



U.S. Department of Housing and Urban Development

Community Planning and Development

Section 4 Capacity Building for Community Development and Affordable Housing Grants

(Section 4)

FR-6200-N-07

Application Due Date: 10/24/2018

Section 4 Capacity Building for Community Development and Affordable Housing Grants
(Section 4)

FR-6200-N-07

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U.S. Department of Housing and Urban Development

Program Office:	Community Planning and Development
Funding Opportunity Title:	Section 4 Capacity Building for Community Development and Affordable Housing Grants (Section 4)
Announcement Type:	Initial
Funding Opportunity Number:	FR-6200-N-07
Primary CFDA Number:	14.252
Due Date for Applications:	10/24/2018

Overview

For Further Information Regarding this NOFA: Please direct questions regarding the specific program requirements of this Program Notice of Funding Availability (NOFA) to the agency contact identified in Section VII.

OMB Approval Number(s): 2500-0000

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 2018 there is \$35,000,000 available to carry out eligible activities related to community development and affordable housing projects and programs for the Section 4 Capacity Building Program, of which at least \$5,000,000 shall be made available for rural capacity building activities.

2. Changes from Previous NOFA.

The Section 4 Capacity Building program NOFA contains minimal changes from the FY 2017 NOFA, which are predominantly characterized by an increase in clear language and precision of specific expectations. There are no programmatic changes in the FY 2018 NOFA. Specific changes include:

- Updating the Definition of Rural Area to reflect current information and resources.
- Clarifying that the only currently approved activity under the third eligible activity in Section III.E are Section 4- related Administrative activities.

- Adding language in V.B.2 about Grant Award Adjustments before Grant Agreements are signed.
- Increasing the page limit for the narrative from 36 pages to 38 pages to allow for the budget request in Factor 3.

Factor 1, Capacity – Minor modifications to be more clear and precise in stating the information that is needed and how it will be evaluated.

Factor 2, Need – There is clarification on the geographic needs sub-section to reduce confusion by focusing only on the needs of certain geographic areas, not on the selection process in this Factor.

Factor 3, Activity Plan – Applicants are now required to provide their budget and a budget narrative within the written narrative, which will make their project design more clear and accurate to the structure of the Section 4 program as a four-year grant (the Form SF-424-CB budget attachment is no longer required or requested). Additional changes to improve conceptual consistency include moving the "proposed eligible beneficiaries" and the process for selection of geographic areas to the Implementation process sub-section. In addition, the Geographic Coverage section was adapted to focus on rural geographic coverage and the reference to specific disadvantaged communities was removed.

Factor 5, Performance – Emphasized the distinction between the two different types of evaluation as internal administration of the grant award versus an evaluation of the effectiveness of grant award activities on the communities it serves. Additional distinctions between the programmatic outputs and outcomes achieved as separate from past performance with grant management was added.

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

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. Award, as used in this NOFA means a federal, grant, cooperative agreement, loan, or loan guarantee.

Catalog of Federal Domestic Assistance (CFDA) is a directory of the various Federal listings, projects, services and activities offering financial and non-financial assistance and benefits to the American public. CFDA Number is the unique number assigned to each program, project, service or activity listed in the Catalog of Federal Domestic Assistance (CFDA).

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 for more information about the Consolidated Plan and related Annual Action Plan).

Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this NOFA does not include a legal instrument, even if the non-Federal entity considers it a

contract, when the substance of the transaction meets the definition of a Federal award or subaward (See 2 CFR 200.22.)

Contractor means an entity receiving a contract.

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

- Curable Deficiency – Applicants may correct a curable deficiency 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 able to be remedied within the time frame specified in the notice of deficiency.

- Non-Curable Deficiency – An applicant cannot correct a non-curable deficiency after the submission deadline.

Non-curable deficiencies are deficiencies 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 identification number assigned to a business or organization by Dun & Bradstreet and provides a means of identifying business entities on a location-specific basis. Requests for a DUNS number can be made by visiting the Online DUNS Request Portal. Eligibility requirements are mandatory requirements for an application to be eligible for funding. Deficiencies in meeting an eligibility requirement may be categorized as either curable or non-curable.

Federal Awardee Performance and Integrity Information System (FAPIIS) is a database that has been established to track contractor misconduct and performance.

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 in Grants.gov is required for submission of applications to prospective agencies.

NOTE: Passwords expire every 60 days. Accounts inactive for 1 year or more result in removal of all account roles. For more account management information, review the [Applicant FAQs](#) contained on the grants.gov web page.

