

identified in Section I.D.1.b and I.D.2.b. of this NOFA.

5. Multi-year Plans

a. *General.* Multi-year plan grants are available to fund projects that will have a substantial and comprehensive effect on meeting the grantees identified community development needs. It is envisioned that the large majority of multi-year plan projects will address a defined area or areas, but grantees may apply for grants for activities that will affect the grantees entire jurisdiction.

Multi-year plans may be for two or three years. The action plan for each year of the multi-year plan must be a viable project on its own. The multiyear plans will be rated competitively against each other. Multi-year plans that are selected will be funded for the first year of the plan. HUD intends to fund succeeding years of the plan on a non-competitive basis, subject to acceptable performance, submission of an acceptable application and certifications, and the provision of adequate appropriations for the HUD-administered Small Cities Program. HUD reserves the right to lower the amount of funds for succeeding years if nontitled areas are not in compliance with performance requirements and applicable regulations.

b. *Grant Limits and Funding Requirements.* The maximum annual grant for a multi-year plan is \$1,200,000. The maximum funding for implementing an entire multi-year plan is \$3,100,000 for a two year multi-year plan, and \$5,000,000 for a three year multi-year plan. 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.

c. *Previously Funded Multi-year Commitments.* An applicant that received a multi-year commitment in FY 1995 was limited to \$900,000 in the first year; \$1,800,000 for a two year plan and \$2,700,000 for a three year multi-year plan. Because the maximum amounts established for this year are significantly higher than the amounts provided for in FY 1995, a recipient of a multi-year commitment in FY 1995 may elect to either: retain its original FY 1995 multi-year funding level commitment; or, submit a new application for up to an additional three year multi-year

commitment up to the new FY 1996 higher grant amounts. A new application does not necessarily have to be for the same project that was funded in the FY 1995 application, although it may be. And similarly, a new application may expand upon the scope of the project that was approved in FY 1995, or the application may be any combination of the above. An applicant with a previous FY 1995 multi-year commitment that wishes to "trade-up" by submitting a FY 1996 application for a higher grant amount, a new three-year period or different scope of activities, may do so without jeopardizing its FY 1995 multi-year commitment. Recipients choosing to "trade-up" may do so with the understanding that if the new multi-year application is not competitive, HUD will still recognize its previous FY 1995 multi-year commitment and provide funds consistent with that approval PROVIDED THAT the community submits an abbreviated application request that delineates an action plan for the original second increment, proper certifications and provided that last year's performance was satisfactory. Under these circumstances, the community cannot lose.

E. Selection Criteria/Ranking Factors and Final Selection

1. General

Complete applications received from eligible applicants by the application due date are rated and scored by HUD. Regardless of the type of grant sought (Single Purpose or Comprehensive), applications are rated and scored against four factors. These four factors are discussed in more detail in subsection 3 of this Section E. Previous grantees of Small Cities Program CDBG grants also undergo a performance evaluation. The criteria for determining adequacy of performance are discussed in subsection 2 of this Section E.

2. Performance Evaluation

As noted in Section C of this NOFA, previous grantees of Small Cities Program CDBG grants are subject to an evaluation of performance and capacity to undertake the proposed program. For purposes of making performance evaluations, HUD will use any information available as of the application due date. Performance also will be evaluated using information which may be available already to HUD, including previously submitted performance reports, site visit reports, audits, monitoring reports and annual in-house reviews. Grantees may be requested to submit additional

information, if generally available facts raise a question as to capacity to undertake the proposed program. No grants will be made to an applicant that does not have the capacity to undertake the proposed program. A performance determination will be made by evaluation of the following areas:

a. *Community Development Activities.* The following thresholds for performance in expending CDBG funds have been established for FY 1996 and pertain to all Single Purpose and Comprehensive Grants:

FY 1990 and earlier—Grants must be closed out

FY 1991—Grant funds 100% expended

FY 1992—Grant funds 75% expended

FY 1993—Grant funds 30% expended

FY 1994—Recipients must be on target with respect to the latest Small Cities Program Schedule received by HUD

Note: These standards will be used as benchmarks in judging program performance, but will not be the sole basis for determining whether the applicant is ineligible for a grant due to a lack of capacity to carry out the proposed project or program. Any applicant that fails to meet the percentages specified above may wish to provide updated data to HUD, either in conjunction with the application submission or under separate cover, but in no case will data received by HUD after the application due date be accepted.

b. *Compliance with Applicable Laws and Regulations.* An applicant will be considered to have performed inadequately if the applicant:

(1) Has not substantially complied with the laws, regulations, and Executive Orders applicable to the CDBG Program, including applicable civil rights laws as may be evidenced by: an outstanding finding of civil rights noncompliance, unless the applicant demonstrates that it is operating in compliance with a HUD-approved compliance agreement designed to correct the area(s) of noncompliance; an adjudication of a civil rights violation in a civil action brought against it by a private individual, unless the applicant demonstrates that it is operating in compliance with a court order designed to correct the area(s) of noncompliance; a deferral of Federal funding based upon civil rights violations; a pending civil rights suit brought against it by the Department of Justice; or an unresolved charge of discrimination issued against it by the Secretary under section 810(g) of the Fair Housing Act, as implemented by 24 CFR 103.400;

(2) Has not resolved or attempted to resolve findings made as a result of HUD monitoring; or

(3) Has not resolved or attempted to resolve audit findings. An applicant will