DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–4174–N–01]

Notice of Funding Availability for: the HUD-Administered Small Cities Community Development Block Grant (CDBG) Program, Development Grants—Fiscal Year 1997; and the Section 108 Loan Guarantee Program for Small Communities in New York State

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice of funding availability (NOFA) for CDBG Small Cities Development Grants for Fiscal Year (FY) 1997.

SUMMARY: This Notice of Funding Availability (NOFA) announces the availability of CDBG Small Cities development grants and guaranteed loans to fund eligible development activities related to the New York canal system. This NOFA is part of the Canal Corridor Initiative, a multiyear effort designed to revitalize the economic base of communities in upstate New York through development projects and job creation along the canal system and connecting waterways.

Eligible development activities are expected to be funded through a combination of resources, including Community Development Block Grant (CDBG) funds made available through this NOFA under the HUD-administered Small Cities CDBG program and the Section 108 Loan Guarantee program. HUD expects to provide funds for the selected development projects through a combination of CDBG and Section 108 in an aggregate amount of approximately $120 million or more depending upon the proposals submitted.

HUD expects that the typical project proposal would be a Section 108-eligible development project that builds on the unique locational opportunities afforded by the New York canal system and connecting waterways to foster commercial revitalization, business growth and expansion, and job creation that will result in the economic and physical revitalization of the project area. Such projects would utilize funds made available by the Section 108 Loan Guarantee program to provide the ''up-front'' financing, along with other public or private resources to the extent financially feasible. The loan guaranteed by section 108 would be expected to be repaid with a combination of the CDBG funds requested as part of this application, future CDBG appropriations, and the ''cash flows'' generated by the assisted project. This NOFA makes available between $3 million and $9 million in FY 1997 funding through the HUD-administered Small Cities CDBG program for the first year of multiyear plans requested through applications. In the event that HUD does not receive sufficient numbers of applications that are fundable in the aggregate amount that HUD is setting aside in this NOFA, HUD may publish a subsequent NOFA soliciting applications for the remainder of the funds that HUD intends to set aside for this initiative. Multiyear plans approved will not propose an amount of grant funds totaling more than $60 million for all years.

HUD encourages applications from joint applicants in accordance with 24 CFR 570.422. The nature of riverfront revitalization is such that waterfront projects undertaken in tandem at different points along the waterfront creates a ''regional synergy'' that enhances the success of all projects in the region.

Combining Section 108 Loans with Multiyear Plans for CDBG Funding to Create a Financial Package

Under the Section 108 program and pursuant to 24 CFR 570.705(a)(2)(iii), a New York State nonentitled community/public entity eligible to receive HUD-administered CDBG Small Cities funds may borrow an aggregate amount of funds guaranteed under the Section 108 Loan Guarantee program that is five times the greater of:

(A) The most recent CDBG Small Cities grant approved for the applicant,

(B) The average of the most recent three CDBG Small Cities grants approved for the applicant (excluding any CDBG grant in the same fiscal year as the Section 108 Loan Guarantee commitment), or

(C) The average amount of CDBG Small Cities grants made to units of general local government in New York State in the previous fiscal year.

In FY 1996, the average New York State CDBG Small Cities grant amount awarded was $600,723. This means that under the Section 108 program, a typical New York State nonentitled community or county may borrow approximately $3 million. Given current Section 108 Loan Guarantee rates and a 20-year financing term, the average annual straight line principal and interest payment of a $3 million guaranteed Section 108 loan would be approximately $305,000 per year. In this example, a $100,000 a year CDBG grant for the 20 years would have the effect of reducing the effective interest rate to approximately 3 percent per annum. This helps communities undertake development projects that might not otherwise be financially feasible.

In addition to any other security arrangement that may be permitted or required pursuant to 24 CFR 570.705(b), and in order to reduce the risk to HUD and individual borrowers beginning in fiscal year 1998, HUD will establish a debt service reserve with CDBG Small Cities funds that will be used to make the first year's Section 108 debt obligation payments when they come due (ending in August of any year under the current system). Early in the next fiscal year, HUD will replenish the debt service reserve for purposes of the next year's payments with another Small Cities grant under the noncompetitive authority of 24 CFR 570.432. HUD intends to, subject to the conditions stated in § 570.432 including the availability of appropriations, continue to replenish the debt service reserve account each year for each grant made under this NOFA as long as any related Section 108 loan remains outstanding.

This NOFA sets out program guidelines that will govern the application, application review, and award process for the CDBG New York State Small Cities grants made available as part of the financial package for Canal Corridor Initiative projects.

DATES: Applications are due on or prior to January 2, 1997. Applications, if mailed, must be postmarked by the United States Postal Service no later than midnight on January 2, 1997. Overnight delivery items received within ten (10) days after January 2, 1997 will be deemed to have been received by that date, upon submission of documentary evidence that they were placed in transit with the overnight delivery service by no later than December 31, 1996. If an application is hand-delivered to the New York or the Buffalo Office, the application must be delivered to the appropriate office by no later than 4:00 p.m. on the deadline date.

The above-stated application deadline is firm as to date and hour. In the interest of fairness to all competing applicants, HUD will treat as ineligible for consideration any application that is not received by 4:00 p.m. on, or postmarked by January 2, 1997. Applicants should take this policy 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: Completed applications will be accepted at the following addresses:

1. *For the nonentitled CDBG jurisdictions in and county of Ulster and nonparticipating jurisdictions in the urban county of Dutchess:* Department of Housing and Urban Development, Office of Community Planning and Development, Attention: Small Cities Coordinator, 26 Federal Plaza, New York, NY 10278–0068. Telephone (212) 264–0771; and

2. *For the nonentitled CDBG jurisdictions in and counties of Albany, Cayuga, Clinton, Columbia, Erie, Essex, Greene, Herkimer, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Saratoga, Schenectady, Schuyler, Seneca, Tompkins, Warren, Washington, Wayne and Yates:* Department of Housing and Urban Development, Community Planning and Development Division, Attention: Small Cities Coordinator, 465 Main Street, Lafayette Court, Buffalo, NY 14203–1780. Telephone (716) 551–5742.

FOR FURTHER INFORMATION CONTACT: Robert Duncan, Deputy Director, Office of Block Grant Assistance, Department of Housing and Urban Development, Room 7286, 451 Seventh Street, SW, Washington, DC 20410, Telephone (202) 708–3587; or Mr. Joseph D'Agosta, New York Regional Director, Office of Community Planning and Development, Department of Housing and Urban Development, 26 Federal Plaza, New York, NY 10278–0068, Telephone (212) 264–0771.

Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at (800) 877–8339.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act Statement

The information collection requirements contained in this NOFA have been submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). The OMB control number, when assigned, will be announced by separate notice in the Federal Register. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number. Prior to this submission to OMB, HUD had, on June 3, 1996 (61 FR 27926) published in the Federal Register a notice and request for comments on the New York State Small Cities CDBG program concerning the collection of information for that program. The deadline for the submission of comments was August 2, 1996. HUD's request for an OMB control number takes into account the comments received in response to that June 3, 1996 notice.

I. Purpose and Substantive Description

A. Authorities and Background

1. Authority

Title I, Housing and Community Development Act of 1974 (the HCD Act) (42 U.S.C. 5301–5320); 24 CFR part 570, subpart F.

2. Background

Title I of the Housing and Community Development Act of 1974 authorizes the Community Development Block Grant (CDBG) program. Section 106 of Title I permits the States to elect to assume the administrative responsibility for the CDBG program for nonentitled areas within their jurisdiction. Section 106 provides that HUD will administer the CDBG program for nonentitled areas within any State that does not elect to assume the administrative responsibility for the program. Subpart F of 24 CFR part 570 sets out the requirements for HUD's administration of the CDBG program in nonentitled areas (Small Cities program). The State of New York has not elected to implement the CDBG Small Cities program.

With respect to this NOFA, subpart F, at 24 CFR 570.421(a)(6), ''Economic development grants,'' provides that in the event that a nonentitlement New York State Small Cities applicant needs a CDBG Small Cities grant, in addition to a Section 108 Loan Guarantee, to make its economic development project viable, HUD may fund such applications, as they are determined to be fundable in a specific amount up to the sum set aside for development projects in this Notice of Funding Availability. This NOFA proposes to maximize the utilization of Section 108 guaranteed loans in conjunction with multiyear plans for use of CDBG funds to undertake eligible development projects. As a result of this approach, the funds announced in this NOFA provide eligible small communities and counties in New York State with a unique opportunity to propose programs that focus on canal-related economic development projects to expand economic and job opportunities and act as a catalyst to spur community and neighborhood economic revitalization. HUD encourages eligible communities to propose programs that are creative and innovative in addressing their development needs. Although the focus of 24 CFR 570.421(a)(6) is broadly described as economic development, as a technical matter any activity eligible for Section 108 Loan Guarantee assistance under 24 CFR 570.703 is eligible under this NOFA (except as stated in section I.C.3.a. of this NOFA, below). As emphasized in the selection factors (see section II.C. of this NOFA), however, the overall purpose of the eligible activity, or group of eligible activities, proposed for funding in response to this NOFA is the economic development of the area served by the proposed project.

