



U.S. Department of Housing and Urban Development

Community Planning and Development

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

FR-5900-N-07

Nani A. Coloretti

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Deputy Secretary

7/31/15

Date

for Cheryl

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Principal Deputy Assistant Secretary
for Community Planning and Development

7/31/15

Date

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U.S. Department of Housing and Urban Development

Program Office: Community Planning and Development
Funding Opportunity Title: Capacity Building for Community Development and Affordable Housing Grants (Section 4)
Announcement Type: Initial
Funding Opportunity Number: FR-5900-N-07
Primary CFDA Number: 14.252
Due Date for Applications: September 3, 2015

FOR FURTHER INFORMATION CONTACT: Please direct questions regarding the specific program requirements of this Program Notice of Funding Availability (NOFA) to the agency contact identified in Section VII. Please direct questions regarding the FY 2015 General Section to the Office of Strategic Planning and Management, Grants Management 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 Federal Relay Service at 1-800-877-8339.

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 various competitive grant programs, including this NOFA. Applications must meet all of the requirements of the General Section in addition to the requirements of this NOFA to be considered and potentially receive funding. The full title of the General Section is the General Section to the Fiscal Year 2015 NOFAs for Discretionary Programs. Copies are available at Grants.gov or HUD's [Funds Available](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail) page, http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail

2. 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 program enhances the capacity and ability of community development corporations (CDCs) and community housing development organizations (CHDOs) to carry out affordable housing and community development activities that benefit low-income families and persons and low- and moderate-income families and persons.

2. Changes from Previous NOFA.

The FY15 Section 4 Capacity Building program NOFA contains minimal material changes from last year. The primary changes include the addition of a third policy priority on the promotion of economic development and the adoption of the Office of Management and Budget Super circular cited at 2 CFR Part 200. To increase your chance of success, please be sure to read this announcement fully and carefully.

3. Definitions.

a. Eligibility Requirements – Eligibility requirements are those requirements that must be met for an application to be eligible for funding. Deficiencies in meeting an eligibility requirement may be categorized as either curable or non-curable.

b. Threshold Requirement – Threshold requirements are a category of eligibility requirements. A threshold requirement is a requirement that must be met in order for an application to be reviewed. Threshold requirements are not curable.

Threshold requirements are listed in Section III.C.2. of both the 2015 General Section and in this Program NOFA.

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

c. Deficiency – Deficiencies are not the same as errors. Errors are never curable except as permitted under Section IV.C.2. Deficiencies are items of missing or omitted information 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.

d. Curable Deficiency – A curable deficiency is a specific type of deficiency that applicants may correct with timely action. To be curable the deficiency must:

- Not be a threshold requirement;
- Not influence how an applicant is ranked or scored versus other applicants; and
- Be remedied within the time frame specified in the notice of deficiency.

e. Non-Curable Deficiency – An applicant cannot correct a non-curable deficiency after the submission deadline. Non-curable deficiencies are deficiencies that if corrected would change an applicant's score or rank versus other applicants. Non-curable deficiencies may result in an application being marked ineligible, or otherwise adversely affect an application's score and final determination.

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

Community Development Corporation (CDC).

a) A CDC is a nonprofit organization that undertakes eligible Section 4 Capacity Building Program activities as defined in this NOFA. The CDC must be:

1. 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;
2. Governed by a board of directors composed of community residents, business and civic

leaders

3. Have 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;
 4. Be neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization;
 5. Have 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);
 6. Have standards of financial accountability that conform to 2 CFR Part 200.302, "Financial Management" and 2 CFR Part 200.303, "Internal Controls";
 7. Not be an agency or instrumentality of a State or local government;
 8. For urban areas, "community" may be a neighborhood or neighborhoods, town, village, county or multi-county area (but not the entire State or territory).
- b) An organization that does not qualify under paragraph (1) through (8) may also be determined to qualify as an eligible entity if:
1. 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
 2. 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
 3. 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 regulation (HOME Program) 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:

- (a) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
- (b) A group of persons residing together, and such group includes, but is not limited to:
 - (i) 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);
 - (ii) An elderly family;
 - (iii) A near-elderly family;
 - (iv) A disabled family;
 - (v) A displaced family; and
 - (vi) 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 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 contained in the Office of Management and Budget's 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas, 75 FR 37252 (June 28, 2010) <http://www.gpo.gov/fdsys/pkg/FR-2010-06-28/pdf/2010-15605.pdf>. Current delineations can be found at: <http://www.census.gov/population/metro/>.

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. The funding made available through this NOFA is authorized by the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235, approved December 16, 2014).

II. Award Information.

A. Available Funds.

HUD is making available through this NOFA **\$35,000,000** for Capacity Building for Community Development and Affordable Housing Grants (Section 4).

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.

