

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**BROWNFIELDS ECONOMIC
DEVELOPMENT INITIATIVE (BEDI)**

Billing Code 4210-32-C

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

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

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

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

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

Application Deadline. July 9, 2002.

ADDITIONAL INFORMATION

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

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

Application Due Date. Please submit your completed applications (one

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

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

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

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

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

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

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

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

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

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

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

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

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

II. Amount Allocated

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

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

III. Program Description; Eligible Applicants; Eligible Activities

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

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

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

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

office concurrently with its submission to Headquarters.

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

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

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

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

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

EPA means the U.S. Environmental Protection Agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

appropriated for FY 2001 for brownfields redevelopment.

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

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

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

will satisfy the additional collateral requirements.

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

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

(b) *Site Remediation Costs.* Local governments may use BEDI funds in any of several ways to address site remediation costs. If the local government proposes to use Section 108 funds to acquire real property, BEDI funds could be used to address assessment and site remediation costs as part of demolition, clearance, or site preparation activities. If the local government uses Section 108 funds to make a loan to a developer, BEDI funds could be granted or loaned to the developer for the purpose of addressing remediation costs as part of an economic development activity.

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

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

The creation of a loan pool funded with both Section 108 and BEDI grant funds, for example, would provide loans to various businesses from the combined pool at an interest rate equal to or greater than the rate on the Section 108 loan. The total loan portfolio could then be pledged to the repayment of the Section 108 loan.

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

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

While the rates on loans guaranteed under Section 108 are only slightly above the rates on comparable U.S. Treasury obligations, they may nonetheless be higher than can be afforded by businesses, non-profit groups or public entities in severely economically distressed neighborhoods. The BEDI grant can be used to make Section 108 financing affordable by serving to "buy down" the interest rate up front, or make full or partial interest payments. This might increase the financial viability of the businesses or other entities in the early start-up period, which might not otherwise be possible with Section 108 alone. This strategy would be particularly useful where a community was undertaking a large commercial or retail project in a brownfield area in order to act as a catalyst for other development in the area.

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

(B) *Eligible Applicants.* (1) Any public entity eligible to apply for Section 108 loan guarantee assistance in accordance with 24 CFR 570.702 may apply for BEDI grant assistance under Section 108(q). Eligible applicants are CDBG entitlement units of general local government and non-entitlement units of general local government eligible to receive loan guarantees under 24 CFR part 570, subpart M. Urban Counties, as defined at 24 CFR 570.3 and 570.307, are eligible applicants for BEDI funds; units of general local government that participate in an Urban County program are not independently eligible applicants. For non-entitlement

applicants other than those subject to 24 CFR 570, subpart F, applicants will be required to provide evidence in the application from an authorized official of the State agency responsible for administering the State CDBG program stating that it will support the related Section 108 loan with a pledge of its CDBG funds pursuant to the requirements of 24 CFR 570.705(b)(2). Such evidence shall take the form of the HUD Certification titled "SECTION 108 LOAN GUARANTEES: State Certifications Related to Nonentitlement Public Entities" included in this program section to the SuperNOFA, or which may be obtained either by downloading from the Internet or in the BEDI Application Kit to be published shortly after publication of this SuperNOFA. Note that effective January 25, 1995, non-entitlement public entities in the State of Hawaii are authorized to apply to HUD for Section 108 loans (see 59 FR 47510, December 27, 1994). Thus non-entitlement public entities in all 50 states and Puerto Rico are eligible to participate in the Section 108 and BEDI programs.

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

(C) *Eligible Activities and National Objectives.* (1) BEDI grant funds and Section 108 loan guarantee funds may be used for activities listed at 24 CFR 570.703, provided such activities are carried out as part of a BEDI project as described in this program section of the SuperNOFA. You are required to submit applications that seek funding for BEDI projects that will contribute to the redevelopment and revitalization of brownfields. Applications that fail to meet the threshold requirements found in Section II(B) of the General Section of the SuperNOFA and the program requirements of this section will not be rated, ranked, or otherwise considered by HUD.