Because of the integral relationship of CDBG grant funds and the Section 108 Loan Guarantees, the scale of development projects solicited, and the expectation of a long-term stream of CDBG funds (subject to future appropriations) to make such projects economically feasible, this NOFA solicits applications for multiyear plans. If an applicant's multiyear plan is selected on a competitive basis, the first year will be funded, and HUD may fund future years on a noncompetitive basis subject to acceptable performance, submission of an acceptable application and certifications, and the provision of adequate appropriations for the CDBG New York nonentitlement Small Cities program.

3. Other Program Requirements

a. *Abbreviated Consolidated Plan.* Each jurisdiction that applies for funds under this NOFA must have submitted a consolidated plan, as provided at 24 CFR part 91. A jurisdiction that does not expect to be a participating jurisdiction in the HOME program under 24 CFR part 92, may submit (or may have submitted) an abbreviated consolidated plan that is appropriate to the types and amounts of assistance sought from HUD. (See 24 CFR 91.235.) If an applicant has an abbreviated consolidated plan previously approved by HUD, the applicant may update it, if necessary, if the CDBG development activities proposed in the application contain any new non-housing community development activity.

Any applicant that plans to undertake a housing activity with funds under this NOFA needs to prepare and submit, at a minimum, an abbreviated consolidated plan that is appropriate to the types and amounts of housing assistance sought under this NOFA. Even if the community's Small Cities application is approved, HUD must also approve the consolidated plan before the community may receive Small Cities funding. Further, that applicant must also include a certification that any housing activities in its CDBG Small Cities application are consistent with the consolidated plan. An applicant seeking funds under this NOFA to address non-housing community

development needs should prepare an abbreviated consolidated plan that describes the jurisdiction's priority non-housing community development needs eligible for assistance under the CDBG program by eligibility category, reflecting the needs of families for each type of activity, as appropriate, in terms of dollar amounts estimated to meet the priority need for the type of activity (see 24 CFR 91.235(c)(2)). The abbreviated consolidated plan is subject to the same citizen participation requirements as is the jurisdiction's Small Cities CDBG application. Both must meet the citizen participation requirements before they may be submitted to HUD. (See 24 CFR 570.431) A Section 108 Loan Guarantee application would also have to meet these requirements if the jurisdiction submits one to HUD for consideration.

If possible, applicants should endeavor to submit the abbreviated consolidated plan in advance of the Small Cities application due date. The latest time at which the abbreviated consolidated plan will be accepted by HUD for the HUD-administered Small Cities program in New York will be the application due date for the Small Cities application. Failure to submit the abbreviated consolidated plan by the due date is not a curable technical deficiency. Questions regarding the abbreviated consolidated plan should be directed to the appropriate HUD field office.

Any application that is fundable, but does not have an approved consolidated plan, will receive a conditional approval subject to HUD's approval of the abbreviated consolidated plan. If HUD is unable to approve the abbreviated consolidated plan within a reasonable period of time, but not less than 60 days from the date that the conditional approval is announced, HUD reserves the right to rescind the award. In such event the funding will be awarded to the highest rated fundable applicant that did not receive funding under this competition.

b. *Section 3.* Assistance provided under this NOFA is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, and the implementing regulations in 24 CFR part 135. One of the purposes of this NOFA, which is consistent with section 3, is to give, to the greatest extent feasible and consistent with Federal, State, and local laws and regulations, job training, employment and other contracting opportunities generated from certain HUD financial assistance to low- and very low-income persons. Public entities awarded funds under this NOFA that intend to use the funds for housing rehabilitation, housing construction, or other public construction must comply with the applicable requirements set forth in the regulations.

c. *CDBG Program Requirements.* The provisions of 24 CFR part 570, subpart F, as applicable, shall apply to CDBG grants made under this NOFA.

4. Accountability in the Provision of HUD Assistance: Documentation and Public Access Requirements; Applicant/Recipient Disclosures

HUD has promulgated a final rule to implement section 102 of the Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act) (Pub. L. 101–235; approved December 15, 1989). The final rule is codified at 24 CFR part 4. Section 102 contains a number of provisions that are designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. On January 16, 1992 (57 FR 1942), HUD published a final rule implementing section 102. Although the rule has been amended and now appears in part 4, the January 16, 1992 notice provided the public (including applicants for, and recipients of, HUD assistance) with further information on the implementation of section 102. The documentation, public access, and applicant and recipient disclosure requirements of section 102 apply to assistance awarded under this NOFA as follows:

a. *HUD Responsibilities.* (1) Documentation and Public Access. 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.

(2) Disclosures. HUD will make available to the public for five years all applicant disclosure reports (HUD Form 2880) submitted in connection with this NOFA. Update reports (also Form 2880) will be made available along with the applicant disclosure reports, but in no case for a period of less than three years. All reports—both applicant disclosures and updates—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.

b. *Units of General Local Government Responsibilities.* Units of general local government awarded assistance under this NOFA are subject to the provisions of either paragraph b.(1), *or* paragraph b.(2) *and* b.(3), below. For units of local government awarded assistance under this NOFA which in turn make the assistance available on a NONCOMPETITIVE BASIS for a specific project or activity to a subrecipient, or a ''Community Based Development Organization'' (CBDO) as defined in 24 CFR 570.204, paragraph b(1) applies. For units of local government awarded assistance under this NOFA, which in turn make the assistance available on a COMPETITIVE BASIS for a specific project or activity to a subrecipient, or a CBDO, paragraphs b. (2) *and* (3) apply.

(1) Disclosures. The units of general local government receiving assistance under this NOFA must make all applicant disclosure reports available to the public for three years. Required update reports must be made available along with the applicant disclosure reports, but in no case for a period less than three years. Each unit of general local government may use HUD Form 2880 to collect the disclosures, or may develop its own form.

(2) Documentation and Public Access. The recipient unit of general local government must ensure that documentation and other information regarding each application submitted to the recipient by a subrecipient or CBDO applicant are adequate to indicate the basis upon which assistance was provided or denied. The unit of general local government must make this material, including any letters of support, available for public inspection for a five-year period beginning not less than 30 days after the award of the assistance. Unit of general local government recipients must also notify the public of the subrecipients or CBDO's that receive the assistance. Each recipient will develop documentation, public access, and notification procedures for its programs.

(3) Disclosures. Units of general local government receiving assistance under this NOFA must make all applicant disclosure reports available to the public for five years. Required update reports must be made available along with the applicant disclosure reports, but in no case for a period less than three years. Each unit of general local government may use HUD Form 2880 to

collect the disclosures, or may develop its own form.

B. Allocation of Grant Amounts and Section 108 Loan Guarantee Commitments

1. Total Available Funding

The nonentitlement CDBG funds for New York State for FY 1997 total approximately $55,982,000. Of that amount, this NOFA sets aside between $3 million and $9 million for eligible development grants for projects that increase economic opportunities related to the New York State Canal System or connecting waterways (see section I.C.1. of this NOFA, below, regarding eligible applicants).

2. Maximum Grant Amounts

The maximum CDBG grant amount that will be awarded from FY 1997 funds for an eligible development project pursuant to this NOFA is $900,000. For a multiyear plan, HUD expects that no more than $5 million will be made available in funds under this NOFA and future years' CDBG funds (subject to appropriations) to pay the Section 108-guaranteed debt obligation per grantee over the life of the plan. Thus in the aggregate for all plans, HUD expects that no more than $60 million will be available (subject to appropriations) for Section 108 loan payments over the life of all multiyear plans approved, limiting the set-asides of CDBG funds for multiyear plans to an average of $3 million per year over a 20-year period.

3. Availability of Section 108 Loan Guarantees

HUD expects to make $80 million in Section 108 Loan Guarantee commitments, or higher, depending on the CDBG development applications approved in conjunction with grants made under this NOFA.

4. Multiyear Requests and Repayment of Section 108 Loans With CDBG Funds

a. *General.* Pursuant to 24 CFR 570.432, HUD expects to approve multiyear plans of up to twenty (20) years, for use of CDBG funds for the sole purpose of paying any amounts due on debt obligations issued by such unit of general local government (or its designated public agency) and guaranteed by the Secretary pursuant to section 108 of the Housing and Community Development Act of 1974, as amended.

b. *Submission of multiyear request and plan.* Each application for a CDBG development grant under this NOFA should include a multiyear plan for CDBG funds, the use of which will be limited to paying projected amounts due on Section 108-guaranteed debt obligations over the projected term of the loan.

The multiyear plans will be rated competitively against each other based on the selection criteria in section II.C. of this NOFA. Each applicant's multiyear plan must discuss the total amount of the Section 108 Loan Guarantee commitment that will be requested, the term of the Section 108 guaranteed loan, a repayment schedule for the Section 108 guaranteed loan that clearly identifies the amount and source of the projected funds, including the CDBG funds proposed to be used to repay the Section 108 guaranteed loan over the course of the multiyear plan. The multiyear period may not exceed 20 years.

