

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

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**BROWNFIELDS ECONOMIC  
DEVELOPMENT INITIATIVE (BEDI)**



## FUNDING AVAILABILITY FOR THE BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE (BEDI)

### Program Overview

*Purpose of the Program.* BEDI funds are used to enhance the security of a loan guaranteed by HUD under Section 108 of the Act (as defined in Section III(A)(1) below) for the same project, or to improve the viability of the project financed with the Section 108-guaranteed loan. HUD intends to make available approximately \$25 million in BEDI funds in FY 2001 to stimulate economic development by local governments and private sector parties. HUD desires to see BEDI and Section 108 funds used to finance projects and activities that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base. A BEDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment. In FY 2001, HUD seeks to increase economic development opportunity for those areas of the country having the greatest distress.

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

*Eligible Applicants.* Any public entity eligible to apply for and receive Section 108 loan guarantee assistance in accordance with 24 CFR 570.702 may apply for BEDI grant assistance under Section 108(q) and this SuperNOFA. (See Section III(B) below for additional information regarding eligible applicants.)

*Application Deadline.* May 22, 2001.

### Additional Information

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

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

*Application Due Date.* Please submit your completed applications (one original and three copies) on or before 12:00 midnight, Eastern time, on May 22, 2001, to the addresses shown below.

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

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

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

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

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

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

*For Further Information and Technical Assistance.* Contact Lisa Peoples, Office of Economic Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7140, Washington, DC 20410, telephone (202) 708-0614 ext. 4456 (this is not a toll-free number). Persons with speech or hearing impairments may access this number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

See the General Section of this SuperNOFA for guidance on the provision of technical assistance for EDI grants. The Section 108 Loan Guarantee program is not a competitive program and therefore is not subject to those provisions of the HUD Reform Act pertaining to competitions. HUD staff will be available to provide advice and assistance to develop your Section 108 loan application.

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

#### II. Amount Allocated

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

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

(A) *Program Description.* BEDI is designed to help cities redevelop abandoned, idled, or underutilized industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination—brownfields. BEDI provides funding to local governments to be used in conjunction with Section 108 loan guarantees to finance redevelopment of brownfields sites. A BEDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment. Both Section 108 loan guarantee proceeds and BEDI grant funds are initially made available by HUD to public entities approved for assistance. Such public entities may re-loan the Section 108 loan proceeds and provide BEDI funds to a business or other entity to carry out an

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

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

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

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

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

*Brownfields Economic Development Initiative (BEDI)* means the competitive award of up to \$2 million, as appropriated in the FY 2001 HUD Appropriations Act, for economic development grant assistance under Section 108(q) of the Act for the purpose of assisting public entities in the redevelopment of brownfields.

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

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

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

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

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

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

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

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

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

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

*EPA* means the U.S. Environmental Protection Agency.

*Showcase Community* means an applicant chosen by the Federal Government's Brownfields National Partnership for inclusion in the Federal Government's Brownfields Showcase Communities program.

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

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

The CDBG program provides grant funds (\$4.4 billion in FY 2001) by formula to local governments (either directly or through States) to carry out community and economic development activities. The Section 108 loan guarantee program provides local governments with a source of financing for economic development, public facilities, and other eligible large scale physical development projects. HUD is authorized pursuant to Section 108 to guarantee notes issued by CDBG entitlement communities and non-entitlement units of general local government eligible to receive funds under

the State CDBG program. The Section 108 program is subject to the regulations of 24 CFR part 570 applicable to the CDBG program as described in 24 CFR part 570, subpart M. BEDI grants must support Section 108 loan guarantees as generally described in this program section of this SuperNOFA.

(c) For FY 2001, the Section 108 program is authorized at \$1.26 billion in loan guarantee authority. The full faith and credit of the United States is pledged to the payment of all guarantees made under Section 108. Under this program, communities (and States, as applicable) pledge their continuing CDBG allocations as security for loans guaranteed by HUD. The Section 108 program, however, does not require CDBG funds to be escrowed for loan repayment (unless such an arrangement is specifically negotiated as loan security and included in the applicable "Contract for Loan Guarantee Assistance.") This means that a community can ordinarily continue to spend its existing allocation for other CDBG purposes, unless needed for loan repayment.