Of the \$35,000,000 available for the Section 4 Capacity Building Program at least \$5,000,000 shall be made available for rural capacity building activities.

B. Number of Awards.

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

C. Minimum/Maximum Award Information.

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.

Awards will be for a period of 48 months from the date of execution of the grant agreement.

Estimated Project Start Date: 09/28/2015
Estimated Project End Date: 09/27/2019
48-month project with four 12-month budget periods

E. Type of Funding Instrument.

Funding Instrument Type: Grant

HUD will enter into a grant agreement with selected applicants for the period of performance.

F. Supplementation.

Not Applicable.

III. Eligibility Information.

A. Eligible Applicants.

Eligible applicants under the NOFA include:

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

Additional Information on Eligibility:

The competition is limited to the organizations identified in Section 4 of the HUD Demonstration Act of 1993 (Pub.L. 103-120, 107 Stat. 1148, 42 U.S.C. 9816 note), as amended. These 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., 11000 Broken Land Parkway, Suite 700, Columbia, MD 21044.
- Local Initiatives Support Corporation, 501 Seventh Avenue, 7th Floor, New York, NY 10018.
- 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 rather may seek funding from the above organizations.

HUD does not award grants to individuals. HUD will also not evaluate applications from ineligible applicants.

All applicants must have an active Data Universal Numbering System (DUNS) number (<http://fedgov.dnb.com/webform>) and have an active registration in the System for Award Management (SAM) (www.sam.gov) before submitting an application. Getting a DUNS number and completing SAM registration can take up to four weeks; therefore applicants should start this process or check their status early.

See also Section IV.B below for necessary content and form of the application.

B. Cost Sharing or Matching.

This Program requires an applicant to leverage resources through cost sharing or matching as described below.

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

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 200.96.

C. Other.

All applicants must also refer to Section III of the General Section for information on HUD-wide eligibility requirements. These requirements may determine whether your application is reviewed or make your application ineligible for funding.

Program specific eligibility criteria for this competition includes:

1. Statutory and Regulatory Requirements.

Eligible Activities and Priorities. Funds may be used to provide the following services:

- a.** Training, education, support, and advice to enhance the technical and administrative capabilities of CDCs and CHDOs, including the capacity to participate in consolidated planning, as well as, in fair housing planning and Continuum of Care homeless assistance efforts that help ensure community-wide participation in assessing area needs; consulting broadly within the community; cooperatively planning for the use of available resources in a comprehensive and holistic manner; and assisting in evaluating performance under these community efforts and in linking plans with neighboring communities in order to foster regional planning;
- b.** Loans, pass-through grants, development assistance, predevelopment 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; and;
- c.** Such other activities as may be determined by the grantees in consultation with the Secretary or his or her designee.

Program Priorities. Activities undertaken as part of, or as a result of, capacity building efforts described in this section shall 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 transformative revitalization and investments focused on job growth, economic recovery, and neighborhood revitalization, this may include leveraging existing place-based investments. 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.

In addition, activities should support HUD's Strategic Plan and priorities as described in Section I. of the General Section.

2. Threshold Requirements.

Only applications that meet all threshold requirements established in the General Section and Program NOFA will be evaluated. In addition to the threshold criteria outlined in the General Section, including the Resolution of Outstanding Civil Rights Matters (prior to application deadline), the following threshold requirements must be met:

- a) Timely Submission of Applications
- b) Resolution of Civil Rights Matters

3. Compliance with Nondiscrimination and Related Requirements.

a. Affirmatively Furthering Fair Housing. Consistent with the instructions in Section III.C.3.b of the General Section, applicants must submit with their application a description of how proposed activities will affirmatively further fair housing. In developing plans, applicants shall review the Analyses 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 (29 USC § 794), the Fair Housing Act (42 USC § 3601 et seq.), and the Americans with Disabilities Act (42 USC § 12101 et seq.); (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 non-profit 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.

b. 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, the Americans with Disabilities Act, the Fair Housing Act, and the Architectural Barriers Act (P.L. 90-480), as applicable.

c. Accessibility of Training Facilities. In the conduct of training and educational courses successful applicants must give priority to methods that provide physical access to individuals with disabilities, i.e., holding the training or any other type of meeting in an accessible location in accordance with the regulations implementing Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act of 1990, as applicable. All programs or activities must be held in accessible locations unless the recipient can demonstrate that doing so would result in a fundamental alteration of the program or an undue financial and administrative burden, in which case the recipients must take any action that would not result in such an alteration or such burden but would nevertheless ensure that individuals with disabilities receive the benefits and services of the program or activity, e.g., training at an alternate accessible site, in-home training. Individuals with disabilities must receive services in the most integrated setting appropriate to their needs.

