national TA program will be listed in ranked order. One application within the fundable range (score of 75+ points with 35+ points for Rating Factor 1) will be funded in ranked order under the TA program.

3. **Threshold Eligibility Requirements**. All applicants requesting TA must be in compliance with the applicable threshold requirements found in the **General Section** and the eligibility requirements listed in Section III of this NOFA in order to be reviewed, scored, and ranked.

Applications that do not meet these requirements and applications that were received after the deadline will be considered ineligible for funding.

4. **Funding Decisions.** In determining the amount awarded to a successful applicant, HUD will take into consideration the funds available for the national TA program. HUD will award approximately $1 million to a successful national TA applicant.

HUD may also require the selected applicant, as a condition of funding, to provide coverage on a geographically broader basis than proposed in order to supplement or strengthen the TA network in terms of the size of the area covered and types and scope of TA proposed.

5. Funding Restrictions. An organization may not provide assistance to itself. An organization may not provide assistance to another organization with which it contracts or sub-awards funds to carry out activities under the TA award. No fee or profit may be paid to any recipient or sub-recipient of an award under this TA NOFA. Salary rates for consultants/contractors may not exceed the base rate of pay of Senior Executive Staff (see the **General Section**).

VIII. Agency Contact(s)

Further Information and Technical Assistance. For information concerning the HUD Rural Housing and Economic Development program, contact a 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 7137, Washington, DC 20410-7000; telephone 202-708-2290 (this is not a toll-free number) or 1-877-787-2526 (this is 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 800-877-8339.

Prior to the application deadline, staff will be available at the above number to provide general guidance and clarification of the NOFA, but not guidance in actually preparing your application. Following selection, but prior to award, HUD staff will be available to assist in clarifying or confirming information that is a prerequisite to the offer of an award by HUD.

IX. Other Information

A. Satellite Broadcast. HUD will hold an information webcast 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 webcast, consult the HUD website at www.hud.gov.

B. Environmental. A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the FONSI must be scheduled by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number).

Dated: APR - 8 2009

Nelson R. Bregòn
General Deputy Assistant Secretary for
Community Planning and Development

[**FR-5300-N-04**]