Non-Federal Entity means a state, local government, Indian tribe, institution of higher education (IHE), or non-profit organization carrying 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 point of contact is listed in item 8F on the SF424.

Promise Zones are federally-designated, high-poverty urban, rural and tribal communities where the Federal government will partner with and invest in communities to accomplish these goals: create jobs, leverage private investment, increase economic activity, expand educational opportunities, and reduce violent crime.

Promotores/Promotoras are Spanish-speaking Community Health Workers who work in their communities to reduce barriers to health services and make health care systems more responsive.

Recipient means a non-Federal entity receiving an award directly from HUD to carry out an activity under a HUD program.

Section 3 Business Concern means a business concern (1) 51 percent or more owned by Section 3 residents; or (2) of which at least 30 percent of permanent, full-time employees are currently Section 3 residents, or were Section 3 residents within three years of the date of first employment with the business concern; or (3) provides evidence of a commitment to subcontract over 25 percent of the dollar award of all subcontracts to be awarded to business concerns meeting the qualifications in this definition.

Section 3 Residents means: 1) Public housing residents; or 2) Low and very-low income persons, as defined in 24 CFR 135.5, who live in the metropolitan area or non-metropolitan county where Section 3 covered assistance is expended.

Standard Form 424 (SF424) Application for Federal Assistance Programs, required by discretionary grant programs.

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

Subrecipient means a non-Federal entity receiving a subaward from a recipient to carry out part of a HUD program; but does not include an individual's beneficiary of such program.

A subrecipient may also receive other Federal awards directly from a Federal awarding agency (including HUD).

System for Award Management (SAM), is an official website of the U.S. government. You can access the website at Sam.gov There is no cost to use SAM. SAM is the official U.S. Government system that consolidated the capabilities of Central Contractor Registry (CCR), Excluded Parties List System (EPLS) and the Online Representations and Certifications Application (ORCA). Registration with Sam.gov is required for submission of applications via Grants.gov.

Threshold Requirement – Threshold requirements are a type of eligibility requirement.

Threshold requirements must be met for an application to be reviewed. Threshold requirements are not curable, except for documentation of applicant eligibility. Threshold requirements are listed in Section III.C. of this NOFA.

Applicants must ensure their application package addresses threshold requirements. Please check your application carefully!

4. Program Definitions

Community Development Corporation (CDC):

1. A CDC is a nonprofit organization that undertakes eligible Section 4 Capacity Building Program activities as defined in this NOFA 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 (1) through (8) 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.

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.

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.

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/](#).

5. Web Resources

The resources indicated provide details for the application process

- [Affirmatively Furthering Fair Housing](#)
- [Code of Conduct list](#)
- [Do Not Pay](#)
- [Dun & Bradstreet](#)
- [Request a DUNS Number](#)
- [Equal Participation of Faith-Based Organizations](#)
- [Federal Awardee Performance and Integrity Information System](#)
- [Federal Subaward Reporting System\) FSRs](#)
- [Grants.gov](#)
- [Grants.gov support](#)
- [Healthy Homes Strategic Plan](#)
- [Healthy Housing Reference Manual](#)
- [HUD Funds available](#)
- [HUD's Strategic Plan](#)
- [HUD Grants](#)
- [NOFA webcasts](#)
- [Procurement of recovered materials](#)
- [Promise Zones](#)
- [Section 3 Business Registry](#)
- [State Point of Contact List](#)
- [System for Award Management \(SAM\)](#)
- [Real Property Acquisition and Relocation](#)
- [USASpending](#)

B. Authority.

The Capacity Building 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 2018 Section 4 Capacity Building for Community Development and Affordable Housing program made available through this NOFA is authorized by the Consolidated Appropriations Act, 2018 (Public Law 115-141, approved on March 23, 2018).

II. Award Information.

A. Available Funds

Funding of up to **\$35,000,000** is available through this NOFA.

Additional funds may become available for award under this NOFA as a result of HUD's efforts to recapture unused 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 applicable funding restrictions contained in this NOFA.

B. Number of Awards.

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

C. Minimum/Maximum Award Information

There are no set amounts for minimum or maximum award levels in the Section 4 program.

Estimated Total Funding:	\$35,000,000
Minimum Award Amount:	\$0 Per Project Period
Maximum Award Amount:	\$35,000,000 Per Project Period

D. Period of Performance

48 month period of performance.