d. Effective Communications. Successful applicants must also ensure that notices of and communications during all training sessions and meetings are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 (24 CFR 8.6), and as applicable, the Americans with Disabilities Act. This

includes ensuring that training materials are in appropriate alternative formats as needed, e.g., Braille, audio, large type, sign language interpreters, and assistive listening devices, etc. 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).

e. Accessible Technology. Section 508 of the Rehabilitation Act (29 USC § 794d) (Section 508) requires the Department to ensure, when developing, procuring, maintaining, or using electronic and information technology (EIT), that the EIT allow persons with disabilities to access and use information and data on a comparable basis as is made available to and used by persons without disabilities. Providing access on a comparable basis means ensuring that the EIT is in compliance with the Section 508 standards adopted by the U.S. Access Board (www.access-board.gov/guidelines-and-standards/communications-and-it/about-the-section-508-standards/section-508-standards). Section 508 covers, but is not limited to, computers (hardware, software, word processing, email, and Internet sites), fax machines, copiers and telephones. Among other things, Section 508 requires that EIT allow individuals with disabilities who are federal employees or members of the public seeking information or services to have access to and use of information and data on a comparable basis as that made available to employees and members of the public without disabilities unless an undue burden would result to the federal department or agency. Where an undue burden exists to the federal department or agency, alternative means may be used to allow an individual with disabilities use of the information and data. Section 508 does not require that information services be provided at any location other than a location at which the information services are generally provided. The Department encourages its funding recipients to adopt the goals and objectives of Section 508 by ensuring, whenever 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.secton508.gov.

f. 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 the Department shall take reasonable steps to ensure meaningful access to their programs and activities to LEP individuals. As an aid to recipients, the Department 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 www.justice.gov/crt/lep/guidance/HUD_guidance_Jan07.pdf. For more information on LEP, please visit <http://www.hud.gov/offices/fheo/lep.xml>.

g. Economic Opportunities for Low- and Very Low-income Persons (Section 3). 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 regarding all Section 3 requirements can be found in Section III.C.3(c) of the General Section.

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 HUD-60002).

4. Other Requirements.

This program has eligibility criteria for beneficiaries.

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:

- 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](http://www.grants.gov) at <http://www.grants.gov/applicants/apply-for-grants.html>. Unless an applicant received a waiver for good cause, applications must be submitted electronically via Grants.gov except Continuum of Care applications. The Continuum of Care application is submitted through HUD's e-snaps system.

An applicant demonstrating good cause may request a waiver from the requirement for electronic submission. Applicants that cannot submit their applications electronically and must seek a waiver of the electronic grant submission requirements must submit a waiver request so that the request is received at least 15 days before the application deadline. If HUD waives the requirement, 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:

Office of Community Planning and Development
Office of Policy Development and Coordination
Washington, DC
Email: CapacityBuilding@hud.gov

B. Content and Form of Application Submission.

To ensure that the correct Application Package and Application Instructions are used, applicants must verify that the CFDA number and CFDA Description on the first page of the Application Package downloaded from Grants.gov, as well as the Opportunity Title, and the Funding Opportunity Number match the Program and NOFA to which they are applying. Applications will only be considered for the competition indicated in boxes 11, 12, and 13 on the SF-424 submitted in the application.

1. Content

Forms for your package include the forms outlined below:

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

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](http://www.grants.gov) at http://www.grants.gov/applicants/find_grant_opportunities.jsp.

Page Limitation and Font Size. Narratives addressing Factors 1 through 5 are limited to no more than 34 typed pages of single-spaced text based on an 8.5 by 11 inch paper, using a standard 12-point font. HUD will not review more than 34 pages for all five factors and NOFA policy priorities combined, except that the page limit does not include the form HUD-2995 in support of the Preferred Sustainable Communities Status Bonus points.

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.

Checklist for Application Submission.

The following checklist is provided as a guide to help ensure that applicants submit all the required elements. All applicants should enter the applicant name, DUNS number, and page numbers on the narrative pages of the application. The paper submission must be in the order provided below.

- 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).
- Faith-Based EEO Survey (SF424 Supplement, Survey for Ensuring Equal Opportunity for Applicants);
- Narrative addressing Factors 1 through 5;
- Grant Application Detailed Budget (HUD-424-CB);
- Applicant Assurances and Certification (HUD-424-B);
- Disclosure of Lobbying Activities (SFLLL) (if applicable);
- Applicant/Recipient Disclosure/Update Report (HUD2880);
- Certification of Consistency with Sustainable Communities Planning and Implementation Form (HUD 2995);

2. Format and Form

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

Applicants are advised to address the requirements of each Rating Factor in the corresponding narrative statements for that specific Rating Factor so that information is not missed during the review process. For additional submission requirements, please see the checklist above in Section IV.B.

