



**U.S. Department of Housing and Urban Development**

Community Planning and Development

Section 4 Capacity Building for Community Development and Affordable Housing

FR-6500-N-07

06/06/2022

## Table of Contents

Overview .....	3
I. FUNDING OPPORTUNITY DESCRIPTION.....	3
A. Program Description. ....	3
B. Authority. ....	11
II. Award Information. ....	11
A. Available Funds .....	11
B. Number of Awards. ....	11
C. Minimum/Maximum Award Information .....	11
D. Period of Performance.....	11
E. Type of Funding Instrument. ....	11
III. Eligibility Information. ....	11
A. Eligible Applicants.....	12
B. Ineligible Applicants. ....	12
C. Cost Sharing or Matching.....	12
D. Threshold Eligibility Requirements. ....	12
E. Statutory and Regulatory Requirements Affecting Eligibility. ....	14
F. Program-Specific Requirements. ....	14
G. Criteria for Beneficiaries.....	16
IV. Application and Submission Information. ....	16
A. Obtaining an Application Package.....	16
B. Content and Form of Application Submission. ....	16
C. System for Award Management (SAM) and Dun and Bradstreet Universal Numbering System (DUNS) Number. ....	20
D. Application Submission Dates and Times. ....	21
E. Intergovernmental Review. ....	24
F. Funding Restrictions.....	24
G. Other Submission Requirements.....	25
V. Application Review Information.....	25
A. Review Criteria. ....	25
B. Review and Selection Process.....	36
VI. Award Administration Information. ....	38
A. Award Notices.....	38

B. Statutory and Administrative, National and Department Requirements for HUD Recipients .....40

C. Reporting.....41

D. Debriefing.....42

VII. Agency Contact(s).....43

VIII. Other Information.....43

APPENDIX.....44

**Program Office:**

Community Planning and Development

**Funding Opportunity Title:**

Section 4 Capacity Building for Community Development and Affordable Housing

**Funding Opportunity Number:**

FR-6500-N-07

**Primary CFDA Number:**

14.252

**Due Date for Applications:**

06/06/2022

**Overview**

The U.S. Department of Housing and Urban Development (HUD) issues this Notice of Funding Opportunity (NOFO) to invite applications from eligible applicants for the program and purpose described within this NOFO. Prospective applicants should carefully read all instructions in all sections to avoid sending an incomplete or ineligible application. HUD funding is highly competitive. Failure to respond accurately to any submission requirement could result in an incomplete or noncompetitive proposal.

During the selection process HUD is prohibited from disclosing 1) information regarding any applicant's relative standing, 2) the amount of assistance requested by an applicant, and 3) any information contained in the application. Prior to the application deadline, HUD may not disclose the identity of any applicant or the number of applicants that have applied for assistance.

For Further Information Regarding this NOFO: Please direct questions regarding the specific requirements of this Notice of Funding Opportunity (NOFO) to the office contact identified in Section VII.

***Paperwork Reduction Act Statement.*** *The information collection requirements in this notice have been approved by OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid OMB control number. Each NOFO will identify its applicable OMB control number unless its collection of information is excluded from these requirements under 5 CFR part 1320.*

**OMB Approval Number(s):**

N/A

**I. FUNDING OPPORTUNITY DESCRIPTION.****A. Program Description.****1. Purpose**

Through funding of national intermediaries, the Section 4 Capacity Building for Community Development and Affordable Housing program (Section 4) enhances the capacity and ability of Community Development Corporations (CDCs) and Community Housing Development Organizations (CHDOs) to carry out affordable housing and community development activities

that benefit low- and moderate-income families and persons.

For FY 2021 there is \$41,000,000 available to carry out eligible activities related to community development and affordable housing projects and programs for the Section 4, of which at least \$5,000,000 shall be made available for rural capacity building activities.

## **2. Changes from Previous NOFO.**

The FY 2021 Section 4 program NOFO has three changes from the FY 2020 NOFO. The three changes are:

1. Applicants must submit an abstract with the application. The abstract is a summation of the proposed project and it is not evaluated during the review phase.
2. Four definitions were added to the NOFO: (1) equity, (2) key individual, (3) key personnel, and (4) underserved communities.
3. The criteria for reviewing factors were revised to promote diversity and equity.
4. This NOFO will not offer preference points for Opportunity Zones.

To improve your chance of success, please be sure to read this announcement fully and carefully and respond to all the elements in each factor.

## **3. Definitions.**

### **a. Standard Definitions**

**Affirmatively Furthering Fair Housing (AFFH).** Affirmatively Furthering Fair Housing (AFFH) means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a program participant's activities and programs relating to housing and urban development.

**Assistance Listings** means a unique number assigned to identify a Federal Assistance Listing, formerly known as the CFDA Number.

**Federal Financial Assistance** means assistance that entities received or administer in the form of:

- 1) Grant;
2. Cooperative agreements (which does not include a cooperative research and development agreement pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C. 3710a));
3. Loans;
4. Loan guarantees;
5. Subsidies;
6. Insurance;

7. Food commodities;
  8. Direct appropriations;
  9. Assessed or voluntary contributions; or
  10. Any other financial assistance transaction that authorizes the non-Federal entity's expenditure of Federal funds.
- b. Federal Financial Assistance does not include:
1. Technical assistance, which provides services in lieu of money; and
  2. A transfer of title to federally owned property provided in lieu of money, even if the award is called a grant.

**Authorized Organization Representative (AOR)** is the person authorized to submit applications on behalf of the organization via Grants.gov. The AOR is authorized by the E-Biz point of contact in the System for Award Management. The AOR is listed in item 21 on the SF-424.

**Consolidated Plan** is a document developed by states and local jurisdictions. This plan is completed by engaging in a participatory process to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions with funding from formula grant programs. (See 24 CFR part 91 HUD's requirements regarding the Consolidated Plan and related Action Plan).

**Contract** means [for the purpose of Federal financial assistance](#), a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award. For additional information on contractor and subrecipient determinations see 2 CFR 200.331.

**Contractor** means an entity that receives a contract as defined in 2 CFR 200.1.

**Deficiency** is information missing or omitted within a submitted application. Examples of deficiencies include missing documents, information on a form, or some other type of unsatisfied information requirement (e.g., an unsigned form, unchecked box.). Depending on specific criteria, deficiencies may be either curable or non-curable.

- *Curable Deficiencies* may be corrected by the applicant with timely action. To be curable the deficiency must:
- Not be a threshold requirement, except for documentation of applicant eligibility;
- Not influence how an applicant is ranked or scored versus other applicants; and
- Be remedied within the time frame specified in the notice of deficiency.
- *Non-Curable Deficiencies* cannot be corrected by an applicant after the submission deadline.

Non-curable deficiencies are deficiencies that, if corrected, would change an applicant's score or rank versus other applicants. Non-curable deficiencies may result in an application being marked ineligible, or otherwise adversely affect an application's score and final determination.

**DUNS Number** is the nine-digit Dun and Bradstreet Data Universal Number

System identification number assigned to a business or organization by Dun & Bradstreet and provides a means of identifying business entities on a location-specific basis. OMB removed duplicate recipients based on recipient Data Universal Number System (DUNS) numbers, from Dun & Bradstreet (D&B). At this time all Federal financial assistance recipients are required to register for DUNS numbers.

**E-Business Point of Contact (E-Biz POC)** A user registered as an organization applicant who is responsible for the administration and management of grant activities for his or her organization. The E-Biz POC is likely to be an organization's chief financial officer or authorizing official. The E-Biz POC authorizes representatives of their organization to apply on behalf of the organization (see Standard AOR and Expanded AOR). There can only be one E-Biz POC per DUNS Number.)

**Eligibility requirements** are mandatory requirements for an application to be eligible for funding.

**Federal award**, has the meaning, depending on the context, in either paragraph (1) or (2) of this definition:

(1)(i) The Federal financial assistance that a recipient receives directly from a Federal awarding agency or a subrecipient receives indirectly from a pass-through entity, as described in 2 CFR §200.101; or

- ii. The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in 2 CFR §200.101.
- 2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (2) of the definitions of Federal financial assistance in 2 CFR §200.1, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.
- 3. Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).
- 4. See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.

**Grants.gov** is the website serving as the Federal government's central portal for searching and applying for Federal financial assistance throughout the Federal government. Registration on Grants.gov is required for submission of applications to prospective agencies unless otherwise specified in this NOFO.

**Non-Federal Entity (NFE)** means a state, local government, Indian tribe, Institution of Higher Education (IHE), or non-profit organization that carries out a Federal award as a recipient or subrecipient.

**Point of Contact (POC)** is the person who may be contacted with questions about the application submitted by the AOR. The POC is listed in item 8F on the SF-424.

**Promise Zones (PZs)** are high poverty communities where the federal government partners with local leaders to increase economic activity, improve educational opportunities, leverage private

investment, reduce violent crime, enhance public health and address other priorities identified by the community.

**Recipient** means an entity, usually but not limited to non-Federal entities, that receives a Federal award directly from HUD. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

**Small business** is defined as a privately-owned corporation, partnership, or sole proprietorship that has fewer employees and less annual revenue than a corporation or regular-sized business. The definition of "small"—in terms of being able to apply for government support and qualify for preferential tax policy—varies by country and industry. The U.S. Small Business Administration defines a small business according to a set of standards based on specific industries. {[e-CFR Title 13-Chapter I – Part 121](#)}

**Subaward** means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that pass-through entity considers a contract.

**Subrecipient** means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly for a Federal awarding agency.

**System for Award Management (SAM)** means the Federal Repository into which an entity must provide information required for the conduct of business as a recipient. Registration with SAM is required for submission of applications via Grants.gov. You can access the website at <https://www.sam.gov/SAM/>. There is no cost to use SAM.

**Threshold Requirements** are an eligibility requirement that must be met for an application to be reviewed. Threshold requirements are not curable, except for documentation of applicant eligibility and are listed in Section III.D Threshold Eligibility Requirements. Similarly, there are eligibility requirements under Section III.E, Statutory and Regulatory Requirements Affecting Eligibility.

**Unique Entity Identifier** means the identifier required for SAM registration to uniquely identify business entities.

#### **4. Program Definitions**

##### **Capacity Building:**

Capacity building is support, investment, or training used to bring an eligible beneficiary to the next level of operational, programmatic, financial, or organizational maturity, so it may more effectively and efficiently implement its mission. It is a process in which eligible beneficiaries improve and retain skills, knowledge, tools, and other resources needed to serve low- and moderate- income families in local communities with increased or improved affordable housing and community development. It is not a one-time effort to improve short-term effectiveness, but a continuous improvement strategy with the eligible beneficiary toward the creation of a sustainable and effective organization that serves its community.