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

Cities programs, or 24 CFR 570.482 for the State CDBG program.

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

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

IV. Program Requirements

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

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

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

must be used in conjunction with the same BEDI project.

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

(b) A brief description (not to exceed three pages) of the project to be applied for in a subsequent new Section 108 loan guarantee application(s). Such a 108 application(s) will be submitted within 60 days of written notice of BEDI selection. BEDI awards will be conditioned on approval of actual Section 108 loan commitments in a specific ratio of BEDI funds to Section 108 funds as approved by HUD in the BEDI award. The application description must be sufficient to support the basic eligibility of the proposed project and activities for Section 108 assistance. (See Section III(C) of this program section of the SuperNOFA.)

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

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

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

commitments beyond those amounts (the \$12 million or \$10 million in this example) to which it has previously agreed.

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

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

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

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

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

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

(6) In addition, BEDI grant assistance cannot be used to leverage a Section 108 loan guarantee approved prior to the date of HUD's announcement of a BEDI grant pursuant to this SuperNOFA. However, the BEDI grant may be awarded before HUD approval of the Section 108 commitment if HUD

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

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

(A) *Time-frames.* BEDI grant awards will contain conditions requiring grantees to adhere to time-frames mutually agreed on by the applicant/grantee and HUD for implementing proposed projects and drawing Section 108 and BEDI funds. However, as a condition of any award under this program section, if the related Section 108 application has not been submitted and approved and the Note guaranteed within fifteen (15) months of written HUD notification of grant award, HUD may deobligate the BEDI funds. In addition, if a grantee should fall fifty percent (50%) or more behind both the stated activity and draw-down schedules provided for in the BEDI grant agreement within the first eighteen (18) months of the grant period, and for each quarter thereafter, HUD may recapture the balance of the grant funds (unless HUD has authorized an amendment to the stated schedules in writing, in which case the aforementioned 50% calculation would apply to the amended and approved schedules). If BEDI grant funds and Section 108 loan proceeds are not disbursed to the applicant within the timeframes specified in the BEDI Grant Agreement, HUD reserves the right to recapture the BEDI funds.

(F) *Limitations on Grant Amounts.* (1) HUD expects to approve BEDI grant amounts for approvable applications with a range of ratios of BEDI grant funds awarded to new Section 108 loan guarantee commitments but the minimum ratio will be \$1.00 of Section 108 loan guarantee commitments for every \$1.00 of BEDI grant funds. However, if you propose a leverage ratio of exactly 1:1, your application, while still meeting the threshold requirement, will not receive any points under the Rating Factor 4, paragraph (1): "Leverage of Section 108 Funds."

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

issuance of, the required Section 108 guaranteed obligations ratio will result in the cancellation and recapture of all or a proportionate share of the BEDI grant award.

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

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

(4) In the event you are awarded a BEDI grant that has been reduced below the original request (e.g., your application contained some activities that were ineligible, exceeded the \$2 million cap, or there were insufficient funds to fund the last competitive application at the full amount requested), you will be required to modify your project plans and application to conform the terms of HUD approval before HUD will execute a grant agreement.

(5) HUD also will proportionately reduce or deobligate the BEDI award if you do not submit an approvable Section 108 loan guarantee application and issue Section 108-guaranteed obligations on a timely basis (including any extension authorized by HUD) in the amount required by the BEDI/108 leveraging ratio, which will be approved by HUD as a special condition of the BEDI grant award (see Section IV(E)(1) above of this program section of the SuperNOFA).

(6) Any modifications or amendments to your application approved pursuant to this SuperNOFA, whether requested by you or by HUD, must be within the scope of the approved original BEDI application in all respects material to rating the application, unless HUD determines that your revised application remains within the competitive range and is otherwise approvable under this SuperNOFA competition.

