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Department of Housing and Urban Development

Funding Availability for the Economic Development Initiative (EDI) Community Empowerment Fund (CEF) Pilot; Notice

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–4596–N–01]

Notice of Funding Availability for the Economic Development Initiative (EDI) Community Empowerment Fund (CEF) Pilot

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

ACTION: Notice of Funding Availability.

SUMMARY: *Purpose of the Program.* This Notice of Funding Availability (NOFA) announces the availability of $10 million in FY–1998 EDI funds to stimulate economic development by local governments and private sector parties. HUD desires to see the EDI funds made available under this NOFA and the related Section 108 funds used to finance loans to businesses for eligible economic development projects that will provide near-term results and demonstrable economic benefits, such as job creation, needed business services and facilities in underserved areas, and increases in the local tax base. Under this NOFA (in contrast to previous EDI NOFAs), the use of EDI funds is specifically limited to the funding of a common debt service/loan loss reserve to enhance the security of the related obligations guaranteed by HUD under Section 108 of the Act (as defined in Section III(A)(1) below). An EDI grant under this NOFA must be used in conjunction with a new Section 108-guaranteed loan commitment, at a minimum ratio of at least $1 of EDI funds for every $7 of new section 108 proceeds used.

Available Funds. $10 million in funds appropriated for FY–1998 is available for EDI grants under this NOFA.

Eligible Applicants. Eligible applicants are Community Development Block Grant 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 in 24 CFR 570.3 and 570.307 may apply for funding, but units of general local government which participate in the Urban County may not submit an application independent of the Urban County.

Application Deadline. August 18, 2000.

Match. None.

ADDITIONAL INFORMATION:

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

Application Due Date. Please submit your completed applications (one original and two copies) on or before 12:00 midnight, Eastern time, on August 18, 2000, to the address shown below.

Address for Submitting Applications. To HUD Headquarters. Submit your completed application (an original and one copy) to: Processing and Control Unit, Room 7251, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410, Attention: EDI Grant—CEF Pilot, by mail or hand delivery. As noted below, an additional copy of the application is requested to be sent to the appropriate HUD Field Office. Timeliness of submission of and EDI Grant-CEF Pilot application, however, is determined by receipt of the original application and one copy to HUD Headquarters.

There is no application kit for this NOFA. All information and material required to submit an application for funding under this NOFA are included in the NOFA and the appendices to the NOFA.

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

When submitting your application, please refer to EDI–CEF Pilot, and include your name, mailing address (including zip code) and telephone number (including area code).

For Further Information and Technical Assistance. You may contact Paul Webster of the Office of Economic Development and Empowerment Service, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7180, Washington, DC 20410; telephone (202) 708–1871 (this is not a toll-free number). Persons with speech or hearing impairments may access this number via TTY by calling the toll-free Federal Information Relay Service at 1–800–877–8339.

The Section 108 Loan Guarantee program is not a competitive program and therefore is not subject to the HUD Reform Act. HUD staff will be available to provide advice and assistance to develop your Section 108 loan applications.

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

II. Amount Allocated

A maximum of $10 million is available for the EDI grants under this NOFA as appropriated in the Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1998 (Pub. L. 105'65, approved October 27, 1997) (FY 1998 HUD Appropriations Act) and set aside for purposes of the development of the CDBG Risk Reduction Pool (hereafter, the CEF Pilot) as briefly described in the FY 1998 NOFA for Economic Development and Empowerment Programs (see Economic Development Initiative Section I(D) at 63 FR 23900).

III. Program Description; Eligible Applicants; Eligible Activities

(A) *Program Description.* For purposes of this NOFA, the EDI funds awarded will be used solely to fund a common debt service/loan loss reserve account to enhance the security of related obligations guaranteed by HUD under Section 108 of the Act (as defined in Section III(A)(1) below). An EDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment as more fully described later in this document. Both Section 108 loan guarantee proceeds and EDI grant funds are initially made available by HUD to public entities approved for assistance pursuant to this NOFA. Each such public entity will use the Section 108 loan proceeds to make loans to businesses to finance eligible economic development projects and will assign its rights under the related loan documents to a pooling entity (described in this NOFA as the ''CEF Pilot''). Concurrently, the public entity will provide EDI funds to the CEF Pilot to be deposited into a common debt service/loss reserve. Pursuant to 31 U.S.C. 1552, all EDI funds awarded under this NOFA must be expended by September 30, 2005. Consequently, all business loans made with related section 108 proceeds must be closed and taken into the pool administered by the CEF Program Manager by September 30, 2005. EDI funds not so expended by September 30, 2005 may be recaptured by HUD. HUD reserves the right to set an earlier date for such expenditures in the EDI and/or Section 108 loan guarantee documents.

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

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

Application means a single set of documents submitted by an eligible

applicant for EDI grant funds accompanied by a Section 108 loan guarantee request in accordance with the provisions of this NOFA to finance a economic development projects.

Business loan means a loan made with Section 108 proceeds by a participating community selected under this NOFA in accordance with the terms of this NOFA for an eligible economic development project.

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

CEF Pilot means a not-for-profit limited liability company (''LLC'') that is organized pursuant to Delaware law to serve as the pooling entity to hold and administer business loans made by applicants selected under this NOFA.

CEF Program Manager means the contractor selected by HUD to manage the CEF Pilot. The contractor at this time and its team of subcontractors are described in Section III(A)(5)(h) of this NOFA.

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

Economic development project means a loan to a for-profit business to finance a project that is eligible under the Act and under 24 CFR 570.703(i)(1)–570.203(b), and that increases economic opportunity for persons of low-and moderate-income or that stimulate or retain businesses or jobs or that otherwise lead to economic revitalization.

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

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

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

(b) The CDBG program provides grant funds (approximately $4.240 billion in FY 2000) by formula to eligible local governments (either directly or through States) to carry out community and economic development activities. In general, the Section 108 loan guarantee program provides local governments with a source of financing for economic development, public facilities and other eligible physical development projects. More specifically, proceeds from loans guaranteed under section 108 can be used to make loans to third parties (*e.g.,* for loans to for-profit businesses where such assistance is appropriate to carry out economic development projects), as described in this NOFA.

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

(c) For FY 2000, the Section 108 program is authorized at $1.261 billion in loan guarantee authority. The full faith and credit of the United States will be pledged to the payment of all guarantees made under Section 108. Under this program, communities (and States, if applicable) are required by the Act to pledge their continuing CDBG allocations as security for loans guaranteed by HUD. However, for purposes of this NOFA, the CEF Pilot will be responsible, to the extent of reserve funds available, for making all payments on the Section 108 loans from amounts it collects on the business loans and from the loss reserve created from the EDI funds contributed by participating communities. Only if such reserves are exhausted will a community (or State, if applicable) be required to use CDBG funds to pay the amount of any payment then due on its related Section 108 obligation and not paid by the LLC from reserves.

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

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

(b) By directly enhancing the security of the section 108-guaranteed obligations; or

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

(4) *Purpose of this EDI NOFA.* For purposes of this NOFA, HUD is requiring EDI and related Section 108 funds to be used *solely* to finance business loans meeting the criteria described in Section III(A)(5) of this NOFA. HUD expects such loans to provide near-term results and demonstrable economic benefits, such as job creation, area benefit through improved business services and facilities in underserved areas, and increases in the local tax base. The use of EDI funds provided under this NOFA is specifically limited to enhancing the security of related section 108-guaranteed obligations issued by eligible applicants selected under this NOFA. When a business loan eligible under this NOFA is approved for inclusion in the common security pool, the participating community will be required to authorize the requisite EDI contribution in connection with that business loan to be paid into a common debt service/loan loss reserve interests in which will serve as part of the security for the related section 108-guaranteed obligations. The process of underwriting and approval of the business loans, the determination of the amount of the related EDI contributions, and how the business loan pool and related debt service/loan loss reserve will be set up and administered is described in Section III(A)(5) of this NOFA.

The CEF Pilot pooled business loan and security structure described in this NOFA for EDI-Section 108 financing is intended to supplement, but not to replace, the regular EDI and Section 108 loan guarantee programs. If funds are appropriated for EDI in the future, HUD would expect, subject to Congressional direction, to continue both the CEF Pilot financing structure and the regular EDI and Section 108 programs.

(5) *Description of the CEF Pilot.* The CEF Pilot is designed to mitigate the risk of loss to a community's CDBG program inherent in making business loans funded by Section 108 loans. The CEF Pilot combines modern private sector financial engineering with privatization of much of the administration of business loans.

(a) How the CEF Pilot will operate. The CEF Pilot will hold and service the Section 108 qualifying business loans that are placed into the CEF Pilot by participating communities. The key components of the CEF Pilot are: the use of EDI grant funds to provide a pooled cash reserve to cushion against losses

resulting from defaults on business loans funded through the Section 108 program; and pooling of credit risk associated with the business loans.

In return for the assignment of business loan assets to the CEF Pilot, the community receives an interest in the CEF Pilot's assets—the EDI cash reserve, payments from the business borrowers, and potential investment earnings on the CEF Pilot's available cash. The CEF Pilot is designed to provide a flow of cash payments that will effectively over-collateralize the community's related liabilities under its corresponding Section 108 note or notes. To the extent of available cash, the CEF Pilot will make payments on the Section 108 note(s) for each participating community and deposit any excess payment received from the business borrower into the cash reserve account. The cash reserve account will absorb business loan losses, until exhausted. At the end of the CEF Pilot, participating communities will receive a distribution of any remaining cash in the cash reserve account. This distribution will be adjusted in proportion to the losses experienced by the pool on loans the communities have placed in the pool.

In addition to the community building achieved from strengthening new and expanding businesses through Section 108 financing, communities will receive substantial benefits from participating in the CEF Pilot. They include:

- Professional private sector underwriting and loan pricing
- Significantly reduced Section 108 loss exposure due to:
  - Professional assessment of loan-by-loan credit risk
  - EDI grant funded cash reserve to absorb losses, until exhausted
  - Modern servicing techniques
  - Pooling of credit risk
  - Simplified, streamlined Section 108 and EDI approvals
  - Relief from the administrative burden of servicing Section 108 Business Loans
  - Potential cash distribution of any excess cash reserve to participating communities on dissolution of the CEF Pilot, adjusted for losses on loans the community placed into the pool.

HUD will continue its full faith and credit guarantee of timely payment of principal and interest to the investors that provide the Section 108 funding to municipalities and their constituents through the standard interim financing and underwritten public offering processes. Participating communities will continue to be the borrowers from the Section 108 program and they will continue to secure that borrowing with a pledge to HUD of CDBG grants. Thus, communities should note that HUD cannot assure that CDBG funds will never have to be used for Section 108 debt service. However, the CEF Pilot's cash reserve and its modern pooling and credit enhancement techniques should virtually eliminate the possibility of catastrophic losses to communities as a result of borrowing under Section 108. Moreover, as noted above, any excess cash in the reserve account will be distributed to the participating communities when the CEF Pilot wraps up its existence.

As discussed below, the use of professional and centralized servicing and administration of the Section 108 business loans accepted into the CEF Pilot will address any payment delinquencies efficiently and mitigate the likelihood of a business loan default. In addition, any default or workout situation will be handled by the CEF Program Manager directly with the business borrower and not with the participating community.

(b) Types of loans that the CEF Pilot will accept. Business loans accepted by the CEF Pilot must meet the specific requirements of both HUD and the CEF Program Manager. The streamlined application and approval process is summarized in the section titled ''The CEF Pilot Business Loan Underwriting and Pricing Process'' below. Each business loan must comply with the program requirements described in Section IV of this NOFA. Each business loan will also be documented and secured using standard loan and security instrument forms to be supplied by the CEF Program Manager, customized as necessary for settlement of the business loan.

