



U.S. Department of Housing and Urban Development

Community Planning and Development

Appalachia Economic Development Initiative (AEDI)

FR-5800-N-19

Cliff Taffet, General Deputy Acting Assistant Secretary
Office of Community Planning and Development (CPD)

9/2/14

Date

Appalachia Economic Development Initiative (AEDI)

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U.S. Department of Housing and Urban Development

Program Office: Community Planning and Development
Funding Opportunity Title: Appalachia Economic Development Initiative (AEDI)
Announcement Type: Initial
Funding Opportunity Number: FR-5800-N-19
Primary CFDA Number: 14.270
Due Date for Applications: November 3, 2014

This NOFA announces the availability of \$1,000,000 to increase access to capital for business lending and economic development in the chronically underserved and undercapitalized Appalachian region. This Notice is comprised of the Notice of HUD's FY 2014 Notice of Funding Availability (NOFA), Policy Requirements, (General Section) FY 2014 NOFA for Discretionary Programs, {<http://portal.hud.gov/hudportal/documents/huddoc?id=2014nofagensec.pdf> } and posted on www.grants.gov on February 19, 2014.

FOR FURTHER INFORMATION: Questions regarding program requirements should be directed to the Office of Rural Housing and Economic Development at 877-787-2526 or (202) 708-2290. Questions regarding the FY 2014 General Section should be directed to the Grants Management Office at 202-708-0667. Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Relay Service at 800-877-8339.

Additional Overview Information:

1. Incorporation of the General Section. HUD publishes a General Section each fiscal year that contains *mandatory requirements* for all applicants to HUD's competitive grant programs including this NOFA. Applicants must meet all of the requirements of the General Section in addition to the requirements of this NOFA to be considered and to receive funding. The full title of the General Section is General Section for Fiscal Year 2014 Discretionary Programs. It can be found on Grants.gov and on HUD's Funds Available webpage at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail.

2. OMB Approval Number(s): 25006-0201

Funding Opportunity Description Background: The Appalachia Economic Development Initiative (AEDI) is a collaborative effort among three federal agencies - the Department of Housing and Urban Development (HUD), the Department of the Treasury - Community Development Financial Institutions Fund (CDFI Fund) and the Department of Agriculture – Rural Development (USDA-RD). The AEDI's goal is to increase access to capital for business lending and economic development in the chronically underserved and undercapitalized Appalachia Region. Specifically, it will provide investment and technical assistance to State community and/or economic development agencies that apply on behalf of local rural nonprofit organizations or community development corporations which focus on small business development to benefit the residents of the Appalachia Region.

HUD, USDA-RD and the CDFI Fund have all identified lack of capacity among organizations serving the Appalachia Region and similar persistent poverty communities as a limiting factor in the effectiveness of federal programs. Inconsistent availability of limited public funding in any one region or community plays a role in this, because organizations specializing in small business support cannot sustain themselves and

grow. All of the agencies recognize that the targeted Appalachian communities and populations receive insufficient services because they lack organizations with the capacity to effectively respond to community needs. Conversely, higher-capacity organizations working throughout the Appalachia Region consistently cite lack of access to capital as a major barrier to expansion.

The Appalachian Regional Commission (ARC) is a regional economic development agency that represents a partnership of federal, state, and local government. The Appalachian Region, as defined in ARC's authorizing legislation, is a 205,000-square-mile area that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. The Region's economy, once highly dependent on mining, forestry, agriculture, chemical industries, and heavy industry, has become more diversified in recent times, and now includes a variety of manufacturing and service industries. More information about Appalachia and the ARC can be found here: <http://www.arc.gov/>.

The Appalachian Regional Commission (ARC) has a variety of programs and activities in place to promote entrepreneurship and business development in the Appalachia Distressed Counties. Such services include development of an overall policy framework for addressing capital and credit availability and establishment of training programs for businesses and entrepreneurs.

I. Funding Opportunity Description.

A. Program Description and Requirements.

AEDI's goal is to increase access to capital for business lending and economic development in the chronically underserved and undercapitalized Appalachian region. Applicants that are eligible to participate in this initiative are State community and/or economic development agencies. Through AEDI, HUD's Office of Rural Housing and Economic Development (ORHED) will provide direct investment and technical assistance to community development lending and investing institutions in areas of the Appalachian Region that suffer from a lack of capacity to support business development. The ORHED will provide funding and assistance through State community and/or economic development agencies to support local rural non-profit organizations that will increase the capital and support available to businesses in underserved communities and enhance the effectiveness of economic development programs for these areas.

The focus of AEDI will include improving Appalachian communities and creating asset building opportunities for Appalachian residents by helping local financial institutions improve their capacity to raise capital from public and private sources, and to lend and invest it in local communities. Strengthening local community development lenders and investors will also widen the channels through which larger private institutions and federal agencies can reach small business owners and service providers who need their support.

Definitions

For purposes of this grant opportunity, the following definitions will apply:

1. **Administrative Costs:** Expenses for the general administration of the organization and costs that do not relate solely to the activities carried out by the grant. Program delivery costs are not considered administrative costs. Please note that staff compensation costs for carrying out program delivery tasks are considered program delivery costs and not administrative costs. In addition, compensation for staff or fees for consultants who have specific roles in carrying out eligible activities under the program are not considered administrative costs. Examples of administrative activities include, but are not limited to, preparing program budgets, schedules and reports and monitoring the use of grant funds.

2. **Community Development Financial Institutions (CDFIs):** Organizations certified as Community Development Financial Institutions by the CDFI Fund of the U.S. Department of Treasury. CDFIs are legal entities that have a primary mission of promoting community development (generally, serving

predominantly low-income geographical areas or low income populations); maintain accountability to their target markets; have as their primary business activity making loans, equity investments or other financial activities; provide development services and technical assistance to borrowers and investees in conjunction with financing activities; and are not government entities or are not under the control of any government entity (Tribal governments excluded). For a full definition of CDFIs and information on their work see the CDFI Fund website at www.cdfifund.gov

3. Direct or Program Delivery Costs: Project or program costs include costs that can be identified with delivery of particular lending and investment activities and intended to achieve the goals and objectives of the AEDI. Direct program costs are incurred for the service delivery and management components within a particular program or project. Therefore, direct costs include expenditures on some activities with administrative qualities, including salaries and benefits of program staff, equipment, training, conferences, travel, and contracts, as long as those expenses relate specifically to a particular program lending or investment activity, not to the general administration of the organization (see OMB Circular A-122 for nonprofits and A-87 for tribes as may be amended from time to time).

4. State Community and/or Economic Development Agency. State Community and/or Economic Development Agency means any state agency whose primary purpose is promotion of economic development statewide or in a local community.

5. Local Rural Nonprofit Organization: Any private entity with tax-exempt status under section 501 of the Internal Revenue Code of 1986, as amended, as recognized by the Internal Revenue Service (IRS) that serves the eligible target market identified in the application (including a local affiliate of a national organization that provides technical assistance in rural areas).

6. Target Market: Eligible target markets for lending and investing activities can include the geographic areas defined as the Appalachian Region in Section III.A. of this NOFA.

