**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Docket No. FR-5600-N-38**

**Notice of Funding Availability (NOFA) for HUD's Fiscal Year 2013**

**Border Community Capital Initiative**

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

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

**SUMMARY:** This NOFA announces the availability of up to $2,000,000 to support lending and investing activity in affordable housing, business development, and community facilities to benefit the residents of colonias along the U.S./Mexico border. This Notice is comprised of the Notice of HUD's FY 2013 Notice of Funding Availability (NOFA), Policy Requirements, and General Section (General Section) to HUD's FY 2013 NOFA for Discretionary Programs, http://portal.hud.gov/hudportal/documents/huddoc?id=2013nofagensec.pdf and posted on www.grants.gov on August 8, 2012, and this program section to the NOFA.

**FOR FURTHER INFORMATION:** Questions regarding program requirements should be directed to the Office of Rural Housing and Economic Development at 877-787-2526 or (202) 708-2290. Questions regarding the FY 2013 General Section should be directed to the Grants Management Office at 202-708-0667. Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Relay Service at 800-877-8339.

**OVERVIEW INFORMATION**

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

**B. Funding Opportunity Title:** Border Community Capital Initiative

**C. Announcement Type:** Initial Announcement

**D. Funding Opportunity Number:** FR-5600-N-38

**E. Catalog of Federal Domestic Assistance (CFDA) Number:** 14.266; OMB Control Number 2501-0196 expiration date 6/30/2016

**F. Dates:** The application deadline date is **August 26, 2013.** Applications must be received by www.grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date.

**G. Additional Overview Information:** Purpose of the Program: The purpose of the Border Community Capital Initiative (BCCI) is to support local rural nonprofits and federally recognized Indian tribes serving colonias for lending and investing activities in affordable housing, small businesses, and/or community facilities, and for securing additional sources of public and private capital for these activities. Please see specific purposes and eligible uses under Section III.C.

**FULL TEXT OF ANNOUNCEMENT**

**I. Funding Opportunity Description Background.** The BCCI is a collaborative effort among three federal agencies - the Department of Housing and Urban Development (HUD), the Department of the Treasury - Community Development Financial Institutions Fund (CDFI Fund) and the Department of Agriculture - Rural Development (USDA-RD). The Initiative's goal is to increase access to capital for affordable housing, business lending and community facilities in the chronically underserved and undercapitalized U.S./Mexico border region. Specifically, it will provide direct investment and technical assistance to community development lending and investing institutions that focus on affordable housing, small business and community facilities to benefit the residents of colonias.

In the colonias along the Southwest border, capital for affordable housing, small business support, and community facilities is not consistently available. Pursuant to law, Arizona, California, New Mexico, and Texas each set aside up to 10% of their annual state Community Development Block Grant (CDBG) award for community and economic development activities in the colonias that lie within 150 miles of the U.S.-Mexico border and outside of Metropolitan Statistical Areas (MSAs) of populations greater than one million. CDBG funding along with other HUD block grants to states are distributed through states and local governments, but amounts fall short of the need. The United States Department of Agriculture (USDA), the Economic Development Administration (EDA), the Small Business Administration (SBA), and other federal agencies fund projects in rural areas, but require organizations with sufficient capacity to deliver service and distribute capital. However, because the funding is not consistent or stable over time, organizations specializing in affordable housing, small business support, and community facilities face difficulties in trying to sustain themselves and grow. The few exceptions tend to be multi-service nonprofits that attempt to support many needs once they become established. Due to the scarcity of overall resources, multi-service nonprofit organizations are far between and face real barriers to growth. Many rural areas and populations remain poorly served.

Community Development Financial Institutions (CDFIs) and other lending and investing organizations can be an important part of the infrastructure for funding housing and small business development activities that benefit low-and moderate income people. They combine multiple sources of public and private capital in order to make loans and investments available in ways that are tailored to particular underserved geographies and populations of businesses or borrowers. Where delivery of capital is a barrier to the scale and volume of production, community development lenders and investors can be a crucial vehicle in expanding capital access for housing and economic development.

HUD is making funding available under this competition to improve the quality of life and opportunities in specific low-income communities by increasing capital formation, lending, and investing activities. The BCCI will stimulate growth among CDFIs and other organizations that channel funding for HUD's mission to the colonias.