**Community Development Corporation (CDC):**

1. A CDC is a nonprofit organization that undertakes eligible Section program activities, as defined in this NOFO and that meets these qualifications:

- a. Is organized under Federal, State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation;
- b. Is governed by a board of directors composed of community residents, business and civic leaders;
- c. Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low income;
- d. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization;
- e. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1);
- f. Has standards of financial accountability that conform to 2 CFR Part 200.302, "Financial Management" and 2 CFR Part 200.303, "Internal Controls";
- g. Is not an agency or instrumentality of a State or local government; and
- h. "Community" may be a neighborhood or neighborhoods, town, village, county or multi-county area (but not the entire State or territory).

2. An organization that does not qualify under paragraphs (a) through (h) may also be determined to qualify as an eligible entity if:

- a. It is a Small Business Administration (SBA) approved Section 501 State Development Company- or an SBA Certified Section 503 Company- under the Small Business Investment Act of 1958, as amended (P.L. 85-699); or
- b. The recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraphs (a) through (h) of this definition; or
- c. It is a State or locally chartered organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the State or local government entity chartering the organization. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members.

**Community Housing Development Organization (CHDO):**

A CHDO is defined in the HOME Investment Partnerships Program (HOME Program) regulation at 24 CFR 92.2. The HOME Program is authorized by the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq.

**Consultant:** An individual who is tasked with providing valuable and pertinent advice generally drawn from a high degree of broad administrative, professional, or technical knowledge or experience. The grantee must determine whether a consultant is a subrecipient or a contractor in

accordance with 2 CFR 200.330.

**Equity:** Equity means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

**Family:** Family refers to the definition of “family” in 24 CFR 5.403. Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

1. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
2. A group of persons residing together, and such group includes, but is not limited to:
  - a. A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
  - b. An elderly family;
  - c. A near-elderly family;
  - d. A disabled family;
  - e. A displaced family; and
  - f. The remaining member of a tenant family.

**Household:** Household means all the persons occupying a housing unit. The occupants may be a family as defined in 24 CFR 5.403; two or more families living together, or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived sexual orientation, gender identity, or marital status.

**Key individual:** Key individual means the principal officer of the organization's governing body (for example, chairman, vice chairman, treasurer and secretary of the board of directors or board of trustees); the principal officer and deputy principal officer of the organization (for example, executive director, deputy director, president, vice president); the program manager; and any other person with significant responsibilities for administration of the activities or resources, such as key personnel.

**Key personnel:** Key personnel means individuals who identified for approval as part of their substantial involvement, contribution to the development and/ or execution of a project in a substantive, measurable way, whether or not they receive salaries or compensation under the grant. Consultants may be considered senior/key personnel if they meet this definition.

**Low- and moderate-income household:** Low- and moderate-income household means a household having an income equal to or less than the Section 8 low-income limit established by HUD, which means a household whose income does not exceed 80 percent of the AMI.

**Low- and moderate-income person:** Low- and moderate-income person means a member of a

family having an income equal to or less than the Section 8 low-income limit established by HUD, which means an individual whose income does not exceed 80 percent of the AMI. Unrelated individuals will be considered as one-person families for this purpose.

**Low-income household:** Low-income household means a household having an income equal to or less than the Section 8 very low-income limit established by HUD, which means a household whose income does not exceed 50 percent of the Area Median Income (AMI).

**Low-income person:** Low-income person means a member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD, which means an individual whose income does not exceed 50 percent of the AMI. Unrelated individuals shall be considered as one-person families for this purpose.

**Outcomes:** Results achieved, or benefits derived from the capacity building activity conducted, typically demonstrated by the eligible beneficiary. Some examples include, but are not limited to, an ability to maintain a full-time paid staff person, increased amount of affordable homes in a beneficiary's portfolio, or success in building the beneficiary's loan portfolio to conduct community development.

**Outputs:** Deliverables such as products, grants made, individuals served, or trainings delivered that are usually quantified by number produced, number delivered, number of attendees, etc. Outputs do not measure a change in a beneficiary's capacity or capabilities.

**Revolving Loan Fund** means a separate fund (with a set of accounts that are independent of other program accounts) established for the purpose of carrying out specific activities which, in turn, generate payments to the fund for use in carrying out the same activities.

**Rural area:** A rural area is a statistical geographic entity delineated by the Census Bureau that does not meet the definition of an urbanized area. An urbanized area is a statistical geographic entity delineated by the US Census Bureau, consisting of densely settled census tracts and blocks and adjacent densely settled territory that together contain at least 50,000 people. As of the 2010 decennial census, the United States contained 486 urbanized areas with an additional 11 in Puerto Rico. For more information about urbanized areas, including maps, FAQs, and reference manuals, please refer to this Census Bureau website -

<https://www.census.gov/geo/reference/webatlas/uas.html>.

To demonstrate that a beneficiary complies with the rural area requirement, grantees will be expected to implement a review process to confirm that the proposed rural beneficiary is physically located within an eligible rural area or, as a result of Section 4 assistance, will be commencing or expanding service in an eligible rural area. HUD has created a mapping tool for grantees to utilize in assessing a beneficiary's compliance with the rural area definition. The mapping tool is posted on HUD's Section 4 grant program webpage - <https://www.hudexchange.info/programs/section-4-capacity-building/>.

**Underserved Communities:** The term "underserved communities" refers to populations sharing a particular characteristic, as well as geographic communities, that have been systematically

denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the preceding definition of “equity.”

## **B. Authority.**

The Section 4 program is authorized by Section 4 of the HUD Demonstration Act of 1993 (Pub. L. 103-120, 107 Stat. 1148, 42 U.S.C. 9816 note), as amended. Funding for the FY 2021 Section 4 program was authorized by the Consolidated Appropriations Act, 2021 (Public Law 116-260, approved on December 27, 2020).

## **II. Award Information.**

### **A. Available Funds**

Funding of approximately **\$41,000,000** is available through this NOFO. Additional funds may become available for award under this NOFO, because of HUD's efforts to recapture funds, use carryover funds, or because of the availability of additional appropriated funds. Use of these funds is subject to statutory constraints. All awards are subject to the funding restrictions contained in this NOFO.

### **B. Number of Awards.**

HUD expects to make approximately 3 awards from the funds available under this NOFO.

### **C. Minimum/Maximum Award Information**

Estimated Total Funding:

\$41,000,000

Minimum Award Amount:

\$1,000,000

Per Project Period

Maximum Award Amount:

\$41,000,000

Per Project Period

### **D. Period of Performance**

Estimated Project Start Date:

10/01/2022

Estimated Project End Date:

09/30/2026

Length of Project Periods:

Other

Length of Periods Explanation of Other:

48-month period of performance for project and budget

### **E. Type of Funding Instrument.**

Funding Instrument Type:

G (Grant)

### **III. Eligibility Information.**

#### **A. Eligible Applicants.**

12 (Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education)

25 (Others (see text field entitled "Additional Information on Eligibility" for clarification))

#### **Additional Information on Eligibility**

Eligible applicants must be nonprofit organizations having 501 (c) (3) status with the IRS identified in Section 4 of the HUD Demonstration Act of 1993 (Public Law 103-120, 107 Stat. 1148, 42 U.S.C. 9816 note), as amended, and the FY 2021 Appropriations. Specifically, these three organizations are: Enterprise Community Partners, Inc. (formerly The Enterprise Foundation), the Local Initiatives Support Corporation (LISC), and Habitat for Humanity International. Specifically, the only applicants eligible for this competition are the three organizations located at the following addresses:

- Enterprise Community Partners, Inc. (formerly The Enterprise Foundation), 11000 Broken Land Parkway, Suite 700, Columbia, MD 21044
- Local Initiatives Support Corporation (LISC), 28 Liberty, 33rd Floor, New York, NY 11201 and
- Habitat for Humanity International, 322 W. Lamar, Americus, GA 31709

Affiliates and local offices of these organizations and their community partners are not eligible to compete either directly or independently for Section 4 funds under this notice but may seek funding from the above organizations.

#### **B. Ineligible Applicants.**

By statute there are only 3 applicants eligible for this funding opportunity.

#### **C. Cost Sharing or Matching.**

This Program requires cost sharing or matching as described below.

In accordance with Section 4(c) of the HUD Demonstration Act of 1993, each dollar awarded must be matched by three dollars in cash or in-kind contribution obtained from private sources. The types of documentation accepted by HUD will be determined at the time the organization enters into a grant agreement. All match funds, including in-kind contributions, shall conform to the requirements of 2 CFR 200.29, 2 CFR 200.306 and 2 CFR 200.96. Match funds must clearly be connected to the delivery of the proposed Section 4 program eligible activities or the resulting outputs of those activities.

In addition to the required matching funds, applicants are encouraged to secure leverage from private sector and/or public resources. Leverage funds are calculated over and above any match contributions.

#### **D. Threshold Eligibility Requirements.**

Applicants who fail to meet any of the following threshold eligibility requirements will be deemed ineligible. Applications from ineligible applicants will not be evaluated.

**1. Resolution of Civil Rights Matters.** Outstanding civil rights matters must be resolved before the application deadline. Applicants, who after review are confirmed to have civil rights matters unresolved at the application deadline, will be deemed ineligible. Their applications will receive no further review, will not be rated and ranked, and they will not receive funding.

- a. Applicants having any of the charges, cause determinations, lawsuits, or letters of findings referenced in subparagraphs (1) – (5) that have not been resolved to HUD’s satisfaction before or on the application deadline date are ineligible for funding. Such matters include:
  1. Charges from HUD concerning a systemic violation of the Fair Housing Act or receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex, national origin, disability or familial status;
  2. Status as a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance under 42 U.S.C. 3614(a);
  3. Status as a defendant in any other lawsuit filed or joined by the Department of Justice, or in which the Department of Justice has intervened, or filed an amicus brief or statement of interest, alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Americans with Disabilities Act or a claim under the False Claims Act related to fair housing, non-discrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;
  4. Receipt of a letter of findings identifying systemic non-compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974; or the Americans with Disabilities Act; or
  5. Receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law prohibiting discrimination in housing based on sexual orientation, gender identity, or lawful source of income.
- b. HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline date will resolve the matter. Examples of actions that may be sufficient to resolve the matter include, but are not limited to:
  1. Current compliance with a voluntary compliance agreement signed by all the parties;
  2. Current compliance with a HUD-approved conciliation agreement signed by all the parties;

3. Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;
4. Current compliance with a consent order or consent decree;
5. Current compliance with a final judicial ruling or administrative ruling or decision; or
6. Dismissal of charges.