HUD intends to fund succeeding years of the plan on a noncompetitive basis, subject to acceptable performance, submission of an acceptable application and certifications, and the provision of adequate appropriations for the HUD-administered Small Cities program. HUD reserves the right to lower the amount of funds for succeeding years if respective recipients are not in compliance with performance requirements and applicable regulations. The application must list for each year of the multiyear period the projected amount of CDBG funds requested for each year. The amount of CDBG funds requested for each year need not be the same amount; however, the amount requested for each year should relate to the anticipated amounts appropriate to meet the CDBG portion of the debt obligation on the Section 108 guaranteed loan, consistent with section I.B.2. of this NOFA, above. For subsequent years of the multiyear period and pursuant to 24 CFR 570.432, HUD will adjust the actual CDBG grant amount awarded to such amounts required for the sole purpose of paying any principal and interest amounts due on the loan guaranteed by Section 108 as provided under the Section 108 note contract, or in the event of a default any amounts due under the guarantee.

C. Eligibility

1. Eligible Applicants

Eligible applicants are units of general local government in New York State (excluding metropolitan cities, urban counties, units of government that are participating in urban counties or metropolitan cities even if only part of the participating unit of government is located in the urban county or metropolitan city, and Indian tribes eligible for assistance under section 106 of the HCD Act) that are proposing development activities related to the New York State Canal System or connecting waterways, including, but not limited to the Hudson River, Cayuga Lake, Seneca Lake, Lake Champlain, Lake George, Lake Erie, and Lake Ontario. Eligible applicants are further limited to the nonentitled CDBG jurisdictions in and counties of Albany, Cayuga, Clinton, Columbia, Erie, Essex, Greene, Herkimer, Madison, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Saratoga, Schenectady, Schuyler, Seneca, Tompkins, Ulster, Warren, Washington, Wayne, and Yates, and the nonparticipating jurisdictions in the urban counties of Dutchess and Monroe.

2. Joint Applicants

There may be several instances in which several communities have common economic development opportunities that are more feasible if an eligible development project were carried out jointly rather than on an individual basis. In such cases, HUD encourages these communities to develop regional solutions to regional problems and propose a joint application from all affected communities. This NOFA authorizes eligible units of general local government under section I.C.1. of this NOFA, above, to submit a joint application to carry out an eligible development project that addresses common problems faced by all of the jurisdictions. A joint application must be pursuant to a written cooperation agreement submitted with the application. The cooperation agreement must authorize one of the participating units of government to act as the lead applicant that will submit the application to HUD, and must delineate the responsibilities of each participating unit of government with respect to the Small Cities program. (See 24 CFR 570.422 for requirements regarding joint applications.) Except as otherwise noted, a joint application must meet all of the requirements of this NOFA as an application from a single unit of general local government. Applications under this NOFA may be submitted individually or jointly, subject to 24 CFR 570.422. However, Section 108 Loan Guarantee applications must be submitted individually and in accordance with 24 CFR 570.704 by each unit of general local government that will receive a guarantee and issue guaranteed obligations.

3. Activities Eligible for CDBG Small Cities Grants Under This NOFA

Eligible activities are development activities related to the New York State Canal System or connecting waterways, including, but not limited to the Hudson River, Cayuga Lake, Seneca Lake, Lake Champlain, Lake George, Lake Erie and Lake Ontario. Development activities must also meet the criteria below:

a. Eligible development projects and activities to be financed with FY 1997 CDBG funds include the following:

(1) The activities listed under the Section 108 Loan Guarantee program at 24 CFR 570.703, except subparagraphs (j) Construction of housing by non-profit organizations, and (m) regarding activities by ''colonias;'' and

(2) Capitalization of a Section 108 debt service reserve/loan loss reserve as part of the financing of activities that are otherwise eligible under this NOFA. A debt service reserve created from Small Cities grant funds should not, however, exceed one year's Section 108 needs.

b. Eligible activities to be funded during FY 1998 and later years under multiyear plans proposed pursuant to this NOFA are limited to the repayment of any amounts due on debt obligations issued by a units of general local government and guaranteed by the Secretary pursuant to section 108 of the HCD Act. This includes planned repayments from CDBG funds, as well as amounts due in the event of default, as applicable.

4. National Objectives and Primary Objective

Each activity must meet one of the national objectives (i.e., benefit to low- and moderate-income persons, elimination of slums or blighting conditions, or meeting imminent threats to the health and safety of the community). Pursuant to 24 CFR 570.420(e)(2), not less than 70 percent of the total of grant funds from a grant made under this NOFA and Section 108 Loan Guarantee funds received within a fiscal year must be expended for activities that benefit low- and moderate-income persons under the criteria of § 570.208(a) or § 570.208(d)(5) or (6).

5. Limitations on the Ratio of CDBG Grant Funds to Section 108 Loan Guarantee Funds

HUD reserves the right, within the maximum grant limit of $900,000 provided in section I.B.2. of this NOFA, above, to determine a minimum or a maximum amount of any CDBG grant award under this NOFA with the difference from the amount requested, if any, to be made up (to the maximum extent feasible to fund the eligible development project) with loan funds guaranteed by Section 108. HUD also reserves the right to determine the amount and number of years of the multiyear plan, or Section 108 Loan Guarantee award per applicant, application, or project and to modify requests accordingly.

HUD expects to approve CDBG grant amounts for approvable applications at a range of ratios of CDBG grant funds awarded to new Section 108 Loan Guarantee commitments. For example, an applicant could request a CDBG grant of $100,000 and propose to leverage $2.5 million in new Section 108 Loan Guarantee commitments, and another applicant could request a CDBG grant of $1 million and propose to leverage $5 million in new Section 108 Loan Guarantee commitments. However, in no event will HUD make an award in which the cumulative amount of CDBG funds proposed for the full multiyear period exceeds the amount of new Section 108 commitments. All applicants should discuss why their canal-related development project requires the particular level of CDBG grant assistance to Section 108 Loan Guarantee funds that is proposed.

In the case of an applicant that has received a prior CDBG grant award for an activity proposed in this application, HUD reserves the right to consider the amount of the previous CDBG award and the grant amount requested in response to this NOFA, and to adjust the amount of a CDBG award under this NOFA, including, if appropriate, not making an award.

In the event the applicant is awarded a CDBG grant that has been reduced below the original request, the applicant will be required to modify its project plans and application to conform to the terms of HUD approval before execution of a grant agreement and/or a Section 108 Loan Guarantee commitment. HUD reserves the right to reduce or de-obligate the CDBG grant award if an approvable Section 108 Loan Guarantee application is not submitted by the grantee in the required amounts on a timely basis (see section II.B.1.b. After approval of the CDBG grant, any program amendments must meet the provisions of 24 CFR 570.427.

6. Environmental Review Requirement

The HUD environmental review procedures contained in 24 CFR part 58 apply to this program, according to 24 CFR 570.604. Under part 58, grantees assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to the National Environmental Policy Act of 1969 and the other provisions of law specified by the Secretary in 24 CFR part 58 that would apply to the Secretary were he to undertake such projects as Federal projects.

II. The Application Process

Eligible applicants seeking CDBG assistance must apply in accordance with this NOFA. The CDBG application shall be accompanied by a request for Section 108 Loan Guarantee commitments, as further described in section II.B. of this NOFA, below. Application requirements for the Section 108 program are found in § 570.704.

A. Timing of submission

Applications for CDBG assistance must be submitted for receipt in the manner described under ''Dates'' and ''Addresses,'' above.

B. Submission Requirements

1. The CDBG application (an original plus two copies) shall be accompanied by a request for loan guarantee assistance under Section 108. If more than one jurisdiction applies jointly, each entity that will receive a guarantee and issue guaranteed obligations must submit a separate request. Each request for Section 108 Loan Guarantee can be either one or more of the following:

a. A formal application for Section 108 Loan Guarantee(s), including the documents listed at 24 CFR 570.704(b);

b. A brief description of a Section 108 Loan Guarantee application(s) to be submitted within 60 days (with HUD reserving the right to extend such period for good cause on a case-by-case basis) of a notice of CDBG selection (CDBG awards will be conditioned on approval of actual Section 108 loan commitments). This description must be sufficient to support the basic eligibility of the proposed project or activities for Section 108 assistance;

c. A request for a Section 108 Loan Guarantee amendment (analogous to subparagraph a. or b. above) that proposes to increase the amount of a previously approved application.

d. Applicants should note that an application for a Section 108 Loan Guarantee commitment requires that the applicant certify that it has made efforts to obtain financing without the use of the Section 108 Loan Guarantee and that it cannot complete such financing consistent with the timely execution of the program plans without the Section 108 Loan Guarantee.