The separate CEF Pilot requirements are stated in the CEF Pilot Business Loan Underwriting and Pricing Guidelines (the ''underwriting guidelines'') that are summarized below (see section III(C)(5)(c)(i) of this NOFA for availability to applicants of the underwriting guidelines). Most notable among these underwriting requirements is the type of collateral. The primary security must be a recorded lien on real estate owned or leased by the recipient of the business loan. HUD expects that most of the loans in the pool to be set up pursuant to this NOFA will be secured solely by liens on real estate. However, liens on ''hard'' physical assets such as machinery and equipment will be considered as supplemental security, which will be closely scrutinized as to value, useful life, and general suitability as security. Only the collateral and not the ''purpose'' of the Section 108 business loan will determine its acceptability. Thus, for example, even if a business borrower intends to use the loan proceeds for expanding its inventory, the business loan may be approved for the CEF Pilot if the borrower provides acceptable real property collateral.

Loans originated by communities in connection with business borrowers' development, construction and rehabilitation projects can be pre-approved. The Section 108 interim lending facility can be utilized for the construction stage financing. The CEF Pilot, subject to the completion of the construction work, will accept permanent financing of such loans.

The minimum size for a single business loan to be included in the pool to be set up pursuant to this NOFA is two hundred thousand dollars ($200,000). The maximum business loan size is two million dollars ($2,000,000). Without prior approval from both HUD and the CEF Program Manager, no single community can place business loans into the CEF Pilot totaling more than ten million dollars ($10,000,000). It is anticipated that a participating community will use Section 108 guaranteed loan funds to make multiple business loans.

Loan terms may range from fifteen to twenty years with loan amortization schedules not to exceed thirty years. Moreover, the cumulative scheduled principal and interest payments on the corresponding Section 108 note may not exceed the cumulative scheduled monthly amortization on the business loan or loans for the same period.

The interest rate on each business loan will exceed the interest rate on the community's corresponding Section 108 obligation. The amount of such ''spread'' depends upon the credit risk presented by the particular loan as set forth in the underwriting guidelines, and will be established by the CEF Program Manager.

To defray start-up expenses, the CEF Pilot will assess an ''acceptance fee'' on all business loans when the loan proceeds are remitted to the business borrower. (See Section III(A)(5)(g) which addresses fees and expenses.) The business borrower may pay the acceptance fee at the closing of the project loan, or the community may elect to capitalize the amount of this fee into the Section 108 note and the principal amount of the business loan.

(c) The CEF Pilot Business Loan Underwriting and Pricing Process. The CEF Pilot will utilize the uniform underwriting guidelines for all business loans considered for contribution into the CEF Pilot. The necessary steps to

take a project from its origination to underwriting and then to acceptance by the CEF Pilot involve three major processes: qualification and application, underwriting and due diligence, and commitment and closing.

(i) Qualification and Application. The first step in the qualification and application process is the pre-qualification and training of local loan originators/underwriters selected by the CEF Program Manager. The training process will also include training for the participating communities with regard to the CEF program and underwriting guidelines. An integral component of the underwriting guidelines is the CEF pricing model (the ''pricing model'').

(Note: The CEF Pilot underwriting manual, including underwriting guidelines, and related documents will be available from HUD Headquarters upon request, to the extent they are completed by the CEF Program Manager and approved by HUD. Please contact the HUD office identified under ''For Further Information and Technical Assistance under Section I of the NOFA.)

The local loan originators/underwriters will initiate the application process and utilize the CEF Pilot underwriting and pricing guidelines to ''size'' and price the business loans. The pricing model will determine the optimal loan terms, applicable risk tier of the business loan and the corresponding amount of EDI or other funds required for the cash reserve.

If a business loan successfully passes the initial review by the local originator/underwriter, the CEF Pilot's central underwriter (identified below) will conduct a preliminary review of the efforts of the local originator/underwriter and determine if the business loan is congruent with the type and quality of assets to be contributed to the CEF Pilot. If necessary, the central underwriter will revise the preliminary pricing and initial required reserve amount as appropriate and provide the potential project with indicative loan terms.

In parallel, the HUD Field Office will review the proposed project (not the CEF pricing) for compliance with Section 108 program requirements. If the local HUD office approves the proposed project, Section 108 funds are made available to the community to fund the business loan. It is important to highlight the separation of roles: the community and HUD will continue to review projects for compliance with the various requirements of Section 108, while the CEF Program Manager and its team will review business loans for compliance with the underwriting criteria of the CEF Pilot.

The final step in this initial process is for the community or the local originator/underwriter to prepare and issue the standard CEF Pilot Loan Application to the business borrower. If the business borrower elects to execute the loan application, the business borrower will be charged an application fee. (See Section III(C)(5)(g) for a discussion of fees.) The estimated timeframe for the steps involved in qualification and application process is five to seven business days.

(ii) Underwriting and Due Diligence. The next process is formal underwriting and due diligence. Once the business borrower executes the formal application, the community engages the pre-qualified and trained local originator/underwriter to initiate formal underwriting of the project under consideration. The local originator/underwriter processes the loan application and underwrites the proposed transaction using the CEF Pilot Underwriting Manual. The local originator/underwriter maintains close contact with the CEF Pilot central underwriter so that any underwriting issues are identified and addressed as early in the process as possible. The local originator/underwriter will document its conclusion in a Loan Recommendation Memorandum. This memorandum (a spreadsheet-based template) will document the local originator/underwriter's compliance with the underwriting guidelines, as well as document the local originator/underwriter's assumptions and argument for the conclusion that the loan be either approved, approved subject to specific conditions, or rejected. The local originator/underwriter will make every effort to present the case subject to the least possible number of closing conditions.

The central underwriter then reviews the loan recommendation memorandum, with all pertinent supporting documentation and reports. The central underwriter arranges for a loan committee meeting via telephone conference. The loan committee is composed of experts from the CEF Program Manager's contractor team. In this meeting, the local originator/underwriter will present and defend its recommendation. The meeting will culminate with one of the following from the central underwriter: concurrence; concurrence subject to revisions; or rejection of the local originator/underwriter's recommendation. The central underwriter will have the right to reject any proposed business loan based on its determination that the loan presents an undue risk to the overall pooled loan portfolio. Concurrence or rejection by the central underwriter will be documented by a Loan Approval/Denial Letter summarizing the loan terms as approved or revised, along with any conditions to its approval or advice of its denial. In the case of an approved business loan, this document obligates the CEF Pilot to accept the funded business loan if all conditions to approval are satisfied. The estimated timeframe for the formal underwriting and due diligence process is twenty five to thirty five business days.

(iii) Commitment and Closing. After completion of formal underwriting, the central underwriter prepares a Commitment Letter and forwards it to the local originator/underwriter. The local originator/underwriter forwards the commitment letter to the community for execution (after completion of the community's environmental review and HUD approval of a release of funds in accordance with Section VIII(A) of this NOFA) and delivery to the business borrower. Assuming that the business borrower signs and returns the commitment letter to the community, the community forwards copies of the executed commitment letter to the local originator/underwriter and the central underwriter. The local originator/underwriter works with the business borrower to satisfy any conditions of closing the loan. The satisfaction of closing conditions is evidenced by Closing Condition Memoranda to be prepared by the local originator/underwriter and forwarded to the central underwriter who concurs that specific conditions have been satisfied. Also during this period, the settlement attorney (in accordance with standard business practice the business borrower pays for legal closing documentation to be collected under the direction of the central underwriter) prepares the CEF Pilot's standard loan documents. The business borrower is given a reasonable opportunity to review the loan and security documents for its loan prior to execution. The CEF Program Manager informs the community and the local HUD office that the transaction should be funded upon execution and delivery of closing documentation, which will satisfy all closing conditions, to the central underwriter. Section 108 funds are disbursed to the business borrower via the CEF Transmittal Account with simultaneous exchange of the loan and related documents contributed to the CEF Pilot (see more complete description of this process at Section III(C)(5)(f), below). The estimated

timeframe for commitment and closing is twenty to thirty business days after completion of underwriting and due diligence.

(d) Structure of the CEF Pilot. The legal form of the ''CEF Pilot'' is a not-for-profit limited liability company (''LLC'') that is organized pursuant to Delaware law. The term ''CEF Pilot'' is used herein to refer to the LLC. Participating communities will place qualifying business loans into the CEF Pilot, and communities awarded EDI grant funds under this NOFA will commit to use these funds for the CEF Pilot's pooled cash reserve. Specific reserve amounts per loan will be determined by application of the underwriting guidelines on a case-by-case basis as described above. In return for such contributions the participating communities will receive ''member interests'' initially based upon the principal amount of the business loans that they place in the CEF Pilot.

Once a business loan is approved for the CEF Program and assigned to the CEF Pilot, participating communities will have no further administrative burden with respect to financial servicing and collection of the business loan. The CEF Pilot will hold the business loan assets and will receive and account for the business borrowers' loan payments. However, the community remains responsible for any data collection, reporting and compliance issues with respect to ''programmatic'' matters—Section 108/EDI national objectives, public benefit and other regulatory requirements.

The business borrowers will make their loan payments directly to the CEF Pilot's central servicer. The CEF Pilot will receive payments from the central servicer periodically and will be required to use the cash that it collects to make the principal and interest payments on the corresponding Section 108 notes and to pay its operating expenses. Available cash in excess of those requirements will be added to the cash reserve and invested in accordance with the approved investment guidelines. The cash reserve will be used as necessary to enable the CEF Pilot to meet the payment obligations on the Section 108 notes when there are shortfalls caused by loan delinquencies, defaults and collection losses. If the cash reserve experiences a shortfall in available cash at anytime, the shortfall will be apportioned ratably to all participating communities. Should any community not have CDBG allocations available to make a payment then due on the related Section 108 note as a result of the shortfall, HUD will be required to honor its guarantee of the community's Section 108 note in the amount of the shortfall when the payment is due. Should the community later have sufficient CDBG allocations available, HUD will recoup its guarantee payment from that source. However, as in the regular Section 108 program, the community will not be generally liable for payment from non-CDBG sources unless the community specifically agrees to another source of repayment (see 24 CFR 570.705(b)(3) and (d)).

The CEF Pilot is ''self-liquidating'' in that its assets will naturally shrink over time as business loans amortize or pre-pay, or as the Pilot collects on the collateral for any business loans that may have defaulted. Eventually, therefore, the CEF Pilot will have no more loan assets. This may be twenty years after the formation of the CEF Pilot (the maximum permissible term for the business loans), but it may be somewhat earlier due to prepayments. Additional payments may occur some time later due to prolonged servicing and workouts of business loans. Thus, the ''lifetime'' for the CEF Pilot cannot be predicted with certainty.

The CEF Pilot is designed with the intention that by the time that the CEF Pilot has collected upon all of the business loans, the CEF Pilot will have fully paid the related Section 108 notes. It is also anticipated that an excess cash reserve will then remain in an amount that may be distributed to the participating communities in proportion to their outstanding member interests, adjusted as described below. It is likely that the amount of the reserve will fluctuate somewhat over time in a path determined by the flow of payments into and out of the CEF Pilot, the timing and resolution of credit problems, and the CEF Pilot's return on investment for the reserve. If actual losses experienced are not substantially in excess of expectations, however, there should be an excess cash reserve available for distribution to the participating communities. The amount a participating community is eligible to receive from such distribution will be reduced if a business loan it assigns to the CEF Pilot defaults and the default results in a loss. The amount of the reduction will be proportionate to the loss or losses incurred.