C. DUNS Number and SAM Registration.

Please refer directly to Section IV.C of the General Section, available at [Grants.gov](http://www.grants.gov) or HUD's [Funds Available](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail) page, http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail.

D. Application Submission Dates and Times.

The application deadline is 11:59:59 p.m. Eastern time on **September 3, 2015**.

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

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit your application in paper form or you are applying for the Continuum of Care program. The Continuum of Care application is submitted through HUD's e-snaps system. Instructions for submitting your application to Grants.gov are contained within the Application Package you downloaded from Grants.gov. Instructions for submitting your paper application will be contained in the waiver of electronic submission.

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.

1. Resubmitting an Application.

Before the submission deadline, applicants who choose to amend an application that has been validated by Grants.gov have several options:

- (1) an applicant may email the new or revised supporting materials to ApplicationSupport@hud.gov; or
- (2) an applicant may fax the additional supporting documents using the form HUD-96011.
- (3) an applicant may resubmit an entire, revised application via Grants.gov containing the new or changed material;

Whichever option is used, all materials must be received by the applicable deadline.

When submitting additional supporting documentation via email, the applicant must enter "Supporting Documentation" plus the Grants.gov application tracking number in the subject line of the email. (e.g., Subject: Supporting Documentation - GRANT12345678). If this information is not included, HUD will not be able to match the response to the application under review and the application may therefore be rejected due to the deficiency.

When submitting additional supporting documentation by fax, the applicant must enter the document name in the box labeled "Name of Document Submitting" in form HUD96011. When submitting a fax, applicants must follow the fax requirements found elsewhere in this notice. If the fax transmittal form from the last application submitted is not the cover page to the applicant's response HUD will not be able to match the response to the application under review and the application may therefore be rejected due to the deficiency.

When resubmitting an application that was previously validated by Grants.gov, all documents faxed in support of the original submission must be either attached to the Grants.gov resubmission or faxed again using the form HUD-96011. If faxing, you must fax the materials, including materials faxed by a third party, after the resubmitted application has been validated by Grants.gov. All faxed materials must be received by the applicable deadline.

2. Grace Period for Grant.gov Submissions.

If an application is received by Grants.gov before the deadline, but is rejected with errors, applicants have a grace period of 24 hours 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.

3. Late Applications.

An application received after the Program NOFA deadline date that does not meet the requirements of the grace period policy will be marked late, and will not be considered for funding.

E. Intergovernmental Review.

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

F. Funding Restrictions.

No fee or profit may be paid to any recipient or subrecipient of an award under this capacity building NOFA.

1. 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)).

V. Application Review Information.

A. Review Criteria.

1. Rating Factors.

Rating Criteria. The maximum number of points to be awarded for a capacity building application is 105, which includes Rating Factors 1 through 5, three NOFA policy priority points and two bonus points. 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. The minimum score for an application to be considered for funding is 75. Two bonus points will be awarded for working with communities that have acquired Preferred Sustainable Status, as described in Section V.A.1.b of the General Section.

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 Section 4 Capacity Building funds during the term of the grant agreement. Submissions should provide recent (within the last four 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 specific when describing the communities, populations, and organizations that 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: 2

Factor 1 relates to the capacity of the applicant and its relevant organizational experience. Rating of the “applicant” or the “applicant's organization and staff” includes in-house staff and any subcontractors and subrecipients who are firmly committed to the project. In responding to Factor 1, applicants should specify the experience, knowledge, skills, and abilities of the applicant’s organization and staff and of any persons and organizations firmly committed to the project. Other than names and positions titles, please do not use any Personally Identifiable Information (PII).

Knowledgeable key personnel skilled in providing one or more of the eligible activities for the Section 4 Capacity Building program; a sufficient number of staff, or ability to procure qualified experts or professionals, with the knowledge, skills, and abilities to deliver the proposed level of services in the proposed service area in a timely and effective fashion; and an ability to provide capacity building in urban and rural settings.

In rating this factor, HUD will consider the extent to which the application demonstrates that the organization has an adequate number of key staff or the ability to procure individuals with the knowledge of effective capacity building approaches, knowledge of developing affordable housing and community development activities, and subject matter expertise.

Rating Factor 2: Need/Extent of the Problem

Maximum Points: 20

Sound and extensive understanding of need for capacity building in relation to the eligible activities and priorities identified in Section III.C. of this NOFA, as demonstrated by objective information and/or data, such as information from current census data, the American Housing Survey, or other relevant data sources. Applicants must demonstrate sound and extensive understanding of high-priority needs in urban and rural settings for CHDOs and CDCs, as demonstrated by objective information and/or data.

In rating this factor, HUD will evaluate the extent to which the application demonstrates an understanding of the specific needs for capacity building and supports the description of need with reliable, program-specific, quantitative information.