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

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

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

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

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

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

(I) *Nondiscrimination.* In addition to the other requirements found in Section II of the General Section of this SuperNOFA, Section 109 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5309), is applicable to BEDI grant recipients. Applicants must therefore adhere to HUD regulations at 24 CFR parts 6 and 570, including, but not limited to, reporting and record-keeping requirements under 24 CFR 570.506 and 570.507, and must have resolved to HUD's satisfaction any letter of noncompliance findings under Section 109 before the deadline for BEDI application submission.

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

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

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

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

V. The Application Selection Process

(A) Rating and Ranking.

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

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

Applications will be selected for funding as follows:

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

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

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

(5) Fundable BEDI project applications must meet the threshold requirements stipulated in Section II(B) of the General Section of this SuperNOFA and be complete as required by the submission requirements of this program section of the SuperNOFA or they will not be ranked. Economic development projects will be funded in rank order until the total aggregate amount of the applications funded is equal to the maximum amount available in the competition (subject to the limitations described in Section IV(F) above).

(B) BEDI Narrative Statement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

such delays in carrying out the project(s) in a timely manner. For such previously funded EDI or BEDI grant projects, HUD will award more rating points for applications providing evidence of achievement of specific measurable outcomes in carrying out approved activities funded with such grant funds and the associated Section 108-guaranteed loan funds.

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

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

Experience will be judged in terms of recent (i.e., within the past 3 years) and successful performance of activities relevant to those proposed in the BEDI application. The more recent and extensive the experience, the greater the number of points that will be awarded for this Factor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Pre-construction—the extent to which your response to this Factor takes into account site selection, planning, and environmental issues typical of many brownfields remediation efforts will be considered under this subfactor. You are cautioned, for example, against proposing projects on sites where the nature and degree of environmental contamination is not well-quantified or that are the subject of on-going litigation or environmental enforcement.

Moreover, sites with unknown or exceptionally expensive contamination problems may be beyond the scope of the BEDI program's financial resources, and sites subject to pending and current litigation may not be available for remediation and development or

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Other (Up to 2 Points)—

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

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

Rating Factor 4: Leveraging Resources (15 Points Maximum)

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

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

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

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

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

HUD will evaluate the extent to which other funds (public or private) are leveraged by BEDI grant funds, and the extent to which such other funds are firmly committed to the project. This could include the use of CDBG funds, other federal or state grants or loans, local general funds, project equity or commercial financing provided by private sources or funds from non-profits or other sources. Funds will be considered committed to the project if they meet the definition of "Firm Commitment" found in Section III(A)(1) above, and may be subject to completion of any environmental review required under 24 CFR part 58 for the project.

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

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

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

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

that solutions are holistic and comprehensive.

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

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

Bonus Points

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

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

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

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

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

VI. Application Submission Requirements

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

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

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

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

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

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

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

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

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

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

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

(5) Rating Factor 5: Coordination, Self-sufficiency and Sustainability: Provide a narrative response to this factor.

(H) *Request for Funds*. A single application must contain a request for funds for a single BEDI/108 project. An applicant may submit more than one application for each additional unrelated BEDI/108 project, but in no event will HUD rate and rank more than one BEDI project per application.

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

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

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

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

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

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

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

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

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

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

These forms are found in the Appendix B to the General Section of this SuperNOFA. The non-standard forms for the BEDI applications are in Appendix A to this program section.

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

VII. Corrections to Deficient Applications

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

VIII. Environmental Requirements

(A) *Environmental Review*. After the completion of this competition and after HUD's award of BEDI grant funds, pursuant to 24 CFR 570.604, each project or activity assisted under this program is subject to the provisions of 24 CFR part 58, including limitations on the BEDI grantee and Section 108 public entity's commitment of HUD and non-HUD funds prior to the completion of environmental review, notification and release of funds. No such assistance will be released by HUD until a request for release of funds is submitted and the

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

(B) *Environmental Justice*. (1) Executive Order 12898 (Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations) directs Federal agencies to develop strategies to address environmental justice. Environmental justice seeks to rectify the disproportionately high burden of environmental pollution that is often borne by low-income, minority, and other disadvantaged communities, and to ensure community involvement in policies and programs addressing this issue.