7. Firm Commitment: A letter of commitment from a partner by which the entity agrees to perform an activity specified in the application, demonstrates the financial capacity to deliver the resources necessary to carry out the activity, and commits the resources to the activity, either in cash or through in-kind contributions. The commitment must be irrevocable, subject only to approval and receipt of a FY 2014 AEDI grant.

Each letter of commitment must include the organization's name and applicant's name, reference the AEDI program and describe the proposed total level of commitment and responsibilities, expressed in dollar value for cash or in-kind contributions, as they relate to the proposed program. The commitment must be written on the letterhead of the participating organization, must be signed by an official of the organization legally authorized to make commitments on behalf of the organization, and must be dated no earlier than the date of publication of this NOFA. In documenting its firm commitment, the entity's commitment letter must:

- a. Specify the authority by which the commitment is made, the amount of the commitment, the proposed use of funds, and the relationship of the commitment to the proposed investment. If the committed activity is to be self-financed from the entity's internal cash resources, the entity must demonstrate its financial capability through a corporate or personal financial statement or other appropriate means. If any portion of the activity is to be financed through a lending institution, the entity must provide evidence of the institution's commitment to provide the funds; and
- b. Affirm that the firm commitment is contingent only upon the receipt of FY 2014 AEDI grant and state a willingness on the part of the signatory to sign a legally binding agreement (conditioned upon HUD's environmental review and approval of a property, where applicable) upon award of the grant.

B. Authority.

The funds for this NOFA were appropriated to the Office of Rural Housing and Economic Development in annual appropriations between 1999 and 2009 (Public Laws 105-276; 106-74; 106-377; 107-73; 108-7; 108-199; 108-447; 109-115; 110-5; 110-161; and/or 111-8) and subsequently recaptured from or surrendered by underperforming or nonperforming grantees.

II. Award Information.

A. Available Funds.

HUD is making available through this NOFA **\$1,000,000** for Appalachia Economic Development Initiative (AEDI).

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 will be subject to statutory constraints. All awards are subject to the applicable funding restrictions described in the General Section and to those contained in this NOFA.

B. Number of Awards.

HUD expects to make approximately 5 awards from the funds available under this NOFA.

C. Maximum Award Information.

The maximum grant award is \$1,000,000.

Estimated Total Funding:	\$1,000,000
Minimum Award Amount:	\$100,000 Per Project Period
Maximum Award Amount:	\$1,000,000 Per Project Period

D. Period of Performance.

Estimated Project Start Date:	01/02/2015
Estimated Project End Date:	01/01/2018

36-month project with three 12-month budget periods

Additional Information on Project Periods

E. Type of Funding Instrument.

Funding Instrument Type:	Grant
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F. Supplementation.

Not applicable.

III. Eligibility Information.

A. Eligible Applicants.

Eligible applicants under this NOFA include:

State governments

Applicants that are eligible to participate in this initiative are State community and/or economic development agencies.

Threshold Requirements. To receive an award, all applicants must have an active registration in the System for Award Management (SAM) found at www.SAM.gov. The new SAM website incorporates requirements for the former Central Contractor Registration (CCR). Applicants can also obtain assistance online at www.SAM.gov. A SAM User's Guide that guides applicants through the registration process is available on the SAM website by clicking on "Help."

1. DUNS Requirement. A Data Universal Numbering System (DUNS) number is required to receive an award from HUD. The DUNS number on the application must be the same DUNS number for the organizational entity receiving the award. For more information on the DUNS requirement, applicants may refer to Section D and Section V.C.2. of the General Section.
2. System for Award Management Registration Requirement. To receive an award or to receive award payments from HUD, the applicant/grantee must have an active registration in the System for Award Management (SAM), the successor system to CCR, (24 CFR 5.1004). See HUD Federal Register Notice FR-530-I-01, published July 15, 2010 (75 FR 41087).
3. False Statements. Any false statement made by an applicant in an application will be grounds for denial or termination of an award and possible punishment, as provided in 18 U.S.C. 1001.
4. Other Eligibility Requirements. Each applicant requesting funding under this NOFA must be an eligible applicant, proposing to carry out eligible activities under this NOFA. An applicant must also be in compliance with the threshold requirements found in the FY 2014 General Section www.grants.gov, including the Civil Rights threshold requirements, set forth at Section III.C.2.b. "Resolution of Civil Rights Matters." Applicants must also meet the additional fair housing, civil rights, and affirmatively furthering fair housing requirements found in Section III.C.3.b. of the General Section of the FY 2014 General Section. Purposed project must meet the goals of the AEDI and eligible activities as outlined in Sections III.C.1 and C.3. For additional information regarding nondiscrimination requirements, please see Sections III.C.1, III.C.2, and III.C.3 of the FY 2014 General Section.

5. Geographic Diversity

It is a goal of the AEDI to expand the eligible target markets of established lenders and/or investors in small business development. HUD has determined that to address gaps in service coverage, establishing geographic diversity is an appropriate consideration in selecting grantees for this competition. HUD, in its sole discretion, may choose to award an AEDI grant to a lower-rated fundable application over a higher rated application in order to increase the level of geographic diversity of grants awarded under this NOFA.

Program Requirements

1. Goals of the AEDI. Funds may be used to support eligible activities that serve the following goals:
 - a. Expanding services in eligible Appalachia Distressed Counties target markets (as defined below) by established lenders and investors in business and economic development, and/or
 - b. Securing new public or private capital sources for lending or investing in businesses in existing or new eligible target markets.
2. Eligible target markets. Eligible target markets for use of AEDI funds include rural geographic areas and/or populations, as described below:

Geographic areas include the 420 counties in 13 states that make up the Appalachia Region, as defined by the ARC. The ARC is a federal-state partnership working to stimulate economic development. The ARC is composed of the governors of the 13 Appalachian states and a federal co-chair, who is appointed by the president. Local participation is provided through multi-county local development districts. The thirteen states that are included in the region are: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, West Virginia, and Virginia. A full list of all 420 eligible counties can be found on the ARC website at http://www.arc.gov/appalachian_region/TheAppalachianRegion.asp.
3. Eligible Activities. Activities that may be funded through AEDI grants are listed below.
 - a. Making loans and investments for small businesses owned by or serving low income residents of the Appalachia Distressed Counties.

