

request for OMB approval. All comments will also become a matter of public record.

Dated: March 16, 2004.

Arthur A. Garcia,

Administrator, Rural Housing Service.

[FR Doc. 04-7701 Filed 4-5-04; 8:45 am]

BILLING CODE 3410-XV-P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Request for Proposals (RFP): Demonstration Program for Agriculture, Aquaculture, and Seafood Processing and/or Fishery Worker Housing Grants

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

SUMMARY: The Rural Housing Service (RHS) announces the availability of funds, the timeframe to submit proposals, and the guidelines for proposals for agriculture, aquaculture, and seafood processing and/or fishery worker housing grants in the States of Alaska, Mississippi, Utah, and Wisconsin. Division A of Public Law 108-199 (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004) authorizes RHS to establish a demonstration program to provide financial assistance (grants) for processing and/or fishery worker housing in the States of Alaska, Mississippi, Utah, and Wisconsin. This RFP requests proposals from qualified private and public nonprofit agencies, non-profit cooperatives, state and local governments, and tribal organizations in Alaska, Mississippi, Utah, and Wisconsin to construct housing for agriculture, aquaculture, and seafood processing and/or fishery workers. Any one project may not receive grant funds of more than \$1 million from this program. At least one project in each of the four States will be funded under this program (provided that a proposal is received from an eligible applicant in each of the four States and their proposals meet the requirements of this RFP). Housing facilities constructed under this RFP are expected to increase the supply of housing for agriculture, aquaculture, and seafood processing and/or fishery workers in markets where adequate housing is not available.

DATES: The deadline for receipt of all applications in response to this RFP is 5 p.m., eastern standard time, on July 6, 2004. The application closing deadline is firm as to date and hour. RHS will not consider any application that is received

after the closing deadline. Applicants intending to mail applications must provide sufficient time to permit delivery on or before the closing deadline. Acceptance by a post office or private mailer does not constitute delivery. Facsimile (FAX), Cash on Delivery (COD), and postage due applications will not be accepted.

ADDRESSES: Applications should be submitted to the USDA-Rural Housing Service, Attention: Douglas MacDowell, Senior Loan Specialist, USDA, Rural Housing Service, Multi-Family Housing Processing Division, STOP 0781, Room 1263, 1400 Independence Ave., SW., Washington, DC 20250-0781. RHS will date and time certify incoming applications to evidence timely receipt and, upon request, will provide the applicant with a written acknowledgement of receipt.

FOR FURTHER INFORMATION CONTACT: For further information and an application package, including all required forms, contact Douglas MacDowell, Senior Loan Specialist, USDA, Rural Housing Service, Multi-Family Housing Processing Division, Stop 0781, Room 1263, 1400 Independence Avenue, SW., Washington, DC 20250-0781, telephone (202) 720-1627. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

Under the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.*, OMB must approve all "collections of information" by RHS. The Act defines "collection of information" as a requirement for "answers to * * * identical reporting or recordkeeping requirements imposed on ten or more persons * * *." (44 U.S.C. 3502(3)(A)) Because this RFP will receive less than 10 respondents, the Paperwork Reduction Act does not apply.

General Information

The agriculture, aquaculture, and seafood processing and/or fishery worker housing grants authorized by Public Law 108-199 are for the purpose of developing a housing demonstration program for agriculture, aquaculture, and seafood processing and/or fishery worker housing in markets that have a demonstrated need for housing for such workers. Under Public Law 108-199, RHS has the authority to award \$4,970,500 in grant funds for a housing demonstration program for agriculture, aquaculture, and seafood processing and/or fishery workers in Alaska, Mississippi, Utah, and Wisconsin.

I. Purpose

Public Law 108-199 authorized funds to the Department to implement a demonstration grant program for the construction of housing for agriculture, aquaculture, and seafood processing and/or fishery workers in Alaska, Mississippi, Utah, and Wisconsin.

The demonstration program has been designed to increase the supply of rental housing for a growing segment of the population whose needs are not currently being met. The program is expected to provide housing opportunities for processing workers in markets that cannot support other forms of conventional and government housing models. Grantees may not require any occupant of the housing or related facilities, as a condition of occupancy, to work or be employed by any particular processor, fishery, or other place, or work for or be employed by any particular person, firm, or interest.