2. In addition, an application for CDBG grant funds shall include the following:

a. A completed Standard Form 424, Application for Federal Assistance.

b. A signed copy of certifications required under the CDBG program, including, but not limited to the Drug-Free Workplace Certification, and the Certification Regarding Lobbying pursuant to section 319 of the Department of Interior Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352), generally prohibiting use of appropriated funds, and, if applicable, Disclosure of Lobbying Activities (SF–LLL). The applicant may use the lobbying certification published with this NOFA.

c. Form HUD–2880, Applicant/Recipient Disclosure/Update Report, as required under 24 CFR 4.9 through 4.13. The applicant may use the form published with this NOFA.

d. Abbreviated consolidated plan, if applicable;

e. A narrative statement, in accordance with section I.A.3.a. of this NOFA, consisting of the following:

(1) A description of the activities that will be carried out with the CDBG grant funds and Section 108 Loan Guarantee funds. The narrative statement should explain how the use of CDBG grant funds together with Section 108 Loan Guarantee funds will meet the selection criteria in section II.C. of this NOFA, below;

(2) A description of the multiyear plan for CDBG funds, the use of which will be limited to paying projected amounts due on Section 108 guaranteed loan debt obligations over the projected term of the loan that is guaranteed by the Section 108 Loan Guarantee. Each applicant's multiyear plan must discuss the total amount of the Section 108 Loan Guarantee commitments that will be requested, the term of the Section 108 guaranteed loans, a repayment schedule for the Section 108 guaranteed loans that clearly identifies the amount and source of the projected funds, including the CDBG funds proposed to be used to repay the Section 108 guaranteed loans over the course of the multiyear plan. The multiyear period may not exceed 20 years. The description must list, for each year of the multiyear period, the projected amount of CDBG funds that will be needed each year to meet the Section 108 debt obligation. The amount of CDBG funds requested for each year need not be the same amount; however, the amount requested for each year should relate to the anticipated amounts appropriate to meet the CDBG portion of the payment on the Section 108 guaranteed loans, consistent with the maximum grant amounts specified in section I.B.2. of this NOFA; and

(3) The description of the activities to be carried out with the CDBG grant and Section 108 Loan Guarantee funds should also describe how they will create visible change and are part of a larger comprehensive revitalization effort, and how they meet the selection criteria, including performance measures and benchmarks for these activities; identify and describe the project service area; and, as an aid to reviewing the multiyear plan, include a draft business plan with financial projections for not less than a 5-year period.

In addition to the above, HUD encourages applicants to submit maps and related information generated by the community's consolidated plan computer software with their applications, and depictions of proposed projects.

(Note that the Office of Community Planning and Development's Consolidated Plan computer software is available for applicants to use in defining their project area, planning and coordinating revitalization activities, and illustrating how activities will physically and economically revitalize the project area. HUD encourages applicants to submit maps and other data generated with this software with their applications.)

d. The narrative statement and the response to all of the selection criteria in section II.D. of this NOFA, below, should preferably not exceed thirty (30) 8.5″ by 11″ typewritten pages.

D. Selection Criteria

All applications will be considered for selection based on the following criteria. As described in section II.B.2.d. of this NOFA, above, each applicant's response to the narrative statement and all of the selection criteria should preferably not exceed thirty (30) 8.5″ by 11″ typewritten pages. Each application will receive only one score.

A maximum of 184 points is possible under this NOFA, with the maximum points for each factor being:

	Points
Need—absolute number of persons in poverty	22
Need—percent of persons in poverty	22
Program Impact	125
Outstanding performance—FHEO	15
Total	184

Each of the four factors is outlined below. All points for each factor are rounded to the nearest whole number.

1. Need—Absolute Number of Persons in Poverty—(up to 22 points). HUD uses 1990 census data to determine the absolute number of persons in poverty residing within the applicant unit of general local government. Applicants which are county governments are rated separately from all other applicants. Applicants in each group are compared in terms of the number of persons whose incomes are below the poverty level. Individual scores are obtained by dividing each applicant's absolute number of persons in poverty by the greatest number of persons in poverty of any applicant, and multiplying by 22.

2. Need—Percent of Persons in Poverty—(up to 22 points). HUD uses 1990 census data to determine the percent of persons in poverty residing within the applicant unit of general local government. Applicants in each group are compared in terms of the percentage of their population below the poverty level. Individual scores are obtained by dividing each applicant's percentage of persons in poverty by the highest percentage of persons in poverty of any applicant, and multiplying by 22.

3. Program Impact—(up to 125 points)

Within this selection factor, points will be awarded as follows:

a. Quality of the Plan—(up to 60 points). In reviewing the applicant's response to this criterion, HUD will consider the following:

(1) *Economic and commercial revitalization.* The extent to which the proposed canal-related development project will contribute to the physical and economic revitalization of a waterfront district, and the impact of the project in strengthening the economic health of the entire community.

(2) *Regional impact.* The extent to which the proposed canal-related development project relates to other waterfront development projects in the region to create a regional synergy which contributes to regional economic growth, including job creation, increased business activity and tourism.

(3) *Job creation.* The extent to which the proposed canal-related development project assisted by the requested CDBG grant, Section 108 Loan Guarantees, and the multiyear CDBG program will create jobs, principally for low- and moderate-income persons.

(4) *Innovation and creativity.* The extent to which the applicant incorporated innovation and/or creativity in the design and proposed implementation of the activities to be carried out with Section 108/CDBG funds.

(5) *Feasibility of the development proposal.* HUD will consider the feasibility and quality of the applicant's canal-related development proposal for the use of CDBG funds and Section 108

guaranteed loans to address the applicant's economic and community development needs, and the extent to which the canal-related development proposal is logically, feasibly, and substantially likely to achieve its stated purpose. In evaluating feasibility, HUD will also consider the extent to which the proposal includes public/private partnerships, i.e. the involvement of groups such as nonprofit organizations, developers, financial institutions, and others integral to the implementation of the project.

(6) *Impact of the project in utilizing the canal or related waterways to economically and physically revitalize the area.*

b. Extent of Need for CDBG Assistance to Financially Support the Section 108 Loans and the Project—(up to 20 points). HUD will use the following information to evaluate this criterion. In utilizing this information, HUD will consider the extent to which the applicant's response demonstrates the financial need for the CDBG grant to support financially the loans guaranteed by the Section 108 Loan Guarantee commitments. Note that if the applicant proposes a generic loan fund to assist a certain category of project or business, the applicant should demonstrate the impact of the use of the CDBG funds to assist the project and the relationship of those funds to the use of Section 108 loans. Relevant information may include:

(1) Project costs and financial requirements;

(2) The amount of any debt service or operating reserve accounts to be established in connection with the development project;

(3) The reasonableness of the costs of any credit enhancement paid with CDBG grant funds;

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

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

(6) Underwriting guidelines used (or expected to be used) in determining project feasibility;

(7) The amount of anticipated ''cash flow'' the project is projected to generate that will be available to make debt service payments on the Section 108—guaranteed loans; and

(8) Other relevant information.

c. The Extent to Which the Proposal, Compared to Other Canal-Related Development Proposals Submitted Pursuant to this NOFA, Leverages Other Non-Federal Public and Private Resources, in Addition to Loan Funds Guaranteed Under the Section 108 Loan Guarantee Program—(up to 20 points). Leveraged funds include State and local public funding and private financing.

d. The Capacity or Potential Capacity of the CDBG applicant and the Section 108 Public Entities to Carry Out the Plan Successfully—(up to 20 points). This may include factors such as the applicant's performance in the administration of its CDBG, HOME, or other programs; its previous experience, if any, in administering a Section 108 Loan Guarantee or CDBG grant; its performance and capacity in carrying out development projects; its ability to conduct prudent underwriting; its capacity to manage and service loans made with the guaranteed loan funds or CDBG grant funds; and its capacity to carry out its projects and programs in a timely manner. The applicant should also describe any recent experience it has had in carrying out programs similar to the one proposed in the application.

The capacity of subrecipients, nonprofit organizations, and other entities that have a role in implementing the proposed program will be included in this review. HUD may rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making its determination under this criterion.

e. Place-based factor—(5 points). The Secretary's Representative for New York/New Jersey will award 5 points to those proposals that demonstrate that the canal-related development project proposed to be funded under this NOFA is part of and follows an applicant's existing comprehensive and coordinated strategic plan for community and economic revitalization.

4. Fair Housing and Equal Opportunity Evaluation—(up to 15 points). Documentation for the 15 points for these items is the responsibility of the applicant. Claims of outstanding performance must be based upon actual accomplishments. Clear, precise documentation will be required. Maps must have a census tract (CT) or block numbering area (BNA), and they must be in accordance with the 1990 Census data. Additionally, maps must identify the locations of areas with minorities by census tract or BNA. If there are no minority areas, applicants must state so on the map. Only population data from the 1990 Census will be acceptable for purposes of this section.

Please note that a ''minority'' is a person belonging to, or culturally identified as, a member of any one of the following racial/ethnic categories: Black, Hispanic, Asian or Pacific Islander, and American Indian or Alaskan Native. For the purposes of this section, the term ''minority'' does not include women as a separate category.

Counties claiming points under this criterion must use county-wide statistics (excluding entitlement communities). In the case of joint applications, points will be awarded based on the performance of the lead entity only.

The following will be used to judge outstanding performance in these areas. Please note that points for outstanding performance may be claimed under each criterion:

a. Housing Achievements—(up to 12 points total).

(1) *Provision of Assisted Housing—(up to 6 points).* Providing assisted housing for low- and moderate-income families, located in a manner which provides housing choice in areas outside of minority or low- and moderate-income concentrations.

