DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5600-N-39]

Notice of Funding Availability (NOFA) for the Strong Cities, Strong Communities (SC2) National Resource Network

A. Federal Agency Name: U.S. Department of Housing and Urban Development, Office of Policy Development and Research

B. Funding Opportunity Title: Strong Cities, Strong Communities National Resource Network

C. Announcement Type: Initial announcement

D. Funding Opportunity Number: FR-5600-N-39

E. Catalog of Federal Domestic Assistance Number: 14.534. The OMB control number for this NOFA is 2528-0289.

F. Dates: Deadline for Receipt of Applications is **January 28, 2013**.

G. Eligible Applicants: Eligible applicants who may apply to this NOFA include the following entities: Nonprofit organizations, foundations, anchor institutions, for-profit companies, or a consortium of these entities with demonstrated ability to raise philanthropic support. In addition, under the NOFA process, the applicant that is selected to become the Administrator must meet all threshold requirements contained in HUD's Fiscal Year 2012 NOFA General Section, including requirements addressing civil rights and other cross-cutting requirements applicable to federal funding. Where an application involves multiple entities, each entity must meet the civil rights threshold requirement of "Resolution of Outstanding Civil Rights Matters." Please see section *III.A. Eligible Applicants* for full details.

H. Additional Information:

This NOFA announces HUD's proposal to award approximately $10 million to a single grantee (that may be comprised of a single entity or a consortium) through the form of a cooperative agreement to administer, manage and implement the Strong Cities, Strong Communities National Resource Network (SC2 Network). The SC2 Network will offer a centralized portal to connect America's most economically distressed communities to national and local experts with wide-ranging expertise and skills. The focus of the SC2 Network will be to strengthen the foundation for economic growth and resiliency in these communities—namely, local technical capacity, comprehensive planning, and regional collaboration.

The SC2 Network will help HUD build on its direct relationships with communities, and continues its founding mandate under the Department of Housing and Urban Development Act of 1965, which prescribes HUD to "[e]xercise leadership at the direction of the President in coordinating activities affecting housing and urban development; provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other

local governments in developing solutions to community and metropolitan development problems."

To administer the SC2 Network, HUD will select an Administrator as defined in section I.B.2 *Definitions* of this NOFA. Interested applicants are invited to submit applications to be reviewed by HUD for consideration.

While there is no match requirement for the SC2 Network, HUD recognizes that the scope of work required of the program may exceed the funds that are available for this cooperative agreement. Therefore, HUD expects that the Administrator will secure additional funding and in-kind support from philanthropic organizations and other public and private sector entities to fulfill the scope of work for the SC2 Network. (Please see section I.B.4 *Engagement* and *Rating Factor 3: Leveraging of Other Funds* for full details on leveraging.)

HUD will launch the SC2 Network using a combination of FY2012 and FY2013 funds for a total award of approximately $10 million. Approximately $5 million will come from its Fiscal Year 2012 appropriation for the Transformation Initiative, and $5 million will come from Fiscal Year 2013.

FULL TEXT OF ANNOUNCEMENT

I. FUNDING OPPORTUNITY DESCRIPTION.

A. Background on the Strong Cities, Strong Communities (SC2) Initiative.

In July of 2011, the Obama Administration launched SC2, an innovative and flexible pilot initiative to strengthen local capacity and spark economic growth in distressed local communities while ensuring taxpayer dollars are used wisely and efficiently. SC2 evolved from ongoing conversations with mayors, foundations, nonprofits, and Members of Congress working in economically distressed communities who consistently highlighted challenges of local governments, the inadequacy of disjointed programs, and the need for a strong, clear and coordinated relationship with the federal government. SC2 focuses on five goals to accomplish this:

- *Improve the relationship between local and federal government*: SC2 seeks to break down traditional local and federal government silos, allowing the federal government to partner more effectively with localities that have faced significant long-term challenges.

- *Provide coordination and support*: SC2 provides on-the-ground technical assistance and planning resources tailored to a city's needs, while also offering guidance to use federal funds more efficiently and effectively. SC2 provides the necessary technical expertise to help cities focus efforts around populations served by both federal and local programs.
- *Partner for economic growth*: SC2 assists cities in developing critical partnerships that focus on job creation, workforce improvement and economic development with key local and regional stakeholders that include municipal and state governments, the

business community, non-profits, faith-based institutions, and other public, private, and philanthropic leaders. SC2 provides a customized approach to supporting communities on the ground in their efforts to create jobs and revitalize their economies.

- ***Enhance local capacity*:** Every community is unique, with its own set of challenges and opportunities. SC2 emphasizes inclusive comprehensive community planning and economic visioning. The key to winning the future is empowering communities to frame their own economic vision and then partnering with them to identify, strengthen and leverage the tremendous physical, commercial, and social assets that they possess.

- ***Encourage regional collaboration*:** Recognizing that regions are unique, SC2 helps build relationships between the cities, towns, and counties, and fosters new connections in order to strengthen regional economies to compete in an increasingly globalized world. Through enhanced technical capacity, collaboration, and comprehensive planning at the regional level, local governments can best take advantage of economic development opportunities.

1. SC2 Components.
At this time there are four major components to SC2: The Community Solutions Teams (CSTs), Fellowship Program, Economic Visioning Challenge and the SC2 Network. At present, the CSTs and Fellowship Program operate in six pilot locations that were selected to participate in SC2 following a rigorous city assessment: Chester, PA; Detroit, MI; Fresno, CA; Memphis, TN; New Orleans, LA; and the Northeast Ohio region of Cleveland and Youngstown. While the CSTs and Fellows are currently engaged in these six locations, the Economic Visioning Challenge and SC2 Network will focus on additional economically distressed cities. The four components are described below:

- **SC2 Community Solutions Teams (CST).** Since summer 2011, CSTs comprised of federal employees from numerous federal agencies have been working directly with cities to support the mayors in the six pilot locations. Embedded in city hall, CSTs assist cities with issues mayors have identified as vital to their economic strategies, including but not limited to efforts to build on local assets, strengthen regional economies, develop transportation infrastructure, improve job-training programs and support comprehensive community revitalization.

- **SC2 Fellowship Program.** Operating in the SC2 pilot locations, the fellowship program has selected, trained, and placed early- to mid-career professionals in local government positions to serve two-year terms and build additional local capacity. Through a competitive process, the German Marshall Fund was selected in December 2011 to administer the fellowship program. Fellows were deployed in September 2012. The program is funded by the Rockefeller Foundation, which donated $2.5 million in initial funding to HUD.

- **SC2 Economic Visioning Challenge.** In addition to the SC2 pilot locations, the Economic Development Administration (EDA) has launched an Economic Visioning Challenge designed to help additional cities develop economic blueprints. This national grant competition will enable cities to adopt and implement innovative economic development strategies to support comprehensive city and regional planning efforts. Cities have been competitively selected to receive a grant of approximately $1 million that they will use to administer an "X-prize style" competition, whereby they will challenge multi-disciplinary teams of experts to develop comprehensive economic and land use proposals for their city.

- **SC2 National Resource Network (SC2 Network).** The SC2 Network—the subject of this NOFA—will amplify the model of SC2 to a broader array of local governments, offering a single portal to a wide range of technical experts for shorter-term engagements. The extent of each engagement will be scaled to ensure a measurable impact, both for the community's growth and resilience and the efficiency of public funds, particularly the federal funding streams they already receive.

2. Executive Order.
To help oversee and guide and the various components of the SC2 initiative, on March 15, 2012, President Obama signed an Executive Order establishing a White House Council on Strong Cities, Strong Communities (SC2 Council) composed of 27 senior leaders representing federal agencies and key White House offices. The Council's goals include coordinating agency efforts to ensure communities had access to comprehensive, localized technical assistance and planning resources to develop and execute their economic vision and strategies, as well as providing recommendations to the President. These recommendations would include:

- Policies for building local expertise in strengthening local economies;

- Changes to Federal policies and programs to address issues of special importance to cities and local governments that pertain to local capacity and economic growth;

- Implementing best practices from the SC2 initiative government-wide to better support cities and local governments; and

- Opportunities to increase the flexible utilization of existing Federal program resources across agencies to enable more performance and outcome-based funding.

B. SC2 Network Program.

1. Program Purpose
Rising costs and declining revenues have pushed local governments closer to insolvency and further from solutions to the ever more complex challenges face by their communities. Almost all state and local governments are required to balance their budgets, leaving no buffer during these tough economic times.

Local governments have many partners willing to assist with the various issues faced, but a **major impediment** to supporting and developing the capacity of these places with chronic challenges is the limited number of organizations with expertise in turning whole regions and cities around. The field is rich with organizations and intermediaries with experience in neighborhood development and revitalization, but very thin in organizations that take a holistic approach to urban and regional economic development. Much of this expertise is spread across a variety of organizations that play critical niche roles—public management, fiscal reform, land use development, business attraction and retention, workforce development, etc. This is also true in the cases of many federal programs and government institutions dedicated to improving urban and regional economic conditions that do not take a comprehensive approach to deploying technical assistance for the purposes of helping distressed communities. As a result, local governments often find it difficult to determine which agency and program to approach for aid when their challenges cut across agency jurisdictions and priorities.

2. Definitions.
Below are definitions for key terms used in this NOFA presented in alphabetical order:

a. Administrator. The entity that will manage and implement the SC2 Network.

b. Anchor Institutions. Entities that represent educational institutions, or regional and national organizations that support economic drivers such as in housing, infrastructure, and/or economic and workforce development.

c. Community(s). HUD uses this term to broadly encompass cities, counties, regions, townships, or municipalities.

d. Eligible Applicants. Entities eligible to apply to be the Administrator of the SC2 Network. (Please see section *III.A. Eligible Applicants* for a full description of eligible applicants). Throughout this NOFA, HUD will also use the term "applicant" interchangeably.

e. Grantee. The selected eligible applicant chosen by HUD to become the Administrator of the SC2 Network.

3. SC2 Network Program Description.
The SC2 Network will align federal resources as well as coordinate distinct and wide-ranging pools of technical experts and assistance programs with the needs and priorities of each engaged community to help them make more effective and efficient local investments. Essentially, the SC2 Network serves as a "one stop" shop to connect and supply economically distressed communities with an array of technical assistance to support place-based approaches to long-term challenges. The SC2 Network will match technical experts and assistance programs with the needs and priorities of each engaged community to help them make more effective and efficient local investments.

