

(c) *Poverty requirement.* A nominated area meets the poverty requirement if the poverty rate for each population census tract within the nominated area is at least 20 percent. In the case of a nominated area that is within an Indian reservation, and cannot equivalently be described with census tracts, the poverty rate of the nominated area taken as a whole is considered for purposes of making this determination.

(d) *Income requirement for urban areas.* In the case of a nominated urban area, at least 70 percent of the households living in the nominated area must have incomes below 80 percent of the median income of households within the jurisdiction of the local government or governments in which the nominated area is located. The number of households below 80 percent of the median income in each census tract shall be the number of households with incomes below 80 percent of the Household Adjusted Median Family Income (HAMFI) in each census tract as determined by HUD.

(e) *HUD review of supporting data—(1) Unemployment, poverty and income.* HUD will review 1990 census data to determine whether to accept a certification that a nominated area meets the requirements of paragraphs (b), (c) and (d) of this section.

(2) *Pervasive poverty, unemployment and general distress—(i) Pervasive poverty.* Pervasive poverty is demonstrated by evidence that:

(A) Poverty, as indicated by the number of persons listed as being in poverty in the 1990 Decennial Census, is widespread throughout the nominated area; or

(B) Poverty, as described in paragraph (e)(2)(i)(A) of this section, has become entrenched or intractable over time (through comparison of 1980 and 1990 census data or other relevant evidence).

(ii) *Unemployment.* Unemployment is demonstrated by:

(A) The most recent data available indicating that the annual rate of unemployment for the nominated area is not less than the national annual average rate of unemployment; or

(B) Evidence of especially severe economic conditions, such as military base or plant closings or other condi-

tions that have brought about significant job dislocation within the nominated area.

(iii) *General distress.* General distress is evidenced by describing adverse conditions within the nominated urban area other than those of pervasive poverty and unemployment. Below average or decline in per capita income, earnings per worker, number of persons on welfare, per capita property tax base, average years of school completed, substantial population decline, and a high or rising incidence of crime, narcotics use, homelessness, high incidence of AIDS, abandoned housing, deteriorated infrastructure, school dropouts, teen pregnancy, incidence of domestic violence, incidence of certain health conditions and illiteracy are examples of appropriate indicators of general distress.

§ 599.107 Required State and local commitments.

(a) *Commitment to a course of action—*

(1) *Agreement of State and local governments.* The nominating State and local governments must agree in writing that, for any period during which the area is a Renewal Community, the governments will follow a specified course of action which meets the requirements of paragraph (a)(2) of this section. If each nominating State and local government is a signatory to a course of action under paragraph (a)(2) of this section, a separate written agreement is not necessary to meet the requirements of this paragraph.

(2) *Course of action requirements—(i) In general.* A course of action is a written document, signed by the nominated area's State and/or local governments and community-based organizations which commits each signatory to undertake and achieve measurable goals and actions within the nominated area upon its designation as a Renewal Community.

(ii) *Community-based organizations.* For purposes of the course of action, "community-based organizations" includes for-profit and non-profit private entities, businesses and business organizations, neighborhood organizations, and community groups. Community-based organizations are not required to be located in the nominated area as

long as they commit to achieving the goals of the course of action in the Renewal Community.

(iii) *Timetable.* The course of action must include a timetable that identifies the significant steps and target dates for implementing the goals and actions.

(iv) *Performance measures.* The course of action must include a description of how the performance of the course of action will be measured and evaluated.

(v) *Required goals and actions.* The course of action must include at least four of the following:

(A) A reduction of tax rates or fees applying within the Renewal Community;

(B) An increase in the level of efficiency of local services within the Renewal Community, such as services for residents funded through the Federal Temporary Assistance for Needy Families program and related Federal programs including, for example, job support services, child care and after school care for children of working residents, employment training, transportation services and other services that help residents become economically self-sufficient;

(C) Crime reduction strategies, such as crime prevention, including the provision of crime prevention services by nongovernmental entities;

(D) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the Renewal Community, such as:

(1) *Density bonus.* Permission to develop or redevelop real property at a higher density level than otherwise permitted under the zoning ordinance, e.g., increased height or increased number of residential or business units;

(2) *Incentive zoning.* Providing a density bonus or other real property-related incentive for the development, redevelopment, or preservation of a parcel in the designated area;

