

**FY2010 EDI-SPECIAL PROJECT
PLANNING GRANT APPLICATION**

**ALL APPLICATIONS
SHOULD BE SUBMITTED BY DECEMBER 31, 2010.**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY PLANNING AND DEVELOPMENT
WASHINGTON, DC 20410

APPLICATION FOR
FY 2010
ECONOMIC DEVELOPMENT INITIATIVE-SPECIAL PROJECT
GRANTS

WHO IS ELIGIBLE AND MAY APPLY: Only the entity named by Congress in the Conference Report on the Consolidated Appropriations Act, 2010 (H.R. 111-366) is eligible to apply for Economic Development Initiative-Special Project (EDI-SP) grant funds.

To receive this grant award, the entity named by Congress must submit an application for project activities as specified by Congress. Grant funds will only be made available following HUD approval of the application. In addition, no HUD funds or other funds may be committed to the project until the grantee has secured the required environmental certification of compliance and the request for release of funds as described further in **ATTACHMENT IV** of this Application Kit (p. 29). An account in HUD's Line of Credit Control System (LOCCS) will also be required in order to access grant funds.

HOW TO APPLY:

The Department offers EDI-SP applicants the option of submitting their application electronically, through the federal government's grants.gov website. Applicants will also retain the option of submitting their FY2010 grant application in paper form.

Instructions for submitting your FY2010 EDI-SP application electronically are included in **ATTACHMENT I** of this Application Kit (p.8). All questions concerning the electronic submission of applications should be directed to the Department's Office of Departmental Grants Management and Oversight at (202) 402-2206.

Instructions and forms for submitting a paper application are included in **ATTACHMENT II** of this Application Kit (p.21). The paper Application Kit can also be accessed through the Department's web site at:

www.hud.gov/offices/cpd/economicdevelopment/programs/congressional/special/index.cfm

The Congressional Grants Division staff person responsible for your grant, identified in **ATTACHMENT III** of this Application Kit (p.27), can assist in the completion of the paper form of the application and in responding to any substantive questions you may have regarding your application.

WHAT TO SUBMIT:

Both electronic and paper applications must contain:

1. Standard Form 424 – Application for Federal Assistance;
2. A project narrative;
3. A line item budget for the amount of the EDI-SP grant only;
4. Standard Form LLL – Disclosure of Lobbying Activities (if applicable); and
5. For paper applications, the Acknowledgement of Receipt of Application.

WHEN TO SUBMIT:

You are encouraged to submit your application as soon as possible. HUD strongly recommends that you submit your completed application within 60 days after receipt of this Application Kit.

HOW EDI-SP GRANT FUNDS ARE MADE AVAILABLE:

Upon receipt of your application, the Congressional Grants Division will review your application to verify that:

1. All forms are correctly completed and properly executed; and
2. The proposed project activities and project budget are consistent with those specified in the Consolidated Appropriations Act, 2010 (the Act) and the accompanying Conference Report.

Upon approval of the application, HUD will send you an Award Package that includes grant agreements, related forms, and guidance necessary to create an account for the grant in the Department's Line of Credit Control System (LOCCS).

As the grantee, you are responsible for managing the project and ensuring the proper use of the EDI-SP funds. You are also responsible for ensuring the completion of the project, its proper closeout and compliance with all applicable federal requirements. As the grantee, you may pass funds through to one or more sub-grantees, as identified in your application and in the grant agreement, and as the grantee you are responsible for ensuring each sub-grantee's compliance with federal requirements.

The entire process, from application receipt, verification, approval, Congressional notification, environmental clearance, and authorization for electronic fund withdrawal, can take at least 90 days.

The HUD staff person responsible for the review of your grant application is listed in ATTACHMENT III of this Application Kit. Please contact that person with any questions regarding your grant. If you choose to submit your application electronically, HUD also has

staff to assist you in that process. Please contact the Department's Office of Departmental Grants Management and Oversight at (202)402-2206 for any questions related to the electronic submission of your application.

LEGAL REQUIREMENTS:

A. REQUIREMENTS UNDER THE CONSOLIDATED APPROPRIATIONS ACT, 2010 (P.L. 111-117)) (THE ACT)

Limitations on Eligible Activities

There are several key provisions of the Act of which you should be aware. First, the Act contains the following language with regard to the activities that are payable with FY2010 grant funds:

“...no unobligated funds for EDI grants may be used for any purpose except acquisition, planning, design, purchase of equipment, revitalization, redevelopment or construction.”

The Act also prohibits the use of grant funds for program operations, which would include rent, utilities, salaries, travel and other operating costs of your organization.

The intent of Congress expressed by these provisions is to ensure that EDI-SP grant recipients use the funds for construction or other “hard cost” activities as authorized in the specific language governing your grant funds and pursuant to other provisions of the Act. The letter of invitation accompanying this Application Kit includes the specific language enacted by Congress for your grant. HUD cannot approve any activities other than those specified by Congress in the authorizing language for your grant or any activities that are otherwise not eligible under the terms of the Act as enacted by Congress.

Planning Expenses

In describing your grant, the Congress used language identifying it as a “planning grant.” Since the Act exempts “planning grants” from the general 20 percent limitation imposed by the Act upon the use of EDI-SP funds for planning, management development, and administrative costs, the entirety of the grant amount may be expended for these costs.

You must prepare a brief project description and a simple, line item project budget as part of the application. The project budget should identify only the use of the EDI-SP funds. Please keep the above limitations in mind as you prepare your project budget.

Limitations on the Use of Funds for Projects Involving Eminent Domain

The Act also provides that no funds made available under the Act may be used to support any Federal, State or local projects that seek to use the power of eminent domain, unless eminent

domain is employed only for a public use. For purposes of this provision, public use shall not be construed to include economic development that primarily benefits private entities.

B. SIGNIFICANT REGULATIONS THAT APPLY TO YOUR GRANT:

The Grant Agreement transmitted by the Department following approval of your application will set forth all applicable regulatory requirements for your grant. Below are some of the more significant applicable regulatory requirements. The regulations below may also be accessed from the Congressional Grants Division Web site, as outlined on page one of this Application Kit.

State and Local Governments and Indian Tribal Governments

The requirements of 24 CFR §85 and OMB Circulars A-87 and A-133 apply to State and Local Governments and Indian Tribal Governments. Applicants are encouraged to review the provisions of these regulations and circulars, including provisions related to the disposition of property acquired with HUD funds at Part 24 CFR §85.31 and the procurement requirements of Part 24 CFR §85.36.

Academic Institutions, Hospitals and Non-Profit Organizations

1. The requirements of 24 CFR §84 and OMB Circulars A-122 and A-133 apply to Academic Institutions, Hospitals, and Non-Profit Organizations. Applicants are encouraged to review the provisions of these regulations and circulars, including provisions related to the disposition of property with HUD funds at 24 CFR §84.32 and the procurement requirements beginning at 24 CFR §84.40. Please note that grantees subject to 24 CFR §84 and using \$1,000,000 or more of EDI-SP funds to acquire real property, will be required to demonstrate that they have recorded the Department's interest in the real property as a condition of the grant award, as provided pursuant to 24 CFR §84.37.

2. Faith based organizations should also review the Department's regulations governing the award of funds to faith based organizations, pursuant to 24 CFR §5.109.