HUD anticipates that distressed communities who apply to the Administrator for assistance may be from entities such as local government; non profits, think tanks or anchor institutions with a history of strong community presence and engagement; regional organizations like Metropolitan Planning Organizations, Regional Councils of Governments and other forms of

regional partnerships; or a consortium of the aforementioned entities with a "lead entity" specified.

The objectives of the SC2 Network are as follows:

- Provide communities facing long-term economic challenges with easily accessible and comprehensive technical assistance that can help retool them for future economic growth;

- Build capacity in distressed communities by connecting them with philanthropic organizations, non profits, public and private sector entities to facilitate long-term partnerships and economic investments;

- Develop a set of best practices and policy recommendations that can be disseminated and shared across all communities facing similar economic challenges;

- Improve the alignment of federal programs, resources, technical assistance, as well as strengthen federal and local partnerships.

The SC2 model reflects the idea that local issues do not stop at the boundaries of individual federal agency jurisdictions, and that effective technical assistance must also target issues that cross federal funding sources. While HUD will host the SC2 Network, the SC2 Network is expected to help communities find expertise across a wide range of federal agencies and outside partners.

It should be noted that SC2 Network assistance is **not intended to replace or recreate** any technical assistance already provided by the federal government or another external party, but aims to maximize federal technical assistance already on the ground. Also it will build general local capacity by effectively helping communities access, and connecting them to such programs.

4. Required Activities of the Administrator.
To achieve the SC2 Network program objectives, HUD will select <u>one</u> grantee through a competitive process to administer the SC2 Network. As the Administrator of the SC2 Network, the grantee will have five categories of activities: **Structure Development**, **Engagement**, **Local Resource Network**, **Evaluation**, and **Policy Recommendations**. Each category is described in detail below. Applicants must respond to all five activities; however, depending on circumstances (described below under "Local Resource Network"), the "Local Resource Network" activity may not be a required part of the grant performance.

a. Structure Development. *In this first category, the Administrator will develop the SC2 Network structure to include a team of expert technical service providers (pro bono or paid) that represent the breadth of relevant expertise needed to address the long-term, economic challenges of communities. This responsibility also includes developing a Peer-to-Peer network to share lessons learned and best practices.*

As a pilot, the SC2 Network must first establish its operating procedures. Under this category, **up to 20 percent** of the applicant's proposed budget for years 1 and 2 (12 - 24 months) may be allocated for administrative costs. For the remainder of the grant period, **no more than 15 percent** of the applicant's proposed budget for year 3 (25 - 36 months) will be used for administrative costs. Please see section VI.A.3 *Budget* for HUD's definition of administrative costs. The responsibilities of the Administrator under this category are as follow:

(1) Developing a Pool of Technical Experts. Because the SC2 Network will offer a broad range of technical assistance to communities, the Administrator will be responsible for identifying and providing technical experts from a wide-array of fields that can fulfill the anticipated needs of communities that apply to the SC2 Network for assistance. Here, the Administrator will be responsible for developing the structures necessary to obtain, support and nurture a roster of both paid and pro-bono experts.

(2) Marketing to Distressed Communities. The Administrator will be responsible for advertising the SC2 Network's availability to economically distressed communities utilizing a variety of engagement strategies.

(3) Developing a Clearinghouse of Federal, State and Local Technical Assistance Programs. The Administrator will identify and maintain a catalog of other federal, state and local technical assistance programs eligible to local governments that can be shared, easily navigated by communities, and disseminated publicly, either through the peer-to-peer network (described below under "Peer-to-Peer Network") or a user-friendly website. HUD anticipates that the clearinghouse will be invaluable to communities seeking, and connecting to, technical assistance programs. Therefore, in identifying and maintaining a list of programs for this catalog, HUD expects the Administrator to have demonstrated knowledge, expertise and understanding of how these programs operate and how they can be used to assist distressed communities. This clearinghouse will catalog existing technical assistance programs that include, but are not limited to: Economic Development (economic visioning, job market analysis, cluster analysis and engagement); Workforce Development (job training strategies, industry needs analysis, cradle-to-career education reform); Public Safety (juvenile justice, corrections restructuring, policing strategies); and Sustainable Land Use (brownfield redevelopment, corridor planning, consolidated transportation & housing plans).

(4) Peer-to-Peer Network. In addition to the above responsibilities, the Administrator will develop a Peer-to-Peer Network. The Peer-to-Peer Network is a vital aspect to SC2 and will serve as its "central hub" to link all of the other components of SC2 (described in section I.A.1. *SC2 Components*) in a manner that promotes peer exchanges, and the continued sharing and dissemination of information and best practices.

HUD also envisions that the Peer-to-Peer Network would function as an "innovations lab" where communities, anchor institutions, non-profits and other public and private organizations can connect, communicate, share knowledge, recommend federal policy changes, and inspire new ideas that can be tested out in their own localities.

HUD expects the Peer-to-Peer Network to facilitate the following activities:

(a) House background information on SC2 that is accessible to the public online;

(b) Maintain an easily accessible online resource bank of significant materials generated in SC2 and its four components that could have utility for other governments and practitioners. This may also include a clearinghouse of federal, state and local technical assistance programs that was described in the last section, part (3) *Developing a clearinghouse of federal, state and local technical assistance programs*;

(c) Routinely transmit and disseminate information and best practices among cities, SC2 stakeholders and interested parties that are working to devise solutions to address their economic challenges;

(d) Utilize meetings, webinars and online forums to aggregate and distribute information and resources that promote knowledge sharing and allow for the participation of communities, SC2 stakeholders and interested parties.

b. Engagement. *In this second category, the Administrator will develop the engagement strategy for how the SC2 Network will select and assist economically-distressed communities. This responsibility also includes managing the expected high demand for community engagements by prioritizing the level of assistance for each community and matching the level of assistance based on local needs.*

Individual engagements with local communities <u>are the core</u> of the SC2 Network's activities. Under this category, the Administrator must allocate **a minimum of 50 percent** of the SC2 Network's funds. In addition, the Administrator will use a portion of these funds to finance operational assessments for the cities receiving EDA grants under the Economic Visioning Challenge (described in this section in detail below under (3) *Assessment and Deployment*). An operational assessment allows the Administrator to evaluate a community's operational issues.

As stated, the SC2 Network will provide a range of technical assistance to communities, and HUD anticipates that the level of engagement undertaken by the Administrator towards those communities seeking assistance also will be wide-ranging. Some requests may require no financial assistance, such as connecting a city to a potential federal program that may better assist them, while other requests may require financial assistance, such as procuring a technical assistance expert to help establish a vacant property management plan. Regardless of the request, HUD expects the Administrator **to determine in a systematic way how it will take-in, address and prioritize** the service requests of communities given the limited resources of the SC2 Network.

Given the breadth and scope of the SC2 Network, the Administrator will be responsible for allocating limited resources in the most meaningful, productive and effective manner.

Under this "Engagement" category, the Administrator has five key responsibilities: **Initial Intake, Prioritization, Assessment, Documentation,** and **Leveraging.** The five responsibilities are described in detail below.

(1) Initial Intake: The Administrator will have a system in place for the initial intake of technical assistance requests. HUD anticipates that the Administrator may receive a large number of requests that will require more detailed follow-up. At a minimum, HUD expects that this intake would include the following information:

    (a) Who is making the request and contact information such as name, address, phone number, and email;

    (b) The city (and, if relevant, partnering entities) that the request is for;

    (c) Whether or not a request placed was made as a result of a referral from a federal agency or congressional member;

    (d) A general description that describes the problem that the community is trying to resolve; and

    (e) Date of request.

(2) Prioritization. The Administrator will have a system in place to filter and prioritize requests and determine the appropriate level of response or engagement. HUD recognizes that a community applying to the SC2 Network may need help in identifying its key challenges. Therefore, the Administrator will be responsible for helping a community first **articulate and define** what it is trying to achieve from its request. Once priorities and community needs are defined, the Administrator will determine the appropriate level of engagement. Here, HUD recognizes that some communities may be helped by simply connecting them to the appropriate federal, state or local resource, while other communities need more intense engagement, requiring them first to receive an operational assessment (described in detail below under (3) *Assessment and Deployment*). To make this determination, the Administrator will develop selection criteria to determine which communities that are likely to require more intense engagements receive operational assessments. The Administrator also must make the criteria public to add transparency to the prioritization process so that communities understand why they did or did not qualify for an operational assessment.

    HUD anticipates that communities requesting assistance would fall into one of three categories:

    (a) Those communities that can be easily served by connecting them to the appropriate resource (such as those resources provided in the clearinghouse described under I.B.4.a *Structure Development*).

    (b) Those communities that might require a deeper engagement and might qualify for an operational assessment and SC2 Network assistance (described in detail below under (3) *Assessment and Deployment*). However, more information is necessary to determine if an operational assessment is the appropriate engagement.

(c)   Those communities where it is clear that they will require an operational assessment for SC2 Network assistance.

HUD anticipates that the Administrator is likely to receive a high number of requests that may require an operational assessment. Therefore, the selection criteria are important to prioritizing communities requesting assistance given the limited resources of the SC2 Network.

Below, HUD has proposed criteria that an applicant could use to develop its selection criteria. <u>At minimum, the Administrator must include, as part of its criteria, the demonstrated commitment from local government and community leadership to act on its findings should it receive and operational assessment.</u> In developing the selection criteria, the applicant might also consider the following:

(a) A dedicated team in place comprised of local agencies, philanthropy or other public and private sector organizations with funding, staff time and/or resources committed to implementation;

(b) The community's ranking on a relative distress scale (using data provided by HUD, other SC2 agencies and other sources as appropriate);

(c) Scope or estimated cost of the request;

(d) Willingness of local government to commit to attaining certain performance standards;

(e) Demonstration of existing and on-going partnerships or collaborations between local government offices and public/private entities;

(f) Referral from another SC2 agency technical assistance program that is assisting the community but recommends broader assistance beyond its allowed scope;

(g) Compelling evidence that the community has made, or is making efforts to address the issue, but is in need of additional assistance;

(h) The amount of existing unexpended federal funding; and

(i) Other criteria the applicant deems important and can provide a justification of its importance in its NOFA application.