Points will be awarded if both of the following criteria are met:

(a) More than one-third of the housing assistance provided by the applicant in the last five (5) years (excluding Section 8 existing and housing assistance provided in place) has been in census tracts (CT) or block numbering areas (BNA) having a percentage of minority population which is less than the minority population in the community as a whole; and

(b) With regard to the Section 8 Existing Housing program, a community must show the location (CT or BNA) of its currently occupied family units by race/ethnicity. Points will be awarded if more than one-half of the minority assisted families occupy units in areas which have a lower percentage of minority population than that of the community as a whole.

A community with no minorities must show the extent to which its assisted housing is located outside areas of concentrations of low- and moderate-income persons. In order to receive points under this criteria, applicants should follow the process outlined in (a) and (b) above, substituting low- and moderate-income persons and families for minority persons or families. Applicants addressing the first criterion must use a map indicating the location of all assisted housing and a narrative indicating the number of units and the type of assisted housing. The map also must show the general location of low- and moderate-income households and minority households, giving the numbers and percentages for both.

To qualify as housing assistance provided, the units being claimed must be part of a project located outside minority or lower income concentrated

areas which has, at a minimum, received a firm commitment from the funding agency.

(c) Points also may be awarded for efforts which enable low- and moderate-income persons to remain in their neighborhood when such neighborhoods are experiencing revitalization and substantial displacement as a result of private reinvestment. Applicants requesting points under this criterion would not need to meet the requirements of (a) and (b) in order to receive points. Points will be awarded if more than one-half of the families displaced were able to remain in their original neighborhood through the assistance of the applicant. Applicants must show that:

—The neighborhood experienced revitalization;
—The amount of displacement was substantial;
—Displacement was caused by private reinvestment;
—Low- and moderate-income persons were permitted to remain in the neighborhood as a result of action taken by the applicant.

If the community is inhabited predominantly by persons who are members of minority and/or low-income groups, points will be awarded if there is a balanced distribution of assisted housing throughout the community.

(2) *Implementation of a Fair Housing Action Plan—(up to 6 points).*

The applicant must describe how it has implemented a Fair Housing Action Plan of its own or participated in a regional or countywide Fair Housing Action Plan. For the purposes of this NOFA, a Fair Housing Action Plan is a document that delineates specific actions to address fair housing problems in the area covered by the applicant. The plan should list Fair Housing actions, set priorities and time period for completion and include measures against which performance shall be evaluated, identify resources from local, State, and private agencies and organizations that have agreed to finance or support fair housing actions, and define the responsibilities of each group or organization. If the applicant is implementing a Fair Housing Plan, the application must include the plan being implemented, the actions taken to implement the plan, and the actions taken to address the fair housing problems. The applicant should provide written documentation of commitments from all involved parties.

b. Equal Opportunity Employment—(up to 3 points). Under this factor, the applicant must document that its percentage of minority permanent full-time employees is greater than the percentage of minorities within the county or the community, whichever is higher. Applicants with no full-time employees may claim points based on part-time employment provided that they document that the only permanent employment is on a part-time basis.

c. Entrepreneurial Efforts and Local Equal Employment. HUD encourages the use of minority contracting, although it will not be used as an evaluation factor in this NOFA.

D. Selection Process

All applications will be ranked in order of points assigned, with the applications receiving more points ranking above those receiving fewer points. Applications will be funded in rank order.

As discussed in section I.C.5. of this NOFA, above, HUD reserves the right to determine a minimum and a maximum amount of any CDBG award or Section 108 commitment per applicant, application, or project, the amount or number of years for which multiyear CDBG funding is proposed, and to modify requests accordingly. In addition, if HUD determines that an application rated, ranked, and fundable could be funded at a lesser CDBG grant amount than requested, consistent with feasibility of the funded project or activities and the purposes of the Act, HUD reserves the right to reduce the amount of the CDBG award and/or increase or decrease the Section 108 Loan Guarantee commitments, if necessary, in accordance with such determination.

HUD may decide not to award the full amount of CDBG grant funds available under this NOFA, and may make any remaining amounts available under a future NOFA.

To review and rate applications, HUD will establish a panel consisting predominantly of HUD employees assigned to the New York Field Offices. HUD will appoint HUD's New York/New Jersey State Secretary's Representative to rate selection criterion II.C.3.e.— ''Place-based factor.'' HUD may also include other HUD staff and persons not currently employed by HUD to obtain certain expertise and outside points of view, including views from other Federal agencies.

E. Timing of Grant Awards

To the extent full Section 108 applications are submitted concurrently with the CDBG grant application, HUD's approval of the related Section 108 Loan Guarantee commitments will in most cases be granted contemporaneously with CDBG grant approval. However, the CDBG grant may be awarded prior to HUD approval of the Section 108 commitments if HUD determines that such award will further the purposes of the Act. CDBG funds shall not be disbursed to the public entity before the issuance of the related Section 108 guaranteed obligations. CDBG awards will be announced within 30 days of the application due date, which is January 2, 1997.

F. Program Administration

In order to be consistent with the local nature of the program, funds awarded under this NOFA will be administered by the New York State CPD Office.

G. Funding Award Process

In accordance with section 102 of the HUD Reform Act and HUD's regulation at 24 CFR part 4, HUD will notify the public, by notice published in the Federal Register, of all award decisions made by HUD under this competition. In accordance with the requirements of section 102 of the Reform Act and HUD's regulations at 24 CFR part 4, HUD also will ensure that documentation and other information regarding each application submitted under this Notice of Funding availability is sufficient to indicate the basis upon which assistance was provided or denied. Additionally, in accordance with the Reform Act and the regulations, HUD will make this material available for public inspection for a period of five years, beginning not less than 30 calendar days after the date on which assistance is provided.

III. Technical Assistance

Prior to the application deadline, the New York Offices will provide technical assistance on request to individual applicants, including explaining and responding to questions regarding program regulations and the NOFA. In addition, HUD will conduct informational meetings around the State to discuss the Small Cities program, and will conduct application workshops in conjunction with these meetings. HUD employees are prohibited in these sessions, however, from advising applicants how to make substantive improvements to their applicants and from disclosing other covered selection information described at 24 CFR 4.26. Please contact the Buffalo or New York Offices for further information regarding these meetings. In order to ensure that the application deadline is met, it is strongly suggested that applicants begin preparing their applications immediately and not wait for the informational meetings.

IV. Corrections to Deficient Applications

Under no circumstances will HUD accept from the applicant unsolicited information regarding the application after the application deadline has passed.

HUD may advise applicants of technical deficiencies in applications and permit them to be corrected. A technical deficiency would be an error or oversight which, if corrected, would not alter, in either a positive or negative fashion, the review and rating of the application. Examples of curable technical deficiencies would be a failure to submit the proper certifications or failure to submit an application containing an original signature by an authorized official. Situations not considered curable would be, for example, a failure to submit program impact descriptions.

HUD will notify applicants in writing of any curable technical deficiencies in applications. Applicants will have 14 calendar days from the date of HUD's correspondence to reply and correct the deficiency. If the deficiency is not corrected within this time period, HUD will reject the application as incomplete.

Applicants should note that if an abbreviated consolidated plan is not submitted, the failure to submit a it in a timely manner is not considered a curable deficiency.

V. Other Matters

Environmental Impact

In accordance with 24 CFR 50.19(c)(5) of HUD's regulations (as issued in a final rule on September 27, 1996 (61 FR 50914), this NOFA provides funding under, and does not alter environmental requirements of, a regulation previously published in the Federal Register. Therefore, this NOFA is categorically excluded from the requirements of the National Environmental Policy Act. The environmental review provisions of this regulation are in 24 CFR 570.604.

Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, *Federalism*, has determined that this NOFA will not have substantial, direct effects on States, on their political subdivisions, or on their relationship with the Federal Government, or on the distribution of power and responsibilities between them and other levels of government. While the NOFA will provide financial assistance through the Small Cities program to New York State, none of its provisions will have an effect on the relationship between the Federal Government and New York State, or the State's political subdivisions.

Family

The General Counsel, as the Designated Official for Executive Order 12606, *The Family*, has determined that the policies announced in this NOFA would not have the potential for significant impact on family formation, maintenance, and general well-being within the meaning of the Order. No significant change in existing HUD policies and programs will result from issuance of this NOFA, as those policies and programs relate to family concerns.

Section 102 of the HUD Reform Act

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act) and the final rule codified at 24 CFR part 4, subpart A, published on April 1, 1996 (61 FR 1448), contain a number of provisions that are designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. On January 14, 1992, HUD published, at 57 FR 1942, a notice that also provides information on the implementation of section 102. The documentation, public access, and disclosure requirements of section 102 are applicable to assistance awarded under this NOFA as follows:

Documentation and public access requirements. 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.

Disclosures. HUD will make available to the public for five years all applicant disclosure reports (HUD Form 2880) submitted in connection with this NOFA. Update reports (also Form 2880) will be made available along with the applicant disclosure reports, but in no case for a period less than three years. All reports—both applicant disclosures and updates—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.