(3) *Comprehensive or one-stop permit.* Streamlining construction or other development permitting processes, rather than requiring multiple applications for multiple permits, e.g., for demolition, site preparation, and construction, the developer or redeveloper submits a single application that is circulated for the necessary reviews by

the various planning, engineering, and other departments in the county or municipality;

(4) *Variance and exception policies.* Counties or municipalities may pass ordinances that permit variances to or exceptions from certain zoning or other land use limitations. Examples include a reduced building set-back requirement or a reduced requirement for the provision of parking. The policy may be limited to a particular geographic area;

(5) *Voluntary environmental compliance program.* A shared or limited environmental liability program, with limited liability from certain legal or administrative action in exchange for undertaking an approved program of environmental investigation, hazard control, and on-going risk reduction activities. Typically, the liability limitation is for future environmental cleanup (and not against lawsuit for damages). Risk of cleanup may be shared by the developer or property owner and the government;

(E) Involvement in economic development activities by private entities, organizations, neighborhood organizations, and community groups, particularly those in the Renewal Community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the Renewal Community;

(F) The gift or sale at below fair market value of surplus real property held by State or local governments, such as land, homes, and commercial or industrial structures in the Renewal Community to neighborhood organizations, community development corporations, or private companies.

(3) *Certification requirement for crime incidence.* If preference points are being sought for the nominated area because it qualifies for preference points in accordance with § 599.303(c)(1), the course of action must contain a certification by each nominating State and local government of the 1999 Local Crime Index rate per 100,000 inhabitants (LCI) determined for the nominated area. The offenses used in determining the LCI are the violent crimes of murder

and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault, and the property crimes of burglary, larceny-theft, and motor vehicle theft.

(b) *Economic growth promotion requirements*—(1) *Required certification.* The State and local governments in which a nominated area is located must certify in writing that they have repealed or reduced, will not enforce, or will reduce within the nominated area at least four of the following:

(i) Licensing requirements for occupations that do not ordinarily require a professional degree;

(ii) Zoning restrictions on home-based businesses which do not create a public nuisance;

(iii) Permit requirements for street vendors who do not create a public nuisance;

(iv) Zoning or other restrictions that impede the formation of schools or child care centers; and

(v) Franchises or other restrictions on competition for businesses providing public services, including taxicabs, jitneys, cable television, or trash hauling.

(2) *Exception.* The requirements of paragraph (b)(1) of this section do not apply to the extent that a regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety. The certifications required under paragraph (b)(1) of this section may be limited to exclude or include specific businesses and occupations.

(c) *Recognition of past efforts.* The course of action and economic growth requirements under paragraphs (a) and (b), respectively, of this section are not limited to future goals and actions. Past efforts within the previous eight years, either completed or on-going, of the nominating State or local governments to undertake any of the goals or actions listed in paragraph (a)(2)(v) or (b)(1) of this section qualify to meet these requirements. If past efforts are used, the nominating governments must identify which of the required goals and actions listed in paragraph (a)(2)(v) or (b)(1) of this section they address; the timetable for their continued implementation, if on-going; and

the community-based organizations involved, if any.

[66 FR 35855, July 9, 2001, as amended at 66 FR 52675, Oct. 17, 2001]

Subpart C—Procedures for Nomination of Renewal Communities

§ 599.201 Initiation of application process.

(a) *Federal Register notice.* To initiate the nomination process for Renewal Communities, HUD will publish a notice inviting applications for the designation of Renewal Communities in the FEDERAL REGISTER.

(b) *Contents.* The notice inviting applications will include specific information as to due dates and submission requirements.

§ 599.203 Basic application submission requirements.

The basic application submission requirements for nominating an area as a Renewal Community are:

(a) *Identification of the nominated area.* An application must identify the census tracts that constitute the nominated area. The nominated area must meet all of the eligibility requirements of subpart B of this part.

(b) *State and local commitments.* An application must include the documents evidencing compliance with State and local commitments required by § 599.107.

(c) *Public notice certification.* An application must include a certification, signed by a responsible official or employee of each nominating State and local government, that the public was provided notice of, and an opportunity to participate in, the application development process. Notice and opportunity to participate may include procedures such as placing announcements in newspapers or other media, holding public meetings, and soliciting comments.