All Applicants

1. 24 CFR §58 concerning environmental review of your project applies to all EDI-SP Grant Recipients. Please see Attachment IV of this Application Kit for additional and important information about these requirements. **FOLLOWING ENACTMENT OF THE ACT, NO HUD OR OTHER FUNDS MAY BE COMMITTED TO A PROJECT PRIOR TO COMPLIANCE WITH THE ENVIRONMENTAL REQUIREMENTS OF 24 CFR §58.**

2. Applicants and their subrecipients must comply with 24 CFR §5.105, Other Federal Requirements. (a) Nondiscrimination and equal opportunity.

3. The requirements of Section 3 of the Housing and Urban Development Act of 1968 found at 24 CFR §135 apply to all grant recipients that are awarded \$200,000 or more for projects involving housing construction, rehabilitation or other public construction. Applicants are encouraged to review the requirements of this regulation and to submit Section 3 summary reports (HUD-60002) annually, if applicable. Additional information regarding Section 3 is provided in **Attachment V** of this Application Kit (p.40).

C. REGULATIONS THAT DO NOT APPLY TO YOUR GRANT:

1. HUD regulations for the competitive Economic Development Initiative program and the formula Community Development Block Grant program.

2. Davis-Bacon requirements, *unless* your project is also supported by other funds which do require adherence to the Davis-Bacon Act.

D. OBLIGATION AND EXPENDITURE DEADLINES:

HUD's authority to obligate your FY2010 EDI-SP grant expires on September 30, 2012. Your organization must have an executed grant agreement with HUD before that date. Additionally, all FY2010 EDI-SP funds must be expended by September 30, 2017 or they will be recaptured and returned to the U.S. Treasury. The Department cannot waive or extend these statutory deadlines.

E. ENVIRONMENTAL REVIEW REQUIREMENTS:

HUD reminds all applicants that no EDI-Special Project grant or any other funds, public or private, may be committed to a project and no EDI-Special Project grant funds can be drawn down for the project, until an environmental review has been completed.

This environmental review must be done by a "responsible entity" [(24 CFR 58.2 (7))], which is normally the unit of general local government within which the project is located that exercises land use responsibility, or the Indian Tribe or Alaskan Native Village jurisdiction within which the project is located that exercises land use responsibility.

If you plan to use your EDI-Special Project funds for such work as architectural and engineering or technical assistance, then the environmental review by a responsible entity may be as simple as documenting that these activities are excluded from any further review.

If, however, your EDI-Special Project involves, for example, acquisition or disposition of real property, change in land use or physical change of land or buildings, the environmental review may be complex, and in some instances, lengthy. HUD's release of funds to your bank account shall **not** occur until HUD has received and approved an environmental certification by a unit of general local government, an Indian Tribe or an Alaskan Native Village with jurisdiction over the project, or in some instances the county or state, if HUD so determines.

It is also usually the case that an environmental review conducted under State or local laws will not fully satisfy the federal environmental review requirements set forth in 24 CFR §58.

Additional information about the mandatory environmental review is provided in Attachment IV of this Application Kit, along with a listing of the local HUD Field Environmental Officers in your jurisdiction who can assist you in this process.

ENVIRONMENTAL REVIEW REMINDER

REMEMBER: You may not take any actions nor commit any HUD or any non-HUD funds which would cause actions that are choice-limiting among reasonable alternatives or would produce an adverse environmental impact, before HUD has approved the environmental certification of compliance, and the request for release of funds. Choice-limiting actions include acquisition, leasing, rehabilitation, demolition and new construction. You are therefore encouraged to have the environmental review process started as soon as possible.

ATTACHMENT I ELECTRONIC APPLICATION INSTRUCTIONS

All questions concerning the electronic submission of applications should be directed to the Department's Office of Departmental Grants Management and Oversight at (202) 402-2206. Technical Questions regarding software should be directed to the Grants.gov helpdesk at 800-518-GRANTS.

I. Background

The Department of Housing and Urban Development has been utilizing the Federal Grant portal www.Grants.gov for applicants to Find and Apply for Federal Grants. HUD encourages all EDI-Special Project grant recipients to submit their application electronically using the Grants.gov portal. HUD's experience using the Grants.gov portal for its competitive programs has proven that electronic grant applications can save applicants time and money in submitting their application. With electronic grant submission, applicants will no longer have to submit multiple copies of applications to Headquarters and field offices. A single submission allows HUD to route the application to reviewers more rapidly. An electronic application requires an electronic signature and therefore, applicants are required to first complete a five step registration process. The registration process authenticates who you are and that you are authorized to submit the application on behalf of the applicant organization. To submit an electronic application via the Grants.gov portal, applicants have to register. HUD believes most recipients will find the process simpler and quicker, once they have completed the initial registration process.

2. Minimum Requirements for Application Submission, Regardless of Whether the Application is a Paper Application or an Electronic Application Submission.

Applicants should also be aware that acquiring a DUNS number and registering with Central Contractor Registration are required of all grant recipients including those submitting paper applications. HUD will not issue a grant award without a DUNS number or CCR Registration.

3. How to Register for Electronic Application Submission

The registration process can take approximately 2 to 4 weeks to complete. Therefore, you should begin registration well before you want to submit your application. There are five sequential registration steps applicants are required to complete, which include obtaining a DUNS number and registration with CCR. All five steps must be completed to submit an electronic application via the Grants.gov portal.

a. Step One: *Obtain a Dun and Bradstreet Data Universal Numbering System (DUNS)*

Number. All applicants seeking funding directly from HUD must obtain a DUNS number for their organization and include the number on the form SF-424, Application for Federal Financial Assistance, which is part of the application submission. Applicants should carefully enter and review their information when obtaining a DUNS number. When registering with DUN and Bradstreet, please be sure to use the organization legal name that is used when filing a return with or making payments to the Internal Revenue Service. Organizations should also provide the zip code using the zip code plus the four additional digits (ZIP+4).

Applicants can obtain a DUNS number by calling (866) 705-5711 (this is a toll-free number). The approximate time to get a DUNS number is 10 to 15 minutes, and there is **no charge**. You should wait approximately 24 to 48 hours after obtaining a DUNS number to

register with the CCR, so that your DUNS number can become active in Dun and Bradstreet's (D&B) records.

b. Step Two: Register with the CCR. Grant applicants must register with CCR. Applicants can register with the CCR at <http://www.ccr.gov/>. The CCR registration allows HUD to verify where payments are to go, and ensures that grant payments are sent to the appropriate entity. The CCR registration process consists of completing a Trading Partner Profile (TPP), which contains general, corporate, and financial information about your organization. While completing the TPP, you need to identify an eBusiness Point of Contact (eBusiness POC) who will be responsible for maintaining the information in the TPP and granting authorization to individuals to serve as Authorized Organization Representatives (AORs). The AOR will submit applications through Grants.gov for your organization. Applicants can check the CCR registration and eBusiness Point of Contact for their organization by going to www.ccr.gov and using the search feature. The search feature can be found at <https://www.bpn.gov/CCRSearch/Search.aspx>.

