



Renewal Communities

Urban and Rural Application Guide

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Introduction

The Renewal Community (RC) initiative is a new kind of partnership among Federal, State, and local governments; local businesses; and community organizations to stimulate economic development in the Nation's most distressed communities. Areas designated as RCs—whether urban, rural, or within Indian reservations—are distressed areas that will receive special Federal income tax treatment and other incentives.

The RC initiative represents a new approach to advancing economic prosperity in the poorest of the poor areas of a community—areas that have been considered resistant to economic development. Through this initiative, HUD will designate 40 of the most distressed communities in the Nation and provide them with the opportunity for economic growth through a package of tax incentives. The tax benefits to RC designations made in 2001 will be available from January 1, 2002, to December 31, 2009.

The government incentives provided for RCs are, generally, incentives of forbearance. Business activities in RCs will not be subject to the same levels of taxation or the same regulatory restrictions that apply elsewhere.

The Community Renewal Tax Relief Act¹ (CRTR Act) of 2000, which established the RC initiative, is part of the Omnibus Consolidated and Emergency Appropriations Act for FY01 (Public Law 106–544, 106th Congress, signed into law on December 21). The CRTR Act authorizes the designation of 40 RCs (28 urban and 12 rural) and the designation of 9 Round III Empowerment Zones (EZs) (7 urban and 2 rural).

How Will HUD Select Renewal Communities?

The RC program represents a new approach to the selection of target areas that will benefit from special tax incentives. Unlike the EZ and Enterprise Community (EC) programs, which require a rigorous, detailed application and detailed coordination with local consolidated planning programs, RCs will be selected on the basis of straightforward measures of community need.

1. CRTR Act adds a new subchapter X, consisting of sections 1400E through 1400J, to Chapter 1 of the Internal Revenue Code of 1986. Subchapter X governs the designation of, and tax incentives for, RCs.



The application process for the RC initiative is streamlined and simple. State and local governments define an area (within a continuous boundary) and nominate it to be designated as an RC. Areas that are documented to be areas of pervasive poverty, unemployment, and general distress and that pass specific thresholds for certain indices (poverty, unemployment, and income for urban areas; poverty and unemployment for rural areas) will be eligible for an RC designation. The forms in the appendix document the rates of poverty, unemployment, and income of area residents. State and local governments also commit to a course of tax and regulatory action and enhanced public services to encourage economic development in the area. Bonus points will be awarded if the area has lower than average crime rates and if the nominated area's census tracts are identified by the U.S. General Accounting Office as distressed areas.

The urban and rural nominated communities then will be ranked by need, from most to least severe. HUD will apply a computerized formula to select as RCs those rural and urban communities that have the most severe indications of need.

What Benefits Does the RC Initiative Offer Designated Communities?

The RC initiative focuses on marshaling the support and commitments of key players in State and local governments and emphasizes forming alliances with businesses and local community-based organizations. The initiative does not provide Federal funds. Instead, it offers Federal tax breaks and provides a framework for State and local governments to offer incentives and other benefits.

By encouraging job development and retention, the RC initiative helps residents gain employment, succeed in their jobs, and become economically self-sufficient. The increase in business activity that results from these actions will provide economic growth and benefits to RCs and the surrounding communities.

In addition, HUD will offer technical assistance to help RC communities put the tax incentive package together and develop materials to promote its benefits to businesses.

Nationwide, the RC tax package represents a net worth of more than \$5 billion in tax credits in areas such as wage credits, additional deductions under Section 179 of the U.S. Internal Revenue Code, deductions for revitalization expenditures (up to \$12 million per RC), and breaks on capital gains tax rates. RCs also will be eligible for the New Markets Tax Credits—worth more than \$8 billion—and for \$5 million in Low-Income Housing Tax Credits.

How Does the RC Initiative Work?

The RC initiative creates a structure that fosters partnerships. Federal, State, and local governments, community organizations, and businesses all play a role.

The State and local government role. State and local governments develop, commit to, and implement a Course of Action that becomes the framework of the local RC initiative. Set out in a formal document, the Course of Action is a plan that shows how the governments, and local organizations, will perform at least four of the following within the RC:

- Reduce tax rates.
- Increase local services.
- Implement crime reduction strategies.
- Act to reduce or remove government requirements.
- Increase involvement in economic development activities.
- Promote the giving, or selling at below fair market value, of surplus real property in the RC.

The State and local governments also must certify to take action within the RC concerning specific economic growth promotion requirements that affect businesses. The certification documents that the nominating governments will reduce regulatory, infrastructure, and service burdens on employers and employees in the nominated area, as required by the CRTR Act.

The role of alliances with businesses and community groups. At the heart of the RC initiative are the alliances formed with businesses and community groups; alliances that truly create a full range of economic opportunities for RC residents. Alliances with local businesses, nonprofit entities, and community groups—documented in the Course of Action—must be designed to provide jobs, employment services, and social services.

HUD does not require nominees to involve a defined list of State and local government agencies. It does, however, encourage nominees to seek the active participation of agencies responsible for community and economic development and business assistance; human services and human development, such as the administering agency for the Federal Temporary Assistance for Needy Families (TANF) program; and job support programs, including childcare, employment training, welfare-to-work, and school-to-work. (For more details on TANF, see section 1.)

The role of the coordinating responsible authority (CoRA). Within 30 days after a nominated community has received designation as an RC, the State and local governments must identify a CoRA. The CoRA—which may be an entity, an organization, or person(s)—is authorized by the governments that nominate the RC. The CoRA functions as the RC's central point of contact and takes on the responsibility and authority to carry out the program as detailed in the Course of Action and certifications of commitment. The CoRA is also responsible for promoting RC benefits to businesses and making required periodic reports to HUD.

Benefits of the Renewal Community Initiative

The objective of the Renewal Community (RC) initiative is to foster investment in the designated areas, which are some of the most severely distressed and development-resistant areas in the Nation.

The Federal Government has a twofold commitment to areas designated as RCs:

- Making available a substantial package of tax initiatives to businesses located in RCs.
- Making a commitment to provide technical assistance to aid RCs in planning and organizing their development activities, reaching out to the business community, promoting RCs' many attractive features, and encouraging investments in RCs.

Federal Tax Incentives

Rather than providing grants or guarantees to finance development projects, the RC initiative offers tax incentives to foster a strong, coordinated effort by Federal, State, and local governments to attract businesses to the designated area.

The RC tax benefits package represents a net worth of more than \$5 billion in tax credits. These benefits consist of:

- Wage credits for employing RC residents.
- Additional Section 179 deductions.
- Deductions for revitalization expenditures (up to \$12 million per RC).
- Zero-percent capital gains tax rate on qualifying assets held for more than 5 years.

RCs also will be eligible for New Markets Tax Credits worth more than \$8 billion and for Low-Income Housing Tax Credits worth \$5 million (FY01 level).

State and Local Governments Commit to Incentives

In addition to the Federal commitment, State and local governments also commit to minimizing or eliminating altogether levels of taxation and easing regulatory restrictions. State and local governments further commit to improving the infrastructure and enhancing a variety of services for RC residents and businesses. All these contributions help make the RC more competitive in attracting and retaining businesses.

HUD Will Provide Technical Assistance

The success of the RC initiative depends on the availability of technical expertise concerning how businesses can use various tax incentives and the skills needed to promote RCs to local businesses. HUD will provide technical assistance from various sources to help all designated RCs.

HUD will assign a representative to each coordinating responsible authority (CoRA). The representative will help develop a tax incentive utilization plan (TIUP) to assist RC businesses, utilizing to its best advantage the different incentives that Federal, State, and local governments make available. The representative will work with each RC on specific questions and concerns and help the RC develop and implement a marketing plan.

HUD also is prepared to draw on its alliances with corporations, tax experts, public interest groups, and private charitable foundations to provide subject expertise to RCs. Using this network of experts, RCs will gain the know-how to effectively promote and market tax incentives to businesses willing to locate or expand operations in their boundaries. HUD also will facilitate assistance from other Federal agencies. In particular, HUD will encourage the U.S. Department of Health and Human Services (HHS) to enhance services available to RC residents, including innovative uses of Federal Temporary Assistance for Needy Families (TANF) program funds and related welfare-to-work and job support programs, such as subsidized childcare.

In addition, each RC will become a member of HUD's current network of EZs and ECs. Members may participate in monthly conference calls, attend workshops, receive fax broadcasts with Federal program and funding information, and participate in electronic forums for airing concerns, sharing successes, and networking with peers.

Helping Residents Become Self-Sufficient

The Federal Government's commitment to RCs involves much more than the menu of Federal tax incentives and accompanying technical assistance for business development. In addition to those key items, Federal agencies will provide technical assistance, information, and models for reducing or eliminating bureaucratic impediments and enhancing services so that businesses will succeed and residents will prosper.

Effective State and local workforce development and welfare-to-work systems are key to community renewal. In this era of welfare system reform, many low-income residents are becoming self-sufficient, but many others still need a "hand up" in order to develop the skills they need to obtain a job and move up the career ladder. Similarly, emerging and established businesses want to employ dependable and skilled workers.

Many may be aware that, as a result of welfare reform legislation in 1996, the TANF program replaced the former welfare program, Aid to Families with

Dependent Children. TANF has given States new opportunities to develop and implement innovative strategies that move families from the cycle of dependency on public assistance to employment. For example, many States are turning welfare offices into comprehensive service centers focused on work or on changing policies so that work pays. The TANF program provides extraordinary flexibility for funding a wide variety of employment and training activities, supportive services, and benefits that can enable residents to get a job, keep a job, and improve their economic circumstances.

