

Department may elect to set aside up to 15% of the Fiscal Year 1996 allocation for imminent threat projects. These funds will be available until the rating and ranking process for funds distributed under this NOFA is completed.

### C. Eligibility

1. **Eligible Applicants.** Eligible applicants are units of general local government in New York State, excluding: metropolitan cities, urban counties, units of government which are participating in urban counties or metropolitan cities even if only part of the participating unit of government is located in the urban county or metropolitan city, and Indian tribes eligible for assistance under section 106 of the HCD Act. Applications may be submitted individually or jointly.

2. **Previous grantees.** Eligible applicants, which previously have been awarded Small Cities Program CDBG grants, are also subject to an evaluation of capacity and performance. Numerical thresholds for drawdown of funds have been established to assist HUD in evaluating a grantee's progress in implementing its program activities. (These standards apply to all CDBG Program grants received by the community.) An additional threshold established this year relates to the submission of annual Performance Assessment Reports (PARs) which are due annually for each grant which a local government has received. Failure to submit a PAR is not a curable technical deficiency. Applicants generally will be determined to have performed adequately in the area(s) where the thresholds are met. Where a threshold has not been met, HUD will evaluate the documentation of any mitigating factors, particularly with respect to actions taken by the applicant to accelerate the implementation of its program activities.

3. **Eligible Activities and National Objectives.** Eligible activities under the Small Cities CDBG Program are those identified in subpart C of 24 CFR part 570. Each activity must meet one of the national objectives (i.e. benefit to low- and moderate-income persons, elimination of slums or blighting conditions, or meeting imminent threats to the health and safety of the community), and each grant must meet the requirements for compliance with the primary objective of principally benefitting low- and moderate-income persons, as required under the provisions of § 570.200(a)(2) and (3) and § 570.208. The principal benefit requirement under the CDBG program is 70 percent. The method of calculating

the use of these funds for compliance with the 70 percent overall benefit requirement is set forth in § 570.200(a)(3)(i) through (v).

4. **Environmental Review Requirement.** The HUD environmental review procedures contained in 24 CFR part 58 apply to this program. Under part 58, grantees assume all of the responsibilities for environmental review, decision-making and action pursuant to the National Environmental Policy Act of 1969 and the other provisions of law specified by the Secretary in 24 CFR part 58 that would apply to the Secretary were he to undertake such projects as Federal projects.

### D. Types of Grants

#### 1. Comprehensive Grants

a. **General.** Comprehensive grants are available to fund projects which meet the following criteria:

- (1) Address a substantial portion of the identified community development needs within a defined area or areas;
- (2) Involve two or more activities related to each other that will be carried out in a coordinated manner;
- (3) Have a beneficial impact within a reasonable period of time.

HUD may make an exception to the requirement that all activities must be carried out in a defined area or areas if the applicant can demonstrate that the comprehensive strategy is a reasonable means of addressing identified needs.

If an application for a Comprehensive grant does not meet the requirements of the Comprehensive Grant Program, HUD will rate the proposal as a Single Purpose grant.

b. **Grant Limits and Funding Requirements.** The maximum grant for a Comprehensive grant is \$1,200,000 (but see the grant limitations under multi-year plans as well, below). Grant funds requested must be sufficient, either by themselves or in combination with funds from other sources (including any Section 108 Loan Guarantee resources requested in conjunction with a Small Cities application under this NOFA), to complete the project within a reasonable amount of time. If other sources of funds are to be used with respect to a project, the source of those funds should be identified and the level of commitment indicated.

#### 2. Single Purpose Grants

a. **General.** Single Purpose grants are designed to address and resolve a specific community development need. A Single Purpose grant may consist of more than one project. A project may consist of one activity or a set of

activities. Each project must address community development needs in one of the following problem areas:

- Housing
- Public Facilities
- Economic Development

Each project will be rated against all other projects addressing the same problem area, according to the criteria outlined below. It should be noted that each project within an application will be given a separate impact rating, if each one is clearly designated by the applicant as a separate and distinct project (i.e. separate Needs Description, Community Development Activities, Impact Description and Program Schedule forms have been filled out, indicating project names). In some cases, it may be to the applicant's advantage to designate separate projects for activities that can "stand on their own" in terms of meeting the described need, especially where a particular project would tend to weaken the impact rating of the other activities, if they were rated as a whole, as has been the case with some economic development and housing projects. If, however, the projects tend to meet impact criteria to the same extent, or the weaker element is only a small portion of the overall project, there is no discernable benefit in designating separate projects.

b. **Grant Limits and Funding Requirements.** The maximum annual grant for a Single Purpose grant is \$600,000, except that counties may apply for up to \$900,000 in Single Purpose funds. The maximum amount for Single Purpose grant applications made jointly by units of general local government will be \$900,000. If other sources of funds are to be used with respect to a project, the source of those funds must be identified and the level of commitment indicated.

#### 3. Distribution of Funds Between Comprehensive Grants and Single Purpose Grants

Through the grant award process, of the total amounts of assistance announced in this NOFA, up to 25 percent of that aggregate amount may be made available for Comprehensive grants and up to 75 percent of that aggregate amount may be made available for Single Purpose Grants.

#### 4. Applications With Multiple Projects

If an application contains more than one project, each project will be rated separately for program impact. Applicants should note that regardless of the number of projects, the total grant amount cannot exceed the limits