(1) **CCR Use of D&B Information.** CCR will obtain the following data fields from D&B: Legal Business Name, Doing Business As Name (DBA), Physical Address, and Postal Code/Zip+4. Registrants will not be able to enter/modify these fields in CCR. If the CCR registrant agrees with the D&B-supplied information, the D&B data will be accepted into the CCR registrant record. If the registrant disagrees with the D&B-supplied information, the registrant will need to go to the D&B website <http://fedgov.dnb.com/webform> to modify the information contained in D&B's records before proceeding with its CCR registration. Once D&B confirms modifications, the registrant must revisit the CCR website and "accept" D&B's changes. Only at this point will the D&B data be accepted into the CCR record. This process

can take up to 2 business days for D&B to send modified data to CCR, and that time frame may be longer if data is sent from abroad.

(2) **CCR EIN/TIN Validation.** CCR validates the Employer Identification Number (EIN)/Taxpayer Identification Number (TIN) and the Employer/Taxpayer Name of each new and updated CCR registrant with the IRS. In order to apply for, or receive federal grants, the EIN/TIN and Employer/Taxpayer Name combination you provide in the IRS Consent Form on CCR must match exactly the EIN/TIN and Employer/Taxpayer Name used in federal tax matters. It will take at least one to two business days to validate new and updated records prior to becoming active in CCR. Please be sure that the data items provided to D&B match information that you provided to the IRS. If the registrations in D&B and the CCR do not match the IRS information an error message will result. Until the discrepancies have been resolved, your registration will not be completed. Applicants should allow sufficient time to review their D&B and CCR information. If you have questions about your EIN or TIN, call (800) 829-4933.

(3) **Annual Update/Renewal of CCR Registration.** Your CCR registration must be updated/renewed annually. Failure to update/renew your CCR registration will cause your registration to lapse and you will not be able to submit an electronic application for funding. It may also impact your ability to receive grant payments in the future.

c. Step Three: The designated Authorized Organization Representative (AOR) who will submit an application on behalf of the organization must **register with the Credential Provider.**

In order to safeguard the security of your electronic information, Grants.gov utilizes a Credential Provider to determine with certainty that someone is really who he or she claims to be. An assigned AOR must register with the Credential Provider to create and receive a username and password, which will be used when submitting an application package through Grants.gov. Your

organization must be registered with the CCR and you will need to have your organization's DUNS number available to complete this process. Applicants can register with the Credential Provider at <http://apply.grants.gov/OrcRegister>.

d. Step Four: The AOR must **register the username/password from the credential provider with Grants.gov**. To submit an application, an AOR must be able to make a legally binding commitment on behalf of the applicant. Applicants can register with Grants.gov at <https://apply.grants.gov/GrantsgovRegister>.

e. Step Five: The eBusiness point of contact (POC) on record at CCR must approve the designated AOR(s). The eBusiness POC can designate the AOR to submit applications on behalf of the organization at <https://apply.grants.gov/apply/AorMgrGetID>. HUD urges applicants to check with their eBusiness Point of Contact to make sure that they have been authorized to make a legally binding commitment for the applicant organization when submitting the application on behalf of the applicant organization. You can search the CCR registration for your eBusiness Point of Contact information by going to <https://www.bpn.gov/CCRSearch/Search.aspx>.

4. Track AOR Status. At any time, you can track your Authorized Organization Representative (AOR) status at the Applicant home page of Grants.gov in "Quick Links." Select "Applicant Login," and enter the AOR username & password you obtained in Step 4 associated to the organization on behalf of which you will be submitting an application.

5. How to Download an Application Package and Application Instructions

HUD is using Adobe Forms in the application packages available from Grants.gov. The Adobe Forms packages are compatible with the VISTA operating system and Microsoft Office 2007.

For more information see the Grants.gov website at

http://www.grants.gov/assets/Vista_and_office_07_Compatibility.pdf

- a. **The Application Package and Application Instructions.** An overview and instructions for downloading, completing, submitting, and tracking grant application packages are available at http://www.grants.gov/applicants/apply_for_grants.jsp. To download your application, go to https://apply.grants.gov/forms_apps_idx.html and enter the CFDA Number, 14.251. Leave the Funding Opportunity Number and Funding Opportunity Competition ID blank; if you enter more than one criterion, you will not find the EDI-Special Projects funding opportunity application and instructions.

After you have entered the CFDA number, Select *Download Package*, and you will be taken to the funding opportunity *Download Application & Instructions* link.

Next, download the application instructions by clicking on the *Download Instructions* link; a download dialog box will open asking whether to open or save; select save and save the file to your computer hard drive or network server.

The next step is to download the Application. Before you can view and complete an application package, you **MUST** have a compatible Adobe Reader installed.

Grants.gov is currently using Adobe Reader 8.1.2. A link to Adobe Reader 8.1.2 can be found on Grants.gov at http://grants.gov/help/download_software.jsp#adobe811. Adobe Reader 8.1.2 is compatible with any version of Adobe Professional 6.0 or higher.

However, applicants who have Adobe Professional or another version of Adobe Reader must set their default settings to Adobe Reader 8.1.2. Grants.gov has posted instructions for resetting the default setting at http://grants.gov/help/general_faqs.jsp#19. To test if you have the correct Reader or installed the reader properly, go to

<http://www.grants.gov/applicants/AdobeVersioningTestOnly.jsp>. Applicants that need assistance can contact the Grants.gov Contact Center by phone at 1-800-518-GRANTS, or email support@grants.gov. It is critically important that all persons working on the Adobe forms in the application package must work using Adobe 8.1.2 or the latest compatible version of Adobe Reader available from Grants.gov. Please alert your staff and those working on your application that failure to download and use the correct Adobe Reader will result in an error message not being able to create or submit your application package to Grants.gov or in your application being rejected by Grants.gov.

After you have installed Adobe Reader 8.1.2 or the latest compatible version of Adobe Reader available from Grants.gov, you can download the application by clicking on the *Download Application* link. The application package will open on your screen. Save the application to the same directory (folder) in which you saved the *Instructions*. Both the instructions and application should be saved on your computer or a network server. You do not need to be registered to download the instructions or complete the application; however, you must have completed all five registration steps to submit your application.

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b. Electronic Grant Application Forms.

The Application download will contain a cover page entitled “Grant Application Package.” The cover page provides information regarding the application package you have chosen to download, i.e., Opportunity Title, Agency Name, CFDA Number, etc.

Review this information to ensure that you have selected the correct application. Save the file to your hard drive or network folder; be sure to remember the filename and the folder to which you saved it.

The Grant application contains two forms, the SF- 424, Application for Federal Financial Assistance and the SF-LLL, Disclosure of Lobbying Activities.

The Grant Application cover page separates the forms into two categories: “Mandatory Documents” and “Optional Documents.” In the “Mandatory Documents” box place select the SF-424 to highlight it then select *move form to complete*. The form will move to the window on the right side of the application. Open the form. Forms in the Application Download contain fields with a yellow background. These data fields are mandatory and must be completed. Failure to complete the fields will result in an error message when checking the package for errors which tell you an item is incomplete.

In the Optional Documents section you will find the SF-LLL form. No appropriated Federal funds may be paid by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress, in connection with this application for Federal assistance or any award of funds resulting from the submission of this application for Federal assistance or its extension, renewal, amendment, or modification. If your organization has paid or will pay funds other than Federal appropriated funds to influence or attempt to influence the persons listed above, you must complete and submit Standard Form LLL, Disclosure of Lobbying Activities, as part of your application submission package. The applicant further agrees to and certifies that it

will require all subawards at all tiers including subgrants and contracts to similarly certify and disclose accordingly.