HHS has established a special Web site so that RC applicants can access information about the TANF program. The Web address is www.acf.dhhs.gov/programs/ocs/ez-ec/index.htm. It provides information about allowable uses of TANF funds and suggestions about how best to coordinate with State TANF agencies in order to include a welfare-to-work component in the RC Course of Action. In particular, the Web page features a downloadable and easy-to-read booklet, *Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families through the TANF Program*, which identifies many potential uses of TANF funds in areas such as the following:

- Support for work activities such as job search, job retention and postemployment followup services, and subsidized wages.
- Education and training.
- Childcare services such as full-day childcare services and childcare subsidies.
- Transportation services—including transit passes, reverse commute projects, financial support to purchase a car, reimbursements for mileage, auto repairs, and auto insurance—to facilitate finding and keeping a job.
- Housing expenses such as rental assistance (including security deposits), application fees, and payments of back rent to prevent evictions.
- Community development activities including loans to small businesses if they agree to hire and train TANF recipients and microenterprise development programs.
- Counseling services such as mental health services, anger management counseling, and nonmedical substance abuse counseling services.

In addition, HHS staff will be available to provide information about State TANF agency contacts, the TANF program, and other available State resources. For information about HHS resources, please contact James Gatz, HHS Office of Community Services, (202) 401–5284 or jgatz@acf.dhhs.gov.

Renewal Community Tax Incentives

Substantial tax incentives will be available to businesses in Renewal Communities (RCs) during the period January 1, 2002, through December 31, 2009. These tax incentives are generally designed to encourage businesses to locate or expand operations in an RC and to hire RC residents. The incentives include:

Renewal Community Tax Incentives for Businesses

- Wage Credits.
- Deductions.
- Bond Financing.
- Capital Gains.
- Other Incentives.

Wage Credits

- **Renewal Community Employment Credit (RC Wage Credit).** Credit against Federal taxes of up to \$1,500 during each year of RC designation for all existing employees and every new hire living in the RC.
- **Work Opportunity Tax Credit (WOTC).** Credit of up to \$2,400 against Federal taxes for businesses for each new hire from groups that have high unemployment rates or other special employment needs, including youth ages 18 to 24 and summer hires ages 16 to 17 who live in an RC.
- **Welfare to Work (WtW) Credit.** Two-year credit against Federal taxes for businesses that hire long-term family assistance recipients. Credits of up to \$3,500 in the first year and \$5,000 in the second year for each new hire.
- **Indian Employment Credit.** Credit against Federal taxes calculated on wages of up to \$20,000 for each qualified employee who is an enrolled member of an Indian tribe (or spouse of an enrolled member) who lives on or near an Indian reservation. Available for existing employees and new hires.

Deductions

- **Increased Section 179 Deduction.** Allows a business to claim an increased Section 179 deduction (up to \$35,000) if it qualifies as a Renewal Community Business. Can be claimed on certain depreciable property such as equipment and machinery.
- **Commercial Revitalization Deduction.** Deduction of either one-half of qualified revitalization expenditures (QREs) in the first year a building is placed in service or all QREs on a prorated basis over 10 years if QREs have been allocated to revitalization of a commercial building located in an RC.

- **Environmental Cleanup Cost Deduction (Brownfields).** Businesses can elect to deduct qualified cleanup costs of hazardous substances in certain areas (brownfields) in the tax year the business pays or incurs the costs.
- **Depreciation of Property Used on Indian Reservations.** Special accelerated depreciation rules apply to qualified property placed in service on an Indian reservation after 1993 and before 2004. Certain public infrastructure used or located off the Indian reservation also qualifies.

Bond Financing

- **Qualified Zone Academy Bonds (QZABs).** State or local governments can issue bonds at 0-percent interest cost to them to finance public school programs with private business partnerships. Private businesses must contribute money, equipment, or services equal to 10 percent of bond proceeds (which may qualify as a charitable contribution). The Federal Government pays interest in the form of tax credit to banks, insurance companies, and certain lending corporations that hold QZABs.

Capital Gains

- **Zero Percent Capital Gains Rate for RC Assets.** The holder, for a minimum of 5 years, of an RC asset acquired between January 1, 2002, and December 31, 2009, will not have to include in its gross income any qualified capital gain from the sale or exchange of the asset.

Other Incentives

- **New Markets Tax Credit.** Equity investors in qualified Community Development Entities (CDEs) can obtain a tax credit against Federal taxes of 5 to 6 percent of the amount invested for each of the years the investment is held, for up to 7 years of the credit period.
- **Low-Income Housing Tax Credit (LIHTC).** Ten-year credit against Federal taxes for owners of newly constructed or renovated rental housing that set aside a specified percentage of units for low-income persons for a minimum of 15 years. The credit varies for new construction and renovation.

For more information on tax incentives available in RCs, please see *Tax Incentive Guide for Businesses in the Renewal Communities, Empowerment Zones, and Enterprise Communities*. See section 12 for instructions on how to obtain the guide. Also, designated communities will need to prepare a tax incentive utilization plan (TIUP) outlining a strategy for promoting the use of these tax incentives. See section 8 for details on the TIUP.

Eligibility Area Requirements

The Five-Step Designation Process

- 1. Convene.** Applicants should first establish contact and meet with all the significant players in the development of the application, such as representatives from the State and local governments and the community-based organizations that have the authority to make important decisions involving the selection of the nominated area and the development of the Course of Action. The State and local government representatives also should have access to those officials who will be responsible for committing and signing the certifications that are integral to the Renewal Community (RC) designation and its success.
- 2. Verify.** The applicant must verify that each of the census tracts within the nominated area meets the geographic, population, and economic condition requirements (poverty and unemployment, and, in the case of urban nominated areas, poverty, unemployment, and income). Filling out the Urban or Rural Census Tract Data Form early in the process is the best way to verify the nominated area's census tracts. HUD has provided 1990 census data tables showing population, poverty rates, income, and other information needed to complete the form. These tables can be found on HUD's Internet site at www.hud.gov/offices/cpd/ezec or obtained by calling Community Connections at (800) 998-9999.
- 3. Develop.** The streamlined application process has three essential components consisting of the nomination form (see appendix), the Course of Action, and certifications. These components are discussed in detail in sections 3, 4, and 5.
- 4. Submit.** Applicants are required to submit a completed nomination form (see appendix), a map showing the boundaries of the nominated area, a Course of Action signed by officials representing the State(s) and local government(s) and community-based organizations, and the signed certifications.
- 5. Implement.** Once nominated areas have been designated as RCs, the State and local governments in which the designation is made must meet specific post-designation requirements. These requirements include establishing the coordinating responsible authority (CoRA)—the entity with the authority and responsibility for achieving the State and local government certifications and commitments included in the applicant's submission. The CoRA will prepare and submit to HUD the designee's tax incentive utilization plan (TIUP) and ensure that the TIUP is developed with community participation. The CoRA also must include a certification that the TIUP is consistent with the local Consolidated Plan or Indian Housing Plan. Because the CoRA is the responsible authority for achieving the State and local governments' certifications, the membership of the CoRA should be considered early on and included in the application planning process.

Who Can Submit a Nomination?

The process of obtaining RC status begins with the submission of a nomination for RC designation.

- All State and local governments within the nominated area jointly submit the Certification forms, the nomination form, and an outline map of the census tracts and jurisdictions/borders. Both State and local officials must sign these forms (see appendix).

A local government with an Empowerment Zone (EZ) or an Enterprise Community (EC) designation is not precluded from applying for one of the 40 RC designations as long as the RC nominated area does not contain any census tracts already included in the EZ or EC. If, however, a local government applies for an RC, and any of the RC's designated area is in an EZ or EC, the EZ or EC designation ceases to be in effect on the date that the RC designation takes effect. In addition, the nominated area must meet all the RC requirements.

- For areas on Indian reservations, the reservation governing body (as determined by the Secretary of the Interior) must submit the nomination. No other State or local governments need to sign the forms.

Geographic Requirements

To be eligible for designation, an area must meet the following geographic requirements.

- Its area must be within the jurisdiction of one or more local governments.
- The boundary of the area must be continuous.
 - The boundary may cross natural features, such as a river, or jurisdictional lines, such as a county border.
 - The boundary may enclose areas not included in the proposed RC area, resulting in the nominated area's having a "Swiss cheese" appearance.
- A map showing the boundaries of the proposed RC must be attached to the nomination form.

Population Requirements

To be eligible for designation, an area must meet certain population requirements.

All nominated areas. Whether urban or rural, all nominated areas must have a population of not more than 200,000. In the case of a rural nominated area, the population must not be less than 1,000. In the case of an urban nominated area, the population must not be less than 4,000.

Rural nominated areas. If the nominated area is located entirely within a single local government jurisdiction, the jurisdiction must either have a population of less than 50,000 or be located outside a metropolitan area. If the nominated area is located within several local jurisdictions, each jurisdiction either must have a population of less than 50,000 or must be located outside a metropolitan area.

Rural case-by-case determinations. If the nominated area jurisdictions do not meet the requirements above, HUD may determine on a case-by-case basis after consultation with the Secretary of Commerce that a nominated area should be considered as a rural area based on information submitted in the application.

Urban nominated areas. Some portion of the nominated area must be located within a local government jurisdiction that has a population of 50,000 or greater *and* is located within a metropolitan area.

Indian reservations. A nominated area that is entirely within an Indian reservation is not subject to population requirements.

Economic Condition Requirements

To be eligible for RC designation, areas must meet the following economic thresholds based on 1990 census data.

Urban areas. Urban areas must (1) submit a certification of economic distress and meet (2) the unemployment requirement, (3) the poverty requirement, and (4) the income requirement.

Rural areas. Rural areas must (1) submit a certification of economic distress and meet (2) the unemployment requirement and (3) the poverty requirement.

Unemployment requirement. The unemployment rate in the nominated area must be at least one and one-half times (150 percent) the national unemployment rate based on 1990 census data.

Poverty requirement. Each census tract within nominated urban and rural areas must have a poverty rate of least 20 percent. Within an Indian reservation, the poverty rate of the nominated area as a whole will be considered.

Income requirement. At least 70 percent of area households for an urban nominated area as a whole must have incomes below 80 percent of the Household Adjusted Median Family Income (HAMFI). There is no income requirement for rural areas or Indian reservations. The total number of households in each census tract and the number of households below 80 percent of the HAMFI in each census tract are available through HUD's Web site at www.hud.gov/offices/cpd/ezec or by calling (800) 998-9999.