**2. Timely Submission of Applications.** Applications submitted after the deadline stated within this NOFO that do not meet the requirements of the grace period policy will be marked late. Late applications are ineligible and will not be considered for funding. See Section IV. D. Application Submission Dates and Times.

**3. Eligible Organizations** - Only the three organizations listed in Section III.A of this NOFO are eligible for the Section 4 program. Any other applicants will be identified as ineligible.

#### **E. Statutory and Regulatory Requirements Affecting Eligibility.**

##### **Eligibility Requirements for Applicants of HUD's Grants Programs**

The following requirements affect applicant eligibility. Detailed information on each requirement is posted on [HUD's Funding Opportunities Page](#).

- Active Prime and Sub Recipient registration with SAM.gov
- Outstanding Delinquent Federal Debts
- Debarments and/or Suspensions
- Pre-selection Review of Performance
- Sufficiency of Financial Management System
- False Statements
- Mandatory Disclosure Requirement
- Prohibition Against Lobbying Activities
- Equal Participation of Faith-Based Organizations in HUD Programs and Activities

#### **F. Program-Specific Requirements.**

**Purpose.** Through funding of national intermediaries, the Section 4 program enhances the capacity and ability of community development corporations (CDCs) and community housing development organizations (CHDOs) to carry out affordable housing and community development activities that benefit low- and moderate-income families and persons.

**Eligible Activities and Priorities.** Funds may only be used to conduct the following activities:

**1. Training, education, support, and advice to enhance the technical and administrative capabilities of CDCs and CHDOs.** This may include building the capacity of CDCs and CHDOs to:

- Participate in consolidated planning, fair housing planning and Continuum of Care homeless assistance efforts that help ensure community-wide participation in assessing area needs;
- Navigate the increased housing and community development resources provided by the Federal Government and assist in directing Federal investments to underserved communities;

- Consult broadly within the community;
- Cooperatively plan for the use of available resources in a comprehensive and holistic manner; and
- Assist in evaluating performance under these community planning and coordination efforts and in linking plans with neighboring communities to foster regional planning.

**2. *Pass-through grants, loans, predevelopment assistance, or other financial assistance to CDCs and CHDOs*** to increase their capacity to carry out community development and affordable housing activities that benefit low-income or low- and moderate-income families and persons.

**3. *Such other activities as may be determined by the grantees in consultation with the Secretary or his or her designee.***

At this time, eligible program activities allowed under the third listed eligible activity only include HUD reviewed and approved reasonable administrative tasks directly related to the grantee's management of its Section 4 program. Some examples of reasonable administrative activities specific to the management of the Section 4 program include the preparation of Section 4 action plans and activities, preparation of Section 4 program reports, and management of the implementation of the first and second eligible activities. For any other activities to qualify under the third listed eligible activity it must first be proposed in an action plan, and then reviewed and approved by HUD through the action plan process after a grant award is made; thus, it should not be proposed through this application.

Any Section 4 funded activity that results in the creation of intangible property, including but not limited to the creation of curriculum, trainings, data or research findings is subject to the rules at 2 CFR 200.315. In accordance with 2 CFR 200.315, the Federal awarding agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

**Program Priorities.** Activities undertaken as part of, or as a result of, capacity building efforts described in this section should support the implementation of other HUD programs, including, but not limited to, the Community Development Block Grant Program, HOME Investment Partnerships, Housing Opportunities for Persons With AIDS (HOPWA), and the Continuum of Care program, in addition to issues related to sustainability and comprehensive neighborhood revitalization activities.

In response to the increased level of Federal investments provided for housing and community development purposes in recent years, the FY 2021 Section 4 NOFO identifies the additional priority of building the capacity of CDCs and CHDOs to navigate these new resources and assist in directing program investments to underserved communities. This new priority aims to advance equity by helping ensure that populations that have been systematically denied a full opportunity to participate in aspects of economic, social and civic life are able to benefit today from increased Federal investments in their communities. Section 4 grantees are encouraged to develop new capacity building services that meet advance priority, such as trainings, guidebooks, convenings, and consultations.



Through these activities, grantees are encouraged to align with and support projects that create opportunities for investments focused on job growth, economic recovery, and neighborhood revitalization. Additionally, grantees are encouraged to consider how CDCs and CHDOs may align investments with regional planning for sustainable economic development if such efforts are underway in the jurisdiction.

#### **G. Criteria for Beneficiaries.**

Eligible Beneficiaries are limited to the CDCs and CHDOs specified in Section III.A.

### **IV. Application and Submission Information.**

#### **A. Obtaining an Application Package.**

##### **Instructions for Applicants.**

You must download both the Application Instructions and the Application Package from Grants.gov. You must verify that the Assistance Listing Number and Assistance Listing Description on the first page of the Application Package, and the Funding Opportunity Title and the Funding Opportunity Number match the Program and NOFO to which you are applying.

The Application Package contains the portable document forms (PDFs) available on Grants.gov, such as the SF-424 Family. The Instruction Download contains official copies of the NOFO and forms necessary for a complete application. The Instruction Download may include Microsoft Word, Microsoft Excel and additional documents.

An applicant demonstrating good cause may request a waiver from the requirement for electronic submission, for example, a lack of available Internet access in the geographic area in which your business offices are located. Lack of SAM registration or valid DUNS Number is not good cause. If you cannot submit your application electronically, you must ask in writing for a waiver of the electronic grant submission requirements. HUD will not grant a waiver if HUD does not receive your written mailed, shipped, or emailed request at least 15 calendar days before the application deadline and if you do not demonstrate good cause. If HUD waives the requirement, HUD must receive your paper application before the deadline of this NOFO. To request a waiver, you must contact:

Name:

Adrienne Hawkins

Email:

capacitybuilding@hud.gov

HUD Organization:

CPD

Street:

451 7th Street SW

City:

Washington

State:

DC DISTRICT OF COLUMBIA

Zip:

**B. Content and Form of Application Submission.**

You must verify that boxes 11, 12, and 13 on the SF-424 match the NOFO for which you are applying. If they do not match, you have downloaded the wrong Application Instruction and Application Package.

Submission of an application that is otherwise sufficient, under the wrong Assistance Listing and Funding Opportunity Number is non curable unless otherwise stated in Threshold requirements.

**1. Content.**

Forms/Assurances/Certifications	Submission Requirement	Notes/Description
Application for Federal Assistance (SF424)	Submission is required for all applicants by the application due date.	
Disclosure of Lobbying Activities (SFLLL), if applicable	HUD will provide instructions to grantees on how the form is to be submitted.	If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the applicant shall complete and submit the SF-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Applicants must furnish an executed copy of the Certification Regarding Lobbying prior to award.
HUD Applicant Recipient Disclosure Report (HUD) 2880 Applicant/Recipient Disclosure/Update Report	HUD will provide instructions to grantees on how the form is to be submitted.	HUD instructions to grantees are provided by webcast, To view the webcast, <a href="#">click here</a> .

<b>Forms/Assurances/Certifications</b>	<b>Submission Requirement</b>	<b>Notes/Description</b>
Faith-Based Ensuring Equal Opportunity Survey (SF-424 Supplement)	This form is optional.	
Indirect cost rate documentation.	Documentation is required.	Applicants are required to provide documentation identifying the federally negotiated indirect cost rate from the cognizant agency that shows the approved rate, or provide an attachment that states that the de minimis rate of 10% Modified Total Direct Costs (MTDC) will be used. Refer to Section IV.F Funding Restrictions, Indirect Cost Rate, for full details on this requirement.
Certification of Consistency with Promise Zone Goals and Implementation (Form HUD 50153)	Required for consideration for the Promise Zones Preference Point.	To receive Promise Zones Preference Points, this form must be signed and dated (the date must fall within the NOFO application period) by the Promise Zone Official authorized to certify that the proposed Section 4 project meets the criteria to receive preference points.
Acknowledgment of Application Receipt (HUD2993), if applicable	This form is applicable only to applications submitted on paper, following receipt of a waiver of electronic submission.	This form is not required but is available for applicants who want confirmation that their hard-copy application was received by HUD. The form must be submitted with the application, in accordance with the application submission instructions included in the waiver of electronic submission.
Multi-Year Grant Budget Form (HUD-4130)	Required for review of Factor 3 of this NOFO.	Please refer to the Instructions attached to the form, and within Section V.A, Factor 3, of this NOFO. The Form HUD-4130 must be submitted with the NOFO application

Forms/Assurances/Certifications	Submission Requirement	Notes/Description
		as an attachment and does not count toward the 80-page maximum.
Applicant Assurances and Certification (HUD 424-B)	This form is required.	Required

Additionally, your complete application must include the following narratives and non-form attachments.

A complete written narrative that addresses all the elements in Factors 1 through 5 (Five Factors) in Section V.A. of this NOFO must be submitted. The narrative for the Five Factors will be reviewed as a whole narrative, however applicants are advised to address the specific requirements of each Rating Factor within the narrative section specific to each Rating Factor so that information is not missed during the review process.

Applicants should include a one-page abstract with the application. The abstract should include the following:

Applicant name;  
Name of project;  
Summary of project;  
Total amount requested;  
Total cost share/ match;  
Community Development Corporations, Community Housing Development Organizations, Partners, etc.;  
Project goals, objectives, and targets;  
Preference priorities;  
Geographies; and  
Key personnel.

The page limit does not apply to the abstract. Information contained in the abstract will not be rated.

## 2. Format and Form.

Narratives and other attachments to your application must follow the following format guidelines.

80 Pages maximum length of narratives

Double spaced 12-point (minimum) Times Roman font on letter sized paper (8 1/2 x 11 inches) with at least 1-inch margins on all sides

1. **Page Limitation and Font Size.** The narrative addressing the Five Factors is limited to no more than 80 typed double spaced pages using a Times New Roman standard 12-point font (footnotes and endnotes may be presented in size 10 font). All applicants should

enter the applicant name, DUNS number, and page number on each page of narrative. HUD will not review more than 80 double spaced pages for all Five Factors and NOFO Preference Points combined. The page limit does not include the form HUD-50153 in support of Promise Zones Preference Points, Indirect Cost rate determination, HUD Form 4130 Multi-Year Budget, or any of the other required documents that are provided as attachments.

