

# Rural Housing and Economic Development Program

2005  
Notice of Funding  
Availability

# RHED Program Purpose

To build capacity at the State and local level for rural housing and economic development and;

# RHED Program Purpose (continued)

To support innovative housing and economic development activities in rural areas

# Available Funds

Approximately \$24 million will available

# Previous Years' Funding FY 1999-2004

<b>Fiscal Year</b>	<b>Amount</b>	<b>Number of Grantees</b>
2004	\$24.5 million	105
2003	\$24 million	90
2002	\$25 million	101
2001	\$24 million	111
2000	\$24.7 million	103
1999	\$26.9 million	91

# Eligible Applicants

- Local rural non-profits
- Community Development Corporations (CDC)
- Federally Recognized Indian tribes

# Eligible Applicants (continued)

- State housing finance agencies
- State economic development and/or community development agencies

# Funding Categories

There are two funding categories:

1. Capacity Building;

and

2. Support for Innovative Rural Housing and Economic Development Activities.



# How does HUD define "Rural"?

- A place having fewer than 2,500 inhabitants
- A county or parish with an urban population of 20,000 inhabitants or less
- Territory, persons, and housing units in the rural portions of "extended cities" (U. S. Census Bureau)

# How does HUD define "Rural"? (continued)

- Open country which is not part of or associated with an urban area (USDA)
- Any place with a population under 20,000 that is not located in an Metropolitan Statistical Area (MSA)

# Category 1 Capacity Building

- Up to \$10 million will be awarded under this category

The maximum award amount under this category is \$150,000.

## Please Note!

If you are a Capacity Building applicant and if you have received two or more RHED Program Capacity Building grants since 1999, you are ineligible for funding under this category.

# Capacity Building Eligible Activities

Examples of activities include:

- Hiring qualified staff
- Improving management capability
- Supporting and training new and existing staff
- Developing accounting systems

# Capacity Building Eligible Activities (continued)

- Purchasing or leasing office space
- Seeking technical assistance
- Conducting needs assessments
- Purchasing software and other tools or equipment

## Category 2

# Support for Innovative Housing and Economic Development Activities

- Up to \$15 million will be awarded under this category

The maximum award amount under this category is \$400,000.

# Support for Innovative Housing and Economic Development Eligible Activities

Examples of activities include:

- Preparation of plans
- Architectural and engineering work
- Financial assistance for acquisition of land and buildings



# Support for Innovative Housing and Economic Development Eligible Activities (continued)

- Provision of infrastructure
- Purchase of materials and construction cost

# Support for Innovative Housing and Economic Development Eligible Activities (continued)

- Training and counseling for beneficiaries
- Financial services such as revolving loan funds and Individual Development Accounts (IDAs)

# Please Note!

Only one application will be accepted  
from any given organization

# Application Deadline and Contact Telephone Number

- Application deadline is May 17, 2005
- The contact phone number is  
(202) 708-2290
- Contacts for the RHED Program are  
Thann Young or Linda Streets

# Rating Factor 1

Capacity of the Applicant and Relevant  
Organizational Experience  
(25 Points)

# Capacity of the Applicant and Relevant Organizational Experience

3 sub-factors for Rating Factor 1:

- Team member composition and experience
- Organization structure and management capacity

# Capacity of the Applicant and Relevant Organizational Experience (continued)

- Experience with performance based funding

# Rating Factor 2

Need and Extent of the Problem  
(20 Points)



# Need and Extent of the Problem

- Extent to which there is need based on levels of distress and an indication of the urgency in meeting the need/distress in the target area
- Compares need in target area and nation – provide poverty data in both numbers and percent form

# Need and Extent of the Problem (continued)

- unemployment rate in numbers and percent
- other indicators of social/economic decline ( i.e. falling tax base, factory or plant closings, etc.)

# Demographics of Distress

## Special Factors

- Population of less than 2,500
- Federally Recognized Indian tribe
- Colonias
- Migrant/Seasonal Farmworkers
- The Lower Mississippi Delta Region
- Appalachia Distressed Counties

# Rating Factor 3

Soundness of Approach  
(20 Points)

# Soundness of Approach

- Overall cost of the workplan including activities proposed and the cost-effectiveness of the proposed program
- Linkage between innovative rural housing and economic development activities

# Soundness of Approach (continued)

Management plan:

- Description of and rationale for proposed activities

# Soundness of Approach (continued)

- Thoroughness of plan and schedule outlining completion of tasks and line item budget
- Describes linkage between innovative rural housing and economic development activities

# Soundness of Approach (continued)

## Policy Priorities:

- i. Providing Increased Homeownership and Rental Opportunities for Low and Moderate Income Persons, person with Disabilities and the Elderly, Minorities and Families with Limited English Proficiencies



# Soundness of Approach (continued)

ii. Improving Our Nation's  
Communities

iii. Encouraging Accessible Design  
Features

# Soundness of Approach (continued)

- iv. Providing Full and Equal Access to Grassroots Faith-based & Other Community Based Organizations
- v. Ending Chronic Homelessness
- vi. Removal of Barriers to Affordable Housing

# Rating Factor 4

Leveraging Resources  
(10 Points)

# Leveraging Resources

- Firm commitments of financial or in-kind resources from other federal, state, local and private resources
- Letter of firm commitment from all contributing parties must be included in the application

## Leveraging Resources (continued)

- Letters must not be dated earlier than the date of the 2005 RHED program NOFA publication
- Letters of commitment must state the dollar value of the cash or in-kind contribution

# Rating Factor 5

Achieving Results and  
Program Evaluation  
(25 Points)

# Achieving Results and Program Evaluation

- Number of housing units constructed
- Number of housing units rehabbed that will be made available to low-moderate income beneficiaries
- Number of jobs created

# Achieving Results and Program Evaluation (continued)

- Number of beneficiaries trained
- Percent of beneficiaries trained that find employment
- Percentage change in earnings as a result of employment for beneficiaries



# Achieving Results and Program Evaluation (continued)

- Number of new businesses created
- Number of existing businesses assisted
- Annual estimated savings for low-income families as a result of energy efficiency

## RC/EZ/EC Bonus Points (2 points)

- 2 bonus points for all applications documenting that proposed activities and projects will be located in and serve a Federally designated Renewal Community, Empowerment Zone or Round II Enterprise Community (RC/EZ/EC)

# Common Mistakes

- Letters of leveraging and commitment are misdated
- Letters are not on the proper letterhead
- Requested amount of RHED grant funds is unclear
- Information in the application is unclear

# Points to Remember!

- Carefully read the RHED Program NOFA
- Determine which category is applicable
- Clearly define the target area

# Points to Remember!

- Adhere to the 15 page limitation for the Rating Factors narrative
- Complete and submit all required forms
- Call the Office of RHED for clarification