Developers of housing under this program will receive a grant of up to 80% of the Total Development Cost (TDC) of the project. TDC includes all hard costs, soft costs, initial operating reserves, administrative fees, furnishings and equipment, and related facilities.

Housing constructed under this program may not receive RHS Rental Assistance or Operating Subsidies authorized under 42 U.S.C. 1490a for payment of tenant rents. Project financial models should be structured to work without rental subsidies while keeping rents affordable for the target population.

Projects should be located close to tenants' workplaces and services as much as feasible. Location of the project is not limited to rural areas as defined in 42 U.S.C. 1490.

II. Project Threshold Criteria

All applications must meet the minimum threshold requirements contained in this RFP. The threshold criteria are as follows:

A. Occupancy Requirements

Eligibility for residency in facilities constructed under this RFP is limited to individuals and families who earn at least 40% of their income from work as an agriculture, aquaculture, or seafood processing and/or fishery worker and earn less than or equal to 60% of the National Median Income for a family of four as reported by the U.S. Census Bureau. Residents must be United States citizens or be legally admitted for permanent residence.

B. Eligible Grantees

Eligibility for grants under this notice is limited to private and public nonprofit agencies, non-profit cooperatives, state and local governments, and tribal organizations. Applicants must possess the experience, knowledge, and capacity to develop affordable multifamily housing in rural areas. Applicants will not be considered as eligible applicants if they have previously been selected for similar funding and have not carried out the purposes of that grant as of the closing date of this RFP.

C. Grant Limit

A grant under this RFP may fund up to and including 80% of a project's TDC. TDC includes all hard costs, soft costs, initial operating reserves, administrative fees, furnishings and equipment, and related facilities. In addition, any one project may not receive grant funds of more than \$1 million from this program. This program will fund at least one project in Alaska, Mississippi, Utah, and Wisconsin (provided that a proposal is received from an eligible applicant in each of the four States and their proposals meet the requirements of this RFP).

D. Equity Contributions and Leveraged Funds

As stated above, a grant may fund up to 80% of the TDC which leaves at least 20% of the TDC to be funded from other sources. The applicant is encouraged to seek funding from sources with favorable rates and terms in order to keep rents within the reach of the target population. For this reason, additional selection points will be given to proposals that have funding with favorable rates and terms. Examples of such funding sources may include the Federal Home Loan Bank, the U.S. Department of Housing and Urban Development, or a State, county, or local government. Conventional loans may also be used, however, the rates and terms may not be in excess of what is common in the housing industry. For this purpose, the interest rate of any such loan may not exceed 200 basis points above the 10-year Treasury bond rate as of the date of grant closing. The term of any loan must be a minimum of 10 years (with a balloon) and it must be amortized over a 30 year period. Longer terms are preferred. The objective in setting these limits is to create affordable rents for the tenants. In each case, equity contributions and loans must be contributed and disbursed prior to the disbursement of any grant funds from the Agency.

E. Eligible Costs

Eligible costs for grants under this RFP include all project related costs including all hard costs, soft costs, initial operating reserves, administrative fees, furnishings and equipment, and related facilities. Eligible costs also include technical assistance received from a non-identity of interest nonprofit organization with housing and/or community development experience, to assist the applicant in the development and packaging of its grant docket and project. Eligible costs for technical assistance is limited to those that are allowed under 7 CFR 1944.158(i) and may not exceed 4 percent of the TDC.

F. Term of Use

The project will remain in use for the intended purpose for the life of the project as required under 7 CFR parts 3015, 3016, or 3019, as applicable. These provisions require the grant recipient to use the real property for the authorized purpose of the project as long as it is needed. The type of security instrument will be determined, prior to grant closing, by the Agency's Regional Office of the General Counsel.