Rating Factor 3: Soundness of Approach

Maximum Points: 40

a. (20 points) A sound approach for addressing the needs identified under rating factor 2 for eligible capacity building activities and the priorities identified in Section III.C of this NOFA that will result in positive outcomes.

In rating this factor, HUD will evaluate the extent to which the application presents and supports a detailed, feasible, and practical approach for addressing capacity building needs; including techniques, time frames, goals, and intended beneficiaries, and the likelihood that these activities will be cost-effective and will result in the ability of the organization receiving technical assistance to commence work on specific housing and community development activities by the end of the performance period.

b. (10 points) A feasible work plan for designing, organizing, managing, and carrying out the proposed capacity building activities. The work plan should be as specific as possible in describing the design, organization and management of the proposed activities.

c. (9 points) An effective assistance program to specific disadvantaged communities, populations, and/or organizations that previously have been underserved and have the potential to participate in the Section 4 Capacity Building program (such as neighborhoods identified as high risk foreclosure areas, the Neighborhood Revitalization Strategy Areas designated by HUD, Colonias, Appalachia's distressed counties, the lower Mississippi Delta region, or locally designated community development target areas).

In rating this factor, HUD will evaluate the extent to which the applicant:

- (1) has identified and documented, using reliable data, specific communities, populations, or organizations that lack access to economic, educational, social or housing opportunity; and
- (2) has developed an effective strategy for engaging the participation of those communities, populations, or organizations in the capacity building program to promote equal access to economic, educational, social or housing opportunities locally and/or across regions.

d. (1 point) Applicants should describe how they will comply with Section 3 of the Housing and Urban Development Act and HUD's implementing rules at 24 CFR Part 135 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. Additional information regarding all Section 3 requirements can be found in Section III.C.3.(c) of the General Section.

In this Rating Factor, HUD will evaluate the applicant's description of how Section 3 requirements will be accomplished by identifying the number of new jobs, contracts, and training opportunities that applicable project activities will generate and an applicant's strategies for targeting Section 3 residents and businesses for such economic opportunities.

Rating Factor 4: Leveraging Resources

Maximum Points: 10

This factor evaluates the applicant's ability to leverage (secure) public and/or private sector resources (such as financing, supplies, or services) from sources other than Section 4 Capacity Building that can be added to Section 4 Capacity Building funds to perform eligible activities and sustain the applicant's proposed project. Applicants that achieve a leverage ratio of at least ten-to-one shall be awarded the maximum ten points. Applicants achieving a lesser ratio shall be awarded the points proportionate to their documented leverage. To document leveraging for the FY2015 NOFA, applicants should report their actual results in leveraging Section 4 Capacity Building-assisted projects in Federal Fiscal Year 2014 (October 1, 2013 – September 30, 2014).

Applicants must note that leveraging resources are considered additional resources beyond and above the statutorily required 3:1 matching resource requirement and cannot be counted towards the statutory match requirement.

Rating Factor 5: Achieving Results and Program Evaluation

Maximum Points: 28

a. (5 points) The applicant shall provide an effective plan to evaluate and quantifiably measure performance with project time lines, specific outputs and outcomes, and demonstrated improvements in capacity and other goals which address the needs identified in this application.

In rating this factor, HUD will evaluate the extent to which the application clearly describes an effective and detailed plan for evaluating the eligible activities proposed in Factor 3 of the application. The plan shall include a description of overarching project goals and time lines for achieving results, as well as specific planned outputs selected from the quantifiable measures below, or other quantifiable output or outcome measures proposed by the applicant, applicable to the activities proposed in Factor 3, which clearly demonstrate the improved skill, technical capability, and production of CDCs, CHDOs, local governments, and Indian tribes in undertaking community development activities.

General Outputs

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

Policy Priorities

- # of new CDCs or CHDOs created
- # of Organizations newly accessing or expanding Federal funding
- \$ of new or expanded Federal funding received

Training and Education

- # of engagements/trainings offered
- # of web based engagements/trainings offered
- # of in-person engagements/training
- # of individuals receiving financial assistance to attend training
- \$ of financial assistance provided to individuals to attend training
- # of participants earning or renewing a license or certification
- # peer to peer learning events

Other Capacity Building Efforts

- # of community development projects
- \$ invested into community development projects
- # of community programs supported
- \$ invested in community programs
- # of new community partnerships developed
- # of data portals/web visits
- # of data portal and web visits
- # of publications/newsletters created

Direct Financial Assistance

- # of grants awarded
- \$ of grants awarded
- # of loans awarded
- \$ of loans approved
- # of other financial assistance events
- \$ invested in other financial events

Housing and Economic Development

- # of jobs created
- # jobs retained
- # of housing units in the development process
- # of new housing units created
- # of housing units preserved, repaired, or rehabbed
- # of businesses assisted
- # of businesses created

b. (23 points) Successful past performance in administering HUD's Section 4 Capacity Building program including meeting all match requirements.