Certification of economic distress. The nominating governments must certify that the nominated area is an area of pervasive poverty, unemployment, and general distress. There must be evidence to support these certifications, which may be presented in narrative form, through tables or charts, or any combination of these options.

This evidence must support the following conclusions:

- **Pervasive poverty.** Poverty is widespread through the nominated area (as indicated by 1990 census data) or it has become entrenched (as shown through comparisons of 1980 and 1990 census data or other relevant evidence.)

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- **Unemployment.** Unemployment is not less than the national annual average rate (from the most recent data available) or hardships in the local economy, such as a military base or plant closing, have created significant job dislocation within the nominated area.
 - **General distress.** Adverse socioeconomic conditions within the nominated area, other than pervasive poverty and unemployment.

The table or narrative may include:

- Below average or decline in personal income.
- Number of persons on welfare.
- Per capita property tax base.
- High or rising incidence of crime.
- Health data on teen pregnancy rates, incidence of AIDS, and other adverse health indicators.
- Education data on school dropout rate and illiteracy rate.
- Homelessness.
- Abandoned housing.
- Deteriorated infrastructure.

Course of Action

The RC application must include a Course of Action—a plan that demonstrates how the State and local governments will work with community-based organizations to reduce burdens and to improve services for RC residents and businesses. The plan must be a written document, signed by representatives of the nominating State and local governments and by the community-based organizations that are committed to achieving the goals of the Course of Action. *These organizations are not required to be located in the nominated area as long as they commit to the Course of Action's goals.*

Key Partners

HUD encourages nominated areas to involve a broad spectrum of State and local public agencies, nonprofit organizations, local businesses, and neighborhood or community-based groups. Signatories may include the following:

- Community, economic, and business development agencies.
- Local public health and social service departments.
- Federal and State agencies.
- Job support programs (childcare, employment training, and welfare-to-work programs).
- Faith-based organizations.
- Residents.
- Businesses.
- Local political leaders.
- Local nonprofit groups or resident associations.
- Local chapters of national housing and service agencies with commitments to the nominated area (such as Habitat for Humanity, Police Athletic League, and YWCA/YMCA).
- Community development corporations.
- Environmental groups.
- Schools and universities (including Community Outreach Partnership Centers).

Required Goals and Actions

The Course of Action is not limited to future goals and actions. Efforts by the State or local government within the past 8 years—either completed or ongoing—may be used to meet Course of Action requirements. The plan must describe how the

signatories will carry out, or are already engaged in, undertaking at least four of the following six strategies in the RC:

- 1. Reducing tax burdens.** Reducing tax rates or fees within the RC.
- 2. Improving local services.** Increasing the efficiency of local services within the RC (such as preschool and afterschool childcare, employment training, transportation, and other services that help residents become self-sufficient.)
- 3. Reducing crime.** Implementing crime reduction initiatives, including crime prevention programs.
- 4. Reducing government requirements.** Streamlining or removing government regulations that apply within the RC, such as:
 - **Density bonuses.** Permission to develop a property at a higher density than otherwise permitted under local zoning regulations (such as increased height or increased number of residential or business units).
 - **Incentive zoning.** Provide a density bonus or other incentive to develop, redevelop, or preserve a parcel in the designated area.
 - **Comprehensive or one-stop permits.** Streamline the construction or other development permitting process.
 - **Variance and exception policies.** Pass local ordinances that allow variances or exceptions from zoning or other land use restrictions (such as reduced parking or building setback requirements).
 - **Voluntary environmental compliance program.** A shared or limited environmental liability program, with limited liability from certain legal or administrative action in exchange for undertaking an approved program of environmental investigation, hazard control, and ongoing risk reduction. Typically, the liability limitation is for future environmental cleanup, not from a lawsuit for damages. The developer or property owner and the government may share the risk of cleanup.
- 5. Involving community partners.** This strategy calls for involvement in economic development activities by private businesses, organizations, and community groups, particularly within the RC. It includes a commitment from private groups to provide jobs and job training as well as technical or financial assistance to RC employers, employees, and residents.
- 6. Soliciting in-kind donations.** Local government or community partners may donate or sell surplus properties, such as land, homes, or commercial or industrial structures, at below fair market value to neighborhood groups, community development corporations, or private companies.

Timetable and Performance Measures

The Course of Action must include a timetable that identifies the significant steps and target dates for implementing the goals and actions. In addition, it must include a description of how the designated area's performance in carrying out the Course of Action will be measured.

Certifications and Written Agreements

Three certification forms **must** be submitted as part of the nomination process. They address the requirements for economic condition, economic growth promotion, and public notice and participation.

An optional certification form addressing crime rates is a prerequisite to receiving bonus points.

After an area is designated as a Renewal Community (RC), a form identifying the coordinating responsible authority (CoRA) is required, and a form certifying consistency with the applicable Consolidated Plan or Indian Housing Plan must accompany both the preliminary and the final tax incentive utilization plans.

The officials who sign these forms must certify that each of them is a “responsible official” for purposes of submitting the document or entering into the commitments, followed by a warning that false claims and statements may result in criminal or civil penalties. This certification is incorporated into the other forms contained in this chapter.

Providing these six forms is in keeping with HUD’s objective to simplify the RC designation process, and we have tried to make the language as concise and clear as possible. These few agreements and certifications are central to the successful implementation of the Renewal Community initiative. HUD is confident that the signatories will take seriously their responsibility to carry out the commitments specified or to ensure the accuracy of the information provided.

This chapter provides and explains the six forms. Forms in this chapter are provided for information only. They also appear as tearouts in the appendix for your actual use.

Note: There are additional copies of the certifications in the appendix.

Certifications Required as Part of the Nomination Process

An application for designation as a Renewal Community **must** include three certification forms:

- Certification for Economic Condition Requirements.
- Certification of Economic Growth Promotion Requirements.
- Public Notice Certification for Application.

To receive bonus points, include a Local Crime Index Certification.

Responsible official. Submission of the information and commitments upon which HUD will base the RC designations must be performed by an official or employee authorized to act on behalf of each of the nominating governments for that purpose.

The following language is incorporated into the forms that follow:

I am a “responsible official” in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of [either] entering into the commitments under [or] submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Certification for Economic Condition Requirements (24 CFR 599.105(a))

Each State and local jurisdiction in which a nominated area is located must designate a responsible official to certify that the area meets the requirements of pervasive poverty, unemployment, and general distress. The responsible official must sign and submit the certifications on either the Urban or Rural version of the Renewal Community Certification Form 1 that follows. There are two versions of the form because rural areas must meet the requirements of unemployment and poverty, and urban areas must meet the requirements of unemployment, poverty, and income.

The responsible official must examine the evidence personally before signing the certification. The evidence must be composed of two parts:

- Urban or Rural Renewal Community Census Tract Data Form and Geographic, Population, and Economic Condition Requirements. These forms are contained in the appendix only.
- Evidence that the nominated area is an area of pervasive poverty, unemployment, and general distress. This evidence (which may be in the form of a table, narrative, or combination of both) is described in section 3.

Certifications Required After Area Is Designated as an RC

The following identification and certifications are required after an area is designated as an RC.

- Identification of the coordinating responsible authority (CoRA).
- Certification that the preliminary tax incentive utilization plan (TIUP) is consistent with the Consolidated Plan or Indian Housing Plan.
- Certification that the final TIUP is consistent with the Consolidated Plan or Indian Housing Plan.

Urban Renewal Community Certification Form 1

Certification for Economic Condition Requirements

Each signatory hereby certifies that:

- I am authorized by each State or local government named above my signature to certify in writing for HUD's acceptance (1) that the nominated area is an area of pervasive poverty, unemployment, and general distress, and (2) that the nominated area meets the requirements of paragraphs (b), (c), and (d) of 24 CFR 599.105.
- The nominated area is an area of pervasive poverty, unemployment, and general distress, as demonstrated by the attached evidence.
- I personally have examined the attached evidence and I believe the evidence is accurate.
- The unemployment rate in the nominated area taken as a whole exceeds 9.4 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(b).
- The poverty rate for each population census tract within the nominated area is at least 20 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(c).

- At least 70 percent of the households living in the nominated area have incomes below 80 percent of the applicable Household Adjusted Median Family Income as determined by HUD, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(d).
- Poverty is pervasive in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(i).
- Unemployment is pervasive in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(ii).
- There is general distress in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(iii).
- I am a "responsible official" in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

(continued on the reverse side)

Urban Renewal Community Certification Form 1 (continued)

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Rural Renewal Community Certification Form 1

Certification for Economic Condition Requirements

Each signatory hereby certifies that:

- I am authorized by each State or local government named above my signature to certify in writing for HUD's acceptance (1) that the nominated area is an area of pervasive poverty, unemployment, and general distress, and (2) that the nominated area meets the requirements of paragraphs (b) and (c) of 24 CFR 599.105.
- The nominated area is an area of pervasive poverty, unemployment, and general distress, as demonstrated by the attached evidence.
- I personally have examined the attached evidence and I believe the evidence is accurate.
- The unemployment rate in the nominated area taken as a whole exceeds 9.4 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(b).

Select only one of the next two bullets:

- ☐ The nominated area is not within an Indian reservation and the poverty rate for each population census tract within the nominated area is at least 20 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(c).

- ☐ The nominated area is within an Indian reservation and the poverty rate of the nominated area taken as a whole is at least 20 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(c).

- Poverty is pervasive in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(i).
- Unemployment is pervasive in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(ii).
- There is general distress in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(iii).
- I am a "responsible official" in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

(continued on the reverse side)

Rural Renewal Community Certification Form 1 (continued)

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Urban and Rural Renewal Community Certification Form 2

Local Crime Index Certification—Optional Form for Bonus Points (24 CFR 599.107(a)(3))

Instructions:

Each nominating State and local government must execute the certifications on this optional form for the nominated area to receive bonus points under 24 CFR 599.303(c)(ii).