(3) Assessment and Deployment. For those communities that are selected for an operational assessment through the intake and prioritization process, the Administrator will deploy technical assistance experts to conduct these assessments to identify a broad range of solutions for a community. The Administrator also will be responsible for developing and providing operational assessments to the cities receiving EDA grants under the Economic Visioning Challenge.

(a) Operational Assessment. Driving the bulk of the SC2 Network's technical assistance is the operational assessment that evaluates a community's operational issues. These issues include, but are not limited to, the evaluation of legacy systems that may impede the effectiveness of local government; revenue/service analysis to determine a community's cash flow; and performance management that affects government efficiency.

Because the SC2 Network specifically targets low-capacity governments, HUD expects budget shortfalls and operational and program efficiency issues to be common across most, if not all, communities assisted. Therefore, HUD believes that conducting an operational assessment will provide a solid foundation from which the SC2 Network can clearly identify other technical assistance needs.

HUD recognizes that providing operational assessments to communities will require significant funding resources from the SC2 Network. Therefore, <u>a community must first undergo an operational assessment where the Administrator has determined that its technical assistance request would require a deeper engagement, and thus, funding from the SC2 Network</u>. Furthermore, because these assessments will evaluate the operational capacity of local governments, a community **will be required** to demonstrate strong buy-in from its local government before an assessment is initiated by the Administrator (as discussed in section (2) *Prioritization* regarding the selection criteria).

Here, eligible applicants should note that they will have to propose in their application what criteria they will use for an operational assessment, a plan for how they will identify the technical experts needed to make the assessment, and how they plan to assess the community using their proposed operational assessment. These assessments may evaluate a range of factors that include a community's existing legacy system, performance management, revenue intake and program service expenditures. The assessment also may map out other resources and assets in a community that could be used to leverage and strengthen a community's operational capacity.

While HUD will evaluate the quality of an applicant's proposed operational assessment, the agency recognizes that it is likely that any proposed operation assessment will need to be further refined as HUD learns more about the communities that are requesting assistance from the SC2 Network. Therefore, because the operational assessment is the cornerstone of the program's engagement strategy, HUD will work closely with the Administrator to improve, amend, and enhance their proposed operational assessment to ensure that it effectively evaluates each community and comports to the needs and goals of the SC2 Network.

Under this "assessment activity," the Administrator will work with communities that it has determined would require an operational assessment through the following stages:

(i) Evaluation. The Administrator will evaluate communities that have qualified for an operational assessment. Here, the Administrator will identify technical experts who will be deployed to the community to conduct the operational assessment.

(ii) Planning. Upon completing the operational assessment, the Administrator will work with the community to establish a range of solutions that would address the challenges identified in the operational assessment. Here, the Administrator will develop a reasonable technical assistance plan with the community to achieve a community's desired results.

(iii) Resource Deployment. After the development of a technical assistance plan, the Administrator will work with the community to determine which challenges and solutions to address based on what desired outcome a community wants to achieve. Here, the Administrator may identify and fund appropriate technical assistance providers (either those already in the SC2 Network, or contract new ones as described in I.B.4.a *Structure Development*) who can administer the services set out in the technical assistance plan. These technical assistance providers may also come as pro-bono consultants, or where possible, permanent or part-time federal staff engaged in SC2. In addition, the Administrator may also assist the community in identifying other federal, state, local, and privately-funded programs and services that could be appropriate to support the work identified in the technical assistance plan.

Under the "Resource Deployment" stage, technical assistance providers funded by the SC2 Network may be engaged in a community for **up to 12 months** (this includes the operational assessment process). In addition, HUD has not set a limit on the level of funding that could be used towards each engagement, but expects the Administrator to be judicious in how it allocates its funding and resources in the most effective manner. However, HUD and the SC2 Council will have the option to extend any engagement if there are compelling reasons and sufficient resources in the SC2 Network. In these instances, the Administrator may advise and recommend to HUD and the SC2 Council on possible extension options for consideration.

(iv) Operational Assessment for Cities Receiving EDA Economic Visioning Challenge Awards. In addition to conducting operational assessments for communities requesting assistance, the Administrator will be responsible for conducting operational assessments for the cities receiving grants from EDA through the Economic Visioning Challenge (as described in I.A.1. *SC2 Components*).The EDA assessment process will function similarly as explained in the stages of "Evaluation" and "Planning" as described in the above sections. However, the technical assistance plan will take into account how the cities can act on their new economic blueprints funded by EDA.

(4) Documentation. To track the activities under the "Engagement" category, the Administrator will have a system in place to document and track technical assistance requests, and the proposed scope of work as outlined by any technical assistance plan including follow-up work and expected results via a technical assistance plan. The Administrator also will monitor engagements and track key milestones of projects.

(5) Leveraging. While there is no match requirement for the SC2 Network, HUD recognizes that the scope of work required of the program may exceed the funds that are available for this cooperative agreement. Therefore, the Administrator will be responsible for leveraging the additional resources necessary to meet the program objectives of the SC2 Network. HUD believes that leveraging the funds of the SC2 Network will make its investment go further and the SC2 Network less dependent on a single funding stream. Moreover, leveraging outside investments helps to align and engage the expertise that already exists in the philanthropic, non-profit, and private sectors, as well as connect technical assistance efforts and programs already underway. Therefore, improving the alignment of various efforts will allow communities to maximize their resources and work towards mutual improvements.

The Administrator may leverage the SC2 Network's fund by securing, for example philanthropic funds, or in-kind resources that could include, but are not limited to the services of pro-bono consultants and issue area experts. Financial resources must be shown to be dedicated solely to the efforts of the SC2 Network. HUD expects the Administrator to work to secure additional funds and resources for the SC2 Network engagement efforts.

c. Local Resource Network. *In this third category, the Administrator will increase the capacity of participating governments by helping them establish a Local Resource Network (LRN) for communities with potential private and philanthropic resources to sustain local capacity building over a longer term. Unlike the other four categories described in this NOFA, this category is not a required activity, and the Administrator will only support and implement an LRN if it is considered appropriate by HUD and the SC2 Council.*

HUD recognizes that some places have community or local foundations, as well as engaged private industries that are able to provide resources which, if properly aligned, might replicate the objectives of the SC2 Network on a local level. These "locally" scaled versions of the SC2 Network would sustainably support local government capacity, and under appropriate conditions, could be spun off into an independent entity—an LRN. With the creation of an LRN, HUD believes that a community would be more economically resilient to declines in city revenues or federal funding because the LRN will serve to supplement funds and resources.

HUD recognizes that in a limited number of communities, the SC2 Network may also be ripe for supporting an LRN which, if properly developed, would directly help communities build sustainable capacity. Given this recognition, the Administrator, under the counsel of HUD and the SC2 Council may **choose to allot no more than $500,000** of the SC2 Network's funds to finance the development of one or more LRNs. The three activities of this category are described below.

(1) Administrator Responsibilities under Local Resource Network. In this category, the Administrator will be responsible for:
   (a) Identifying communities where LRNs may be viable;

   (b) Working with HUD and the SC2 Council to determine whether or not an LRN should be funded in a community; and

   (c) Developing the foundation of an LRN, as applicable.

(2) Basic Criteria for Identifying Communities for LRN. In identifying communities where the climate is ripe to appropriately support an LRN, HUD has established some basic criteria as follows:

   (a) A community that has strong assets that include anchor institution, philanthropic support and a sufficient set of private sector or non-profit partners with appropriate pro bono technical services to contribute;

(b) A community that already has matching funds from a foundation, local non-profit or private source that is committed to the LRN's development; and

(c) A community that demonstrates the strong support of its local government, as well as an existing base of cross-sector leadership.

In addition, applicants will be required in their application to provide additional criteria to identify the appropriate communities, and provide solid justification for those criteria.

(3) Administrator Duties in Developing LRN. Once the Administrator has identified a list of communities, they will work with HUD and the SC2 Council to determine which of those places should be funded. If it is decided that a place should receive funding, the Administrator will be responsible for developing the LRN in the following manner:

(a) Recruit additional local lead organizations, private or non-profit partners where appropriate;

(b) Provide funds to a local lead organization to create a business plan for the LRN that would also assess local capacity;

(c) Support assembling a leadership team from the public, private, and non-profit sectors; and

(d) Provide additional technical assistance to support implementation efforts such as support for convenings.

Finally, it should be noted that while HUD has allocated funding to support an LRN, HUD expects the LRN to operate on its own after it has been established by the Administrator. As a result, the LRN likely will be reliant on pro bono support from consulting, accounting and legal firms.

d. Evaluation. *In this fourth category, the Administrator will carefully document and evaluate interventions to build a series of best practice strategies that can benefit places with similar challenges and develop forums for sharing this knowledge. As a pilot initiative, SC2 allows the federal government to test various place-based strategies that help to enhance local capacity, inform future federal policies, and better assist local governments.*

Under this activity, HUD has not prescribed a funding allotment. Rather, eligible applicants in their application will be required to specify as part of their budget the funding amount allocated towards evaluating the SC2 Network and its activities. There are three areas of responsibilities for the Administrator:

(1) Coordinating with the SC2 Council on Performance and Evaluation Metrics. The SC2 Council is developing a set of metrics to evaluate the SC2 initiative. To streamline this effort, the Administrator will be required to coordinate its performance metrics, where relevant, with the SC2 Council, as well as its efforts to track comparable outputs and outcomes of the overall SC2 initiative (HUD will provide the Administrator with a list of metrics generated by the SC2

Council). The types of outputs that may be relevant to the SC2 Council would include, but are not limited to the number of SC2 Network recommendations implemented; the amount of funding leveraged as a result of the SC2 Network; how quickly the SC2 Networks assistance has improved a communities ability to expend federal funds; and the number of collaborative stakeholder networks supporting the implementation of a community's technical assistance plan.

(2) Developing Metrics that can be Applied Across All Technical Assistance Engagements. The Administrator will be expected to develop and track output and outcome measures, and benchmark milestones that can be applied across all technical assistance engagements. This includes developing a comprehensive performance measurement system that incorporates long-term outcome goals that cross every engagement.

3. Developing metrics tailored to communities and/or projects. The Administrator will be expected to develop and track output and outcome measures, and benchmark milestones that are tailored to meet the goals and objectives of each community as prescribed by a technical assistance plan.