Estimated Project Start Date:	12/14/2018
Estimated Project End Date:	12/13/2022
Length of Project Periods:	Other
Length of Project Periods Explanation of Other:	48-month period of performance for project and budget.

E. Type of Funding Instrument.

Funding Instrument Type:	Grant
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F. Supplementation.

III. Eligibility Information.

A. Eligible Applicants.

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

Additional Information on Eligibility:

The competition is limited to the following three 501(c)(3) status nonprofit organizations identified in the Section 4 of the HUD Demonstration Act of 1993 (Pub.L. 103-120, 107 Stat. 1148, 42 U.S.C. 9816 note), as amended. The 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), 501 Seventh Avenue, 7th Floor, New York, NY 10018; and
- *Habitat for Humanity International*, 121 Habitat Street, Americus, GA 31709.

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

B. Cost Sharing

This Program requires cost sharing, matching or leveraging as described below.

Section 4(c) of the HUD Demonstration Act of 1993 requires that 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 Part 200.29, 2 CFR 200.306 and 2 CFR Part 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. All leverage funds, including in-kind contributions, must conform to the requirements of 2 CFR Part 200.29, 2 CFR 200.306 and 2 CFR Part 200.96.

C. Threshold 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. Timely Submission of Applications – Applications submitted after the deadline stated within this NOFA 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 also Section IV Application and Submission Information, part D. Application Submission Dates and Times

2. Eligible Organizations - Only the three organizations listed in Section III.A of this NOFA

are eligible for the Section 4 Capacity Building program. Any other applicants will be identified as ineligible.

D. 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 ([click here](#)).

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

E. Program Specific Requirements.

Purpose. Through funding of national intermediaries, the Section 4 Capacity Building 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.

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;
 - 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. ***Loans, pass-through grants, predevelopment assistance, development assistance, or other financial assistance to CDCs and CHDOs*** to carry out community development and affordable housing activities that benefit low-income or low- and moderate-income families and persons, including the acquisition, construction, or rehabilitation of housing for low-income or low- and moderate-income families and persons, and community and economic development activities that create jobs for low-income 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.

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 (CDBG), 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. 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.

F. Criteria for Beneficiaries.

This program has eligibility criteria for beneficiaries.

Eligible Beneficiaries are limited to CDCs and CHDOs as defined in Section I.A.4 of this NOFA.

IV. Application and Submission Information.

A. Obtaining an Application Package.

Instructions for Applicants.

You must download both the Application Instruction and the Application Package from Grants.gov. To ensure you are using the correct Application Package and Application Instructions, you must verify the CFDA Number and CFDA Description on the first page of the Application Package, and the Opportunity Title and the Funding Opportunity Number match the Program and NOFA to which you are applying.

The Application Package contains the Adobe forms created by Grants.gov. The Instruction Download contains official copies of the NOFA, 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 is not deemed 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 request at least 15 days before the application deadline or if you do not demonstrate good cause. An email request sent 15 days before the application will also be considered. If HUD waives the requirement, HUD must receive your paper application or email request before the deadline of this NOFA. To request a waiver and receive a paper copy of the application materials, you must contact:

Email: capacitybuilding@hud.gov

B. Content and Form of Application Submission.

You must verify boxes 11, 12, and 13 on the SF424 match the NOFA 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 CFDA and Funding Opportunity Number is a curable deficiency.

1. Content.

Forms for your package include the forms outlined below:

Forms / Assurances / Certifications	Submission Requirement	Notes / Description
Application for Federal Assistance (SF-424)	This form is required.	
Faith-Based Ensuring Equal Opportunity Survey (SF-424 Supplement)	This form is optional.	
HUD Applicant Recipient Disclosure Report (HUD) 2880 Applicant/Recipient Disclosure/Update	HUD will provide instructions to grantees on how the form is to be submitted.	HUD will provide instructions to grantees on how the form is to be submitted.

Report		
Disclosure of Lobbying Activities (SF-LLL) (if applicable)	Refer to the instructions on the form to determine if the organization meets the requirements for submission.	
Indirect cost rate documentation.	Required 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 Cost (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 Points.	To receive Promise Zones Preference Points, this form must be signed and dated (the date must fall within the NOFA 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.

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 NOFA must be submitted. The narrative for the Five Factors will be reviewed as a whole narrative, and applicants are advised to address the specific requirements of each Rating Factor in the narrative section specific to each Rating Factor so that information is not missed during the review process.

