

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4784-N-01]

Funding for Fiscal Year 2002: Capacity Building for Community Development and Affordable Housing

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice of funding for Fiscal Year (FY) 2002.

SUMMARY: The Fiscal Year 2002 HUD Appropriations Act provided \$31,000,000 in Fiscal Year 2002 funds for activities authorized in section 4 of the HUD Demonstration Act of 1993. Section 4 authorizes the Secretary to establish by notice such requirements as may be necessary to carry out its provisions. This notice takes effect upon issuance.

FOR FURTHER INFORMATION CONTACT: Karen Daly, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 7216, Washington, DC 20410. Telephone Number (202) 708-3176 Ext. 5552. Persons with hearing- or speech-impaired may access this number via TTY by calling the Federal Information Relay Service at 1-800-877-8339, or they may call: (202) 708-2565. Except for the "800" number, these are not toll-free telephone numbers.

SUPPLEMENTARY INFORMATION:

1. Authority

The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act (Pub. L. 107-73, 115 Stat. 651, approved November 26, 2001) (VA/HUD FY 2002 Appropriations Act) makes \$31,000,000 available from the Community Development Grants program for capacity building for community development and affordable housing as authorized by section 4 of the HUD Demonstration Act of 1993 (Pub. L. 103-120, 107 Stat. 1148, approved October 27, 1993) (42 U.S.C. 9816 *note*). HUD will provide this assistance through the Enterprise Foundation (Enterprise), the Local Initiatives Support Corporation (LISC), Habitat for Humanity, and Youthbuild USA "to develop the capacity and ability of community development corporations and community housing development organizations to undertake community development and affordable housing projects and programs."

2. Background

In Fiscal Year 1994, HUD provided \$20 million to Enterprise and LISC through the National Community Development Initiative (NCDI), as authorized by section 4 of the HUD Demonstration Act of 1993. In FY 1996, \$10 million for NCDI was authorized by section 12(b)(3) of the Housing Opportunity Program Extension Act of 1996 (Pub. L. 104-120, 110 Stat. 845, approved March 28, 1996). HUD divided appropriations equally between Enterprise and LISC. HUD published a notice in the **Federal Register** of March 30, 1994 (59 FR 14988), which set forth the requirements for receipt of these funds.

Today's notice contains requirements for the newly appropriated \$31,000,000. These funds may be used for new activities or, in the case of Enterprise and LISC, to continue NCDI activities that received funding under the notice dated March 30, 1994 (59 FR 14988). New grant agreements will be executed to govern these NCDI activities.

3. Allocation and Form of Awards

The VA/HUD FY 2002 Appropriations Act provides \$31,000,000 for activities authorized by section 4. Twenty-five million dollars of these funds is appropriated to Enterprise and LISC for activities authorized by section 4, as in effect immediately before June 12, 1997. HUD will equally divide \$25,000,000 of the appropriated funds between Enterprise and LISC. The funds are to be used for capacity building for community development and affordable housing—provided that at least \$5,000,000 of the funding is used in rural areas, including tribal areas. In addition, \$4,000,000 is appropriated to Habitat for Humanity and \$2,000,000 to Youthbuild USA for section 4 activities. Each organization will match the HUD assistance provided with resources from private sources in an amount equal to three times its share, as required by section 4. Enterprise and LISC each will use at least \$2,500,000 of their \$12,500,000 share for activities in rural areas, including tribal areas.

This notice, which takes effect upon issuance, also provides details regarding administrative and other requirements that shall apply to this program.

4. Eligible Activities

Eligible activities under this award include:

(a) Training, education, support, and advice to enhance the technical and administrative capabilities of community development corporations (CDCs) and community housing

development organizations (CHDOs), including the capacity to participate in consolidated planning as well as in fair housing planning, continuum of care homeless assistance efforts, and HUD's Colonias Initiatives that help ensure community-wide participation in assessing area needs; consulting broadly within the community; cooperatively planning for the use of available resources in a comprehensive and holistic manner; and assisting in evaluating performance under these community efforts and in linking plans with neighboring communities in order to foster regional planning;

(b) Loans, grants, development assistance, predevelopment assistance, or other financial assistance to CDCs/CHDOs to carry out community development and affordable housing activities that benefit low-income families and persons, including the acquisition, construction, or rehabilitation of housing for low-income families and persons, and community and economic development activities which create jobs for low-income persons; and

(c) Such other activities as may be determined by Enterprise, LISC, Habitat for Humanity or Youthbuild USA in consultation with the Secretary or his designee.

5. Matching Requirements

As required by section 4 of the Demonstration Act of 1993, the \$31,000,000 appropriation is subject to each award dollar being matched by three dollars in cash or in-kind contributions to be obtained from private sources. Each of the organizations receiving these funds will document its proportionate share of matching resources, including resources committed directly or by a third party to a grantee or subgrantee after November 26, 2001, to conduct activities.

In-kind contributions shall conform to the requirements of 24 CFR 84.23.

6. Administrative and Other Requirements

The award will be governed by 24 CFR part 84 (Uniform Administrative Requirements), OMB Circular A-122 (Cost Principles for Nonprofit Organizations), and OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations).

Other requirements will be detailed in the terms and conditions of the grant agreement provided to grantees, including the following:

(a) Each grantee will submit to HUD a specific work and funding plan for