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

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

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

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

(4) *BEDI Program.* For FY 2001, Congress has made a specific appropriation of \$25 million for the BEDI program to assist in financing "brownfields" redevelopment. HUD intends the \$25 million in Brownfields (BEDI) funds available pursuant to this program section of this SuperNOFA to be used with a particular emphasis upon the redevelopment of brownfields sites consistent with the statutory purpose of the FY 2001 HUD Appropriations Act. Accordingly, BEDI funds shall be used as the stimulus for local governments and private sector parties to commence redevelopment or continue phased redevelopment efforts on brownfields sites where contamination is known or suspected and a redevelopment plans exist. HUD desires to see BEDI and Section 108 funds used to finance projects and activities that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base. HUD does not encourage applications whose scope is limited only to site acquisition and/or remediation (i.e., land banking), where there is no immediately planned redevelopment.

(5) *Redevelopment Focus.* The redevelopment focus for BEDI-assisted projects is also prompted by the need to provide additional security for the Section 108 loan guarantee pursuant to 24 CFR 570.705(b)(3). While public entities are required by the Act to pledge their current and future CDBG funds as a source of security for the Section 108 loan guarantee,

the public entity will usually be required to furnish additional collateral which, ideally, will be the assets financed with the Section 108 loan funds. Clearly, a redevelopment focus for the BEDI funds will help achieve this goal by enhancing the value of the assets securing the Section 108 loan.

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

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

(8) *Typical Project Structures.* Provided that proposals are consistent with other CDBG requirements, including national objectives, HUD envisions that the following project structures could be typical:

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

(b) *Site Remediation Costs.* Local governments may use BEDI funds in any of several ways to address site remediation costs. If the local government used Section 108 funds to acquire real property, BEDI funds could be used to address assessment and site remediation costs as part of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grantees are reminded that the BEDI grantee/Section 108 borrower's loan-guaranteed obligation cannot remain undisbursed for more than five years following the year in which the Section 108 commitment is made. Consequently, the borrower's 108-guaranteed obligation cannot have a term that exceeds five years plus the remaining portion of the fiscal year in which the 108 commitment is made.

(B) *Eligible Applicants.* (1) Any public entity eligible to apply for Section 108 loan guarantee assistance in accordance with 24 CFR 570.702 may apply for BEDI grant assistance under Section 108(q). Eligible applicants are CDBG entitlement units of general local government and non-entitlement units of general local government eligible to receive loan guarantees under 24 CFR part 570, subpart M. Urban Counties, as defined at 24 CFR 570.3 and 570.307, are eligible applicants for BEDI funds; units of general local government which participate in an Urban County program are not independently eligible applicants. For non-entitlement applicants other than those subject to 24 CFR 570, subpart F, applicants will be required to provide evidence in the application from an authorized official of the State agency responsible for administering the State CDBG program) stating its intention to support the related Section 108 loan with a pledge of its CDBG funds pursuant to the requirements of 24 CFR 570.705(b)(2). Such evidence shall take the form of the HUD Certification titled "SECTION 108 LOAN GUARANTEES: State Certifications Related to Nonentitlement Public Entities" which may be obtained either by downloading from the Internet or in the BEDI Application Kit to be published shortly after publication of this SuperNOFA. Note that effective January 25, 1995, non-entitlement public entities in the State of Hawaii were authorized to apply to HUD for Section 108 loans (see 59 FR 47510, December 27, 1994). Thus non-entitlement public entities in all 50 states and Puerto Rico are eligible to participate in the Section 108 and BEDI programs.

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

(C) *Eligible Activities and National Objectives.* (1) BEDI grant funds and Section 108 loan guarantee funds may be used for activities listed at 24 CFR 570.703, provided such activities are carried out as part of a BEDI project as described in this BEDI section of this SuperNOFA, including Section III(A) of this program section of the SuperNOFA. You are required to submit applications that seek funding for BEDI projects that will contribute to the

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

(2) Each activity assisted with Section 108 loan guarantee or BEDI funds must meet a national objective of the CDBG program as described in 24 CFR 570.208. Applicants must clearly identify in their narrative statement (as described in Section V(B) of this program section below) the CDBG national objective to be achieved by the proposed project and provide the appropriate CDBG national objective regulatory citation found at 24 CFR 570.208. Applicants must also address, when applicable, how the proposed activities will comply with the public benefit standards of the CDBG program as reflected in the regulation at 24 CFR 570.209 for the Entitlement and Small Cities programs or 24 CFR 570.482 for the State CDBG program.