2. Format and Form.

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

1. Page Limitation and Font Size. The narrative addressing the Five Factors is limited to no more than 38 typed pages of single-spaced text based on 8.5 by 11 inch paper, using a Times New Roman standard 12-point font. HUD will not review more than 38 pages for all Five Factors and NOFA Preference Points combined, except that the page limit does not include the form HUD-50153 in support of Promise Zones Preference Points. All applicants should enter the applicant name, DUNS number, and page number on each page of narrative.

2. Prohibition on Materials Not Required. Materials other than what is requested in this NOFA 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 NOFA.

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.

- Application for Federal Assistance (SF-424);
- 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).

4. Additional Information on the Section 4 program, Frequently Asked Questions and Webcast. HUD may produce a Webcast that walks through the FY 2018 Section 4 Program NOFA, and HUD may also provide a summary of Frequently Asked Questions. Please check the Section 4 Capacity Building 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 SAM before submitting their application. In addition,

applicants must maintain an active SAM registration with current information while they have 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 SAM, 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 EBiz Point of Contact 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 submit an application through Grants.gov. Complete registration instructions and guidance are provided at Grants.gov. See also Section IV.B for necessary form and content information.

D. Application Submission Dates and Times.

The application deadline is 11:59:59 p.m. Eastern time on **10/24/2018**. Applications must be received 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. Then Grants.gov assigns an application tracking number and **date-and time-stamps** 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 submitting an application.

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

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, or 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 NOFA 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 may contact the applicant to clarify other items in its application. HUD will uniformly notify applicants of each curable deficiency. A curable deficiency is an error or oversight that if **corrected** it would not alter, in a positive or negative fashion, the review and rating of the application. See curable deficiency in definitions section. 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 representative. The email is the official notification of a curable deficiency. Each applicant must provide accurate email addresses for receipt of these notifications and must monitor their email accounts to determine whether a deficiency notification has been received. The applicant must carefully review the request for cure of deficiency and must provide the response in accordance with the instructions contained in the deficiency notification.

Applicants must email corrections of curable deficiencies to applicationsupport@hud.gov within the time limits specified in the notification. The time allowed to correct deficiencies will not exceed 14 calendar days or be less than 48 hours 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 must state: **Technical Cure** and include the Grants.gov application tracking number (e.g., Subject: Technical Cure - GRANT123456). 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. This only applies to certain programs and responses should be sent to the NOFA specific program.

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 NOFAs. The version of these NOFAs as posted on Grants.gov are the official documents HUD uses to solicit applications.

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 Capacity Building NOFA.

High Rate Contractors and Consultants.

Additionally, Section 4 program funds may not be used, directly or indirectly, to pay or provide reimbursement for payment of the salary of a consultant or a contractor at more than the daily equivalent of the rate paid for the level IV of the Executive Schedule, without prior written approval from HUD. For more information on the Executive Schedule, please see the Office of Personnel Management (OPM) website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2018/executive-senior-level>. If the grantee believes there is sufficient need or cause for hiring a consultant or contractor at a high rate, it may submit a request to HUD and a written justification for review and consideration. In all cases, the grantee must receive approval from HUD before commencing any Section 4 program work with a high rate consultant or contractor.

Indirect Cost Rate.

Normal indirect cost rules 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.

Nongovernmental organizations and Indian tribal governments. If you have a Federally negotiated indirect cost rate, your application must clearly state the approved rate and distribution base and must include a letter or other documentation from the cognizant agency showing the approved rate. If you have never received a Federally negotiated indirect cost rate and elect to use the de minimis rate, your application must clearly state you intend to use the de minimis rate of 10% of Modified Total Direct Costs (MTDC). As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. Once an organization elects to use the de minimis rate, the organization must apply this methodology consistently for all Federal awards until the

organization chooses to negotiate for a rate, which the organization may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

State and local governments. If your department or agency unit has a Federally negotiated indirect cost rate, your application must include that rate, the applicable distribution base, and a letter or other documentation from the cognizant agency showing the negotiated rate. If your department or agency unit receives more than \$35 million in federal funding, you may not claim indirect costs until you receive a negotiated rate from your cognizant agency for indirect costs as provided in Appendix VII to 2 CFR part 200.