2. ***Prohibition on Materials Not Required.*** Materials other than what is requested in this NOFO are prohibited. Reviewers will not consider résumés, charts, letters, or any other documents attached to the application that are not specified or requested in this NOFO.
3. ***Checklist for Application Submission.***

The following checklist is provided as a guide to help ensure that applicants submit all the required elements. All forms required for application submission can be found in the application and instruction downloads on [Grants.gov](https://www.grants.gov).

- Application for Federal Assistance (SF-424);
- SF-424B (OMB 0348-0040): Assurances of Non-Construction Programs;
- Faith-Based EEO Survey (SF-424 Supplement, Survey for Ensuring Equal Opportunity for Applicants) (optional);
- Applicant/Recipient Disclosure/Update Report (Form HUD2880);
- Disclosure of Lobbying Activities (SF-LLL) (if applicable);
- Narrative addressing the Five Factors;
- Indirect Cost Rate Documentation;
- Certification of Consistency with Promise Zone Goals and Implementation (Form HUD 50153) (required for Preference Points); and
- Acknowledgment of Application Receipt (form HUD2993) (if applicable).
- HUD Form 4130 Multi-Year Budget

***4. Additional Information on the Section 4 program and Frequently Asked Questions.*** HUD may provide a summary of Frequently Asked Questions. Please check the Section 4 program webpage on the HUD Exchange at <https://www.hudexchange.info/programs/section-4-capacity-building/> for these possible references, for any other related updates, and to learn more about the Section 4 Capacity Building Program.

### **C. System for Award Management (SAM) and Dun and Bradstreet Universal Numbering System (DUNS) Number.**

#### **1. SAM Registration Requirement.**

Applicants must be registered with <https://www.sam.gov/> before submitting their application. Applicants must maintain current information in SAM on immediate and highest-level owner and subsidiaries, as well as on all predecessors that have been awarded a Federal contract or grant within the last three years, if applicable. Information in SAM must be current for all times during which the applicant has an active Federal award or an application or plan under consideration by HUD.

#### **2. DUNS Number Requirement.**

Applicants must provide a valid DUNS number, registered and active at <https://www.sam.gov/> in

the application. DUNS numbers may be obtained for free from Dun & Bradstreet.

### **3. Requirement to Register with Grants.gov.**

Anyone planning to submit applications on behalf of an organization must register at grants.gov and be approved by the E-Biz POC in SAM to submit applications for the organization.

Registration for SAM and grants.gov is a multi-step process and can take four (4) weeks or longer to complete if data issues arise. Applicants without a valid registration cannot apply through grants.gov. Complete registration instructions and guidance are provided on grants.gov.

### **D. Application Submission Dates and Times.**

#### **Application Due Date Explanation**

The application deadline is 11:59:59 PM Eastern Standard time on

06/06/2022

Applications must be received no later than the deadline, or, if HUD has issued you a waiver allowing you to submit your application in paper form, by HUD no later than the deadline.

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit your application in paper form. Instructions for submitting your paper application will be contained in the waiver of electronic submission.

"Received by Grants.gov" means the applicant received a confirmation of receipt and an application tracking number from Grants.gov. Grants.gov then assigns an application tracking number and date-and timestamps each application upon successful receipt by the Grants.gov system. A submission attempt not resulting in confirmation of receipt and an application tracking number is not considered received by Grants.gov.

Applications received by Grants.gov must be validated by Grants.gov to be received by HUD.

"Validated by Grants.gov" means the application has been accepted and was not rejected with errors. You can track the status of your application by logging into Grants.gov, selecting "Applicants" from the top navigation, and selecting "Track my application" from the dropdown list. If the application status is "rejected with errors," you must correct the error(s) and resubmit the application before the 24-hour grace period ends. Applications in "rejected with errors" status after the 24-hour grace period expires will not be received by HUD. Visit Grants.gov for a complete description of processing steps after applying.

HUD strongly recommends you submit your applications at least **48 hours before the deadline** and during regular business hours to allow enough time to correct errors or overcome other problems.

**Grants.gov Customer Support.** Grants.gov provides customer support information on its website at <https://www.grants.gov/web/grants/support.html> . Applicants having difficulty accessing the application and instructions or having technical problems can receive customer support from Grants.gov by calling (800) 518-GRANTS (this is a toll-free number) or by sending an email to [support@grants.gov](mailto:support@grants.gov). The customer support center is open 24 hours a day, seven days per week, except Federal holidays. The phone number above may also be reached by

individuals who are deaf or hard of hearing, or who have speech disabilities, through the Federal Relay Service's teletype service at 800-877-8339.

You can verify the contents of your submitted application to confirm Grants.gov received everything you intended to submit. To verify the contents of your submitted application:

- Log in to Grants.gov.
- Click the Check Application Status link, which appears under the Grant Applications heading in the Applicant Center page. This will take you to the Check Application Status page.
- Enter search criteria and a date range to narrow your search results.
- Click the Search button. To review your search results in Microsoft Excel, click the Export Data button.
- Review the Status column, to view more detailed submission information, click the Details link in the Actions column.
- To download the submitted application, click the Download link in the Actions column.

Please make note of the Grants.gov tracking number as it will be needed by the Grants.gov Help Desk if you seek their assistance.

HUD may extend the application deadline for any program if Grants.gov is offline or not available to applicants for at least 24 hours immediately prior to the deadline date, or the system is down for 24 hours or longer and impacts the ability of applicants to cure a submission deficiency within the grace period.

HUD may also extend the application deadline upon request if there is a presidentially declared disaster in the applicant's area.

If these events occur, HUD will post a notice on its website establishing the new, extended deadline for the affected applicants. HUD will also include the fact of the extension in the program's Notice of Funding Awards required to be published in the Federal Register.

In determining whether to grant a request for an extension based on a presidentially-declared disaster, HUD will consider the totality of the circumstances including the date of an applicant's extension request (how closely it followed the basis for the extension), whether other applicants in the geographic area are similarly affected by the disaster, and how quickly power or services are restored to enable the applicant to submit its application.

**PLEASE NOTE:** Busy servers, slow processing, large file sizes, improper registration or password issues are not valid circumstances to extend the deadline dates or the grace period.

### **1. Amending or Resubmitting an Application.**

Before the submission deadline, you may amend a validated application through Grants.gov by resubmitting a revised application containing the new or changed material. The resubmitted application must be received and validated by Grants.gov by the applicable deadline.

If HUD receives an original and a revised application for a single proposal, HUD will evaluate only the last submission received by Grants.gov before the deadline.

## **2. Grace Period for Grants.gov Submissions.**

If your application is received by Grants.gov before the deadline, but is rejected with errors, you have a grace period of 24 hours after the application deadline to submit a corrected, received, and validated application through Grants.gov. The date and time stamp on the Grants.gov system determines the application receipt time. Any application submitted during the grace period not received and validated by Grants.gov will not be considered for funding. There is no grace period for paper applications.

## **3. Late Applications.**

An application received after the NOFO deadline date that does not meet the Grace Period requirements will be marked late and will not be received by HUD for funding consideration. Improper or expired registration and password issues are not causes that allow HUD to accept applications after the deadline.

## **4. Corrections to Deficient Applications.**

HUD will not consider information from applicants after the application deadline.

HUD will uniformly notify applicants of each curable deficiency. See curable deficiency in the definitions section (Section I.A.3). Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to submit required certifications. These examples are non-exhaustive.

When HUD identifies a curable deficiency, HUD will notify the authorized organization representative identified on the SF 424 Application for Federal Assistance via email. This email is the official notification of a curable deficiency.

Applicants must email corrections of curable deficiencies to [applicationsupport@hud.gov](mailto:applicationsupport@hud.gov) within the time limits specified in the notification. The time allowed to correct deficiencies will be no less than 48 hours and no more than 14 calendar days from the date of the email notification. The start of the cure period will be the date stamp on the email sent from HUD. If the deficiency cure deadline date falls on a Saturday, Sunday, Federal holiday, or on a day when HUD's Headquarters are closed, then the applicant's correction must be received on the next business day HUD Headquarters offices in Washington, DC are open.

The subject line of the email sent to [applicationsupport@hud.gov](mailto:applicationsupport@hud.gov) must state: Technical Cure and include the Grants.gov application tracking number or the GrantSolutions application number (e.g., Subject: Technical Cure - GRANT123456 or Technical Cure - XXXXXXXXXXXX). If this information is not included, HUD cannot match the response with the application under review and the application may be rejected due to the deficiency.

Corrections to a paper application must be sent in accordance with and to the address indicated in the notification of deficiency. HUD will treat a paper application submitted in accordance with a waiver of electronic application containing the wrong DUNS number as having a curable deficiency. Failure to correct the deficiency and meet the requirement to have a DUNS number and active registration in SAM will render the application ineligible for funding.



**5. Authoritative Versions of HUD NOFOs.** The version of these NOFOs as posted on Grants.gov are the official documents HUD uses to solicit applications.

**6. Exemptions.** Parties that believe the requirements of the NOFO would impose a substantial burden on the exercise of their religion should seek an exemption under the Religious Freedom Restoration Act (RFRA).

#### **E. Intergovernmental Review.**

This program is not subject to Executive Order 12372, Intergovernmental Review of Federal Programs.

#### **F. Funding Restrictions.**

##### **Prohibition on Fees or Profit.**

No fee or profit may be paid to any recipient or subrecipient of an award under this Section 4 NOFO.

**Contractor and Subrecipient Rate Determination:** Prior to beginning work on an activity, the grantee must have a contract with any hired contractors and subrecipients. In addition to the requirements laid out in 2 CFR 200.331, the contract with any contractor or subrecipient must clearly state the work expected to be performed, the expected performance outputs (deliverables) from that work, the period of performance for the contract, the expected number of hours of work, and the hourly rate of pay to be applied. The contract must establish if the hourly rate of pay is a “fully-loaded” or “unloaded” rate. “Fully-loaded” rates are rates that include the wage rate, fringe benefits, and overhead for the contractor or subrecipient as clearly stated in the contract, while “unloaded” rates only include the hourly wage rate.

**High Rate Contractors and Consultants.** Section 4 program funds may not be used, directly or indirectly, to pay or provide reimbursement for payment of the salary of a contractor or subrecipient at more than the “unloaded” hourly equivalent of the rate paid for the OPM General Schedule Grade 15, Step 10 (based on the locality of the consultant, contractor, or subrecipient’s primary work address) without prior written approval from HUD. For more information on OPM’s General Schedule, please see the Office of Personnel Management (OPM) website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salarytables/pdf/2020/DCB.pdf>.