(e) Credit Enhancements for Participating Communities. The CEF Pilot takes advantage of several modern techniques for minimizing credit risk:

- Professional, objective, and independent underwriting judgment in the pricing of loans is the principal credit loss safeguard.
- The use of EDI grant funds to establish the cash reserve that will be the initial ''cushion'' to absorb loan losses.
- There will be a credit ''spread'' between the interest rates charged business borrowers on the qualifying business loans contributed to the CEF Pilot as compared to the (lower) interest rate assessed on the community's Section 108 note obligation.
- The CEF Pilot will have both the EDI grant funds and the cash generated by the interest rate spread available in the reserve to absorb credit losses. The CEF Pilot will invest the reserve (in safe and liquid obligations approved by HUD) so that there are earnings on the reserve to absorb further any credit losses.
- The pooling of losses against the pooled reserve minimizes the probability that total losses will exceed the total reserve.

The general principle underlying the CEF Pilot's credit enhancement is ''over-collateralization.'' This means that, because of the initial EDI funding of the reserve, plus the cash inflow from the interest rate spread, recoveries on collateral, and earnings on the reserve over time, the CEF Pilot should always have assets on hand that exceed the amount of the corresponding Section 108 liabilities provided that loan losses do not significantly exceed expectations.

The Underwriting Guidelines, the financial design of the CEF Pilot, and the prospective amounts of EDI grants, are such that HUD is reasonably confident that the reserve will insulate participating communities from credit losses of a catastrophic nature.

(f) Administration and Servicing of business loans. The CEF Pilot involves communities early, as business loans are approved by HUD and by the CEF Pilot central underwriter at origination, but the CEF Program Manager and the other members of the CEF Program Manager's contractor team then relieve communities of the ongoing administrative burden of servicing and collection of the loan, as described above in this NOFA.

There will be a standardized CEF Pilot document package that will be used for the underwriting, approval and origination of all business loans.

The CEF Program Manager has established a transmittal account for all Section 108 fundings. When a business loan is approved (by HUD and by the CEF Pilot) and ready to close, the lending community will execute and deliver the Section 108 note and will cause the Section 108 funds to be transferred into the CEF Pilot's transmittal account. When the underlying business loan closes, the

participating community will direct the transfer of proceeds to the business borrower's account against delivery of the borrower's note, collateral documents and other loan documents.

The participating community will authorize delivery of the business borrower's loan documents to the CEF Pilot with documentation of the transfer of ownership of the business borrower's note to the CEF Pilot. The CEF Pilot will contemporaneously receive the corresponding loss reserve contribution (source: EDI grant or other funds). Other than monitoring periodic reports from the Pilot, the lending community is relieved of any financial loan management responsibilities after closing the project loan. (The community does retain responsibility for ensuring compliance with all program requirements, e.g., complying with the CDBG national objectives and public benefit requirements and ensuring business borrower's compliance with any conditions imposed as a result of the environmental review.) (See Section III(C)(2) of this NOFA.) The community will be able to use the periodic reports as a source of information that may assist it in monitoring compliance with program requirements (e.g., if a business loan is in default, it may indicate a problem in meeting minimum job creation requirements) as well as monitoring the financial status of the CEF Pilot.

The business borrowers will send their monthly loan payments directly to the CEF Pilot's central servicer for processing. The CEF Pilot will also directly remit the required Section 108 note payments of principal and interest to the Section 108 Fiscal Agent and Trustee.

The CEF Pilot will issue regular financial reports to the participating communities and to HUD that detail the performance of the loan assets, account for cash inflows and outflows, and report changes in the amounts of the cash reserve balance, the unpaid principal of the still outstanding business loans, and the outstanding Section 108 note balance.

(g) Fees and Expenses. The CEF Pilot will charge an application fee to each business borrower for business loans considered for acceptance. For business loans accepted by the CEF Pilot, each business borrower will be charged an acceptance fee of up to sixty two and one half basis points (.625%) of the business loan amount. In addition, the CEF Pilot will charge an annual operating fee of not less than .75% and not more than 1.25% of the then outstanding balance of the loan assets, payable monthly, depending on the size of the loan pool. (The ability of the business borrower to make all payments on the business loan, including the monthly fees, will be an underwriting consideration.)

There may be certain additional expenses that the CEF Pilot incurs, and which the business loan documents will require the business to pay. Examples of these expenses are the costs of collecting on collateral for defaulted loans, such as legal fees, recording fees, trustee's fees and the like. In addition there may be incentive fees paid to a Special Servicer engaged to collect upon seriously delinquent or defaulted loans. However, these fees will not be assessed against the participating communities.

(h) The CEF Team of Private Sector Contractors. The Bank of New York Company, Inc. (''BNY'') is the CEF Program Manager. BNY is a leading provider of investor and trust services worldwide. BNY will also serve as the Manager of the LLC that the CEF Pilot program first establishes.

Altschuler, Melvoin and Glasser LLP (''AM&G'') is responsible for underwriting and pricing the business loans originated by the participating communities and together with certain affiliates will serve as the Central Servicer and Central Underwriter for the CEF Pilot.

First Security Investor Reporting (''First Security'') is responsible for the CEF loan pricing model and portfolio reporting. First Security will work closely with AM&G and HTCNY throughout the CEF Pilot.

Brown & Wood LLP (''Brown & Wood'') is Counsel to the CEF Program Manager. Brown & Wood is an international law firm headquartered in New York, and has approximately 400 attorneys worldwide. Brown & Wood has substantial experience with securitization, public finance and other financial practice areas of particular relevance to the CEF Program.

Kormendi/Gardner Partners (''KGP'') is the Financial Advisor to the Program Manager.

In addition to the above identified contractors, the CEF Program Manager will select the local underwriters.

(i) The Program Manager was selected by HUD by competition under Federal contracting procedures, and the development of documentation such as the Underwriting Manual, pricing model, standard loan documents, and other necessary documentation, including documents for the creation of the CEF Pilot LLC, was funded by HUD's Office of Policy Development and Research under a Federal procurement contract. The contract provides for certain program evaluation and reporting responsibilities for the Program Manager. Public entities selected for EDI assistance, and receiving related Section 108 loan guarantee assistance, as well as businesses applying for or receiving business loans through the CEF Pilot, shall cooperate with the Program Manager and HUD in providing reasonable information deemed necessary by HUD in connection with such program evaluation.

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

(C) *Eligible Activities and National Objectives*. (1) EDI grant funds awarded under this NOFA shall be used solely for the purpose of establishing debt service/loan loss reserves, eligible under 24 CFR 570.703(k). Section 108 loan guarantee funds may be used solely for activities listed at 24 CFR 570.703(i)(1) and 24 CFR 570.203(b). If your application, including the section 108 request (see Section IV(I) of this NOFA), fail to provide for these uses, HUD will not give the application a rating.

(2) Each activity assisted with Section 108 loan guarantee or EDI funds must meet a national objective of the CDBG program as described in 24 CFR 570.208. You must clearly identify in your narrative statement (as described in Section V.(D) below) the CDBG national objective your proposed project will achieve and provide the appropriate CDBG national objectives regulatory citation found at 24 CFR 570.208. Also, you must address how your proposed activities will comply with the public benefit standards of the CDBG program as reflected in the regulation at 24 CFR 570.209 for the CDBG Entitlement and Small Cities programs or 24 CFR 570.482 for the State CDBG program.

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

You will be responsible for determinations, record-keeping and other documentation of compliance with the eligibility, national objectives, and public benefit requirements, and other applicable statutory and regulatory requirements applicable to EDI and section 108 funds (as cited in this Section 111(C), with HUD approval, in a manner similar to other EDI/section 108 awards. However, since the business loans and EDI funds contributed to the common debt service/loan loss reserve will be common security for all of the related section 108 obligations issued by the participating jurisdictions selected under this NOFA, and all such loans must be closed on standard loan documents provided by the Program Manager as described in Section III(A)(5) of this NOFA, you must enter into any specific agreements with participating businesses that you deem necessary for purposes of compliance with such requirements, such as job creation goals, business location requirements, etc, *separately* from the standard loan documents provided by the Program Manager.

IV. Program Requirements

This section provides requirements that are applicable to applicants for funding under this NOFA as well as applicants that are awarded EDI grants under this NOFA.

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

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

(C) *Thresholds Requirements—Compliance with Fair Housing and Civil Rights Laws.* All applicants and their subrecipients must comply with all Fair Housing and civil rights laws, statutes, regulations and executive orders as enumerated in 24 CFR 5.105(a). If you are a Federally recognized Indian tribe, you must comply with the nondiscrimination provisions enumerated at 24 CFR 1000.12. While an Indian tribe is not an eligible direct recipient of a section 108 loan guarantee, an Indian tribe may be a subrecipient of an eligible unit of general local government.

If you, the applicant—

(1) Have been charged with a systemic violation of the Fair Housing Act by the Secretary alleging ongoing discrimination;

(2) Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or

(3) Have received a letter of noncompliance findings under Title VI, Section 504, or Section 109—

HUD will not rate and rank your application under this NOFA if the charge, lawsuit, or letter of findings has not been resolved to the satisfaction of the Department before the application deadline stated in this NOFA. HUD's decision regarding whether a charge, lawsuit, or a letter of findings has been satisfactorily resolved will be based upon whether appropriate actions have been taken to address allegations of ongoing discrimination in the policies or practices involved in the charge, lawsuit, or letter of findings.

(D) *Additional Nondiscrimination Requirements.* You, the applicant and your subrecipients, must comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 1201 *et seq.*), and Title IX of the Education Amendments Act of 1972 (20 U.S.C. 1681 *et seq.*).

(E) *Affirmatively Furthering Fair Housing.* If you are a successful applicant, you will have a duty to affirmatively further fair housing. Again, except as may be provided otherwise in this NOFA, you, the applicant, should include in your application or work plan the specific steps that you will take to:

(1) Address the elimination of impediments to fair housing that were identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice;

(2) Remedy discrimination in housing; or

(3) Promote fair housing rights and fair housing choice.

Further, you, the applicant, have a duty to carry out the specific activities provided in your responses to the NOFA rating factors that address affirmatively furthering fair housing. However, such activities may not be funded from the EDI funds awarded under this NOFA since the funds must be used exclusively for debt service/loan loss reserves.

Since all eligible applicants will also be CDBG grantees, or nonentitlement CDBG recipients from States, the applicant may satisfy its affirmatively furthering fair housing obligation hereunder by referring to satisfactory provisions in its Consolidated Plan, as applicable.

(F) *Economic Opportunities for Low and Very Low-Income Persons (Section 3).* If you are awarded an EDI grant, you will be 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 in Connection with assisted Projects) and the HUD regulations at 24 CFR part 135, including the reporting requirements in subpart E of part 135. Section 3 requires recipients to ensure that, to the greatest extent feasible, training, employment and other economic opportunities will be directed 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.

(G) *Relocation.* Any person (including individuals, partnerships, corporations or associations) who moves from real property or moves personal property from real property directly (1) because of a written notice to acquire real property in whole or in part, or (2) because of the acquisition of the real property, in whole or in part, for a HUD-assisted activity is covered by Federal relocation statute and regulations. Specifically, this type of move is covered by the acquisition policies and procedures and the relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and the implementing governmentwide regulation at 49 CFR

part 24. The relocation requirements of the URA and the governmentwide regulations cover any person who moves permanently from real property or moves personal property from real property directly because of rehabilitation or demolition for an activity undertaken with HUD assistance. In addition, pursuant to 24 CFR 570.704(e), you are required to comply with additional requirements referred to in 24 CFR 570.606, as well as 24 CFR part 43.