Each signatory hereby certifies that:

- I determined the 1999 Local Crime Index (LCI) rate per 100,000 inhabitants for the nominated area on the basis of data from the following law enforcement authorities with jurisdiction in the nominated area: _____

- The LCI covers the following census tracts, which comprise the nominated area: _____

- The LCI determined for the nominated area is _____ crimes per 100,000 inhabitants.
- I am a “responsible official” in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

(continued on the reverse side)

Urban and Rural Renewal Community Certification Form 2 (continued)

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Urban and Rural Renewal Community Certification Form 3

Certification of Economic Growth Promotion Requirements (24 CFR 599.107(b))

Instructions:

Each nominating State and local government must execute the certifications on this form for the nominated area to be rated and ranked in the competition for designation of Renewal Communities (RCs).

Each signatory hereby certifies that:

- Each State or local government named above my signature has repealed or reduced, or will not enforce, or will reduce within the nominated area, at least four of the following five governmental restrictions listed in IRC sec. 400E(d)(3), for at least the period that the area is designated as a RC:

1. Licensing requirements for occupations that do not ordinarily require a professional degree.
2. Zoning restrictions on home-based businesses that do not create a public nuisance.
3. Permit requirements for street vendors who do not create a public nuisance.
4. Zoning or other restrictions that impede the formation of schools or childcare centers.

5. Franchises or other restrictions on competition for businesses providing public services, including taxicabs, jitneys, cable television, or trash hauling.

- I understand that any designation of an area as a Renewal Community will remain in effect during the period beginning on January 1, 2002, and ending at the earliest of December 31, 2009; the date HUD revokes the designation; or the following date designated in this application:

_____.

- I am a “responsible official” in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of entering into the commitments under this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

(continued on the reverse side)

Urban and Rural Renewal Community Certification Form 3 (continued)

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Urban and Rural Renewal Community Certification Form 4

Public Notice Certification for Application (24 CFR 599.203(c))

Instructions:

Each nominating State and local government must execute the certifications on this form for the nominated area to be rated and ranked in the competition for designation of the Renewal Communities.

Each signatory hereby certifies that:

- The public was provided notice of, and opportunity to participate in, the application development process, in accordance with 24 CFR 599.203(c).
- I am a “responsible official” in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

(continued on the reverse side)

Urban and Rural Renewal Community Certification Form 4 (continued)

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Urban and Rural Renewal Community Post-Designation Form 1

Identification of CoRA (24 CFR 599.505)

Instructions:

Within 30 days after designation of the RC, each State and local government in which the RC is located must execute the declarations on this form to identify one or more entities, organizations, or persons who will act as the coordinating responsible authority for the RC.

The CoRA for the _____ Renewal Community will consist of:

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

(continued on the reverse side)

Urban and Rural Renewal Community Post-Designation Form 1 (continued)

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

The undersigned State and local governments hereby identify the entit(ies), organization(s), or person(s) described above as the coordinating responsible authority (CoRA) under 24 CFR 599.505.

The CoRA has the responsibility and authority to achieve the State and local government commitments made at the time of application, including the Course of Action (CofA) under 24 CFR 599.107(a) and the economic growth promotion requirements under 24 CFR 599.107(b).

The CoRA will undertake the development and administration of policies, procedures, and activities to implement and maximize the Federal, State, and local benefits made available in the RC, including the tax incentive utilization plan (TIUP) under 24 CFR 599.507.

The undersigned State and local governments hereby designate the CoRA to submit requests and supporting evidence to HUD under 24 CFR 599.509 when it is necessary to modify the State and local commitments in the CofA, the economic growth promotion requirements, or the TIUP.

The CoRA will function as the central point of contact between HUD and the RC. This includes:

- Preparing and submitting to HUD, within 6 months of designation of the RC, a preliminary TIUP under 24 CFR 599.507(a).

- Preparing and submitting to HUD, within 12 months of designation of the RC, a final TIUP under 24 CFR 599.507(b).
- Receiving and responding to HUD's recommendations for additional or alternate modifications or improvements to the plans and commitments under 24 CFR 599.
- Providing the periodic reports and other information required by HUD under 24 CFR 599.511.
- Replying within 90 days to any letter of warning issued by HUD under 24 CFR 599.513(b).

The CoRA will ensure that the preliminary and final TIUPs are developed with the participation of the residents and community organizations in the RC (24 CFR 599.507(c)).

Each signatory hereby certifies that:

- I am a "responsible official" in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

(continued on next page)

Urban and Rural Renewal Community Post-Designation Form 1 (continued)

Name of government(s) _____
Printed name and title _____
Signature _____ Date _____

Name of government(s) _____
Printed name and title _____
Signature _____ Date _____

Name of government(s) _____
Printed name and title _____
Signature _____ Date _____

Name of government(s) _____
Printed name and title _____
Signature _____ Date _____

Name of government(s) _____
Printed name and title _____
Signature _____ Date _____

Name of government(s) _____
Printed name and title _____
Signature _____ Date _____

Urban and Rural Renewal Community Post-Designation Form 2

Certification That the Tax Incentive Utilization Plan Is Consistent With the Consolidated Plan or Indian Housing Plan (24 CFR 599.507(d))

Instructions:

When the CoRA submits the preliminary TIUP (due 6 months after designation), and again when it submits the final TIUP (due a year after designation), it must submit this certification on this form. This form must be executed by an official who is responsible for the content of the Consolidated Plan or Indian Housing Plan. Frequently, the signer of this certification will be different from the local government officials who are responsible for the application for designation of the RC.

The preliminary or final TIUP for the _____ Renewal Community is consistent with the following Consolidated Plan or Indian Housing Plan: _____

The undersigned certifies in accordance with 24 CFR 599.507(d) that:

- The Consolidated Plan or Indian Housing Plan cited above applies to the area of the Renewal Community.

Select only one of the following two bullets:

- ☐ The Consolidated Plan was prepared in accordance with 24 CFR part 91.
- ☐ The Indian Housing Plan was prepared in accordance with 24 CFR part 1000.

The undersigned further certifies that he or she is an official who is responsible for the content of the Consolidated Plan or the Indian Housing Plan.

Name of government _____

Printed name and title _____

Signature _____ Date _____

Selection Process

Summary of the Process

Meeting Eligibility Requirements

Before rating and ranking an application, the U.S. Department of Housing and Urban Development (HUD) will review it to determine whether it meets the thresholds of eligibility and adequacy of State and local commitments. These eligibility requirements are explained in detail in section 3.

HUD will notify an applicant of any threshold deficiencies in its application. The applicant may submit additional information or take other action to correct the deficiency until the application due date. Applications that do not meet all of the threshold requirements by the application due date will be neither rated nor ranked.

Ranking Eligible Applications

Preliminary Ranking Score

After nominated areas meet eligibility requirements and show adequate State and local commitments, their applications will be ranked. (Rural and urban areas will be ranked separately.) Rural nominated areas will be ranked based on poverty and unemployment rate. Urban nominated areas will be ranked according to the above two factors as well as the percentage of families below 80 percent of the area median income. After the nominated areas are ranked, they also will be awarded preference points based on the incidence of crime in the area and whether area census tracts have been identified as distressed by the U.S. General Accounting Office (GAO). They will then receive a final ranking from highest to lowest.

Nominated areas that include one or more census tracts from areas that are Empowerment Zones (EZs) or Enterprise Communities (ECs) will receive selection preference. After the initial ranking, both urban and rural applications will be separated into two categories. Category 1 will consist of applications from EZs and ECs, which will then be placed in rank order. Category 2 will consist of all other nominated areas. Up to 20 nominated areas from Category 1 will be designated as Renewal Communities (RCs). Although this depends on the number of rural and urban applications received in Category 1, HUD plans to select the 12 highest-ranked rural areas and the 8 highest-ranked urban areas as RCs. After the Category 1 nominated areas are selected, the applications in Category 2 will be ranked and selected until 40 RCs are designated.

Each nominated area meeting the minimum thresholds will be ranked from highest to lowest according to:

- Area poverty rate.
- Area unemployment rate.

- Percentage of families below 80 percent of area median income (for urban areas only).

How Rankings Are Calculated

The percentile rank will be determined by dividing rankings for each category (poverty and unemployment rates and, if applicable, percentage below 80 percent of median income) by the total number of nominated areas ranked and multiplying the result by 100.

The average ranking will be determined by computing the simple average of the percentile ranks for each nominated area. To create a 100-point scale, the average rankings will be subtracted from 100.

Exhibit 1 illustrates this process for urban nominated areas, assuming 150 nominated areas being ranked.

Exhibit 1. Illustrative Example: Preliminary Ranking Process for Poverty and Unemployment

Application Number	Absolute Rankings			Percentile Rankings (100 x Absolute Rank) (Number of Areas)			Average Rank	Score (Average Rank=100)
	Poverty Rate	Unemployment Rate	Low-Mod Rate*	Poverty Rate	Unemployment Rate	Mod Rate*		
1	6	3	1	4.0	2.0	0.7	2.2	97.8
2	1	8	3	0.7	5.3	2.0	2.7	97.3
3	2	6	6	1.3	4.0	4.0	3.1	96.9
4	3	5	7	2.0	3.3	4.7	3.3	96.7
5	4	12	5	2.7	8.0	3.3	4.7	95.3
6	9	1	14	6.0	0.7	9.3	5.3	94.7
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
150	140	150	145	93.3	100	96.7	96.7	3.3

*Low-Mod Rate is the percentage of families below 80 percent of area median income.

Bonus Points

Once a nominated area receives a preliminary ranking score, it may be awarded bonus points based on the following factors:

- One, two, or four points for smaller than average incidence of crime in the area (based on 1999 statistics).
- One point, if any census tracts in the area have been identified as distressed by GAO.

Incidence of Crime

A nominated area will receive one additional point if its 1999 Local Crime Index (LCI) rate per 100,000 inhabitants does not exceed the 1999 Crime Index (CI) rate per 100,000 inhabitants by more than 25 percent.

A nominated area with an LCI that does not exceed the CI by more than 10 percent will receive two bonus points. A nominated area with an LCI that is less than the CI will receive four bonus points. To qualify for bonus points based on the incidence of crime, all of the nominating governments must certify the accuracy of the LCI reported for the nominated area.