Section 103 of the HUD Reform Act

Section 103 of the Department of Housing and Urban Development Reform Act of 1989, and HUD's implementing regulation codified at subpart B of 24 CFR part 4, applies to the funding competition announced today. These requirements continue to apply until the announcement of the selection of successful applicants. HUD employees, including those conducting technical assistance sessions or workshops and those involved in the review of applications and in the making of funding decisions, are limited by section 103 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 section 103 and subpart B of 24 CFR part 4.

Applicants or employees who have ethics related questions should contact the HUD Ethics Law Division at (202) 708–3815.

(This is not a toll-free number.)

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.

Dated: November 22, 1996.

Andrew Cuomo,

Assistant Secretary for Community Planning and Development.

Certification Required By Title I of the Housing and Community Development Act of 1974, as Amended, With Respect to the Community Development Block Grant Program

In accordance with the Housing and Community Development Act of 1974, as amended, the Applicant certifies that:

(a) It possesses legal authority to make a grant submission and to execute a community development and housing program;

(b) Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the person identified as the official representative of the applicant to submit the subject application and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the submission of the application and to provide such additional information as may be required;

(c) Prior to submission of its application to HUD, the applicant has met the citizen participation requirements of 24 CFR 570.431;

(d) It is following a detailed citizen participation plan which:

(1) Provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blighted areas in which funds are proposed to be used, and provides for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction;

(2) Provides citizens with reasonable and timely access to local meetings, information, and records relating to the applicant's proposed use of funds, as required by the regulations of the Secretary, and relating to the actual use of funds under the Act;

(3) Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the applicant;

(4) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;

(5) Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and

(6) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate;

(e) The grant will be conducted and administered in compliance with:

(1) Title VI of the Civil Rights Act of 1964 (Public Law 88–352, 42 U.S.C. 2000d *et seq.*); and

(2) The Fair Housing Act (42 U.S.C. 3601–20);

(f) It will affirmatively further fair housing;

(g) It has developed its application so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight; the application may also include activities which the applicant certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and where other financial resources are not available to meet such needs; except that the grant shall principally benefit persons of low and moderate income in a manner that ensures that not less than 70 percent of such funds are used for activities that benefit such persons;

(h) It has developed a community development plan for the grant period which identifies community development and housing needs and specifies both short and long term community development objectives that have been developed in accordance with the primary objective and requirements of the Act;

(i) Any proposed housing activities are consistent with its abbreviated Consolidated Plan submitted or being submitted to HUD for approval pursuant to 24 CFR 570.420(d) and 24 CFR 91.235.

(j) It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under section 106 of the Act or with amounts resulting from a guarantee under section 108 of the Act by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

(1) Funds received under section 106 of the Act are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of the Act; or

(2) For purposes of assessing any amount against properties owned and occupied by persons of moderate income, the applicant certifies to the Secretary that it lacks sufficient funds received under section 106 of the Act to comply with the requirements of subparagraph (1) above;

(k) Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with 24 CFR 570.608;

(l) It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under 24 CFR 570.606(b) and Federal implementing regulations; and the requirements in 24 CFR 570.606(c) governing the residential antidisplacement and relocation assistance plan under section 104(d) of the Act (including a certification that the applicant is following such a plan); and the relocation requirements of 24 CFR 570.606(d) governing optional relocation assistance under section 105(a)(11) of the Act;

(m) It has adopted and is enforcing:

(1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction;

(n) To the best of its knowledge and belief:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for

influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, ''Disclosure Form to Report Lobbying,'' in accordance with its instructions; and

(3) It will require that the language of paragraph (n) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly;

(o) It will or will continue to provide a drug-free workplace by:

(1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(2) Establishing an ongoing drug-free awareness program to inform employees about—

(a) The dangers of drug abuse in the workplace;

(b) The applicant's policy of maintaining a drug-free workplace;

(c) Any available drug counseling, rehabilitation, and employee assistance programs; and

(d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(3) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (1);

(4) Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the grant, the employee will—

(a) Abide by the terms of the statement; and

(b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(5) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (4)(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(6) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (4)(b), with respect to any employee who is so convicted—

(a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (1),(2), (3), (4), (5) and (6).

(8) The applicant may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

_____

_____

_____

_____

_____

Check ____ if there are workplaces on file that are not identified here; and

(p) It will comply with the other provisions of the Act and with other applicable laws.

_____

Signature

_____

Title

_____

Date

Appendix to CDBG Certifications

Instructions Concerning Lobbying and Drug-Free Workplace Requirements

A. Lobbying Certification—Paragraph n

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification—Paragraph o

1. By signing and/or submitting this application or grant agreement, the applicant is providing the certification set out in paragraph (o).

2. The certification set out in paragraph (o) is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the applicant knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For applicants other than individuals, Alternate I applies. (This is the information to which applicants certify).

4. For applicants who are individuals, Alternate II applies. (Not applicable to CDBG applicants.)

5. Workplaces under grants, for applicants other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the applicant does not identify the workplaces at the time of application, or upon award, if there is no application, the applicant must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the applicant's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the applicant shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Applicants' attention is called, in particular, to the following definitions from these rules:

''Controlled substance'' means a controlled substance in Schedules I through V of the Controlled Substances

Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

''Conviction'' means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

''Criminal drug statute'' means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

''Employee'' means the employee of a applicant directly engaged in the performance of work under a grant, including: (i) All ''direct charge'' employees; (ii) all ''indirect charge'' employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are not on the applicant's payroll. This definition does not include workers not on the payroll of the applicant (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the applicant's payroll; or employees of subrecipients or subcontractors in covered workplaces).

BILLING CODE 4210–29–P

Application for Federal Assistance

OMB Approval No. 0348-0043

	2. Date Submitted	Applicant Identifier
1. **Type of Submission:**	3. Date Received by State	State Application Identifier
	4. Date Received by Federal Agency	Federal Identifier

Application
- ☐ Construction
- ☐ Non-Construction

Preapplication
- ☐ Construction
- ☐ Non-Construction

5. **Applicant Information**

Legal Name	Organizational Unit
Address (give city, county, State, and zip code):	Name, telephone number, and facsimile number of the person to be contacted on matters involving this application (give area codes)

6. **Employer Identification Number (EIN):**

☐☐ — ☐☐☐☐☐☐☐

7. **Type of Applicant:** (enter appropriate letter in box) ☐

A. State
B. County
C. Municipal
D. Township
E. Interstate
F. Intermunicipal
G. Special District
H. Independent School Dist.
I. State Controlled Institution of Higher Learning
J. Private University
K. Indian Tribe
L. Individual
M. Profit Organization
N. Other (Specify):

8. **Type of Application:**

☐ New ☐ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es): ☐ ☐

A. Increase Award B. Decrease Award C. Increase Duration
D. Decrease Duration Other (specify):

9. **Name of Federal Agency:**

10. **Catalog of Federal Domestic Assistance Number:**

☐☐ — ☐☐☐

Title:

11. **Descriptive Title of Applicant's Project:**

12. **Areas Affected by Project** (cities, counties, States, etc.):

13. **Proposed Project:**

Start Date	Ending Date

14. **Congressional Districts of:**

a. Applicant	b. Project

15. **Estimated Funding:**

a. Federal	$	.00
b. Applicant	$	.00
c. State	$	.00
d. Local	$	.00
e. Other	$	.00
f. Program Income	$	.00
g. **Total**	$	.00

16. **Is Application Subject to Review by State Executive Order 12372 Process?**

a. **Yes** This preapplication/application was made available to the State Executive Order 12372 Process for review on:

Date:_____

b. **No** ☐ Program is not covered by E.O. 12372

or ☐ Program has not been selected by State for review.

17. **Is the Applicant Delinquent on Any Federal Debt?**

☐ Yes If "Yes," explain below or attach an explanation ☐ No

18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.

a. Typed Name of Authorized Representative	b. Title	c. Telephone Number
d. Signature of Authorized Representative		e. Date Signed

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form **SF-424** (4/92)
Prescribed by OMB Circular A-102

Instructions for the SF-424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, D.C. 20503. Please do not return your completed form to the Office of Management and Budget; send it to the address provided by the sponsoring agency .

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item Entry

1. Self-explanatory.
2. Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).
3. State use only (if applicable).
4. If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank.
5. Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and name and telephone number of the person to contact on matters related to this application.
6. Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.
7. Enter the appropriate letter in the space provided.
8. Check appropriate box and enter appropriate letter(s) in the space(s) provided:
   - "New" means a new assistance award.
   - "Continuation" means an extension for an additional funding budget period for a project with a projected completion date.
   - "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation.
9. Name of Federal agency from which assistance is being requested with this application.
10. Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.
11. Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.

Item Entry

12. List only the largest political entities affected (e.g., State, counties, cities).
13. Self-explanatory.
14. List the applicant's Congressional District and any District(s) affected by the program or project.
15. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.
16. Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process
17. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
18. To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)

Disclosure of Lobbying Activities

Approved by OMB 0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse side for Instructions.)

