

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

[Docket No. N-95-3907; FR-3870-N-01]

**Office of the Assistant Secretary for
Policy Development and Research;
Joint Community Development
Program**

AGENCY: Office of the Assistant Secretary for Policy Development and Research, HUD.

ACTION: Notice of Funding Availability (NOFA) for FY 1995.

SUMMARY: This notice announces the availability of up to \$12 million of FY 1994 and FY 1995 special purpose grant funding for the Joint Community Development Program (referred to in this Notice as the Joint CD Program). The Joint CD Program, authorized by Title I of the Housing and Community Development Act of 1974, and as amended by the Housing and Community Development Act of 1992, provides special purpose grants to institutions of higher education or to States and units of general local government submitting applications with institutions of higher education to HUD to undertake Community Development Block Grant eligible activities.

For this funding round, HUD seeks to support approximately four to five Centers for Community Revitalization at institutions of higher education. These Centers, funded at up to \$3 million, will undertake large-scale, multi-phased, multi-year local community revitalization and community building activities. Funded Centers can assist neighborhoods or entire localities. Institutions of higher education are required to apply on their own, rather than submitting jointly with a State or unit of general local government. However, institutions are encouraged to form partnerships with units of general local government by making part of this funding available to these governments. Institutions will be expected to show not only that they have demonstrated capacity to undertake community development activities, but also that they currently have, or can readily obtain, the capacity to implement a large-scale, multi-phased, multi-year community revitalization agenda.

Additional funding for development projects undertaken through the Joint CD program will be available from the Structured Employment Economic Development Corporation (Seedco), a national nonprofit community development support organization. In 1986, Seedco received major funding from the Ford Foundation for the

National Urban Institutions Program, aimed at revitalizing low-income neighborhoods through partnerships embracing community-based groups, anchor public benefit institutions such as universities and hospitals, and other key organizations including local foundations. Seedco has begun additional neighborhood revitalization programs in a total of 38 cities with the financial support of several philanthropic foundations, socially responsible corporate investors, and HUD. Seedco will make available a total of up to \$2 million in low-interest rate "gap" financing for eligible community revitalization projects undertaken in cooperation with the Centers funded under this NOFA. Only nonprofit tax-exempt community-based organizations can be the recipients of Seedco loans.

The NOFA contains information concerning:

- (1) The purpose of the NOFA and information on the funding available, objectives, eligible applicants and activities, and selection criteria;
- (2) The application process, including how to apply and how selections will be made; and
- (3) A checklist of application submission requirements.

DATES: Application kits may be requested on or after April 26, 1995 from the address set forth below under **ADDRESSES**.

Applications must be physically received by the Office of University Partnerships, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, in care of the Division of Budget, Contracts, and Program Control, in Room 8230 by 4:30 p.m. Eastern Standard Time on July 5, 1995. Applications faxed to this address will not be accepted. The above-stated application deadline is firm as to date, hour, and place. In the interest of fairness to all competing applicants, the Department will treat as ineligible for consideration any application that is received after the deadline. Applicants should take this practice into account and make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems.

ADDRESSES: To obtain a copy of the application kit, contact: HUD USER, ATTN: Joint CD Program, P.O. Box 6091, Rockville, Maryland 20850. Requests for application kits must be in writing, but requests may be faxed to: 301-251-5747. (This is not a toll free number.) Requests for application kits must include the applicant's name,

mailing address (including zip code), telephone number (including area code) and must refer to document "FR-3870."

FOR FURTHER INFORMATION CONTACT: Jane Karadbil, Office of University Partnerships in the Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street, S.W., Room 8110, Washington, DC 20410. Telephone number (202) 708-1537; TDD Number (202) 708-1455. (These are not toll-free numbers.) Ms. Karadbil can also be contacted via Internet at Jane_R_Karadbil@HUD.GOV.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act Statement

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under section 3504(h) of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3520), and assigned OMB control number 2535-0084.

I. Purpose and Substantive Description

Purpose

This program is designed to assist institutions of higher education, on their own or with States and units of general local government, to expand their role and effectiveness in addressing local community development problems.

