

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**ECONOMIC DEVELOPMENT
INITIATIVE (EDI)**

FUNDING AVAILABILITY FOR THE ECONOMIC DEVELOPMENT INITIATIVE (EDI)

Program Overview

Purpose of the Program. EDI 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 \$10,728,155 in EDI funds in FY 2001 to stimulate economic development by local governments and private sector parties. HUD desires to see EDI 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. An EDI 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. Although no new funds were appropriated for the EDI program in FY 2001, \$10,728,155 from the past two fiscal years is unobligated and therefore HUD proposes to make these funds available for EDI grants in FY 2001. This amount includes \$3,710,000 from the Community Empowerment Fund (CEF) Pilot. A notice announcing this pilot program was published in the **Federal Register** on June 30, 2000. On reconsideration, HUD has decided not to proceed with this pilot program. *Please note that there is no separate category for regional economic development applications, unlike last year's SuperNOFA, in this year's competition.* The maximum EDI grant awards will be in the amount of \$1 million.

Eligible Applicants. Any public entity eligible to apply for and receive loan guarantee assistance 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. (See Section III(B) below for additional information regarding eligible applicants.)

Application Deadline. July 6, 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 July 6, 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).

Address for Submitting Applications.
To HUD Headquarters: The completed application (an original and two copies) should be submitted by mail or hand delivery 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.

To the Appropriate CPD Field Office: At the same time the EDI 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 the application, please refer to EDI, and include the applicant's name, mailing address (including zip code) and telephone number (including area code), along with the contact person's name and phone number.

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 the application kit, please refer to EDI. Please provide the applicant's name, address (including zip code), and telephone number (including area code), along with the contact person's name and phone number. The application kit also will be available on the Internet through the HUD web site at <http://www.hud.gov/grants>. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-HUD-2209 to obtain an application kit.

For Further Information and Technical Assistance. Contact Bill Seedyke at (202) 708-1686, extension 4445, of the Office of Economic Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7158, Washington, DC 20410; (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 the provisions of the HUD Reform Act pertaining to competitions. HUD staff will be available to provide advice and assistance to develop 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 EDI application. For more information about the date and time of the broadcast, please consult the HUD web site at <http://www.hud.gov/grants>.

II. Amount Allocated

No new funds were appropriated for the EDI program under the FY 2001 HUD Appropriations Act. However, \$10,728,155 in funds appropriated for Fiscal Years 1999 and 2000 remain unobligated and available for the EDI program for FY 2001. This amount includes \$3,710,000 that had been set aside administratively for the Community Empowerment Fund (CEF) Pilot. A notice announcing this pilot program was published in the **Federal Register** on June 30, 2000 (65 FR 40836). On reconsideration, HUD has decided not to proceed with this pilot program. For the EDI program, if any additional funds become available during Fiscal Year 2001, HUD may either fund additional applicants in accordance with this program section of the SuperNOFA or may add these funds to any future EDI competitions.

III. Program Description; Eligible Applicants; Eligible Activities

(A) *Program Description.* EDI 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. An EDI grant must be used in conjunction with a new Section 108 guaranteed loan commitment. Both Section 108 loan guarantee proceeds and EDI 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 EDI funds to a business or other entity to carry out an approved economic development project, or the public entity may carry out the eligible project itself, as provided in the approved application.

In either case, EDI grant funds and the 108 proceeds must be used together to support the same eligible project.

(1) *Definitions.* Terms used in this program section of the SuperNOFA 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, in accordance with the provisions of this program section of the SuperNOFA to finance an economic development project. An EDI 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 EDI application or be provided within 60 days of EDI 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.

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

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 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.

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 the NOFA.

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

(2) *Background.* HUD has multiple programs which are intended to stimulate 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.

(a) The CDBG program provides grant funds (approximately \$4.44 billion in FY 2001) by formula to eligible 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. EDI grants must support Section 108 loan guarantees as generally described in this program section of the SuperNOFA.

(b) 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 will be pledged to the payment of all guarantees made under Section 108. Under this program, communities (and States, if 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 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) *Purpose of EDI Funding.* HUD intends the approximately \$7.0 million in EDI funds to stimulate economic development by local governments and private sector parties. HUD desires to see EDI 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.

(5) *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 EDI 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.

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

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

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

(ii) An example is the creation of a loan pool funded with both Section 108 and EDI 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.

(c) *Direct Enhancement of the Security of the Section 108 Loan.* The EDI grant can be used to cover the cost of providing credit enhancements. An example of how the EDI 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.

(d) *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 EDI grant can be used to make Section 108 financing affordable.