In developing metrics, it should be noted that the Administrator should consider both quantitative and qualitative metrics.

Because the SC2 Network seeks to have lasting impact on some of the long-term issues affecting local governments, HUD recognizes that not all outcomes will be realized during the duration of the cooperative agreement period. Rather, HUD will evaluate an application based on its ability to identify potential outcomes an applicant seeks to achieve in their community engagements, and the specificity of the benchmarks it establishes to measure progress toward a completed product that guides all of the necessary work. Essentially, HUD wants to know that if an applicant is selected to administer the SC2 Network, the applicant can create a clear model describing issues targeted, what it seeks to achieve, the specific benchmarks that show success, and the steps the SC2 Network will take to reach success. Once an Administrator is selected, HUD and the SC2 Council will work closely with the Administrator to improve, amend, and enhance their proposed metrics to ensure that it effectively evaluates each community served, and comports to the needs and goals of the SC2 Network.

HUD recognizes that there will be a feedback loop between policy areas of interest, community interventions and the evaluation of such engagements, and policy recommendations. As a result of this feedback, HUD expects the Administrator to take into account each of these areas when designing its evaluation to inform and guide future policymaking.

e. Policy Recommendations. *In this fifth category, the Administrator will identify for the SC2 Council the federal policy changes that could help local governments better achieve their economic development visions, as well as highlight other policies, systems, and practices that support holistic and sustainable economic development.*

A critical aspect of the SC2 Network Administrator's responsibilities is to provide recommendations to HUD and the SC2 Council on how federal policy changes could help local governments better achieve their economic development visions and support holistic sustainable

economic development. The Administrator is expected to help the agency better understand the following policy areas:

(1) How the federal government can improve its allocation of technical assistance funds;

(2) How technical assistance programs can be aligned so that it is more effective at the local level;

(3) What key challenges local governments face and the strategies for addressing those challenges, including any barriers that may result from existing federal regulations and policies and proposed revisions to these regulations and policies; and

(4) How the SC2 Network can be improved programmatically to address the needs of local governments, including operational capacity constraints.

HUD views this activity as more than simply a reporting requirement of the Administrator, but a means to identify specific challenges and potential solutions or strategies to better assist communities as well as emerging policy lessons. Given the Administrator's direct role and relationship with the communities it assists, the Administrator's insights on trends, practices, and barriers will be invaluable to the initiative, and would inform the ongoing policy deliberations of the SC2 Council. Under this category, the Administrator will be expected to regularly report to HUD and the SC2 Council to address the following issues:

- Identification of potential regulatory barriers identified through SC2 Network projects;

- Recommended changes to federal policies and programs to address issues of special importance to cities and local governments that pertain to local capacity and economic growth;

- Recommended policies for building local expertise in strengthening local economies;

- Recommended strategies to implement best practices learned through the SC2 Network on a government-wide basis to better support localities; and

- Identification of opportunities to increase the flexible utilization of existing federal program resources across agencies to enable more performance and outcome-based funding.

Given the Administrators discussion on the aforementioned issues, HUD and the SC2 Council will work with the Administrator to determine potential solutions and next steps where appropriate.

In addition to these five categories (**Structure Development**, **Engagement**, **Local Resource Network**, **Evaluation**, and **Policy Recommendations)**, the Administrator will also work with the other components of SC2 (described under I.A.1. *SC2 Components*), as well as the SC2 Council (described under I.A.2 *Executive Order*) to meet the broad goals and objectives of the initiative.

II. AWARD INFORMATION

A. Type of Award.

HUD will select one grantee to administer approximately $10 million for the SC2 Network. HUD will execute a cooperative agreement with that grantee that delineates the objectives, roles and responsibilities for HUD and the grantee.

HUD recognizes that the success of the SC2 Network will require flexibility and adaptability in design and implementation. Therefore, the cooperative agreement will allow HUD to work closely with the grantee to help fine tune activities as needed to ensure that activities are implemented in a manner that is consistent with the objectives of the SC2 Network, SC2 initiative and the SC2 Council. HUD anticipates that it will have substantial involvement in the work being conducted under the award to ensure that the purposes of the SC2 Network are being carried out, and that technical service providers and units of local government are following through on their commitments to local and regional development. HUD's involvement includes, but is not limited to, monitoring progress that is being made in meeting established performance metrics and ensuring consistency in projects across community engagements.

B. Cooperative Agreement Period.
Approximately $10 million for the SC2 Network will be made available to the Administrator to be expended over the course of 36 months from the date of the cooperative agreement. HUD will monitor the Administrator to ensure that the funds are effectively and efficiently utilized over the 36 month period.

In addition, HUD must approve a grantee's work plan and budget before a grantee can begin work with each community receiving services under the cooperative agreement.

III. ELIGIBILITY

A. Eligible Applicants.
Eligible applicants for the SC2 Network Administrator may include the following entities: Nonprofit organizations, foundations, anchor institutions, for-profit companies, or a consortium of these entities with demonstrated ability to raise philanthropic support.

The Administrator must have a demonstrated ability to engage and maintain relationships with a diverse group of technical service providers across a broad range of disciplines, and partner with philanthropies and units of general local government to advance the objectives of the SC2 Network program. The Administrator must also have a demonstrated ability to obtain other community, private sector, and federal resources that can be combined with HUD's program resources to achieve program objectives. In general, an ideal Administrator will have most or all of the following characteristics:

1. Place-based. The selected Administrator, buoyed by support of agencies and the philanthropic community, will have experience working in many distressed communities, and will be able to match these communities to relevant technical experts quickly and efficiently, understanding the unique characteristics of each community and the importance of place.

2. Resource-maximizing. The selected Administrator will have a national scope and will be well-accustomed to the challenge of distributing scarce resources across communities with distinct needs. The ability to effectively evaluate requests for service will be paramount to using the SC2 Network's resources to their greatest potential.

3. Nimble, Responsive, and Service-oriented. The SC2 Network will be designed to provide very timely assistance that can thoroughly understand and adapt to needs on the ground. Therefore, the selected Administrator will have, or can quickly pull together a deep team of technical experts, and, when necessary, develop partnerships between experts on issues that require multiple skill sets and excellent customer service skills.

4. Objective. In some cases, procedures or regulations may be a barrier to local capacity building. The selected Administrator will facilitate local partnering and provide honest feedback to HUD and the other SC2 agencies for relieving burdens on local governments, while retaining accountability for results.

5. Sustainable. The selected Administrator will have the nonprofit management expertise required to make the SC2 Network financially sustainable, and as an outside entity, can attract philanthropic and other sources of funding and leverage HUD's investment several times over.

In addition, under the NOFA process, an applicant selected to become the Administrator must meet all threshold requirements contained in HUD's Fiscal Year 2012 NOFA General Section, including requirements addressing civil rights and other cross-cutting requirements applicable to federal funding. Where an application involves multiple entities, each entity must meet the civil rights threshold requirement of "Resolution of Outstanding Civil Rights Matters."

B. Cost Sharing or Matching.
While there is no match requirement for the SC2 Network, HUD recognizes that the scope of work required of the program may exceed the funds that are available for this cooperative agreement. Therefore, the Administrator will be responsible for leveraging the additional resources necessary to meet the program objectives of the SC2 Network.

C. Other.

1. Threshold Requirements.

a. The applicant must meet the threshold requirements of the FY 2012 General Section. **The General Section can be viewed at:**
http://portal.hud.gov/hudportal/documents/huddoc?id=2012gensecNOFA.pdf.

b. Each applicant must qualify as an eligible applicant under this NOFA and must have met the timely receipt requirements, as described in the FY 2012 General Section.

c. No applicant may propose to provide assistance that is in violation of this NOFA, as described in section IV.E *Funding Restrictions*.

d. False statements or claims intentionally made in an application constitute grounds for denial or termination of an award, and may lead to penalties or prosecution as provided in 18 U.S.C. 1001. 5.

e. To the extent that the applicant has experienced a recapture of funds under an open cooperative agreement or contract with a government entity in the last five (5) years, the applicant(s) must disclose this information and address how these issues were resolved. Failure to disclose past performance issues will result in disqualification.

f. Dun and Bradstreet Data Universal Numbering System (DUNS) Number Requirement. Please see the FY2012 General Section, b. *Registration Requirements*, pg. 39 for instructions on how to secure a DUNS number if the applicant does not have one. You will need to obtain a DUNS number to receive an award from HUD.

g. Central Contractor Registration Requirement. All applicants must register or update a current registration in the Central Contractor Registration to receive funding from HUD. Information on CCR registration is available at www.sam.gov.

h. All applicants must address each component of each rating factor, as well as submit the required documents listed in section IV.B.5 *Checklist for Application Content*.

i. The applicant must address all the components of the SC2 Administrator functions. Applicants that leave out components of the Administrator functions or leave rating factor questions unanswered will be determined to have submitted incomplete applications, and their applications **will not** be considered.

j. The minimum score for an application to be considered for funding is 75.

k. Entities that have been found to be in ethical violation, or have violated standards related to fiscal mismanagement of funds and resources are not eligible to apply.

2. Program Requirements.
a. For communities where it has been determined by the Administrator that it will receive an operational assessment, an operational assessment must be conducted before any further technical assistance can be provided to a community.

b. Funds from the SC2 Network may not be used to provide communities with grants or any form of direct funding to support technical assistance, with exception of supporting the LRN as described in section I.B.4.c *Local Resource Network*.

c. The Administrator is required to secure additional funding and in-kind support from philanthropic organizations and other public and private sector entities to fulfill the scope of work for the network.

d. HUD expects an LRN to operate on its own after it has been established by the Administrator.

e. The Administrator must comply with the requirements in Section III.C.5 of the FY2012 General Section.

f. If applying for funding as a consortium, a lead applicant must be named in the application submitted by the lead organization.

IV. APPLICATION AND SUBMISSION INFORMATION

A. Addresses to Request Application Package.

Applicants should review HUD's General Section for specific procedures concerning the electronic application submission and timely receipt requirements. HUD's General Section for FY2012 describes the general rules and procedures that applicants must follow when applying to HUD NOFAs. **The General Section can be viewed at:** http://portal.hud.gov/hudportal/documents/huddoc?id=2012gensecNOFA.pdf.