- b. Securing additional sources of capital for lending and investing in small businesses in eligible target markets.
 - c. Market surveys, portfolio assessments, and business planning and similar activities directly related to the goals of the AEDI.
 - d. Preparation of legal documents, government paperwork, and applications necessary for the implementation of businesses lending and investing activities for the eligible target market.
 - e. Establishment or expansion of lines of credit, revolving loan funds, microenterprise loan funds, and small business incubator services directly supportive of capital access for participating businesses. Such assistance includes, but is not limited to, grants, loans, loan guarantees, interest write-down subsidies, and collateral, such as a loan loss reserve, to support loans from other funding sources.
 - f. Establishment of funding mechanisms for direct financial assistance to business owners. These funding mechanisms can be in the form of default reserves, pooling/securitization mechanisms, loans or investments grants in conjunction with loans or investment, or similar activities.
 - g. Technical assistance for small businesses owned by or serving low income residents of Appalachia Distressed Counties, conducted in association with lending or investing activities.
 - h. Conducting conferences or meetings with federal or state agencies, tribes, tribally designated housing entities (TDHEs), or national or regional housing organizations, to inform residents of programs, rights, and responsibilities associated with lending and investing activities.
4. Administrative and other cost limitations. Administrative costs, as defined in Section I.A.1. are limited to no more than ten (10) percent of the total AEDI grant. All eligible cost items charged to the grant, including both administrative and direct program delivery costs, must be allocable to the AEDI eligible activities in the approved application and budget. Administrative costs for oversight of other programs, functions or responsibilities not related to the AEDI grant will not be allocable to the AEDI grant and thus cannot be charged to the grant.
5. Environmental Review. Individual project sites to be funded by awards under this NOFA may not be known at the time the individual grants are awarded. Therefore, in accordance with 24 CFR 50.3(h), the application shall contain assurances to HUD that the applicant 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, 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.
6. Fair Housing and Equal Opportunity. Applicants must comply with the fair housing and civil rights requirements outlined in Section III.C.3. of the FY 2014 General Section. Applicants must certify that the applicant and all sub-grantees shall comply with the requirements of the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, Title II and III of the Americans with Disabilities Act of 1990, as applicable and Section 109 of the Housing and Community Act of 1974. Federally Recognized Indian tribes must comply with the requirements of the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968; 25 U.S.C. 1301–1303).
7. Equal Access Compliance. Activities carried out with the AEDI funds must comply with the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule at 24 CFR 5. 105(a)/77 F.R. 5662.
8. Affirmatively Furthering Fair Housing. Consistent with the instructions in Sections III.C.2.c. and III.C.3. of the FY 2014 General Section, applicants, other than Federally Recognized Indian tribes, must submit with their application a description of how their proposed activities will affirmatively further fair housing. In developing their plans, applicants shall review the Analysis of Impediments to fair housing choice in the jurisdictions in which the activities will take place. Examples of activities that may address

impediments to fair housing choice include: (1) Affirmative fair housing marketing that targets persons least likely to apply for housing, including outreach to underserved population groups or advocacy organizations representing such persons; (2) Increasing accessible housing for persons with disabilities in accordance with Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and the Americans with Disabilities Act; (3) Planning new or rehabilitated housing in locations that provide greater housing choice and mobility opportunities for persons protected by the Fair Housing Act; (4) Providing language assistance services to persons with limited English proficiency; and (5) Addressing other impediments to fair housing choice identified in a jurisdiction's Consolidated Plan and Analysis of Impediments in coordination with local and regional nonprofit community groups and governmental organizations. The proposed activities must address at least one of the following objectives: (1) help overcome any impediments to fair housing choice related to the assisted program or activity itself; (2) promote racially, ethnically, and socioeconomically diverse communities; or (3) promote housing-related opportunities that overcome the effects of past discrimination because of race, color, national origin, religion, sex, disability, and familial status. Also, the application will include a description of how records will be maintained on such programs or activities and their results. For more information, see Section III.C.2.c. of the General Section.

9. Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency (LEP)." Executive Order 13166 seeks to improve access to Federally assisted programs and activities for individuals who, as a result of national origin, are limited in their English proficiency. Applicants obtaining federal financial assistance from HUD shall take reasonable steps to ensure meaningful access to their programs and activities for LEP individuals. As an aid to recipients, HUD published Final Guidance to Federal Financial Assistance Recipients: Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) in the Federal Register on January 22, 2007 (72 FR 2732). For assistance and information regarding LEP obligations, go to http://www.justice.gov/crt/lep/guidance/HUD_guidance_Jan07.pdf. For more information on LEP, please visit <http://www.hud.gov/offices/fheo/promotingfh/lep.cfm>.

10. Section 3 of the Housing and Urban Development Act of 1968. Applicants must certify that the applicant and all sub-grantees shall comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) and HUD's implementing regulations at 24 CFR part 135, which require recipients to ensure, to the greatest extent feasible, that training, employment and contracting opportunities will be directed to Section 3 residents and to Section 3 business concerns. Additional information on these requirements can be found at <http://www.hud.gov/section3>. Applicants must also ensure that their sub grantees have a feasible Section 3 plan to direct new employment and contracting opportunities created during the expenditure of covered financial assistance to Section 3 residents and Section 3 business concerns, and that their sub grantees demonstrate compliance with the requirements of Section 3 by reporting their activities in the Section 3 Annual Summary Report (Form HUD60002).

11. Lead-Based Paint. The Lead Safe Housing Rule (specifically 24 CFR 35, subparts A, B, J, K, and R) applies to acquisition and rehabilitation of pre-1978 housing, and the Environmental Protection Agency's Renovation, Repair and Painting Rule, set forth in 40 CFR 745 (see <http://www.epa.gov/lead/pubs/renovation.htm>), also applies to pre-1978 housing and child-occupied facilities when renovation, repair or painting work is conducted. The Lead Disclosure Rule (24 CFR 35, subpart A) applies to the sale or lease of pre-1978 housing.

12. Accessible Housing and Other Facilities. Housing and other facilities constructed or rehabilitated using funds under this NOFA are subject to Federal accessibility requirements under Section 504 of the Rehabilitation Act, Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, and the Architectural Barriers Act, as applicable. All products and tools for capacity building must be accessible in accordance with Section 504 of the Rehabilitation Act of 1973 (see, for example, 24 CFR 8.6, on effective communications).

All grant recipients and sub recipients must use training and conference facilities and services that are

physically accessible to persons with disabilities. Where physical accessibility is not achievable, recipients and sub recipients must give priority to alternative methods of product delivery that offer programs and activities to qualified persons with disabilities in the most integrated setting appropriate in accordance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR Part 8 and Titles II and III of the Americans with Disabilities Act.

Furthermore, HUD encourages all award recipients and sub recipients to adopt the goals and objectives of Section 508 of the Rehabilitation Act of 1973 by ensuring that whenever electronic and information technology (EIT) is used, that persons with disabilities have access to and use of the information and data made available through the EIT on a basis comparable as is made available to and used by persons without disabilities. This does not affect recipients' required compliance with Section 504 of the Rehabilitation Act and, where applicable, the Americans with Disabilities Act. Applicants and recipients seeking further information on accessible technology are directed to www.section508.gov. See also the Accessible Technology requirements in Section VI.B.4 of the FY 2014 General Section. All materials for meetings and conferences should be provided in alternative formats for persons with a variety of disabilities, as appropriate, (e.g. Braille, audio, and large type, sign language interpreters, assistive listening devices, etc.)

In addition, Executive Order 13166 seeks to improve access to federally assisted programs and activities for individuals who, as a result of national origin, are limited in their English proficiency. Applicants obtaining federal financial assistance from HUD shall take reasonable steps to ensure meaningful access to their programs and activities to LEP individuals. As an aid to recipients, HUD published Final Guidance to Federal Financial Assistance Recipients: Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) in the Federal Register on January 22, 2007 (72 FR 2732). For assistance and information regarding LEP obligations, go to http://www.justice.gov/crt/lep/guidance/HUD_guidance_Jan07.pdf. For more information on LEP, please visit <http://www.hud.gov/offices/fheo/promotingfh/lep.cfm>.