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

IX. Authority

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

Appendix A

The non-standard forms for your BEDI application follow.

BILLING CODE 4210-32-P

APPENDIX A

CHECKLIST AND SUBMISSION TABLE OF CONTENTS

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

Check Off	Page Number
<input type="checkbox"/> Standard Form for Application for Federal Assistance (SF-424)	cover page 1
<input type="checkbox"/> Transmittal Letter	cover page 2
<input type="checkbox"/> Checklist and Submission Table of Contents	p. 1
<input type="checkbox"/> Applicant Narrative Statement (3 pages)	p. _____
<input type="checkbox"/> EDI/BEDI/108/CDBG Funding Eligibility Statement form (2 pages)	p. _____
<input type="checkbox"/> Request for Loan Guarantee Assistance (check off one of the four options)	p. _____
<input type="checkbox"/> Formal application	
<input type="checkbox"/> Brief description; formal application to be submitted in 60 days	
<input type="checkbox"/> Copy of previously submitted, but not yet approved, Section 108 application.	
<input type="checkbox"/> Request for Section 108 loan guarantee amendment to increase previously approved amount	
Response to Rating Factors	
<input type="checkbox"/> #1 Capacity of the Applicant and Relevant Organizational Experience	p. _____
<input type="checkbox"/> #2 Distress/Extent of the Problem	p. _____
<input type="checkbox"/> Distress/Extent of the Problem form (optional)	p. _____
<input type="checkbox"/> #3 Soundness of Approach	p. _____
<input type="checkbox"/> Project Timeline form	p. _____
<input type="checkbox"/> #4 Leveraging Resources/Financial Need	p. _____
<input type="checkbox"/> Sources and Uses Statement form	p. _____
<input type="checkbox"/> #5 Coordination, Self-Sufficiency & Sustainability	p. _____
Application Forms and Certifications	
<input type="checkbox"/> Section 108 Certifications	p. _____
<input type="checkbox"/> Federal Assistance Funding Matrix (HUD 424-M)	p. _____
<input type="checkbox"/> Certification and Disclosure Form Regarding Lobbying (SF-LLL)	p. _____
<input type="checkbox"/> Applicant/Recipient Disclosure Update Report (HUD-2880)	p. _____
<input type="checkbox"/> Certification Regarding Debarment & Suspension (HU D-2992)	p. _____
<input type="checkbox"/> Certification of Consistency with EZ/EC/RC Strategic Plan (HUD-2990)	p. _____
<input type="checkbox"/> Certification for a Drug-Free Workplace (HUD-50070)	p. _____
<input type="checkbox"/> Certification of Payments to Influence Federal Transactions (HUD-50071)	p. _____
<input type="checkbox"/> Certification of Consistency with the Consolidated Plan (HUD-2991)	
Appendices	
<input type="checkbox"/> Written Agreements or Signed Letters of Understanding - Rating Factor 1	p. _____
<input type="checkbox"/> Third Party Funding Commitment Letters - Rating Factor 4, subfactor 3	p. _____
<input type="checkbox"/> Acknowledgment of Application Receipt	last page

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

Applicant: _____

Project Name/Title: _____

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

Required Indicator	Target Neighborhood	Jurisdiction	Data Source & Date
1 Poverty Rate	_____	_____	_____

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

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

Neighborhood: _____

Jurisdiction: _____

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

Applicant: _____

Project Name/Title: _____

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

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

EDI/BEDI/SECTION 108/CDBG FUNDING ELIGIBILITY STATEMENT
Page 1 of 2

Applicant: _____

Project Name/Title: _____

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

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

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

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

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

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

EDI/BEDI/SECTION 108/CDBG FUNDING ELIGIBILITY STATEMENT
Page 2 of 2

Applicant: _____

Project Name/Title: _____

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

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

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

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

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

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

(Type or clearly print the following information)

Applicant Name _____

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

Name of RC/EZ/EC _____

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

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

Title _____

Signature _____

Date (mm/dd/yyyy) _____