Objectives

The objective of this funding round is to nurture and sustain the capacity of institutions of higher education to engage in local community revitalization and community building activities. HUD seeks to support entities that will have the capacity to undertake such activities over the long term. Thus, HUD has decided to use this funding round to support a small number of Centers for Community Revitalization, rather than a larger number of small development projects. These Centers can assist neighborhoods or entire localities. They can be new or existing entities. Institutions will be expected to show not only that they have demonstrated capacity to undertake community development activities, but also that they currently have, or can readily obtain, the capacity to implement a large-scale, multi-phased, multi-year community revitalization agenda in concert with their local communities. These agendas should both result in measurable benefits to their communities and enable the Centers to build the capacity they need to institutionalize their role in future local community revitalization activities.

In addition, Seedco, a national nonprofit community development support organization specializing in forging partnerships between urban institutions (such as colleges, universities, and medical centers), will make available a total of up to \$2 million in low-interest rate "gap" financing for eligible community revitalization projects undertaken in cooperation with the Centers funded under this NOFA.

A. Authority

This program is authorized under section 801(c)(2) of the Housing and Community Development Act of 1992 (Pub. L. 102-550, approved October 28, 1992), which amended section 107 of Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) to add a new category of special purpose grants. The program is governed by regulations contained in 24 CFR 570.411.

B. Allocation Amounts and Form of Award

This notice announces HUD's intention to award up to \$12 million (from the FY 1994 and FY 1995 appropriations) to fund approximately four to five Centers. The maximum amount awarded to any applicant will be \$3 million. Because of the multi-phase nature of the projects the Centers will undertake, grant funds will be available until expended. The loans made available through Seedco will be made after grant award at a point when they are needed for development activities. In response to this NOFA, an applicant should submit only a general description of the Seedco loan requirements associated with the Center's project(s).

C. Eligibility

1. Eligible Applicants.

Under this funding round, only institutions of higher education with demonstrated capacity to carry out eligible activities under Title I may apply. Consortia of institutions of higher education are not eligible to apply for this funding round. However, institutions are encouraged to engage units of general local government to undertake development activities. Institutions can use up to 20 percent of the grant funds to establish and maintain Centers and assist localities in planning projects. Institutions may also use the remaining part of the grant for other CDBG eligible activities. However, they are encouraged to involve their appropriate units of general local government by making available to these governments as much of the

funding as is feasibly possible. Units of general local government can pass these funds through to others, including community-based organizations. The only entities eligible to receive the Seedco loans are nonprofit tax-exempt community-based organizations undertaking development projects in cooperation with the Centers.

Demonstrated capacity to carry out eligible activities means recent satisfactory performance by the institution of higher education's staff designated to work on the program, including subrecipients and consultants firmly committed to work on the proposed activities, in Title I programs or similar programs without the need for oversight by a State or unit of general local government.

Institution of higher education means a college or university granting 4-year degrees and accredited by a national or regional accrediting agency recognized by the U.S. Department of Education.

2. Eligible Activities.

Activities that may be funded under this section are those eligible under 24 CFR part 570—Community Development Block Grants, subpart C—Eligible Activities. Activities may be designed to assist residents of colonias, as defined in Section 916(d) of the Cranston-Gonzalez National Affordable Housing Act (Pub. L. 101-625), to improve living conditions and standards within colonias.

Applicants are expected to propose a large-scale, multi-phased, multi-year strategy for addressing local community revitalization needs. The strategy can focus on one neighborhood, several neighborhoods, or the entire locality. The applicant may also choose to assist more than one locality. In this case, activities are limited to a central city and one contiguous jurisdiction. For example, an applicant could work with its unit of general local government on rebuilding a neighborhood, including housing rehabilitation, job training, and education. An applicant could work with its local school district on a multi-faceted approach involving all levels of the public schools in order to prevent youths from dropping out of school. An applicant could work with its central city and a contiguous suburb on developing affordable housing. Or an applicant could work with several localities to implement a strategic economic development plan for the region. If any applicant proposes to work in multiple jurisdictions, it must demonstrate the benefits to all jurisdictions involved. Because of the size of these grants, applicants are expected to propose programs which

will have a measurable, substantive, and long-term impact on the communities they assist. Applicants will also be expected to use these programs as a vehicle for developing the capacity to sustain the Center in conducting similar work over the long term.