(H) *Conflicts of Interest.* If you are a consultant or expert who is assisting HUD in rating and ranking applicants for funding under this NOFA, you are subject to 18 U.S.C. 208, the Federal criminal conflict of interest statute, and the Standards of Ethical Conduct for Employees of the Executive Branch regulation published at 5 CFR part 2635. As a result, if you have assisted or plan to assist applicants with preparing applications for this NOFA, you may not serve on a selection panel, and you may not serve as a technical advisor to HUD for this NOFA. All individuals involved in rating and ranking this NOFA, including experts and consultants, must avoid conflicts of interest or the appearance of conflicts. Individuals involved in the rating and ranking of applications must disclose to HUD's General Counsel or HUD's Ethics Law Division the following information if applicable: How the selection or non-selection of any applicant under this NOFA will affect the individual's financial interests, as provided in 18 U.S.C. 208; or how the application process involves a party with whom the individual has a covered relationship under 5 CFR 2635.502. The individual must disclose this information prior to participating in any matter regarding this NOFA. If you have questions regarding these provisions or if you have questions concerning a conflict of interest, you may call the Office of General Counsel, Ethics Law Division, at 202–708–3815 and ask to speak to one of HUD's attorneys in this division.

(I) *Related Section 108 Loan Guarantee Application.*

(1) Each EDI application must be accompanied by a request for new Section 108 loan guarantee assistance. Notwithstanding the form of your request for new section 108 loan guarantee assistance under paragraphs (a), (b), (c), or (d) of this section below, you must include citations to the specific regulatory subsections supporting activity eligibility and national objectives compliance for the project described in your application. For purposes of this NOFA, the only acceptable activity eligibility citation for use of EDI funds is 24 CFR 570.703(k) and the only acceptable eligibility citation for the related section 108 funds is 24 CFR 570.703(i)(1)–570.203(b). Both the EDI and Section 108 funds must be used in conjunction with the same business loans/economic development projects. This request may take any of several forms as defined below.

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

(b) A brief description (not to exceed three pages) of the business loan program to be applied for in a new Section 108 loan guarantee application(s). Such 108 application(s) must be submitted within 60 days of a notice of EDI selection, with HUD reserving the right to extend such period on a case-by-case basis where HUD determines there is evidence of good cause. EDI awards will be conditioned on approval of actual Section 108 loan commitments. This Section 108 application description must be sufficient to support the basic eligibility of the proposed business loan program for Section 108 assistance. (See Section III(C) of this NOFA.) In general, it should also describe the location of the lending area as well as the types of businesses expected to participate and the loan terms expected to be offered, e.g., repayment period, lien priority, and the purposes of the financing, such as real estate acquisition, construction, machinery and equipment, or working capital.

(c) A copy of a pending, unapproved Section 108 loan guarantee application, and any proposed amendments to the Section 108 application which are related to the EDI application. The applicant's submission of such an EDI/Section 108 application shall be deemed by HUD to constitute a request to suspend separate processing of the Section 108 application. The Section 108 application will not be approved until on or after the date of the related EDI award.

(d) A request for a Section 108 loan guarantee assistance (analogous to Section IV.(I)(1)(a) or (b) of this NOFA above) that proposes to increase the amount of a previously approved application. However, any amount of Section 108 loan guarantee authority approved *before* HUD's award of an EDI grant under this NOFA cannot be used in conjunction with the EDI funds awarded pursuant to this NOFA.

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

(J) *General Limitations on Use of EDI and Section 108 Funds.* Certain restrictions shall apply to the use of EDI and Section 108 funds:

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

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

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

(K) *Time-frames.* EDI grant awards will contain conditions requiring you to adhere to your stated time-frames for implementing your proposed projects and drawing Section 108 and EDI funds.

If you fail to adhere to these schedules, HUD may recapture the EDI funds.

(L) *Limitations on Grant Amounts.*

(1) HUD expects to approve EDI grant amounts for approvable applications at a range of ratios of EDI grant funds awarded to new Section 108 loan guarantee commitments, but the *minimum* ratio will be $1 of EDI grant funds for every $7 of Section 108 loan guarantee commitments. In addition, HUD expects on the average to achieve even higher leverage ratios, *e.g.,* approximately 1 to 10 under this NOFA.

For example, an applicant requesting an EDI grant of $1 million will be required to apply for a minimum of $7 million in new Section 108 loan guarantee commitments. Of course, even though the minimum EDI—Section 108 ratio is 1:7, applications with higher ratios will receive more points under Rating Factor 4, ''Leveraging Resources/Financial Need'' and, all other things being equal, will be more competitive. However, applicants should bear in mind that the leverage ratio is a function of the risk level of the business loan portfolio originated with Section 108 guaranteed loan funds. For example, if the business loan portfolio of Community A has a higher risk profile than Community B's portfolio, the amount of EDI funds used to fund the contribution to the CEF Pilot's debt service/loss reserve for Community A's business loans will be higher (as a percentage of the aggregate loan amount) than the required contribution for Community B's loans. The minimum ratio of EDI grant funds to Section 108 commitments (*i.e.,* 1:7) indicates loss reserve contributions equal to approximately 14% of the loan amount. This further indicates that the business loans originated by the community whose application provided for the minimum EDI—Section 108 ratio would fall into a higher risk category than would be the case with a higher EDI—Section 108 ratio (*e.g.,* 1:12).

An applicant community is therefore encouraged to carefully consider the risk profile of the business loan portfolio it will originate with the Section 108 guaranteed loan funds. Applicants are also cautioned that very high leverage ratios could be determined by HUD to be unrealistic, since even lower risk business loans must be accompanied by contributions to the CEF Pilot's reserve. While the loss reserve contribution for each business loan would be determined on a case by case basis, each loan will be classified by the CEF Pilot underwriter as falling in one of three risk tiers. Communities may use the following guidelines in developing proposed leveraging ratios:

(a) The minimum ratio of EDI grant funds to Section 108 commitments of 1:7 indicates average EDI contributions to the CEF Pilot's reserves of approximately 14% of the loan amount and a relatively higher risk loan portfolio;

(b) A ratio of EDI grant funds to Section 108 commitments of 1:10 indicates average EDI contributions to the CEF Pilot's reserves of approximately 10% of the loan amount and a relatively moderate risk loan portfolio; and

(c) A ratio of EDI grant funds to Section 108 commitments of 1:13 (or higher) indicates average EDI contributions to the CEF Pilot's reserves of approximately 8% of the loan amount and a lower risk portfolio.

Communities are also cautioned that the CEF Program Manager will continually evaluate the business loans originated by a participating community to ensure that the actual risk level of that community's portfolio is not significantly higher than the risk level indicated in the approved application. The CEF Program Manager will have the discretion to reject business loans for acceptance into the CEF Pilot if the loans fall within a higher risk tier than indicated in the community's application and such acceptance would have a material effect on the risk level of the CEF Pilot's portfolio. The community should therefore ensure when it originates loans that the actual risk level of its business loan portfolio is generally consistent with the risk level described in its application.

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

Further, failure to give adequate consideration to the issues discussed above concerning the risk level of the business loan portfolio during the application development stage could result in the following problems following grant award. EDI grant recipients whose applications provided for the minimum EDI—Section 108 leverage ratio (*i.e.*, $1 of EDI grant funds for every $7 of Section 108 loan guarantee funds) will be unable to use all of their EDI funds if the actual risk level is not as high as contemplated in the EDI applications. In such case, HUD may recapture the unused funds. On the other hand, EDI grant recipients whose applications included relatively high leverage ratios will have insufficient EDI grant funds to meet their minimum Section 108 borrowing requirements if their business loans are classified by the CEF underwriter as falling in a higher risk tier than originally contemplated.

(2) HUD will cap EDI awards at a maximum of $1 million under this NOFA.

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

(4) 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.(I)(1)(d) of this NOFA, above), the EDI assistance approved will be based on the increased amount of Section 108 loan guarantee assistance.

(M) *Timing of Grant Awards.* (1) To the extent you submit a full Section 108 application with your EDI grant application, HUD will evaluate the Section 108 application concurrently with the request for EDI grant funds. Note that EDI grant assistance cannot be used to leverage a Section 108 loan guarantee approved prior to the date of HUD's announcement of an EDI grant pursuant to this NOFA. However, the

EDI grant may be awarded before HUD approval of the Section 108 commitment if HUD determines that such award will further the purposes of the Act.

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

V. The Application Selection Process

(A) *Rating Panels.* To review and rate your applications, HUD may establish panels. These panels may include persons not currently employed by HUD. HUD may include these non-HUD employees to obtain certain expertise and outside points of view, including views from other Federal agencies.

(B) *Rating.* HUD will evaluate and rate all applications for funding that meet applicable requirements and rating factors for award described in this NOFA. The rating of you, as the ''applicant,'' or of your organization, ''the applicant's organization and staff,'' for technical merit or compliance will include any sub-contractors, consultants, and sub-recipients which are firmly committed to the project.

(C) *Factors for Award Used to Evaluate and Rate Applications.* (1) Each rating factor and the maximum number of points is provided below. The maximum number of points to be awarded is 102. All EDI applications must obtain a score of at least 70 points to be fundable. Depending upon the program for which you the applicant seek funding, the program may provide for up to four bonus points as provided in paragraphs (3)(a) and (3)(b) of this Section V(C).

(2) All technically acceptable applications will be scored under the selection criteria below.

All acceptable EDI grant applications will be separately ranked in order of points assigned with the applications receiving more points ranking above those receiving fewer points. Acceptable applications must be complete as required by the submission requirements of this NOFA. Applications will be funded in rank order until the total aggregate amount of the applications funded is equal to up to $10 million (subject to the Department's discretion described in this NOFA).

(3) *Bonus Points.* (a) The NOFA provides for the award of up to two bonus points for eligible activities/projects that the applicant proposes to be located in federally designated Empowerment Zones (EZs), Enterprise Communities (ECs), or Urban Enhanced Enterprise Communities (EECs) and serve the residents of these federally designated areas, and are certified to be consistent with the strategic plan of these federally designated areas. (For ease of reference in the NOFA, these federally designated areas are collectively referred to as ''EZs/ECs'' and residents of these federally designated areas as EZ/EC residents.) [1] This NOFA contains a certification which must be completed for the applicant to be considered for EZ/EC bonus points. A list of the EZs, ECs and EECs (as well as more information about these designated areas) is available through the HUD web site at http://www.hud.gov. The list is also attached to this NOFA as Appendix A.

(b) *Court-Ordered Consideration.* For any application submitted by the City of Dallas, Texas, for funds under this NOFA for which the City of Dallas is eligible to apply, HUD will consider, under Rating Factor 3 below, the extent to which the strategies or plans in the city's application or applications will be used to eradicate the vestiges of racial segregation in the Dallas Housing Authority's low income housing programs. The City of Dallas should address the effect, if any, that vestiges of racial segregation in the Dallas Housing Authority's low income housing programs have on potential participants in the program covered by this NOFA, and identify proposed actions for remedying those vestiges. HUD may add up to 2 points to the score based on this consideration. This special consideration results from an order of the U.S. District Court for the Northern District of Texas, Dallas, Division.

