

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR 5500-N-12]**

**Notice of Funding Availability (NOFA) for HUD's Fiscal Year 2011**

**Capacity Building for Community  
Development and Affordable Housing Grants**

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Notice of Funding Availability (NOFA).

**SUMMARY:** This NOFA announces the availability of approximately \$49.4 million in Fiscal Year (FY) 2011 funding to carry out the eligible activities related to affordable housing and community development for the Section 4 Capacity Building program, of which at least \$5 million shall be made available for rural capacity building activities. In addition to the application requirements set forth in this document, applicants must also comply with applicable requirements established in the Notice of HUD's Fiscal Year (FY) 2011 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2011 NOFAs Discretionary Programs FR-5500-N-01. Applicants should take particular note that they must follow the application submission instructions contained in this NOFA.

**FOR FURTHER INFORMATION:** Questions regarding program requirements should be directed to Karen E. Daly at 202-402-5552 (this is not a toll-free number). Questions regarding the FY2011 General Section should be directed to the Office of Departmental Grants Management and Oversight at 202-708-0667 (this is not a toll-free number) or the NOFA Information Center at 1-800-HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Relay Service at 1-800-877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

**OVERVIEW INFORMATION**

**A. Federal Agency Name:** Department of Housing and Urban Development, Office of Community Planning and Development.

**B. Funding Opportunity Title:** Capacity Building for Community Development and Affordable Housing Grants.

**C. Announcement Type:** Initial Announcement.

**D. Funding Opportunity Number:** FR-5500-N-12.

**E. Catalog of Federal Domestic Assistance (CFDA) Number:** 14.252, Capacity Building for Community Development and Affordable Housing Grants.

**F. Dates:** The application deadline date is **July 11, 2011**. Applications must be received by [www.grants.gov](http://www.grants.gov) no later than 11:59:59 p.m. eastern time on the application deadline date. All information required to complete the application is in the General Section and this NOFA. Applicants may download the application and instructions from the Grants.gov website at [http://www07.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www07.grants.gov/applicants/apply_for_grants.jsp). Please carefully read the Notice of HUD's Fiscal Year (FY) 2011 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2011 NOFAs for Discretionary Programs, posted on Grants.gov on April 4, 2011. Applicants need to be aware that following receipt, applications go through a validation process in which the application may be accepted or rejected. Please allow time for this process to ensure that you meet the timely receipt requirements. See Section IV of the General Section regarding application submission procedures and timely filing requirements.

**G. Additional Overview Information:** Applicants must review applicable requirements contained in the General Section, as amended, along with the information listed in this NOFA. Application submission information is provided in Section IV of this NOFA. Approximately \$49.4 million is available. A 3:1 match of private resources to federal funds is required, as outlined in section 4(c) of the HUD Demonstration Act of 1993.

## FULL TEXT OF ANNOUNCEMENT

### I. Funding Opportunity Description

**A. Program Description.** 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 community development and affordable housing activities that benefit low-income families.

**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.

### II. Award Information

**A. Available Funds.** Approximately \$49.4 million in FY2011 funding is available to carry out the eligible activities related to affordable housing and community development for the Section 4 Capacity Building program, of which at least \$5 million shall be made available for rural capacity building activities.

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

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

### III. Eligibility Information

#### A. Eligible Applicants.

1. The competition is limited to the organizations identified in the Department of Defense and Full-Year Continuing Appropriations Act, 2011. Public Law 112-10, approved April 15, 2011. 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., 10227 Wincopin Circle, Suite 500, 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.

2. To be eligible for HUD to rate and rank your application, all applicants must also meet the threshold requirements at Section III.C.2. of the General Section, including the Civil Rights threshold.

3. Eligible applicants may propose assistance using in-house staff, subcontractors, subrecipients, and local organizations that have the requisite experience and capabilities.

**B. Match Requirement.** 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 that the organization enters into a grant agreement. All match funds, including in-kind contributions, shall conform to the requirements of 24 CFR 84.23.

#### C. Other

1. **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, 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 families and persons, including the acquisition, construction, or rehabilitation of housing for low-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.

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 (CDBG), Neighborhood Stabilization Programs, HOME Investment Partnerships, Housing Opportunities for Persons With AIDS (HOPWA), homeless programs, 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.

Grantees may also be asked to align with place-based strategies that address national priorities and that link Section 4 Capacity Building to other HUD and federal programs in community and economic development and affordable housing. This may include specific alignment in jurisdictions where the Office of CPD has entered into special technical assistance agreements, including but not limited to jurisdictions that have signed a Memorandum of Agreement with HUD. Grantees would be asked to work on projects that address capacity building needs in specific cities or regions to be determined by HUD.