G. Site Control

The developer must own or demonstrate evidence of site control of the proposed site. At a minimum, site control should extend 180 days past the date of application submission and is preferred to be for one year. Proof of site control should be submitted with the application. This can be in the form of a contract of sale, option agreement, long-term lease agreement, or deed or other documentation of ownership by the applicant. The applicant must exercise care in site selection. Site approval is subject to completion of an environmental assessment by RHS and sites with environmental problems will increase the amount of time necessary to complete this assessment. Proposals which will directly or indirectly impact protected resources, such as floodplains or wetlands, can require consideration of alternative sites, changes in project design, or the implementation of other mitigation measures to lessen adverse effects on the environment.

H. Zoning

A zoning designation adequate to develop the type of housing and number of units proposed is required. Evidence of proper zoning must be included with the application. Where there is a clear plan to have a site rezoned, a narrative explaining the situation and detailing the process and timeline for rezoning may be accepted.

I. Utilities

Adequate capacity to connect the project to water, sewer, electricity, and telephone services must be demonstrated. Letters from utility providers must be included in the application. If on-site utilities are proposed, engineering reports indicating correct soil types, adequate land capacity, etc. must be included in the application.

J. Appraisals

As required by 7 CFR 3015.56, if land is being donated as part of the grantee's contribution, the market value must be set by an independent appraiser and certified by a responsible official of the grantee. An appraisal will also be required if project funds are used to purchase land.

K. Market Demand

Projects funded under this RFP shall be in markets with demonstrated need for agriculture, aquaculture, and seafood processing and/or fishery worker housing. All applications should include documentation of this need in the form of a market analysis, survey, or other documentation of need.

L. Design Characteristics

Housing constructed under this demonstration may be of any architectural style as long as it is permitted by local zoning laws, meets all applicable building codes, and fits with the character of the surrounding community. However, the facilities should not be of extravagant design and their size must be commensurate with the needs of the workers who will occupy the housing facility. When planning units for families, lower density building design and layout is normally desirable. Housing should be designed in such a manner that it will be decent, safe, sanitary, and modest in size and cost. Actual plans, specifications, and contract documents must be prepared in accordance with 7 CFR part 1924, subpart A.

Building design is subject to the requirements of section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Fair Housing Act, and any state or local accessibility requirements. For these reasons, buildings must be designed and constructed in accordance with the Uniform Federal Accessibility Standards, the Americans with Disabilities Act Accessibility Guidelines, the Fair Housing Act Accessibility Guidelines, and any state or local standards.

Particular attention should be given to 7 CFR 1924.13 which gives

supplemental requirements for complex construction. All construction contracts must be awarded on the basis of competitive bidding unless an exception is granted in accordance with 7 CFR 1924.13. In either case, the Contractor must be reliable and experienced in the construction of projects of similar size, design, scope, and complexity. All construction that is financed with grant funds from RHS is subject to the provisions of the Davis-Bacon Act (refer to 29 CFR parts 1, 2, and 5). In addition, the construction contracts must contain the nondiscrimination language, in its entirety, that is required by E.O. 11246 (refer to 41 CFR 60–1.4(b) subparagraphs 1–7 for the specific language). The plans and specifications, including the construction contract, must be reviewed and accepted by RHS prior to the start of construction.

Until the plans and specifications have been approved and the grant is closed, construction work should not be started. When there are construction changes that affect design, costs, or time, the change must be documented as a contract change order and must be signed by the borrower, borrower's architect, contractor, and Agency representative before the work involved in the change is started or the costs are included in a payment request. Changes that do not affect design, costs, or time, may be handled as field orders and do not require Agency approval.

RHS will conduct periodic inspections during construction to protect the interest of the Government.

M. Civil Rights

Title VI of the Civil Rights Act of 1964 prohibits recipients of Federal financial assistance from discriminating in their programs and activities on the basis of race, color, or national origin. It also requires recipients (1) to sign a civil rights assurance agreement (*i.e.*, Form RD 400–4), (2) to collect statistical data on race and national origin, (3) submit to the Agency timely, complete, and accurate compliance reports so that the Agency can determine compliance with program regulations and applicable civil rights laws, and (4) to disseminate information to the public stating that the recipient operates a program that is subject to the non-discrimination requirements of Title VI and briefly explain the procedures for filing complaints.