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

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

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

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

(E) *The Five Rating Factors.* HUD will consider your application for selection based on the following factors that demonstrate the quality of your proposed project or activities, and your capacity and commitment to obtain maximum benefit from the EDI funds, in accordance with the purposes of the Act.

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

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

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

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

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

(b) Performance and capacity in carrying out economic development programs that involve third party lending;

(c) Capacity to carry out your projects and programs in a timely manner (submission of a complete Section 108 application pursuant to Section IV.(I)(1)(a) or (c) of this NOFA will be deemed by HUD as one indicator of an applicant's ability to carry out the proposed project in a timely manner); and,

[1] On December 21, 1994, President Clinton and Vice President Gore designated 72 urban areas and 33 rural communities as Empowerment Zones or Enterprise Communities. These designated areas receive more than $1.0 billion in performance grants and more than $2.5 billion in tax incentives. On August 5, 1997, President Clinton signed the Taxpayers Relief Act of 1997 which established a second round of designations for 15 new urban areas and 25 rural areas as Empowerment Zones or Enterprise Communities. Round II designees were announced in January 1999.

(d) If you are so designated, your capacity to manage projects under this NOFA along with any federal funds awarded as a result of a federal urban Empowerment Zone/Enterprise Community designation (including Enhanced Enterprise Community (EEC) designation).

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

(3) The capacity of subrecipients, nonprofit organizations and other entities that have a role in implementing your proposed business loan program will be included in this review.

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

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

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

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

(1) In applying this factor, HUD will consider current levels of distress in the immediate community to be served by your business loan program and the jurisdiction applying for assistance. If you are able to indicate a level of distress in the immediate program area that is greater than the level of distress in your jurisdiction as a whole, HUD will give your application a higher score for this factor. HUD requires you to use sound and reliable data that is verifiable to support the level of distress you claim in your application. You must provide a source for all information you cite and indicate the publication date or origination date of the data.

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

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

Rating Factor 3: Soundness of Approach (30 Points)

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

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

(1) The quality of your plan/proposal for the use of EDI funds and Section 108 loan funds, including the extent to which your proposed plan for effective use of EDI grant/Section 108-guaranteed loan funds will address the needs you described in Rating Factor 2 above regarding the distress and extent of the problem in your immediate community and/or jurisdiction. As part of the response to this factor, you should fully describe how your business loan program will achieve a national objective. Inasmuch as most programs are expected to involve loans to be made to businesses not yet identified, it may not be possible to determine which of the specific national objectives and public benefit criteria would be met by the individual business loans. Consequently, it may be necessary to condition the EDI grant award and the Section 108 loan guarantee commitment on a determination by the appropriate HUD Field Office of compliance with the national objectives and public benefit requirements. Such condition would be imposed with respect to each business loan to be made with Section 108 guaranteed loan funds. You should demonstrate how your proposed project would mitigate or otherwise address the distress identified in Rating Factor 2 above.

(2) The extent to which your plan is feasible and likely to achieve its stated purpose. HUD's desire is to fund business loan programs which will quickly produce demonstrable results and advance the purposes of the EDI program, including the number of jobs to be created by the program and the impact of the program on job creation that will benefit individuals on welfare or low to very low income persons. You should demonstrate your knowledge of the steps required to implement your business loan program and the actions that you and others responsible for implementing your project must complete. You must include a time schedule for carrying out your program.

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

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

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

Dallas, Texas, to the extent this subfactor is addressed.

Rating Factor 4: Leveraging Resources/ Financial Need (20 Points)

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

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

(1) *Leverage of Section 108 funds* (5 points).

[Your response to this subfactor is limited to one (1) page.]

The minimum ratio of EDI grant funds to Section 108 guaranteed loan funds in any business loan program may not be less than 1:7. The extent to which your proposed program leverages an amount of Section 108 funds beyond the 1:7 ratio will result in your receiving a higher number of points. If you use your EDI grant to leverage more new Section 108 commitments, your application will receive more points under this subfactor. However, for the reasons discussed in Section IV(L)(1), the extent to which Section 108 funds can be leveraged is limited by practical considerations of risk. Therefore, an application will not receive more points under this factor if the leverage ratio is higher than $1 of EDI grant funds to $13 dollars of Section 108 loan guarantee commitments.

(2) *Leverage of other financial resources* (15 points). Your response to this subfactor is limited to one (1) page plus supporting documentation evidencing third party commitment (written and signed) of funds. HUD will evaluate the extent to which you leverage other funds (public or private) with EDI grant funds and Section 108 guaranteed loan funds and the extent to which such other funds are firmly pledged to the business loan program. This could include the use of CDBG funds, other Federal or state grants or loans, your general funds, project equity or commercial financing provided by private sources or funds from non-profits or other sources. Funds will be considered pledged to the project if there is evidence of the third party's written commitment to make the funds available for an EDI/108 project, subject to approval of the EDI and Section 108 assistance and satisfactory completion of any environmental review required under 24 CFR part 58 for the project. For purposes of this subfactor, funds committed to the business loan program for purposes other than the funding of business loans and cash reserves may be counted. For example, other funds committed for training programs for persons employed or to be employed by businesses receiving loans under the program may be counted for this subfactor. Note, that with respect to commitment of CDBG funds, your proposed use of CDBG funds must be included in your Consolidated Plan (or, an application approved by the State), subject to approval of the EDI and Section 108 assistance.

Rating Factor 5: Comprehensiveness and Coordination (10 Points)

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

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

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

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

(2) Developed linkages, or specific steps to develop linkages with other activities, programs or projects (through meetings, information networks, planning processes or other mechanisms to coordinate activities), so that solutions are holistic and comprehensive. Describe any linkages with other HUD-funded projects/ activities outside the scope of those covered by the Consolidated Plan, as well as established linkages and outreach with residents of your business loan program area. Particular emphasis should be placed on outreach efforts that ensure that, to the greatest extent feasible, training, employment and other economic opportunities have or will be directed to low and very low income residents within the area of the community where the business loan will be invested in order to meet the national objective of increasing access to jobs for residents of low-income communities.

(F) *Adjustments to Funding.*

(1) HUD reserves the right to fund less than the full amount requested in your application to ensure the fair distribution of the funds and to ensure that the purposes of the EDI program are met.

(2) HUD will not fund any portion of your application that is not eligible for funding under specific program statutory or regulatory requirements; which does not meet the requirements of this NOFA or which may be duplicative of other funded programs or activities from previous years' awards or other selected applicants. Only the eligible portions of your application (including non-duplicative portions) may be funded.

(3) If funds remain after funding the highest ranking applications, HUD may fund part of the next highest ranking application. If you, the applicant, turn down the award offer, HUD will make the same determination for the next highest ranking application. If funds remain after all selections have been made, remaining funds may be available for other competitions.

(4) In the event HUD commits an error that, when corrected, would result in selection of an otherwise eligible applicant during the funding round of this NOFA, HUD may select that applicant when sufficient funds become available.

(5) After selection, but prior to award, if HUD determines that your application could be funded at a lesser EDI grant amount than requested consistent with feasibility of the funded business loan program and the purposes of the Act, HUD reserves the right to reduce the amount of the EDI award and/or increase the required Section 108 loan guarantee commitment, if necessary.

VI. Application Submission Requirements

If you are submitting an application for funding under this NOFA you must submit the items listed in this Section VI to have a complete application.

(A) *Transmittal Letter* signed by the authorized representative of your organization indicating that you are submitting your application for funding under the Economic Development Initiative Program and you are requesting funding consideration for an EDI project.

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

(C) *Narrative Response to Factors for Award:*

(1) Rating Factor 1: Capacity and Relevant Organizational Experience. Provide a narrative indicating your capacity and the relevant capacity of your organization and staff to perform the work for which you are 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 your statement of need.

(3) Rating Factor 3: Soundness of Approach. Include your activities, budget and time frame for conducting activities in your response.

(4) Rating Factor 4: Leveraging Resources/Financial Need. Provide a narrative response to this factor.

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

(D) *Additional Application Forms and Certifications.* You must also submit the following forms and certifications:

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

(2) Standard Form for Assurances—Non-Construction Programs (SF 424B);

(3) Drug-Free Workplace Certification, HUD–50070;

(4) Certification of Payments to Influence Federal Transactions, HUD 50071, and if engaged in Lobbying, the Disclosure Form Regarding Lobbying, SF–LLL;

(5) Applicant/Recipient Disclosure/Update Report, HUD–2880;

(6) Certification Regarding Debarment and Suspension, HUD–2992; and

(7) If applicable, the Certification of Consistency With EZ/EC Strategic Plan, HUD–2990.

These forms are found in the Appendix B to this NOFA. You are not required to submit Budget Information on Standard Form 424A.

If you wish to receive an acknowledgment of HUD's receipt of your application, please submit a completed Acknowledgment of Receipt of Application form.

VII. Corrections to Deficient Applications

After the application due date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information you, the applicant, may want to provide. HUD may contact you, however, to clarify an item in your application or to correct technical deficiencies. You should note, however, that HUD may not seek clarification of items or responses that improve the substantive quality of your response to any selection factors. In order not to unreasonably exclude applications from being rated and ranked, HUD may, however, contact applicants to ensure proper completion of the application and will do so on a uniform basis for all applicants. *Examples* of curable (correctable) technical deficiencies include your failure to submit the proper certifications or your failure to submit an application that contains an original signature by an authorized official. In each case, HUD will notify you in writing by describing the clarification or technical deficiency. HUD will notify applicants by facsimile or by mail or other delivery service with return receipt requested. You must submit clarifications or corrections of technical deficiencies in accordance with the information provided by HUD within 7 calendar days of the date of receipt of the HUD notification. (If the due date falls on a Saturday, Sunday, or Federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or Federal holiday.) If your deficiency is not corrected within this time period, HUD will reject your application as incomplete, and it will not be considered for funding.

VIII. Environmental Requirements

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

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

IX. Findings and Certifications

(A) *Environmental Impact.* A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection during regular business hours in the Office of the General Counsel, Regulations Division, Room 10276, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410–0500.

(B) *Executive Order 13132, Federalism.* Executive Order 13132 (entitled ''Federalism'') prohibits, to the extent practicable and permitted by law, an agency from promulgating policies that have federalism implications and either impose substantial direct compliance costs on State and local governments and are not required by statute, or preempt State law, unless the relevant requirements of section 6 of the Executive Order are met. This NOFA does not have federalism implications and does not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive Order.

(C) *Prohibition Against Lobbying Activities.* You, the applicant, are subject to the provisions of section 319 of the Department of Interior and Related Agencies Appropriation Act for Fiscal Year 1991, 31 U.S.C. 1352 (the Byrd Amendment), which prohibits recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, or loan. You are required to certify, using the certification found at Appendix A to 24 CFR part 87, that you will not, and have not, used appropriated funds for any prohibited lobbying activities. In addition, you must disclose, using Standard Form LLL, ''Disclosure of Lobbying Activities,'' any funds, other than Federally appropriated funds, that will be or have been used to influence Federal employees, members of Congress, and congressional staff regarding specific grants or contracts.

(D) *Section 102 of the HUD Reform Act; Documentation and Public Access*

Requirements. Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545) (HUD Reform Act) and the regulations codified in 24 CFR part 4, subpart A, contain a number of provisions that are designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. On January 14, 1992 (57 FR 1942), HUD published a notice that also provides information on the implementation of section 102. The documentation, public access, and disclosure requirements of section 102 apply to assistance awarded under this NOFA as follows:

(1) *Documentation and public access requirements.* HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a 5-year period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations in 24 CFR part 15.