For the Seedco loans, eligible activities include affordable housing, business development or expansion, and economic development projects including social services, health, education, and other similar facilities.

While Seedco loans will be available for eligible activities, applicants should understand that they are not required to develop projects involving Seedco loans, nor will selection be based on the inclusion or exclusion of such activities in an application.

Applicants must ensure that all project activities meet one of the national objectives of the Community Development Block Grant program, as described in 24 CFR 570.200.

Applicants are also bound by the statutory requirement that not more than 20 percent of the total grant be spent on planning and administration. The 15 percent public service limitation, applicable to units of general local government, is not applicable to institutions of higher education who may, thus, choose to spend any portion of the grant on public service activities.

The use of grant funds awarded under this NOFA to pay Seedco to provide technical assistance or any other needed services will be an ineligible activity. It should be noted that this restriction is imposed solely to prevent any appearance of a conflict of interest, since Seedco is a partner to HUD in this joint venture, and is not intended to single out Seedco for any other reason.

3. Environmental Review

(a) *General information.* Joint community development planning and institution building activities are not subject to environmental review procedures, but proposed physical development must be reviewed for environmental impact. Physical development includes acquisition, rehabilitation, conversion, lease, repair, demolition or construction of property. Since the application will identify general locations of joint community development activities rather than specific sites to be assisted, the environmental review procedures will not be conducted until specific sites for physical development (if any) are identified by the grant recipient. Any activities which require an environmental review cannot be undertaken, nor any grant funds expended on these activities, until such

reviews are completed. Grants will be made conditional upon the performance of environmental review and no grant funds for physical development of specific sites can be drawn down until these reviews are completed. Applicants who anticipate the use of the grant for physical development of specific sites are encouraged to select hazard-free and problem-free properties for their joint community development activities.

(b) Environmental assurance.

Applications shall contain an assurance that the applicant agrees to assist HUD to comply with the environmental laws and authorities at 24 CFR part 50, and that the applicant will (i) supply HUD with information necessary for HUD to perform any necessary environmental review of each property; (ii) carry out mitigating measures required by HUD or select alternate eligible property; and (iii) not acquire, rehabilitate, convert or demolish, lease, repair or construct or otherwise carry out any program activities with respect to any eligible site or property, until HUD environmental clearance for the site or property is received.

(c) Environmental procedures and standards. HUD shall determine whether a NEPA environmental assessment is required. Also HUD shall determine whether the proposed property triggers thresholds for the applicable Federal environmental laws and authorities listed at 24 CFR 50.4 as follows:

(1) For minor rehabilitation of a building and any property acquisition (including lease), Federal environmental laws and authorities may apply when the property is: (i) Located within designated coastal barriers; (ii) Contaminated by toxic chemicals or radioactive materials; (iii) Located within a floodplain; (iv) A building for which flood insurance protection is required; (v) Located within a runway clear zone at a civil airport or within a clear zone or accident potential zone at a military airfield; (vi) Listed on, or eligible for listing on, the National Register of Historic Places; located within, or adjacent to an historic district, or is a property whose area of potential effects includes a historic district or property;

(2) For major rehabilitation of a building and also for substantial improvement in floodplains, in addition to paragraphs (c) (i) through (vi) of this section, other Federal environmental laws and authorities may apply when the property: (i) Has significant impact to the human environment; (ii) Is a project involving five or more dwelling units severely noise-impacted; (iii) Affects coastal zone management.