Borrowers and grantees must take reasonable steps to ensure that Limited English Proficiency (LEP) persons receive the language assistance necessary to afford them meaningful access to USDA programs and activities, free of charge. Failure to ensure that LEP

persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d and Title VI regulations against national origin discrimination.

Section 504 of the Rehabilitation Act of 1973 prohibits recipients of Federal financial assistance from discriminating against persons with disabilities and requires recipients to make their programs and activities accessible to, and usable by, persons with disabilities.

The Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988) prohibits discrimination because of race, color, religion, sex, handicap, familial status, and national origin in the sale, rental, or advertising of dwellings in providing services or availability of residential real estate transactions.

The Age Discrimination Act of 1975 prohibits recipients of Federal financial assistance from discriminating in their programs and activities on the basis of age.

As part of the grant proposal, the applicant must provide (1) a notice of all civil rights law suits filed against it; (2) a description of assistance applications they have pending in other Agencies and of Federal assistance being provided; (3) a description of any civil rights compliance reviews of the applicant during the preceding two years; and (4) a statement as to whether the applicant has been found in noncompliance with any civil rights requirements.

Successful applicants have a duty to affirmatively further fair housing. Proposals will include specific steps that the applicant will take to promote, ensure, and affirmatively further fair housing.

In the event Federal financial assistance will be used to obtain or improve real property, instruments of conveyance shall contain a covenant running with the land assuring non-discrimination for the period the real property is used for the same or similar purpose the Federal financial assistance is extended or for another purpose involving the provisions of similar services or benefits. The covenant shall be as follows:

- “The property described herein was obtained or improved with Federal financial assistance and is subject to the provisions of Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the regulations issued thereto. This covenant is in effect for as long as the

property continues to be used for the same or similar purpose for which the financial assistance was extended, or for as long as the above recipient owns it, whichever is longer.”

Contractors must comply with the Equal Employment Opportunity Executive Order 11246, as amended, and construction contracts must contain the specific non-discrimination language, in its entirety, that is required by the Executive Order.

Before funds are disbursed, a pre-award civil rights compliance review will be conducted by the Agency to determine whether the applicant is, and will be, in compliance with Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and the Age Discrimination Act of 1975. In addition, the Agency will conduct a Civil Rights Impact Analysis.

N. Environmental Requirements

All applications are subject to satisfactory completion of the appropriate level of environmental review by RHS in accordance with 7 CFR part 1940, subpart G. For the purposes of 7 CFR part 1940, subpart G, applications under this RFP will be considered as applications for the financing of multi-family housing.

All applications are subject to the requirements of Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-income Populations.”

All applications are subject to the flood insurance requirements of 7 CFR part 1806, subpart B.

O. Applicable Regulations

All grants funded under this program must meet the requirements of 7 CFR part 3015 and parts 3016 or 3019, as applicable, Rural Development Instruction 1924–A (7 CFR part 1924, subpart A), and 1924–C (7 CFR part 1924, subpart C).

P. Dun and Bradstreet Data Universal Numbering System (DUNS) Number

As required by the Office of Management and Budget (OMB), all grant applicants must provide a DUNS number when applying for Federal grants, on or after October 1, 2003. Organizations can receive a DUNS number at no cost by calling the dedicated toll-free DUNS Number request line at 1–866–705–5711. Additional information concerning this requirement is provided in a policy directive issued by OMB and published in the **Federal Register** on June 27, 2003 (68 FR 38402–38405).