(2) *Disclosures.* HUD will make available to the public for 5 years all applicant disclosure reports (HUD Form 2880) submitted in connection with this NOFA. Update reports (update information also reported on Form 2880) will be made available along with the applicant disclosure reports, but in no case for a period less than 3 years. All reports—both applicant disclosures and updates—will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 5.

(3) *Publication of Recipients of HUD Funding.* HUD's regulations at 24 CFR 4.7 provide that HUD will publish a notice in the **Federal Register** on at least a quarterly basis to notify the public of all decisions made by the Department to provide:

(i) Assistance subject to section 102(a) of the HUD Reform Act; or

(ii) Assistance that is provided through grants or cooperative agreements on a discretionary (non-formula, non-demand) basis, but that is not provided on the basis of a competition.

(E) *Section 103 HUD Reform Act.* HUD's regulations implementing section 103 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3537a), codified in 24 CFR part 4, subpart B, apply to this funding competition. The regulations continue to apply until the announcement of the selection of successful applicants. HUD employees involved in the review of applications and in the making of funding decisions are limited by the regulations from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted under 24 CFR part 4.

Applicants or employees who have ethics related questions should contact the HUD Ethics Law Division at (202) 708–3815. (This is not a toll-free number.) For HUD employees who have specific program questions, the employee should contact the appropriate field office counsel, or Headquarters counsel for the program to which the question pertains.

(F) *Paperwork Reduction Act Statement.* The information collection requirements for applying for funding under the Economic Development Initiative have been approved by OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) and assigned OMB control number 2506–0153.

(G) *Catalog of Federal Domestic Assistance.* The CFDA number for this program is 14.246.

X. Authority

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

Dated: June 26, 2000.

Cardell Cooper,

Assistant Secretary for Community Planning and Development.

APPENDIX A.—LIST OF EZS, ECS, AND URBAN ENHANCED ENTERPRISE COMMUNITIES

Name & City	Phone & fax numbers
URBAN EMPOWERMENT ZONES (23)	
CA, Los Angeles (EZ)	
David Eder, EZ Program Coordinator, City of Los Angeles EZ/EC Programs, Los Angeles Community Development Department, 215 West 6th Street, Third Floor, Los Angeles, CA 90014.	213–485–0783 (Phone) 213–847–0890 (Fax)
CA, Santa Ana (EZ)	
Aldo Schindler, EZ Manager, Community Development Agency M21, PO Box 1988, Santa Ana, CA 92702	714–647–6507 (Phone) 714–647–6580 (Fax)
CT, New Haven (EZ–EC)	
Sherri Killins, President/CEO, Empower New Haven, Inc., 59 Elm St., 4th Floor, Suite 410, New Haven, CT 06510.	203–776–2777 (Phone) 203–776–0537 (Fax)
FL, Miami/Dade County (EZ–EC)	
Bryan K. Finnie, President/CEO, Miami-Dade Empowerment Trust, Inc., 140 West Flagler Street, Suite 1107, Miami, FL 33130.	305–372–7620 (Phone) 305–372–7629 (Fax)
GA, Atlanta (EZ)	
Charisse Richardson, Interim Executive Director, Atlanta EZ Corporation, City Hall East, 675 Ponce de Leon Avenue, Second Floor, Atlanta, GA 30308.	404–853–7610 (Phone) 404–853–7315 (Fax)
IL, Chicago (EZ)	
Wallace Goode, Executive Director, City of Chicago 20 North Clark Street, 28th Floor, Chicago, IL 60602	312–744–9623 (Phone) 312–744–9696 (Fax)
IN, Gary, E. Chicago, Hammond (EZ)	
IN, Gary	
Taghi Arshami, Office of Planning & Community Development, 475 Broadway, Suite 318, Gary, IN 46402	219–881–5075 (Phone) 219–881–5085 (Fax)
IN, E. Chicago	
John Artis, Executive Director, City of East Chicago, Dept. of Redevelopment and Housing Authority, 4920 Larkspur Drive, East Chicago, IN 46312.	219–397–9974 (Phone) 219–397–4249 (Fax)

APPENDIX A.—LIST OF EZS, ECS, AND URBAN ENHANCED ENTERPRISE COMMUNITIES—Continued

Name & City	Phone & fax numbers
IN, Hammond	
MA, Boston (EZ–EEC)	
Reginald Nunnally, Executive Director of Enhanced EC/Interim Director of EZ, Boston Empowerment Center, 20 Hampdon St., Roxbury, MA 02119.	617–445–3413 (Phone) 617–445–5675 (Fax)
MD, Baltimore (EZ)	
Diane Bell, President & CEO, Empower Baltimore Management Corporation, 34 Market Pl., Suite 800, Baltimore, MD 21202.	410–783–4400 (Phone) 410–783–0526 (Fax)
MI, Detroit (EZ)	
Denise Gray, Executive Director, Empowerment Zone Development Corporation, 1 Ford Place, Suite 1F, Detroit, MI 48202.	313–872–8050 ext. 17 (Phone) 313–872–8002 (Fax)
MN, Minneapolis (EZ–EC)	
Kim W. Havey, Director, Minneapolis Empowerment Zone, 350 South Fifth Street, Room 200, Minneapolis, MN 55415.	612–673–5415 (Phone) 612–673–3724 (Fax)
MO, St. Louis/E. St. Louis, IL (EZ–EC)	
A. Danine Lard, Executive Director, The Greater St. Louis Regional Empowerment Zone, Management Corporation, Inc., Suite 1030, 1015 Locust St., St. Louis, MO 63101.	314–622–3400 ext. 709 (Phone) 314–436–7983 (Fax)
NJ, Camden (EZ) See also Philadelphia, PA	
Liz Janota, Acting Managing Director, Camden Empowerment Zone Corporation, Hudson Square Complex, 817 Carpenter St., Camden, NJ 08102.	856–365–0300 (Phone) 856–365–1058 (Fax)
NJ, Cumberland County (EZ)	
Jerry Velazquez, Executive Director, Cumberland Empowerment Zone Corporation 50 E. Broad Street, Bridgeton, NJ 08302.	856–459–1700 (Phone) 856–459–4099 (Fax)
NY, New York (EZ) (Main Contact)	
Marion Phillips, III, Chief Administrative Officer, New York Empowerment Zone Corporation, 633 3rd Avenue, New York, NY 10017.	212–803–3239 (Phone) 212–803–3294 (Fax)
James Ilako, Director, Empowerment Zone, Empire State Development Corporation, 633 Third Avenue, 32nd Floor, New York, New York 10017.	212–803–3237 (Phone) 212–803–3294 (Fax)
June Van Brackle, Director, Mayor's Office of the New York City EZ, 100 Gold Street, 2nd Floor, New York, New York 10038.	212–788–6777 (Phone) 212–788–2718 (Fax)
NY, New York (Bronx)	
Maria Canales, Director, Bronx Empowerment Zone, Bronx Overall Economic Development Corporation, 198 East 161st Street, Suite 201, Bronx, NY 10451.	718–590–6201 (Phone) 718–590–3499 (Fax)
NY, New York (Upper Manhattan)	
Fernando Fernandez, Director of Community Affairs, Upper Manhattan Empowerment Zone, Development Corporation 290 Lenox Avenue, 3rd Floor, New York, NY 10027.	212–410–0030 ext. 244 (Phone) 212–410–9616 (Fax)
OH, Cincinnati (EZ)	
Susan Paddock, Special Assistant to the City Manager, City of Cincinnati, 801 Plum Street, Room 104, Cincinnati, OH 45202.	513–352–4648 (Phone) 513–352–2458 (Fax)
OH, Cleveland (EZ)	
Valarie McCall, Director, Cleveland Empowerment Zone, 601 Lakeside Avenue, City Hall, Room 335, Cleveland, OH 44114.	216–664–2804 (Phone) 216–420–8522 (Fax) 216–664–3083 (Direct)
OH, Columbus (EZ–EC)	
Jon Beard, Columbus Compact Corporation, 1000 East Main St., Columbus, OH 43205	614–251–0926 (Phone) 614–251–2243 (Fax)
PA, Philadelphia/NJ, Camden (EZ) See also NJ, Camden	
Eva Gladstein, Executive Director, City of Philadelphia, 1515 Arch Street, l Parkway, 9th Fl., Philadelphia, PA 19103.	215–683–0462 (Phone) 215–683–0493 (Fax)
SC, Sumter/Columbia (EZ)	
Milton Smalls, Executive Director, Sumter/Columbia EZ, Dept. of Community Service, 1225 Laurel Street, Columbia, SC 29201.	803–733–8314 (Phone) 803–733–8312 (Fax)
Talmadge Tobias,. City Manager, City of Sumter, P.O. Box 1449, Sumter, SC 29151	803–436–2577 (Phone) 803–436–2615 (Fax)
TN, Knoxville (EZ)	
Jeanette Kelleher, Community Development Administrator, City of Knoxville, Department of Development, P.O. Box 1631, Knoxville, TN 37901.	865–215–2116 (Phone) 865–215–2962 (Fax)
Sherry Kelley Marshall, Executive Director, Partnership for Neighborhood Improvement, P.O. Box 2464, Knoxville, TN 37901.	865–215–4146 (Phone) 865–215–2962 (Fax)
TX, El Paso (EZ–EC)	
Carlos Yerena, Executive Director, El Paso Empowerment Zone, Greater El Paso Chamber of Commerce 10 Civic Center Plaza, El Paso, TX 79901.	915–534–0571 (Phone) 915–534–0513 (Fax)
VA, Norfolk/Portsmouth (EZ–EC)	
Landis Faulcon, Empowerment 2010, 201 Granby Street, Suite 100A, Norfolk, VA 23510	757–624–8650 (Phone) 757–622–4623 (Fax)
WV, Huntington/Ironton, OH (EZ–EC)	
Cathy Burns, Executive Director, Huntington WV-Ironton OH Empowerment Zone, Inc., P.O. Box 1659, Huntington, WV 25717.	304–696–5533 (Phone) 304–696–4465 (Fax)