To complete the Form LLL highlight the file in the Optional Documents window and select *move form to submission list*. The form will move to the optional documents for submission window on the right side of the application. Open the form and complete as directed.

c. Submission of Narrative Statements and Budget. Create your project description and budget in MS WORD or EXCEL and save them to the same folder in which you have saved the Grants.gov application package. Open the SF-424 in your application package. At the bottom of page 3 immediately below box 15, select the *Add Attachments* button; a dialog box will appear. Select *Add Attachment*; your file manager will open. Find the project description you have created and saved, highlight the file name in the file manager, and select *Open*. The name of your project description will appear in the Form Attachments dialog box. Repeat the process to add your budget. Select *Done*. Your project description and budget should now be attached to your SF-424 and will be submitted to Grants.gov with your application.

6. Steps to Take Before You Submit Your Application. You should review the application package and all the attachments to make sure it contains all the documents you want to submit. If it does, save it to your computer and remove previously saved versions. Select the *Check Package for Errors* button on the application package and correct any problems identified. After all identified errors have been corrected, save the document. The *save and submit* button should activate. Click on the "Save & Submit" button to begin the application submission process. You will be taken to the applicant login page to enter your Grants.gov username and password.

Follow all onscreen instructions for submission. If you experience a problem at any time during the submission process, please call the Grants.gov help desk at 1-800-518-GRANTS.

7. Save Your Receipts. When you submit an electronic application via Grants.gov you will receive a series of notifications.

a. Confirmation of Submission to Grants.gov. When you successfully upload an application to Grants.gov, you will receive a confirmation message on your computer screen that your application has been submitted to Grants.gov and is being processed. This confirmation will include a tracking number. Print this confirmation out and save it for your records. If you have submitted multiple applications, be sure to check to see what application to which each confirmation applies. The grant number, CFDA, and Funding Opportunity Number, as well as the date and time of submission, will appear on the confirmation. If you do not receive this confirmation, it means that your application has not been successfully uploaded. If your screen goes blank or you have problems uploading, you need to immediately call Grants.gov support at (800) 518-GRANTS for assistance (this is a toll-free number).

b. Application Submission Validation Check. The application will then go through a validation process. The validation check ensures that:

- a. The application is virus-free;
- b. The DUNS number submitted on the application matches the DUNS number in the registration, and that the AOR has been authorized to submit the application for funding by the organization identified by its DUNS number; and
- c. All the mandatory (highlighted) fields and forms were completed on the application.

3. Application Validation and Rejection Notification. If the application fails any of the above items during the validation check, the application package will be rejected and grants.gov will

send an email to the person denoted by the applicant in the registration process to receive email notifications from Grants.gov. The email will indicate the application has been rejected. The email will include the reasons why the application was rejected.

The validation check can occur 24 to 48 hours after the application submission. Applicants are advised that, until they have received a validation message, the submission process has not been completed. When the validation message is sent, be sure to save it for your records. If you do not receive a validation or rejection message within 24 to 48 hours after successfully uploading your application, call the Grants.gov helpdesk and provide the customer service representative with your grant confirmation number and ask that person to check the status of your application as you have not received the validation or rejection notice. The Customer service Representative will provide you with a call ticket number. Retain that call ticket with your records.

Applicants can check the status of their applications themselves by going to http://www.grants.gov/applicants/track_your_application.jsp and logging into the system using your ID and Password obtained during the registration process.

8. Sources of Help for Electronic Grant Applications. This section lists several sources of help for you during the electronic registration and submission process.

a. **Grants.gov Customer Support.** Grants.gov provides customer support information on its website at <http://www.grants.gov/contactus/contactus.jsp>. Applicants having difficulty accessing the application and instructions or having technical problems can receive customer support from Grants.gov by calling (800) 518-GRANTS (this is a toll-free number) or by sending an email to support@grants.gov. The customer support center is open from 7:00 a.m.

to 9:00 p.m. Eastern Time, Monday through Friday, except federal holidays. The customer service representatives will assist applicants in accessing the information and addressing technology issues.

b. Desktop Users Guide for Submitting Electronic Grant Applications. HUD has published on its website a detailed Desktop Users Guide that walks applicants through the electronic process, beginning with finding a funding opportunity, completing the registration process, and downloading and submitting the electronic application. The guide includes helpful step-by-step instructions, screen shots, and error-proof tips to assist applicants in becoming familiar with submitting applications electronically. The Desktop Users Guide can be found at HUD's website at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>.

c. HUD Staff. In addition to the help provided at the government registration websites HUD staff will be available to provide you guidance and technical assistance throughout the registration and submission process. However, HUD staff is not permitted to help prepare your application. All questions concerning registration and electronic submission of applications should be directed to the Office of Departmental Grants Management and Oversight at (202) 402-2206.

9. The Federal Financial Accountability and Transparency Act of 2006, (Public Law 109-282). Applicants receiving an award from HUD should be aware of the requirements of the Transparency Act. The Transparency Act requires the establishment of a central website that makes available to the public information regarding entities receiving federal financial assistance by not later than January 1, 2008. The Transparency Act also requires, beginning not later than January 2009, that data on subawards be made available on a government website. In

anticipation of the implementation of this requirement, HUD is placing awardees of on notice of these requirements and note that once implemented, grantees will be required to report to HUD data on subawards. The only exceptions to this requirement under the Act are: (i) federal transactions below \$25,000, (ii) credit card transactions prior to October 1, 2008, and (iii) awards to entities that demonstrate to the Director of the Office of Management and Budget that the gross income from all sources, of such entity did not exceed \$300,000 in the previous tax year of such entity. Guidance for receiving an exception under item (iii) above has not been finalized by the Office of Management and Budget. HUD is responsible for placing award information for direct grantees on the government website. The reporting of subaward data to the appropriate federal agency is the responsibility of the grantee.

**ATTACHMENT II
PAPER APPLICATION INSTRUCTIONS**

**INSTRUCTIONS FOR COMPLETING THE SF424 AND INFORMATION REGARDING CERTIFICATIONS
AND ASSURANCES**

You must submit an original and three copies of these five items:

- 1. Standard Form 424**
- 2. A project narrative**
- 3. A line item budget for the full amount of the EDI-Special Project grant only**
- 4. Standard Form LLL (Disclosure of Lobbying Activities, if applicable)**
- 5. Acknowledgment of Receipt of Application**

Submit the original application and two copies to:

Processing and Control Branch, Room 7251
Attn: **FY 2010** EDI-Special Projects
Congressional Grants, CPD
U.S. Dept. of Housing and Urban Development
451 Seventh St., SW
Washington, DC 20410

Submit one additional copy of the application to the local HUD Field Environmental Officer for your jurisdiction, listed in ATTACHMENT IV of this Application Kit.