III. Proposal Format

A. Proposals must include the following:

1. Standard Form (SF)–424, “Application for Federal Assistance.”
2. Applicant’s DUNS number.
3. Documentation to evidence the applicant’s status as a private or public nonprofit agency, nonprofit cooperative, state or local government, or tribal organization.
4. Applicant’s Financial Statements.
5. Form HUD 935.2, “Affirmative Fair Housing Marketing Plan.”
6. Form RD 1944–30, “Identity of Interest (IOI) Disclosure Certification” and Form RD 1944–31, “Identity of Interest (IOI) Qualification.”
7. Form HUD 2530, “Previous Participation Certification.”
8. Form RD 1924–13, “Estimate and Certificate of Actual Cost.”
9. Form RD 1930–7, “Multiple Family Housing Project Budget” including rent schedule and operating and maintenance budget.
10. Form RD 1940–20, “Request for Environmental Information.”
11. A narrative statement that documents the applicant’s experience, knowledge, and capacity to develop multifamily housing.
12. If the applicant has previously received, or is currently receiving, a similar grant, the applicant must provide documentation that they have successfully carried out the purposes of that grant as of the closing date of this RFP.
13. A Sources and Uses Statement showing all sources of funding included in the proposed project. The terms and schedules of all sources included in the project should be included in the Sources and Uses Statement.
14. Applicant organizational documents (articles of incorporation, by laws, etc.).
15. A narrative description of the proposed project, including a description of site, housing, amenities, etc.
16. A location map showing the site and surrounding services.
17. Evidence of site control.
18. Evidence of proper zoning or explanation of how proper zoning will be achieved.
19. Evidence of utilities availability or evidence that the site is suitable for on-site utilities.
20. A description of any related facilities including justification and cost of such facilities.
21. Schematic design drawings including a site plan, building elevations, and floor plans.
22. Outline specifications.

23. A statement agreeing to pay any cost overruns from the applicant’s own sources.

24. Documentation of need in the form of a market study, survey, or other sources.

25. A list of all other funding sources and conditional commitments from those funding sources. The conditional commitments must provide the costs of those funds (*i.e.*, rates, terms, fees, etc.).

26. If seeking points under Evaluation Criteria, Paragraph IV.B., a copy of the Tenant Services Plan and letters from the service provider which document that they will provide the service on-site and on a reoccurring basis.

B. The above items are required for the RFP response. If a proposal is accepted for further processing, there will be additional submittals required.

IV. Evaluation Criteria

A. Leveraging (Up to 40 Points)

Points will be awarded based on the percent of non-RHS funds specifically identified and designated to supplement RHS funds. Leveraged funds may include donated land. In the case of donated land, the amount of leveraging will be determined by an opinion of value to be prepared by an independent, licensed appraiser. Points will be awarded as follows:

Percent of leveraging	Points
Over 50%	10
21% to 50%	5

Additional points will be awarded based on the cost of the leveraged funds. A maximum of 30 points will be awarded under this criteria. If a proposal has multiple funding sources, points will be awarded proportionately to the amount that each funding source provides, as a percentage of the applicant’s contribution. Points will be awarded as follows:

Cost of leveraged funds	Points
Grant funds without any repayment costs	30
Loans with interest rates below the 10-year Fed bond rate	25
Loans with interest rates above the 10-year Fed bond rate (but less than 101 basis points above it)	15
Loans with interest rates more than 100 basis points above the Fed bond rate (but no more than 200 points above it)	5

B. Tenant Services (Up to 25 Points)

Points will be awarded based on the presence of and extent to which a tenant services plan exists that clearly outlines

services that will be provided to residents of the proposed project.

These services include but are not limited to:

1. Day care or before and after school child care.
2. Computer learning centers.
3. Homeownership and budget counseling.
4. Parenting programs for young parents (such as family support centers), parenting skills sessions for all interested parents, and parent and child activities.
5. Literacy programs (such as book clubs, toddler reading programs, story groups), libraries and book sharing groups or centers.
6. Art activities or art centers for children that include painting, photography, ceramics, etc.
7. Health education and referral or health care outreach centers.
8. Job training and preparation centers.
9. Housing services and/or community coordinators.

10. Mentoring programs where young adults mentor adolescents or more established adults mentor other adults.

11. Community meeting centers.

12. Recreation centers located within housing complexes.

13. Nutritional services.

14. Transportation services.

A Tenant Services Plan must be submitted with the application to receive points under this criteria. In addition, letters from the service provider must be submitted. The letters from the service providers must document that they will provide the services at the project site and on a regular, reoccurring basis. In addition, the proposed design of the housing must include the necessary physical space for the services to be provided on-site. Unless each of the above requirements are met, points will not be awarded. Five points will be awarded for each resident service included in the tenant services plan up to a maximum of 25 points.