(1) (8 points) This rating factor reflects HUD's goal to embrace high standards of ethics, management, and accountability. Applicants should include, as applicable, increases in Community Planning and Development (CPD) or affordable housing and community development program accomplishments as a result of capacity building (e.g., number of affordable housing units developed, number of trainings delivered to CDCs and CHDOs, growth of CDC and CHDO capacity over time, efficiency or effectiveness of administration of CPD or community development programs, timeliness of use of CPD or community development program funds, and project development investment and

leveraging efficiencies). Applicants should discuss how their work plan activities contributed to, or resulted in, the achievement of program goals and outcomes.

In rating this factor, HUD will evaluate the extent to which the applicant demonstrates successful performance within the last four years that was timely, cost-effective, and resulted in positive outcomes in the delivery of capacity building for affordable housing and community development. HUD will consider past performance of current Section 4 Capacity Building grantees, including financial, monitoring, and other information in HUD's files.

(2) (15 points) Timely Expenditure of Section 4 Grant Funds. This rating factor reflects HUD's goal to embrace high standards of ethics, management, and accountability. Applicants should describe the timeliness of expenditure of Section 4 Program funds during the following four year period (2010 – 2013). The description must include the following for the four year period:

1. The applicant's total amount of Section 4 Program grant awards from HUD,
2. The amount of the Section 4 funds committed to eligible activities as evidenced by a HUD approved work plan,
3. The amount of Section 4 funds expended as of the date of the publication of this NOFA,
4. The balance of funds remaining undisbursed from the applicant's total amount of Section 4 Program grant awards from HUD, and
5. The ratio of the total amount of Section 4 grant fund awards received during the four year period to the amount of Section 4 grant funds disbursed during the four year period.
6. If all Section 4 funds for Fiscal Year 2010 to 2013 grant awards have not been firmly committed to activities as evidenced by a HUD approved workplan, applicants should also describe the steps taken by the applicant or steps being taken by the applicant to commit the funds to approvable activities within the grant period.

In rating this factor, HUD will evaluate the extent to which the applicant demonstrates successful past performance in the timely expenditure of Section 4 grant funds and the soundness of the grantee's approach for timely committing and expending any uncommitted or unexpended grant funds.

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 priority points in the rating of their application. These points will be awarded only if the application otherwise 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)

Community Economic Development: 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 III.C.3 g of this NOFA) 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

Affirmatively Furthering Fair Housing (Capital Investment or as specified in Individual Program NOFA)

Rehabilitation or Redevelopment: Applicants may earn 1 point for demonstrating that the rehabilitated or redeveloped project will include housing for a range of incomes and a range of family sizes that is proportional to the regional need, based on Census data and other generally accepted data sources. Applicants must include the specific plans for such housing, including the total number of units affordable for each income group, by bedroom size.

Increase Energy Efficiency and the Health and Safety of Homes (Capital Investment and Planning NOFAs or as Specified in Individual Program NOFA)

Comprehensive assessments of and interventions in homes for rehabilitation, health and energy deficiencies: The applicant must demonstrate a high degree of technical expertise (through past performance or staff competencies) in, and commit to, encouraging and assisting technical assistance recipients to identify specific projects and activities that will comprehensively assess housing units for rehabilitation, health and energy deficiencies and coordinate interventions across multiple disciplines, and address the risks based on the comprehensive assessment. Health intervention measures include lead hazard control, allergen reduction, mold and moisture remediation; or other measures designed to result in decrease in symptom days, emergency treatment or inpatient hospital stays for asthmatic residents; decrease in numbers of safety related injuries taking place in the home; decrease in number of homes with residents who smoke or increase in the number of multifamily properties (privately owned unassisted or HUD-assisted housing, or public housing) where smoking is prohibited on the property; any other measurable outcome that demonstrates the positive health impact of comprehensive housing assessments, home/health focused education, integrated pest management techniques or other health related property improvements and/or property management practices. Applicants must include a description of how outcomes through this process will be measured including effectiveness measures of training, outreach, and reviews and recommendations regarding of technical assistance recipient procedures and documentation, in improving resident health, residential energy usage and access to job training/job opportunities for low income residents. Specific measures of success or performance for this priority include the percentage of technical assistance recipients that receive assistance that successfully achieves those outcomes.

Applicants should demonstrate how their programs will help technical assistance recipients coordinate housing services across the housing, health and energy disciplines, including the use of common assessment tools, cross training of staff in multiple competencies, standardization of intake forms and processes. For more information on mitigating housing-related health hazards, applicants should review HUD's Healthy Homes Strategic Plan, www.hud.gov/offices/lead/library/hhi/hh_strategic_plan.pdf, and the CDC-HUD Healthy Housing Reference Manual www.cdc.gov/nceh/publications/books/housing/housing.htm, or www.hud.gov/offices/lead/library/hhi/HealthyHousingReferenceManual.pdf.

