

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

[Docket No. FR-4289-N-01]

**Office of the Assistant Secretary for Community Planning and Development; Funding for Fiscal Year 1997: Capacity Building for Community Development and Affordable Housing**

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

**ACTION:** Notice of funding for fiscal year 1997.

**SUMMARY:** A recently enacted appropriation transfers \$30.2 million in Fiscal Year 1997 funds to section 4 of the HUD Demonstration Act of 1993 and amends it to provide this assistance through The Enterprise Foundation, the Local Initiatives Support Corporation (LISC), Habitat for Humanity, and Youthbuild, USA. The funds are to be used for capacity building for community development and affordable housing—provided that at least \$10,000,000 of the funding is used in rural areas, including tribal areas—as required by section 4 of the 1993 Act.

Section 4 authorizes the Secretary to establish by notice such requirements as may be necessary to carry out its provisions. This notice, which takes effect upon issuance, indicates that HUD will equally divide the \$30.2 million appropriated for this capacity building initiative among the four organizations cited above. Each organization will match the HUD assistance provided with resources from private sources in an amount equal to three times its share, as required by section 4 of the 1993 Act. Each organization will use at least \$2.5 million of its \$7.55 million share for activities in rural areas, including tribal areas.

This notice also provides details regarding administrative and other requirements which shall apply to this program.

**FOR FURTHER INFORMATION CONTACT:** Phyllis Amon, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 7216, Washington DC 20410. Telephone Number (202) 708-3176 Ext. 4380, TTY Number: (202) 708-2565. (These are not toll-free numbers.)

**SUPPLEMENTARY INFORMATION:**

**1. Authority**

The 1997 Emergency Supplemental Appropriations Act for Recovery from

Natural Disasters, and for Overseas Peacekeeping Efforts, including Those in Bosnia, Pub.L. 105-18, 111 Stat. 198 and 201, June 12, 1997, (1997 Emergency Supplemental Appropriations Act) transfers \$30.2 million from the Homeownership and Opportunity for People Everywhere (HOPE) program account to section 4 of the HUD Demonstration Act of 1993, 41 U.S.C. 9816 note, (1993 Act) and amends it to provide this assistance through Enterprise, LISC, Habitat for Humanity, and Youthbuild “to develop the capacity and ability of community development corporations and community housing development organizations to undertake community development and affordable housing projects and programs.”

**2. Background**

In Fiscal Year 1994, HUD provided \$20 million to Enterprise and LISC through The National Community Development Initiative (NCDI) as authorized by section 4 of the HUD Demonstration Act of 1993. An additional \$10 million for NCDI was authorized by section 12(b)(3) of the Housing Opportunity Program Extension Act of 1996, Pub. L. 104-120, 110 Stat. 845, March 28, 1996. In accordance with these statutes, HUD divided both appropriations equally between Enterprise and LISC. HUD published a notice on March 30, 1994, at 59 FR 14988, which sets forth the requirements for these funds.

Today's notice contains requirements for the newly authorized \$30.2 million. These funds, however, may be allocated by Enterprise and LISC to continue NCDI activities which received funding under the notice dated March 30, 1994 and grant agreements pursuant to it. Those activities will continue to be governed by the requirements of the **Federal Register** funding notice dated March 30, 1994.

Today's notice does not apply to the \$30 million in funds previously made available for NCDI under section 4 of the HUD Demonstration Act of 1993 or any additional HUD funds allocated by Enterprise and LISC for NCDI activities. The use of such funds will continue to be governed by the requirements of the March 30, 1994, **Federal Register** funding notice.

**3. Allocation and Form of Awards**

The 1997 Emergency Supplemental Appropriations Act provides \$30.2 million for Section 4 activities. In accordance with congressional intent, Enterprise, LISC, Habitat for Humanity, and Youthbuild will each be awarded

7.55 million. The accompanying Conference Report stated in part:

The language makes a technical change to include certain participating intermediary organizations \* \* \*. It is the intent of the conferees that funds available shall be equally divided among participating intermediary organizations. (H.R. Conf. Rep. No. 105-119, 105th Cong., 1st Sess. 115 (1997))

Each organization will use \$2.5 million of its share for activities in rural areas, including tribal areas.

**4. Eligible Activities**

Eligible activities under this award include:

(a) Training, education, support, and advice to enhance the technical and administrative capabilities of community development corporations (CDCs) and community housing development organizations (CHDOs);

(b) Loans, grants, development assistance, predevelopment assistance, or other financial assistance to CDCs/CHDOs to carry out community development and affordable housing activities that benefit low-income families and persons, including the acquisition, construction, or rehabilitation of housing for low-income families and persons, and community and economic development activities which create jobs for low-income persons; and

(c) Such other activities as may be determined by Enterprise, LISC, Habitat for Humanity, and Youthbuild in consultation with the Secretary or his designee.

**5. Matching Requirements**

As required by section 4 of the 1993 Act, this \$30.2 million appropriation is subject to each award dollar being matched by three dollars in cash or in-kind contributions to be obtained from private sources. Each of the organizations receiving these funds will document its proportionate share of matching resources, including resources committed directly or by a third party to a grantee or subgrantee after June 12, 1997 to conduct activities in approved work plans.

In-kind contributions shall conform to the requirements of 24 CFR 84.23.

**6. Administrative and Other Requirements**

The award will be governed by 24 CFR part 84 (Uniform Administrative Requirements), A-122 (Cost Principles for Nonprofit Organizations), and A-133 (Audits of Institutions of Higher Education and other Nonprofit Institutions) as implemented at 24 CFR part 45.

Other requirements will be detailed in the terms and conditions of the grant agreement provided to grantees, including the following:

(a) Each grantee will submit to HUD a specific work and funding plan for each community showing when and how the federal funds and non-federal matching resources will be used. The work plan must be sufficiently detailed for monitoring purposes and must identify the performance goals and objectives to be achieved. Within 30 days after submission of a specific work plan, HUD will approve the work plan or notify the grantee of matters which need to be addressed prior to approval, or the work plan shall be construed to be approved. Work plans may be developed for less than the full dollar amount and term of the award, but no HUD-funded costs may be incurred for any activity until the work plan is approved by HUD. All activities are also subject to the environmental requirements in paragraph 6.(f) of this notice.

(b) The grantees shall submit to HUD an annual performance report due 90 days after the end of each calendar year, with the first report due on March 31, 1999. Performance reports shall include reports on both performance and financial progress under work plans including reports on the commitment and expenditure of private matching resources utilized through the end of the reporting period. Reports shall conform to the reporting requirements of 24 CFR part 84. Additional information or increased frequency of reporting, not to exceed twice a year, may be required by HUD any time during the grant agreement if HUD finds such reporting to be necessary for monitoring purposes.

To further the consultation process and share the results of progress to date, the Secretary may require grantees to present and discuss their performance reports at annual meetings in Washington, DC during the life of the award.

(c) The performance reports must contain the information required under 24 CFR part 84, including a comparison of actual accomplishments with the objectives and performance goals of the work plans. In the work plans each grantee will identify performance goals and objectives established for each community in which it proposes to work and appropriate measurements under the work plan such as: the number of housing units and facilities each CDC/CHDO produces annually during the grant period and the average cost of these units. Provided, however, that when the activity described in a work plan is not to be undertaken in a

single community that a report indicating the areas in which the activity will be undertaken, along with appropriate goals and objectives, will be provided when that information is available. The performance reports will also include a discussion of the reasonableness of the unit costs; the reasons for slippage if established objectives and goals are not met; and additional pertinent information.

(d) A final performance report, in the form described in paragraph (c) above, shall be provided to HUD by each grantee within 90 days after the completion date of the award.

(e) Financial status reports (SF-269A) shall be submitted semiannually.

(f) Environmental review. Individual projects to be funded by these grants may not be known at the time the overall grants are awarded and also may not be known when some of the individual subgrants are made. Therefore, in accordance with 24 CFR 50.3(h), the application and the grant agreement must provide that no commitment or expenditure of HUD or local funds to a HUD-assisted project may be made until HUD has completed an environmental review to the extent required under applicable regulations and has given notification of its approval in accordance with 24 CFR 50.3(h).

### 8. Application Content

Grantees will be required to file an application containing the following:

(a) Application for Federal Assistance (OMB Standard Form 424), Non-construction Assurances (SF-424B), Certification Regarding Drug-Free Workplace Requirements, Certification Regarding Lobbying and the Fair Housing and Equal Opportunity certification described in section 9(f) of this notice;

(b) A Summary Budget for the amount of funds being requested as described in section VI (10) of the "NOFA for Consolidated Technical Assistance for Community Planning and Development (CPD) Programs; Notice," published at 59 FR 33842, 33848, on June 30, 1994 and specifying any amounts to be committed to NCDI activities under the notice dated March 30, 1994 and grant agreements pursuant to it.

### 9. Other Matters

(a) *Environmental Impact.* A Finding of No Significant Impact with respect to the environment has been made in accordance with the Department's regulations at 24 CFR part 50, which implements section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of

No Significant Impact is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays at the Office of the Rules Docket Clerk, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410.

(b) *Wage Rates.* Unless triggered by other Federal funds for a project under this grant, the requirements of the Davis-Bacon Act do not apply.

(c) *Relocation.* The Uniform Relocation Act applies to anyone who is displaced as a result of acquisition, rehabilitation, or demolition, for a HUD-assisted activity.

(d) *Federalism.* The General Counsel, as the Designated Official under section 7(a) of the Executive Order 12612, *Federalism*, has determined that the policies contained in this funding notice will not have substantial direct effects on States or their political subdivisions or on the distribution of power and responsibilities among the various levels of government. Specifically, this notice makes funds available through specific entities for specific activities, as required by statute, and does not impinge upon the relationships between the Federal government, and State and local governments.

(e) *Prohibition against lobbying activities.* Applicants for funding under this notice are subject to the provisions of section 319 of the Department of Interior and Related Agencies Appropriation Act for Fiscal Year 1991, 31 U.S.C. 1352 (the Byrd Amendment) and to the provisions of the Lobbying Disclosure Act of 1995, Pub. L. 104-65 (December 19, 1995).

The Byrd Amendment, which is implemented in regulations at 24 CFR part 87, prohibits applicants for Federal contracts and grants from using appropriated funds to attempt to influence Federal Executive or legislative officers or employees in connection with obtaining such assistance, or with its extension, continuation, renewal, amendment or modification. The Byrd Amendment applies to the funds that are the subject of this notice. Therefore, applicants must file with their application a certification stating that they have not made and will not make any prohibited payments and, if any payments or agreement to make payments of nonappropriated funds for these purposes have been made, a form SF-LLL disclosing such payments must be submitted.

The Lobbying Disclosure Act of 1995, Pub. L. 104-65 (December 19, 1995), which repealed section 112 of the HUD Reform Act and resulted in the elimination of the regulations at 24 CFR

part 86, requires all persons and entities who lobby covered Executive or Legislative Branch officials to register with the Secretary of the Senate and the Clerk of the House of Representatives and file reports concerning their lobbying activities.

(f) *Fair Housing and Equal Opportunity*. Applications must contain

a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

**Authority:** Section 4 of the HUD Demonstration Act of 1993, Pub. L. 103-120,

42 U.S.C. 9816 note, as amended and Pub. L. 105-18, 111 Stat 198.

Dated: January 23, 1998.

**Saul N. Ramirez, Jr.,**

*Assistant Secretary for Community Planning and Development.*

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