

a currently pending but unapproved Section 108 loan guarantee application for the same project described in the BEDI application will also receive up to two (2) points under this subfactor (3).

(4) Financial Feasibility/Need (Up to 10 points). The applicant should demonstrate the extent to which the project is financially feasible based on its proposed use of BEDI and Section 108 funds. In responding to this subfactor (4), applicants are encouraged to accompany their narrative response, as appropriate, with a development and operating pro forma or similar analysis of the proposed project financing. Such pro forma or other financial analysis will not be counted in the fifteen page limitation on the narrative response to the Rating Factors as provided in Section V (D) of this program section. In the narrative response, applicants must clearly address the question of why the BEDI funds are critical to the success of this project by providing the following items, as applicable:

(a) Project Costs and Financial Requirements. A funding sources and uses statement should be provided that specifies the source of funds for each identified use or activity, along with the derivation of project costs;

(b) Use of BEDI and Section 108 Funds. The applicant should discuss the critical gaps that exist in the financing of the proposed project, why those gaps exist and how the BEDI and Section 108 funds will be used to fill those gaps; and

(c) Funding Criteria. The applicant should describe the criteria used for determining funding need and feasibility.

Rating Factor 4: Leveraging Resources (15 Points Maximum)

In evaluating this factor, HUD will consider the extent to which the response demonstrates the likelihood that the project will leverage both Section 108 loan and other public or private funds as part of the total project resources. This factor has two subfactors, each with its own maximum point total:

(1) *Leverage of Section 108 funds* (Up to 8 points).

The minimum ratio of Section 108 funds to BEDI funds in any project may not be less than 1:1. Points will be awarded based upon the extent to which the proposed project leverages an amount of Section 108 funds greater than a 1:1 ratio. If the application has a ratio of 1:1, it will not receive any points under this subfactor. The higher the ratio of additional new Section 108 funds to BEDI funds proposed in an application, the more points it will receive under this subfactor, within the

points available hereunder. (See Section IV (G)(1) and (5) of this program section of the SuperNOFA regarding the conditioning of BEDI awards on achievement of a specific BEDI/Section 108 leveraging ratio.)

(2) *Leverage of Other Financial Resources* (Up to 7 points).

HUD will evaluate the extent to which other funds (public or private) are leveraged by BEDI grant funds, and the extent to which such other funds are firmly committed to the project. This could include the use of CDBG funds, other federal or state grants or loans, local general funds, project equity or commercial financing provided by private sources or funds from non-profits or other sources. Funds will be considered committed to the project if they meet the definition of "Firm Commitment" found in Section III(A)(1) above, and may be subject to completion of any environmental review required under 24 CFR part 58 for the project. In order for an applicant's commitment of CDBG funds to be accepted by HUD as additional financing for a project, a resolution from the local governing body (e.g., city/borough council) authorizing the amount and permitted use(s) of the funds must be provided. Additionally, with respect to all commitments, in order for a commitment to receive points under this Factor—such as a commitment to donate or purchase real property or to provide in-kind services—the party making the commitment must assign a monetary value to the commitment and provide the basis for that value.

Rating Factor 5: Achieving Results and Program Evaluation (10 Points Maximum)

This factor emphasizes HUD's commitment to ensuring that applicants maintain commitments made in their application and assess their performance to ensure that performance goals are met. The applicant's response to this Factor should identify: (1) Project outcomes for the proposed BEDI project; (2) interim benchmarks of the project; and (3) performance indicators that will allow the applicant to measure its performance in achieving the identified interim benchmarks and the project outcomes. Achieving results means that the applicant has clearly identified the outcomes of the brownfields economic development project, i.e., the measurable economic benefits to be achieved. The applicant must also identify the interim benchmarks that will lead to the achievement of the project outcomes. The performance indicators selected by the applicant to measure performance should be

objectively quantifiable and measure actual achievements against anticipated achievements. The response to this Factor should identify what will be measured, how it will be measured, and the procedures that are in place to make adjustments if performance targets for the interim benchmarks or the project outcomes are not met within established timeframes. BEDI grant agreements will provide for a periodic report by the grantee on the progress of the grantee in achieving the interim benchmarks and project outcomes of the BEDI project, until such time as the project outcomes are achieved.

In response to this Factor, applicants are encouraged to address any of the following applicable outcomes or ultimate goals identified by HUD for BEDI projects: The number of jobs to be created or retained; the amount of increased wages resulting from the creation or retention of jobs; the number of housing units to be constructed or rehabilitated; the total square feet of commercial and industrial space to be created; the total number of low- and moderate-income persons to benefit from the project; the total number of businesses assisted by the project; the number of acres of brownfields returned to productive economic use; and any increased land value as a result of the BEDI project. Applicants may also propose alternative or additional outcomes or goals related to other benefits expected for the neighborhood or for persons assisted, as part of the evaluation plan. A logic model is provided in the General Section of the SuperNOFA for the purpose of illustrating the evaluation plan, but HUD will consider the logic model only as an illustration of the narrative response to this Factor.

Bonus Points

An application may receive up to four (4) bonus points, until the maximum of four points are achieved. Two bonus points may be awarded for each of the following:

(a) Projects that are located either in federally-designated Empowerment Zones, Enterprise or Renewal Communities, or Strategic Planning Communities (See Section VI (C)(2) of the General Section of the SuperNOFA) for advice on locating a list of designated communities);

(b) Projects that are located in Brownfields Showcase Communities designated by EPA. A list of the federally designated Brownfield Showcase Communities is listed in Appendix B of this program section of the SuperNOFA and is also available from the SuperNOFA Information