The purpose of this NOFA is further supported through a memorandum of understanding establishing a publicprivate partnership between the United States Department of Housing and Urban Development (HUD) and the Structured Employment Economic Development Corporation (Seedco) This partnership seeks to combine the expertise and resources of HUD's HBCU program and Seedco's Community Development Partnership program to maximize the impact of their assistance to HBCUs seeking to revitalize their surrounding communities. HUD, through its HBCU program, seeks to increase the effectiveness of HBCUs in addressing community development and economic needs. Since 1990, Seedco, a national nonprofit community development support organization, has provided financial and technical assistance for planning and operation of nonprofit, neighborhood-based CDCs. Seedco's participation in this partnership will extend and expand its work with HBCUs.

Seedco intends to provide technical assistance to grant recipients selected under this NOFA to assist them in forming and operating CDCs and carrying out the community development objectives of the CDCs. Seedco will not seek contracts funded from grants made under this NOFA to provide any additional technical assistance or other services to the grantees or to the CDCs formed by them. However, grant recipients are not precluded from using grant funds to pay reasonable and customary registration fees in connection with Seedcosponsored conferences or workshops. HUD and Seedco intend to hold such meetings as may be necessary to coordinate activities of the HBCU/CDC partnership.

Once recipient HBCU's have established CDCs and implemented a program of eligible activities using the HUD start-up funding of up to \$250,000, it is intended that the new CDCs will be eligible for low-interest gap loan funding from Seedco to finance additional eligible activities of the CDC. Seedco intends to set aside up to \$1 million in low-interest gap loan funding to be made available to the CDCs formed under this program. Seedco also intends to provide technical assistance to the selected grantees and the CDCs they've helped to form as they implement the individual projects.

(b) Authority

This program is authorized under section 107(b)(3) of the Housing and Community Development Act of 1974 (the 1974 Act), which was added by

section 105 of the HUD Reform Act of 1989. The program is governed by regulations contained in 24 CFR 570.201 through 207, 24 CFR 570.400, 570.404 and 24 CFR part 570, subparts A, C, J, K and O.

(c) Allocation Amounts and Form of Award

The Departments of Veterans Affairs and Housing and Urban Development, and the Independent Agencies Appropriations Act 1995 (approved September 28, 1994, Pub. L. 103–327), (95 App. Act) appropriated \$44,000,000 for special purpose grants pursuant to section 107 of the Housing and Community Development Act of 1974. This notice announces HUD's intention to award up to \$2.5 million from these FY 95 funds to fund HBCUs to create CDCs. The maximum amount awarded to any applicant will be \$250,000. The awards will be made in the form of grants.

(d) Objectives

The objectives of this program are: (1) To help HBCUs, through the formulation of CDCs, expand their role and effectiveness in addressing community development needs in their localities, including neighborhood revitalization, housing, and economic development, consistent with the purposes of Title I of the Housing and Community Development Act of 1974;

(2) To help HBCUs, through the formulation of CDCs, address the needs of their locality(ies) while furthering the following HUD values:

- * A Commitment to Community;
- * A Commitment to Support Families:
 - * A Commitment to Economic Lift;
- * A Commitment to Reciprocity and to Balancing Individual Rights and Responsibilities; and
- * A Commitment to Reducing the Separations by Race and Income in American Life.
- (3) To encourage and ensure that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low-income persons, particularly those who are recipients of government assistance for housing consistent with Section 3 of the Housing and Urban Development Act of 1968.

(e) Eligibility

(1) Eligible Applicants. Only HBCUs as determined by the Department of Education in 34 CFR 608.2 in accordance with that Department's responsibilities under Executive Order

12677, dated April 28, 1989, are eligible to submit applications. Eligibility is further limited to such HBCUs that have not already established CDCs or that do not already have working relationships with CDCs, since the purpose of this NOFA is to promote HBCU/CDC efforts where they do not currently exist.

The Department issued a NOFA on April 11, 1995 (60 FR 18456) making up to \$4 million of FY 1995 funding available for HBCU activities to expand their role and effectiveness in addressing community development in their localities. Forming a CDC is also an eligible activity under the April 11, 1995 NOFA; however, if an HBCU is selected to receive funding under the April NOFA to form a CDC, that HBCU will not be eligible for funding under this NOFA also. In the event that an HBCU applies for funding to form a CDC under both NOFAs, and scores high enough to be selected under both, it will be funded under the April NOFA only, and HUD will select the next highest ranked applicant for funding under this

(2) Eligible Activities. Each application under this competition must propose two activities: first, the formation of a CDC, and second, an eligible activity that will be conducted by the CDC that is formed. The eligible CDC activities that may be funded under this NOFA are those activities eligible for Community Development Block Grant (CDBG) funding. They are listed in 24 CFR 570.201 through 570.206. In addition to basic eligible activities, CDCs may undertake special economic development activities (as described at 24 CFR 570.203 (a) through (c)) and special activities undertaken by community-based development organizations (as described at 570.204). These activities have additional eligibility requirements.

(i) Performance standards. Activities selected for funding under this NOFA will be subject to the following performance standards:

(A) The CDC must be formed, staffed, and operational within one year of the grant award; and

(B) The CDC must begin to implement the activities described in the HBCU's statement of work within two years of the grant award.

HUD reserves the right to terminate funding for the grant award if the above prescribed performance standards are not met within the listed time frame.

(ii) Environmental Review. If the applicant proposes activities involving rehabilitation or construction of structures, the proposed project must pass an environmental review in accordance with 24 CFR part 50. If the