All materials for meetings and conferences should be provided in alternative formats for persons with a variety of disabilities, as appropriate, (e.g. Braille, audio, and large type, sign language interpreters, assistive listening devices, etc.) and in applicable languages common in the community for limited English proficient (LEP) families. Further conferences and meeting facilities must be physically accessible to persons with disabilities. Where physical accessibility is not achievable, recipients and sub recipients must give priority to alternative methods of product delivery that offer programs and activities to qualified individuals with handicaps in the most integrated setting appropriate in accordance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and its implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act.

HUD does not award grants to individuals nor will HUD evaluate an application from an ineligible applicant. Additionally, if for-profit firms are eligible they are not allowed to earn a fee (i.e., make a profit from the project).

In accordance with 2 CFR 25.200, all applicants must have an active Data Universal Numbering System (DUNS) number (www.dnb.com) and have an active registration in the System for Award Management (SAM) (www.sam.gov) **before submitting an application**. Getting your DUNS number and SAM registration can take up to four weeks; therefore, you should start this process or check your status early.

B. Cost Sharing or Matching.

Federal sources are generally not allowed to be used as cost share or match unless otherwise permitted by a program's authorizing statute.

This Program does not require an applicant to leverage resources through cost sharing or matching.

There is no match required in order to receive AEDI funds. Applicants who submit evidence of leveraging dollars under Rating Factor 4 will receive points according to the scale under that factor.

C. Other.

You must refer to Section III of the General Section for information on the following eligibility requirements. These requirements may, where applicable, determine whether your application is reviewed or make your application ineligible for funding:

- Resolution of civil rights matters;
- Compliance with nondiscrimination and other requirements, including but not limited to:
 - compliance with all applicable fair housing and civil rights laws;
 - affirmatively furthering fair housing;
- Delinquent Federal debts;
- Financial management systems that meet Federal standards;
- Debarment and/or suspension from doing business with the Federal Government;
- False statements;
- Do Not Pay review and compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012;
- Standards of ethical conduct/code of conduct;
- Prohibition against lobbying activities; and
- Conflicts of interest.

IV. Application and Submission Information

A. Obtaining an Application Package.

An electronic copy of the Application Package and Application Instructions for this NOFA can be downloaded from Grants.gov at <http://www.grants.gov/applicants/apply-for-grants.html>.

An applicant demonstrating good cause may request a waiver from the requirement for electronic submission. If you receive a waiver, your paper application must be received by HUD before the deadline of this NOFA. To request a waiver and receive a paper copy of the application materials, you should contact:

Jackie L. Williams, Ph.D.
Office of Rural Housing and Economic Development
451 7th Street, SW, Room 7137
Washington, DC 20410
Phone: (202) 708-2290
Email: Jackie.Williams@HUD.gov

B. Content and Form of Application Submission.

To assure you have the correct Application Package and Application Instructions, you must check that the CFDA number, the Opportunity Title, and the Funding Opportunity Number on the first page of your Application Package match those listed in the Overview of this NOFA. Your application will only be considered for the competition indicated on your submission.

If more than one application is received from an organization, HUD will only consider the last application received and validated by Grants.gov in accordance with the timely receipt requirements. Any subsequent application from that organization will be deemed ineligible.

A complete application under this NOFA must contain the information below. All forms required for application submission can be found in the application and instruction downloads on grants.gov at http://www.grants.gov/applicants/find_grant_opportunities.jsp.

1. An abstract with the dollar amount requested and a description of the nature and extent of need to be addressed by applicant's proposed lending or investing activities under Rating Factor 2 (Need and Extent of the Problem); and a brief description of how proposed lending or investing activities will expand or sustain access to capital for businesses lending and economic development for eligible target markets as defined in Section III.A.2. of this NOFA. and accompanying documentation as indicated on the SF-424 form.
2. Page Limitation. Narratives addressing Factors 1 through 5 are limited to no more than 15 double-spaced typed pages, 12 point font size. Reviewers will not review more than 15 pages for all five factors and bonus points combined, except that the page limit does not include budget spreadsheets, and letters of commitment for leverage.
3. Prohibition on Materials Not Required. Materials other than what is requested in this NOFA are prohibited. Reviewers will not consider resumes, charts, letters, or any other documents attached to the application, which are not specified in this NOFA.
4. Checklist for Application Submission. The following checklist is provided as a guide to help ensure that applicants submit all the required elements. The paper submission should be in the order provided below. All applicants should enter the applicant name, DUNS number, and page numbers on the narrative pages of the application. See General Section IV.B.1.

Forms for your package include the HUD standard forms outlined below:

- _ An Abstract;
- _ Application for Federal Assistance (Form SF424) (Note: Applicants must enter the legal name of their organization in box 8.a. and DUNS number in box 8.c. of the SF424 as it appears in the System for Award Management (SAM) which is the successor system to CCR. See Section III.A of the General Section regarding CCR Registration. In block 8.d of the form, the applicant must include a 9 digit number for the organization's zip code (zip plus 4);
- _ Faith-Based EEO Survey (SF424 Supplement, Survey for Ensuring Equal Opportunity for Applicants);
- _ Narrative addressing Factors 1 through 5;
- _ Grant Application Detailed Budget (HUD424CB);
- _ Disclosure of Lobbying Activities (SFLLL) (if applicable);
- _ Applicant/Recipient Disclosure/Update Report (HUD2880);
- _ Preferred Sustainable Communities Bonus Points (HUD 2995);
- _ Acknowledgment of Application Receipt (HUD2993) (applicable to paper applications only);
- _ HUD96011 Facsimile Transmittal Third Party Documentation Facsimile Transmittal (for electronic applications only); and
- _ Affirmatively Furthering Fair Housing Narrative Statement.

C. Application Submission Dates and Times.

Application Deadline.

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit your application in paper form. Instructions on submitting your application to Grants.gov are contained within the Application Package you downloaded from Grants.gov.

The application deadline is 11:59:59 p.m. Eastern time on **November 3, 2014**. Applications must be received no later than the deadline. Please refer to the General Section for more information about timely receipt of applications.

Applications must be received no later than the deadline. Please refer to the General Section for more information about timely receipt of applications.

Your application must be **both received and validated** by Grants.gov. Your application is “received” when Grant.gov provides you a confirmation of receipt and an application tracking number. **If you do not see this confirmation and tracking number, your application has not been received.**

After your application has been received, your application still must be validated by Grants.gov. During this process, your application may be “validated” or “rejected with errors.” To know whether your application was rejected with errors and the reason(s) why, you must log into Grants.gov, select “Applicants” from the top navigation, and select “Track my application” from the drop-down list. If the status is “rejected with errors,” you have the option to correct the error(s) and resubmit your application before the Grace Period ends. **If your application was “rejected with errors” and you do not correct these errors, HUD will not review your application.** If your status is “validated” your application will be forwarded to HUD by Grants.gov.