Additionally, Section 4 program funds may not be used, directly or indirectly, to pay or provide reimbursement for payment of the salary of a contractor or subrecipient at more than the “loaded” rate of \$150 an hour without prior written approval from HUD. If the grantee believes there is sufficient need or cause for hiring a contractor or subrecipient at a high rate, it may submit a request to HUD and a written justification for review and consideration, and it must receive HUD’s approval prior to commencing services with the high rate contractor, consultant, or subrecipient. In all cases, the grantee must receive approval from HUD before commencing any Section 4 program work with a high rate contractor or subrecipient.

##### **Indirect Cost Rate.**

Normal indirect cost rules under 2 CFR part 200, subpart E apply. If you intend to charge indirect costs to your award, your application must clearly state the rate and distribution base you intend to use. If you have a Federally negotiated indirect cost rate, your application must also include a letter or other documentation from the cognizant agency showing the approved rate. Successful applicants whose rate changes after the application deadline must submit new rate and documentation.

## **G. Other Submission Requirements.**

### **1. Application, Assurances and Certifications.**

Standard Form 424 (SF-424) Application for Federal Assistance Programs is the government-wide form required to apply for Application for Federal Assistance Programs, discretionary Federal grants and other forms of financial assistance programs. Applicants for this Federal assistance program must submit all required forms in the SF-424 Family of forms, including SF-424B (Assurances of Non construction Programs) or SF424D (Assurances for Construction Programs). Applications receiving funds for both non-construction programs and construction programs must submit both the SF-424B and SF-424D.

By signing the forms in the SF-424 either through electronic submission or in paper copy submission (for those granted a waiver), the applicant and the signing authorized organization representative affirm that they have reviewed the certifications and assurances associated with the application for Federal assistance and (1) are aware the submission of the SF-424 is an assertion that the relevant certifications and assurances are established and (2) acknowledge that the truthfulness of the certifications and assurances are material representations upon which HUD will rely when making an award to the applicant. If it is later determined the signing authorized organization representative to the application made a false certification or assurance, caused the submission of a false certification or assurance, or did not have the authority to make a legally binding commitment for the applicant, the applicant and the individual who signed the application may be subject to administrative, civil, or criminal action. Additionally, HUD may terminate the award to the applicant organization or pursue other available remedies. Each applicant is responsible for including the correct certifications and assurances with its application submission, including those applicable to all applicants, those applicable only to Federally recognized Indian tribes, or Alaska native villages and those applicable to applicants other than federally recognized Indian tribes or Alaska native villages.

**Assurances.** By submitting your application, you provide assurances that, if selected to receive an award, you will comply with U.S. statutory and public policy requirements, including, but not limited to civil rights requirements. Applicants and recipients are required to submit assurances of compliance with federal civil rights requirements. *See, e.g.,* Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments Act of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975; *see also* 24 C.F.R. §§ 1.5; 3.115; 8.50; and 146.25. HUD accepts these assurances in the form of the SF-424B and SF-424D, which also require compliance with all general federal nondiscrimination requirements in the administration of the grant.

## V. Application Review Information.

### A. Review Criteria.

#### 1. Rating Factors.

The maximum number of points awarded for a Section 4 program application is 102, which includes a maximum of 100 points for Rating Factors 1 through 5 (Five Factors) and a maximum of two points for Promise Zones Preference Points. The minimum score for an application to be considered for funding is 75, excluding Preference Points. Applicants are only eligible to receive Preference Points if they received a rating score of 75 or more for the Five Factors. Only two Preference Points will be awarded for working with communities that have acquired Promise Zones status, as described in Section V.A of this NOFO.

Points are assigned based on an applicant's narrative responding to the Five Factors. The narrative must present the activities that will be carried out with Section 4 funds during the four-year term of the FY 2021 grant agreement. Submissions should provide recent (within the last five years) and relevant (relative to the proposed activities to be carried out with this award) examples to support the proposal, where appropriate. Submissions should also be as specific as possible when describing the communities, populations, and organizations they propose to serve, and the specific outcomes expected as a result of the activities.

#### Section 4 Points by Rating Factors

<b>Factor 1: Capacity of Applicant and Relevant Organizational Experience</b>	<b>4</b>
<b>Factor 2: Need/Extent of the Problem</b>	
<i>Needs of community/CDCs/CHDOs</i>	10
<i>Data Quality</i>	3
<b>Total for Factor 2</b>	<b>13</b>
<b>Factor 3: Soundness of approach</b>	
<i>Description of Activities</i>	16
<i>Plan to Conduct Activities</i>	25
<i>Rural Geographic Coverage</i>	4
<i>Section 3 Compliance</i>	1
<b>Total for Factor 3</b>	<b>46</b>
<b>Factor 4: Leverage</b>	10
<b>Factor 5: Achieving Results and Program Evaluation</b>	27

<b>Subtotal</b>	<b>100</b>
Preference Points	2
<b>Total Points</b>	<b>102</b>

**Rating Factor 1: Capacity of Applicant and Relevant Organizational Experience**

**Maximum Points: 4**

Applicants must describe the capacity of the applicant and its organizational experience relevant to the Section 4 Capacity Building program. Applicants should list position summaries of key principal staff that will manage the Section 4 Capacity Building program and funds, and of any persons and organizations firmly committed to the management of program delivery and applicable activities, including key contractors or subrecipients, if applicable. Other than names and position titles, please do not use any Personally Identifiable Information (PII). See the definition of PII at 2 CFR 200.1.

To assess this factor, HUD will consider the extent to which the application demonstrates that the organization has sufficient management and financial capacity and experience in the form of:

1. Knowledgeable organizational, management, and financial staff skilled in managing large federal grants;
2. Knowledgeable staff, or the ability to procure qualified experts or professionals, with the knowledge, skills, and abilities to manage the delivery and scale of the proposed Section 4 eligible activities in the proposed service areas in a timely and effective manner;
3. Experience in conducting Section 4 eligible capacity building activities to CDCs and CHDOs in both urban and rural settings; and
4. Experience targeting capacity building activities and other housing and community development activities toward underserved communities; and
5. Experience working with and knowledge of other Federal housing and community development programs at HUD and at other agencies.

**Rating Factor 2: Need/Extent of the Problem**

**Maximum Points: 13**

Applicants must describe their understanding of the capacity building needs of CDCs and CHDOs in the specific geographies where they plan to use Section 4 Capacity Building program funds, including both rural and urban areas. The narrative must explain the nature and extent of the need in relation to the eligible activities and priorities identified in Section III.F. of this NOFO, and must support the description of the needs with credible, reliable, and quantitative information.

To assess this factor, HUD will consider the extent to which the application demonstrates that the organization has sufficient knowledge and understanding of the needs of CDC and CHDOS by its explanation of:

1. ***Need for Capacity Building (10 points).*** Specifically, this sub-factor will be assessed on the applicant's identification and explanation of:

- *The Needs of the Communities to Be Served:* Describe the general socioeconomic needs (which may include housing, economic, health, accessibility, education, infrastructure, etc.) of cities, towns, communities, families, and individuals in the areas the applicant proposes to serve, as well as the fair housing needs of the communities to be served in relation to the eligible activities and priorities identified in Section III.F, as well as the fair housing needs of the communities to be served in terms of protected classes (e.g. race, national origin, disability, etc.). Applicant may also discuss the needs of communities based on geography, such as differences between rural and urban communities and other geographic factors.
- *The Needs of CDCs and CHDOs:* Explain the specific capacity building needs of CDCs and CHDOs, as related to their ability to successfully address the identified general community needs.

**2. Data Quality (3 points).** The explanation of community needs and CDC and CHDO needs must be supported by objective information and/or data. Some examples of quality sources include, but are not limited to, the most recent Census, recent (within 5 years) American Housing Surveys, local or state Consolidated Plans, HUD program reports available through the HUD Exchange or HUD USER websites, or other demonstrably relevant, recent, and reliable data sources. For the purposes of demonstrating the specific needs of CDCs and CHDOs, applicants may also use data collected through the organization's own valid, recent, reliable, and replicable means of collection. If an applicant uses its own created data source, it must provide a brief explanation of the research methods used for the data collection and analysis.

### **Rating Factor 3: Soundness of Approach**

**Maximum Points: 46**

Applicants will be evaluated on the overall quality of the proposed approach to build the capacity of CDCs and CHDOs based on the needs identified in Factor 2. HUD will consider the connection between the specific identified capacity building need, the priorities and eligible activities of this program, the applicant's proposed activities, and the cost-effectiveness of those proposed activities. Applicants must present their proposed plan for building the capacity of CDCs and CHDOs based on the needs identified in Factor 2.

Applicants should include activities and implementation process plans that address the new priority area introduced in the FY 2021 NOFO on building capacity among CDCs and CHDOs to navigate the increased Federal housing and community development resources and helping direct those resources toward underserved communities. In particular, applicants should describe how their approach will advance equity in underserved communities.

To assess this factor, HUD will consider the extent to which the application proposes a sound approach to building the capacity of CDCs and CHDOs. Specifically, the applicant's narrative must address the following sub-factors:

**1. Description of Activities (16 points):** Applicants must describe the eligible activities they propose to conduct to address the capacity building needs of CDCs and CHDOs as identified under Rating Factor 2. The application must clearly describe:

*a. Strategic Plan* - Explain the strategic vision and plan for the proposed Section 4 Capacity Building program. Applicants must specifically identify the response in the narrative as the strategic plan for its Section 4 program, so HUD can clearly delineate this statement.

*b. Proposed Activities* - The applicant must explain its approach to capacity building by stating its proposed eligible activities (defined in Section III.F. of this NOFO) and how those activities are feasible and meet the capacity building needs of CDCs and CHDOs. Be sure to identify how the proposed activities will be implemented; for example, if the applicant proposes to conduct a series of trainings, indicate if the training will be done in person or virtually, as well as if it will be recorded for later distribution. Applicants should also identify and explain the extent to which they have coordinated or plan to coordinate (e.g., through memorandum of agreement or letters of participation) with other known partners, contractors, or subrecipients to directly lead any of the proposed work activities.