(3) In the aggregate, a grantee's use of CDBG funds, including any Section 108 loan guarantee proceeds and Section 108(q) (BEDI) funds provided pursuant to this program section of this SuperNOFA, must comply with the CDBG primary objective requirements as described in section 101(c) of the Act and 24 CFR 570.200(a)(3) or 570.484 in the case of State grantees.

#### IV. Program Requirements

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

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

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

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

(b) A brief description (not to exceed three pages) of the project to be applied for in a new Section 108 loan guarantee application(s). Such 108 application(s) will be submitted within 60 days of written notice of BEDI selection, with HUD reserving the right to extend such period for good cause on a case-by-case basis. BEDI awards will be conditioned on approval of actual Section 108 loan commitments. The application description must be sufficient to support the basic eligibility of the proposed project and activities for Section 108 assistance. (See Section III(C) of this program section of the SuperNOFA.)

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

(d) A request for Section 108 loan guarantee assistance (analogous to Section IV(C)(1)(a) or (b) of this BEDI section of the SuperNOFA) that proposes to increase the amount of a previously approved application. However, any amount of Section 108 loan guarantee authority approved before HUD's announcement of a BEDI grant for the same project is not eligible to be used in conjunction with a BEDI grant under this program section.

(2) Further, a Section 108 loan guarantee amount that is required to be used in conjunction with a prior EDI or BEDI grant award, whether or not the Section 108 loan guarantee has been approved as of the date of this SuperNOFA, is not eligible for a BEDI award under this SuperNOFA. For example, if a public entity has a previously approved Section 108 loan guarantee commitment of \$12 million, even if none of the funds have been utilized, or if the public entity had previously been awarded an EDI grant of \$1 million and had certified that it will submit a Section 108 loan application for \$10 million in support of that EDI grant, the public entity's application under this program section of this SuperNOFA must propose to increase the amount of its total Section 108 loan guarantee commitments beyond those amounts (the \$12 million or \$10 million in this example) to which it has previously agreed.

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

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

(2) Section 108 loan obligations may not be subordinated, directly or indirectly, to federally tax exempt obligations. Pursuant to Office of Management and Budget (OMB) Circular A-129 (Rev.) Appendix A, sections II. 2.c. and d., (Policies for Federal Credit

Programs and Non-Tax Receivables), Section 108 guaranteed loan funds may not directly or indirectly support federally tax-exempt obligations.

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

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

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

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

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

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

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

(3) If additional BEDI grant funds become available to HUD (e.g., from recaptures or other appropriations), HUD reserves the right to award grants under this SuperNOFA during FY 2001 whose aggregate total may exceed the \$25 million announced in this program of the SuperNOFA, up to the maximum amount authorized by law. In the event you are awarded a BEDI grant that has been reduced below the original request (e.g., your application contained some activities that were ineligible, exceeded the \$2 million cap, or there were insufficient funds to fund the last competitive application at the full amount requested), you will be required to modify your project plans and application to conform to the terms of HUD approval before HUD will execute a grant agreement.

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

(5) In the case of a requested increase in guarantee assistance for a project with a previously approved Section 108 loan guarantee commitment (as further discussed in Section IV(C)(1)(d), above), the BEDI assistance approved with be based on the increased amount of Section 108 loan guarantee assistance.

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

be independent of one another. Thus, each application should have an identifiable amount of Section 108 funding associated with its respective request for EDI and BEDI funds for purposes of determining the leverage of Section 108 funding to the corresponding amount of EDI or BEDI funds requested. Further, the proposed amount of Section 108 borrowing associated with the BEDI or EDI grant shall not be used to determine leverage of other financial resources under Rating Factor 4, paragraph (2). Further, if an applicant seeks both BEDI and EDI funds for the same project, it must include in its response to Rating Factor 3 a discussion of how the project can be financed and implemented if it fails to obtain either BEDI or EDI funds under this SuperNOFA.