APPENDIX A.—LIST OF EZS, ECS, AND URBAN ENHANCED ENTERPRISE COMMUNITIES—Continued

Name & City	Phone & fax numbers
URBAN ENHANCED ENTERPRISE COMMUNITIES (4)	
CA, Oakland (EEC)	
Mahlon Harmon, EEC Coordinator, One Stop Capital Shop, 519 17th St., Sixth Floor, Oakland, CA 94612	510–238–2353 (Phone) 510–238–7999 (Fax)
KS, Kansas City and MO, Kansas City (EEC)	
Marlene Nagel, MARC, 600 Broadway 300 Rivergate Center, Kansas City, MO 64105	816–474–4240 (Phone) 816–421–7758 (Fax)
MA, BOSTON (EEC) (SEE EZ)	
TX, Houston (EEC)	
Judith Butler, Mayor's Office, 901 Bagby Street, City Hall, 4th Floor, Houston, TX 77002	713–247–2666 (Phone) 713–247–3985 (Fax)
URBAN ENTERPRISE COMMUNITIES	
AL, Birmingham	
Keith Strother, City of Birmingham, 710 N. 20th Street, City Hall, 3rd Floor, Birmingham, AL 35203	205–254–2870 (Phone) 205–254–7741 (Fax)
AR, Pulaski County	
Henry McHenry, Pulaski County Enterprise Community Alliance, Inc., 400 W. Markham, Suite 705, Little Rock, AR 72201–2424.	501–340–5675 (Phone) 501–340–5680 (Fax)
AZ, Phoenix	
Jennifer Harper, Neighborhood Services Department, City of Phoenix 200 West Washington Street, 4th Floor, Phoenix, AZ 85003–1611.	602–262–4730 (Phone) 602–534–1555 (Fax)
CA, Los Angeles—Huntington Park	
Robert Perez, Manager, Operations Section, Industrial & Commercial, Development Division, Los Angeles Community Development Department, 215 W. 6th St., Third Floor, Los Angeles, CA 90014.	213–485–8161 (Phone) 213–847–0890 (Fax)
CA, San Diego	
Bonnie Contreras, Enterprise Community Coordinator, City of San Diego, 202 C Street, Third Floor, Mail Station 3A, San Diego, CA 92101.	619–236–6846 (Phone) 619–236–6512 (Fax)
CA, San Francisco	
Anna Yee, City of San Francisco, San Francisco Enterprise Community Program, 25 Van Ness Avenue, Suite 700, San Francisco, CA 94102.	415–252–3130 (Phone) 415–252–3110 (Fax)
CO, Denver	
Ernest Hughes, Denver Enterprise Community Coordinator, Denver Community Development Agency, 216 16th Street, Suite 1400, Denver, CO 80202.	720–913–1547 (Phone) 720–913–1800 (Fax)
CT, Bridgeport	
Janice Willis, Director, City of Bridgeport Central Grants Office, 999 Broad St., Bridgeport, CT 06604	203–332–5662 (Phone) 203–332–5657 (Fax)
CT, New Haven	
Diana E. Edmonds, New Haven Enterprise Community Interim Coordinator, 200 Orange Street	203–946–7727 (Phone) 203–946–8049 (Fax)
DE, Wilmington	
Edwina Bell-Mitchell, Wilmington Enterprise Community, Louis L. Redding City/County Building, 800 French Street, 9th Floor, Wilmington, DE 19801.	302–571–4472 (Phone) 302–571–4326 (Fax)
District of Columbia	
Kimmarie Jamison, DCECP Coordinator, 801 N. Capitol St., 6th Floor, Washington, DC 20002	202–442–7203 (Phone) 202–442–7089 (Fax)
FL, Tampa	
Jeanette LaRussa Fenton, Manager, Urban Development, Ybor Service Center 2105 N. Nebraska Avenue, Tampa, FL 33602–2529,.	813–274–7959 (Phone) 813–274–7927 (Fax)
email: hs5j@ci.tampa.fl.us	
GA, Albany	
Julie Duke, city Manager's Office, P.O. Box 447, Albany, GA 31702	912–431–3234 (Phone) 912–431–3223 (Fax)
IA, Des Moines	
Carol Gathright, City of Des Moines, 602 East First Street, Des Moines, IA 50309	515–283–4151 (Phone) 515–237–1713 (Fax)
IL, East St. Louis	
Diane Bonner, Executive Director, CDBG Operations Corporation, 301 River Park Drive, East St. Louis, IL 62201.	618–482–6635 ext. 15 (Phone) 618–271–8194 (Fax)
IL, Springfield	
Cletia Bowen, Director, Office of Economic Development, 231 South Sixth St., Springfield, IL 62701	217–789–2377 (Phone) 217–789–2380 (Fax)
IN, Indianapolis	
Renia Colbert, Project Liaison, Div. of Comm. Development & Financial Services, 200 East Washington, Suite 1841, Indianapolis, IN 46204.	317–327–5869 (Phone) 317–327–5908 (Fax)
KY, Louisville	
Carolyn Gatz, Louisville Empowerment Zone, NIA Center, 2900 West Broadway, Louisville, KY 40211	502–458–6813 (Phone) 502–456–9780 (Fax)
LA, New Orleans	

APPENDIX A.—LIST OF EZS, ECS, AND URBAN ENHANCED ENTERPRISE COMMUNITIES—Continued

Name & City	Phone & fax numbers
Thelma H. French, Executive Assistant to Mayor, Office of Federal and State Programs, 1300 Perdido Street, Room 2E04, New Orleans, LA 70112.	504–565–6445 (Phone) 504–565–6423 (Fax)
LA, Ouachita Parish	
Eric Loewe, Executive Director, Ouachita Enterprise Community, P.O. Box 4268, Monroe, LA 71211	318–329–4031 (Phone) 318–329–4034 (Fax)
MA, Lowell	
Shirley Alejandro, Enterprise Community Organizer, Department of Planning and Development, City Hall—JFK Civic Center, 50 Arcand Drive, Lowell, MA 01852.	978–446–7160 (Phone) 978–970–4262 (Fax)
MA, Springfield	
Miguel Rivas, Director of Neighborhood Programs, Community Development Department, 36 Court Street, Springfield, MA 01103.	413–750–2240 (Phone) 413–787–6027 (Fax)
MI, Flint	
Nancy Jurkiewicz, Corporate Resident Agent, Flint Area Enterprise Community, 805 Welch Blvd., Flint, Michigan 48504.	810–766–7436 ext. 3014 (Phone) 810–766–7351 (Fax)
MI, Muskegon/Muskegon Heights (EC)	
Cathy Brubaker-Clarke, Director, Department of Community and Economic Development, P.O. Box 536, 933 Terrace St., Muskegon, MI 49443–0536.	231–724–6702 (Phone) 231–724–6790 (Fax)
MN, St. Paul	
Jeremy Lenz, Project Manager, City of Saint Paul, Department of Planning and Economic Development, 1200 City Hall Annex, 25 West Fourth Street, Saint Paul, MN 55102.	651–266–6603 (Phone) 651–228–3341 (Fax)
MS, Jackson	
Roosevelt T. Sanders, Executive Director, Jackson Urban Enterprise Community Council, Inc., P.O. Box 10353, Jackson, MS 39289.	601–949–7879 (Phone) 601–981–2407 (Fax)
NC, Charlotte	
Deborah Hazzard, Neighborhood Development Department, 600 East Trade Street, Charlotte, NC 28202	704–336–2106 (Phone) 704–336–2527 (Fax)
NE, Omaha	
Herb Patten, Enterprise Zone Coordinator, Omaha Enterprise Community/Enterprise Zone, Blue LionCentre, 2421 North 24th St., Omaha, NE 68110–2282.	402–444–3514 (Phone) 402–444–3755 (Fax)
NH, Manchester	
William J. Jabjiniak, Planning Department, Enterprise Community Program, One City Hall Plaza, Manchester, NH 03101.	603–624–6450 ext. 5713 (Phone) 603–624–6529 (Fax)
NJ, Newark	
Angela Corbo, EC Coordinator, Department of Administration, City Hall, Room B–16, 920 Broad Street, Newark, NJ 07102.	973–733–4331 (Phone) 973–733–3769 (Fax)
NM, Albuquerque	
Sylvia Fettes, Department of Family & Community Services, P.O. Box 1293, Albuquerque, NM 87103	505–768–2932 (Phone) 505–768–3204 (Fax)
NV, Las Vegas	
Jennifer Padre, EC Coordinator, Community Resources Management, 500 South Grand Central Parkway, P.O. Box 551212, Las Vegas, NV 89155–1212.	702–455–5025 (Phone) 702–455–5038 (Fax)
NY, Albany/Troy/Schenectady	
Anthony Tozzi, Enterprise Community Director, City of Schenectady, Department of Development, Jay Street, Schenectady, NY 12305.	518–382–5054 (Phone) 518–382–5275 (Fax)
NY, Buffalo	
Paula Alcala Rosner, Executive Director, Federal Enterprise Community of Buffalo, Inc., 911 City Hall, Buffalo, NY 14202.	716–851–5032 (Phone) 716–851–4388 (Fax)
NY, Newburgh/Kingston	
Sharon Hyder, The Kingston-Newburgh Enterprise Corp., 62 Grand Street, Newburgh, NY 12550	914–569–1680 ext. 102 (Phone) 914–569–1630 (Fax)
NY, Rochester	
Philip J. Banks, Manager of Business Development, Department of Economic Development, City of Rochester, Room 005A, 30 Church Street, Rochester, NY 14614.	716–428–6965 (Phone) 716–428–6042 (Fax)
OH, Akron	
Jerry Egan, Department of Planning & Urban Development, 166 South High Street, Akron, OH 44308–1628 ...	330–375–2090 (Phone) 330–375–2387 (Fax)
OK, Oklahoma City	
Carl Friend, Oklahoma City Planning Department, 420 West Main Street, Suite 920, Oklahoma City, OK 73102.	405–297–2574 (Phone) 405–297–3796 (Fax)
OR, Portland	
Regena S. Warren, Multnomah County, 421 SW Sixth Avenue, Suite 200, Portland, OR 97204	503–248–3691 ext. 28134 (Phone) 503–248–3379 (Fax)
PA, Harrisburg	
Terri Martini, Director, Department of Building and Housing Development, City of Harrisburg, Suite 206, 10 North Second Street, Harrisburg, PA 17101.	717–255–6408 (Phone) 717–255–6421 (Fax)
PA, Pittsburgh	
Joan Blaustein, Manager, Special Projects, City Planning Dept., City of Pittsburgh, 200 Ross Street, 4th Floor, Pittsburgh, PA 15219.	412–255–2206 (Phone) 412–255–2838 (Fax)

APPENDIX A.—LIST OF EZS, ECS, AND URBAN ENHANCED ENTERPRISE COMMUNITIES—Continued

Name & City	Phone & fax numbers
RI, Providence	
Kim Rose, Enterprise Community Project Director, The Providence Plan, 56 Pine Street, Suite 3B, Providence, RI 02903.	401–455–8880 (Phone) 401–331–6840 (Fax)
SC, Charleston/N. Charleston	
Geona Shaw Johnson, Coordinator, Enterprise Community Program, Department of Housing and Community Development, City of Charleston 75 Calhoun Street, 3rd Floor, Charleston, SC 29401.	843–973–7285 (Phone) 843–720–3836 (Fax)
TN, Memphis	
Joseph C. Gibbs, Economic Development Coordinator, City of Memphis, Business Development Center (BDC), 555 Beale Street, Memphis, TN 38103–3297.	901–526–9300 ext.105 (Phone) 901–525–2357 (Fax)
TN, Nashville	
Paul Johnson, Metropolitan Development and Housing Agency, 701 South Sixth Street, Nashville, TN 37206 ..	615–252–8543 (Phone) 615–252–8559 (Fax)
TX, Dallas	
Mark Obeso, Assistant Director, Housing Department, City of Dallas, 1500 Marilla, 6D North, Dallas, TX 75201	214–670–3601 (Phone) 214–670–0156 (Fax)
TX, San Antonio	
Curley Spears, San Antonio EZ/EC Coordinator, 419 South Main St., Suite 200, San Antonio, TX 78204	210–207–6605 (Phone) 210–886–0006 (Fax)
TX, Waco	
George Johnson, Jr., Assistant City Manager, City of Waco, 300 Austin Avenue, Waco, TX 76701–2570	254–750–5640 (Phone) 254–750–5696 (Direct), 254–750–5880 (Fax)
UT, Ogden	
Karen Thurber, Ogden City Neighborhood Development, 2484 Washington Boulevard, Suite 211, Ogden, UT 84401.	801–629–8943 (Phone) 801–629–8902 (Fax)
VT, Burlington	
Maria Vaivao, EC Coordinator, Office of Community & Economic Development, City Hall, Room 32, Burlington, VT 05401.	802–865–7182 (Phone) 802–865–7024 (Fax)
WA, Seattle	
Ben Wolters, Senior Community Development Specialist, City of Seattle, Office of Economic Development, Seattle Municipal Building, Room 205, Seattle, WA 98104–1826.	206–684–8591 (Phone) 206–684–0379 (Fax)
WA, Tacoma	
Cynthia Spry, Tacoma Pierce Co Chamber of Commerce, 950 Pacific Avenue, Suite 300, P.O. Box 1933, Tacoma, WA 98401–1933.	253–627–2175 (Phone) 253–597–7305 (Fax)
WI, Milwaukee	
Glen Mattison, Enterprise Community Program Officer, City of Milwaukee, Community Block Grant Administration, 200 East Wells Street, City Hall, Room 606, Milwaukee, WI 53202.	414–286–3760 (Phone) 414–286–5003 (Fax)

BILLING CODE 4210–29–P

Appendix B

The forms, which follow, are required for EDI Grant—CEF Pilot application.