Copies of this NOFA and its relevant application forms found at the grants.gov website at http://www07.grants.gov/applicants/find_grant_opportunities.jsp. If you have difficulty accessing the information, you may receive customer support from Grants.gov by calling its Support Desk at 800-518-4726 (toll free number if calling from the U.S.), or by sending an email to support@grants.gov. The Grants.gov help desk is open 7 days a week, 24 hours a day, except federal holidays.

B. Content and Form of Application Submission.
In order for HUD to consider an application complete, all applicants applying to this NOFA must submit additional documents in addition to their responses to the four rating factors. These documents are application form SF-424, SF424sup, and SF-LLL. These application forms must be signed by an authorized official of the applicant.

If applying as consortium, **a lead applicant must be named** in the application **form SF424.** The lead applicant also will be responsible for managing the eligible activities. Only the lead applicant needs to submit an application, and all relevant forms and documents on behalf of the consortium.

The SF-424, SF424sup, and SF-LLL are described below, along with instructions on which entities should submit what form:

- **SF-424:** Applicants applying as a single entity must complete this form. If an applicant is applying as a consortium, **ONLY** the lead entity in the partnership is required to submit a SF-424 on behalf of the consortium.

- **SF424sup:** This document must be submitted by all entities, regardless of whether they are applying as a single entity or a consortium.

- **SF-LLL:** This document is a lobbying disclosure form. This form is **ONLY** required to be submitted by all entities that conduct lobbying activities, regardless of whether they are applying as a single entity or a consortium.

NOTE: As part of the SF-424 form, and SF424sup form, the applicant **will be required to provide their DUNS number**. This DUNS number allows the federal government to track federal funding allocations. Please see the General Section, b. *Registration Requirements*, pg. 39 for instructions on how to secure a DUNS number if the applicant does not have one.

1. Electronic Submission Requirement.
HUD requires all applicants seeking funding under this NOFA to apply electronically through Grants.gov. An applicant may request in writing a waiver to the electronic submission requirement for good cause in accordance with 24 CFR 5.1005 (see the General Section for

more information). Should HUD grant a waiver of the electronic submission requirement, the waiver approval letter will note the number of paper copies the applicant must send to HUD.

2. Page Limitations and Font Size.
Applicant responses to all of the rating factors must be formatted so that the total number of pages submitted are equal to no more than 20 single-sided pages of single-spaced text based on an 8.5 by 11 inch paper, using a standard 12 point font. However, **for a consortium submitting their application**, they are allowed an additional three pages (for a total of 23 pages).

Reviewers **will not** review more than 20 pages for all the factors combined (unless the applicant is submitting as a consortium, in which case the page limit is 23).

3. Appendix.

The rating factors will ask the applicant to submit an organization chart, contact information, resumes, references, budget table, project completion schedule and leveraging documents. This information should be added to the back of the responses to the rating factors as an appendix, and will **not** count towards the page limit. Please label the appendix using the following format and order:

- Appendix A: Organization Chart
- Appendix B: Contact list
- Appendix C: Resumes
- Appendix D: References
- Appendix E: Budget Table
- Appendix F: Project Completion Schedule
- Appendix G: Leveraging Documents

4. Prohibition on Materials Not Specifically Requested.
Materials other than what is specifically requested by HUD in this NOFA should not be submitted. Reviewers will not consider any other documents attached to the application not specifically requested by HUD in this NOFA.

5. Checklist for Application Content.
The following checklist is provided as a guide to help ensure that your application contains all the required elements. For applicants receiving a waiver of the electronic submission, the paper application must be in the order provided below.

All applicants must enter the applicant name, DUNS number, and page numbers on the narrative pages of the application. The DUNS number provided must be for the entity that is to receive the award of funds from HUD. All forms are available when you download the application and instructions from Grants.gov. You have only to enter the CFDA Number (listed on page 1 of this NOFA) or Funding Opportunity number (listed on page 1 of this NOFA) **or**

Funding Opportunity Competition ID for the respective program. <u>Entering more than one of these IDs will result in an error message that the application cannot be found.</u>

Application Checklist

Document	Check Box
1. Application SF424 (submitted by single entity OR the lead applicant in the consortium)	
2. SF424sup (submitted by all entities, regardless of whether they are applying as a consortium or a single entity.)	
3. SF-LLL (submitted by all entities that conduct lobby activities, regardless of whether they are applying as a consortium or a single entity)	
4. Responses to Rating Factors/Narrative • For single entities the page limit is 20 • For a consortium, the page limit is 23 • Make sure to include the lead applicant name, DUNS number, and page numbers on your responses to the rating factors for each page.	
Appendix: Appendix A: Organization Chart Appendix B:Contact list Appendix C: Resumes Appendix D: References Appendix E: Budget Table Appendix F: Project Completion Schedule Appendix G: Leveraging Documents	

C. Submissions, Dates and Times.
Completed applications must be received by Grants.gov no later than **11:59:59 p.m. eastern time** on the application deadline date of **January 28, 2013.** Following receipt the application will go through a validation process. If the application fails the Grants.gov validation process, it will be rejected. Please see the FY2012 General Section for instructions for timely receipt, including actions to take if the application is rejected. HUD encourages applicants to submit their applications early, at least 48 hours prior to the deadline.

Applicants should carefully read the section titled "INSTRUCTIONS ON HOW TO DOWNLOAD AN APPLICATION PACKAGE AND APPLICATION INSTRUCTIONS" in the

FY2012 General Section on page 43. This section contains information on using Adobe Reader, HUD's timely receipt policies, and other application information.

D. Intergovernmental Review.
This program is not subject to intergovernmental review.

E. Funding Restrictions.

1. Funding will only be provided to applicants who meet the standards for eligible applicants.

2. Funds will not be used to pay for activities outside the scope of the NOFA.

3. Funds awarded under this program may not be used to pay for computer hardware. Honorariums cannot be charged against awards under this program.

4. An organization may not provide assistance to itself.

5. An organization may not provide assistance to another organization with which it contracts or sub-awards funds to carry out activities under this award. No fee or profit may be paid to any recipient or contractor of an award under this NOFA. Contractors providing technical assistance/capacity building services/products are not consultants and thus are not subject to the salary provisions applicable to consultants in the FY2012 General Section. HUD will determine whether the salary rates are reasonable and customary for the skill set provided and the area(s) being served.

F. Other Submission Requirements.

Waiver of Electronic Submission Requirements.
Applicants interested in applying for funding under this NOFA must submit their applications electronically via Grants.gov or request a waiver from the Policy Development Division in the Office of Policy Development and Research. You must follow the procedures for electronic submission of applications contained in HUD's General Section unless a waiver for good cause in accordance with HUD's waiver policy of 24 CFR 5.1005 is approved by HUD. Waiver requests must be submitted in writing, either via email or mail. Waiver requests must be submitted no later than 15 days prior to the application deadline date and should be submitted via email to khengmei.tan@hud.gov or in writing to:

> Kheng Mei Tan
> Office of Policy Development and Research
> U.S. Department of Housing and Urban Development
> 451 7th Street SW, Room 8116
> Washington, DC 20410

Written waiver requests must be **postmarked no later than 15 days prior** to the application deadline date. HUD only provides waivers for cause under the waiver provisions of 24 CFR 5.110. Instructions regarding the number of copies to submit and the address where they must be submitted will be contained in any approval of the waiver request. Paper submissions must be received at HUD Headquarters (Attn: Kheng Mei Tan, 451 7th Street SW, Room 8116, Washington, DC 20410) no later than 4pm on the deadline date. Paper applications **will not be**

accepted from applicants that have not been granted a waiver. All applications in paper format must have received a waiver to the electronic application requirement and the application must be received by HUD on or before the application deadline date in accordance with the notification approving the waiver. Applicants submitting paper applications must have a DUNs number and CCR registration. (HUD only allocates funding awards to grantees with a DUNs number and CCR registration.)

V. APPLICATION REVIEW INFORMATION.

A. Rating Factors Overview and Instructions.

HUD will rate the qualifications of an applicant on four rating factors described below. Only applicants (a single entity **OR** a consortium) that can meet the competencies of all five required activities described in this NOFA should submit applications. Please see section IV *Application and Submission information* for a detailed description of submission requirements, how to submit, page limitations, and required forms that must accompany an application in ordered for it to be reviewed by HUD. For a helpful checklist for all required documents, please see IV.B.5 *Checklist for Application Content*.

The total number of points possibly awarded for an application is **100 points**. Only applications that achieve a **minimum threshold of 75 points** will be considered for award.

The applicant must address all issues and criteria raised in this NOFA. HUD suggests that applicants answer and label their responses in the order in which the rating factor questions are asked so that applications can be evaluated more easily. Applicants that leave criteria unanswered will be determined to have submitted incomplete applications, and their applications **will not** be considered.

In addition, applicants must submit an organization chart, contact information, resumes, references, budget table, project completion schedule and leveraging documents as part of their responses to the rating factors. Please see section IV *Application and Submission information* on details regarding how applicants submit and label this information as an appendix. This information will **not** count towards the page limit (described in section IV.B.2 *Page Limit*).

1. Rating Factor 1: Demonstrated Knowledge, Experience and Readiness of the Applicant (15 Points).

This factor evaluates the extent to which the applicant (including its consortium entities, if applicable) demonstrates the capacity to carry out the SC2 Network activities as described in this NOFA in an effective and timely manner. In evaluating this rating factor, HUD will review the depth of an applicant's experience, readiness and understanding of the issues. As a result, HUD will award points based on the extent to which an applicant provides a cohesive and comprehensive discussion that demonstrates their area of expertise, readiness and understanding of the issues as described in Rating Factor 1.

a. Understanding of Economic Challenges of Distressed Communities (5 Points).

The Administrator must have a solid understanding of the economic challenges of distressed communities and the importance of a broader and more comprehensive, place-based philosophy to engagement. In this section, HUD wants the applicant to elucidate clearly on a) what it considers to be the key issues of distressed communities b) key obstacles to capacity building at

the local level and c) specifically how and where a coordinated technical assistance approach would assist such communities. **In discussing these topics, the applicant must <u>demonstrate</u> its knowledge of existing technical assistance programs and models.**

In its narrative, HUD also wants the applicant's explanation to include credible information and data resources. HUD defines "credible information" as those from research papers, newspapers, industry reports and guidelines, and documents from academic institutions and think tanks. HUD defines "credible data resources" as those from the Census or any federal government data, as well as data and surveys from academic institutions, non profits and think tanks.

b. Previous Experience (10 Points).
HUD is interested in the applicant's demonstrated experience working in the five categories described in this NOFA during the <u>past 36 months</u>. In this section, HUD wants the applicant to address the following responsibilities regarding their experience in the <u>past 36 months</u>:

(1) Background (1 point). Please provide a brief explanation about the objectives, goals and work of the applicant's organization (and all consortium entities if relevant) as it relates to the activities described in the five categories.