*c. Rationale and Effectiveness of Approach* - The applicant must describe how it determined that the proposed activities will be cost-effective and how the activities will enable the CDC and CHDO beneficiaries to carry out specific housing and community development activities. To receive full credit, the applicant must convincingly explain why the proposed activities were selected for the FY 2021 Section 4 program and why they represent the best approach to meet the identified CDC and CHDO needs. The applicant should describe whether their proposed approach and activities differ from prior years, how the proposal is responsive to performance metrics or evaluations of prior year Section 4 efforts, and how their proposal addresses any recent changes in the needs of CDCs, CHDOs, or the communities they serve.

## **2. Implementation Process Plan to Conduct Activities (25 points):**

Applicants must describe a plan for how they will design, organize, implement, and manage the proposed capacity building activities, including how they will operate under the requirements of the Section 4 Capacity Building program. To assess this factor, HUD will evaluate the extent to which the applicant presents and supports a detailed and well-planned approach for conducting eligible program activities that address the capacity building needs of CDCs and CHDOs, as identified in Rating Factor 2.

To receive full credit, the applicant must explain how it will implement and manage the proposed activities by describing:

*a. Implementation Process* - Describe how the applicant will implement and manage the proposed activities with the grant award. To receive full credit the applicant must address:

- *Method and Process for Activity Delivery*: What is the method and process that will be used to implement the proposed activities, including an explanation for how it will determine where to direct Section 4 grant funds? For example, if the applicant proposes to run an internal Request for Proposal (RFP) process to select beneficiaries, then a summary of that plan and how it is connected to the proposed time frame should be provided.
- *Proposed Beneficiaries*: How will eligible beneficiaries (CDCs and CHDOs) be identified and selected? If the applicant already knows the eligible beneficiaries they

will serve, identify them specifically by name and geographic location in the form of a list. Applicant should explain how its criteria for selecting CDCs and CHDOs will enable it to target communities of the greatest need, with attention to reaching underserved communities. The applicant may also discuss why its proposed activities are best suited for the CDCs and CHDOs representing the targeted communities.

- *Geographic Area Determinations:* Explain how the applicant will determine the geographic locations where program funds will be used based on the identified needs in Factor 2. Include the process and factors that will be considered to select geographies. While it is not required that the applicant identifies precise locations at the time of the application, if the applicant has already determined the geographic areas where it will work, then it must indicate them in the narrative, and explain how and why they were selected. Applicants may also provide broad geographic areas that it proposes to target, if areas have not already been pre-selected.

*b. Budget:* Provide a four-year budget using HUD Form-4130 that shows the individual costs of managing and delivering the proposed FY 2021 Section 4 grant program, following the instructions on the form. On the budget form, applicants should specifically address the following areas, as applicable, for each year of the program:

- *Applicant Organization Administration Costs:* Applicants must list applicable grant management administration costs related to Personnel (Direct Labor); Fringe Benefits; Travel (just for grant management administration); Equipment (only items > \$5,000 depreciated value); Supplies (only items < \$5,000 depreciated value); Contractors and Consultants for Administration; and Indirect Costs related to Administration.
- *Eligible Activities to Eligible Beneficiaries:* Applicants must list applicable activity delivery costs related to the provision of the first and second eligible activities in Section III.F of this NOFO (training, financial assistance, etc.). Applicants must provide a breakdown of the costs expected to be associated with each eligible activity. This should cover the direct labor costs from the applicant's staff; fringe benefits; travel; contractors and consultants specific to the execution of the activity, to include subrecipients and the estimated or known hourly rate; financial assistance to beneficiaries (as applicable); equipment (only items > \$5,000 depreciated value for each activity delivery); supplies (only items < \$5,000 depreciated value for each activity delivery); and indirect costs.
- *Match:* Section 4 program applicants must apply their expected match amounts to the budget in relation to each activity. Applicants should put any other funding sources they intend to pursue, in their budget as "Other Funding Sources."
- *Grand Totals:* The HUD funding total must equal the requested amount.

*c. Budget Narrative -* The budget narrative must go beyond the detailed budget to explain the assumptions used to develop each budget line item and clearly connect the budget line items to the proposed program design and the individual activity costs. To receive full credit, all items listed on the budget form must be discussed. To the extent possible, projected cost estimates from outside sources, including match and other funding sources, should be included in the budget and narrative

*d. Schedule* - Provide a schedule and description that shows how the plan and the proposed activities are expected to be completed each year of the four-year grant period. The distribution of work explained in the schedule must be consistent with the year-to-year budget provided in this application.

As a reminder, the schedule and the budget narrative are included in the 80-page limit for the written application narrative.

**3. Rural Geographic Coverage (4 points):** Applicants must identify the method and criteria they will use to select rural geographic areas where they expect to focus their proposed FY 2021 Section 4 Capacity Building rural program activities. If the exact rural locations are known, the applicant must describe how they reviewed and selected these areas for their proposed FY 2021 Section 4 program.

To receive full credit for this sub-factor, the narrative must include:

- A description of how the applicant will determine the rural areas it will serve, and an explanation of how the selection process aligns with the rural needs discussed in Factor 2; or
- A list of the rural areas the applicant will serve, if they are already known, with an explanation of the selection process and how it aligns with the rural needs discussed in Factor 2.

**4. Compliance with Section 3 (1 point):** While the Section 4 program is a capacity building program that builds the capacity of CDCs and CHDOs, applicants must describe how they will comply with Section 3 of the Housing and Urban Development Act, and HUD's implementing rules at 24 CFR Part 75 (Section 3 Rule). The Section 3 Rule provides employment and training opportunities for low- and very low-income persons, as well as contracting and other economic opportunities for businesses that provide economic opportunities to low- and very low-income persons, if the applicant's proposed activities will directly result in construction or rehabilitation of housing or other public construction. Applicants should also describe how they will build the capacity of Section 4 beneficiaries to comply with Section 3 requirements when and if they work on Section 3 projects.

**Rating Factor 4: Match Requirement and Leveraging Resources**

**Maximum Points: 10**

To assess this factor, HUD will evaluate the applicant's ability to secure leverage from public and/or private sector resources other than Section 4 funding to perform eligible activities and to sustain the applicant's proposed Section 4 Capacity Building program. HUD will evaluate how the applicant will acquire and apply private match dollars to meet the 3:1 statutory requirement. Applicants must keep in mind that leveraged resources are considered additional resources above and beyond the Section 4 program's statutorily required 3:1 match requirement and cannot be counted towards the statutory match requirement.

The following sub-factors will be assessed:

**1. Leverage Ratio (3 points):** Applicants that demonstrate an expected leverage ratio of at least ten-to-one shall be awarded three points. Applicants demonstrating a lesser ratio shall be



awarded the points proportionate to their documented leverage. To demonstrate the applicant's ability to leverage for this NOFO, applicants should include their actual results in leveraging Section 4 Capacity Building assisted projects in Federal FY 2020 (October 1, 2019 - September 30, 2020).

**2. Match Sources (3 points):** Describe the process for how match sources will be considered, explored, and pursued for the FY 2021 grant award.

**3. Use of Match Funds (4 points):** Explain how the applicant and beneficiaries will use the match funding to support their proposed Section 4 Capacity Building program activities and build the capacity of CDCs and CHDOs.

**Rating Factor 5: Achieving Results and Program Evaluation**

**Maximum Points: 27**

This factor addresses how the applicant proposes to achieve results and conduct program evaluation, and it reflects HUD's goal to embrace high standards of ethics, performance management, and accountability for its grants programs.

The applicant shall provide an effective plan to evaluate and measure the performance of its proposed Section 4 Capacity Building program activities. The applicant must identify specific performance outputs and outcomes that show the improved capacity of CDCs and CHDOs. Applicants are expected to consistently identify and maintain the distinction between outputs and outcomes as defined in this NOFO. Organizations awarded Section 4 funds will be held accountable not only for producing the stated outputs from this application, but also for achieving positive outcomes for eligible beneficiaries who increase their organizational capacity to serve their communities.

To assess this factor, HUD will consider the extent to which the applicant's performance plan is reasonable, consistent with the activities proposed in Factor 3, and demonstrates expected improved organizational development of eligible beneficiaries.

**1. Performance Plan with Expected Performance Outputs and Outcomes (8 points):** The applicant must provide a description of the applicant's performance plan. To receive full credit the performance plan must include the following:

- a. The overarching Section 4 program performance goals;
- b. Specific planned outputs with numeric goals;
- c. Specific planned outcomes, with numeric goals; and
- d. A timeline for the achievement of performance outputs and outcomes.

Planned outputs and outcomes may be taken from the list of examples below, or applicants may propose other quantifiable output or outcome measures that apply to the activities proposed in Factor 3. The performance plan must clearly demonstrate how eligible beneficiaries' improved skills, technical capabilities, and ability to undertake community development and affordable housing activities will be identified and measured.

Possible Outputs from the Implementation of Section 4 Activities (not an exhaustive list)

- General Outputs for all Activities:
  - Number of individuals served
  - Number of CDCs/CHDOs, Tribes, and local governments served
  - Number of organizations served (used in rare occasions like at an open training at a conference)
  - Number of HUD Regions served
  - Number of states served
- Eligible Activity 1: Training and Education Output Possibilities
  - Number of engagements/trainings offered
  - Number of web-based engagements/trainings offered
  - Number of in-person engagements/trainings
  - Number of attendees at each engagement/training offered
  - Number of peer-to-peer learning events
  - Number of attendees at each peer-to-peer learning event
  - Number of publications created
  - Number of curricula developed
- Eligible Activity 2: Financial Assistance Output Possibilities:
  - Number of individuals receiving financial assistance to attend training
  - Dollar amount of financial assistance provided to individuals to attend training
  - Number of grants awarded
  - Dollar amount of grants awarded
  - Number of grant applications received
  - Number of loans made
    - Dollar amount of loans made
    - Number of loan applications received
  - Number of other financial assistance activities
    - Dollar amount invested in other financial activities
    - Number of paid jobs created within the beneficiary organization(s).

Possible Outcomes for Eligible Beneficiaries that Result from Receiving Section 4 Funding (not an exhaustive list)

- Number of new CDCs or CHDOs created
- Number of organizations newly accessing or expanding Federal funding
- Dollar amount of new or expanded Federal funding received
- Number of participants earning or renewing a licensure or certification in a discipline directly related to the management and work of the beneficiary organization
- Number of community development projects supported
  - Dollar amount invested into community development projects
  - Number of community programs supported

- Dollar amount invested into community programs
  - Number of new community programs and/ or partnerships developed
- Jobs
  - Number of jobs created from the beneficiary's work
- Housing
  - Number of housing units in the development process by the beneficiary
  - Number of new housing units created by the beneficiary
  - Number of housing units preserved, repaired, or rehabilitated by the beneficiary
- Business
  - Number of businesses assisted by the beneficiary
  - Number of businesses created through the beneficiary's work

**2. Performance Evaluation Plans (5 points):** This sub-factor of the performance plan will be assessed on the extent to which the applicant clearly describes how it will evaluate the effectiveness of the organization's Section 4 Capacity Building program. The plan must include two types of evaluation:

*a. Internal Evaluation of the Applicant's Management of the Section 4 Capacity Building Program:* Describe how the applicant will assess its own internal operations = for managing the Section 4 Capacity Building program grant award.