Grace Period for Grant.gov Submissions: If your application is received by Grants.gov before the deadline, but is rejected with errors, you have a grace period of one day beyond the application deadline to submit a corrected application that is received and validated by Grants.gov. Any application submitted during the grace period that does not meet the criteria above will not be considered for funding. There is no grace period for paper applications. See the General Section for more information about the grace period.

If you are required to submit supporting documentation you may either scan and attach these documents to your electronic application package or submit them via fax. If supporting documents are submitted by fax, you must use the HUD-96011 Facsimile Transmittal Form as a cover page; this form is located in your Application Package. You must send any faxes to the toll-free number **800-HUD-1010**. If you cannot access the toll-free number or experience problems using that number you may use **215-825-8798** (this is not a toll-free number). If you or any other parties submitting documents for this application do not use the form HUD-96011 that came with your application as the fax cover page, the documents cannot be matched to the application. Consequently, these documents will not be considered when the application is evaluated. Additionally, if your fax machine creates a cover page, you must turn this feature off.

Amending a Validated Application: If you resubmit an application that was previously validated by Grants.gov, all documents faxed in support of the application must be faxed again using the form HUD-96011. You must fax the materials after the resubmitted application has been validated by Grants.gov. All faxed materials must be received by the applicable deadline.

Application deadline not known at this time.

D. Intergovernmental Review.

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

E. Funding Restrictions.

Not Applicable.

F. Other Submission Requirements.

Lead Based Paint Requirements

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.

A.1. Rating Factors.

The maximum number of points to be awarded for an AEDI application is 106, which includes six bonus points. The minimum score for an application to be considered for funding is 75. Points are assigned based on applicant responses to five factors. When addressing Factors 2 through 5, applicants should discuss the activities that will be carried out with AEDI funds during the term of the grant agreement. Submissions should provide relevant examples to support the proposal, where appropriate. Submissions must also be specific when describing the communities, populations, and organizations that they propose to serve and the specific outcomes expected as a result of the activities.

1. Rating Factor 1: Existing Capacity of the Applicant and Relevant Organizational Experience (35 points).

This rating factor addresses the extent to which the applicant has the organizational resources necessary to successfully implement its proposed AEDI action plan within the 36-month award period. A clearly defined and practical action plan should be submitted that: identifies each of the projects and activities the applicant will carry out to further the goals of the AEDI; describes how the eligible target markets will be impacted by proposed activities; and how the specific needs identified in Factor 2 are addressed. HUD will evaluate the applicant's performance in any previous grant program undertaken with HUD funds or other federal, state, local, or nonprofit or for-profit organization funds. To the extent that the applicant or any of the partners listed in the application has experienced a recapture of funds, disallowance of costs, monitoring finding, Inspector General finding, or failure to expend funds within the performance period under a federal grant, the applicant must disclose the incident(s), discuss the issues raised, and how, if funded, its current proposal will not experience similar problems. Failure to disclose past performance issues will result in disqualification of the application.

Previous HUD performance-based experience may be verified through HUD's field offices, the CDFI Fund, or USDA-RD. HUD reserves the right to take into account past performance in meeting performance and reporting goals for any previous HUD award, in particular whether the program achieved its outcomes.

a. Team members, composition, and experience (20 points). HUD will evaluate the experience (up to the last 7 years) of the project director, core staff, and any outside consultant, contractor, sub recipient, or project partner as it relates to capital for businesses lending and economic development and to the implementation of the activities in the action plan. All applicants should describe the lines of authority and procedures that the applicant has in place for ensuring that action plan goals and objectives will be met, that consultants and other project partners will perform as planned, and that beneficiaries will be adequately served.

HUD also will assess the services that consultants or other parties will provide to fill gaps in the staffing structure to enable the applicant to carry out the proposed action plan and the experience of the project

director in managing projects of similar size, scope, and dollar amount. All applicants should also include their degree of experience in working with persons with disabilities and/or persons with limited English proficiency. In judging the response to this factor, HUD will only consider work experience gained within the last 7 years. When responding, please be sure to provide the dates, job titles, and relevancy of the past experience to the work to be undertaken by the employee or contractor under the proposed AEDI award. The more recent, relevant, and successful the experience of applicant's team members, including staff, subcontractors and sub-grantees, is in relationship to the action plan activities, the greater the number of points the applicant will receive.

b. Organizational structure and management capacity (15 points). HUD will evaluate the extent to which the applicant can demonstrate the organization's ability to manage a workforce composed of full-time or part-time staff, as well as any consultant staff, and the ability to work with individuals, small businesses, municipalities, community-based groups or organizations as appropriate to the application. In evaluating this sub factor, the more recent, relevant, and successful the experience of the organization and any participating entity, the greater the number of points the applicant will receive. Applicants should describe: 1) the specific experiences of staff members in managing lending and investment activities and portfolios; 2) the scope and complexity of lending and investment projects undertaken and whether these experiences are similar in scope and complexity to the proposed activities; 3) the applicant's successful coordination with local government, businesses, and community organizations in carrying out lending and investment projects; and 4) the extent to which proposed activity involves part-time staff and/or consultants, and previous experience managing such a workforce. HUD reserves the right to give zero points for Rating Factor 1, if the applicant has been determined to have a pattern or practice of any or all of the following activities related to the management and operation of previous grant awards: (1) mismanagement of funds, including the inability to account for funds appropriately; (2) untimely use of funds received either from HUD or other federal, state, or local programs; and (3) significant and consistent failure to measure performance outcomes.

2. Rating Factor 2 - Need and Extent of the Problem (15 points)

The AEDI is designed to expand or sustain access to capital for businesses lending and economic development for eligible target markets as defined in Section III.A.2. In this section, HUD will review the nature and extent of need to be addressed by the lending or investing activities proposed by the applicant. In answering this section, applicants should describe:

a. Target Market (5 points): The target market of the Appalachia Distressed Counties is the subject of the proposal, as defined in Section III.A.2. Within eligible target markets, applicants will receive more points the higher the poverty rate in a geographically-defined target market as compared to the average poverty rate of the Appalachia Distressed Counties, or the lower the income level among individuals and/or households comprising the target market. In determining poverty rates, HUD requires use of sound, verifiable, and reliable data (e.g., U.S. Census data, state statistical reports, university studies/reports, or Home Mortgage Disclosure Act or Community Reinvestment Act databases) to support distress levels cited in the application. See <http://www.census.gov/> for census data. Applicants are also encouraged to utilize the on-line mapping tool CPDMaps, found at egis.hud.gov/cpdmaps/, to locate and coordinate with other organizations serving the Appalachian region.

A source for all information along with the publication or origination date must also be provided.

b. The nature and extent of the gap in capital availability for businesses lending and economic development in their target market (10 points):

Applicants will receive more points for providing a clear and more specific description of capital needs and barriers that currently exist for their target markets, including elements such as:

The characteristics of loans or investments needed to produce or improve business lending and economic development for the benefit of the applicant's selected target markets;

Barriers to the flow of existing capital sources to meet the needs of the applicant's selected target market;

Needs and strategies for economic development that were identified in HUD's Consolidated Plan, and needs that have been identified by a local Community Development Block Grant (CDBG) and HOME

grantee analysis, if such an analysis and/or strategies exist;

Other aspects of gaps in the availability and flow of capital to eligible target markets and uses that applicants consider relevant to this rating factor; and other aspects of gaps in the availability and flow of capital to eligible target markets and uses that applicants consider relevant to this rating factor.