(2) Technical assistance and capacity building (9 points). The applicant must explain its prior experience in working on projects that have required it to hire issue experts, convene policy experts and practitioners to share best practices, and partner with other local networks, organizations and/or key individuals in communities (specifically those communities in distress) to address a range of economic challenges. The applicant must include in its discussion:

(a) At least one detailed example of a technical assistance project for a community that clearly delineates the goals and objectives of the project, duration of the project, total cost of the project, specific issue(s) the applicant was resolving, the technical assistance used, and additional resources (such as hiring/managing consultants and technical experts), and the results it achieved. Also, the applicant should elucidate on any lessons learned/best practices that came out of the project.

(b) How it has built and maintained relationships with local networks, organizations and/or key individuals to build capacity at the local level, and how integral these relationships were to its project. In this section, the applicant also should describe any previous work, partnerships or collaborations it has had with the federal or local government if relevant.

(c) How it has convened practitioners, policymakers and stakeholders to discuss common economic challenges of communities that include sharing knowledge, identifying best practices and potential policy recommendations.

If applying as a consortium, please provide an explanation from all entities addressing the rating factor questions where relevant.

2. Rating Factor 2: Soundness of Approach (45 Points).
This factor evaluates the quality and soundness of the applicant's approach to program design, including the operation, management and oversight of the SC2 Network and its community engagements. HUD will evaluate the adequacy and effectiveness of the applicant's program design for 1) ensuring the SC2 Network will be implemented and managed successfully 2) engaging distressed communities 3) capacity building and 4) the process for providing policy recommendations back to HUD and the SC2 Council. HUD will award points based on the

extent to which an applicant provides a sound, thoughtful and comprehensive discussion of each component of their implementation plan, as described below in Rating Factor 2.

Under this rating factor, applicants must propose how they will structure the SC2 Network and how the activities they will pursue address the problems identified in local government capacity. The Administrator will be required to develop a plan that includes specific, measurable, and time-phased objectives for each activity.

a. Structure Development (12 Points).
The applicant must demonstrate an ability to collaborate and coordinate with other organizations, experts, and sectors in delivering assistance to communities through the SC2 Network. Here, the applicant (and where relevant, its consortium entities) must provide HUD with a detailed description of the following responsibilities:

(1) How they will secure experts (5 points). The applicant must explain:

(a) How they will develop a structure of both paid and pro bono experts/consultants to address the holistic needs of communities. The explanation should include where/what organizations they will draw these experts from, and the process they will undertake in **recruiting, selecting and vetting** these experts to ensure that they have the adequate expertise to meet the needs of a project. Securing the most appropriate experts to provide technical assistance is critical to the success of the SC2 Network. As a result, HUD expects the applicant to be as descriptive as possible in describing their recruitment, selection and vetting process. In addition, if the applicant plans to execute contracts or formal agreements between the SC2 Network and technical experts it plans to hire, the applicant must provide a detailed explanation.

(b) How it will bring in additional experts from other fields if it is necessary to a project's successful completion. (HUD anticipates that when the Administrator engages a community, it is likely that the Administrator may have to secure additional experts.)

(c) What key categories of expertise will the applicant seek to secure for the SC2 Network (e.g., experts in urban planning, infrastructure development, etc.?)

If the applicant thinks that its organization already has the capacity and expertise to meet the holistic technical assistance needs of distressed communities, the applicant must provide a detailed explanation of the range of experts it has employed in its organization; the expertise they possess; and its justification of why its experts will fully serve the technical assistance needs of distressed communities. In addition, the applicant must answer part (iii) in this section.

(2) How they will market the SC2 Network to distressed communities (1 point).
The applicant should include in its discussion how it will target the appropriate communities to market SC2 Network assistance.

(3) How it will develop and implement the clearinghouse of federal, state and local technical assistance (3 points). Given what was described in section I.B.4.a *Structure Development* in this NOFA, the applicant's discussion must address the following responsibilities:

(a) How it envisions it will utilize the clearinghouse to assist distressed communities;

(b) How it will research federal, state and local technical assistance programs to include in the clearinghouse;

(c) What types of information will go into the clearinghouse (e.g., program title, program description, etc.), and;

(d) How it will categorize technical assistance to make it user friendly to the public and maintain it so that the information stays current.

(4) How it will establish the Peer-to-Peer Network (3 points). Given what was described in I.B.4.a *Structure Development* in this NOFA, HUD wants the applicant to explain how it envisions the Peer-to-Peer Network will connect the four components of the SC2 initiative; how it will foster peer exchanges, and how it will house online materials related to SC2. The applicant's discussion must also include how it will disseminate information and best practices to cities, SC2 stakeholders and interested parties working to resolve the issues of distressed communities. This discussion should include what forums (webinars, conferences, etc.) the applicant would use to promote peer exchanges, greater learning opportunities and knowledge exchange that may foster new ideas and policy recommendations.

b. Engagements (33 Points).

HUD expects that more local governments will request the services of the SC2 Network than the SC2 Network is able to engage in, particularly in the first year. As described in this NOFA, the Administrator will be responsible for systematically taking-in, prioritizing and addressing requests from communities as described in section I.B.4.b *Engagement.* In this section, HUD wants applicants to provide a proposed engagement plan that is thoughtful, sensible and cohesive, as well as effectively maximizes the resources of the SC2 Network.

 (1) Engagement Strategy (15 Points).   HUD wants the applicant to provide a detailed explanation of how it will accomplish the following responsibilities described below. The applicant must include a brief narrative of its proposed plan in its discussion.

   (a) Initial Intake (1 Points). The applicant must describe its proposed system in taking in technical assistance requests. This discussion should include details on the types of information that it would collect (other than those proposed by HUD listed in the *Engagement* section (1) *Initial Intake*).

   (b) Prioritization (6 Points). Given what was explained in the *Engagement* section (2) *Prioritization*, the applicant must describe its proposed system on how it would accomplish the following responsibilities:

   (i) *Assist communities in identifying specific issues they would like to address.* HUD recognizes that some communities that request assistance may need assistance in defining their issues. By targeting specific issues of a community, HUD thinks the Administrator will be better able to determine how to allocate SC2 Network resources.

(ii) *Manage and respond to technical assistance requests that require <u>no</u> funding resources.* This explanation must include a discussion about the types of technical assistance requests the applicant deems would require no funding.

(iii) *Prioritize and respond to technical assistance requests that require funding resources.* This explanation must include a detailed discussion of how the applicant plans to prioritize communities they think would qualify for an operational assessment given limited resources and the selection criteria it will use to determine which communities will receive an operational assessment. HUD has provided the applicant with a list of selection criteria in the *Engagement* section (2) *Prioritization* for the applicant to include in their proposed prioritization plan. The applicant may use some or all of the criteria HUD provided, or **justify** and describe its own selection criteria if it chooses to incorporate it into their proposed plan. (Note that at minimum, the Administrator is required to include local government commitment as one of the criterion as described in the *Engagement* section (2) *Prioritization*.) The applicant also must describe how it will make the selection criteria transparent to the public so that communities understand how they are being evaluated. **Here, HUD seeks a proposed prioritization system that is thoughtful, rational, data-driven and would target SC2 Network funding towards the most appropriate distressed communities.**

(c) Assessment (7 Points). Given the applicant's response to "Prioritization," HUD wants to know how the applicant envisions the assessment process. HUD deems this "assessment" process as one of the most important responsibilities of the Administrator as it drives the bulk of the SC2 Network's funding. Given what was described in the *Engagement* section (3) *Assessment and Deployment*, HUD wants the applicant to provide a detailed explanation to the following:

(i) Operational Assessment. The applicant will be responsible for developing the criteria for the operational assessment used to assess communities. The applicant may present this section in a matrix if it is easier. Applicants must clearly describe what criterion is being used in the operational assessment, why that proposed criterion is important, and what each criterion assesses.

(ii) Evaluation. The applicant must explain its proposed process for evaluating communities using its proposed operational assessment. This explanation must include how the applicant will identify a team of experts to deploy to the community; how long the applicant thinks the operational assessment would take; how the applicant would work with the community to conduct the operational assessment; and how the applicant will utilize the operational assessment to identify short and long-term solutions for communities.

(iii) Planning & Resource Deployment. Upon completing the assessment, the Administrator will develop a technical assistance plan that will identify a range of solutions for the community to implement as described in the *Engagement* section (3) *Assessment and Deployment.* HUD recognizes that the need for technical assistance will likely exceed the resources of the SC2 Network. As a result, HUD wants the applicant to explain how it will work with a community to establish a broad vision for where the community would like to be in the long-term; negotiate/work with the community to **identify and prioritize** which solutions to implement from the technical assistance plan, given limited resources; and identify additional experts and resources to ensure the successful completion of each community engagement. (Note

that HUD has proposed a 12 month limit for each engagement. This process includes the operational assessment.)

    (d) Documentation (1 Points). The applicant must describe its proposed system to document and track technical assistance requests, as well as to monitor community engagements and track milestones to assess whether or not projects are on schedule and completed successfully.

c. Local Resource Network (4 Points).
As described in section I.B.4.c *Local Resource Network*, HUD believes that there may be a small number of communities that could support a Local Resource Network (LRN). In responding to this rating factor, the applicant must explain how it will accomplish the following responsibilities:

(1) *Identify communities where LRNs may be viable.* The applicant's explanation must include any additional criteria the applicant will used to identify communities (outside of the criteria proposed by HUD in section I.B.4.c *Local Resource Network*) and a justification for that criteria; how the applicant will research and gather information about communities that could potentially host an LRN; and how the applicant will prioritize and/rank communities based on its established identification criteria.