*b. Evaluation of Section 4 Program Effectiveness and Delivery:* Describe how the applicant will evaluate the effectiveness of the proposed program and the eligible activities presented in Factor 3 within the award's period of performance.

**3. Past Performance (14 points):** In rating this sub-factor, HUD will assess the applicant's past performance in administering other HUD Section 4 Capacity Building grants, including meeting all match requirements. In rating this sub-factor, HUD will also evaluate the timely commitment and disbursement of Section 4 Capacity Building program grant funds, to include the completion of the FY 2016 grant award, the return of any unspent FY 2016 funds or the extension of a FY 2016 grant award.

*a. Program Outcomes and Outputs Achieved.* HUD will evaluate the extent to which the applicant demonstrated successful program performance within the last five years. Grant performance should have been timely, cost-effective, and resulted in positive outcomes for CDCs and CHDOs to improve their ability to provide affordable housing and community development. Using information available from the previous five Section 4 Capacity Building grant awards, describe how Section 4 Capacity Building program activities contributed to, or resulted in, the achievement of program outcomes using the list of quantifiable measures listed under element 1 of Factor 5 of this NOFO. Applicants should include, as applicable, increases and improvements in affordable housing and community development program accomplishments as a result of building the capacity of CDCs and CHDOs.

*b. Past Administrative Performance.* HUD will evaluate the applicant's response to the following elements within this sub-factor:

- **Section 4 Program Grant and Organizational Management:** HUD will evaluate the extent to which the applicant has demonstrated effective, sound, and responsible grant management of previous Section 4 grant awards. HUD will consider the past performance of current Section 4 Capacity Building grantees that includes, but is not limited to, financial, monitoring, and other information in HUD's files, and the applicant's past performance in meeting all match requirements.
- **Timely Expenditure and Disbursement of Section 4 Grant Funds.** Applicants will describe the timeliness of expenditure and disbursement of Section 4 Capacity Building program funds for the FY 2016 through FY 2020 grant awards, using information that is collected from LOCCS no later than 30 days before the published due date of the FY 2021 Section 4 NOFO. The description must include the following information for each of the Section 4 Capacity Building program grants awarded for the Fiscal Years 2016-2020 awards:
  - The amount of the applicant's Section 4 Capacity Building program grant awards from HUD for each of the previous five fiscal years;
  - The amount and percentage of the Section 4 Capacity Building program funds committed to eligible activities as evidenced by a HUD-approved work plan for each grant award;
  - The amount and percentage of Section 4 Capacity Building program funds disbursed, *as indicated in LOCCs no later than 30 days before the published due date of this FY 2021 Section 4 NOFO*, for each of the previous five fiscal year grant awards; and
  - The balance of funds remaining undisbursed for each of the applicant's Section 4 Capacity Building program's previous five fiscal year grant awards

It is expected that the applicant with previous awards will have spent a portion of all the open grant awards, using the benchmark expectation of 25 percent of an award expended after each year of each award. To determine this rate, HUD will calculate the ratio of the amount of Section 4 Capacity Building program grant awarded each year to the amount of Section 4 Capacity Building program grant funds committed and disbursed.

Maximum points will be assigned using the following schema:

<b>Grant Year</b>	<b>Percent of funds expected to be drawdown from LOCCs</b>
<i>FY 2016</i>	99-100%
<i>FY 2017</i>	Greater than 75%
<i>FY 2018</i>	Greater than 50%
<i>FY 2019</i>	Greater than 25%

## **2. Other Factors.**

### **Section 3.**

In accordance with HUD's Section 3 regulations at 24 CFR 75.7, your application will receive up to 1 points based the quality of Section 3 plans.\*

\* The inclusion of points or bonus points will be determined “as appropriate for the specific NOFO.” HUD anticipates that program offices/areas will include scoring for Section 3 plans where relevant and exclude Section 3 scoring where the nature of the grant being awarded is incompatible with Section 3 endeavors. If points or bonus points are included, the applicable program office/area will be responsible for determining how the “quality of Section 3 plans” will be evaluated.

### **Preference Points**

HUD encourages activities in support of the Secretary's Initiatives. HUD may award no more than two (2) points for any of the three (3) preferences (OZ, PZ or HBCU). Each preference is worth two points and only one preference can apply to any situation, meaning that applicants will ONLY be awarded 2 points for being within an OZ, PZ or involving HBCUs.

### **Opportunity Zones.**

This program does not offer Opportunity Zone preference points.

### **HBCU.**

This program does not offer HBCU preference points.

### **Promise Zones**

HUD encourages activities in Promise Zones (PZ). To receive Promise Zones Preference Points, applicants must submit form HUD-50153, “Certification of Consistency with Promise Zone Goals and Implementation,” signed by the Promise Zone Official authorized to certify the project meets the criteria to receive preference points. To view the list of designated Promise Zones and persons authorized to certify, please see the [Promise Zone](#) pages on HUD’s website.

## **B. Review and Selection Process.**

### **1. Past Performance**

In evaluating applications for funding, HUD will consider an applicant’s past performance in managing funds. Items HUD will consider include, but are not limited to:

The ability to account for funds in compliance with applicable reporting and recordkeeping requirements;

Timely use of funds received from HUD;

Timely submission and quality of reports submitted to HUD;

Meeting program requirements;

Meeting performance targets as established in the grant agreement;

The applicant's organizational capacity, including staffing structures and capabilities;

Timely completion of activities and receipt and expenditure of promised matching or leveraged funds;

- Timely set up in DRGR and obligation of all funds in a HUD approved action plan.
- The nature of and resolution of any Monitoring findings; and
- The nature of and resolution of any publicly available audit findings.

HUD may reduce scores based on the past performance review, as specified under V.A. Review Criteria. Whenever possible, HUD will obtain past performance information. If this review results in an adverse finding related to integrity of performance, HUD reserves the right to take any of the remedies provided in Section III E., Statutory and Regulatory Requirements Affecting Eligibility, "Pre-selection Review of Performance" document link above.

## **2. Assessing Applicant Risk.**

In evaluating risks posed by applicants, HUD may use a risk-based approach and may consider any items such as the following:

- Financial stability;
- Quality of management systems and ability to meet the management standards prescribed in this part;
- History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, failing to make significant progress in a timely manner, failing to meet planned activities in a timely manner, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
- Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and
- The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

HUD evaluates the integrity of the applicant as reflected in government-wide websites, information in HUD's files, the federal Do Not Pay portal, public information and information received during HUD's Name Check Review process and incorporates the risk assessment criteria laid out in 2 CFR 200.206. If this integrity evaluation results in an adverse finding, HUD reserves the right to take any of the remedies provided in 2 CFR 200.206 and HUD reserves the right to impose specific grant conditions in accordance with 2 CFR 200.208

1. **Review Types.** Two types of reviews will be conducted. First, HUD will review each application to determine whether it meets threshold eligibility requirements. If an application does not meet threshold eligibility requirements, HUD will not assess the application with respect to the Five Factors for award. Second, HUD will review and assign scores to eligible applications using the Five Factors for Award noted under Criteria, Section V.A.
2. **Threshold Eligibility Requirements.** All applicants must be in compliance with the threshold requirements found in this NOFO and the eligibility requirements listed in Section III of this NOFO in order to be reviewed, scored, and ranked. Applications that

do not meet these requirements and applications that were received after the deadline (see Section IV.D of this NOFO) will be considered ineligible for funding.

3. **Rating.** HUD will rate all eligible applications that meet the Threshold Requirements against the criteria in Rating Factors 1 through 5 and assign a rating score. The maximum total rating score for the five Rating Factors is 100 points. An applicant can receive Preference Points if it scores a minimum of 75 points for the five Rating Factors. An applicant can receive a possible total of 102 points which includes Rating Factors 1 through 5 and possible Preference Points.
4. **Minimum Rating Score.** Applicants must receive a total rating score of 75 points or more for Rating Factors 1 through 5 (without the addition of the Preference Points) to be eligible for funding. HUD will reject any application that does not meet the minimum rating score requirements.
5. **Ranked Order.** After adding any Preference Points, HUD will place eligible applications that meet the minimum rating score requirements in ranked order. Applicants scoring 75 or more points will be considered for funding in ranked order up to the amount requested, or in a lesser amount if sufficient funds are not available. Meeting the minimum score of 75 points does not guarantee a funding award will be made. HUD reserves the right to adjust funding to meet urgent policy priorities.
6. **Grant Award Adjustments.** Successful applicants selected to receive a grant award that is less than they applied for are required to participate in the negotiation process to create an updated program budget and plan reflecting the actual award offer. In cases where HUD cannot successfully conclude negotiations on an updated program budget and plan, or if the selected applicant fails to provide HUD with requested information as part of the negotiation process in the required time frame, an award will not be made to that applicant. In such an instance, HUD may offer an award to and negotiate with another applicant.

## **VI. Award Administration Information.**

### **A. Award Notices.**

Following the evaluation process, HUD will notify successful applicants of their selection for funding. HUD will also notify other applicants, whose applications were received by the deadline, but have not been chosen for award. Notifications will be sent by email to the person listed as the AOR in item 21 of the SF424.

**Negotiation.** After HUD has made selections, HUD will negotiate specific terms of the funding agreement and budget with selected applicants. If HUD and a selected applicant do not successfully conclude negotiations in a timely manner, or a selected applicant fails to provide requested information, an award will not be made to that applicant. In this case, HUD may select another eligible applicant.

HUD may impose special conditions on an award as provided under 2 CFR 200.208:

- Based on HUD's review of the applicant's risk under 2 CFR 200.206;
- When the applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;

- When the applicant or recipient fails to meet expected performance goals contained in a Federal award; or
- When the applicant or recipient is not otherwise responsible.