Applicants are encouraged to make a strong connection to the HUD Consolidated Plan process, which is designed to help states and local jurisdictions assess their business lending and economic development needs and market conditions, and to make data-driven, place-based investment decisions. Connection with the HUD Consolidated Plan and CDBG strategies will also allow applicants to coordinate their objectives with other HUD funding opportunities.

3. Rating Factor 3 - Soundness of Approach (35 points).

This factor addresses the overall quality of the applicant's proposed plan to address the needs in the target market described in the response to Rating Factor 2, taking into account the activities proposed to be undertaken; the cost-effectiveness of applicant's proposed program; and the linkages between identified needs, the goals and eligible activities of this program, and applicant's proposed activities and tasks.

a. AEDI Action plan (20 points). A clearly defined and practical action plan should be submitted that: identifies each of the projects and activities the applicant will carry out to further the goals of the AEDI; describes how the eligible target markets will be impacted by proposed activities; and how the specific needs previously identified in Factor 2 are addressed. The action plan should also include specific details regarding existing capital resources for affordable entrepreneurship and business support and proposed in the target markets and address the needs identified in Factor 2, and how the proposed activities will complement them or focus them more effectively on the proposed target markets. The Appalachian communities and/or residents that were described in Rating Factor 2 for the purpose of documenting need should be the same populations that will receive the primary benefit of the activities, both immediately and over the long term. The benefits should be affirmatively marketed to those populations least likely to apply for and receive these benefits without such marketing.

This factor also should include information that indicates the extent to which the applicant has coordinated or plans to coordinate activities with other known organizations (e.g., letters of participation or coordination) that are not directly participating in the proposed work activities, but with which the applicant shares common goals and objectives and that are working toward meeting these objectives in a holistic and comprehensive manner. The applicant should discuss how its proposal takes advantage of capacities and resources that already exist for the benefit of target markets, or acts in a complementary way to improve the range of capital availability for the target markets addressed by the application.

b. Budget (10 points): The action plan should also include the budget for the program, broken out by line item with the assumptions used to develop each line item described in the budget narrative. To the extent relevant to the budget, documented projected cost estimates from outside sources must be included in the narrative.

Applicants should submit their action plan on a spreadsheet showing each project to be undertaken and the tasks (to the extent necessary or appropriate) in the action plan to implement the project with the associated budget estimate for each activity/task. The action plan should provide the rationale for the proposed activities and assumptions used in determining the budget estimates. Failure to provide details on budget assumptions or documentation of outside cost estimates may result in the application receiving fewer points for lack of clarity in the proposed action plan.

c. Timetable (5 points): Applicant's timetable should address the measurable short-term and long-term goals and objectives to be achieved through the proposed activities based on annual benchmarks; the method the applicant will use for evaluating and monitoring program progress with respect to those activities; and the method the applicant will use to ensure that the activities will be completed on time and within the proposed budget estimates. The action plan should provide the rationale for the proposed activities and assumptions used in determining the timeline. Failure to provide applicant's rationale and assumptions may result in the application receiving fewer points for lack of clarity in the proposed action plan.

4. Rating Factor 4 - Leveraging Resources (5 points). This factor addresses the extent to which applicants

have obtained firm commitments of financial or in-kind resources from other federal, state, local, and private sources, as defined in Section I.A.7. For every AEDI dollar anticipated, the applicant should provide the specific amount of dollars leveraged. In assigning points for this criterion, HUD will consider the level of outside resources obtained in the form of cash or in-kind goods or services that support activities proposed in the application. HUD will award a greater number of points based on a comparison of the extent of leveraged funds with the requested AEDI award. The level of outside resources for which commitments are obtained will be evaluated based on their importance to the total program. The application must provide evidence of leveraging in the form of letters of firm commitment from any entity, including all organization(s) that will be providing the leveraging funds to the project. Each commitment described in the narrative of this factor must be in accordance with the definition of "firm commitment," as defined in the AEDI NOFA. The commitment letter must be on letterhead of the participating organization, must be signed by an official of the organization legally able to make commitments on behalf of the organization, and must not be dated earlier than the date this NOFA is published. Points for this factor will be awarded based on the satisfactory provision of evidence of leveraging and financial sustainability, as described above, and the ratio of leveraged funds to requested AEDI funds as follows:

- a. 50 percent or more of requested HUD AEDI funds = 5 points;
- b. 49-25 percent of requested AEDI funds = 3 points;
- c. 24-10 percent of requested AEDI funds = 1 point;
- d. Less than 9 percent of requested funds = 0 points.

5. Rating Factor 5 - Achieving Results and Program Evaluation (10 points).

The NOFA provides applicants that either can show proven effectiveness of their proposed intervention or uses an intervention identified by HUD as already having been proven effective. This factor assesses the applicants' ability to ensure that rigorous and useful performance measures are used and goals are met. Benchmarks or outputs are interim activities or products that lead to the ultimate achievement of applicant's goals. Achieving results means the applicant has clearly identified the benefits or outcomes of the program.

Applicants must provide a general overview of their proposed plan to evaluate the project work described in the application. This overview must include: 1) an explanation of the anticipated questions the applicant is trying to address and why; 2) its proposed methodology for evaluating those questions, and 3) how such evaluation and tracking will be used to provide feedback to improve program performance. The applicant should also describe how it will quantify the accomplishments of the proposed plan to increase the overall body of policy knowledge. Additional information that may enhance applicants' knowledge and capacity to effectively evaluate the performance of rural projects can be found at:

<http://www.ers.usda.gov/topics/rural-economy-population/business-industry.aspx#.UYpXQaKkq-Y>.

- a. Output measures are quantifiable. AEDI outputs include: number of jobs created; number of new businesses created; and number of existing businesses assisted; number of borrowers and investees provided with technical assistance; and number of lending or investing amount of lending or investing, including grant funds and other sources.
- b. Outcome Measures. Outcomes are ultimate project end goals and should address the ultimate benefits planned for selected target markets. Applicants must show that their proposed strategies have been implemented in the past and provide evidence to show their strategies have accomplished the goals of: 1) supporting lending and investing activity in business lending and economic development to benefit low income residents of Appalachia and/or, 2) expanding services to the Appalachia Distressed Counties and target markets, and/or 3) securing new sources of funding for existing services. HUD will review the research or report to determine if it shows the strategies to be successful at achieving one or more the goals of this NOFA and that the intervention is applicable to the Appalachia Distressed Counties. If the research or report includes the applicant as a study subject, that is preferable but not essential. Please note that grantees must participate in agency-wide evaluations of program outcomes.
- c. Proposed program benefits. Proposed program benefits must include program activities, benchmarks,

and interim activities or performance indicators with timelines. Applications must include an evaluation plan that will effectively measure actual achievements against anticipated achievements.

