

activities in rural areas. A number of resources are available from the Federal government to address these problems, including programs of the United States Department of Agriculture (USDA), the Economic Development Administration (EDA), the Appalachian Regional Commission (ARC), the Department of the Interior (for Indian Tribes) and HUD. The Rural Housing and Economic Development program has been developed to supplement these resources and to focus specifically on capacity building and promoting innovative approaches to housing and economic development in rural areas. In administering these funds, HUD encourages you to coordinate your activities supported by any of the above mentioned agencies.

(2) Definitions

Appalachia's Distressed Counties means those counties in Appalachia that ARC has determined to have unemployment and poverty rates that are 150 percent of the respective U.S. rates and has a per capita income that is less than 67 percent of the U.S. per capita income, and has counties with 200 percent of the U.S. poverty rate and one other indicator such as percent of overcrowded housing, etc. Appendix B to this notice identifies ARC's list of distressed counties.

Colonia means any identifiable, rural community that:

- (i) Is located in the state of Arizona, California, New Mexico, or Texas;
- (ii) Is within 150 miles of the border between the U.S. and Mexico; and
- (iii) Is determined to be a Colonia on the basis of objective need criteria, including the lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, sanitary, and accessible housing.

Farmworker means a farm employee of an owner, tenant, labor contractor, or other operator raising or harvesting agricultural or aquacultural commodities; or a worker in the employment of a farm operator, handling, planting, drying, packing, grading, storing, delivering to storage or market, or carrying to market agricultural or aquacultural commodities produced by the operator. Seasonal farm workers are those farm employees who typically do not have a constant year round salary.

A Firm commitment means the agreement by which an applicant's partner agrees to perform an activity specified in the application and demonstrates the financial capacity to deliver the resources necessary to carry out the activity, and commits the resources to the activity either in cash or through in-kind contributions and is

irrevocable, subject only to approval and receipt of a FY 2003 RHED grant. Each letter of commitment should include the organization's name, the applicant's name, the proposed program, the proposed total level of commitment and responsibilities as they relate to the proposed program. The commitment must be written on letterhead from the participating organization, must be signed by an official of the organization legally able to make commitments on behalf of the organization and dated not earlier than the date of publication of this NOFA. In documenting a firm commitment, the applicant's partner must:

(i) Specify the authority by which the commitment is made, the amount of the commitment, the use of funds and the relationship of the commitment to the proposed investment. If the committed activity is to be self-financed, the applicant's partner must evidence its financial capability through a corporate or personal financial statement or other appropriate means. If any portion of it is to be financed through a lending institution, the participant must provide evidence of the institution's commitment to fund the loan;

(ii) Affirm that the commitment is contingent only upon the receipt of FY 2003 RHED funds and state a willingness on the part of the signatory to sign a legally binding commitment (conditioned on HUD environmental review and approval of a property, where applicable) upon award of the grant.

Federally Recognized Indian tribe means any tribal entity eligible to apply for funding and services from the Bureau of Indian Affairs by virtue of their status as Indian Tribes. The list of federally recognized Indian tribes can be found in the notice published by the Department of the Interior on July 12, 2002, at 67 FR 46328, and is also available from HUD.

Innovative housing activities means projects, techniques, methods, combinations of assistance, construction materials, and energy efficiency improvements or financing institutions or sources new to the eligible area, or its population. The innovative activities can also build upon and enhance a model that already exists.

Local rural non-profit or Community Development Corporation means either:

(i) Any private entity with tax-exempt status recognized by the Internal Revenue Service (IRS) which serves the eligible rural area involved in the application (including local affiliates of national organizations that provide technical and capacity building assistance in rural areas); or

(ii) Any public non-profit such as a Council of Governments that will serve specific local non-profit organizations in the eligible area.

Lower Mississippi Delta Region means the eight state, 235 county/parish region defined by Congress in the Lower Mississippi Delta Development Act, Pub. L. 100-460. Appendix C to this notice identifies the counties referenced in the Act.

Rural area may be 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) Territory, persons, and housing units in the rural portions of "extended cities." The U.S. Census Bureau identifies the rural portions of extended cities.
- (iv) Open country that is not part of or associated with an urban area. The 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.

State economic development and/or community development agency means any state agency that has promotion of statewide or local community/economic development as its primary purpose.

State housing finance agency means any state agency created to assist local communities and housing providers with financing assistance for development of housing in rural areas, particularly for low- and moderate-income people.

(B) *Eligible applicants.* Eligible applicants for each of the funding categories are as follows:

(1) *For capacity building funding.* If you are a local rural non-profit, including grassroots, faith-based and other community-based grassroots organization, CDC, or federally recognized Indian tribe, you are eligible for capacity building funding to carry out innovative housing and economic development activities which should lead to an applicant becoming self-sustaining in the future.

(2) *For support for innovative housing and economic development activities funding.* If you are a local rural non-profit organizations, including