(3) For new construction, conversion or increase in dwelling unit density, in addition to paragraphs (c)(1) (i) through (vi) and paragraphs (c)(2) (i) through (iii) of this section, other Federal environmental laws and authorities may apply when the property: (i) Is located near hazardous industrial operations handling fuels or chemicals of an explosive or flammable nature; (ii) Affects a sole source aquifer; (iii) Affects endangered species; or (iv) Is located within a designated wetland.

(d) Minor rehabilitation means proposed fixing and repairs: (i) Whose estimated cost is less than 75 percent of the property value after completion; (ii) That does not involve changes in land use from residential to nonresidential, or from nonresidential to residential; (iii) That does not involve the demolition of one or more buildings, or parts of a building, containing the primary use served by the property; and (iv) That does not increase unit density more than 20 percent.

(e) Responsibility for compliance. HUD shall conduct the environmental review in accordance with 24 CFR part 50. Another agency's environmental review—including a review prepared by a state, local, or tribal government authorized under 24 CFR part 58—may be adopted in cases where HUD has obtained such other review and confirmed that the previous review covers the issues that require environmental review under this 24 CFR 50.

II. Selection Process

A. General

Applications for funding under this NOFA will be evaluated competitively, and points will be awarded as specified in the Selection Factors section below. Seedco will serve as a technical advisor to HUD in the application review process, reviewing applications and providing advice to HUD on the feasibility of proposed development projects. However, authority to select Joint CD grantees will rest solely with HUD. After points have been assigned based on the factors, all applications will be put in rank order. Applications will then be funded in rank order until all funds have been exhausted. However, in order to be funded, an application must receive a minimum score of 70. HUD reserves the right to fund all or portions of the proposed activities identified in each application, based on eligibility of the proposed activities. If more than 50 percent of the amount requested in the application is for ineligible activities, the application will not be funded.

If two or more applications have the same number of points, the application with the most points for selection factor (3), "Institutionalization of the community building partnership," shall be selected. If there is still a tie, the application with the most points for selection factor (5) "Match," shall be selected.

If the amount of funds remaining after funding as many of the highest ranking applications as possible is insufficient for the next highest ranking application, HUD shall determine (based upon the proposed activities) if it is feasible to fund part of the application and offer a smaller grant to the applicant. If HUD determines that given the proposed activities a smaller grant amount would make the activities infeasible, or if the applicant turns down the reduced grant amount, HUD shall make the same determination for the next highest ranking application until all applications with scores of at least 70 points or available funds have been exhausted.

If HUD receives an insufficient number of applications to award all funds, or if funds remain after HUD selects all approvable applications, HUD may negotiate increased amounts of grant awards. Increased grants will be offered in rank order to applicants with scores of at least 70 points.

B. Geographic Distribution

HUD reserves the right to make selections out of rank order to provide for a geographic distribution of funded projects. If HUD decides to implement this option, it will select at least one project in each Federal Census Region.

C. Negotiations

HUD requires that all successful applicants participate in negotiations to determine the specific terms of the Statement of Work and grant budget (see IV.A.4). In cases where HUD cannot successfully conclude negotiations, awards will not be made. In such instances, HUD may elect to offer an award (in an amount not to exceed the amount of remaining funds available for the competition) to the next highest ranking applicant and proceed with negotiations as described above.

D. Optional Match

Although applicants are not required to provide a match in order to qualify for funding, those that do will be at a competitive advantage (see section II.E.5).

E. Selection Factors

HUD will use the following criteria to rate and rank applications received in

response to this NOFA. The factors and maximum points for each factor are provided below. The maximum number of points is 100.

Rating of the "applicant" or the "applicant's organization and staff," unless otherwise specified, will include any subrecipients and consultants which are firmly committed to the project.

1. Addressing the Objectives (Maximum Points: 25)

The extent to which the applicant addresses the objectives of this program as stated in paragraph I above.

Applicants must address how the proposed activities will both revitalize some aspect of the locality(ies) being assisted (e.g., for a pressing urban problem such as housing, education, or crime prevention or for a neighborhood) while at the same time building long-term institutional capacity for the Center to undertake other community revitalization activities.