Maximum Points: 6

Bonus Points

Investing in Manufacturing Communities Partnership (2 points). HUD will award two bonus points to all applications that include documentation stating that the proposed eligible activities/projects will be located in and serve a federally designated Investing in Manufacturing Communities Partnership (IMCP). These points will be considered only if the application meets or exceeds the program's minimum fundable score based on the rating factors of this NOFA.

See website for additional information: (<http://www.commerce.gov/IMCP>).

A.2. NOFA Priorities.

HUD encourages applicants for funding to undertake programs and projects that contribute to HUD's NOFA Priorities. Applicants that undertake activities that result in achievement of specific NOFA Priorities listed below are eligible to receive additional points in the rating of their application. These points will be considered only if the application meets or exceeds the Program's minimum fundable score based on the rating factors of this NOFA.

Promote Economic Development and Economic Resilience (Capital Investment, Planning, and Research NOFAS or as specified in Individual Program NOFA)

CRITERIA FOR “Promote Economic Development and Economic Resilience”

- *Create Jobs for low-income residents*
- *Proximity to Amenities/Reducing Transportation Costs*

Applicants may receive one point for demonstrating one of the following, with a maximum of two points awarded for this priority overall.

A. Community Economic Development (1 point): To receive 1 point under this objective, applicants must show how their proposed grant activities will build infrastructure within the target community to support 1) job creation for low income people; 2) business opportunities for small and/or disadvantaged businesses; and/or 3) create a flow of investment of private or other public capital into a) small and disadvantaged businesses or b) nonprofit activities serving low income people; and/or 4) any combination of the above. Applicants must provide substantive description of each activity and specific, measureable

targets of economic development impact, with a narrative supporting the estimate. For programs already subject to the requirements of Section 3 (see paragraph VI.B.2) applicants must clearly explain how the proposed activities exceed the requirements of Section 3 to “ensure that employment and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons.” (24 CFR 135.1)

B. Reducing Transportation Costs / Proximity to Amenities/ (1 point): To receive 1 point under this objective, applicants must demonstrate that proposed activities will be conducted and projects sited at locations that will help households reduce their transportation costs. Applicants should demonstrate this through evidence that such sites are within easy walking distance of other important services and amenities such as grocery stores, social services, cultural facilities, parks, recreation and other amenities and/or served by conveniently located public transportation with frequent service. Applicants must provide evidence that the proposed activities meet the following criterion:

Sites located in metropolitan areas (per 42 U.S.C. § 5302(a)(3)) must be within one-half mile of amenities that are appropriate to the served population. Nonmetropolitan sites must be within one mile of amenities that are appropriate to the served population. Applicants must provide a map identifying the applicable amenities. Points will be awarded to project sites within easy walking distance of at least 2 of the following categories of amenities:

- a. Grocery Store such as a supermarket or other store that sells produce and meat products;
- b. Social Services Facilities such as a licensed adult or senior care, hospital, medical clinic or social service organization that offers services to residents;
- c. Neighborhood-serving Amenities such as an apparel store, convenience store, pharmacy, bank, hair care, dry cleaner, or restaurant;
- d. Recreational Facilities such as a community or senior center, gym, health club, or entertainment venue; and
- e. Civic Facilities such as a government office that serves the public on-site, an educational facility providing adult education classes, place of worship, police or fire station, post office, public library, or public park.
- f. Educational Facilities such as primary and secondary schools, community colleges, and universities.

Alternatively, applicants may also receive this point by demonstrating through publicly-available information that the proposed site is served by reliable and accessible public transportation through door-to-door shuttle/van service and/or a transit stop(s) within one-half mile which provides access to at least 2 of the above listed amenities.

A.3. Bonus Points

HUD encourages activities in communities with Preferred Sustainability Status (PSS) and/or Promise Zones (PZ). HUD will award two (2) points for qualified activities supporting either designation or both. In no case will HUD award more than two bonus points for these activities. The criteria and documentation that must be provided to receive these points are detailed in Section V of the General Section. These points will be considered only if the application meets or exceeds the Program's minimum fundable score based on the rating factors of this NOFA.

B. Reviews and Selection Process.

1. Review Types. Two types of reviews will be conducted. First, HUD will review each application to determine whether it meets threshold eligibility requirements described in Section III of the General Section. Second, HUD will review and assign scores to applications meeting the threshold requirements using the Factors for Award noted under Criteria, Section V.A of the General Section.
2. Ranked Order. Once rating scores are assigned, rated applications will be listed in ranked order. After HUD has rated and ranked the applications, applicants within the fundable range of 75 or more points will be funded in ranked order up to the amount requested, or in a lesser amount if sufficient funds are not available. HUD reserves the right to reduce the amount of the award requested. HUD has determined that geographic diversity of coverage within the Appalachia Distressed Counties is an appropriate consideration in selecting grantees in this competition. HUD will select grant applications that score 75 points or more in rank order until selections totaling \$1,000,000 have been reached. If two or more applications are rated fundable and have the same score, but there are insufficient funds to fund all of them, the application(s) with the highest score for Rating Factor 2 will be selected. If applications still have the same score, the highest score in the following factors will be selected sequentially until one highest score can be determined: Rating Factor 3, Rating Factor 1, Rating Factor 5, and Rating Factor 4.
3. Threshold Eligibility Requirements. All applicants must be in compliance with the threshold requirements found in the General Section 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 are received after the deadline (see Section IV.C. of the General Section) will be considered ineligible for funding.

C. Anticipated Announcement and Award Dates.

Information regarding anticipated announcement and award dates is unavailable at this time.

VI. Award Administration Information.

A. Award Notices.

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.

After award, grantees will submit their action plan and budget into HUD's web based system prior to approval to draw down. Applicants will be given the opportunity to amend their budget according to the grant award, in the event HUD awards less than the requested amount prior to entering into the grant agreement. The action plan(s) must be sufficiently detailed, including budget information, for monitoring purposes, and must identify the performance goals and objectives to be achieved. HUD will approve the action plan(s) or notify the grantee of matters that need to be addressed prior to approval. All activities are also subject to the environmental requirements in Section III of this notice.

Consistent with Section VIII.B. of the General Section and 24 CFR 85.36, after selection, but prior to award, applicants selected for funding will be required to provide HUD with a 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 on <http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm> and the information has not been revised.

B. Administrative and National Policy Requirements.

Certain Administrative and National Policy Requirements apply to all HUD programs, including this NOFA. For a complete list of these requirements, see Section VI.B. of the General Section.

OMB recently published Guidance for Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which will supersede the OMB circulars. When HUD regulations implementing the new OMB guidance becomes effective, the applicant will be required to comply with them. See Technical corrections to the General Section.

OMB Circulars and Government wide Regulations Applicable to Financial Assistance Programs. Awards under this NOFA will be governed by 24 CFR part 84 and 24 CFR part 85 (Uniform Administrative Requirements), OMB Circular A-122 (Cost Principles for Non-profit Organizations) (as may be amended from time to time), OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments), and OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations). The regulations may be obtained from the CFR Website at http://www.whitehouse.gov/omb/grants_circulars. Copies of OMB Circulars may also be obtained from the Executive Office of the President's (EOP) Publications Office, Room 2200, New Executive Office Building, Washington, DC 20503, telephone number (202) 395-3080 (this is not a toll-free number) or (800) 877-8339 (a toll-free number for the TTY Federal Relay Service, for hearing or speech impaired persons). Information also may be obtained from the OMB website at: <http://www.whitehouse.gov/omb/circulars/index.html>.