(ii) EDI 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, which might not otherwise be 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 in order to act as a catalyst for other development in the area.

(e) *Combination of Techniques.* A combination of the above or other techniques could be employed in implementing an economic development project.

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

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

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

(B) *Eligible Applicants.* (1) 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 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 EDI 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 now eligible to participate in the Section 108 and EDI programs.

(2) Applicants for economic development projects under this section must comply with the threshold requirements of Section II of the General Section of the SuperNOFA.

(C) *Eligible Activities and National Objectives.* (1) EDI 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 an economic development project as described in this EDI section of the SuperNOFA. If the application fails to meet the requirements for an EDI project as set forth in this program section of the SuperNOFA, HUD will not give it 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. The applicant must clearly identify in its narrative statement (as described in Section V(B) below) the CDBG national objective the proposed project will achieve and provide the appropriate CDBG national objective's regulatory citation found at 24 CFR 570.208. Also, the applicant must 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 CDBG 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) (EDI) funds provided pursuant to this program section of the SuperNOFA, must comply with the CDBG primary objective requirement as described in Section 101(c) of the Act and 24 CFR 570.200(a)(3), or 24 CFR 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) above of this SuperNOFA, the CDBG regulatory requirements in 24 CFR 570.707, including subparts J (Grant Administration), K (Other Program Requirements), and 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 grant recipients or third party users of EDI funds from compliance with all applicable Federal, State and local laws.

(C) *Related Section 108 Loan Guarantee Request*.

(1) Each EDI application must be accompanied by a request for new Section 108 loan guarantee assistance. Notwithstanding the form of the request for new Section 108 loan guarantee assistance under paragraphs (a), (b), (c), or (d) of this section below, the applicant must include citations to the specific regulatory subsections supporting activity eligibility and national objectives compliance for the project described in its application. Both the EDI and Section 108 funds must be used in conjunction with the same economic development project. This 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. Such 108 application must be submitted within 60 days of written 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 project and activities for Section 108 assistance. (See Section III(C) of this program section of this 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 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(C)(1)(a) or (b) 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 announcement of an EDI grant for the same project is not eligible to be used in conjunction with an EDI 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 Brownfields Economic Development Initiative (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 an EDI 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 EDI application under 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 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) 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 c.2 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.

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

(F) *Limitations on Grant Amounts*. (1) HUD expects to approve EDI grant amounts for approvable applications with a range of ratios of EDI 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 EDI grant funds. However, if an applicant proposes a leverage ratio of 1:1, it will not receive any points under Rating Factor 4, paragraph (1): "Leverage of Section 108 Funds." For example, an applicant requesting an EDI grant of \$1 million will be required to leverage a minimum of at least \$1 million in new Section 108 loan guarantee commitments. Even with a ratio of 1:1, applications with higher ratios will receive more points under Rating Factor 4, "Leveraging Resources". Because the proposed ratio of EDI funds to Section 108 funds represents an applicant's financial commitment, HUD will condition the EDI grant award on the grantee's achievement of that specific ratio. Its failure to meet that condition by obtaining timely HUD approval of a commitment for, and issuance of, the required Section 108 guaranteed

obligations ratio may result in the cancellation and recapture of all or a proportionate share of the EDI grant award.

HUD will cap EDI awards at a maximum of \$1 million. An application in excess of \$1 million will be reduced below the amount requested by the applicant to the extent HUD determines that such a reduction is appropriate.

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

(4) If additional EDI 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 approximately \$7 million announced in this program section of the SuperNOFA, up to the maximum amount authorized by law.

(5) If an applicant is awarded an EDI grant that has been reduced below the original request (e.g., the application contained some activities that were ineligible, the grant request exceeded the funding cap, there were insufficient funds to reach all applications (as defined in Section V(A) below) at the full amount requested, or there were technical deficiencies that could not be resolved), it will be asked to modify its project plan and application to conform to the terms of HUD's approval before HUD will execute a grant agreement. HUD also will proportionately reduce or deobligate the EDI award if an applicant does not submit an approvable Section 108 loan guarantee application and issue Section 108-guaranteed obligations on a timely basis 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 (see Section IV(F)(1) above of this program section of the SuperNOFA). Any modifications or amendments to an application approved pursuant to this SuperNOFA, whether requested by the grantee 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 scores above the level of the lowest funded application and is otherwise approvable under this SuperNOFA competition.