LCI is determined based on data from each State and local law enforcement authority with jurisdiction in the nominated area. CI is a set of national statistics prepared as part of the FBI's Uniform Crime Reporting Program. It is derived from the incidence of selected offenses used to gauge fluctuations in the overall volume and rate of crime reported to law enforcement. The offenses include murder, nonnegligent manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson.

Importance of Incidence of Crime

HUD takes incidence of crime into account because it can affect business development in an area. This preference rewards jurisdictions that have managed to control crime levels. An RC located in an area that has already begun to successfully address a high incidence of crime starts out with a more inviting business environment and is better poised to achieve success. Business owners will be less concerned about the safety of their employees, their facilities, and property. Insurance rates for businesses in areas with lower incidences of crime are likely to be lower and thus make the area more attractive for investment and development.

Distressed Census Tracts

A nominated area will receive one bonus point if any of its census tracts are identified as distressed areas in GAO Report RCED-98-158R, dated May 12, 1998. The report, titled *Community Development: Identification of Economically Distressed Areas*, is available from GAO at www.gao.gov or from GAO's Document Distribution Center at (202) 512-6000.

Selection Preference: EZs/ECs

The first 20 RC designations will be given to nominated areas that include one or more census tracts from areas that are already designated as EZs or ECs, if they meet the threshold requirements of eligibility and adequacy of local commitments.



Final Ranking Process

Information on this section to be provided under separate cover.

Coordinating Responsible Authority (CoRA)

Postdesignation Requirement

The coordinating responsible authority (CoRA) is the entity, organization, or person(s) with the responsibility and authority to make sure that State and local commitments made at the time of application are carried out. The CoRA will develop and administer policies, procedures, and activities to implement and maximize the Federal, State, and local benefits made available in the Renewal Community (RC). The CoRA will function as the central point of contact for the RC. HUD will work with each CoRA to develop a tax incentive utilization plan (TIUP) to develop and expand businesses in the RC through available Federal, State, and local incentives. For more information on TIUPs, see section 8.

HUD will provide technical assistance to assist the CoRA in preparing the TIUP, which must include certification that it is consistent with the locale's Consolidated Plan or the Indian reservation's Indian Housing Plan.

Timeline

Within 30 days of RC designation, the State and local governments in which the area is located must submit to HUD information identifying the CoRA. The RC must develop a preliminary TIUP within 6 months and a final TIUP within 1 year of the designation.

Under the RC designations, it is important to undertake development activities as early as possible. CoRAs should notify businesses that they will garner the most benefits by taking advantage of the available incentives as early as possible. HUD will assist CoRAs with informing the business community about available incentives.

Participation in Development of Plans

The CoRA must ensure that the preliminary and final TIUPs are developed with the participation of RC residents and community organizations. HUD also will encourage other Federal agencies to work with each CoRA to further develop and implement RC activities.

Modification of Commitments and Plans

The CoRA may submit requests to HUD to modify State and local commitments made at the time of the application and the TIUPs. Requestors must provide evidence that the proposed modifications are necessary or desirable.



Within 30 days, HUD will review the proposed modifications. After review, HUD will either approve the request, suggest additional or alternate modifications, or deny it.

Submission of Reports and Other Documentation

The CoRA and the State or local governments in which the RC is located must submit periodic reports and provide additional information, such as the TIUPs, as required by HUD.

Tax Incentive Utilization Plan and Citizen Participation Requirements for Designated RCs

Renewal Community Tax Incentive Utilization Plan

The Federal tax incentives for Renewal Communities (RCs) are generally available for 8 years. Communities should treat these incentives as assets they can use to accomplish their goals of promoting business attraction and retention similar to other Federal, State, and local resources and funds. To maximize use of the incentives in this relatively short timeframe, an RC will need to establish a preliminary tax incentive utilization plan (TIUP) within 6 months of receiving designation.

The most effective TIUPs will integrate the tax incentives with the needs identified through the development of the designee's Course of Action and with the economic growth promotion requirements. The TIUP should identify strategies that have the greatest potential for maximizing the use of the tax incentives. Strategies should include marketing the tax incentives, delivering ongoing technical assistance to businesses interested in taking advantage of them, and assessing their impact.

The TIUP should include a number of methods, both general and targeted, to promote the use of the tax incentives. For example, general approaches might include articles about the incentives in local newspapers, community newsletters, and business journals; inclusion of tax incentive summaries in local marketing materials for the city, county, or RC; and forums for businesses and residents to explain the incentives and provide opportunities for questions. You also should consider how you can target the use of the incentives in the development of a specific project or program within the RC.

Federal incentives available for Renewal Communities include:

- Renewal Community Wage Credit (RC Wage Credit).
- Work Opportunity Tax Credit (WOTC).
- Welfare-to-Work Tax Credit.
- Indian Employment Credit.
- Increased Section 179 Deduction.
- Commercial Revitalization Deduction.
- Environmental Cleanup Cost Deduction.

- Depreciation of Property Used on Indian Reservations.
- Qualified Zone Academy Bonds.
- Zero Percent Rate for Capital Gains on Renewal Community Assets.
- New Markets Tax Credit.

For more information about individual incentives, please see *Tax Incentive Guide for Businesses in the Renewal Communities, Empowerment Zones, and Enterprise Communities*. See section 12 for instructions on how to obtain this guide.

Questions for Strategizing TIUP Goals

When developing your TIUP, consider the following questions:

- Are there local bar associations or tax accountant associations that can provide technical assistance, help local businesses analyze and file for the incentives, participate in call-in assistance programs, provide anecdotal information on the use of incentives (while recognizing that taxpayer information is not public information), and supply data on the use of incentives from their own experience in preparing tax returns?
- Are there local firms in the business of gathering data, conducting telephone surveys, or managing focus groups that can assist in refining and implementing the TIUP?
- Are there marketing materials for State or local tax incentives (such as sales tax relief in locally designated economic zones or wage credits for certain industry sectors) that could be expanded and revised to include the Federal tax incentives and a discussion of the interaction among Federal, State, and local tax incentives?
- Are there local business mentoring programs that might provide one-on-one guidance to small businesses about using tax incentives and testimonials on the value of tax incentives at general marketing meetings?
- Are there ways that local tax officials can include information on the incentives with other information or tax returns they already mail to businesses?
- Are there ways that local tax forms can be revised to obtain data on the use of the Federal incentives?
- Did the State Employment Services Agency (SESA) or local job banks have a role in designing marketing materials and in implementing the employment tax incentives? What data do these agencies collect that might be useful for assessing progress toward the TIUP's employment goals?
- What associations or organizations are likely to have contact with small businesses and how will they be included in TIUP marketing and followup?

Sample Strategies

A general strategy for promoting the use of the incentives might include the following example:

Example:

A Renewal Community sets a goal of increasing the number of RC residents employed by local businesses in the city in which the RC is located. Using local tax records, the RC mails a brochure to each business in the city announcing a citywide seminar, to be cosponsored by the local chamber of commerce. The brochure describes the availability of the RC Wage Credit for employees who live and work in the RC and the WOTC for employees who live in the RC but who may work outside its boundaries. The local bar association and local accounting associations provide speakers familiar with the tax laws and tax return preparation. The SESA sends a speaker to cover the WOTC certification process. At the end of the session, participants are asked to fill out a form indicating whether they believe they might be able to use either (or both) of the wage incentives and whether they want any followup information or technical assistance. The RC, in conjunction with a tax lawyer and a tax accountant, makes followup calls. The following year, the RC does a followup survey (in writing or by phone) to inventory which businesses have used the incentives, to learn if the businesses need additional information, and to identify any barriers to using the wage credits. The city adds to its tax forms a place for businesses to indicate whether they have used the tax incentives, and if so, the number of employees claimed and the aggregate amount of wage credits.

A more targeted strategy might include the following example:

Example:

Local businesspeople establish an investment club with the intent of providing venture capital for local businesses. An RC identifies a rundown strip shopping mall owned by a partnership. Through the TIUP public comment process, area residents come up with a priority list of businesses they would like to see in the mall, including a grocery store, a childcare center, a moderately priced sitdown restaurant, a drug store, and a fitness/health club. The RC identifies three possible Federal tax incentives to use with this project: Zero Percent Rate for Capital Gains, Commercial Revitalization Deduction, and the RC Wage Credit. The RC strategy includes approaching the investment club about purchasing shares in the partnership that currently owns the shopping mall to provide a new cash infusion. The investment group is asked to hold the partnership interest for 5 years, after which time they could sell the shares at a profit and not be subject to capital gains taxes. The RC works with the shopping center owner to apply for an allocation of the Commercial Revitalization Deduction amount available to the RC to rehabilitate the shopping mall. This should help the partnership's cash flow by increasing the deductible amounts in early years. The owner will

continued on page 44

Tip!

You can maximize your use of incentives if you structure your TIUP to identify the general and specific strategies you intend to pursue, how these strategies are tied to the Course of Action, the resources you expect to use (State, local, nonprofit, for-profit, community, and neighborhood), the timeline, and the methods of collecting data or assessing results.

continued from page 43

also receive assistance from the RC staff on marketing the RC Wage Credit and WOTC as incentives for signing possible shopping mall tenants. The RC will work with the local government to ease some of the licensing and regulatory burdens on the childcare center. The RC knows the extent to which the Commercial Revitalization Deduction is used, based on the allocation. The tenants are asked to provide information on the number of employees for which the wage credit was taken. The investment club members will not be able to take their capital gains incentive for at least 5 years, however, so the use of this incentive only may be estimated.

Organizing TIUP Goals

The TIUP may include multiple goals and strategies, which could be structured like this:

GOAL: To increase the number of RC residents employed in the area.

STRATEGY: Create an aggressive and innovative approach that promotes awareness, understanding, and use of the tax credits available in the RC.

TAX INCENTIVES: Work Opportunity Tax Credit, Renewal Community Wage Credit.

IMPLEMENTATION PLAN:

- Use tax records of local businesses in the RC to generate a mailing list for announcing a business seminar.
- Hold a seminar on wage credits that includes the coordinating responsible authority (CoRA), the SESA, and a local tax lawyer or accountant as speakers.
- Develop a survey to gauge initial interest and serve as a list for followup.
- Use a tax lawyer or accountant volunteer to follow up with businesses.
- Revise tax forms to collect data on Federal wage credit use.