A. Completion of the SF-424:

Follow the instructions below for each box of the SF-424:

1. Check the “Application” box
2. Check the “New” box
3. Leave blank
4. Leave blank

5. a. Enter your Grant Number (B-10-SP-XX-####)
b. Leave blank

6. Leave blank

7. Leave blank

8. a. Enter the legal name of your organization
b. Enter the EIN/TIN for your organization
c. Enter your organization’s DUNS number (see p. 10 of the Application Kit for information for securing a DUNS number).
d. Enter the complete address of your organization
e. Enter the Department and/or Division responsible for the application
f. Enter all contact information for the person responsible for the application

9. Enter the letter or letters describing your organization from the listing on the “Instructions for the SF-424”

10. Enter US Department of Housing and Urban Development

11. Enter 14.251 and under CFDA Title, “Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants”

12. Enter FY2010 and under Title, “EDI-SP”

13. Leave blank

14. See “Instructions for the SF-424”

15. Enter a brief description of the project and attach a more detailed, but also brief project description and a project budget

16. See “Instructions for the SF-424”

17. Enter the proposed start and end dates for the project

18. On the “Federal line,” enter only the amount of the EDI-SP grant

19. Check box “C”

20. Check the appropriate box

21. After review of the Certifications and Assurances below, check “I AGREE,” enter all information for the Authorized Representative submitting the application and **sign and date the form.**

B. Certifications and Assurances.

In submitting the SF-424, applicants are providing the Department with the following certifications and assurances:

a. The governing body of the applicant’s organization has duly authorized the application for Federal assistance. In addition, by signing or electronically submitting the application, the Authorized Organization Representative (AOR) certifies that the applicant:

(1) has the legal authority to apply for Federal assistance and the institutional, managerial, and financial capacity (including funds to pay for any non-Federal share of program costs) to plan, manage, and complete the program as described in the application;

(2) will provide HUD any additional information it may require; and

(3) will administer the award in compliance with requirements identified and contained in the Application Kit and in accordance with requirements applicable to the program.

b. No appropriated Federal funds have been paid or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress, in connection with this application for Federal assistance or any award of funds resulting from the submission of this application for Federal assistance or its extension, renewal, amendment, or modification. If funds other than Federal appropriated funds have been or will be paid for influencing or attempting to influence the persons listed above, the applicant agrees to complete and submit Standard Form LLL, Disclosure of Lobbying Activities, as part of its application submission package. The applicant further agrees to and certifies that it will require all subawards at all tiers including subgrants and contracts to similarly certify and disclose accordingly.

c. Federally recognized Indian tribes and tribally designated housing entities (TDHEs) established by a federally recognized Indian tribe, as a result of the exercise of the tribe’s sovereign power, are excluded from coverage by item b. (also known as the Byrd Amendment). However, State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute’s coverage and therefore agree to, and must comply with, item b. above.

By submitting an application, the applicant affirms its awareness of these certifications and assurances. The Authorized Organization Representative submitting the application is affirming that these certifications and assurances are material representations of the facts upon which HUD will rely when making an award to the applicant. If it is later determined that the signatory to the application submission knowingly made a false certification or assurance or did not have the authority to make a legally binding commitment for the applicant, the applicant may be subject to criminal prosecution, and HUD may terminate the award to the applicant organization or pursue other available remedies.

PROJECT DESCRIPTION AND PROJECT BUDGET REMINDER

REMEMBER: You must include a brief project description that is consistent with the Congressional authorization for the use of the grant. You must also include a line item project budget that is consistent with that Congressional authorization and the limitations and prohibitions on expenses as required by the Act and described above. No pre-printed federal budget form is required for this grant. Your project budget should not include any other sources of funding and should add up to only the Congressional grant amount.

DUN AND BRADSTREET REQUIREMENT

Beginning October 1, 2003, any applicant seeking funding directly from HUD, or other Federal agencies, must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and include it on its SF 424 Application for Federal Financial Assistance submission. Failure to provide a DUNS number will prevent you from obtaining an award. Individuals who would personally apply for Federal financial assistance, apart from any governmental, business or nonprofit organization they may represent, are excluded from the requirement to obtain a DUNS number. This policy is pursuant to Office of Management and Budget (OMB) policy issued in the Federal Register on June 27, 2003 (68 FR 38402, June 27, 2003)

Applicants may obtain a DUNS number by calling the dedicated toll-free DUNS Number request line at 1-866-705-5711 between 8 a.m. and 6 p.m. (local time of the caller when calling from within the United States).

**Acknowledgment of Receipt
of Application for A
FY 2010 EDI – SPECIAL PROJECT Grant**

U.S. Department of Housing
and Urban Development
Washington, DC 20410

Type or clearly print your name and return address in the space below.

fold line

**To Be Signed/Dated Below by HUD Processing and Control Branch, Room 7251, 451
Seventh Street, SW, Washington, DC 20410:**

We have received your application for a **FY2010 grant**. **The Congressional Grants Division will** review your application and contact you if any more information is needed.

Processor's Name: _____

Date of Receipt: _____

**ATTACHMENT III
CONGRESSIONAL GRANTS DIVISION STAFF
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**ATTACHMENT IV
SUMMARY OF ENVIRONMENTAL REQUIREMENTS
FOR FY2010 EDI-SPECIAL PROJECTS**

Since passage of the Multifamily Housing Property Disposition Act of 1994, units of general local government are authorized to carry out federal environmental review responsibilities under the National Environmental Protection Act (NEPA) and related authorities pursuant to 24 CFR Part 58 for many projects funded by HUD, including your EDI-Special Project.

1. WHAT IS THE ENVIRONMENTAL REVIEW?

An environmental review is the process of considering the environmental impact of a project that is to receive EDI-Special Project funding. This review process is described in 24 CFR Part 58. The process includes performing an environmental impact analysis that covers the provisions of the National Environmental Policy Act and related environmental laws and regulations. If the review results in a “Finding of No Significant Environmental Impact,” then a prescribed public notification is required, as well as a formal request to HUD for release of the grant funds from environmental conditions.

The scope of the environmental review depends on the scope of your project. For complex projects, the review could include a full technical analysis, consultation with the State Historic Preservation Officer, and two weeks notice in a local newspaper. For certain other projects, the environmental review could be simply a letter prepared by the responsible entity stating the project is exempt or excluded from any further review. The HUD environmental officer listed on the following pages can advise you and the responsible entity about these requirements.

2. WHO DOES THE ENVIRONMENTAL REVIEW?

Only a “responsible entity” may take responsibility for conducting the environmental review that is needed for each FY2010 EDI-Special Project. This responsible entity is normally the local government, Indian Tribe, or Alaskan Native Village within which your project is located and which exercises land use responsibility.

Conversely, a non-governmental entity or a governmental entity that does not exercise land use control authority over the site cannot conduct the environmental review.

The responsible entity is legally responsible for the administration of environmental laws and rules and HUD regulations implementing them.

If you are a unit of local government, Indian Tribe, or Alaskan native Village, you are the responsible entity and must take responsibility for conducting the environmental review. For this special project, the general sequence of actions is (1) you contact your HUD field environmental officer (FEO) to learn the exact procedure to follow for your special project; (2) you follow the FEO’s technical advice on how to conduct the review; (3) you submit documentation (as advised by the FEO) to the FEO. After the FEO determines that the

environmental review has been satisfactorily conducted, HUD will so inform you and provide a date after which you may commit funds for the project. The HUD field office will simultaneously inform HUD's Congressional Grants Division in Washington that your environmental review has been satisfactorily conducted and that the grant funds may be released for your special project.

If you are a housing authority, redevelopment agency, academic institution, hospital or other non-profit organization, you must solicit an appropriate responsible entity to conduct the environmental review on your behalf. (To get started, you should contact the HUD FEO listed on the pages following and ask for advice on which responsible entity would best be able to do the environmental review for you.) After that the general sequence of actions is similar to that described above.