Public Reporting Burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

1. Type of Federal Action:
- a. contract
- b. grant
- c. cooperative agreement
- d. loan
- e. loan guarantee
- f. loan insurance

2. Status of Federal Action:
- a. bid/offer/application
- b. initial award
- c. post-award

3. Report Type:
- a. initial filing
- b. material change

For Material Change Only:
year _____ quarter _____
date of last report _____

4. Name and Address of Reporting Entity:
Prime Subawardee Tier _____, if known:

Congressional District, if known:

5. If Reporting Entity in No. 4 is Subawardee, enter Name and Address of Prime:

Congressional District, if known:

6. Federal Department/Agency:

7. Federal Program Name/Description:

CFDA Number, if applicable: _____

8. Federal Action Number, if known:

9. Award Amount, if known:
$

10a. Name and Address of Lobbying Registrant
(if individual, last name, first name, MI):

b. Individuals Performing Services (including address if different from No. 10a.)
(last name, first name, MI):

11. Information requested through this form is authorized by Sec.319, Pub. L. 101-121, 103 Stat. 750, as amended by sec. 10; Pub. L. 104-65, Stat. 700 (31 U.S.C. 1352). This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature: _____

Print Name: _____

Title: _____

Telephone No.: _____ **Date:** _____

Federal Use Only:

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Standard Form-LLL (1/96)

Instructions for Completion of SF-LLL, Disclosure of Lobbying Activities

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient, Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, state and zip code of the registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development
Office of Ethics

OMB Approval No. 2510-0011 (exp. 3/31/98)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 4.)

Part I Applicant/Recipient Information

Indicate whether this is an Initial Report ☐ **or an Update Report** ☐

1. Applicant/Recipient Name, Address, and Phone (include area code)	Social Security Number or Employer ID Number

2. Project Assisted/ to be Assisted (Project/Activity name and/or number and its location by Street address, City, and State)

3. Assistance Requested/Received	4. HUD Program	5. Amount Requested/Received
		$

Part II. Threshold Determinations -- Applicants Only

1. Are you requesting HUD assistance for a specific project or activity, as provided by 24 CFR Part 12, Subpart C, **and** have you received, or can you reasonably expect to receive, an aggregate amount of all forms of covered assistance from HUD, States, and units of general local government, in excess of $200,000 during the Federal fiscal year (October 1 through September 30) in which the application is submitted? ☐ **Yes** ☐ **No**

   If Yes, you must complete the remainder of this report.

   If No, you must sign the certification below and answer the next question.

   I hereby certify that this information is true. (Signature)_____ Date _____

2. Is this application for a specific housing project that involves other government assistance? ☐ **Yes** ☐ **No**

   If Yes, you must complete the remainder of this report.

   If No, you must sign this certification.

   I hereby certify that this information is true. (Signature)_____ Date _____

If your answers to both questions are No, you do not need to complete Parts III, IV, or V, but you must sign the certification at the end of the report.

Part III. Other Government Assistance Provided/Requested

Department/State/Local Agency Name and Address	Program	Type of Assistance	Amount Requested/Provided

Is there other government assistance that is reportable in this Part and in Part V, but that is reported only in Part V? ☐ Yes ☐ No

If there is no other government assistance, you must certify that this information is true.

I hereby certify that this information is true. (Signature) _____ Date _____

form **HUD-2880** (3/92)
ref. Sec 102, HRA 1989; PL. 101 - 235

Part IV. Interested Parties

Alphabetical list of all persons with a reportable financial interest in the project or activity (for individuals, give the last name first)	Social Security Number or Employee ID Number	Type of Participation in Project/Activity	Financial Interest in Project/Activity ($ and %)

If there are no persons with a reportable financial interest, you must certify that this information is true.

I hereby certify that this information is true. (Signature) _____ Date _____

form **HUD-2880** (3/92)
ref. Sec 102, HRA 1989; PL. 101 - 235

Part V. Report on Expected Sources and Uses of Funds

Source

If there are no sources of funds, you must certify that this information is true.

I hereby certify that this information is true. (Signature) _____ Date _____

Use

If there are no uses of funds, you must certify that this information is true.

I hereby certify that this information is true. (Signature) _____ Date _____

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed $10,000 for each violation.

I certify that this information is true and complete.

Signature	Date

form **HUD-2880** (3/92)
ref. Sec 102, HRA 1989; PL. 101 - 235

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2510-0011), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collecton displays a valid OMB control number.

Do not send this form to the above address.

Privacy Act Statement. Except for Social Security Numbers (SSNs) and Employer Identification Numbers (EINs), the Department of Housing and Urban Development (HUD) is authorized to collect all the information required by this form under section 102 of the Department of Housing and Urban Development Reform Act of 1989, 42 U.S.C. 3531. Disclosure of SSNs and EINs is optional. The SSN or EIN is used as a unique identifier. The information you provide will enable HUD to carry out its responsibilities under Sections 102(b), (c), and (d) of the Department of Housing and Urban Development Reform Act of 1989, Pub. L. 101-235, approved December 15, 1989. These provisions will help ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. They will also help ensure that HUD assistance for a specific housing project under Section 102(d) is not more than is necessary to make the project feasible after taking account of other government assistance. HUD will make available to the public all applicant disclosure reports for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be made available along with the disclosure reports, but in no case for a period generally less than three years. All reports, both initial reports and update reports, 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. HUD will use the information in evaluating individual assistance applications and in performing internal administrative analyses to assist in the management of specific HUD programs. The information will also be used in making the determination under Section 102(d) whether HUD assistance for a specific housing project is more than is necessary to make the project feasible after taking account of other government assistance. You must provide all the required information. Failure to provide any required information may delay the processing of your application, and may result in sanctions and penalties, including imposition of the administrative and civil money penalties specified under 24 CFR §12.34.

Note: This form only covers assistance made available by the Department. States and units of general local government that carry out responsibilities under Sections 102(b) and (c) of the Reform Act must develop their own procedures for complying with the Act.

Instructions (See Note 1 on last page.)

I. Overview. Subpart C of 24 CFR Part 12 provides for (1) initial reports from applicants for HUD assistance and (2) update reports from recipients of HUD assistance. An overview of these requirements follows.

A. Applicant disclosure (initial) reports: General. All applicants for assistance from HUD for a specific project or activity must make a number of disclosures, if the applicant meets a dollar threshold for the receipt of covered assistance during the fiscal year in which the application is submitted. The applicant must also make the disclosures if it requests assistance from HUD for a specific housing project that involves assistance from other governmental sources.

Applicants subject to Subpart C must make the following disclosures:

Assistance from other government sources in connection with the project,

The financial interests of persons in the project,

The sources of funds to be made available for the project, and

The uses to which the funds are to be put.

B. Update reports: General. All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

C. Applicant disclosure reports: Specific guidance. The applicant must complete all parts of this disclosure form if **either** of the following **two** circumstances in paragraph 1. or 2., below, applies:

1.a. Nature of Assistance. The applicant submits an application for assistance for a specific project or activity (See Note 2) in which:

HUD makes assistance available to a recipient for a specific project or activity; or

HUD makes assistance available to an entity (other than a State or a unit of general local government), such as a public housing agency (PHA), for a specific project or activity, where the application is required by statute or regulation to be submitted to HUD for any purpose; **and**

b. Dollar Threshold. The applicant has received, or can reasonably expect to receive, an aggregate amount of all forms of assistance (See Note 3) from HUD, States, and units of general local government, in excess of $200,000 during the Federal fiscal year (October 1 through September 30) in which the application is submitted. (See Note 4)

2. The applicant submits an application for assistance for a specific housing project that involves other government assistance. (See Note 5) Note: There is no dollar threshold for this criterion: **any** other government assistance triggers the requirement. (See Note 6)

If the Application meets **neither** of these two criteria, the applicant need only complete Parts I and II of this report, as well as the certification at the end of the report. If the Application meets **either** of these criteria, the applicant must complete the entire report.

The applicant disclosure report must be submitted with the application for the assistance involved.

D. Update reports: Specific guidance. During the period in which an application for covered assistance is pending, or in which the assistance is being provided (as indicated in the relevant grant or other agreement), the applicant must make the following additional disclosures:

1. Any information that should have been disclosed in connection with the application, but that was omitted.

2. Any information that would have been subject to disclosure in connection with the application, but that arose at a later time, including information concerning an interested party that now meets the applicable disclosure threshold referred to in Part IV, below.

3. For changes in previously disclosed other government assistance:

For programs administered by the Assistant Secretary for Community Planning and Development, any change in other government assistance that exceeds the amount of such assistance that was previously disclosed by $250,000 or by 10 percent of the assistance (whichever is lower).

For all other programs, any change in other government assistance that exceeds the amount of such assistance that was previously disclosed.

4. For changes in previously disclosed financial interests, any change in the amount of the financial interest of a person that exceeds the amount of the previously disclosed interests by $50,000 or by 10 percent of such interests (whichever is lower).

