

review period. (See 24 CFR 585.307.) Environmental thresholds are explained in Appendix A of this program section of this SuperNOFA.

*(B) Desirable Elements of a Youthbuild Program*

You should document the extent to which HUD's initiatives are furthered by the proposed activities. Such initiatives include:

- (1) Promoting healthy, safe, and energy efficient homes;
- (2) Affirmatively furthering fair housing by promoting greater opportunities for housing choice for minorities and persons with disabilities;
- (3) Providing opportunities for self-sufficiency, particularly for persons enrolled in welfare to work programs;
- (4) Providing educational, apprenticeship and job training opportunities;
- (5) Promoting welfare reform;
- (6) Encouraging visitability in new construction and substantial rehabilitation activities; and
- (7) Encouraging universal design.

**VI. Application Selection Process**

Applicants must meet all of the applicable threshold requirements of Section V (B) of the General Section of the SuperNOFA and Sections IV(A), (B) and C of this program section of the SuperNOFA. HUD will review each application and assign points in accordance with the selection factors described in this section. The maximum number of points is 102. This maximum includes two Renewal Community/Empowerment Zone/Enterprise Community (RC/EZ/EC) bonus points as described in Section VI(C) of the General Section of the SuperNOFA. An application must receive a minimum of 75 points to be eligible for funding.

*(A) Rating and Ranking.*

(1) *General.* To review and rate applications, HUD may establish panels including officials from other Federal agencies and outside experts or consultants to obtain certain expertise and other outside points of view. In evaluating applications for funding, HUD will take into account an applicant's past performance in managing funds, including the ability to account for funds appropriately, timely use of funds received either from HUD or from other Federal, State or local programs and meeting performance targets for completion of activities and number of persons served or targeted for assistance. HUD may use information relating to these items based on information at hand or available from public sources such as newspapers, Inspector General or Government

Accounting Office Reports or Findings, hotline complaints that have been proven to have merit, or other such sources of information.

(2) *Rating.* All applications for funding will be evaluated against the rating factors described in Section (VI) of this NOFA.

(3) *Ranking.* Applications will be ranked separately within each of the three funding categories. Applications will be selected for funding in accordance with their rank order in each category.

(4) To be eligible for funding, an application must have an overall minimum score of 75 points. If two or more applications are rated fundable and have the same score, but there are insufficient funds to fund all of them, HUD will select the application(s) with the highest score for Rating Factor 3 (Soundness of Approach). If two or more applications still have the same score, the highest score in the following factors will be selected sequentially until one highest score can be determined: Rating Factor 1 (Capacity of the Applicant and Relevant Organization); Rating Factor 4 (Leveraging of Resources) and Rating Factor 2 (Need/Extent of the Problem).

*(B) Categories of Grants.* HUD will make grants in three categories:

(1) *Category 1 Grants.* Grants for new applicants that have not previously received funding under the Youthbuild program since the inception of the Program and that have elected not to apply under Category 2 or 3. HUD will make available approximately \$10,000,000 to new applicants proposing grant(s) of \$400,000 or less for activities not to exceed 30 months.

(2) *Category 2 Grants.* HUD will make available approximately \$34,642,500 to applicants proposing grant(s) of \$700,000 or less for activities not to exceed 30 months.

(3) *Category 3 Grants.* HUD will make available \$10,000,000 for applicants proposing grant(s) of \$400,000 or less to establish programs in underserved and rural areas not to exceed 30 months. Rural and Underserved areas are defined as follows:

(a) *Rural Area.* A Rural area is defined in one of five ways:

- (i) A place having fewer than 2,500 inhabitants (within or outside of metropolitan areas).
- (ii) A county with an urban population of 20,000 inhabitants or less.
- (iii) Rural portions of extended cities, as identified by the U.S. Census Bureau.
- (iv) Open country, which is not part of or associated with an urban area. The United States Department of Agriculture (USDA) describes "open country" as a

site separated by open space from any adjacent densely populated urban area. Open space includes undeveloped land, agricultural land or sparsely settled areas but does not include physical barriers, (such as rivers and canals), public parks, commercial and industrial developments, small areas reserved for recreational purposes, and open space set aside for future development.

(v) Any place with a population not in excess of 20,000 and not located in a Metropolitan Statistical Area.

(b) *Underserved Area.* An underserved area is defined as an area comprised of census tracts with the following distress criteria:

- (i) A census tract where the unemployment remains high (50 percent or more above the nation's unemployment rate) and
- (ii) A census tract where high rates of poverty (50 percent or more above the national average) persists.

(C) *Potential Environmental Disqualification.* HUD reserves the right to disqualify an application where one or more environmental thresholds are exceeded if HUD determines that it cannot conduct the environmental review and satisfactorily complete the review within the HUD application review period. (See 24 CFR 585.307.) Environmental thresholds are explained in Appendix A of this program section of this SuperNOFA. Complete form 2C13a, 2C13b, or 2C13c and form 2C15 only if you are proposing to use Youthbuild funds for new housing construction or rehabilitation.

(D) *Notification of Approval or Disapproval.* HUD will notify you whether or not you have been selected for an award. If you are selected, HUD's notice to you of the amount of the grant award based on the approved application will constitute HUD's CONDITIONAL approval, subject to negotiation and execution of the grant agreement by HUD.

(E) *Rating Factors for Award Used to Evaluate and Rate Applications.* The factors for rating and ranking applicants, and maximum points for each factor, are provided below. The maximum number of points for the program is 102. This includes two RC/EZ/EC bonus points, as described in the General Section of the SuperNOFA.

(F) *Application Debriefing.* Applicants requesting to be debriefed must send a written request (see General Section IX(G)(3)) to Ms. Jackie Williams-Mitchell, Director, Office of Rural Housing and Economic Development (ORHED), Office of Community Planning and Development, 451 Seventh Street, SW., Room 7137, Washington, DC 20410. Debriefing