Applicants should encourage technical assistance recipients to coordinate the delivery of housing repair/rehabilitation with community, hospital or public health programs that utilize community health workers, Promoters(as), health educators or other similar positions that assesses the indoor quality of home environments for conditions that may impact resident health, for example, in the coordination of rehabilitation activities with programs that assess the home environments of asthmatic children for asthma triggers.

3. Bonus Points.

In support of certain inter-agency initiatives, HUD awards bonus points to projects where the preponderance of work will occur in a designated zone, community or region. **These points will be awarded only if the application otherwise meets or exceeds the Program's minimum fundable score based on the rating factors of this NOFA.**

HUD encourages activities in communities with Preferred Sustainability Status (PSS) and/or Promise Zones (PZ), HUD will award two (2) points for qualified activities within a designated zone or area and supporting either or both initiative(s). In no case will HUD award more than two bonus points for these activities.

- a. To receive **Preferred Sustainability Status Communities Bonus Points**, applicants must submit form HUD2995, Certification of Consistency with Sustainable Communities Planning and Implementation, signed by the designated Preferred Sustainability Status Community point of contact. Designated PSS Communities Points of Contacts can be found on HUD's website at [http:// portal.hud.gov/ hudportal/ HUD?src=/ program offices/ administration/ grants/ nofa11/ psscontacts](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/nofa11/psscontacts).
- b. To receive **Promise Zones Bonus 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 bonus points. To view the list of designated Promise Zones and persons authorized to certify, please go to [https:// www.hudexchange .info/ promise-zones/ promise-zones- designees/](https://www.hudexchange.info/promise-zones/promise-zones-designees/).

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. Second, HUD will review and assign scores to eligible applications using the 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 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 were received after the deadline (see Section III.C. of the General Section) 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 three additional points by responding to the NOFA Policy Priorities. HUD will also award two bonus points to applicants that meet the Preferred Sustainable Communities Status criteria. An applicant can receive a possible total of 105 points which includes Rating Factors 1 through 5, NOFA Policy Priorities and Preferred Sustainable Communities Status Bonus 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 NOFA Policy Priorities points and Preferred Sustainable Communities Status bonus 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 NOFA Policy Priorities points and bonus points for Preferred Sustainable Communities Status, 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 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 adjust funding to meet urgent policy priorities.

C. Anticipated Announcement and Award Dates.

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 all other applicants, whose applications were received by the deadline, that have not been chosen for award. Notifications will be sent by email, delivery receipt requested, to the person designated in item 8F of the SF424 and to the person listed as authorized representative in item 21 of the SF424.

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 selection for funding and execution of a grant agreement, each grantee will submit to HUD a specific work and funding plan for each community it proposes to serve, showing when and how the federal funds and matching funds will be used. The work plan must be sufficiently detailed, including budget and match information, for monitoring purposes and must identify the performance goals and objectives to be achieved. HUD will approve the work plan or notify the grantee of matters that need to be addressed prior to approval. Work plans 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 activity until the work plan is approved by HUD. All activities are also subject to the environmental requirements in Section VI.B.1. of this notice.

Consistent with Section III.C.4.f of the General Section and 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 on <http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm> and the information has not been revised.

B. Administrative, National and Departmental Policy Requirements.

Certain Administrative, National and Departmental 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.

1. **Environmental Review.** 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 to comply 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.
2. **Real Property Acquisition and Relocation.** Except as otherwise provided by federal statute, HUD-assisted programs or projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act) (42 U.S.C. 4601-4655), and the government-wide implementing regulations at 49 CFR Part 24. The Uniform Act applies to acquisitions of real property and displacements resulting from the acquisition, rehabilitation, or demolition of real property for Federal or federally-assisted programs or projects. With certain limited exceptions, real property acquisitions for a HUD-assisted program or project must comply with 49 CFR Part 24, Subpart B.