In rating this factor, the Department will consider:

a. The extent to which the applicant demonstrates that the proposed activities and program will expand its role and effectiveness in addressing community revitalization/development needs in the locality(ies) being assisted. The applicant should explain its current role in community revitalization and how that role would change and be enhanced as a result of this grant. The applicant should also describe the process or rationale used to determine that the activities selected could best ensure this sustainability.

b. The extent to which the applicant demonstrates how the proposed activities will make a substantial contribution to achieving local community revitalization/development objectives. The applicant should identify measurable results expected to be achieved from undertaking the proposed activities.

c. The extent to which institutionalization of the proposed functions at the college or university will occur.

d. The extent to which there is non-Federal (e.g., State and local government, private sector, or foundation) interest in sustaining the Center, e.g., in the form of pledges for future funding or identification of future projects to be undertaken.

2. Impact of the Project (Maximum Points: 20)

The extent to which participation of the Center in these activities strengthens the community revitalization activities of the locality(ies) being assisted.

In rating this factor, the Department will consider the extent to which the Center is innovative or defines a role for itself which does not duplicate or substitute for the work of any other entity serving the community.

3. Institutionalization of the Community Building Partnership (Maximum Points: 10)

The extent to which the applicant demonstrates that the proposed project will result in the institutionalization of a community building partnership between the institution of higher education and the local community.

In rating this factor, HUD will consider:

a. The extent to which the Center results in a formalization of a long-term partnership with the unit of general local government, including the extent to which funds will be made available to the unit of general local government(s).

b. The extent to which the Center results in the creation or continuance of a structure within the institution of higher education to undertake community revitalization and community building activities.

4. Management Approach (Maximum Points: 20)

The extent to which the applicant demonstrates that the proposed management approach will enable the applicant to achieve the objectives in section I.

In rating this factor, the Department will consider:

a. The extent to which the applicant's proposed management plan:

i. Clearly delineates staff responsibilities and accountability for all work required;

ii. Clearly delineates a multi-phased agenda;

iii. Presents a work plan with a clear and feasible schedule for conducting all project tasks; and

iv. Presents a reasonable and adequate planned budget as reflected in the budget by task and supporting rationale and justification for the budget.

b. The extent to which the institution, rather than sub-recipients, is responsible for planning and administration.

5. Match (Maximum Points: 10)

The extent to which the applicant demonstrates the financial feasibility of achieving the objectives, including the long-term sustainability of the Center.

In rating this factor, the Department will consider the extent to which the applicant demonstrates the commitment of matching funds, staffing, services,

and other in-kind resources to the project. Maximum points will be awarded to applications that provide a match at least equal to the grant request.

6. Capacity (Maximum Points: 15)

The extent to which the applicant demonstrates the capacity to carry out satisfactorily the proposed activities in a timely fashion, including successful performance in carrying out any prior HUD-assisted projects or activities.

In considering this factor, the Department will consider:

a. The extent to which the applicant demonstrates how recent and relevant the experiences of the staff proposed to undertake the project are.

b. The extent to which the applicant demonstrates that its past and current projects funded by HUD and/or other Federal or private sector sources are or have been completed on schedule and have met or are meeting the goals established for that funding.

c. The extent to which the capacity developed under this grant can sustain the Center over the long term.

d. The extent to which the applicant demonstrates a commitment to fair housing and equal opportunity, through activities such as support for Minority/Women Owned Businesses or innovative fair housing programs.

III. Application Process

A. Obtaining Applications

To obtain a copy of the application kit, contact: HUD USER, ATTN: Joint CD Program, P.O. Box 6091, Rockville, Maryland 20850. Requests for application kits must be in writing, but requests may be faxed to: 301-251-5747 (this is not a toll-free number). Requests for application kits must include the applicant's name, mailing address (including zip code), telephone number (including area code) and must refer to document "FR-3870". HUD strongly recommends the use of the fax transmission option to promote accuracy and expedite HUD response time. Application kits may be requested on or after April 26, 1995.