If your department or agency unit receives no more than \$35 million in federal funding and your department or agency unit has prepared and maintains documentation supporting an indirect rate proposal in accordance with 2 CFR part 200, appendix VII, you may use the rate and distribution base specified in your indirect cost rate proposal. Alternatively, if your department or agency unit receives no more than \$35 million in federal funding and has never received a Federally negotiated indirect cost rate, you may elect to use the de minimis rate of 10% of MTDC. As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. Once elected, the de minimis rate must be applied consistently for all Federal awards until you choose to negotiate for a rate, which you may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

G. Other Submission Requirements.

1. Application Certifications and Assurances

By signing the SF424 either through electronic submission or in paper copy submission (for those granted a waiver), applicant affirms certifications and assurances associated with the application are material representations of the facts upon which HUD will rely when making an award to the applicant. If it is later determined the signatory to the application submission knowingly made a false certification or assurance or did not have the authority to make a legally binding commitment for the applicant, the applicant may be subject to criminal prosecution, and 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, and those applicable to applicants other than federally-recognized Indian tribes. All program-specific certifications and assurances are included in the program Instructions Download on Grants.gov.

2. Lead Based Paint Requirements

When providing housing assistance funding for purchase, lease, support services, operation, or work that may 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 education or counseling on buying or renting housing that may include pre-1978 housing, when required by regulation or policy, inform clients of their rights 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).

V. Application Review Information.

A. Review Criteria.

1. Rating Factors.

The maximum number of points to be awarded for a Section 4 Capacity Building program application is 102, which includes Rating Factors 1 through 5 (Five Factors) and Preference Points. The minimum score for an application to be considered for funding is 75. Applicants are only eligible to receive Preference Points if they received a rating score of 75 or more for the Five Factors, not including Preference Points. Two Preference Points will be awarded for working with communities that have acquired Promise Zones status, as described in Section V.A.2 of this NOFA.

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 Capacity Building funds during the four-year term of the FY 2018 grant agreement. Submissions should provide recent (within the last five years) and relevant (relative to the proposed activities to be carried out with the funds for 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.

Rating Factor 1: Capacity of Applicant and Relevant Organizational Experience	Maximum Points: 4
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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 2 CFR 200.79 and 200.82 for more on PII.

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 working with other HUD programs.

Rating Factor 2: Need/Extent of the Problem **Maximum Points: 18**

Applicants must describe their understanding of the capacity building needs of CDCs and CHDOs in the specific geographies where they propose to utilize 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.E of this NOFA, and must support the description of the needs with credible, reliable, and quantitative information.

Need for Capacity Building (15 points) Specifically, this factor will be assessed on the applicant’s identification and explanation of:

1. *The Needs of the Communities to Be Served:* Describe the general socioeconomic needs of cities, communities, families, and individuals in the areas the applicant proposes to serve.
2. *The Needs of CDCs and CHDOs:* Drawing from the stated general socioeconomic needs described, explain the specific capacity building needs of CDCs and CHDOs, as related to their ability to successfully address the identified general socioeconomic needs.
3. *Geographic Needs:* Select at least two examples, one rural and one urban, where the applicant will consider conducting FY 2018 Section 4 eligible activities and describe the specific needs in relation to the needs of the CDCs and/or CHDOs and the communities they serve in these identified geographic locations. To receive full credit the applicant must describe how the needs were determined for both examples, as well as what the needs are.

Data Quality (3 points) The explanation of community needs, CDC and CHDO needs, and geographic 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: 40**

Applicants will be evaluated on the overall quality of the proposed approach to build the capacity of CDCs and CHDOs based on the capacity building 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 capacity building needs identified in Factor 2.

Specifically, the applicant's narrative must include the following elements:

1. *Description of Activities (9 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. HUD will evaluate the extent to which the application clearly describes:

- *Proposed Activities* - The applicant must explain its approach to capacity building by stating its proposed eligible activities (defined in Section III.E of this NOFA) and how the proposed activities are feasible and practical to meeting the capacity building needs of CDCs and CHDOs. Be sure to identify the method of execution of the proposed activities, as applicable; for example, if the applicant proposes to conduct a series of trainings, indicate if the training will be done live on-site or remotely, as well as if they will be recorded for later distribution. Applicants should also identify and explain the extent to which it has coordinated or plans to coordinate (e.g., through memorandum of agreement or letters of participation) with other known organizations, contractors, or consultants to directly lead any of the proposed work activities.
- *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 2018 Section 4 program and why they represent the best approach to meet the identified CDC and CHDO needs. Applicants could address how their capacity building approach has changed over time.

2. *Plan to Conduct Activities (26 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. 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.