3. **Participation in a HUD-Sponsored Program Evaluation.** As a condition of the receipt of financial assistance under a Program NOFA, all successful applicants will be required to cooperate with all Department staff, contractors, or designated grantees performing Department-funded research or evaluation studies.
4. **OMB Circulars and Government wide Regulations Applicable to Financial Assistance Programs.** The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth in 2 CFR Part 200, shall apply to Federal Awards made by the Department of Housing and Urban Development to non-Federal entities. These requirements supersede the OMB circulars, including OMB Circular A-122 (Cost Principles for Non-profit Organizations), and OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations).
5. **Drug-Free Workplace.** Applicants awarded funds from the Department are subject to 2 CFR part 2429, which implements the Drug-Free Workplace Act of 1988 (41 U.S.C. 701, et seq.), as amended, and required to provide a drug-free workplace. Compliance with this requirement means that the applicant will:
 - a. Publish a statement notifying employees that it is unlawful to manufacture, distribute, dispense, possess, or use a controlled substance in the applicant's workplace and such activities are prohibited. The statement must specify the actions that will be taken against employees for violation of this prohibition. The statement must also notify employees that, as a condition of employment under the federal award, they are required to abide by the terms of the statement and that each employee must agree to notify the employer in writing if the employee is convicted for a violation of a criminal drug statute occurring in the workplace, no later than 5 calendar days after such conviction.
 - b. Establish an ongoing drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace;
 - (2) The applicant's policy of maintaining a drug-free workplace;
 - (3) Available drug counseling, rehabilitation, or employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - c. Notify the Department and other federal agencies providing funding in writing within 10 calendar days after receiving notice from an employee of a drug abuse conviction or otherwise receiving actual notice of a drug abuse conviction. The notification must be provided in writing to the Department's Office of Strategic Planning and Management, Grants Management Division, Department of Housing and Urban Development, 451 7th Street, SW, Room 3156, Washington DC 20410-3000, along with the following information:
 - (1) The program title and award number for each departmental award covered;
 - (2) The Department's staff contact name, telephone and fax numbers;
 - (3) A grantee contact name, telephone and fax numbers; and
 - (4) The convicted employee's position and title.
 - d. Require that each employee engaged in the performance of the federally funded award be given a copy of the drug-free workplace statement required in item (a) above and notify the employee that one of the following actions will be taken against the employee within 30 calendar days of receiving notice of any drug abuse conviction:
 - (1) Institution of a personnel action against the employee, up to and including termination consistent with requirements of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended; or
 - (2) Imposition of a requirement that the employee participate satisfactorily in a drug abuse

assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

e. Identify to the agency making the award all known workplaces under the award. The workplace identification must include the actual address of buildings or other sites where work under the award will take place. The applicant must also inform the agency of any workplace changes during the performance of the award. The identification of the workplaces must occur either:

- (1) At the time of application or upon award; or
- (2) In documents the applicant keeps on file in its offices during performance of the award, in which case the applicant must make the information available for inspection upon request by the agency.

C. Reporting.

Please refer to Section VI of the General Section for a description of the general reporting requirements applicable to all HUD NOFAs.

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 work plans and shall include reports on the commitment and expenditure of private matching resources utilized through the end of the reporting period. Reports shall conform to the reporting requirements of 2 CFR Part 200 and HUD implementing regulations.

2. Additional information or increased frequency of reporting may be required by HUD at any time during the grant agreement, if HUD finds such reporting to be necessary for monitoring purposes or to comply with government-wide reporting requirements. Additional reporting requirements may be required by the General Section in conjunction with selected HUD NOFA policy priorities under Section V.A.2 of this NOFA.

3. 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.

4. The performance reports must contain the information required under 2 CFR Part 200 and HUD implementing regulations, including a comparison of actual accomplishments with the objectives and performance goals of the work plans. In the work 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 work plan, such as the number of housing units and facilities each CDC or CHDO 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.

5. 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.

6. Federal Financial Reports (SF-425) shall be submitted semi-annually.

7. Transparency Act Reporting.

(1) Recipient Reporting to Meet the Requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006, as amended (P.L. 109-282).

(a) Prime Awardee Reporting. Prime recipients of HUD financial assistance are required to report subawards in the federal government-wide website www.fsrs.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 subawards and executive compensation information both for the prime award and subaward 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 2 CFR Part 200. If subaward recipients' executive compensation is reported through the System of Award Management (SAM), the prime recipient is not required to report this information. The reporting of award and subaward information is in accordance with the requirements of Federal Financial Assistance Accountability and Transparency Act of 2006, 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 2 CFR Part 200. The prime awardee will have until the end of the month plus one additional month after a subaward or pass-through award is obligated to fulfill the reporting requirement. Prime recipients are required to report the following information for applicable subawards. 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 SAM as required by HUD regulation 24 CFR 5.1004.

(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 percent 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) Subaward 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 subawardees if:

- (i) More than 80 percent 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 subaward recipient's executive compensation is reported through 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. Subawards with a cumulative total of \$25,000 or greater are subject to subaward reporting beginning the date the subaward 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.

8. 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 the General Section may be issued when such regulations are promulgated.

9. 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 subrecipients, or through contractual arrangements, must report the data using form HUD-27061, Race and Ethnic Data Reporting Form. HUD will provide instructions to grantees on how the form is to be submitted.

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

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.

Applicants may contact HUD at CapacityBuilding@hud.gov. 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.

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

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