B. Application Deadline

To be considered for funding, the application package must be physically received by the Office of University Partnerships, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, in care of the Division of Budget, Contracts, and Program Control, Room 8230, 451 Seventh Street, SW., Washington, DC 20410 by 4:30 p.m. Eastern Standard Time on July 5, 1995. Applications faxed to this address will

not be accepted. The application deadline is firm as to date, hour and place. In the interest of fairness to all competing applicants, the Department will treat as ineligible for consideration any application that is received after the deadline. Applicants should take this practice into account and make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems.

IV. Checklist of Application Submission Requirements

A. Application Content

The application kit contains instructions which must be followed in submitting an application. The following is a checklist of the application contents that will be specified in the Request for Grant Applications (the technical term for the application kit):

- (1) Transmittal letter signed by the Chief Executive Officer of the institution;
- (2) OMB Standard Forms 424 (Application for Federal Assistance), Form 424B (Non-Construction Assurances) and Budget Summary;
- (3) Executive summary of the proposed project;
- (4) Statement of Work (no more than 15 pages) which must describe the community(ies) and, if appropriate, neighborhood(s) to be assisted and the tasks or activities that will be undertaken with project funds.
- (5) If the applicant proposes to work in more than one jurisdiction, an explanation of the benefits to all jurisdictions involved.
- (6) Narrative summary of Project Management Work Plan, describing the tasks, schedule, and staff needed to accomplish the project.
- (7) A general description of the kinds of activities for which Seedco assistance would be needed.
- (8) Letters from the appropriate sources attesting to the provision of any matching funds.
- (9) Narrative statement addressing each of the rating factors in Section II.E.
- (10) Where there are any fair housing or civil rights issues, the applicant should address them. The applicant should also address any unresolved civil rights and/or equal opportunity issues that resulted from findings or attempted resolutions with respect to agencies or departments other than HUD, e.g., the Department of Education, the Department of Labor, the Department of Health and Human Services, or the Department of Agriculture, that are known or become known to the applicant.

B. Certifications and Exhibits

Applications must also include the following documents. In the absence of independent evidence which tends to challenge, in a substantial manner, the certifications made by the applicant, the required certifications will be accepted by HUD. However, if independent evidence is available, HUD may require further information or assurances to be submitted in order to determine whether the applicant's certifications are satisfactory.

- (1) Drug-Free Workplace Certification.
- (2) Form SF-LLL, Disclosure of Lobbying Activities, if applicable.
- (3) Form HUD-2280, Applicant/Recipient Disclosure/Update Report.
- (4) A copy of the institution's most recent audit specifying that the applicant's accounting system meets the requirements of OMB Circulars A-21 and A-110 or a letter from the Chief Financial Officer of the applicant's organization stipulating they are in compliance with the requirements of OMB Circulars A-21 and A-110.

(5) A letter from the chief executive officer or resolution of the governing body of the affected locality or localities in which the activities are to be undertaken that the activities are not inconsistent with the locality's Consolidated Plan (see 24 CFR part 91). If the activities will take place in more than one locality, a letter or resolution from each locality should be submitted.

(6) A certification that the citizens likely to be affected by the project, regardless of race, color, creed, sex, national origin, familial status, or handicap, have been provided an opportunity to comment on the proposal or application.

V. Corrections to Deficient Applications

After the submission deadline date, HUD will screen each application to determine whether it is complete. If an application lacks certain technical items or contains a technical error, such as an incorrect signatory, HUD will notify the applicant in writing that it has 14 calendar days from the date of HUD's written notification to cure the technical deficiency. If the applicant fails to submit the missing material within the 14-day cure period, HUD will disqualify the application.

This 14-day cure period applies only to non-substantive deficiencies or errors. Any deficiency capable of cure will involve only items not necessary for HUD to assess the merits of an application against the factors specified in this NOFA.

VI. Other Matters

A. Environmental Impact

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 USC 4332). The Finding is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk, Office of the General Counsel, Department of Housing and Urban Development, Room 10276, 451 Seventh Street, SW., Washington, DC 20410.