C. Reporting.

Please refer to Section VI of the General Section for a description of the general reporting requirements applicable to this NOFA.

1. Grantees will be required to report to HUD, as specified in the grant agreement. Performance reports shall include reports on both performance and financial progress under action plans and shall include reports on the commitment and expenditure of leveraging resources utilized through the end of the reporting period. Reports shall conform to the reporting requirements of 24 CFR part 84 and 24 CFR part 85.
2. To further the consultation process and share the results of progress to date, the Secretary may require grantees to present and discuss their performance reports at annual meetings in Washington, DC, during the life of the award.
3. The performance reports must contain the information required under 24 CFR part 84 and 24 CFR part 85, including a comparison of actual accomplishments with the objectives and performance goals of the action plans. In the action plans, each grantee will identify performance goals and objectives or policy priorities established for each community in which it proposes to work and appropriate measurements under the action plan, such as the number of housing units and facilities each grantee produces annually during the grant period and the average cost of such units. The performance reports will also include a discussion of the reasonableness of the unit costs, the reasons for slippage if established objectives and goals are not met, and additional pertinent information.
4. A final performance report, in the form described in paragraph (1) immediately above, shall be provided to HUD by each grantee within 90 days after the completion date of the award.
5. Transparency Act Reporting. Recipient Reporting to Meet the Requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006, as amended.
 - a. Prime Awardee Reporting. Prime recipients of HUD financial assistance are required to report sub awards in the federal government-wide website www.fsr.gov or its successor system. Starting with awards made October 1, 2010, prime financial assistance awardees receiving funds directly from HUD are required to report sub awards and executive compensation information both for the prime award and sub award recipients, including awards made as pass-through awards or awards to vendors, where both the initial award is \$25,000 or greater or the cumulative award will be \$25,000 or greater if funded incrementally as directed by HUD in accordance with OMB guidance. If sub award recipients' executive compensation is reported through the System for Award Management (SAM) system, the prime

recipient is not required to report this information. The reporting of award and sub award information is in accordance with the requirements of Federal Financial Accountability and Transparency Act of 2006 (FFATA), as amended by section 6202 of Public Law 110-252, hereafter referred to as the “Transparency Act” and OMB Guidance issued to the Federal agencies on September 14, 2010 (75 FR 55669) and in OMB Policy guidance. The prime awardee will have until the end of the month plus one additional month after a sub award or pass-through award is obligated to fulfill the reporting requirement. Prime recipients are required to report the following information for applicable sub awards. This information will be displayed on a public government website pursuant to the Transparency Act.

- (i) Name of entity receiving award;
- (ii) Amount of award;
- (iii) Funding agency;
- (iv) North American Industry Classification System (NAICS) code for contracts/CFDA program for financial assistance awards;
- (v) Program source;
- (vi) Award title descriptive of the purpose of the funding action;
- (vii) Location of the entity (including Congressional district);
- (viii) Place of Performance (including Congressional district);
- (ix) Unique identifier of the entity and its parent; and
- (x) Total compensation and names of top five executives.

For the purposes of reporting into the FFATA Sub Award Reporting System (FSRS) reporting site, the unique identifier is the DUN and Bradstreet Universal Numbering System (DUNS) number the entity has obtained from Dun and Bradstreet, and for Prime awardees the DUNS number registered in SAMS.

b. Prime Grant Awardee Executive Compensation Reporting. Prime awardees must also report in the government wide website the total compensation and names of the top five executives in the prime awardee organization if:

- (i) More than 80% of the annual gross revenues are from the Federal government, and those revenues are greater than \$25 million annually; and
- (ii) Compensation information is not readily available through reporting to the Securities Exchange Commission (SEC.)

c. Sub Award Executive Compensation Reporting. Prime awardees must also report in the government-wide website the total compensation and names of the top five executives in the sub awardees if:

- (i) More than 80% of the annual gross revenues are from the Federal government, and those revenues are greater than \$25 million annually; and
- (ii) This required compensation information is not readily available through reporting to the Securities Exchange Commission (SEC). If the sub award recipient’s executive compensation is reported through the System for Award Management (SAM), the prime recipient is not required to report the information again.

d. Transparency Act Reporting Exemptions. The Transparency Act exempts any sub awards less than \$25,000 made to individuals and any sub awards less than \$25,000 made to an entity whose annual expenditures are less than \$300,000. Sub awards with a cumulative total of \$25,000 or greater are subject to sub award reporting beginning the date the sub award total award amount reaches \$25,000. The Transparency Act also prohibits reporting of any classified information. Any other exemptions to the requirements must be approved by the Office of Management and Budget.

NOTE: For the purposes of FFATA reporting requirements, “prime grant awardee” includes awardees of capital advances for the Section 202 Housing for the Elderly and Section 811 Housing for Persons with Disabilities programs.

6. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), hereafter referred to as “Section 872.” Section 872 requires the establishment of a government wide data system – the Federal Awardee Performance and Integrity Information System (FAPIIS) - to contain information related to the integrity and performance of entities awarded federal

financial assistance and making use of the information by federal officials in making awards. OMB is in the process of issuing regulations regarding federal agency implementation of section 872 requirements. A technical correction to this General section may be issued when such regulations are promulgated. HUD anticipates that the terms and conditions to its FY 2014 awards will contain requirements related to meeting FFATA and Section 872 requirements.

7. Race and Ethnic Data Reporting. HUD requires grantees that provide HUD program benefits to individuals or families to report data on the race and ethnicity of those receiving such benefits. Grantees that provide benefits to individuals during the period of performance, whether directly, through sub recipients, or through contractual arrangements, must report the data using form HUD27061, Race and Ethnic Data Reporting Form. HUD will provide instructions to grantees on how the form is to be submitted.

VII. Agency Contact(s).

HUD staff will be available to provide clarification on the content of this NOFA. Please note that HUD staff cannot assist applicants in preparing their applications.

Questions regarding specific program requirements should be directed to the point of contact listed below.

For Assistance. Applicants may call Thann Young or Monica Wallace in HUD's Office of Rural Housing and Economic Development at 877-787-2526 or (202) 708-2290. Persons with hearing and speech impairments may access the above numbers via TTY (text telephone) by calling the Federal Relay Service at (800) 877-8339 (this is a toll-free number). Information may also be obtained through the HUD website at: www.hud.gov.

Questions concerning the General Section should be directed to the Office of Strategic Planning and Management, Grants Management and Oversight Division at 202-708-0667 (this is not a toll-free number).

Persons with hearing or speech impairments may access these numbers via TTY by calling the toll-free Federal Relay Service at 800-877-8339.

VIII. Other Information.

HUD is required to comply with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). This Act governs the collection of information from the public including responses to this NOFA. HUD may not collect this information, and you are not required to complete these forms unless they display current, valid OMB control number(s). The results of this collection will not be published or be used for statistical purposes.

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.