**Adjustments to Funding.** To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met, HUD reserves the right to fund less than the amount requested in an application.

a. HUD will fund no portion of an application that:

- (1) Is not eligible for funding under applicable statutory or regulatory requirements;
- (2) Does not meet the requirements of this notice; or
- (3) Duplicates other funded programs or activities from prior year awards or other selected applicants.

b. If funds are available after funding the highest-ranking application, HUD may fund all or part of another eligible fundable application. If an applicant turns down an award offer, or if HUD and an applicant do not successfully complete grant negotiations, HUD may withdraw the award offer and make an offer of funding to another eligible application.

c. If funds remain after all selections have been made, remaining funds may be made available within the current FY for other competitions within the program area, or be held for future competitions, or be used as otherwise provided by authorizing statute or appropriation.

d. If, after announcement of awards made under the current NOFO, additional funds become available either through the current appropriations, a supplemental appropriation, other appropriations or recapture of funds, HUD may use the additional funds to provide additional funding to an applicant awarded less than the requested amount of funds to make the full award, and/or to fund additional applicants that were eligible to receive an award but for which there were no funds available.

**Funding Errors.** If HUD commits an error that when corrected would cause selection of an applicant during the funding round of a Program NOFO, HUD may select that applicant for funding, subject to the availability of funds. If funding is not available to award in the current fiscal year, HUD may make an award to this applicant during the next fiscal year, if funding is available then.

HUD will send written notifications to both successful and unsuccessful applicants. Notifications will be sent by email to the person listed as the Authorized Representative in item 21 of the SF-424.

A notification sent to a successful applicant is not an authorization to begin performance or to incur costs. Successful applicants will receive notification of the preliminary award decision and must submit a revised budget and plan for any amount offered that is less than original request, and they must engage in negotiations with HUD to receive final approval. Once negotiations are completed in a timely manner (according to the deadlines set in the award notification) and an updated budget and plan is approved, HUD will send the successful applicant a signed grant agreement package to be signed and returned.



Once the grant agreement is signed, the grantee must submit to HUD an action plan with specific activities and budgets for each initiative it proposes to implement, based on its final approved budget and plan. *Section 4 work and program activities cannot commence unless approved as an activity in an action plan.* The action plan and activities will show when and how the federal funds and matching funds will be used. The action plan and activities must be sufficiently detailed for monitoring purposes and must identify the performance goals and objectives to be achieved. HUD will approve the action plan and activities or notify the grantee of matters that need to be addressed prior to approval. Multiple action plan activities may be submitted for each grant; as such, action plan activities may be developed for less than the full dollar amount and term of the award, but *no HUD-funded costs may be incurred for any work until the action plan activity is approved by HUD.* All activities are also subject to the environmental requirements in Section VI.B of this NOFO.

Consistent with the web resources provided in Section VIII.3 of this NOFO and the requirements at 2 CFR 200.112 and 200.318, after selection, but prior to award, applicants selected for funding will be required to provide HUD with an up-to-date copy of their written Code of Conduct. An applicant who previously submitted an application and included a copy of its Code of Conduct will not be required to submit another copy if the applicant is listed in HUD's library of the Code of Conducts for HUD Grant Programs located at [https://www.hud.gov/program\\_offices/spm/gmomgmt/grantsinfo/conductgrants](https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/conductgrants), unless the information has been revised.

Frequently Asked Questions for this Notice of Funding Opportunities (NOFO) will be located at [https://www.hud.gov/program\\_offices/spm/gmomgmt/grantsinfo/fundingopps](https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps).

## **B. Statutory and Administrative, National and Department Requirements for HUD Recipients**

For this NOFO, the following [Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards](#) apply. (Please select the linked text to read the detailed description of each applicable requirement).

1. Unless otherwise specified, these non-discrimination and equal opportunity authorities and other requirements apply to all NOFOs. Please read the following requirements carefully as the requirements are different among HUD's programs.

- Compliance with Fair Housing and Civil Rights Laws, Which Encompass the Fair Housing Act and Related Authorities (cf. 24 CFR 5.105(a)).
- Affirmatively Furthering Fair Housing.
- Economic Opportunities for Low-and Very Low-income Persons (Section 3). See 24 CFR part 75.

• Improving Access to Services for Persons with Limited English Proficiency (LEP) See [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/limited\\_english\\_proficiency](https://www.hud.gov/program_offices/fair_housing_equal_opp/limited_english_proficiency).

• Accessible Technology. See <https://www.hud.gov/sites/dfiles/OCIO/documents/s508103017.pdf>

2. Equal Access Requirements. See 24 CFR 5.105(a)(2)

3. Ensuring the Participation of Small Disadvantaged Business, and Women-Owned Business.

4. Equal Participation of Faith-Based Organizations in HUD Programs and Activities.

5. Uniform Relocation Act – Real Property Acquisition and Relocation Requirements. See 49

CFR part 24.

6. Participation in HUD-Sponsored Program Evaluation.
7. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
8. Drug-Free Workplace.
9. Safeguarding Resident/Client Files.
10. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act), as amended.
11. Eminent Domain.
12. Accessibility for Persons with Disabilities. See [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/disability\\_overview](https://www.hud.gov/program_offices/fair_housing_equal_opp/disability_overview)
13. Violence Against Women Act. See 24 CFR part 5, subpart L and applicable program regulations.
14. Conducting Business in Accordance with Ethical Standards/Code of Conduct.
15. Environmental Requirements, which include compliance with environmental justice requirements under Executive Order 12898.

Compliance with 24 CFR part 50 or 58 procedures is explained below:

Administrative expenses and training, education, support, and advice to beneficiaries are excluded from environmental review in accordance with 24 CFR 50.19(b)(3) and (b)(9). However, acquisition of real property, when authorized by HUD, is subject to environmental review under 24 CFR part 50. Individual project sites to be funded by awards under this NOFO may not be known when the individual grant agreements are awarded and also may not be known when some of the individual sub-grants are made. Selection for funding does not constitute approval of individual project sites. After selection for funding, HUD will perform an environmental review of individual sites in accordance with 24 CFR part 50, as applicable, when the sites are identified. Therefore, in accordance with 24 CFR 50.3(h), the applicant's signature on the application constitutes an assurance to HUD that the applicant agrees to assist HUD in complying with 24 CFR Part 50, and will: 1) supply HUD with all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR Part 50; 2) carry out mitigating measures required by HUD or select alternate eligible property; and 3) may not [acquire, rehabilitate, convert, lease, repair, demolish or construct property](#) nor commit or expend HUD or local funds for these program activities regarding any eligible property, until HUD approval of the property is received.

*2 CFR 200.216 Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment ---*

*2 CFR 200.216 Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment*

### **Lead Based Paint Requirements.**

When providing housing assistance funding for purchase, lease, support services, operation, or work that may be disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead

Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

When providing training, education, support, and advice on education or counseling on buying or renting housing that may include pre-1978 housing, grantees must inform beneficiaries of the requirements under the Lead Disclosure Rule (24 CFR part 35, subpart A), and, if the focus of the education or counseling is on rental or purchase of HUD-assisted pre-1978 housing, the Lead Safe Housing Rule (subparts B, R, and, as applicable, F - M).

### **C. Reporting.**

HUD requires recipients to submit performance and financial reports under OMB guidance and program instructions.

**1. Recipient Integrity and Performance Matters.** Applicants should be aware that if the total Federal share of your Federal award includes more than \$ 500,000 over the period of performance, you may be subject to post award reporting requirements reflected in Appendix XII to Part 200-Award Term and Condition for Recipient Integrity and Performance Matters.

**2. Race, Ethnicity and Other Data Reporting.** HUD requires recipients that provide HUD-funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department's responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987.

**4. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) as amended (FFATA).** FFATA requires information on Federal awards be made available to the public via a single, searchable website, which is [www.USASpending.gov](http://www.USASpending.gov). Accordingly, each award HUD makes under this NOFO will be subject to the requirements provided by the Award Term in Appendix A to 2 CFR Part 170, "REPORTING SUBAWARD AND EXECUTIVE COMPENSATION INFORMATION," unless the Federal funding for the award (including funding that may be added through amendments) is not expected to equal or exceed \$30,000. Requirements under this Award Term include filing subaward information in the Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS.gov) by the end of the month following the month in which the recipient awards any sub-grant equal to or greater than \$30,000. Each applicant under this NOFO must have the necessary processes and systems in place to comply with this Award Term, in the event that they receive an award, unless an exception applies under 2 CFR 170.110.

### **5. Program-Specific Reporting Requirements**

Specifically, Section 4 grantees are required to submit performance reports on a semi-annual basis.

## **D. Debriefing.**

For a period of at least 120 days, beginning 30 days after the public announcement of awards under this NOFO, HUD will provide a debriefing related to their application to requesting applicants. A request for debriefing must be made in writing or by email by the authorized organization representative whose signature appears on the SF-424 or by his or her successor in office and be submitted to the POC in Section VII Agency Contact(s), below. Information provided during a debriefing may include the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which funding was approved or denied.

## **VII. Agency Contact(s).**

HUD staff will be available to provide clarification on the content of this NOFO.

Questions regarding specific program requirements for this NOFO should be directed to the POC listed below.

Name:

Adrienne Hawkins

Phone:

202-402-7062

Email:

capacitybuilding@hud.gov

Persons with hearing or speech impairments may access this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339. Please note that HUD staff cannot assist applicants in preparing their applications.

## **VIII. Other Information.**

### **1. National Environmental Policy Act.**

A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFO in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

The FONSI is available for inspection at [HUD's Funding Opportunities](#) web page.

### **2. Web Resources.**

- [Affirmatively Furthering Fair Housing](#)
- [Code of Conduct list](#)
- [Assistance Listing \(formerly CFDA\)](#)
- [Dun & Bradstreet](#)
- [Equal Participation of Faith-Based Organizations](#)
- [Federal Awardee Performance and Integrity Information System](#)
- [FFATA Subaward Reporting System](#)
- [Grants.gov](#)

- [HBCUs](#)
- [Healthy Homes Strategic Plan](#)
- [Healthy Housing Reference Manual](#)
- [HUD's Strategic Plan](#)
- [HUD Grants](#)
- [Limited English Proficiency](#)
- [NOFO Webcasts](#)
- [Opportunity Zone](#)
- [Procurement of Recovered Materials](#)
- [Promise Zones](#)
- [Section 3 Business Registry](#)
- [State Point of Contact List](#)
- [System for Award Management \(SAM\)](#)
- [Uniform Relocation Assistance and Real Property Acquisition Act of 1970 \(URA\)](#)
- [USA Spending](#)

### 3. Program Relevant Web Resources

#### APPENDIX