(G) *Timing of Grant Awards.* (1) To the extent you submit a full Section 108 application with the BEDI grant application, HUD will evaluate your Section 108 application concurrently with your request for BEDI grant funds. Note that the 108 application must be submitted to the appropriate HUD field office concurrently with submission to Headquarters. In addition, BEDI grant assistance cannot be used to leverage a Section 108 loan guarantee approved prior to the date of HUD's announcement of a BEDI grant pursuant to this SuperNOFA. However, the BEDI grant may be awarded prior to HUD approval of the Section 108 commitment if HUD determines that such award will further the purposes of the Act.

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

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

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

## V. The Application Selection Process

(A) *Rating and Ranking.* (1) Each rating factor and the maximum number of points is provided below. The maximum number of points to be awarded is 104. To be eligible for funding, an application must have a minimum score of 20 points for Rating Factors 1 (Capacity) and 3 (Soundness of Approach) combined to be considered fundable.

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

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

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

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

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

Fundable economic development applications must meet the threshold requirements stipulated in the General Section of this SuperNOFA and be complete as required by the Submission requirements of this program section of the SuperNOFA. Economic development projects will be funded in rank order until the total aggregate amount of the applications funded is equal to the maximum amount available in the competition (subject to the Department's discretion described in Section IV(F) below).

### Bonus Points

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

#### (B) Narrative Statements.

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

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

CFR 570.703. *Applications must include citations to the specific regulatory subsections supporting activity eligibility and national objectives compliance.* (See Section III(C) of this program section of this SuperNOFA.)

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

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

(C) *Factors for Award Used to Evaluate and Rate Applications.* HUD will consider your application for selection based on the following factors that demonstrate the quality of your proposed project or activities, and your creativity, capacity and commitment to obtain maximum benefit from the BEDI funds, in accordance with the purposes of the Act.

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

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

This factor addresses the extent to which you have the organizational resources necessary to successfully implement the proposed activities in a timely manner. The rating of the "applicant" or the "applicant's organization and staff" for technical merit or threshold compliance, unless otherwise specified, will include any subcontractors, consultants, subrecipients that are firmly committed (see definition in Section III(A)(1) above) to participate in the activities described in the application. In rating this factor, HUD will consider the following:

(1) With regard to the BEDI/Section 108 project you propose, you must demonstrate that you have the capacity to implement the specific steps required to successfully carry out the proposed BEDI/Section 108 project. Evidence of capacity will be judged by your:

- Performance in the administration of your CDBG, HOME or other programs;
- Performance and capacity in carrying out economic development projects;
- Performance and capacity with respect to Brownfields redevelopment projects similar to that proposed; including the ability to conduct prudent underwriting, if applicable; and
- Capacity to carry out your projects and programs in a timely manner; an applicant must address its performance in spending previously awarded funds, if any, in a timely manner, including, for CDBG entitlement recipients, the extent to which the recipient has met the HUD standard of having no more than 1.5 times its entitlement amount undisbursed (see 24 CFR 570.902(a)(1)(i)); and,

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

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

with EDI or BEDI funds, any delays that have been encountered and the actions you are taking to overcome any such delays in order to carry out the project in a timely manner. For such previously funded EDI or BEDI grant projects, HUD will award more rating points for applications providing evidence of achievement of specific measurable outcomes in carrying out activities funded with previous EDI or BEDI grant funds and the associated Section 108-guaranteed loan funds.

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

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

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

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

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

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

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

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

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

Equal to but less than twice the national average.	5 points;
Twice but less than three times the national average.	10 points;
Three or more times the national average.	20 points.

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

Equal to but less than twice the national average.	2 points;
Twice but less than three times the national average.	4 points;
Three but less than four times the national average.	6 points;
Four but less than five times the national average.	8 points;
Five or more times the national average.	10 points.

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

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

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

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

Updated Census data are available as follows for the listed indicators:

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

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

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

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

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

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

(2) (5 Points) The extent to which your plan is logical, feasible, and likely to achieve your stated purpose. HUD's desire is to fund projects and activities that will quickly produce demonstrable results and advance the public interest including the number of jobs to be created by the project. You should demonstrate that you have a clear understanding of the steps required to implement your project, the actions that you and others responsible for implementing the project must complete. For example, the application should provide evidence that authority necessary to proceed with the project has been sought and/or received, in the form of any necessary zoning classification, waivers, general permits, special use permits, assessment district designation, public easements and right-of-way, etc.

