

grassroots, faith-based and other community-based grassroots organization, CDC, federally recognized Indian tribe, State HFA, or State economic development and/or community development agency, you may apply for funding to support innovative housing and economic development activities in rural areas.

(C) *Eligible activities.* The following are examples of eligible activities under the Rural Housing and Economic Development program. These examples are illustrative and are not meant to limit the activities that you may propose in your application:

(1) *For capacity building funding.* Capacity building for innovative rural housing and economic development involves the enhancement of existing organizations to carry out new functions and/or to more effectively perform existing functions. Activities may include, but are not limited to the following:

(a) Enhancement of existing functions or creation of new functions to provide affordable housing and economic development in rural areas;

(b) Acquisition of additional space and support facilities;

(c) Salaries for additional staff needed to conduct the work, including financial management specialists, and economic development specialists;

(d) Training of staff in the areas of financial management, economic development financing, housing accessibility and visitability standards, fair housing issues and complaint filing;

(e) Development of business plans in order for the organization to be self-sustaining;

(f) Development of Management Information Systems (MIS) and software to enable better and more accurate reporting of information to HUD and to other entities;

(g) Development of feasibility studies and market studies;

(h) Training on energy efficiency in construction for housing and commercial projects;

(i) Housing counseling services including fair housing counseling, the provision of information on budgeting, access to credit and other federal program assistance available;

(j) Conducting conferences or meetings with other Federal and State agencies to inform residents of programs, rights and responsibilities associated with homebuying opportunities; and;

(k) Arranging for technical assistance to conduct needs assessments, conduct asset inventories and to develop strategic plans.

Note: Administrative costs for assistance under this funding category may not exceed fifteen percent (15%) of the total HUD RHED grant award.

(2) *For support of innovative housing and economic development activities.* This category is intended to support, but not be limited to, other costs for innovative housing and economic development activities. Activities may include, but are not limited to the following:

(a) Cost for using new or innovative construction, energy efficiency or other techniques that will result in the design and/or construction of innovative housing and economic development projects;

(b) Preparation of plans, architectural or engineering drawings;

(c) Preparation of legal documents, government paperwork and applications to allow construction of housing and economic development activities to occur in the jurisdiction;

(d) Financial assistance for the acquisition of land and buildings;

(e) Demolition of property to permit construction or rehabilitation activities to occur;

(f) Development of infrastructure to support the housing or economic development activities;

(g) Purchase of construction materials;

(h) Job training to support the activities of the organization;

(i) Homeownership counseling including fair housing counseling, credit counseling, budgeting, access to credit, and other federal assistance available;

(j) Conducting conferences or meetings with other Federal and State agencies to inform residents of programs, rights and responsibilities associated with homebuying opportunities;

(k) Development of feasibility studies and market studies;

(l) Development of Management Information Systems (MIS) and software to enable better and more accurate reporting of information to HUD and to other entities;

(m) Establishing Community Development Financial Institutions (CDFIs), lines of credit, revolving loan funds, microenterprises, and small business incubators; and

(n) Provision of direct financial assistance to homeowners/businesses/developers, etc. This can be in the form of establishing default reserves, pooling/securitization mechanisms, loans, grants, funding existing Individual Development Accounts or similar activities.

Applicants are reminded that they must affirmatively further fair housing

in all their activities. Applicants should reference Section V(D) of the SuperNOFA General Section for clarification of AFFA requirements.

Applicants should demonstrate that their activities will continue to serve the populations that are in need and that beneficiaries will have a choice of innovative housing and economic development opportunities as a result of these activities.

Note: Administrative costs for assistance under this funding category may not exceed fifteen percent (15%) of the total HUD RHED grant award.

(D) *Ineligible activities.* Examples of ineligible activities for both funding categories include:

(a) the use of RHED grant funds for income payments to subsidize individuals or families;

(b) political activities;

(c) general governmental expenses other than expenses related to the administrative cost of the grant; or

(d) projects and activities intended for personal gain or private use.

IV. Program Requirements

(A) *General.* To be eligible for funding under this program section of this SuperNOFA, you must meet the threshold and statutory or regulatory requirements applicable to all programs set forth in Section V of the General Section of the SuperNOFA. In addition to the above, you must meet the following program specific requirements.

(B) *Accounting System Requirements.* RHED requires that successful applicants have in place an accounting system that meets the policies, guidance, and requirements as described in the following applicable OMB Circulars and Code of Federal Regulations:

(1) OMB Circular No. A-87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments);

(2) OMB Circular No. A-122 (Cost Principles for Nonprofit Organizations),

(3) OMB Circular No. A-133 (Audits of States, Local Governments, and Non-Profit Organizations);

(4) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations); and

(5) 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally recognized Indian tribal governments).

These documents apply to the award, acceptance and use of assistance under the Rural Housing and Economic