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

**2. 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 Section III.C.2. of the General Section.

**3. Central Contractor Registration Requirement.** To receive an award of funds or to receive award payments from HUD, the applicant/grantee must have an active Central Contractor Registration (24 CFR 5.1004). See HUD Federal Register Notice FR-530-I-01, published July 15, 2010 (75 FR 41087).

**4. Other Eligibility Requirements.** All applicants requesting funding under this NOFA must be in compliance with the threshold requirements found in the General Section, including the Civil Rights threshold requirements. Applicants must also meet the additional fair housing, other civil rights, and affirmatively furthering fair housing requirements found in Section III.C.5 of the General Section.

**5. False Statements.** An applicant's false statement in an application is grounds for denial or termination of an award and possible punishment, as provided in 18 U.S.C. 1001.

**6. 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 subgrants are made. Therefore, in accordance with 24 CFR 50.3(h), the application and the grant agreement must provide that no commitment or expenditure of HUD or private funds to a HUD-assisted project may be made until HUD has: (1) completed an environmental review to the extent required under applicable regulations; and, (2) given notification of its approval, in accordance with 24 CFR 50.3(h).

**7. Fair Housing and Equal Opportunity.** Applicants must comply with the fair housing and civil rights requirements outlined in Section III.C.5 of the General Section. Applicants must certify that the applicant and all subgrantees 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, and the Americans with Disabilities Act. The applicant must affirmatively further fair housing, as described in Section G *infra*. If the applicant's state or local government has passed a law or laws proscribing discrimination in housing based on sexual orientation or gender identity, or a law or laws proscribing discrimination based on lawful source of income, the applicant and any proposed subrecipients must comply with those laws.

**8. 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 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](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>.

**9. Section 3 of the Housing and Urban Development Act of 1968.** Applicants must certify that the applicant and all subgrantees 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 business concerns. Additional information on these requirements can be found at <http://www.hud.gov/section3>

Applicants must also ensure that their subgrantees 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 grantees demonstrate compliance with the requirements of Section 3 by reporting their activities

in the Section 3 Annual Summary Report (Form HUD60002).

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

**A. Addresses to Request Application Package.** Applications from the three eligible applicants must be received and validated by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. Applicants need to be aware that following receipt, applications go through a validation process in which the application may be accepted or rejected. Please carefully read the General Section timely receipt requirements which include instructions on HUD's grace period.

If you receive a waiver to the electronic application, the approval notification will indicate the time the application has to be received and the location for receipt. See the General Section for application submission and timely receipt procedures and for instructions on how to request a waiver. Paper applications will not be accepted, unless the applicant has received a waiver of the electronic submission requirement. Requirements for waivers of electronic application submissions are set forth in Section IV.F.3. of the General Section.

**B. Content and Form of Application Submission.** 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 for Section 4 Capacity Building on the program website at: <http://www.hud.gov/offices/cpd/about/capacitybuilding.cfm>.

**1. Page Limitation.** Narratives addressing Factors 1 through 5 are limited to no more than 32 typed pages. That is, reviewers will not review more than 30 pages for all five factors and bonus points combined, except that the page limit does not include the form HUD96010, Program Logic Model or form HUD2995 in support of the Preferred Sustainable Communities Status Bonus points.

**2. 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.

**3. 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 must 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.7.

\_\_\_ 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 Central Contractor Registration (CCR). See Section IV.B.2. of the General Section regarding CCR Registration. In block 8.d of the form, you must include a 9 digit number for your 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;

- \_\_\_ Program Outcome Logic Model (HUD96010);
- \_\_\_ 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); and
- \_\_\_ HUD96011 Facsimile Transmittal Third Party Documentation Facsimile Transmittal (for electronic applications only).

**C. Receipt Date and Times.** The application deadline date is July 11, 2011. Unless you received a waiver to the electronic application submission requirement, your completed application must be submitted through [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp) and must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. (Refer to Section IV of the General Section for further information on the delivery and receipt of applications.)