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

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

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

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

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

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

(b) The amount of any debt service or operating reserve accounts you will establish in connection with your economic development project.

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

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

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

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

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

(8) The extent to which your project incorporates one or more elements that facilitate a successful transition of welfare recipients from welfare to work, including the number of living wage jobs to be created by the project and the impact of the project on job creation that will benefit individuals on welfare or low to very low income persons, and that are part of a career path or apprenticeship programs. Such an element could include, for example, linking the proposed project or loan fund to social and/or other services needed to enable welfare recipients to successfully secure and carry out full-time jobs in the private sector; provision of job training to welfare recipients who might be hired by businesses financed through the proposal; and/or incentives for businesses financed with BEDI/Section 108 funds to hire and train welfare recipients.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(G) **Narrative Response(s) to Factors for Award:**

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

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

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

(4) **Rating Factor 4: Leveraging Resources.** Your response should include a completed copy of form HUD-40076-EDI/BEDI, "Rating

Factor 4: Leveraging Resources/Sources and Uses Statement.”

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

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

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

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

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

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

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

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

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

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

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

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

These forms are found in the Appendix B to the General Section of this SuperNOFA.

The Budget Information on Standard Forms 424B or 424C is not required under this BEDI section of the SuperNOFA.

In addition to the fair housing and other civil rights assurance described under Section II(B) of the SuperNOFA General Section, applicants for EDI funds must provide assurance that they will comply with Section 109 of the Housing and Community Development Act of 1974, as amended, and must have resolved to HUD's satisfaction any letter of noncompliance findings under Section 109 before the deadline for BEDI application submission.

If an applicant wishes to receive an acknowledgment of HUD's receipt of its application, it should submit a completed Acknowledgment of Receipt of Application form. In addition to the fair housing and other civil rights assurance described under Section II(B) of the SuperNOFA General Section, applicants for BEDI funds must provide assurance that they will comply with Section 109 of the Housing and Community Development Act of 1974, as amended, and must have resolved to HUD's satisfaction any letter of noncompliance findings under Section 109 before the deadline for BEDI application submission.

#### VII. Corrections to Deficient Applications

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

#### VIII. Environmental Requirements

(A) *Environmental Review*. After the completion of this competition and after HUD's award of BEDI grant funds, pursuant to 24 CFR 570.604, each project or activity assisted under this program is subject to the provisions of 24 CFR part 58, including limitations on the BEDI grantee and Section 108 public entity's commitment of HUD and non-HUD funds prior to the completion of environmental review, notification and release of funds. HUD will not release such

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

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

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

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

#### IX. Authority

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

#### Appendix A

The non-standard forms for your BEDI application follow.

**BILLING CODE 4210-32-P**

**CHECKLIST AND SUBMISSION TABLE OF CONTENTS**

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

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

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

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

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

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

Required Indicators	Target Area	County	Nation	Data Source & Date
1 Poverty Rate	_____	_____	_____	_____
2 Unemployment	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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

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

Target Area: \_\_\_\_\_  
\_\_\_\_\_

County: \_\_\_\_\_  
\_\_\_\_\_

## EDI/BEDI/SECTION 108/CDBG FUNDING ELIGIBILITY STATEMENT

Page 1 of 2

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

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

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

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

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

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

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

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

**EDI/BEDI/SECTION 108/CDBG FUNDING ELIGIBILITY STATEMENT**

Page 2 of 2

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

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

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

Public Benefit	
<p><b>PLEASE NOTE:</b> This section is applicable only to projects which plan to spend funds on eligible economic development activities as defined by 24 CFR 570.703(i).</p> <p>A. If this project will meet the public benefit standard based upon the number of jobs to be created [see 570.209(b)(3)(i)(A)], enter the total number of jobs:</p> <div style="text-align: center; margin: 10px 0;"> <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> </div> <p>B. If this project will meet the public benefit standard based upon the number of low- and moderate-income persons served in the project area [see 570.209(b)(3)(i)(B)], enter the number of low- and moderate-income persons living in the project area:</p> <div style="text-align: center; margin: 10px 0;"> <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> </div>	

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

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

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

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

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

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

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

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

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

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

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