5. For changes in previously disclosed sources or uses of funds:

a. For programs administered by the Assistant Secretary for Community Planning and Development:

Any change in a source of funds that exceeds the amount of all previously disclosed sources of funds by $250,000 or by 10 percent of those sources (whichever is lower); and

Any change in a use of funds under paragraph (b)(1)(iii) that exceeds the amount of all previously disclosed uses of funds by $250,000 or by 10 percent of those uses (whichever is lower).

b. For all programs, other than those administered by the Assistant Secretary for Community Planning and Development:

For projects receiving a tax credit under Federal, State, or local law, any change in a source of funds that was previously disclosed.

For all other projects, any change in a source of funds that exceeds the lower of:

The amount previously disclosed for that source of funds by $250,000, or by 10 percent of the amount previously disclosed for that source, whichever is lower; or

The amount previously disclosed for all sources of funds by $250,000, or by 10 percent of the amount previously disclosed for all sources of funds, whichever is lower.

c. For all programs, other than those administered by the Assistant Secretary for Community Planning and Development:

For projects receiving a tax credit under Federal, State, or local law, any change in a use of funds that was previously disclosed.

For all other projects, any change in a use of funds that exceeds the lower of:

The amount previously disclosed for that use of funds by $250,000, or by 10 percent of the amount previously disclosed for that use, whichever is lower; or

The amount previously disclosed for all uses of funds by $250,000, or by 10 percent of the amount previously disclosed for all uses of funds, whichever is lower.

Note: Update reports must be submitted within 30 days of the change requiring the update. The requirement to provide update reports only applies if the application for the underlying assistance was submitted on or after the effective date of Subpart C.

II. Line-by-Line Instructions.

A. Part I. Applicant/Recipient Information.

All applicants for HUD assistance specified in Section I.C.1.a., above, as well as all recipients required to submit an update report under Section I.D., above, must complete the information required by Part I. The applicant/recipient must indicate whether the disclosure is an initial or an update report. Line-by-line guidance for Part I follows:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered. Entry of the applicant/recipient's SSN or EIN, as appropriate, is optional.

2. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

3. Applicants describe the HUD assistance referred to in Section I.C.1.a. that is being requested. Recipients describe the HUD assistance to which the update report relates.

4. Applicants enter the HUD program name under which the assistance is being requested. Recipients enter the HUD program name under which the assistance, that relates to the update report, was provided.

5. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.

Note: In the case of Mortgage Insurance under 24 CFR Subtitle B, Chapter II, the mortgagor is responsible for making the applicant disclosures, and the mortgagee is responsible for furnishing the mortgagor's disclosures to the Department. Update reports must be submitted directly to HUD by the mortgagor.

Note: In the case of the Project-Based Certificate program under 24 CFR Part 882, Subpart G, the owner is responsible for making the applicant disclosures, and the PHA is responsible for furnishing the owner's disclosures to HUD. Update reports must be submitted through the PHA by the owner.

B. Part II. Threshold Determinations — Applicants Only

Part II contains information to help the applicant determine whether the remainder of the form must be completed. **Recipients filing Update Reports should not complete this Part.**

1. The first question asks whether the applicant meets the Nature of Assistance and Dollar Threshold requirements set forth in Section I.C.1. above.

If the answer is Yes, the applicant must complete the remainder of the form. If the answer is No, the form asks the applicant to certify that its response is correct, and to complete the next question.

2. The second question asks whether the application is for a specific housing project that involves other government assistance, as described in Section I.C.2. above.

If the answer is Yes, the applicant must complete the remainder of the form. If the answer is No, the form asks the applicant to certify that its response is correct.

If the answer to both questions1 and 2 is No, the applicant need not complete Parts III, IV, or V of the report, but must sign the certification at the end of the form.

C. Part III. Other Government Assistance.

This Part is to be completed by both applicants filing applicant disclosure reports and recipients filing update reports. Applicants must report any other government assistance involved in the project or activity for which assistance is sought. Recipients must report any other government assistance involved in the project or activity, to the extent required under Section I.D.1., 2., or 3., above.

Other government assistance is defined in note 5 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, State, and zip code of the government agency making the assistance available. Include at least one organizational level below the agency name. For example, U.S. Department of Transportation, U.S. Coast Guard; Department of Safety, Highway Patrol.

2. Enter the program name and any relevant identifying numbers, or other means of identification, for the other government assistance.

3. State the type of other government assistance (e.g., loan, grant, loan insurance).

4. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).

If the applicant has no other government assistance to disclose, it must certify that this assertion is correct.

To avoid duplication, if there is other government assistance under this Part and Part V, the applicant/recipient should check the appropriate box in this Part and list the information in Part V, clearly designating which sources are other government assistance.

D. Part IV. Interested Parties.

This Part is to be completed by both applicants filing applicant disclosure reports and recipients filing update reports.

Applicants must provide information on:

(1) All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and

(2) any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds $50,000 or 10 percent of the assistance (whichever is lower).

Recipients must make the additional disclosures refferred to in Section I.D.1.,2., or 4, above.

Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses of all persons referred to in paragraph (1) or (2) of this Part. If the person is an entity, the listing must include the full name of each officer, director, and principal stockholder of the entity. All names must be listed alphabetically, and the names of individuals must be shown with their last names first.

2. Entry of the Social Security Number (SSN) or Employee Identification Number (EIN), as appropriate, for each person listed is optional.

3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).

4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

If the applicant has no persons with financial interests to disclose, it must certify that this assertion is correct.

5. Part V. Report on Sources and Uses of Funds. This Part is to be completed by both applicants filing applicant disclosure reports and recipients filing update reports.

The applicant disclosure report must specify all expected sources of funds — both from HUD and from any other source — that have been, or are to be, made available for the project or activity. Non-HUD sources of funds typically include (but are not limited to) other government assistance referred to in Part III, equity, and amounts from foundations and private contributions. The report must also specify all expected uses to which funds are to be put. All sources and uses of funds must be listed, if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the source or use will be forthcoming.

Note that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, and on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required.

Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

General Instructions — sources of funds

Each reportable source of funds must indicate:

a. The name and address, city, State, and zip code of the individual or entity making the assistance available. At least one organizational level below the agency name should be included. For example, U.S. Department of Transportation, U.S. Coast Guard; Department of Safety, Highway Patrol.

b. The program name and any relevant identifying numbers, or other means of identification, for the assistance.

c. The type of assistance (e.g., loan, grant, loan insurance).

Specific instructions — sources of funds.

(1) For programs administered by the Assistant Secretaries for Fair Housing and Equal Opportunity and Policy Development and Research, each source of funds must indicate the total amount of approved, and received; and must be listed in descending order according to the amount indicated.

(2) For programs administered by the Assistant Secretaries for Housing-Federal Housing Commissioner, Community Planning and Development, and Public and Indian Housing, each source of funds must indicate the total amount of funds involved, and must be listed in descending order according to the amount indicated.

(3) If Tax Credits are involved, the report must indicate all syndication proceeds and equity involved.

General instructions—uses of funds.

Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, evevators, exterior masonry, etc.

Specific instructions -- uses of funds.

(1) For programs administered by the Assistant Secretaries for Fair Housing and Equal Opportunity and Policy Development and Research, each use of funds must indicate the total amount of funds involved; must be broken down by amount committed, budgeted, and planned; and must be listed in descending order according to the amount indicated.

(ii) For programs administered by the Assistant Secretaries for Housing-Federal Housing Commissioner, Community Planning and Development, and Public and Indian Housing, each use of funds must indicate the total amount of funds involved and must be listed in descending order according to the amount involved.

(iii) If any program administered by the Assistant Secretary for Housing-Federal Housing Commissioner is involved, the report must indicate all uses paid from HUD sources and other sources, including syndication proceeds. Uses paid should include the following amounts.

AMPO
Architect's fee — design
Architect's fee — supervision
Bond premium
Builder's general overhead
Builder's profit
Construction interest
Consultant fee
Contingency Reserve
Cost certification audit fee
FHA examination fee
FHA inspection fee
FHA MIP
Financing fee
FNMA / GNMA fee
General requirements
Insurance
Legal — construction
Legal — organization
Other fees
Purchase price
Supplemental management fund
Taxes
Title and recording
Operating deficit reserve
Resident initiative fund
Syndication expenses
Working capital reserve
Total land improvement
Total structures

Uses paid from syndication must include the following amounts:

Additional acquisition price and expenses
Bridge loan interest
Development fee
Operating deficit reserve
Resident initiative fund
Syndication expenses
Working capital reserve

Footnotes:

1. All citations are to 24 CFR Part 12, which was published in the Federal Register on March 14, 1991 at 56 Fed. Reg. 11032.
2. A list of the covered assistance programs can be found at 24 CFR §12.30, or in the rules or administrative instructions governing the program involved. Note: The list of covered programs will be updated perodically.
3. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Federal Acquisition Regulation (FAR) (48 CFR Chapter 1).
4. See 24 CFR §§12.32 (a)(2) and (3) for detailed guidance on how the threshold is calculated.
5. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.
6. For further guidance on this criterion, and for a list of covered programs, see 24 CFR §12.50.
7. For purposes of Part 12, a person means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

form **HUD-2880** (3/92)
ref. Sec 102, HRA 1989; PL. 101 - 235

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