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approval No. 0348-0043

	2. DATE SUBMITTED	Applicant Identifier
1. TYPE OF SUBMISSION: Application ☐ Construction ☐ Non-Construction; Preapplication ☐ Construction ☐ Non-Construction	**3. DATE RECEIVED BY STATE**	State Application Identifier
	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name:	Organizational Unit:
Address *(give city, county, State, and zip code)*:	Name and telephone number of person to be contacted on matters involving this application *(give area code)*

6. EMPLOYER IDENTIFICATION NUMBER *(EIN)*:

☐☐ — ☐☐☐☐☐☐☐

7. TYPE OF APPLICANT: *(enter appropriate letter in box)* ☐

A. State
B. County
C. Municipal
D. Township
E. Interstate
F. Intermunicipal
G. Special District
H. Independent School Dist.
I. State Controlled Institution of Higher Learning
J. Private University
K. Indian Tribe
L. Individual
M. Profit Organization
N. Other (Specify) _____

8. TYPE OF APPLICATION:

☐ **New** ☐ **Continuation** ☐ **Revision**

If Revision, enter appropriate letter(s) in box(es) ☐ ☐

A. Increase Award B. Decrease Award C. Increase Duration
D. Decrease Duration Other*(specify)*:

_____

9. NAME OF FEDERAL AGENCY:

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:

☐☐ — ☐☐☐

TITLE:

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

12. AREAS AFFECTED BY PROJECT *(Cities, Counties, States, etc.)*:

13. PROPOSED PROJECT		**14. CONGRESSIONAL DISTRICTS OF:**	
Start Date	Ending Date	a. Applicant	b. Project

15. ESTIMATED FUNDING:

a. Federal	$ .00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e. Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ .00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:

DATE _____

b. No. ☐ PROGRAM IS NOT COVERED BY E. O. 12372
☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

☐ **Yes** **If "Yes," attach an explanation.** ☐ **No**

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Type Name of Authorized Representative	b. Title	c. Telephone Number
d. Signature of Authorized Representative		e. Date Signed

Previous Edition Usable
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Standard Form 424 (Rev. 7-97)
Prescribed by OMB Circular A-102

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item:	Entry:
1.	Self-explanatory.
2.	Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).
3.	State use only (if applicable).
4.	If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank.
5.	Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and name and telephone number of the person to contact on matters related to this application.
6.	Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.
7.	Enter the appropriate letter in the space provided.
8.	Check appropriate box and enter appropriate letter(s) in the space(s) provided: -- "New" means a new assistance award. -- "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date. -- "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation.
9.	Name of Federal agency from which assistance is being requested with this application.
10.	Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.
11.	Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.
12.	List only the largest political entities affected (e.g., State, counties, cities).
13.	Self-explanatory.
14.	List the applicant's Congressional District and any District(s) affected by the program or project.
15.	Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate *only* the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.
16.	Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.
17.	This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
18.	To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)

Assurances—Non-Construction Programs

OMB Approval No. 0348-0040

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Please do not return your completed form to the Office of Management and Budget; send it to the address provided by the sponsoring agency.

Note: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.O. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 36701 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with the provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a and 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. §§ 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally assisted construction subagreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (e) evaluation of flood hazards in flood plains in accordance with EO 11988; (e) assurance of

project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

13. Will assist the awarding agency in assuring compliance with Section 106 of the national Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984 or OMB Circular No. A-133, Audits of Institutions of Higher Learning and other Non-profit Institutions.

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

Signature of Authorized Certifying Official	Title
Applicant Organization	Date Submitted

Disclosure of Lobbying Activities

Approved by OMB 0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse side for Instructions and Public Reporting burden statement)

1. Type of Federal Action
- ☐ a. contract
- ☐ b. grant
- c. cooperative agreement
- d. loan
- e. loan guarantee
- f. loan insurance

2. Status of Federal Action
- ☐ a. bid/offer/application
- ☐ b. initial award
- c. post-award

3. Report Type
- ☐ a. initial filing
- ☐ b. material change

For Material Change Only
year (yyyy) _____ quarter _____
date of last report (mm/dd/yyyy) _____

4. Name and Address of Reporting Entity
☐ Prime ☐ Subawardee Tier _____, if known:

Congressional District, if known

5. If Reporting Entity in No. 4 is Subawardee, enter Name and Address of Prime

Congressional District, if known

6. Federal Department/Agency

7. Federal Program Name/Description

CFDA Number, if applicable _____

8. Federal Action Number, if known

9. Award Amount, if known
$

10a. Name and Address of Lobbying Registrant
(if individual, last name, first name, MI)

b. Individuals Performing Services (including address if different from No. 10a.)
(last name, first name, MI)

(attach continuation sheet(s) if necessary)

11. Amount of Payment (check all that apply)
$ _____ ☐ actual ☐ planned

12. Form of Payment (check all that apply)
- ☐ a. cash
- ☐ b. in-kind; specify: nature _____
  value _____

13. Type of Payment (check all that apply)
- ☐ a. retainer
- ☐ b. one-time fee
- ☐ c. commission
- ☐ d. contingent fee
- ☐ e. deferred
- ☐ f. other (specify) _____

14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11

(attach continuation sheet(s) if necessary)

15. Continuation sheets attached ☐ **Yes** ☐ **No**

16. Information requested through this form is authorized by Sec.319, Pub. L. 101-121, 103 Stat. 750, as amended by sec. 10; Pub. L. 104-65, Stat. 700 (31 U.S.C. 1352). This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature _____

Print Name _____

Title _____

Telephone No. _____

Date (mm/dd/yyyy) _____

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Standard Form-LLL (7/97)

Instructions for Completion of SF-LLL, Disclosure of Lobbying Activities

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient, Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box (es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box (es). Check all boxes that apply. If other, specify nature.
14. Provide specific and detailed description of the services that the lobbist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just the time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a continuation sheet(s) are attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public Reporting Burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Please do not return your completed form to the Office of Management and Budget; send it to the address provided by the sponsoring agency .

Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

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Certification Regarding Debarment and Suspension

U.S. Department of Housing and Urban Development

Certification A: Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief that its principals;

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal debarment or agency;

b. Have not within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (A)

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was place when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded**, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of these regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines this eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph (6) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

Certification B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (B)

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded**, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of these regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph (5) of these instructions, if a participant in a lower covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies including suspension and/or debarment.

Applicant	Date
Signature of Authorized Certifying Official	Title

form **HUD-2992** (3/98)

Certification of Consistency with the 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, or a Strategic Planning Community.

(Type or clearly print the following information)

Applicant Name _____

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

Name of EZ/EC _____

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

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

Title _____

Signature _____

Date (mm/dd/yyyy) _____

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 3/31/2003)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report ☐ or an Update Report ☐

1. Applicant/Recipient Name, Address, and Phone (include area code): ( ) -	2. Social Security Number or Employer ID Number: - -
3. HUD Program Name	4. Amount of HUD Assistance Requested/Received

5. State the name and location (street address, City and State) of the project or activity:

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3).

☐ Yes ☐ No

2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of $200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9

☐ Yes ☐ No.

If you answered "**No**" to either question 1 or 2, **Stop**! You do not need to complete the remainder of this form. ***However***, you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(**Note**: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds $50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity ($ and %)

(**Note**: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed $10,000 for each violation.

I certify that this information is true and complete.

Signature: X	Date: (mm/dd/yyyy)

Public reporting burden for this collection of information is estimated to average 2.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Privacy Act Statement. Except for Social Security Numbers (SSNs) and Employer Identification Numbers (EINs), the Department of Housing and Urban Development (HUD) is authorized to collect all the information required by this form under section 102 of the Department of Housing and Urban Development Reform Act of 1989, 42 U.S.C. 3531. Disclosure of SSNs and EINs is optional. The SSN or EIN is used as a unique identifier. The information you provide will enable HUD to carry out its responsibilities under Sections 102(b), (c), and (d) of the Department of Housing and Urban Development Reform Act of 1989, Pub. L. 101-235, approved December 15, 1989. These provisions will help ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. They will also help ensure that HUD assistance for a specific housing project under Section 102(d) is not more than is necessary to make the project feasible after taking account of other government assistance. HUD will make available to the public all applicant disclosure reports for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be made available along with the disclosure reports, but in no case for a period generally less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Freedom of Information Act (5 U.S.C. §552) and HUD's implementing regulations at 24 CFR Part 15. HUD will use the information in evaluating individual assistance applications and in performing internal administrative analyses to assist in the management of specific HUD programs. The information will also be used in making the determination under Section 102(d) whether HUD assistance for a specific housing project is more than is necessary to make the project feasible after taking account of other government assistance. You must provide all the required information. Failure to provide any required information may delay the processing of your application, and may result in sanctions and penalties, including imposition of the administrative and civil money penalties specified under 24 CFR §4.38.

Note: This form only covers assistance made available by the Department. States and units of general local government that carry out responsibilities under Sections 102(b) and (c) of the Reform Act must develop their own procedures for complying with the Act.

Instructions

Overview.

A. Coverage. You must complete this report if:
   (1) You are applying for assistance from HUD for a specific project or activity **and** you have received, or expect to receive, assistance from HUD in excess of $200,000 during the during the fiscal year;
   (2) You are updating a prior report as discussed below; or
   (3) You are submitting an application for assistance to an entity other than HUD, a State or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.

B. **Update reports (filed by "Recipients" of HUD Assistance): General**. All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

Line-by-Line Instructions.

Applicant/Recipient Information.
All applicants for HUD competitive assistance, must complete the information required in blocks 1-5 of form HUD-2880:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.
2. Entry of the applicant/recipient's SSN or EIN, as appropriate, is optional.
3. Applicants enter the HUD program name under which the assistance is being requested.
4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.
5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. **Recipients filing Update Reports should not complete this Part.**

If the answer to ***either*** questions 1 or 2 is No, the applicant need not complete Parts II and III of the report, but must sign the certification at the end of the form.

Part II. Other Government Assistance and Expected Sources and Uses of Funds.

A. Other Government Assistance. This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

   Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

   The following information must be provided:

   1. Enter the name and address, city, State, and zip code of the government agency making the assistance available.
   2. State the type of other government assistance (e.g., loan, grant, loan insurance).
   3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).
   4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.

B. Non-Government Assistance. Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD ***and any other source*** - that have been or are to be, made available for the project or activity. Non-government sources of

funds typically include (but are not limited to) foundations and private contributors.

Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds $50,000 or 10 percent of the assistance (whichever is lower).
   Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Entry of the Social Security Number (SSN) or Employee Identification Number (EIN), as appropriate, for each person listed is optional.
3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

Note that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, and on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required.

Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

Notes:

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.
4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.
5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

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