HUD will assess the applicant's description of its:

- *Strategic Plan* - Explain the overall, broad strategic vision and plan for the proposed Section 4 Capacity Building program.
- *Implementation Process* – Describe how the applicant will implement and manage the proposed activities with the FY 2018 grant award. To receive full credit the applicant must address:
 - *Method and Process for Activity Delivery:* What is the process that will be used to implement and manage the proposed activities, including an explanation for how it determines where to direct FY 2018 Section 4 grant funds (for example, an RFP process)?

- *Proposed Beneficiaries:* How will eligible beneficiaries (CDCs and CHDOs) be identified and selected? If the applicant already knows the eligible beneficiaries they will serve, it should identify them specifically.
- *Geographic Area Determinations:* How will the applicant determine and decide on 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.
- *Budget:* Provide a four-year budget that shows the individual costs of managing and delivering the proposed FY 2018 Section 4 grant program. This should be presented in a table form that, at a minimum, includes the following information broken out as line items for each year of the program:
 - **Applicant Organization Grant Management Administration Costs:** Applicants must list applicable grant management costs related to Personnel (Direct Labor); Fringe Benefits; Travel (just for grant management); Equipment (only items > \$5,000 depreciated value); Supplies (only items <\$5,000 depreciated value); and Contractual and Consultants (just for grant management).
 - **Eligible Activities to Eligible Beneficiaries:** Applicants must list applicable activity delivery costs related to Grants, Training, Loans, Technical Assistance, and any other eligible activities; Travel (just for activity delivery); Contractual and Consultants (just for activity delivery); Equipment (only items >\$5,000 depreciated value); and Supplies (only items < \$5,000 depreciated value)
 - **Match, Leverage, and Other Funding Sources** (as applicable).
 - **Indirect Cost Rate Applied.**
 - **Grand Totals:** The HUD funding total must equal the requested amount. HUD prefers that the applicant provide this information in a table format and suggests the following format:

Budget Category	Year 1	Year 2	Year 3	Year 4	HUD Funding Total	Match	Leverage	Other Funding Sources	All funds Total
Applicant Organization Grant Management Administration Costs									
Personnel (Direct Labor)									
Fringe Benefits									
Travel (related to grant management)									
Equipment (only items > \$5,000 depreciated value)									
Supplies (only items < \$5,000 depreciated value)									

Contractual/Consultants (related to grant management only)									
Eligible Activities to Eligible Beneficiaries									
Grants									
Training									
Loans									
Technical Assistance									
Travel (related to activity delivery)									
Contractual (related to activity delivery only)									
Equipment (only items > \$5,000 depreciated value)									
Supplies (only items < \$5,000 depreciated value)									
Totals									
Subtotal of Direct Costs									
Indirect Cost (% Approved Indirect Cost Rate: ____%)									
Grand Total									

- *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. To the extent possible, projected cost estimates from outside sources, including match and leverage, should be included in the budget and narrative.
- *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, the budget, and the budget narrative are included in the 38-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 2018 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 2018 Section 4 program.

To receive full credit for this element, the narrative must address:

1. The applicant must describe the factors that it will consider in determining the rural areas it will serve with the FY 2018 Section 4 program, and explain how the areas align with the rural needs discussed in Factor 2.
2. If the applicant knows the rural areas it will serve with the FY 2018 Section 4 Capacity Building program grant award they must be listed with an explanation for how they were chosen.

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, to the greatest extent feasible, with Section 3 of the Housing and Urban Development Act, and HUD's implementing rules at 24 CFR Part 135, and the FY 2018 General Administrative Requirements and Terms for HUD Financial Assistance Awards, to provide 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. Additional information regarding all Section 3 requirements can be found at Section I.A.5 of this NOFA, "Web Resources".

Rating Factor 4: Match Requirement and Leveraging Resources **Maximum Points: 10**

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

The following elements will be assessed:

- **Leverage Ratio (3 points):** Applicants that demonstrate a 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 document leveraging for the FY 2018 NOFA, applicants should include their actual results in leveraging Section 4 Capacity Building assisted projects in Federal FY 2017 (October 1, 2016 – September 30, 2017).
- **Match Sources (3 points):** Describe the process for how match sources will be considered, explored, and pursued for the FY 2018 grant award.
- **Application 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: 28

Overall, 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, management, and accountability. The applicant shall provide an effective performance plan to evaluate and measure the performance of its proposed Section 4 Capacity Building program activities through the identification of specific outputs and outcomes that demonstrate improved capacity of CDCs and CHDOs, and of their evaluation of the management of the program. Applicants also will be evaluated based on past performance using Section 4 Capacity Building program funds.