RESOURCES LEVERAGED: Volunteer local tax lawyer or accountant; chamber of commerce as seminar sponsor; State involvement through SESA.

TIMELINE:

- Mailing list, seminar planning, and survey development: Two months after designation.
- Seminar: Three months after designation.
- Initial followup survey: Six months after seminar.
- Supplementary followup survey: One year after seminar.

ASSESSMENT: Determine number of persons attending seminar and number of lawyers and accountants participating; review followup survey responses and reported use of incentives on tax returns.

You are not required to follow this format; you can create your own approach. However, you will want to focus on concrete goals, strategies, and timelines, and you need to devise methods to assess the success of your efforts.

Citizen Participation Requirements

The quality and effectiveness of the TIUP can be enhanced through the input of stakeholders and the public in general. RCs must document citizen participation in the development and approval of the TIUP by indicating the date of public notice or posting the TIUP for public comment and describing the format (such as written comments, e-mail comments, and public meetings) for public input.

National Advisory Council on Community Renewal

The statute authorizing Renewal Communities (Public Law 106–544) calls for the establishment of a national advisory council on community renewal. The council will advise the Secretary of Housing and Urban Development on the problems and successes of the Renewal Community (RC) initiative. The seven-member advisory council may hold hearings and obtain information from any Federal department or agency to carry out its duties. The council will prepare annual and interim reports on RCs for the Secretary.

SECTION 10

Application Checklist and Submission Requirements: Have You Included These Items in Your Submission?

- ☐ Map of the Boundaries of the Proposed Renewal Community (RC).
- ☐ Course of Action.
- ☐ Certification Form 1: Certification for Economic Condition Requirements (differs for urban and rural RCs).
- ☐ Nomination forms (see appendix; differs for urban and rural RCs).
- ☐ Narrative, chart(s), and/or demographic table(s) supporting certifications of economic distress.
- ☐ Certification Form 2: Local Crime Index Certification (optional; required for bonus points).
- ☐ Certification Form 3: Certification of Economic Growth Promotion Requirements.
- ☐ Certification Form 4: Public Notice Certification for Application.

Applicants are required to send an original and two copies of the nomination to:

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
c/o Processing and Control Unit
Room 7255
451 Seventh Street, SW.
Washington, DC 20410

Mail, hand delivery, or overnight delivery are acceptable. **No facsimile (Fax) applications will be accepted for consideration by HUD.**

These items are discussed in detail in sections 3, 4, and 5. Applicants also are strongly urged to review the *Designation of Round III Empowerment Zones and Renewal Communities: Interim Rule* and the *Notice Inviting Applications: Designation of Forty Renewal Communities* to make sure they understand the requirements to prepare and submit an eligible application.

Questions and Answers on the Renewal Community Initiative

Who is eligible to apply for a Renewal Community (RC) designation?

A nominated area must be within the jurisdiction of one or more local governments, and the boundary of the area must be continuous. Nominated areas may be rural, urban, or Indian reservations.

For how long does RC designation last?

Under the CRTR Act, designations must be made before January 1, 2002, and are effective from 2002 through 2009.

What is the difference between an Empowerment Zone (EZ) or Enterprise Community (EC) and an RC?

All of these designations receive special Federal income tax treatment as an incentive for businesses to locate within the areas. The RC program takes a different approach from the EZ/EC program to promote the economic revitalization of distressed communities and to help residents gain employment and become economically self-sufficient. Rather than providing grants or guarantees to finance development projects in distressed communities, the RC program seeks to achieve its goals through the coordinated efforts of government at the Federal, State, and local levels to attract and encourage business development in the designated areas. Urban EZs/ECs are designated by the U.S. Department of Housing and Urban Development (HUD), while rural EZs/ECs are designated by the U.S. Department of Agriculture. All RCs, both urban and rural, will be designated by HUD.

Can my community be both an EZ or EC and an RC?

No. An area's designation as an EZ or EC will cease on the date it is designated as an RC. EZ and EC communities will receive selection preference to be named an RC.

What are the benefits of being an RC?

The government incentives provided to RCs are generally incentives of forbearance. Business activities in the RCs will not be subject to the same levels of taxation or regulatory restrictions that apply elsewhere. The purpose of these incentives is to encourage business development within the RC.

Can I leave some areas out of the nominated area?

Yes. While the boundaries of the nominated area must be continuous, you may enclose areas that will not be included in the proposed RC. The map of a nominated area may have a "Swiss cheese" appearance.



What will HUD's role be?

HUD will provide technical assistance to each coordinating responsible authority (CoRA) to develop its tax incentive utilization plan. HUD also will encourage other Federal agencies to work with each CoRA to further develop and implement activities in the RC. In addition, it will assist each CoRA to inform members of the business community about the advantages of the RC designation and how they can become involved.

HUD also will establish an advisory council on community renewal that will advise the Secretary of Housing and Urban Development about the problems and successes of the RC initiative.

Where can I get more information?

Contact persons for State and local governments considering application for designation of an area as a Renewal Community are urged to notify HUD as soon as possible so that HUD can advise them of new information and training opportunities. Follow the instructions available through HUD's web page at www.hud.gov/offices/cpd/ezec.

To obtain more copies of this guide, please call the Community Connections Hotline at (800) 998-9999 or visit www.hud.gov/offices/cpd/ezec.

Useful References

For More Information

Contact persons for State and local governments considering application for designation of an area as a Renewal Community are urged to notify HUD as soon as possible so that HUD can advise them of new information and training opportunities. Follow the instructions available through HUD's web page at www.hud.gov/offices/cpd/ezec.

To obtain more copies of this guide, please call the Community Connections Hotline at (800) 998-9999 or visit www.hud.gov/offices/cpd/ezec.

Exhibit 2. Important Dates for Renewal Community Designees

Renewal Community application due date	September 21, 2001
Beginning date of availability of tax incentives in Renewal Community	January 1, 2002
End date of availability of tax incentives	December 31, 2009

Exhibit 3: Important Dates for RCs After Designation

Thirty days after designation	Identify coordinating responsible authority
Six months after designation	Submit preliminary TIUP to HUD
One year after designation	Submit final TIUP to HUD

Web Sites

www.hud.gov/offices/cpd/ezec

www.comcon.org

Publications

Designation of Round III Empowerment Zones and Renewal Communities—Interim Rule

Notice Inviting Applications: Designation of Forty Renewal Communities

Federal Programs Guide

Tax Incentive Guide for Businesses in the Renewal Communities, Empowerment Zones, and Enterprise Communities

The above publications are available by visiting HUD's Web site at www.hud.gov/offices/cpd/ezec or calling Community Connections at (800) 998-9999.

Related Laws

H.R. 5662, Community Renewal Tax Relief Act of 2000 (CRTR Act) enacted as part of Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 2001 (Public Law 106-554, 114 Stat. 2763), approved December 21, 2000.

Appendix

Renewal Community
Application Forms

Extra Copies of Certifications

Public reporting burden for this collection of information is estimated to average 35 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, Office of Information Technology, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

If there appears to be a conflict between the language in the forms in this publication and the Designation of Round III Empowerment Zones and Renewal Communities Interim Rule, the language of the rule shall take precedence.

How to notify HUD of intent to apply:

Contact persons for State and local governments considering application for designation of an area as a Renewal Community are urged to notify HUD as soon as possible so that HUD can advise them of new information and training opportunities. Follow the instructions available through HUD's Web page at www.hud.gov/offices/cpd/ezec.

Use of the electronic approach is recommended but not required. Contact persons also may submit their contact information (see bottom of page A-3 or A-9) by fax to 202-401-7615 or by mail to the following address:

U.S. Department of Housing and Urban Development
John Haines
RC/EZ Team, Room 7130
451 Seventh Street, SW.
Washington, DC 20410

General Requirements for Urban Nominated Areas

A Renewal Community (RC) nominated area may be urban or rural, as long as the overall population of the nominated area is not more than 200,000. At least 12 of the 40 available RC designations will be made for rural areas. To qualify as an urban area, the nominated area must meet the following requirements:

1. The nominated area must have a population of not more than 200,000 and not less than 4,000 *and*
2. The nominated area must have any portion of its area located within a local government jurisdiction that:
 - (i) Has a population of 50,000 or greater *and*
 - (ii) Is located within a metropolitan area.

A nominated area may be located within one or more local government jurisdictions. The nomination must be jointly submitted by each State and local government in which any portion of the nominated area is located.

A local government is defined as any county, city, town, township, parish, village, or other general-purpose political subdivision of a State, or any combination of these political subdivisions that is recognized by the Secretary.

Census tracts are the basic building blocks of RC nominated areas. The first step is to identify the census tracts to be included in the nominated area. Block groups may be used instead of census tracts for Alaska and Hawaii, and block numbering areas are to be used where census tracts are not delineated. Order census tract/block numbering area outline maps for States or metropolitan areas by calling the U.S. Bureau of the Census at 301-457-1128.

A nominated area must have one continuous boundary, although it may enclose areas that are not included in the nomination.

Instructions for filling out the Census Tract Data Form and contact person identification

1. Fill in the county code in the column at the far left, followed by the census tract or block group number in column 1, for each census tract or block group number contained in the nominated area. Census tracts must be used except in Alaska and Hawaii.
2. In the row immediately below each row of numerical data, identify each State and local government within whose jurisdiction any portion of the census tract or block group is located. The application must be jointly submitted by each such government.
3. For each census tract or block group listed, fill in columns 2 through 7 using data from the RC Area Eligibility Data File, available at www.hud.gov/offices/cpd/ezec or by calling 800-998-9999. Use total numbers for all columns except column 3. For column 3, use a percentage.
4. Complete and fill in the totals of columns 2, 4, 5, 6, and 7.
5. In the box below, identify the person to contact if HUD has questions about the information on this form.