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

(7) Pursuant to another portion of this SuperNOFA, HUD is simultaneously announcing the availability of \$25 million of Brownfields Economic Development Initiative (BEDI) funds. The BEDI program's principal purpose is to assist in the remediation of contaminated commercial and industrial sites, but economic development proposals that contain some limited amount of environmental site remediation as part of the overall cost may be submitted under the EDI portion of this SuperNOFA as well. 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. Also, 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) If an applicant submits a full Section 108 application with its EDI grant application, HUD will evaluate the Section 108 application concurrently with the request for EDI grant funds. Note that the 108 application must be submitted to the appropriate HUD field office concurrently with submission to Headquarters. In addition, 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 SuperNOFA. 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 a grant recipient 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 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 EDI 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 EDI application must obtain a total score of at least 20 points in Rating Factors 1 (Capacity) and 3 (Soundness of Approach) combined.

(2) All applications meeting program and threshold requirements will be scored under the selection criteria below. Applications will be selected for funding as follows:

All EDI grant applications will be separately ranked in order of points assigned with the applications receiving more points ranking above those receiving fewer points.

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 as 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 and Enterprise 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 of four points possible. 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.

Applications must:

(1) Provide a narrative statement describing the activities that will be carried out with the EDI grant funds. The EDI narrative statement must not exceed three (3) 8.5" by 11" pages, doubled-spaced.

(2) Describe how the 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. *Applications must include citations to the specific regulatory subsections supporting eligibility of activities and compliance with national objectives.* (See Section III(C) of this program section of this SuperNOFA).

(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 evaluate all applications for funding assistance based on the following factors, the responses to which demonstrate the quality of the proposed project or activities, and the applicant's capacity and commitment to use the EDI 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 the applicant has the organizational resources necessary to successfully implement its proposed activities in a timely manner. The rating of the "applicant" or the "applicant's organization and staff" will include any

subcontractors, consultants, and 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 EDI/Section 108 project, the applicant should demonstrate that it has the organization and the staff and financial resources in place to implement the specific steps required to successfully carry out its proposed EDI/Section 108 project. This includes factors such as:

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

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

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

(d) If applicable, capacity to manage projects under this program section of the SuperNOFA 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) An applicant that has previously received an EDI or BEDI grant award must describe the status of the implementation of those project(s) assisted with EDI or BEDI funds, any delays that have been encountered and the actions it is taking to overcome any such delays 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.

(3) Experience and performance of subrecipients, nonprofit organizations and other entities that have a role in implementing the proposed program should be included in this review. Experience will be judged in terms of recent and successful performance of activities relevant to those proposed in the EDI application. The more recent and extensive the experience, the

greater the number of points that will be awarded for this Factor.

(4) In addition to the application, HUD also may rely on information from performance reports, financial status information, monitoring reports, audit reports and other available information 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.

(1) In applying this Factor, HUD will consider current levels of distress for the following areas affected by the project: first, in the area (i.e., Census Tract(s) or Block Groups) immediately surrounding the project site or the target area to be served by the proposed project; second, in the 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.

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

(a) 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:

(i) Equal to but less than twice the national average—5 points;

(ii) Twice but less than three times the national average—10 points;

(iii) 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:

(i) Equal to but less than twice the national average—2 points;

(ii) Twice but less than three times the national average—4 points;

(iii) Three but less than four times the national average—6 points;

(iv) Four but less than five times the national average—8 points;

(v) 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 jurisdiction, 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.

(4) 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.

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

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

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

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

Rating Factor 3: Soundness of Approach (25 Points)

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

(1) (5 Points) The quality of the plan/proposal for the use of EDI funds and Section 108 loan funds, including the extent to which the proposed plan for use of EDI grant/Section 108-guaranteed loan funds will address the needs described in Rating Factor 2 above regarding the distress and extent of the problem in the immediate target area and/or jurisdiction. As part of the response to this factor, an applicant should identify the specific eligible activities it will carry out and should fully describe how the project will achieve one of the national objectives under the Community Development Block Grant program. Applications should also demonstrate how the proposed project would mitigate or otherwise address the distress identified in Rating Factor 2 above.

(2) (5 Points) The extent to which the plan is logical, feasible and likely to achieve its stated purpose. HUD's desire is to fund projects and activities which will quickly produce demonstrable results and advance the purposes of the EDI program. The applicant should:

(a) Demonstrate that it has a clear understanding of the steps required to implement its project, including the actions that all parties responsible for implementing the project must complete. For example, applications providing 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 rights-of-way, etc., will receive more points for this Factor.

(b) Provide a specific time schedule for carrying out the project and identify measurable objectives to be accomplished. The timeline form contained in the Appendix A to this program section of the SuperNOFA should be included in the application.

(3) The extent to which the proposed project addresses the 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 the project will be carried out; the extent to which the applicant 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 the project is expected to generate.

(4) Financial feasibility. (10 Points) HUD will consider the extent to which the applicant demonstrates that its project is financially feasible. In responding to this subfactor, the applicant must clearly address the question of why the EDI funds are critical to the success of this project. The response should include these items, as applicable:

(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 that will be established in connection with the economic development project;

(c) The reasonableness of the costs of any credit enhancement paid with EDI grant funds;

(d) The amount of program income (if any) to be received each year during the repayment period for the guaranteed loan;

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

(f) The applicant's underwriting criteria that will be used in determining project feasibility.

(5) The extent to which the 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 (i.e., those that are part of career path or apprenticeship programs) to be created by the project and the impact of the project on job creation that will benefit individuals on welfare or low to very low income. 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 EDI/section 108 funds to hire and train welfare recipients.

(6) 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 loan funds 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 (15 Points)

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

(1) *Leverage of Section 108 funds* (10 points).

The minimum ratio of Section 108 funds to EDI funds in any project may not be less than 1:1. The extent to which the proposed project leverages an amount of Section 108 funds greater than a 1:1 ratio will result in that application's receiving a higher number of points. If the application has a ratio of 1:1, it will not receive any points under this subfactor. If an application proposes that the EDI funds will leverage additional new Section 108 commitments, it 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 EDI 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 the applicant has coordinated its activities with other known organizations; that it participates or promotes participation in its or the State's Consolidated Planning process; and that it is 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 the applicant demonstrates it has:

(1) Coordinated its proposed activities 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. Any written agreements or memoranda of understanding in place, or that will be in place after award, should be described in the application.

(2) Developed linkages, 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 the project area.

VI. Application Submission Requirements

(A) *EDI Funding*. An application for funding under the EDI 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 EDI application (and listed in paragraph (I) below) can be found in Appendix B to the General Section. The remaining application items that are forms (i.e., excluding such items as narratives or letters, etc.), referred to as the "non-standard forms" can be found in Appendix 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 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 the application (form HUD-40076-EDI/BEDI).

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

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

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

(G) *Narrative Responses to Factors for Award*:

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

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

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

(4) Rating Factor 4: Leveraging Resources. The response should include a completed copy of form HUD-40076-EDI/BEDI, "Rating Factor 4: Leveraging Resources Sources and Uses Statement."

(5) Rating Factor 5: 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 EDI/108 project. You may submit more than one application for each additional unrelated EDI/108 project. Each application will be rated and ranked individually. In no event will HUD rate and rank more than one EDI project per application.

(I) *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. Budget Information on Standard Forms 424B or 424C are not required under this EDI 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 EDI 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.

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 EDI 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 EDI grantee and Section 108 public entity's commitment of HUD and non-HUD funds prior to the completion of environmental review, notification and release of funds. No such assistance will be released by HUD until a request for release of funds is submitted and the requirements of 24 CFR part 58 have been met. All public entities, including

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 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. 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.

Appendix A

The non-standard forms for the EDI 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.

Check Off	Page Number
<input type="checkbox"/> Standard Form for Application for Federal Assistance (SF-424)	cover page 1
<input type="checkbox"/> Transmittal Letter	cover page 2
<input type="checkbox"/> Checklist and Submission Table of Contents	p. 1
<input type="checkbox"/> Applicant Narrative Statement (3 pages)	p. _____
<input type="checkbox"/> EDI/BEDI/108/CDBG Funding Eligibility Statement form (2 pages)	p. _____
<input type="checkbox"/> <u>Request for Loan Guarantee Assistance</u> (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	
 <u>Response to Rating Factors</u>	
<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. _____
 <u>Application Forms and Certifications</u>	
<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. _____
 <u>Appendices</u>	
<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 <u>Poverty Rate</u>	_____	_____	_____	_____
2 <u>Unemployment</u>	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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

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

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

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

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

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"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>

Public Benefit
<p>PLEASE NOTE: This section is applicable only to projects which plan to spend funds on eligible economic development activities as defined by 24 CFR 570.703(i).</p> <p>A. If this project will meet the public benefit standard based upon the number of jobs to be created [see 570.209(b)(3)(i)(A)], enter the total number of jobs:</p> <div style="text-align: center; margin-left: 150px;"> <input style="width: 100px; height: 20px;" 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-left: 150px;"> <input style="width: 100px; height: 20px;" 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												EDI/BEDI/ 108 Funds for Task	Other Funds for Task
		Year 1				Year 2				Year 3					
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
	EXAMPLE: Construction													\$1,500,000	\$2,500,000
1															
2															
3															
4															
5															
7															
8															
9															
10															
11															
12															
	TOTAL														

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

Applicant: _____

Project Name/Title: _____

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

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.