1. Performance Plan with Expected Performance Outputs and Outcomes (5 points) The applicant must provide a description of the applicant's performance plan. To receive full credit the performance plan must incorporate:

1. The overarching Section 4 program performance goals,
2. Specific planned outputs (see list below) and outcomes, and
3. A timeline for the achievement of performance outcomes and results.

Planned outputs 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. All proposed outcome and output measures must clearly demonstrate how CDCs' and CHDOs' improved skills, technical capabilities, and ability to undertake community development and affordable housing activities will be identified and measured.

General Outputs

- Number of individuals served
- Number of organizations served
 - Number of CDCs/CHDOs served
- Number of states served
- Number of HUD Regions served

Achievement of Program Priorities

- 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

Training and Education

- Number of engagements/trainings offered
 - Number of web-based engagements/trainings offered
 - Number of in-person engagements/training

- Number of individuals receiving financial assistance to attend training
 - Dollar amount of financial assistance provided to individuals to attend training
- Number of participants earning or renewing a license or certification
- Number of peer-to-peer learning events

Other Capacity Building Efforts

- Number of community development projects
 - Dollar amount invested into community development projects
- Number of community programs supported
 - Dollar amount invested in community programs
- Number of new community partnerships developed
- Number of data portal and web visits
- Number of publications/newsletters created

Direct Financial Assistance

- Number of grants awarded
 - Dollar amount of grants awarded
- Number of loans awarded
 - Dollar amount of loans approved
- Number of other financial assistance events
 - Dollar amount invested in other financial events

Housing and Economic Development From Section 4 Activities

- *Jobs*
 - Number of jobs created
 - Number jobs retained
- *Housing*
 - Number of housing units in the development process
 - Number of new housing units created
 - Number of housing units preserved, repaired, or rehabbed
- *Business*
 - Number of businesses assisted
 - Number of businesses created

2. Performance Evaluation Plans (8 points) This element of the performance plan will be assessed on the extent to which the application clearly describes detailed plans for evaluating the effectiveness of the organization’s Section 4 Capacity Building program. The plan must include two types of evaluation:

- *Internal Organizational Evaluation of the Applicant’s Management of the Section 4 Capacity Building Program* – Describe how the applicant will assess and evaluate its internal operations and processes for managing and administering the Section 4 Capacity Building program grant award.

- *Evaluation of Section 4 Program Effectiveness and Delivery* – Describe the process for how the applicant will evaluate the effectiveness of the Section 4 Capacity Building program and eligible activities presented in Factor 3, including how it will evaluate its performance plan.

3. Past Performance (15 points): In rating this factor, HUD will assess the applicant’s past performance in administering the HUD Section 4 Capacity Building program, including meeting all match requirements.

- *Program Outcomes and Outputs Achieved.* HUD will evaluate the extent to which the applicant demonstrates successful program delivery performance within the last five years that was timely, cost-effective, and resulted in positive outcomes in the delivery of capacity building activities for CDCs and CHDOs to improve their ability to provide affordable housing and community development.

Using information 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 goals and outcomes using the list of quantifiable measures listed under element 1 of Factor 5 of this NOFA. 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.

- *Past Administrative Performance.*
 - **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 2013 through FY2017 grant awards, using information that is collected from LOCCs no later than 30 days before the published due date of this FY 2018 Section 4 NOFA. The description must include the following information for each of the Section 4 Capacity Building program grants awarded for the Fiscal Years 2013-2017 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 2018 Section 4 NOFA*, 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.

In rating this factor, HUD will evaluate the extent to which the applicant demonstrates successful past performance, in particular, in the timely commitment and disbursement of Section 4 Capacity Building program grant funds, to include the completion of the FY 2013 grant award, the return of any unspent FY2013 funds or the extension of a FY 2013 grant award. 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:

Grant Year	Percent of funds expected to be drawdown from LOCCs
<i>FY 2013</i>	99-100%
<i>FY 2014</i>	Greater than 75%
<i>FY 2015</i>	Greater than 50%
<i>FY 2016</i>	Greater than 25%
<i>FY 2017</i>	Greater than 0%

2. Preference Points.

HUD encourages activities in Promise Zones (PZ) communities. HUD will award two (2) points for qualified activities within a designated zone or area.