Names of Nominating Governments	Contact Person
Local Government(s)	Name
	Telephone
State Government(s)	E-Mail
	Fax

Urban Census Tract Data Form

County Code	1 Census Tract	2 Population	3 Percentage of Poverty	4 Employed Persons	5 Unemployed Persons	6 Households	7 Low-Income Households
1.							
<i>Names of State and Local Governments</i>							
2.							
<i>Names of State and Local Governments</i>							
3.							
<i>Names of State and Local Governments</i>							
4.							
<i>Names of State and Local Governments</i>							
5.							
<i>Names of State and Local Governments</i>							
6.							
<i>Names of State and Local Governments</i>							
7.							
<i>Names of State and Local Governments</i>							
8.							
<i>Names of State and Local Governments</i>							
9.							
<i>Names of State and Local Governments</i>							
10.							
<i>Names of State and Local Governments</i>							
TOTALS							

Geographic, Population, and Economic Condition Requirements for an Urban Renewal Community Nominated Area

Check the “yes” or “no” boxes in the sections for geographic, population, poverty, unemployment, and low-income household requirements. Calculate percentages as instructed in the sections for unemployment and low-income household requirements.

Calculate bonus points according to the instructions for that section.

	Yes	No		Yes	No
Geographic Requirements Attach a map showing the boundary of the nominated area and cite on the preceding page the names of all nominating State and local governments.			Low-Income Household Requirement Low-income households (column 7) are defined as households with incomes below 80 percent of the Household Adjusted Median Family Income. Divide the total of column 7 by the total of column 6 to get the percentage of low-income households in the nominated area. Enter the result in the box at right.		
Is the outer boundary of the nominated area continuous?	☐	☐			
Population Requirements 1. Is the total of column 2 at least 4,000? 2. Is the total of column 2 not more than 200,000? 3. Is the nominated area located entirely within a single government jurisdiction? 4. If the answer to question 3 is “no,” are all the jurisdictions named on the Census Tract Data Form? 5. Is any portion of the nominated area within a local government jurisdiction that has a population of 50,000 or greater and is located within a metropolitan area?			• Is it at least 70 percent? If “no,” the nominated area does not meet the low-income household requirement.		
	☐	☐		☐	☐
	☐	☐			
	☐	☐			
	☐	☐			
	☐	☐			
Poverty Requirement In column 3, does each listed census tract show a poverty rate of at least 20 percent? If “no,” census tracts that do not meet the poverty rate requirement of at least 20 percent cannot be included in the nominated area.			Bonus Points A maximum of four points is assigned for one of three possibilities that may apply to the nominated area. Fill in only one of boxes 1 through 3 as applicable to the nominated area. The 1999 Crime Index (CI) as prepared as part of the FBI’s Uniform Crime Reporting (UCR) program is 4,266.8 per 100,000 inhabitants.		
	☐	☐	<i>Enter the nominated area’s 1999 Local Crime Index Rate per 100,000 (LCI) in the box at right.</i>		
			ADD one point in the box at right if the LCI in the nominated area does not exceed by more than 25 percent the CI value noted above.	Box 1	
			ADD two points in the box at right if the nominated area’s LCI value does not exceed by more than 10 percent the CI value noted above.	Box 2	
			ADD four points in the box at right if the nominated area’s LCI value is less than the CI value noted above.	Box 3	
Unemployment Requirement Add the total amount in column 4 to the total amount in column 5, then divide the total of column 5 by that total to get the unemployment rate. Enter the result in the box at right.			Certain census tracts: ADD one point in the box at right if any of the nominated area includes census tracts identified in the GAO Report RCED–98–158R, dated May 12, 1998.		
Does it exceed 9.4 percent? If “no,” the nominated area does not meet the unemployment requirement.	☐	☐		Box 4	
			Enter the total bonus points by adding the points in boxes 1 through 4.	Total	

General Requirements for Rural Nominated Areas

A Renewal Community (RC) nominated area may be urban or rural, as long as the overall population of the nominated area is not more than 200,000. At least 12 of the 40 available RC designations will be made for rural areas. To qualify as a rural area, the nominated area must meet the following requirements:

1. The nominated area must have a population of not more than 200,000 and not less than 1,000 *and*
 - (i) If the nominated area is located entirely within a single local government jurisdiction, the jurisdiction must either have a population of less than 50,000 or be located outside a metropolitan area *or*
 - (ii) If the nominated area is located within several local jurisdictions, each jurisdiction must either have a population of less than 50,000 or must be located outside a metropolitan area *or*
 - (iii) If the nominated area does not meet the requirements of either section 1.(i) or 1.(ii) immediately above, the nominated area must be determined by HUD on a case-by-case basis after consultation with the Secretary of Commerce to be a rural area based on information submitted in the application to demonstrate that the nominated area should be considered as a rural area.

Or

2. The nominated area must be located entirely within an Indian reservation. A nominated area that is entirely within an Indian reservation is not subject to the population eligibility requirements.

A nominated area may be located within one or more local government jurisdictions. The nomination must be jointly submitted by each State and local government in which any portion of the nominated area is located. For a nominated area on an Indian reservation, the reservation governing body is treated as both the State and local government and the nomination is submitted only by the reservation governing body.

A local government is defined as any county, city, town, township, parish, village, or other general-purpose political subdivision of a State, or any combination of these political subdivisions that is recognized by the Secretary.

Census tracts are the basic building blocks of RC nominated areas. The first step is to identify the census tracts to be included in the nominated area. Block groups may be used instead of census tracts for Alaska and Hawaii, and block numbering areas are to be used where census tracts are not delineated. Order census tract/block numbering area outline maps for States or metropolitan areas by calling the U.S. Bureau of the Census at 301-457-1128.

A nominated area must have one continuous boundary, although it may enclose areas that are not included in the nomination.

Instructions for filling out the Census Tract Data Form and contact person identification

1. Fill in the county code in the column at the far left, followed by the census tract or block group number in column 1, for each census tract or block group number contained in the nominated area. Census tracts must be used except in Alaska and Hawaii.
2. In the row immediately below each row of numerical data, identify each State and local government within whose jurisdiction any portion of the census tract or block group is located. The application must be jointly submitted by each such government.
3. For each census tract or block group listed, fill in columns 2 through 5 using data from the RC Area Eligibility Data File, available at www.hud.gov/offices/cpd/ezec or by calling 800-998-9999. Use total numbers for all columns except column 3. For column 3, use a percentage.
4. Complete and fill in the totals of columns 2, 4, and 5.
5. In the box below, identify the person to contact if HUD has questions about the information on this form.

Names of Nominating Governments	Contact Person
Local Government(s)	Name
	Telephone
State Government(s)	E-Mail
	Fax

Rural Census Tract Data Form

County Code	1 Census Tract	2 Population	3 Percentage of Poverty	4 Employed Persons	5 Unemployed Persons
1.					
Names of State and Local Governments					
2.					
Names of State and Local Governments					
3.					
Names of State and Local Governments					
4.					
Names of State and Local Governments					
5.					
Names of State and Local Governments					
6.					
Names of State and Local Governments					
7.					
Names of State and Local Governments					
8.					
Names of State and Local Governments					
9.					
Names of State and Local Governments					
10.					
Names of State and Local Governments					
TOTALS					

Geographic, Population, and Economic Condition Requirements for a Rural Renewal Community Nominated Area

Check the “yes” or “no” boxes in the sections for geographic, population, poverty, and unemployment requirements. Calculate a percentage as instructed in the section for the unemployment requirements.

Calculate bonus points according to the instructions for that section.

	Yes	No		Yes	No
Geographic Requirements			Unemployment Requirement		
Attach a map showing the boundary of the nominated area and cite on the preceding page the names of all nominating State and local governments.			Add the total amount in column 4 to the total amount in column 5, then divide the total of column 5 by that total to get the unemployment rate. Enter the result in the box at right.		%
● Is the outer boundary of the nominated area continuous?	☐	☐	● Does it exceed 9.4 percent?	☐	☐
Population Requirements (Note: A nominated area that is entirely within an Indian reservation is not subject to population requirements.)			If “no,” the nominated area does not meet the unemployment requirement.		
1. Is the nominated area entirely within an Indian reservation?	☐	☐	Bonus Points		
2. Is the total of column 2 at least 1,000?	☐	☐	A maximum of four points is assigned for one of three possibilities that may apply to the nominated area. Fill in only one of boxes 1 through 3 as applicable to the nominated area. The 1999 Crime Index (CI) as prepared as part of the FBI’s Uniform Crime Reporting (UCR) program is 4,266.8 per 100,000 inhabitants.		
3. Is the total of column 2 not more than 200,000?	☐	☐	Enter the nominated area’s 1999 Local Crime Index Rate per 100,000 (LCI) in the box at right.		
4. Is the nominated area located entirely within a single government jurisdiction?	☐	☐	ADD one point in the box at right if the LCI in the nominated area does not exceed by more than 25 percent the CI value noted above.	Box 1	
5. If the answer to question 4 is “no,” are all the jurisdictions named on the Census Tract Data Form and does each jurisdiction either have a population of less than 50,000 or is it located outside a metropolitan area?	☐	☐	ADD two points in the box at right if the nominated area’s LCI value does not exceed by more than 10 percent the CI value noted above.	Box 2	
6. If the answer to question 4 is “yes,” does the jurisdiction either have a population of less than 50,000 or is it located outside a metropolitan area?	☐	☐	ADD four points in the box at right if the nominated area’s LCI value is less than the CI value noted above.	Box 3	
7. If the answer to question 5 or 6 is “no,” have you provided evidence in your application to demonstrate that the nominated area should be considered as a rural area?	☐	☐	Certain census tracts: ADD one point in the box at right if any of the nominated area includes census tracts identified in the GAO Report RCED–98–158R, dated May 12, 1998.	Box 4	
Poverty Requirement			Enter the total bonus points by adding the points in boxes 1 through 4.	Total	
● In column 3, does each listed census tract show a poverty rate of at least 20 percent?	☐	☐			
If “no,” census tracts that do not meet the poverty rate requirement of at least 20 percent may not be included in the nominated area.					

Urban Renewal Community Certification Form 1

Certification for Economic Condition Requirements

Each signatory hereby certifies that:

- I am authorized by each State or local government named above my signature to certify in writing for HUD's acceptance (1) that the nominated area is an area of pervasive poverty, unemployment, and general distress, and (2) that the nominated area meets the requirements of paragraphs (b), (c), and (d) of 24 CFR 599.105.
- The nominated area is an area of pervasive poverty, unemployment, and general distress, as demonstrated by the attached evidence.
- I personally have examined the attached evidence and I believe the evidence is accurate.
- The unemployment rate in the nominated area taken as a whole exceeds 9.4 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(b).
- The poverty rate for each population census tract within the nominated area is at least 20 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(c).

- At least 70 percent of the households living in the nominated area have incomes below 80 percent of the applicable Household Adjusted Median Family Income as determined by HUD, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(d).
- Poverty is pervasive in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(i).
- Unemployment is pervasive in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(ii).
- There is general distress in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(iii).
- I am a "responsible official" in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

(continued on the reverse side)

Urban Renewal Community Certification Form 1 (continued)

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Rural Renewal Community Certification Form 1

Certification for Economic Condition Requirements

Each signatory hereby certifies that:

- I am authorized by each State or local government named above my signature to certify in writing for HUD's acceptance (1) that the nominated area is an area of pervasive poverty, unemployment, and general distress, and (2) that the nominated area meets the requirements of paragraphs (b) and (c) of 24 CFR 599.105.
- The nominated area is an area of pervasive poverty, unemployment, and general distress, as demonstrated by the attached evidence.
- I personally have examined the attached evidence and I believe the evidence is accurate.
- The unemployment rate in the nominated area taken as a whole exceeds 9.4 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(b).

Select only one of the next two bullets:

- ☐ The nominated area is not within an Indian reservation and the poverty rate for each population census tract within the nominated area is at least 20 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(c).

- ☐ The nominated area is within an Indian reservation and the poverty rate of the nominated area taken as a whole is at least 20 percent, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(c).
- Poverty is pervasive in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(i).
 - Unemployment is pervasive in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(ii).
 - There is general distress in the nominated area, as demonstrated by the attached evidence in accordance with 24 CFR 599.105(e)(2)(iii).
 - I am a "responsible official" in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

(continued on the reverse side)

Rural Renewal Community Certification Form 1 (continued)

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Address (street/P.O. box, city, State, and ZIP Code) _____

Signature _____ Date _____

Urban and Rural Renewal Community Certification Form 2

Local Crime Index Certification—Optional Form for Bonus Points (24 CFR 599.107(a)(3))

Instructions:

Each nominating State and local government must execute the certifications on this optional form for the nominated area to receive bonus points under 24 CFR 599.303(c)(ii).

Each signatory hereby certifies that:

- I determined the 1999 Local Crime Index (LCI) rate per 100,000 inhabitants for the nominated area on the basis of data from the following law enforcement authorities with jurisdiction in the nominated area: _____

- The LCI covers the following census tracts, which comprise the nominated area: _____

- The LCI determined for the nominated area is _____ crimes per 100,000 inhabitants.
- I am a “responsible official” in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

(continued on the reverse side)

Urban and Rural Renewal Community Certification Form 2 (continued)

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Urban and Rural Renewal Community Certification Form 3

Certification of Economic Growth Promotion Requirements (24 CFR 599.107(b))

Instructions:

Each nominating State and local government must execute the certifications on this form for the nominated area to be rated and ranked in the competition for designation of Renewal Communities (RCs).

Each signatory hereby certifies that:

- Each State or local government named above my signature has repealed or reduced, or will not enforce, or will reduce within the nominated area, at least four of the following five governmental restrictions listed in IRC sec. 400E(d)(3), for at least the period that the area is designated as a RC:

1. Licensing requirements for occupations that do not ordinarily require a professional degree.
2. Zoning restrictions on home-based businesses that do not create a public nuisance.
3. Permit requirements for street vendors who do not create a public nuisance.
4. Zoning or other restrictions that impede the formation of schools or childcare centers.

5. Franchises or other restrictions on competition for businesses providing public services, including taxicabs, jitneys, cable television, or trash hauling.

- I understand that any designation of an area as a Renewal Community will remain in effect during the period beginning on January 1, 2002, and ending at the earliest of December 31, 2009; the date HUD revokes the designation; or the following date designated in this application:

_____.

- I am a “responsible official” in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of entering into the commitments under this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

(continued on the reverse side)

Urban and Rural Renewal Community Certification Form 3 (continued)

Name of government(s) _____

Printed name and title _____

Signature _____ Date_____

Name of government(s) _____

Printed name and title _____

Signature _____ Date_____

Name of government(s) _____

Printed name and title _____

Signature _____ Date_____

Name of government(s) _____

Printed name and title _____

Signature _____ Date_____

Urban and Rural Renewal Community Certification Form 4

Public Notice Certification for Application (24 CFR 599.203(c))

Instructions:

Each nominating State and local government must execute the certifications on this form for the nominated area to be rated and ranked in the competition for designation of the Renewal Communities.

Each signatory hereby certifies that:

- The public was provided notice of, and opportunity to participate in, the application development process, in accordance with 24 CFR 599.203(c).
- I am a “responsible official” in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

(continued on the reverse side)

Urban and Rural Renewal Community Certification Form 4 (continued)

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Urban and Rural Renewal Community Post-Designation Form 1

Identification of CoRA (24 CFR 599.505)

Instructions:

Within 30 days after designation of the RC, each State and local government in which the RC is located must execute the declarations on this form to identify one or more entities, organizations, or persons who will act as the coordinating responsible authority for the RC.

The CoRA for the _____ Renewal Community will consist of:

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

(continued on the reverse side)

Urban and Rural Renewal Community Post-Designation Form 1 (continued)

Name of entity, organization, or person _____

Name and title of designated representative, if different _____

Address _____

Phone _____ Fax _____

E-mail _____

The undersigned State and local governments hereby identify the entit(ies), organization(s), or person(s) described above as the coordinating responsible authority (CoRA) under 24 CFR 599.505.

The CoRA has the responsibility and authority to achieve the State and local government commitments made at the time of application, including the Course of Action (CofA) under 24 CFR 599.107(a) and the economic growth promotion requirements under 24 CFR 599.107(b).

The CoRA will undertake the development and administration of policies, procedures, and activities to implement and maximize the Federal, State, and local benefits made available in the RC, including the tax incentives utilization plan (TIUP) under 24 CFR 599.507.

The undersigned State and local governments hereby designate the CoRA to submit requests and supporting evidence to HUD under 24 CFR 599.509 when it is necessary to modify the State and local commitments in the CofA, the economic growth promotion requirements, or the TIUP.

The CoRA will function as the central point of contact between HUD and the RC. This includes:

- Preparing and submitting to HUD, within 6 months of designation of the RC, a preliminary TIUP under 24 CFR 599.507(a).

- Preparing and submitting to HUD, within 12 months of designation of the RC, a final TIUP under 24 CFR 599.507(b).
- Receiving and responding to HUD's recommendations for additional or alternate modifications or improvements to the plans and commitments under 24 CFR 599.
- Providing the periodic reports and other information required by HUD under 24 CFR 599.511.
- Replying within 90 days to any letter of warning issued by HUD under 24 CFR 599.513(b).

The CoRA will ensure that the preliminary and final TIUPs are developed with the participation of the residents and community organizations in the RC (24 CFR 599.507(c)).

Each signatory hereby certifies that:

- I am a "responsible official" in accordance with 24 CFR 599.101(c), authorized to act on behalf of each State or local government named above my signature for purposes of submitting this document.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

(continued on the reverse side)

Urban and Rural Renewal Community Post-Designation Form 1 (continued)

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Name of government(s) _____

Printed name and title _____

Signature _____ Date _____

Urban and Rural Renewal Community Post-Designation Form 2

Certification That the Tax Incentive Utilization Plan Is Consistent With the Consolidated Plan or Indian Housing Plan (24 CFR 599.507(d))

Instructions:

When the CoRA submits the preliminary TIUP (due 6 months after designation), and again when it submits the final TIUP (due a year after designation), it must submit this certification on this form. This form must be executed by an official who is responsible for the content of the Consolidated Plan or Indian Housing Plan. Frequently, the signer of this certification will be different from the local government officials who are responsible for the application for designation of the RC.

The preliminary or final TIUP for the _____ Renewal Community is consistent with the following Consolidated Plan or Indian Housing Plan: _____

The undersigned certifies in accordance with 24 CFR 599.507(d) that:

- The Consolidated Plan or Indian Housing Plan cited above applies to the area of the Renewal Community.

Select only one of the following two bullets:

- ☐ The Consolidated Plan was prepared in accordance with 24 CFR part 91.
- ☐ The Indian Housing Plan was prepared in accordance with 24 CFR part 1000.

The undersigned further certifies that he or she is an official who is responsible for the content of the Consolidated Plan or the Indian Housing Plan.

Name of government _____

Printed name and title _____

Signature _____ Date _____

Urban and Rural Renewal Community Post-Designation Form 2

Certification That the Tax Incentive Utilization Plan Is Consistent With the Consolidated Plan or Indian Housing Plan (24 CFR 599.507(d))

Instructions:

When the CoRA submits the preliminary TIUP (due 6 months after designation), and again when it submits the final TIUP (due a year after designation), it must submit this certification on this form. This form must be executed by an official who is responsible for the content of the Consolidated Plan or Indian Housing Plan. Frequently, the signer of this certification will be different from the local government officials who are responsible for the application for designation of the RC.

The preliminary or final TIUP for the _____ Renewal Community is consistent with the following Consolidated Plan or Indian Housing Plan: _____

The undersigned certifies in accordance with 24 CFR 599.507(d) that:

- The Consolidated Plan or Indian Housing Plan cited above applies to the area of the Renewal Community.

Select only one of the following two bullets:

- ☐ The Consolidated Plan was prepared in accordance with 24 CFR part 91.
- ☐ The Indian Housing Plan was prepared in accordance with 24 CFR part 1000.

The undersigned further certifies that he or she is an official who is responsible for the content of the Consolidated Plan or the Indian Housing Plan.

Name of government _____

Printed name and title _____

Signature _____ Date _____