In summary, as a FY 2010 EDI-SP applicant, you must ensure that a responsible entity completes the environmental review and you must submit the necessary documentation described above to a designated HUD field office for its review and approval and for written notice to you that your grant funds are released.

3. WHAT ARE THE RESPONSIBILITIES OF A RECIPIENT WHEN THE EDI SPECIAL PROJECT FUNDS ARE FOR A PROJECT THAT HAS ALREADY BEGUN CONSTRUCTION USING NON-HUD FUNDS?

If a construction contract was entered into before the Act (PL) was signed into law, further construction activities should cease pending completion of the environmental review and approval of Request for Release of Funds/Certification (RROF/C), to the extent practical and to the extent permitted in accordance with the previously executed contract. As stated below, you may not enter into additional construction contracts or take other choice-limiting commitments or actions, including making a commitment of HUD or non-HUD funds to the project, prior to contacting the responsible entity and until an environmental review is complete and an RROF/C is approved by HUD.

4. WHEN MAY A RECIPIENT COMMIT ITS SPECIAL PROJECT FUNDS?

You may commit your funds only after you have received written notice from the HUD field office that it has approved the release of funds, unless the funds are for activities that have been documented as exempt or categorically excluded and not subject to related laws. You may not take any actions nor commit any HUD funds or any non-HUD funds which would cause actions that are choice-limiting among reasonable alternatives or would produce an adverse environmental impact, before HUD has approved the environmental certification of compliance, and the request for release of funds.

5. WHEN SHOULD YOU START THE ENVIRONMENTAL REVIEW?

You should get the review process started right away, even while our Project Team will review your application and contact you if any more information is needed. Otherwise, you should receive an approval package in the near future. In the conduct of the environmental review, you may be asked to provide information necessary for completing the environmental analysis in an expeditious and comprehensive manner. Information about both natural resources and the built environment, including manmade hazards will need to be collected. Wetlands, coastal barrier resources, wild and scenic rivers, and endangered species, are all examples of natural resource data that may be required. Information about the built environment and manmade hazards include proximity of project to or the potential impact of industrial operations, airports, landfills, incinerators, and noise producing infrastructure (major highways, roads, rail lines, or other transportation routes, etc.). Additionally, grant applicants may be required to comply with the requirements under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 – 4128) and the Coastal Barrier Resources Act (16 U.S.C. 3501)

HUD ENVIRONMENTAL OFFICERS

HUD Environmental Officers - Region I

**MA, NH, ME, VT
CT, RI**

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Fax: (860) 240-4859
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HUD Environmental Officers - Region II

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NJ

Michael Furda
Field Environmental Officer
HUD-Newark Field Office
One Newark Center
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HUD Environmental Officers - Region III**DE, PA east**

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PA west, WV

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VA

Kerry Johnson
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MD, DC

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GA, TN

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Puerto Rico & Virgin Islands

Roberto Cortes, PE
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ATTACHMENT V

Frequently Asked Questions and Answers About Section 3 of the Housing & Urban Development Act of 1968

GENERAL QUESTIONS

1. What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968, which recognizes that HUD funds are typically one of the largest sources of federal funding expended in communities through the form of grants, loans, entitlement allocations and other forms of financial assistance. Section 3 is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons or the awarding of contracts for work, preference must be given to low- and very low-income persons or business concerns residing in the community where the project is located.

2. What does the term “Section 3 resident” mean?

A “section 3 resident” is: 1) a public housing resident; or 2) a low- or very low-income person residing in the metropolitan area or Non-metropolitan County in which the Section 3 covered assistance is expended.

3. What does the term Section 3 Business Concern mean?

Section 3 business concerns are businesses that can provide evidence that they meet one of the following:

- 51 percent or more owned by Section 3 residents; **or**
- At least 30 percent of its fully time employees include persons that are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; **or**
- Provides evidence, as required, of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in the above two paragraphs.

4. How does Section 3 differ from the Minority Business Enterprise/Women Business Enterprise programs?

Section 3 is both race and gender neutral. The preferences provided under this regulation are based on income-level and location. The Section 3 regulations were designed to encourage recipients of HUD funding to direct new employment and contracting

opportunities to low-income residents, and the businesses that employ these persons, within their community regardless of race and/or gender.

Please contact HUD's Office of Small and Disadvantaged Business Utilization at 202-708-1428, to learn more about these programs.

5. How is “low-income” determined?

The term “low-income” is used in the Section 3 regulation to include both low- and very low-income individuals. Local income levels can be obtained online at: <http://www.huduser.org/DATASETS/il.html>.

6. Define “metropolitan area” and “Non-metropolitan County.”

Metropolitan area means a metropolitan statistical area (MSA), as established by the Office of Management and Budget. Non-metropolitan County means any county outside of a metropolitan area.

7. What is a “new hire”?

A new hire means a full-time employee for a new permanent, temporary, or seasonal position that is created during the expenditure of Section 3 covered financial assistance.

8. What is a Section 3 covered project?

A Section 3 covered project involves the construction or rehabilitation of housing (including reduction of lead-based paint hazards), or other public construction such as street repair, sewage line repair or installation, updates to building facades, etc.

9. Who is considered a recipient of Section 3 funding?

A recipient is any entity which receives Section 3 covered assistance, directly from HUD or from another recipient. It does not include contractors or any ultimate beneficiary under the HUD program to which Section 3 applies.

10. Is a non-profit organization considered a “business” for the purposes of Section 3?

Yes. A non-profit organization is a legitimate business. The non-profit organization must meet the criteria of a Section 3 business concern as defined in 24 CFR Part 135.5 in order to receive Section 3 preference.

11. What is a Service Area?

The Service area is the geographical area in which the persons benefiting from the Section 3 covered project reside. The Service Area shall not extend beyond the unit of local government in which the Section 3 covered financial assistance is expended.

APPLICABILITY

12. What is Section 3 covered assistance?

- Public and Indian housing development, operating or capital funds; **or**
- Other housing assistance and community development assistance expended for housing rehabilitation, housing construction or other public construction projects, such as: CDBG, HOME, 202/811, Lead-Based Paint Abatement, etc.

13. Which recipient agencies (or sources of HUD financial assistance) are required to comply with Section 3?

- Public Housing Authorities regardless of size or number of units
- Section 3 also applies to recipients of \$200,000 or more of the following Housing and/or Community Development financial assistance:
 - HOPE VI funding
 - Community Development Block Grant (CDBG) funding
 - Community Development Block Grant Programs for Indian Tribes and Alaska Native Villages
 - HOME Investment Partnership funding
 - Self-Help Homeownership Opportunity Programs
 - Economic Development Initiative-Special Projects
 - Neighborhood Initiatives
 - Brownfield Economic Development Initiatives

***Note:** The requirements of Section 3 typically apply to recipients of HUD funds that will be used for housing construction, rehabilitation, or other public construction. Contact the Economic Opportunity Division at section3@hud.gov to determine applicability to a particular project/activity.

14. Are Section 8 ONLY Housing Authorities exempt from the requirements of Section 3?

Yes. Since Section 8 ONLY Housing Authorities do not utilize any of the financial assistance described above, they are exempt from the requirements of Section 3. However, compliance with Section 3 is encouraged.