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 take into account an applicant’s past performance in managing funds. Items HUD may consider include, but are not limited to:

- a. The ability to account for funds appropriately;

- b. Timely use of funds received from HUD;
- c. Timely submission and quality of reports submitted to HUD;
- d. Meeting program requirements;
- e. Meeting performance targets as established in the grant agreement;
- f. The applicant's organizational capacity, including staffing structures and capabilities;
- g. Time-lines for completion of activities and receipt of promised matching or leveraged funds; and
- h. The number of persons to be served or targeted for assistance.

HUD may reduce scores as specified under V.A. Review Criteria. Each NOFA will specify how past performance will be rated or otherwise used in the determination of award amounts.

Whenever possible, HUD will obtain past performance information from staff with the greatest knowledge and understanding of each applicant's performance. If this evaluation results in an adverse finding related to integrity or performance, HUD reserves the right to take any of the remedies provided in Section III.D 1. Pre-selection Review of Performance, above.

2. Assessing Applicant Risk

HUD may impose special conditions on an award as provided under 2 CFR 200.207:

- 1. Based on HUD's review of the applicant's risk under 2 CFR 200.205;
- 2. When the applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal Award;
- 3. When the applicant or recipient fails to meet expected performance goals; and
- 4. When the applicant or recipient is not otherwise responsible.

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 200.205. If this integrity evaluation results in an adverse finding, HUD reserves the right to take any of the remedies provided in 2 CFR 200.205 and HUD reserves the right to impose specific grant conditions in accordance with 2 CFR 200.207.

- 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 NOFA and the eligibility requirements listed in Section III of this NOFA 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 NOFA) 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.

HUD will award two Preference Points to applicants that meet the Promise Zones criteria. An applicant can receive a possible total of 102 points which includes Rating Factors 1 through 5 and 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 within the fundable range of 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, an award will not be made to that applicant. In such an instance, HUD may offer an award to and negotiate with another applicant.

C. Anticipated Announcement and Award Dates.

December 14, 2018

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 SF-424.

HUD will send written notifications to both successful and unsuccessful applicants. 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 complete 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 it has been 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 NOFA.

Consistent with the web resources provided in Section I.A.5 of this NOFA 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, unless the information has been revised.

B. Administrative, National and Department Policy Requirements for HUD recipients

For this NOFA, the following General Administrative Requirements and Terms for HUD Financial Assistance Awards apply. Please [click here](#) to read the detailed description of each applicable requirement.

1. Compliance with Non-discrimination and Other Requirements.

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

- Compliance with Fair Housing and Civil Rights Laws.
 - Affirmatively Furthering Fair Housing.
 - Economic Opportunities for Low-and Very Low-income Persons (Section 3).
 - Improving Access to Services for Persons with Limited English Proficiency (LEP).
 - Accessible Technology.
2. Equal Access to Housing Regardless of Sexual Orientation or Gender Identity.
 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. Real Property Acquisition and Relocation.
 6. Participation in HUD-Sponsored Program Evaluation.
 7. OMB 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.
13. Violence Against Women Act.
14. Conducting Business in accordance with Ethical Standards/Code of Conduct.
15. Environmental Requirements.

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

Individual project sites to be funded by awards under this NOFA may not be known at the time 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 application shall contain assurances 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) not acquire, rehabilitate, convert, lease, repair, demolish or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.

C. Reporting.

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

1. Reporting Requirements and Frequency of Reporting. 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. NOFAs may specify the data collection and reporting requirements. Many programs use the Race and Ethnic Data U.S. Department of Housing OMB Approval No. 2535-0113 Reporting Form HUD-27061.

3. Performance Reporting. All HUD funded programs, including this program, require recipients to submit, not less than annually, a report documenting achievement of outcomes under the purpose of the program and the work plan in the award agreement.

Section 4 program grantees are required to submit semi-annual reports throughout the course of the grant award.

Please direct questions regarding specific reporting requirements to the point of contact listed in Section VII. Agency Contact(s).

D. Debriefing.

For a period of at least 120 days, beginning 30 days after the public announcement of awards under this NOFA, 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 official whose signature appears on the SF424 or by his or her successor in office, and be submitted to the point of contact 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 Contacts.

HUD staff will be available to provide clarification on the content of this NOFA. Questions regarding specific program requirements for this NOFA should be directed to the point of contact listed below.

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 NOFA 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 Funds Available web page at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail.