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the applicant in determining the effectiveness of its efforts (according to paragraph (b)(1)(xii) of this section).

(6) A statement containing the component for alleviating overcrowding as defined by § 1944.656 of this subpart.

(7) A list of other activities the applicant is engaged in and expects to continue, a statement as to any other funding, and whether it will have sufficient funds to assure continued operation of the other activities for at least the period of the HPG grant agreement.

(8) Any other information necessary that specifically addresses the selection criteria in § 1944.679 of this subpart.

(c) The applicant must submit an original and one copy of Form FmHA or its successor agency under Public Law 103-354 1940-20 prepared in accordance with exhibit F-1 of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office).

(d) The applicant must submit a description of its process for:

(1) Identifying and rehabilitating properties that are listed on or eligible for listing on the National Register of Historic Places.

(2) Identifying properties that are located in a floodplain or wetland.

(3) Identifying properties located within the Coastal Barrier Resources System.

(4) Coordinating with other public and private organizations and programs that provide assistance in the rehabilitation of historic properties (Stipulation I, D, of the PMOA, FmHA Instruction 2000-FF, available in any FmHA or its successor agency under Public Law 103-354 office).

(5) Paragraphs (d) (1), (2), and (3) of this section may be accomplished by adoption of exhibit F-2 of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office), or another process supplying similar information acceptable to FmHA or its successor agency under Public Law 103-354.

(e) The applicant must submit evidence of SHPO concurrence in the proposal, or in the event of nonconcurrency, a copy of SHPO's comments together with evidence that the applicant

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has sought the Advisory Council on Historic Preservation's advice as to how the disagreement might be resolved, and a copy of any advice provided by the Council.

(f) The applicant must submit written statements and related correspondence reflecting compliance with § 1944.674 (a) and (c) of this subpart regarding consultation with local government leaders in the preparation of its program and the consultation with local and state government pursuant to the provisions of Executive Order 12372.

(g) The applicant is to make its statement of activities available to the public for comment prior to submission to FmHA or its successor agency under Public Law 103-354 pursuant to § 1944.674(b) of this subpart. The application must contain a description of how the comments (if any were received) were addressed.

(h) The applicant must submit an original and one copy of Form FmHA or its successor agency under Public Law 103-354 400-1, "Equal Opportunity Agreement," and Form FmHA or its successor agency under Public Law 103-354 400-4, "Assurance Agreement," in accordance with § 1944.674(c) of this subpart.

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§ 1944.678 Preapplication submission deadline.

Dates governing the invitation and review of HPG preapplications will be published annually in the FEDERAL REGISTER and may be obtained from FmHA or its successor agency under Public Law 103-354 offices processing HPG preapplications. Preapplications received after the date specified in the FEDERAL REGISTER will not be considered for funding in that fiscal year and will be returned.

§ 1944.679 Project selection criteria.

(a) Applicants must meet all of the following threshold criteria:

(1) Provide a financially feasible program of housing preservation assistance. *Financially feasible* is defined as proposed assistance which will be affordable to the intended recipient or result in affordable housing for very low- and low-income persons;

(2) Serve eligible rural areas with a concentration of substandard housing for households with very low- and low-income;

(3) Be an eligible applicant entity as defined in § 1944.658 of this subpart;

(4) Meet the requirements of consultation and public comment in accordance with § 1944.674 of this subpart; and

(5) Submit a complete preapplication as outlined in § 1944.676 of this subpart.

(b) For applicants meeting all of the requirements listed in paragraph (a) of this section, FmHA or its successor agency under Public Law 103-354 will use the weighted criteria in this paragraph (b) in the selection of grant recipients. Each preapplication and its accompanying statement of activities will be evaluated and, based solely on the information contained in the preapplication, the applicant's proposal will be numerically rated on each criteria within the range provided. The highest ranking applicant(s) will be selected based on allocation of funds available to the State. Exhibit D of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office) will be used to document the rating.

(1) Points are awarded based on the percentage of very low-income persons that the applicant proposes to assist, using the following scale:

- (i) More than 80%: 20 points.
- (ii) 61% to 80%: 15 points.
- (iii) 41% to 60%: 10 points.
- (iv) 20% to 40%: 5 points.
- (v) Less than 20%: 0 points.

(2) The applicant's proposal may be expected to result in the following percentage of HPG fund use (excluding administrative costs) to total cost of unit preservation. This percentage reflects maximum repair or rehabilitation with the least possible HPG funds due to leveraging, innovative financial assistance, owner's contribution or other specified approaches. Points are awarded based on the following percentage of HPG funds (excluding administrative costs) to total funds:

- (i) 50% or less: 20 points.
- (ii) 51% to 65%: 15 points.
- (iii) 66% to 80%: 10 points.
- (iv) 81% to 95%: 5 points.
- (v) 96% to 100%: 0 points.