B. Federalism Impact

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies and procedures contained in this notice will not have substantial direct effects on States or their political subdivisions, or the relationship between the federal government and the States, or on the distribution of power and responsibilities among the various levels of government. As a result, the notice is not subject to review under the Order. Specifically, the notice solicits participation in an effort to provide assistance to institutions of higher education to expand their role in addressing community development needs in their localities and does not impinge upon the relationships between the Federal government and State or local governments.

C. Impact on the Family

The General Counsel, as the Designated Official under Executive Order 12606, The Family, has determined that this notice will likely have a beneficial impact on family formation, maintenance, and general well-being. The assistance to be provided by the funding under this NOFA is expected to help local residents to become self-sufficient by improving living conditions and standards. Accordingly, since the impact on the family is beneficial, no further review is considered necessary.

D. Documentation and Public Access Requirements: HUD Reform Act

HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a five-year period beginning not less than 30

days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD will include the recipients of assistance pursuant to this NOFA in its **Federal Register** notice of all recipients of HUD assistance awarded on a competitive basis. (See 24 CFR 12.14(a) and 12.16(b), and the notice published in the **Federal Register** on January 16, 1992 (57 FR 1942), for further information on these requirements.)

E. Prohibition Against Advance Information on Funding Decisions

HUD's regulation implementing section 103 of the HUD Reform Act was published on May 13, 1991 (56 FR 22088) and became effective on June 12, 1991. That regulation, codified as 24 CFR part 4, applies to this funding competition. The requirements of the rule continue to apply until the announcement of the selection of successful applicants.

HUD employees involved in the review of applications and in the making of funding decisions are restrained by part 4 from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted under 24 CFR part 4.

Applicants who have questions should contact the HUD Office of Ethics (202) 708-3815. (This is not a toll-free number.) The Office of Ethics can provide information of a general nature

to HUD employees, as well. However, a HUD employee who has specific program questions, such as whether particular subject matter can be discussed with persons outside the Department, should contact his or her field Counsel, or Headquarters counsel for the program to which the question pertains.

F. Prohibition Against Lobbying of HUD Personnel

Section 13 of the Department of Housing and Urban Development Act (42 U.S.C. 3537b) contains two provisions dealing with efforts to influence HUD's decisions with respect to financial assistance. The first imposes disclosure requirements on those who are typically involved in these efforts—those who pay others to influence the award of assistance or the taking of a management action by the Department and those who are paid to provide the influence. The second restricts the payment of fees to those who are paid to influence the award of HUD assistance, if the fees are tied to the number of housing units received or are based on the amount of assistance received, or if they are contingent upon the receipt of assistance.

Section 13 was implemented by final rule published in the **Federal Register** on May 17, 1991 (56 FR 22912). The final rule is codified at 24 CFR part 86. If readers are involved in any efforts to influence the Department in these ways, they are urged to read part 86, particularly the examples contained in Appendix A of the regulation.

Any questions about the rule should be directed to the Office of Ethics, Room 2158, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-3000.

Telephone: (202) 708-3815 TDD: (202) 708-1112. These are not toll-free numbers. Forms necessary for compliance with the rule may be obtained from the local HUD office.

G. Prohibition Against Lobbying Activities

The use of funds awarded under this NOFA is subject to the disclosure requirements and prohibitions of Section 319 of the Department of Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) and the implementing regulations at 24 CFR part 87. These authorities prohibit recipients of federal contracts, grants, or loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan. The prohibition also covers the awarding of contracts, grants, cooperative agreements, or loans unless the recipient has made an acceptable certification regarding lobbying. Under 24 CFR part 87, applicants, recipients, and subrecipients of assistance exceeding \$100,000 must certify that no federal funds have been or will be spent on lobbying activities in connection with the assistance.

Authority: Section 107 of Title I, Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*; section 801(c)(2) of the Housing and Community Development Act of 1990 (Pub. L. 102-550, approved October 28, 1992).

Dated: March 30, 1995.

Michael A. Stegman,

Assistant Secretary for Policy Development and Research

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