V. Review Process

All proposals will be evaluated by a RHS grant committee. The grant committee will make recommendations to the RHS Administrator concerning preliminary eligibility determinations and for the selection of proposal for further processing, based on the selection criteria contained in this RFP and the availability of funds. The Administrator will inform applicants of the status of their proposals within 30 days of the closing date of the RFP.

If the proposal is accepted for further processing, the applicant will be

expected to submit additional information prior to grant obligation. In addition, RHS must complete the appropriate level of environmental review prior to grant obligation. The applicant is expected to assist RHS, as necessary, in the development of this environmental review. In the event that an application is selected for further processing and the applicant either declines or reduces the size of their grant request, the RHS National Office will, at its discretion, either select the next highest ranked unfunded proposal or not utilize the funds for this demonstration project.

Prior to grant obligation, grant recipients shall enter into the grant agreement provided as Appendix A to this RFP.

The applicant will have one year from the date of the obligation of grant funds to begin construction.

VI. RHS Monitoring

During construction, RHS will take part in periodic progress meetings at the project site and shall inspect completed work. RHS approval of work completed must be given before grant funds can be disbursed for that work.

RHS monitoring shall continue throughout the useful life of the project or until the grant is terminated under provisions established in 7 CFR part 3015 and parts 3016 or 3019, as applicable. Monitoring shall consist of initial and annual tenant certifications, civil rights compliance reviews, triennial physical inspections, annual proposed and actual operating budgets, and annual audits. If other funding sources involved in the project require reporting, those formats may be used in place of RHS methods as long as those formats meet RHS requirements.

Tenants and grantees must execute an Agency-approved tenant certification form establishing the tenant's eligibility prior to occupancy. In addition, tenant households must be recertified and must execute a tenant certification form at least annually.

Grantees will submit to a triennial (once every three years) physical inspection of the project. RHS will inspect for health and safety issues, deferred maintenance, and other physical problems that can endanger the provision of decent, affordable housing to the target population on a long-term basis.

Annual proposed and actual operating and maintenance budgets will be required to insure that all project needs are being met and all RHS guidelines are being followed. The form of operating and maintenance budgets will be designated by RHS.

The grantee must submit annual audits of the project finances to RHS in accordance with the requirements established by OMB, in accordance with in 7 CFR part 3052.

Dated: March 31, 2004.

Arthur A. Garcia,

Administrator, Rural Housing Service.

Appendix A—Processing and/or Fishery Worker Housing Grant Agreement

United States Department of Agriculture Rural Housing Service

Processing and/or Fishery Worker Housing Grant Agreement

This Grant Agreement (Agreement) dated _____, is a contract for receipt of grant funds under the Processing and/or Fishery Worker Housing Grant Demonstration Program authorized in the Consolidated Appropriations Act, 2004 (Pub. L. 108-199). This grant will be administered under the Request for Proposals (RFP): Demonstration Program for Agriculture, Aquaculture, and Seafood Processing and/or Fishery Worker Housing Grants published in the **Federal Register** on April 6, 2004, and the regulations governing the Farm Labor Housing Grant program (7 CFR part 1944, subpart D and 7 CFR part 1930, subpart C). These requirements do not supersede the applicable requirements for receipt of Federal funds stated in 7 CFR parts 3015, "Uniform Federal Assistance Regulations," 3016 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," or 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-profit Organizations." Further, all relevant regulatory requirements apply to applicants whether contained in here or not.

Between

_____, a private or public nonprofit agency, nonprofit cooperative, state or local government, or tribal organization (Grantee) and the United States of America acting through the Rural Housing Service (RHS), Department of Agriculture, (Grantor)

Witnesseth:

All references herein to "Project" refer to a Processing and/or Fishery Worker Housing facility to serve a rural community generally known as _____. The principal amount of the grant is \$ _____ (Grant Funds) which is _____ percent of Project costs.

Whereas

Grantee has determined to undertake the acquisition, construction, enlargement, capital improvement, or purchase of equipment for a project with a total estimated cost of \$ _____. Grantee is able to finance and has committed \$ _____ of Project costs.