**D. Intergovernmental Review.** Intergovernmental review is not applicable to Section 4 Capacity Building applications.

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

**F. Other Submission Requirements.**

1. The Grants.gov website offers a simple, unified application process. There are several registration steps applicants need to complete. Further information is contained in the General Section posted at [www.Grants.gov](http://www.Grants.gov) on April 4, 2011.
2. **Electronic Signature.** Applications submitted through Grants.gov constitute submission as an electronically signed application. Instructions on how to submit electronically are outlined in HUD's FY2011 General Section and the Grants.gov website.
3. **Waiver of Electronic Submission Requirement.** Applicants interested in applying for funding under this NOFA must submit their applications electronically or request a waiver from the electronic submission process. Waiver requests must be submitted in writing by email. Waiver requests must be submitted no later than 15 days prior to the application deadline date and should be sent to Karen E. Daly at [karen.e.daly@hud.gov](mailto:karen.e.daly@hud.gov). If you are granted a waiver from the electronic submission process, your application must be received by HUD no later than 4:00 p.m. eastern time on the application deadline date. See the General Section for additional information.

#### **4. Proof of Timely Submission.**

Applicants must submit their applications via Grants.gov [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp) in by 11:59:59 p.m. eastern time on the application deadline date of **July 11, 2011**. Applications go through a validation at Grants.gov and may be rejected. Please see HUD's General Section for timely receipt requirements and what to do if your application is rejected. Validation can take up to 48 hours. Applicants are also advised to submit their application and monitor the application status to ensure that they can meet HUD timely receipt requirements. To check the status of your application, Click on the "Track My Application" link at [www.grants.gov](http://www.grants.gov). You can enter up to five grant application tracking numbers and grants.gov system will provide you with a status report for each tracking number. If you do not receive an automated tracking number from the grants.gov system upon submission, or the Track My Application link does not provide a tracking report, you will need to resubmit the application. Applicants should allow time to be able to track and monitor the receipt of the application or to be able to call the help desk to determine why your application is not uploading to the Grants.gov system. The Grants.gov help desk is open 24 hours a day, 7 days a week, except federal holidays. (Refer to the General Section for specific procedures regarding timely receipt and proof of submission.)

**G. Affirmatively Furthering Fair Housing.** Consistent with the instructions in the General Section, applicants 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 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, 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 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. 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.5.b of the General Section.

#### **V. Application Review Information**

**A. Criteria.** The maximum number of points to be awarded for a capacity building application is 102, including two bonus points. 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. 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 during the term of the grant agreement. Submissions should provide relevant 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.

**1. Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (10 points)**

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. Please do not include the Social Security Numbers of any staff.

**a. (5 points)** Recent and successful experience of the applicant’s organization in building the capacity and ability of CDCs and CHDOs to develop affordable housing and community development activities.

In rating this factor, HUD will consider the extent to which the application demonstrates successful experience of the applicant, its staff, consultants and subcontractors, within the last 4 years, in providing technical and administrative expertise to build the capacity of CDCs and CHDOs, including managing multiple capacity building tasks, to multiple entities, and in more than one geographic area.

**b. (5 points)** 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.

**2. Rating Factor 2: Need/Extent of the Problem (20 points)**

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.

### **3. Rating Factor 3: Soundness of Approach (40 points)**

**a. (17 points)** A sound approach for addressing the need 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. (9 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.

In rating this factor, HUD will evaluate the extent to which the application demonstrates the efficiency of 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. (3 points)** Applicants may receive up to a total of three points for demonstrating their willingness to align with place-based strategies that result in joint projects involving the Section 4 Capacity Building grantees, HUD, other federal agencies and partners, and cities and their community partners. This may include specific alignment in jurisdictions where the Office of CPD has entered into special technical assistance agreements, including but not limited to jurisdictions that have signed a Memorandum of Agreement with HUD. HUD asks that applicants certify that they will allocate 10-15 percent of the Section 4 Capacity Building award to address capacity building needs in sites to be determined by HUD. These points will be awarded on a scale from 0-3 based upon total percentage of funds allocated for place-based strategies.

**e. (2 points)** Applicants may receive up to a total of two points for pursuing Section 4 Capacity Building eligible activities that meet HUD's Strategic Plan and policy priorities as described in

the General Section I.A. In order to receive points, applicants must address Sustainability. The applicant must describe how their program will: (1) increase the capacity of CDCs and CHDOs to provide consumers more information about the true cost of living by incorporating the combined cost of housing and transportation costs into measures of affordability; and/or, (2) increase the capacity of CDCs and CHDOs to improve residents' health and safety, particularly that of children and other vulnerable populations, by adopting green and healthy design, construction, rehabilitation, and maintenance of housing and communities; and/or, (3) increase the capacity of CDCs and CHDOs to support and promote an energy efficient, green, and healthy housing market by retrofitting existing housing, supporting energy efficient new construction, improving home energy labeling, and promoting financing products that reduce the carbon footprint of non-HUD supported residential buildings. This may also include aligning investments to regional plans for sustainable economic development if such efforts are accessible in the jurisdiction. Performance outcomes for this priority are: (1) an increase in the number of CDCs and CHDOS that can develop methods to reduce the share of household income spent on combined costs of housing and transportation in projects receiving assistance through the Section 4 Capacity Building program; and, (2) an increase in the number of CDCs and CHDOs that are able to develop green and cost effective energy projects.

#### **4. Rating Factor 4: Leveraging Resources (10 points)**

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 FY2011 NOFA, applicants should report their actual results in leveraging Section 4 Capacity Building-assisted projects in Federal Fiscal Year 2010 (October 1, 2009 – September 30, 2010).

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.

#### **5. Rating Factor 5: Achieving Results and Program Evaluation (20 points)**

**a. (10 points)** An effective, quantifiable evaluation plan for measuring performance using the Logic Model (form HUD96010, "Program Outcome Logic Model") with specific outcome measures and benchmarks, and performance improvements.

In rating this factor, HUD will evaluate the extent to which the application has an evaluation plan that includes outcomes that are specific, measurable, and appropriate in relation to the activities proposed. HUD is committed to ensuring that programs result in the achievement of HUD's strategic mission. To support this effort, grant applications submitted for HUD programs will be rated on how well they tie proposed outcomes to HUD's policy priorities and annual goals and objectives, as well as the quality of the applicant's proposed evaluation and monitoring plans. HUD's strategic framework establishes the goals and objectives for the Department. Please refer to the General Section I.A - C.

The application should, at a minimum, discuss those performance indicators that have been developed for use by HUD and the Office of Management and Budget (OMB) in evaluating the Section 4 Capacity Building program. These measures include: (1) the annual number of homes renovated, preserved, or newly constructed; (2) the annual number of trainings created and provided to CDCs; (3) the long-term total development cost estimate of community development projects funded by CDCs; and, (4) the efficiency measure of per-unit cost of capacity building for housing units developed or renovated.

Applicants should also outline any other short- or long-term outcomes that are indicators of their program's performance.

**b. (10 points)** Successful past performance in administering HUD's Section 4 Capacity Building program including meeting all match requirements. 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 past performance that was timely, cost-effective, and resulted in positive outcomes in the delivery of capacity building for affordable housing and community development. HUD will also consider past performance of current Section 4 Capacity Building grantees, including financial and other information in HUD's files.

#### **6. Preferred Sustainable Communities Status Bonus Points.**

In FY2011, HUD will award 2 bonus points to applicants that are working in the following ways with communities that have received Preferred Sustainability Status under the HUD FY2010 Sustainable Communities Regional Planning Grant Program and/or the FY2010 HUD funded Challenge Grant Program (hereafter referred to as the Preferred Sustainability Status Communities).

- (1) The applicant is engaged in activities, that in consultation with the designated Point of Contact of the HUD designated Preferred Sustainability Status Community furthers the purposes of the Regional Planning Grant Program or the Challenge Grant Program; and
- (2) The applicant's proposed activities either directly reflect the Livability Principles cited and contained in HUD's General Section to the FY2011 NOFAs or will result in the delivery of services that are consistent with the goals of the Livability Principles; and

- (3) The applicant has committed to maintain an on-going relationship with the HUD Preferred Sustainability Status Community for the purposes of being part of the planning and implementation processes in the designated area.

To be eligible to receive bonus points, an applicant is required to obtain a certification from the Designated Point of Contact for the designated Preferred Sustainability Status Community using form HUD-2995 which verifies that the applicant has met the above criteria. The form will certify the nexus between the proposed activities of the applicant and the Livability Principles as they are being advanced in the Preferred Sustainability Status Community. It must be signed and dated anytime from the date of the publication of the funding opportunity on [www.Grants.gov](http://www.Grants.gov) to the deadline date of the funding opportunity. Any certifications signed before or after those dates will not be acceptable. If the applicant is from the agency that holds Point of Contact status in a particular Preferred Sustainability Status Community, the form HUD 2995 must be certified by the appropriate HUD Regional Administrator in consultation with field staff. For ease of reference in this notice, all of these federally designated areas are collectively referred to as Preferred Sustainable Communities Status Communities (PSSC).

## **B. Review 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. 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 adjust funding to meet urgent policy priorities.

**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 were received after the deadline (see Section IV.C. of the General Section) will be considered ineligible for funding.

## **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 selection for funding, 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. Applicants will be given the opportunity to amend their logic models according to the grant award, prior to entering into the grant agreement. 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 III.C.6. of this notice.

