

Development program NOFA, and to the remedies for noncompliance, except when inconsistent with the provisions of the FY 2003 HUD Appropriations Act, other Federal statutes or the provisions of this NOFA.

(C) *Ethical Standards.* HUD requires that all grantees adhere to core values and ethical business practices, as described in the General Section of the SuperNOFA as a condition of the award.

(D) *Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses.* HUD requires grantees to use small businesses, small disadvantaged businesses and women-owned businesses in conducting your work activities, if possible. Please refer to Section V(F) of the General Section of the SuperNOFA for specific requirements.

(E) *Forms, Certifications and Assurances.* Applicants are required to submit signed copies of the standard forms, certifications and assurances included in the Appendix of this NOFA signed by the managing officer of your organization.

(F) *Environmental Review.* Selection for award does not constitute approval of any proposed sites. Following selection for award, HUD will perform an environmental review of activities proposed for assistance under this part, in accordance with 24 CFR part 50. The results of the environmental review may require that proposed activities be modified or that proposed sites be rejected. Applicants are particularly cautioned not to undertake or commit HUD funds for acquisition or development of proposed properties (including establishing lines of credit that permit financing of such activities or making commitments for loans that would finance such activities from a revolving loan fund capitalized by funds under this NOFA) prior to HUD approval of specific properties or areas. Each application must contain an assurance that you, the applicant, will assist HUD to comply with part 50; will supply HUD with all available relevant information to perform an environmental review for each proposed property; will carry out mitigating measures required by HUD or select alternate property; and will not acquire, rehabilitate, convert, demolish, lease, repair or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received. In supplying HUD with environmental information, grantees are to use the same guidance as provided in the Notice CPD-99-01, entitled "Field Environmental

Processing for HUD Colonias Initiative (HCI) grants" issued January 27, 1999.

(G) *Conflicts of Interest.* Consultants and experts assisting HUD in rating and ranking applicants for funding under this NOFA are subject to 18 U.S.C. 208. Refer to Section V(M) of the General Section of the SuperNOFA.

(H) *Grant Amounts.* In the event, you, the applicant, are awarded a grant that has been reduced (e.g. the application contained some activities that were ineligible or budget information did not support the request), you will be required to modify your project plans and application to conform to the terms of HUD's approval before execution of the grant agreement. HUD reserves the right to reduce or de-obligate the award if suitable modifications to the proposed project are not submitted by the awardee within 90 days of the request. Any modifications must be within the scope of the original application. HUD reserves the right not to make awards under this NOFA.

(I) *Grant Period.* Recipients will have 36 months from the date of the executed grant agreement to complete all project activities.

(J) *Lead-Based Paint Hazard Control.* All property assisted under the Rural Housing and Economic Development program is covered by the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) and HUD's implementing regulations at 24 CFR part 35.

(K) *Adjustments to Funding.* In addition to the items identified under Section VI(F) of the General Section of the SuperNOFA, HUD:

(1) reserves the right to utilize this year's funding to fund previous year's errors prior to the rating and ranking this year's applications. Additionally, HUD reserves the right to reallocate funds between categories to achieve the maximum allocation of funds in both categories.

(2) If after all eligible applicants have been selected for funding in Category 1 and funds remain, the remaining funds will be allocated to Category 2 to fund additional eligible applications in that category. If after all eligible applicants have been selected for funding in Category 2 and funds remain, the remaining funds will be allocated to Category 1 to fund additional eligible applications in that category. If a balance of funds remains, HUD reserves the right to utilize those funds toward the following year's competition.

(L) *Economic Opportunities for Low and Very Low Income Persons (Section 3).* Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1702u) is applicable to the RHED

program. Please see Section V of the General Section of the SuperNOFA.

## V. Application Selection Process

(A) *Rating and Ranking.* (1) *General.* To review and rate applications, HUD may establish panels which may include outside experts or consultants to obtain certain expertise and outside points of view, including views from other Federal agencies.

(2) *Rating.* All applicants for funding will be evaluated against the criteria below. 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 other Federal, State or local programs; meeting performance targets for completion of activities; and number of persons to be 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 found to have merit, or other such sources of information. In evaluating past performance, HUD will deduct points from rating scores as specified under Rating Factor 1, Capacity of the Applicant and Relevant Organizational Experience, described in this section below.

(3) *Ranking.* Applicants will be ranked separately within each of the two funding categories. Applicants will be selected for funding in accordance with their rank order in each category. An application must receive a minimum score of 75 points to be eligible for funding. If two or more applications are rated fundable and have the same score, but there are insufficient funds to fund all of them, the application(s) with the highest score for Rating Factor 2 (Need and Extent of the Problem) shall be selected. If 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 3 (Soundness of Approach), Rating Factor 1 (Capacity and Experience), Rating Factor 5 (Achieving Results and Program Evaluation) and Rating Factor 4 (Leveraging Resources).

(B) *Initial screening.* During the period immediately following the application deadline, HUD will screen each application to determine eligibility. Applications will be rejected if they:

(1) Are submitted by ineligible applicants (including applicants that do