15. What are funding thresholds and how do they apply to Section 3 covered financial assistance?

Funding thresholds are minimum dollar amounts that trigger Section 3 requirements. There are **no thresholds for Public Housing Authorities (PHAs)**. The requirements of Section 3 apply to all PHAs regardless of the amount of assistance received from HUD.

The requirements of Section 3 apply to recipients of Housing and Community development assistance that invest \$200,000 or more into projects/activities involving housing construction, rehabilitation, or other public construction.

16. What dollar threshold amounts apply to contractors/subcontractors?

All contracts (or subcontracts) funded with Public and Indian Housing assistance (regardless of the dollar amount or the type of contract) is subject to the requirements of Section 3.

With respect to recipients of Housing and/or Community Development funding, all contractors (or subcontractors) receiving covered funds in excess of \$100,000 to complete projects involving housing construction, rehabilitation, or other public construction are required to comply with the requirements of Section

17. What responsibilities do contractors/subcontractors have if they receive Section 3 covered financial assistance?

If the contractor/subcontractor has the need to hire new persons to complete the Section 3 covered contract or needs to subcontract portions of the work to another business, they are required to direct their newly created employment and/or subcontracting opportunities to Section 3 residents and business concerns. The same numerical goals apply to contractors and subcontractors (i.e., 30 percent of new hires, 10 percent of construction contracts, 3 percent of non-construction contracts). In addition, the contractor/subcontractor must notify the recipient agency about their efforts to comply with Section 3 and submit any required documentation.

18. Do the Section 3 requirements apply to HUD's procurement activities?

No. Section 3 covered contracts do not include contracts awarded under HUD procurement programs, which are governed by the Federal Acquisition Regulation System.

19. Are maintenance projects covered by Section 3?

Yes, but only for projects using funding that is provided for the operation, development, or modernization of Public Housing Authorities.

Extensive rehabilitation (i.e., complete renovation of one or more livable units) activities are covered by Section 3 for all covered programs.

20. Does reduction and abatement of lead-based paint hazards constitute housing rehabilitation?

Yes, reduction and abatement of lead-based paint hazards does constitute e professional service contracts covered under Section 3.

21. Are professional services contracts covered under Section 3?

Yes, the term “Section 3 covered contract” includes professional service contracts provided that the work to be performed is generated by the expenditure of Section 3 covered Public and Indian housing assistance, or for work arising in connection with projects involving housing rehabilitation, housing construction, or other public construction.

22. For community development and other housing assistance, do the thresholds apply to the total amount of HUD assistance received or the amount of funds invested into Section 3 covered projects/activities?

The threshold applies to the amount of funds invested into Section 3 covered projects/activities. Example: the City of Hilltop, receives \$210,000 through the State CDBG program. The funds will be used as follows:

- a. Housing rehabilitation- \$180,000;
- b. micro-enterprise revolving loan fund- \$20,000; and
- c. Fair housing counseling- \$10,000.

Hilltop is not subject to Section 3 requirements because only \$180,000 is spent for Section 3 covered activities, and the remaining \$30,000 is not used for construction, rehabilitation, or other public construction. Therefore, the \$200,000 threshold is not met. However, the city must still submit a Section 3 annual summary report (form 60002) to HUD headquarters.

23. Are contracts cumulative for reaching the Section 3 threshold?

For example, a recipient agency receives \$800,000 in HOME Investment Partnership funds. The recipient awards contracts for single housing rehabilitation on a rotating basis from a list of qualified contractors. One contractor receives three contracts (\$36,000; \$50,000; and \$20,000) with a cumulative total of \$106,000 for three different projects within a twelve month period. Is that contractor covered by Section 3?

No, contracts for Section 3 covered projects are not cumulative.

The requirements of Section 3 apply to contractors and subcontractors performing work on a Section 3 covered project for which the amount of the assistance exceeds \$200,000; and each contract or subcontract exceeds \$100,000.

CONSISTENCY WITH OTHER LAWS

24. Does Section 3 apply to other State/local laws?

Compliance with Section 3 shall be achieved to the greatest extent feasible, and consistent with local laws and regulations.

25. What is the relationship between Section 3 and Minority Business Enterprises (MBEs)?

“Minority business enterprise” (MBE) means a business enterprise that is owned and controlled by one or more minority or socially and economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or other similar causes.

Section 3 preferences are not tied to race or ethnic origin of the owner. A minority business enterprise must provide evidence that it meets at least one criterion of a Section 3 business outlined above in order to receive preference under Section 3. However, the Department anticipates that Section 3 will serve to support, and not impede, contract opportunities for minority business enterprises.

The MBE designation may provide preferences promoted by other statutes and regulations, such as goals for MBEs, and other socially and economically disadvantaged businesses. Additional information about the MBE program can be obtained by calling the Office of Small and Disadvantaged Business Utilization at 202-708-1428.

RECIPIENT RESPONSIBILITIES

26. What are the responsibilities of recipient agencies under Section 3?

Recipients are required to ensure their own compliance **and** the compliance of their contractors/subcontractors with the Section 3 regulations, as outlined at 24 CFR § 135.32.

27. Are funds provided to recipients that comply with the requirements of Section 3?

No. There is no need for funds to be provided to ensure Section 3 compliance because the Section 3 requirements are only triggered **when** new jobs and/or contracting opportunities are created during the completion of covered projects/**activities**.

28. Does Section 3 require that the expenditure of HUD financial assistance result in the creation of training, employment, and contracting opportunities?

Recipient agencies are not required to create jobs or contracts for Section 3 residents and business concerns simply for the sake of creating them. Section 3 requires that **when** employment or contracting opportunities are generated because a project or activity undertaken by a recipient of covered HUD 8 financial assistance necessitates the employment

of additional personnel through individual hiring or the awarding of contracts, the recipient must give preference in hiring to low- and very low- income persons and/or businesses owned by these persons or that substantially employ these persons.

29. Are Section 3 residents or business concerns guaranteed employment or contracting opportunities under Section 3?

No. Section 3 residents must demonstrate that they meet the qualifications for new employment opportunities created as a result of the expenditure of covered assistance. Section 3 business concerns must submit evidence to the satisfaction of the party awarding the contract to demonstrate that they are responsible firms and have the ability to perform successfully under the terms and conditions of the proposed contract.

30. Are recipients and contractors required to provide long- term employment opportunities, and not simply seasonal or temporary employment?

Recipients and contractors are required, to the extent feasible, to direct all employment opportunities to low- and very low-income persons- including seasonal and temporary employment opportunities.

Employment goals are based on “new hires”, which is defined as full-time employees for permanent, temporary or seasonal employment opportunities.

Recipients and contractors are encouraged to provide long-term employment. They may count a Section 3 resident employee for three years to meet the business criterion that at least 30 percent of the permanent, full-time employees are Section 3 residents.

31. When might a recipient agency be exempt from the requirements of Section 3?

If Section 3 covered assistance is awarded and the recipient has no need for additional employees or trainees, or the recipient has no need to contract for work, then the Section 3 requirements are not triggered. However, the recipient agency must still submit a Section 3 Annual Summary report (HUD form 60002), in accordance with 24 CFR § 135.90. 9

SECTION 3 PREFERENCE

32. What is considered acceptable evidence to determine eligibility as a Section 3 resident?

HUD does not prescribe any specific forms of evidence are required for Section 3 certification. Sample certification documents can be found on the Section 3 website. Acceptable documentation includes, but is not limited to the following:

- proof of residency in a public housing development;

- evidence of participation in a HUD Youthbuild program operated in the metropolitan area (or non-metropolitan county) where the Section 3 covered assistance is spent; or
- evidence that the individual resides in the Section 3 area and is a low or very low-income person, as defined in Section 3(b) (2) of the U.S. Housing Act of 1937 (1937 Act).