Consistent with Section III.C.5. of the General Section and 24 CFR 84.42, 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.**

**1. OMB Circulars and Governmentwide Regulations Applicable to Financial Assistance Programs.** Awards under this NOFA will be governed by 24 CFR part 84 (Uniform Administrative Requirements), 2 CFR 230 (formerly OMB Circular A-122) (Cost Principles for Non-profit Organizations), 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.gpoaccess.gov/cfr/retrieve.html>. Copies of OMB Circulars may 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>.

**2. 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.

**3. General.** See Section III.C. of the General Section regarding additional applicable requirements.

## **C. Reporting.**

**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 24 CFR part 84. As part of the required performance report to HUD, grant recipients must include a completed Program Outcome Logic Model (form HUD96010), which identifies output and outcome achievements.

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 policy priorities selected under Rating Factor 3.e.
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 24 CFR part 84, 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 (SF425) shall be submitted semi-annually.
7. Transparency Act Reporting. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act), as amended.
  - (1) Recipient Reporting to Meet the Requirements 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 subawards made either as pass-through awards, subrecipient awards, or vendor awards in the federal governmentwide website [www.frs.gov](http://www.frs.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 subawards, 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 funding incrementally as directed by HUD in accordance with OMB guidance. 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 OMB Policy guidance. 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. The Transparency Act requires the creation of a public governmentwide website in which the following subaward data will be displayed:

- (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 the Central Contractor Registration as required by HUD regulation 24 CFR 5.1004.

(b) Prime Awardee Executive Compensation Reporting.. Prime awardees must also report in the governmentwide 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) Subaward Executive Compensation Reporting. Prime awardees must also report in the governmentwide website the total compensation and names of the top five executives in the subawardees, pass-through or vendor 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.)

(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. Any other exemptions to the requirements must be approved by the Office of Management and Budget.

**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 governmentwide data system 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. It is anticipated that the federal data system will be known as the Federal Awardee Performance and Integrity Information System (FAPIIS). Only federal officials and the entity will be able to view the information in the FAPIIS system.

Further, each recipient of federal funds with a cumulative value greater than \$10 million and their direct (i.e., first-tier) subrecipients would be required to report to the FAPIIS system. The data collection requirements include information about certain civil judgments, criminal convictions, and outcomes of administrative proceedings that reached final disposition within the most recent 5-year period and were connected with the award or performance of a federal or state award. Recipients and first-tier subrecipients must report information at least semi annually to maintain the currency of the information. Section 872 also requires that an entity be allowed to submit comments to the data system about any information that system contains about the entity. Use of the FAPIIS system requires a DUNS number and current valid registration in the CCR for HUD awardees and first-tier subrecipients.

Prior to making a funding decision, the federal official authorized to make the award is required to determine whether the entity is qualified to receive an award, taking into consideration any information about the entity that is in the data system. OMB is in the process of issuing regulations regarding federal agency implementation of Section 872 requirements. A proposed rule was published in the Federal Register on February 18, 2010, by OMB seeking public comments no later than April 19, 2010.

HUD's terms and conditions to its FY2011 awards will contain requirements related to meeting Section FFATA and Section 872 requirements.

**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 HUD27061, Race and Ethnic Data Reporting Form. HUD will provide instructions to grantees on how the form is to be submitted.

## **VII. Agency Contacts**

**For Assistance.** Applicants may contact Karen E. Daly at 202-402-5552 (this is not a toll-free number). 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](http://www.hud.gov).

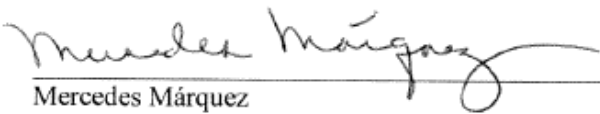
## **VIII. Other Information**

**A. Paperwork Reduction Act.** The provisions of the Paperwork Reduction Act, 44 U.S.C. 3501-3520, do not apply because there are fewer than 10 respondents eligible for this program.

**B. Environmental Impact.** A Finding of No Significant Impact with respect to the environment has been made, in accordance with the Department's regulations at 24 CFR part 50, which implements section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)), in addition to other federal requirements. The Finding of No Significant Impact is available for public inspection on HUD's website at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail) under the link for this program NOFA.

**C. 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. 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 subrecipients must use training facilities and services that are physically accessible to persons with disabilities. Where physical accessibility is not achievable, recipients and subrecipients 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 and Title III of the Americans with Disabilities Act. HUD encourages selected providers to make electronically-accessed products and tools accessible in accordance with the requirements of Section 508 of the Rehabilitation Act.

Date:     MAY 04 2011    

  
Mercedes Márquez  
Assistant Secretary for  
Community Planning and Development

[FR-5500-N-12]