(3) The applicant has demonstrated its administrative capacity in assisting very low- and low-income persons to obtain adequate housing based on the following:

(i) The organization or a member of its staff has 2 or more years experience successfully managing and operating a rehabilitation or weatherization type program, including FmHA or its successor agency under Public Law 103-354's HPG program: 10 points.

(ii) The organization or a member of its staff has 2 or more years experience successfully managing and operating a program assisting very low- and low-income persons obtain housing assistance: 10 points.

(iii) If the organization has administered grant programs, there are no outstanding or unresolved audit or investigative findings which might impair carrying out the proposal: 10 points.

(4) The proposed program will be undertaken entirely in rural areas outside MSAs identified by FmHA or its successor agency under Public Law 103-354 as having populations below 10,000 or in remote parts of other rural areas (i.e., rural areas contained in MSAs with less than 5,000 population) as defined in § 1944.656 of this subpart: 10 points.

(5) The program will use less than 20 percent of HPG funds for administrative purposes:

- (i) More than 20%: Not Eligible.
- (ii) 20%: 0 points.
- (iii) 19%: 1 point.
- (iv) 18%: 2 points.
- (v) 17%: 3 points.
- (vi) 16%: 4 points.
- (vii) 15% or less: 5 points.

(6) The proposed program contains a component for alleviating overcrowding as defined in § 1944.656 of this subpart: 5 points.

(c) In the event more than one preapplication receives the same amount of points, those preapplications will then be ranked based on the actual percentage figure used for determining the points under paragraph (b)(1) of this section. Further, in the event that preapplications are still tied, then those preapplications still tied will be ranked based on the percentage figures used (low to high) in paragraph (b)(2) of this section. Further, for applications

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where assistance to rental properties or co-ops is proposed, those still tied will be further ranked based on the number of years the units are available for occupancy under the program (a minimum of 5 years is required). For this part, ranking will be based from most to least number of years. Finally, if there is still a tie, then a "lottery" System will be used.

§ 1944.680 Limitation on grantee selection.

After all preapplications have been reviewed under the selection criteria and if more than one preapplication has met the criteria of §1944.679(a) of this subpart, the State Director or approval official may not approve more than 50 percent of the State's allocation to a single entity.

§ 1944.681 Application submission.

Applicants selected by FmHA or its successor agency under Public Law 103-354 will be advised to submit a full application in an original and two copies of SF 424.1, and are to include any condition or amendments that must be incorporated into the statement of activities prior to submitting a full application. Instructions on submission and timing will be provided by FmHA or its successor agency under Public Law 103-354.

§ 1944.682 Preapplication/application review, grant approval, and requesting HPG funds.

The FmHA or its successor agency under Public Law 103-354 offices processing HPG preapplications/applications will review the preapplications and applications submitted. Further review and actions will be taken by FmHA or its successor agency under Public Law 103-354 personnel in accordance with exhibit C of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office). Exhibit G of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office) will be used by the State Office to notify the National Office of preapplications received, eligibility, ranking, number of proposed units, amount requested by applicants, and amount recommended by State Office.

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Preapplications determined not eligible and/or not meeting the selection criteria will be notified in the manner prescribed in exhibit C of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office). In addition, FmHA or its successor agency under Public Law 103-354 will document its findings and advise the applicant of its review rights or appeal rights (if applicable) under subpart B of part 1900 of this chapter. Applications determined not eligible will be handled in the same manner. The preapplications or applications determined incomplete will be notified in the manner prescribed in exhibit C of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office) and will not be given appeal rights. The State Director is authorized to approve an HPG in accordance with this subpart and subpart A of part 1901 of this chapter. The State Director may delegate this authority in writing to designated State Office personnel and District Directors. Further:

(a) Grant approval is the process by which FmHA or its successor agency under Public Law 103-354 determines that all applicable administrative and legal conditions for making a grant have been met, the grant agreement is signed, and funds have been obligated for the HPG project. If acceptable, the approval official will inform the applicant of approval, having the applicant sign Form FmHA or its successor agency under Public Law 103-354 1940-1, "Request for Obligation of Funds," and exhibit A of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office). The applicant will be sent a copy of the executed grant agreement and Form FmHA or its successor agency under Public Law 103-354 1940-1. Should any conditions be attached to the grant agreement that must be satisfied prior to the applicant receiving any HPG funds, the grant agreement and the conditions will be returned to the applicant for acceptance and acknowledgement on the grant agreement prior to execution by the approval official.

(b) The application may be disapproved before execution of the grant agreement if the applicant is no longer