(2) *Develop an LRN to Support Local Capacity.* Here, HUD wants to understand the applicant's proposed process for developing an LRN. The applicant's explanation must include a plan that broadly delineates what it thinks the broad goals and objectives should be for the LRN, and the types of things it could accomplish in the near and short-term; how it will identify and recruit additional local partners from non profit, anchor institution, government agencies and/or public/private sectors; how it will work with the LRN to identify areas of support to offer technical assistance; and the steps it will take to ensure that the LRN will be sustainable on its own after the SC2 Network's resources are not supporting the LRN.

d. Policy Recommendation (5 Points).
As described in section I.B.4.e *Policy Recommendation*, the Administrator will be responsible for providing policy recommendations to HUD and the SC2 Council. Given the Administrator's direct relationship in assisting communities, it will develop critical insights on trends, practices and lessons that can inform future policymaking. Here, HUD expects the applicant to explain how it will accomplish the following responsibilities:

(1) How it will identify key challenges that most distressed communities experience;

(2) How it will track its community engagements to ascertain best practices and lessons learned;

(3) How it will identify key policy areas for HUD and the SC2 Council to consider; and

(4) Given what the applicant described in parts 1-3, how it will develop politically feasible and practical recommendations that can be implemented at the federal level. In its answer, the applicant must include a discussion of how it will draw from the knowledge that it has learned from its community engagements, as well as gather or use any relevant data to support its recommendation.

e. Management and Oversight (9 Points).

To implement the SC2 Network, HUD requires the Administrator to have strong management and oversight. HUD will evaluate the organizational structure of applicants to ensure that applicants have the capacity to successfully implement the five activities described in this NOFA in a timely and effective manner. Here, HUD requires the applicant to demonstrate that they either have sufficient personnel or the ability to procure qualified experts or professionals with the requisite knowledge, skills, and abilities in preparing and coordinating the development of the SC2 Network. The applicant's management structure must create a balance of paid experts when necessary while maximizing the contributions of pro bono services.

(1) Organization Structure (3 points). HUD is interested in understanding the applicant's capacity to support the SC2 Network in relation to ALL activities described in the NOFA. If applying as a consortium, the applicant must answer the former questions in the context of the consortium. The applicant must provide the following:

   (a) A general description of the management structure that explains how the applicant (and its consortium entities) will work together to ensure that the five activities will be achieved successfully, and how decisions will be made.

   (b) An organization chart that identifies all key management positions and the names and positions of staff managing ALL responsibilities described in the NOFA that are associated with the five activities. This organization chart must be included in the Appendix.

   (c) A description of the key staff and their specific roles and responsibilities for managing its proposed activities, and the percent of each staff member's time that will be allocated towards those roles and duties. In this section, the applicant must explain how the key staff is qualified for their assigned role.

   (d) The resumes and a brief description of the prior experience for each key staff member. These resumes must be included in the Appendix.

   (e) A contact list of all entities associated with this application. This must include the name of ONE key point of contact for the applicant and include the address, city, state, zip code, email and phone number. If you are applying as a consortium, indicate which entity is the lead organization, and include ONE key point of contact and the respective address, city, state, zip code, email and phone number for each entity in the consortium, including the lead applicant. In addition, the contact list should provide the DUNS number and CCR registration for each entity in an application. Please see section III.C. *Threshold Requirements* on how to secure a DUNS number and CCR registration. This contact list must be included in the Appendix.

   (f) References (1 Point). The applicant must include one reference for recent work similar to the programs covered under the NOFA that has been undertaken by the applicant. If a consortium, the applicant must include one reference for each entity. These references must be included in the Appendix.

   References must be from an organization, individual or institution that the applicant has worked with in the past 36 months applicable to the five activities that are described in this NOFA. References must be submitted in the form of a letter (one-page maximum) that includes a contact name, address, phone number and email address so that HUD may verify the information. The letter must speak to the relevant work experience of the applicant.

(2) Budget (3 Points). The applicant must submit a detailed budget in the Appendix. HUD is not prescriptive on how the applicant presents its budget. However, the applicant's budget **must account for HUD's proposed allocation of each of the categories as well as the key responsibilities** described in this NOFA over a 36 month period. Furthermore, the applicant **must specify** in their budget the amounts associated with their administrative costs, including indirect costs as defined on page 36, section VI.A.3 *Budget*. HUD will award more points to an applicant who can submit a budget that demonstrates the most effective and efficient use of funds. While this NOFA states that the award is for approximately $10 million, for ease, the applicant's proposed budget must be based on a $10 million allotment. In addition to administrative costs, the applicant's budget, at minimum, must also include the following information associated with program costs:

   (a) Salaries for program staff and consultants;

   (b) Traveling expenses;

   (c) Cost estimates for the operational assessment (those that will be completed for the cities that received funding under the EDA Economic Visioning Challenge—please budget for six cities);

   (d) Expenses related to monitoring and managing the performance of each community engagement;

   (e) Expenses related to the LRN (while the LRN is an optional category for funding, HUD would still like to know the estimated budget for it); and

   (f) Cost for the evaluation.

   (g) Any other related program costs.

(3) Project Completion Schedule (1 point). The applicant must submit a project completion schedule that includes key milestones for the 36 month period. The project completion schedule must be included in the Appendix.

(4) Performance and Monitoring (1 point). HUD grantees must have a plan for monitoring and funds control plan for all program activities to ensure successful performance. This includes an internal audit function. An internal audit function will continually examine potentially risky areas of program and financial operations and management and provide regular and valuable feedback to program managers and to those who hold them accountable. This feedback will include identification of risky management practices and missing or ineffective internal controls, areas that are not in compliance with program requirements, and ineffective implementation of established policies. The end result is the establishment of corrective actions. For the activity(s) the applicant is applying for in this factor, the applicant must:

   (a) Describe your monitoring and funds control plan.

(b) Describe how you will meet the internal audit requirement and how corrective actions will be implemented. Specifically identify the position(s) and agency responsible for internal audit.

3. Rating Factor 3: Leveraging of Other Funds (20 points).

HUD **does not require** the applicant to have matching funds to be awarded the cooperative agreement from this NOFA. However, as referenced in section I.B.4 *Engagement*, HUD expects that the applicant that is awarded the grant to leverage funding support from other philanthropic organizations, non profits and public and private sectors. In evaluating this rating factor, HUD wants to understand the applicant's experience in securing in-kind or monetary support for similar activities described in this NOFA, and its ability to leverage existing funds. As a result, HUD will award points based on the extent to which an applicant provides a cohesive and comprehensive discussion that demonstrates their ability to secure resources and describes a clear and sensible plan for fundraising. Points will also be awarded based on the amount of financial and in-kind support an applicant currently has to support the SC2 Network.

a. Prior Success in Securing Resources (5 Points).

In this section, the applicant must describe its success in securing monetary and/or in-kind support for projects similar or related to any or all of the activities described in this NOFA in the past 36 months. In particular, HUD is interested in the applicant's ability to secure additional monetary support from philanthropic foundations in the areas of urban planning, infrastructure development, economic development, public safety and capacity building. The applicant's explanation should describe the proposed project, what it was for, and the amount of funds raised (or the type of in-kind support that was secured) for the project.

b. Fundraising Outreach (3 Points).

In this section, the applicant must also describe its proposed plan for reaching out to other philanthropic organizations or private institutions and fundraising activities it plans to undertake if granted funds.

c. Amount of Leveraged Resources Dedicated to the SC2 Network (12 Points).

It is HUD's intention to make the investment go further by leveraging its resources. Applicants will be scored on the total value of their **firm commitments** in funding and in-kind contributions from philanthropic foundations, non profits, government agencies and public and private sector organizations. Financial and in-kind resources, regardless of where it comes from, must be shown to be dedicated solely to the efforts of the SC2 Network.

Financial resources are funds/cash derived from the aforementioned organizations. HUD **does not** count the waiver of academic institution indirect costs as a financial contribution. Also, below is a list of items that count as in-kind resources:

- Donated/volunteer staff time and services from technical consultants, organizations or agencies that have agreed to work with the applicant on any of the five activities described in this NOFA.

- Donated materials, equipment, supplies, building and land.

For each leveraged resource, the applicant must include a written document that verifies that the leveraged resource is **firmly committed** to the SC2 Network program activities. These written documents may consist of an award letter, written agreement or contract. The written document must specify ALL of the following factors to be counted under this section for leveraging:

- Amount of funds (or if an in-kind resource, the value of the contribution);

- The applicant as the receiver of the funds or contribution;

- What the leverage resource is (funds, in-kind contribution of professional services, equipment, etc.)

- The source of the leveraged resource (federal, state, local, or other);

- That the funds or contributions are solely dedicated to the SC2 Network program activities;

- Dated and signed by an authorizing official who is legally able to make the leveraged resource commitment on behalf of the contributing entity.

These documents must be included in the Appendix in the applicant's application and will not count towards the page limit.

HUD believes that the most equitable method in scoring this factor is to weigh the value of an applicant's contribution against all other applicants who have applied to this NOFA. As a result, HUD will allocate points based on the total value of two kinds of contributions:

(1) Financial and Staff/Services Contributions. An applicant may receive **up to 9 points** for the total value of its contribution in actual funding dollars, as well as its in-kind contributions of donated/volunteer staff time and services from technical consultants, organizations or agencies that have agreed to work with the applicant on any of the five activities described in this NOFA. Applicants that come in with a total contribution representing the top third of contributions (67th percentile or higher) will receive 12 points, those that come in the middle third of contributions (34th – 66th percentile) will receive 8 points, and those that come in the bottom third (up to the 33rd percentile) of contributions will receive 4 points.

(2) Other In-Kind Contributions. An applicant may receive **up to 3 points** for the total value of its in-kind contribution of donated materials, equipment, supplies, building and land. Applicants that come in with a total contribution representing the top third of contributions (67th percentile or higher) will receive 3 points, those that come in the middle third of contributions (34th – 66th percentile) will receive 2 points, those that come in the bottom third of contributions (up to the 33rd percentile) will receive 1 point.

4. Rating Factor 4: Achieving Results and Program Evaluation (20 Points).
This factor assesses the ability of the applicant to track outputs and outcomes to improve and evaluate the efficacy of the Network and its Administrator. In Rating Factor 4, HUD will award points based on the extent to which the applicant provides a clear and thoughtful discussion of its evaluation plan, and the thoughtfulness and comprehensiveness of its proposed evaluation metrics.

a. Evaluation Plan (6 Points).
The applicant must provide a general overview of its proposed plan to evaluate the SC2 Network, as well as its community engagements. This discussion must include an explanation of what anticipated questions the applicant is trying to address and why; its proposed methodology for evaluating those questions, how such evaluation and tracking will be used to provide feedback to improve program performance, and additional policy researchers and program evaluators that the

applicant may work with to quantify the accomplishments of this program to increase the overall body of policy knowledge.

b. Evaluation of SC2 Network (7 Points).
Given the applicant's proposed evaluation plan, the applicant must describe what additional qualitative and quantitative metrics should be used to evaluate the SC2 Network and why, how it intends to collect the necessary information and data and its frequency of collection.

c. Evaluation of Community Engagements (7 Points).
Given the applicant's proposed evaluation plan, the applicant must describe what qualitative and quantitative metrics should be used to evaluate community engagements, how it intends to collect the necessary information and data and its frequency of collection. As referenced in section I.B.4.d *Evaluation*, the SC2 Council will prescribe certain performance metrics to track outputs and outcomes that are comparable to other components of the SC2 initiative, but applicants should also describe the types of metrics that may be unique to specific community engagements.

B. Review and Selection Process.
HUD will conduct an initial screening of all applications to ensure that all forms and required documentation were received with each application. Afterwards, HUD will host one or more preliminary and final review panels to select the winning application for award.

C. Corrections to Deficient Applications.
After the application deadline, and accordance with the electronic submission grace period described in this NOFA, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that an applicant may want to provide. HUD may contact an applicant to clarify an item in its application or to correct curable (correctable) technical deficiencies.

   HUD may not seek clarification of items or responses that improve the substantive quality of an applicant's response to any rating factors or which correct deficiencies which are in whole or part of a rating factor. In order not to unreasonably exclude applications from being rated and ranked, HUD may contact applicants to ensure proper completion of the application, and will do so on a uniform basis for all applicants.

   Examples of curable (correctable) technical deficiencies include failure to submit the proper certifications that do not impact the score of an applicant, and failure to submit an application that contains a signature by an official able to make a legally binding commitment on behalf of the applicant. In the case of an applicant that received a waiver of the regulatory requirement to submit an electronic application, the technical deficiency may include failure to submit an application that contains an original signature.

   If HUD finds a curable deficiency in the application, HUD will notify the applicant in writing by describing the clarification or technical deficiency. HUD will notify applicants by email or via the U.S. Postal Service, return receipt requested. Clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within 5 calendar days of the date of receipt of the HUD notification. (If the deadline date falls on a Saturday, Sunday, or federal holiday, then the applicant's correction must be received by HUD on the next day that is not a Saturday, Sunday, or federal holiday.) In the case of electronic submissions to Grants.gov, any clarifications or cure items must be submitted electronically using the facsimile telephone number and form HUD96011, Facsimile Transmittal, contained in the last application package submitted to HUD. The additional information will be matched to the electronic application in HUD's files.

If the deficiency is not corrected within the above time frame, HUD will reject the application as incomplete, and it will not be considered for funding. In order to meet statutory deadlines for the obligation of funds or for timely completion of the review process, program NOFAs may reduce the number of days for submitting a response to a HUD request for clarification or correction to a technical deficiency.

Please be sure to carefully read this NOFA for any additional information and instructions. An applicant's response to a HUD notification of a curable deficiency should be submitted directly to HUD in accordance with the instructions provided in the notification

D. Anticipated Announcement and Award Dates.

HUD anticipates that it will determine the winning application no more than 60 days after applications were received by the agency.

VI. AWARD ADMINISTRATION INFORMATION

A. Award Notices

1. Notification. 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. Upon notification that an applicant has been selected for award, HUD will request additional information to be submitted or may work with the applicant to amend information that was already submitted as part of the application.

2. Debriefing. See FY2012 General Section.

3. Budget. HUD recognizes that a budget may require some flexibility given that the SC2 Network is set up to address a broad range of technical assistance needs for communities. Therefore, applicants are only required to submit as part of their application a general budget. A cooperative agreement without a formal budget can be executed so long as HUD has other specific information (e.g., the grant amount and the activities that the applicant has the capacity to carry out). As specific operational plans are developed and finalized, HUD will require detailed budgets covering activities in specific communities.

In addition, applicants must specify in their budget their administrative costs, including indirect costs. HUD defines administrative costs as reasonable direct and associated indirect costs of the overall management of the cooperative agreement. These costs would include:

a. Salaries, wages, benefits and related costs for general administrative support, cultivating a pool of technical experts, developing marketing materials, developing and negotiating the budget, developing systems and schedules for ensuring compliance with the award, preparing reports required under the award, management of persons providing technical assistance to communities, building the infrastructure for a resource clearinghouse, peer-to-peer network and monitoring community engagements;

b. Travel costs related to the overall management and administration of the cooperative agreement;

c. Administrative services performed under third-party contracts or agreements, such as general legal services, accounting services, and audit services;

d. Other costs for goods and services required for the administration of the award, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance of office space. Funds cannot be used to conduct repairs or renovate office space.

Costs related to the applicant's budget may be denied or modified if HUD determines that they are not allowable, allocable, and/or reasonable. In cases where HUD cannot successfully conclude negotiations on a cooperative agreement with a selected applicant or a selected applicant fails to provide HUD with requested information as part of the negotiation process, an award will not be made to that applicant. In this instance, HUD may offer an award and proceed to negotiate with the next highest-ranking applicant.

B. Reporting Requirements of Administrator.

HUD will require the selected Administrator to report to the Government Technical Representative (GTR) who will be responsible for managing the SC2 Network at HUD no less often than quarterly, unless otherwise specified in the cooperative agreement. As part of this report to HUD, the selected Administrator will update the GTR with a financial summary of funds drawn down from the cooperative agreement, information on actual outputs and data related to outcomes achieved, and a narrative explanation of any disparity between projected and actual results. HUD will also require the selected Administrator to provide HUD with a final narrative report no more than four months from the end of the cooperative agreement period. Finally, the Administrator will report out to the SC2 Council regularly on its activities related to the SC2 Network as described in section I.B.4.e *Policy Recommendation.*

1. Federal Funding Accountability and Transparency Act of 2006.

Applicants selected for funding will be required to report first sub-grant award and executive compensation information, where both their initial award is $25,000 or greater, as required by the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended. The prime awardees will have until the end of the month plus one additional month after an award or sub-grant is obligated to fulfill the reporting requirement. The Federal Funding Accountability and Transparency Act (FFATA) of 2006 calls for the establishment of a publicly available web site to disclose the use of Federal finance assistance.

The Act requires the reporting of the following data for first-tier sub-grants of $25,000 or more:

- Name of entity receiving award
- Amount of award
- Funding agency
- NAICS code for contracts / CFDA program number for grants
- Program source
- Award title descriptive of the purpose of the funding action
- Location of the entity (including congressional district)
- Place of performance (including congressional district)
- Unique identifier of the entity and its parent; and
- Total compensation and names of top five executives (same thresholds as for primes)

The Transparency Act also requires the reporting of the Total Compensation and Names of the top five executives in either the prime awardee or a sub-awardee's organization if:

1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually; and

2. Compensation information is not already available through reporting to the SEC. The statute exempts from reporting any sub-awards less than $25,000 made to individuals or to an entity whose annual expenditures are less than $300,000. OMB has published Interim Final Guidance to agencies regarding the FFATA subrecipient reporting requirements in the Federal Register on September 14, 2010 (75FR55663.)

C. Code of Conduct.
After selection, but prior to award, an applicant selected for funding will be required to provide HUD with their written Code of Conduct if they have not previously done so and it is not recorded on the HUD website at:
http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm

D. Administrative and National Policy Requirements.
After selection for funding but prior to award, applicants must submit financial and administrative information to comply with applicable requirements. These requirements are found in 24 CFR part 84 for all organizations, except states and local governments whose requirements are found in 24 CFR part 85. Cost principles requirements are found at OMB Circular A-122 for nonprofit organizations, OMB Circular A-21 for institutions of higher education, OMB Circular A-87 for states and local governments, and at 48 CFR 31.2 for commercial organizations. Applicants must submit a certification from an Independent Public Accountant or the cognizant government auditor, stating that the applicant's financial management system meets prescribed standards for fund control and accountability.

E. Equal Employment Opportunity.
All contracts under the SC2 Network shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

G. Affirm Affirmatively Furthering Fair Housing (AFFH).
Under section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing (see section III.C.4.b. of the General Section for more information). When a grantee's activities involve or address housing or housing related issues, actions taken should be designed to address impediments to fair housing choice that are identified in the Analysis of Impediments to Fair Housing Choice of the jurisdiction(s) in which the program activities occur.

In these specific instances where communities propose SC2 activities involving housing or housing related issues, the Administrator to these communities participating in the network must ensure that the activities address at least one of the following objectives: 1) help overcome impediments to fair housing choice related to the assisted program or activity itself; 2) promote diverse, integrated living patterns; and 3) promote housing-related opportunities that overcome the effects of past discrimination based upon race, color, national origin, religion, sex, disability, and familial status. This requirement will be reflected in the cooperative agreement between HUD and the Administrator.

H. Americans with Disabilities Act.

The means of contacting and providing assistance to participants in the SC2 Network must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6. Furthermore, in accordance with HUD's rule at 24 CFR § 8.21, facilities at which consultation or assistance activities are conducted must be accessible to and usable by persons with disabilities. Where physical accessibility is not achievable, recipients and sub-recipients must give priority to alternative methods of product delivery that offer programs and activities to persons with disabilities in the most integrated setting appropriate, in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and its implementing regulations at 24 CFR parts 8, and Title III of the Americans with Disabilities Act.

I. Additional Information.
This issuance does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this issuance is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 USC 4321)."

   In addition, activities conducted by the grantee that fall within the purview of HUD's programs and policies must comport to the appropriate HUD statute and regulation.

VIII. AGENCY CONTACT

Questions regarding the NOFA may be addressed to the following staff:
   Kheng Mei Tan
   U.S. Department of Housing and Urban Development
   451 7th St. SW
   Washington, DC 20410
   202-402-4986
   khengmei.tan@hud.gov.

Dated: 10/9/12

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Erika Poethig, Acting Assistant Secretary for
   Policy Development and Research

[FR-5600-N-39]