- 108 loan guarantee commitments beyond those amounts (the \$12 million or \$10 million in this example) to which it has previously agreed.
- (2) In addition, an application for EDI grant funds shall include the following:

(a) SF 424, Application for Federal Assistance.

- (b) The certification regarding lobbying required under 24 CFR part 87 (Appendix A). The applicant may use the lobbying certification published with this NOFA.
- (c) A narrative statement describing the activities that will be carried out with the EDI grant funds and explaining how the use of EDI grant funds meets the criteria in paragraph II.(C) below. The narrative statement shall not exceed two 8.5" by 11" pages for the description of the activities to be carried out with the EDI grant funds and one page for each of the listed selection criteria.
- (3) Where relevant, applications shall be deemed to include a copy of the strategic plan for community revitalization previously submitted to HUD as part of a Federal Empowerment Zone or Enterprise Community application pursuant to a Notice inviting applications, published on January 18, 1994 at 59 FR 2711.

(C) Selection Criteria.

- All applications will be considered for selection based on the following criteria that demonstrate the quality of the proposed project or activities, and the applicant's creativity, capacity and commitment to obtain maximum benefit from the EDI funds, in accordance with the purposes of the Act.
- (1) Distress—(up to 20 points). In evaluating this criterion, HUD will consider the level of distress in the immediate community to be served by the project and the jurisdiction applying for assistance. Note that in the first EDI competition in September 1994, the poverty rate was often considered the best indicator of distress levels, although the applicant may demonstrate the level of distress with other factors indicative of distress such as income, unemployment, drug use, homelessness and other indicators of distress.
- (2) Extent of need for EDI assistance to financially support the Section 108 loan and the project— (up to 15 points). In evaluating this criterion, HUD will consider the extent to which the applicant's response demonstrates the financial need and feasibility of the project and the leverage ratio of EDI grant funds to Section 108 loan proceeds. Additionally, the score may be increased within this criterion to the extent other funds (public or private) are

- leveraged. This may include factors such as:
- (i) Project costs and financial requirements.
- (ii) The amount of any debt service or operating reserve accounts to be established in connection with the economic development project.
- (iii) The reasonableness of the costs of any credit enhancement paid with EDI grant funds.
- (iv) The amount of program income (if any) to be received each year during the repayment period for the guaranteed loan.
- (v) Interest rates on those loans to third parties (other than subrecipients) (either as an absolute rate or as a plus/ minus spread to the Section 108 rate).
- (vi) Underwriting guidelines used (or expected to be used) in determining project feasibility.
- (vii) The extent to which federal funds provided as a result of the Federal Empowerment Zone/Enterprise Community designation process may be utilized for the proposed EDI project.
- (viii) The extent to which the EDI grant is proposed to leverage the proposed Section 108 loan guarantee commitments and other economic development activities. Applicants that use their EDI grant to leverage more 108 commitments are expected to receive more points under this subcriterion (viii).
- (ix) Other relevant information. Note that if the applicant proposes a generic loan fund to assist a certain category of project or businesses, the applicant should demonstrate why the use of Section 108 loans to assist such businesses would not be financially feasible without EDI grant assistance.
- (3) The extent to which the proposed activities effectively support important National interests— (up to 15 points). These activities include:
- (i) The provision of jobs for low- and moderate-income individuals with special consideration for participants in any of the following programs: Jobs Training Partnership Act (JTPA), Jobs Opportunities for Basic Skills (JOBS), or Aid to Families with Dependent Children (AFDC);
- (ii) The provision of jobs for participants in Unemployment Insurance programs;
- (iii) The provision of jobs for residents of Public and Indian Housing or other assisted housing units;
- (iv) The provision of jobs for homeless persons;
- (v) The provision of jobs that provide clear opportunities for promotion for low- and moderate-income individuals, such as through the provision of training;

- (vi) The establishment, stabilization, or expansion of microenterprises that employ low- and moderate-income individuals;
- (vii) The stabilization or revitalization of a neighborhood that is predominantly low- and moderate-income;
- (viii) The provision of assistance to a community development financial institution whose service area is predominantly low- and moderateincome:
- (ix) The provision of assistance to a neighborhood-based nonprofit organization serving a neighborhood that is predominantly low- and moderate-income;
- (x) The provision of employment opportunities that are an integral component of a community's strategy to promote spatial deconcentration of lowand moderate-income and minority families;
- (xi) The provision of assistance to business(es) that operate(s) within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty; or

(xii) Other innovative approaches that provide substantial benefit to low- and moderate-income persons.

- (4) Quality of the plan—(up to 60 points). HUD will consider the quality of the applicant's plan for the use of EDI funds and Section 108 loans, including the extent to which the applicant's proposed plan for the effective use of EDI grant/Section 108 loan guarantee will address its described need in the applicant's immediate community and/or its jurisdiction, and the extent to which the plan is logically, feasibly, and substantially likely to achieve its stated purpose.
- (5) The capacity or potential of the public entity to successfully carry out the plan—(up to 15 points). This may include factors such as the applicant's performance in the administration of its CDBG program; its previous experience, if any, in administering a section 108 loan guarantee; its performance and capacity in carrying out economic development projects; its ability to conduct prudent underwriting; its capacity to manage and service loans made with the guaranteed loan funds or EDI grant funds; and, if applicable, its capacity to manage projects under this NOFA along with any federal funds awarded as a result of a federal urban **Empowerment Zone/Enterprise** Community designation.
- (6) Applicants will be rated on both criteria (a) and (b) (if applicable) below, but will receive points for only the higher rated criterion of the two, but not both.