Recipient agencies may choose to allow prospective Section 3 residents to self-certify their eligibility. Any self-certification should include a statement of penalty for falsifying information.

33. What is acceptable evidence for determining eligibility as a Section 3 business?

HUD does not prescribe any specific forms of evidence are required for Section 3 certification. Sample certification documents can be found on the Section 3 website. The business seeking the preference must be able to demonstrate that it meets one of the following:

- 51 percent or more owned by Section 3 residents; or
- Has permanent, full time employees at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- Has a commitment to sub-contract in excess of 25 percent of the dollar award of all sub-contracts to be awarded to such businesses described above.

Recipient agencies may choose to allow prospective Section 3 business concerns to self-certify their eligibility. Any self-certification should include a statement of penalty for falsifying information.

34. Are all public and Indian housing residents considered Section 3 residents regardless of their income?

Yes. Public and Indian housing residents need only show proof of residency in public housing within the metropolitan area (or non-metropolitan county). Other residents of the Section 3 area need to show proof of residency in the metropolitan area (or non-metropolitan county) and meet the income requirements. [See 24 CFR Part 135.5 for the definition of a Section 3 resident].

35. Does preference to a Section 3 business mean that the business should be selected if it meets the technical requirements of the bid, regardless of bid price?

No. As provided in 24 CFR 85.36(b) (8), contract awards shall only be made to responsible contractors possessing the ability to perform under the terms and conditions of the proposed

contract. The determination that a prospective contractor is responsible must include consideration of the firm's compliance with technical and public policy requirements.

Preference to Section 3 business concerns means that a recipient's or contractor's procurement procedures include methods to provide preference to Section 3 business concerns. Accordingly, if a Section 3 business concern is a responsible bidder, but their bid price is slightly higher than a non-Section 3 firm, the recipient agency can give preference to the Section 3 business in an effort to meet its numerical goals annually.

36. Does a business have to be incorporated to be considered a Section 3 eligible business? What forms of identification are used to determine that an organization is a Section 3 business?

No, a business does not have to be incorporated to be a Section 3 business concern. It can be any type of business- sole proprietorship, partnership or a corporation.

ECONOMIC OPPORTUNITIES/NUMERICAL GOALS

37. What types of new employment opportunities are covered by Section 3?

For Public and Indian Housing (PIH) Programs, all employment opportunities generated by the expenditure of development, operating, and modernization assistance, including management and administrative jobs, technical, professional, construction and maintenance jobs; and jobs at all levels.

For Housing and Community Development Programs, all employment opportunities arising in connection with housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project (i.e., management and administrative jobs, technical, professional, and construction and non-construction jobs; and jobs at all levels).

38. Are recipient agencies required to meet the Section 3 goals or are they merely "goals"?

The Section 3 Numerical goals are minimum numerical targets that must be reached in order for the Department to consider a recipient in compliance.

Recipient agencies are required to make efforts to the greatest extent feasible to achieve the annual numerical goals for employment and contracting. If an agency fails to fully meet the Section 3 numerical goals, they must be prepared to demonstrate the efforts taken in an attempt to meet the numerical goals.

39. What are the Section 3 numerical goals?

The minimum numerical goal for employment 30 percent of the aggregate number of new hires shall be Section 3 residents annually—i.e., 1 out of 3 new employees needed to

complete a Section 3 covered project/activity shall be a Section 3 resident.
the minimum goals for contracting are:

- Ten percent of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing or building trades work arising in connection with housing rehabilitation, housing construction and other public construction, shall be awarded to Section 3 businesses; and
- Three percent of the total dollar amount of all non-construction Section 3 covered contracts, shall be awarded to Section 3 businesses.

40. Are the numerical goals the same as set-asides and quotas?

No. A set-aside guarantees that a specific portion of funds will be provided to protected class. The numerical goals in the Section 3 regulations are goals that a recipient of HUD Section 3 covered financial assistance must try to meet in order to demonstrate Section 3 compliance.

41. What is the meaning of the “safe harbor” determination?

Absent evidence to the contrary (i.e., evidence that efforts to the “greatest extent feasible” were not expended), if a recipient or contractor meets the numerical goals, the recipient or contractor is considered to be in compliance with Section 3.

A recipient or contractor considered to be in compliance with Section 3 may not be subject to routine compliance reviews.

In the event that a complaint is filed against a recipient or contractor considered to be in compliance with Section 3. HUD will investigate to determine if “the greatest extent feasible” policy was met.

RECORDKEEPING AND REPORTING

42. What are the recordkeeping requirements of a recipient?

Documentation of actions taken to comply with the employment and training requirements of Section 3, the results of actions taken and impediments encountered. Recipient agencies should maintain records of job vacancies, solicitation for bids or proposals, selection materials, and contract documents (including scope of work and contract amount), in accordance with Federal or State procurement laws and regulations. The documentation should demonstrate efforts taken towards the achievement of the Section 3 numerical goals.

43. Who is required to submit Section 3 reports?

Each recipient of Section 3 covered HUD financial assistance shall submit an annual report to the Assistant Secretary for the purpose of determining the effectiveness of Section 3 (HUD

form 60002). Section 3 summary reports are required even if the recipient agency did not undertake any activities that triggered the requirements.

44. Where should the Section 3 summary reports be submitted?

Section 3 Summary reports can be sent by mail to:
U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
451 Seventh Street, SW room 5232
Washington, DC 20410
Attn: Economic Opportunity Division

Section 3 reports can also be submitted online at:
www.hud.gov/offices/fheo/section3/section3.cfm

45. When should annual reports be submitted?

Depending on the source of funding, annual reports should be submitted

- 1) at the time the recipient submits an annual performance report; 2) by January 10 of each year if no program annual performance report is required; or 3) within ten (10) days of project completion, whichever is earlier.

46. What amount should be reported on the Section 3 Annual Report?

Box #3 on the 60002 form should reflect the amount of HUD funds that were expended during the reporting period.

SECTION 3 COMPLAINTS

47. Who can file a complaint when the requirements of Section 3 are not met?

Any Section 3 resident or Section 3 business (or authorized representative) seeking employment, training or contracting opportunities generated by Section 3 covered assistance may file a complaint using *form HUD 958*. 14

48. Where are Section 3 complaints filed?

Effective November 2007, Section 3 complaints must be filed at the appropriate FHEO Regional Office in which the violation occurred. Please visit www.hud.gov/offices/fheo to obtain the address and telephone number for FHEO regional offices.

49. Is there a time limit for filing a Section 3 complaint?

Yes. Section 3 complaints must be filed no later than 180 days from the date of the action or omission upon which the complaint is based

PAPERWORK REDUCTION ACT

Economic Development Initiative Special Project Grants	U.S. Department of Housing and Urban Development Office of Community Planning and Development	OMB Approval No 2506-0153. (exp. 2011)
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Public Reporting Burden for this collection of information is estimated to average 2 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. Response to this collection of information is mandatory to obtain a benefit. The information requested does not lend itself to confidentiality. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.