The Grantor has agreed to give the Grantee the Grant Funds, subject to the terms and conditions established by the Grantor. Provided, however, that any Grant Funds actually advanced and not needed for grant

purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of this Agreement or the applicable regulation.

As a condition of this Agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, including those contained in 7 CFR 3015.205(b), which are incorporated into this Agreement by reference, and such other statutory provisions as are specifically contained herein.

Now, therefore, in consideration of said grant, and completing and reviewing the collection of information

Grantee agrees that Grantee will:

A. Cause said Project to be constructed within the total sums available to it, including Grant Funds, in accordance with any architectural or engineering reports, and any necessary modifications, prepared by Grantee and approved by Grantor.

B. Provide periodic reports as required by Grantor and permit periodic inspection of the Project by a representative of the Grantor. For grant-only Projects, Form SF-269, "Financial Status Report," and a project performance report will be required on a quarterly basis (due 15 working days after each calendar quarter). A final project performance report will be required with the last "Financial Status Report." The final report may serve as the last quarterly report. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. The project performance reports shall include, but are not limited to, the following:

1. A comparison of actual accomplishments to the objectives established for that period;

2. Reasons why established objectives were not met;

3. Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accomplished by a statement of the action taken or planned to resolve the situation; and

4. Objectives and timetables established for the next reporting period.

C. Manage, operate, and maintain the facility, including this Project if less than the whole of said facility, continuously in an efficient and economical manner.

D. Not use grant funds to replace any financial support previously provided or assured from any other source. The Grantee agrees that the Grantee's level of expenditure for the Project shall be maintained and not reduced as a result of Grant Funds.

E. Make the public facility or services available to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital

status, or physical or mental disability at reasonable rates, including assessments, taxes, or fees. Grantee may make modifications as long as they are reasonable and nondiscriminatory.

F. Execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, that agreement applies equally to the grant and another identical agreement need not be executed in connection with this grant.

G. Repay to Grantor the Grant Funds with any legally permitted interest from the date of any default under its representations or agreements contained in this instrument. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Agreement may be enforced by Grantor, at its option and without regard to prior waivers of previous defaults by Grantee, by judicial proceedings to require specific performance of the terms of this Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Agreement and the laws and regulations under which this grant is made.

H. Use the real property including land, improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the Grantee subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain Grantor's approval to use the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed, as provided in Paragraphs H.1 and H.2 above, the Grantee shall request disposition instructions from the Grantor. The Grantor will observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal government in an amount computed by applying the Federal percentage of participation in the cost of the original Project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor and pay the Federal government an amount computed by applying the Federal percentage of participation in the cost of the original Project to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide

for competition to the extent practicable and result in the highest possible return.

(c) The Grantee may be directed to transfer title to the property to the Federal government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or Project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

I. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with Grant Funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment as defined in this Paragraph.

1. Use of equipment.

(a) The Grantee shall use the equipment in the Project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other federally sponsored activities, if any, in the following order of priority:

(i) Activities sponsored by the Grantor.

(ii) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the property was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the property as provided in Paragraph I.1.(a) and (b), the equipment may be sold or used for other activities in accordance with the following standards:

(a) Equipment with a current fair market value of less than \$5,000. The Grantee may use the property for other activities without reimbursement to the Federal government or sell the property and retain the proceeds.

(b) Equipment with a current fair market value of \$5,000 or more. The Grantee may retain the property for other uses provided that compensation is made to the Grantor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original Project to the current fair market value of the property. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the Grantor.

(c) The Grantor shall determine whether the equipment can be used to meet RHS or its successor agency's requirements. If no such requirements exist, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the

General Services Administration by the Grantor to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor shall issue instructions to the Grantee no later than 120 days after the Grantee's request and the following procedures shall govern:

(i) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share 10 percent of the proceeds or \$500, whichever is less, for the Grantee's selling and handling expenses.

(ii) If the Grantee is instructed to ship the property elsewhere, the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant Project or program to the current fair market value of the equipment plus any reasonable shipping or interim storage costs incurred.

(iii) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall include:

(a) Property records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the Project for which the equipment was acquired; location, use, and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

J. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property, and other assets. Grantees shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

K. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photocopies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts, and transcripts.

L. Provide either an audit report, annual financial statements, or other documentation prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations, and this Agreement.

M. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or an instrumentality of a State shall not be held accountable for interest earned on Grant Funds pending their disbursement.

N. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in Paragraphs H and I.

O. Not duplicate other Project purposes for which monies have been received, are committed, or are applied to from other sources (public or private).

P. From construction completion throughout the term of the grant (useful life of the facility), the grantee shall submit on an annual basis, or as needed, the following:

1. Project Operating Budget to be completed on Form RD 1930-7 "Multiple Family Housing Project Budget." All sections of the budget are to be completed including, but not limited to, proposed and actual income and expense estimates, operating and maintenance expenses, special account statements (reserve, tax and insurance, and security deposit accounts) and capital improvement budgets.

2. Annual Tenant Certification to be completed on Form RD 1944-8, "Tenant Certification." This document shall be the official means by which tenant eligibility is established. This document must be completed by each tenant and the Grantee at the time of initial move-in, following a

fluctuation in tenant income or change in employment sector (processing to non-processing), and on each annual lease anniversary. The Grantee shall verify tenant income and employment sector with pay stubs, employer letters, or other documents which can verify the tenant's employment in agriculture, aquaculture, and seafood processing and/or fishery work and the tenants household income.

3. Other forms and reports as required by Federal, State, or local statute.

Q. Use of Real Property. The facility shall remain in use for its initially designated purpose of providing housing for agriculture, aquaculture, and seafood processing and/or fishery workers throughout the useful life of the facility or until such facility is no longer needed in the project market area. Grantee will not require any occupant of the housing or related facilities, as a condition of occupancy, to work or be employed by any particular processor, fishery, or other place, or work for or be employed by any particular person, firm, or interest. When no longer needed, RHS may approve the use of the property for other uses. These alternative uses are limited to:

1. Activities supported by other Federal grants or assistance agreements.

2. Activities not supported by other Federal grants or assistance agreements but having purposes consistent with the purposes of the legislation under which the Processing and/or Fishery Worker Housing Grant Demonstration Program was made.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$____ which it will advance to Grantee to meet but not to exceed ____ percent of the Project development costs in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the Project and coordinating the plan with local official comprehensive plans for essential community facilities and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time, may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the Project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof, Grantee has this day authorized and caused this Agreement to be executed by

and attested with its corporate seal affixed (if applicable) by

Attest:

By _____
(Title)

United States of America Rural Housing Service

By _____
(Name)
(Title)

[FR Doc. 04-7702 Filed 4-5-04; 8:45 am]

BILLING CODE 3410-XV-P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Housing Demonstration Program

AGENCY: Rural Housing Service, United States Department of Agriculture (USDA).

ACTION: Notice of Funding for the Rural Housing Demonstration Program.

SUMMARY: The Rural Housing Service (RHS) announces the availability of housing loan funds for Fiscal Year (FY) 2004 for the Rural Housing Demonstration Program. For FY 2004, RHS has set aside \$2 million for the Innovative Demonstration Initiatives. The Agency is soliciting and accepting proposals from individuals for the Housing Demonstration program under section 506(b) of title V of the Housing Act of 1949, which provide loans to low income borrowers to purchase innovative housing units and systems that do not meet existing published standards, rules, regulations, or policies.

The intended effect is to increase the availability of affordable Rural Housing (RH) for low-income families through innovative designs and systems.

EFFECTIVE DATE: April 6, 2004.

FOR FURTHER INFORMATION CONTACT:

Gloria L. Denson, Senior Loan Specialist, Single Family Housing Direct Loan Division, RHS, U.S. Department of Agriculture, STOP 0783, 1400 Independence Ave. SW., Washington, DC 20250-0783, Telephone (202) 720-1474. (This is not a toll free number.)

SUPPLEMENTARY INFORMATION: Under current standards, regulations, and policies, some low-income rural families lack sufficient income to qualify for loans to obtain adequate housing. Section 506(b) of title V of the