## A. Program Description

The purpose of BCCI is to increase access to capital for affordable housing, business lending and community facilities in the chronically underserved and undercapitalized Colonias region. Specifically, this program will support local rural nonprofits and federally recognized Indian tribes serving colonias with lending and investing activities in affordable housing, small businesses, and community facilities, and/or in securing additional sources of public and private capital for these activities. To advance the purpose of this program, the U.S. Department of Treasury's CDFI Fund will offer all BCCI awardees training and technical assistance opportunities through its capacity building initiative.

## B. Definitions

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

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

**2. Colonias:** For this program, HUD adopts the definition of a colonia from the Cranston-Gonzalez National Affordable Housing Act of 1990 (Pub. L. 101-625, Nov. 28, 1990) (as amended) (the Act) and the Appropriations Act of 1997 (Pub. L. 104-204, Sept. 26, 1996, 110 Stat. 2887) which define a colonia as any identifiable community (i.e., with defined boundaries) within 150 miles of the United States-Mexico border in Arizona, California, New Mexico and Texas, that was in existence before November 28, 1990, excluding metropolitan statistical areas with populations exceeding one million. The community must be determined to be a colonia on the basis of objective criteria including the lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing. A map and a list of colonia communities can be found on HUD's BCCI website at:
http://www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/bcci/index.cfm

Note: These documents are not intended to be a definitive list of all communities that have been, are, or will be determined to meet the definition of "colonia" per Section 916 of Cranston-Gonzalez National Affordable Housing Act of 1990. Subsequent releases of this map layer may remove, refine, or add to the point data for communities with "colonias."

HUD's Community Planning and Development mapping tool can be found at the website: http://egis.hud.gov/cpdmaps/.

For designated colonia communities, check your state department that administers the Community Development Block Grant program.

**3. Community Development Financial Institutions (CDFIs)**: Organizations certified as Community Development Financial Institutions by the CDFI Fund of the U.S. Department of Treasury. CDFIs are legal entities that have a primary mission of promoting community development (generally, serving predominantly low-income geographical areas or low-income populations); maintain accountability to their target markets; have as their primary business activity making loans, equity investments, or other financial activities; provide development services and technical assistance to borrowers and investees in conjunction with financing activities; and are not government entities or are not under the control of any government entity (Tribal governments excluded). For a full definition of CDFIs and information on their work see the CDFI Fund website at www.cdfifund.gov.

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

**5. Federally recognized Indian tribe:** Any tribal entity eligible to apply for funding and services from the Bureau of Indian Affairs (BIA) by virtue of its status as an Indian tribe. The list of federally recognized Indian tribes can be found in the Notice published by the Department of the Interior, Bureau of Indian Affairs (BIA) on October 1, 2010 (75 FR 661244) and may also be found on the BIA's website at: http://www.bia.gov/cs/groups/xraca/documents/text/idc011463.pdf.

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

**7. Consortium**: Two or more eligible entities, i.e., local rural nonprofits and/or federally recognized Indian tribes, that enter into an agreement to submit a single application for funding under this NOFA. The consortium is intended collectively to have the capacity and experience to carry out the proposed activities in the eligible target market and to enter into an agreement or agreements to submit a single application under this NOFA for a BCCI grant.

In its application, a consortium shall designate a lead applicant. A lead applicant must be any one of the BCCI program eligible entities, forming the consortium as described above. The lead applicant shall have responsibility for submitting the application to HUD, and, if the consortium is selected for funding, shall execute the grant agreement with HUD and assume fiscal responsibility for the grant on behalf of the consortium in compliance with all HUD and program requirements.

All consortium members must execute an agreement to apply as a consortium and the consortium agreement must be submitted with the application. The agreement will require the members to cooperatively carry out the program in the approved application, and must authorize one member (lead applicant) to act in the representative capacity with HUD on behalf of all members of the consortium and to assume administrative responsibility for ensuring that the consortium's program is carried out in compliance with all HUD requirements. The lead entity will be responsible for making amendments to the application on behalf of the consortium members. While the lead applicant holds fiscal and administrative responsibility for regular interaction with HUD, this does not restrict the consortium from developing a structure that reflects the diversity of its members and allows for maximum participation in strategy development, decision-making, and project implementation.

**8. Target market:** Eligible target markets for lending and investing activities can include the geographic areas defined as colonias in Section III.C.2. of this NOFA, current low-income residents of colonias, businesses owned by or serving low-income colonias residents, or community facilities serving colonias communities or low-income colonias residents.

**9. Firm Commitment:** A letter of commitment from a partner or a member of a consortium by which the entity agrees to perform an activity specified in the application, demonstrates the financial capacity to deliver the resources necessary to carry out the activity, and commits the resources to the activity, either in cash or through in-kind contributions. The commitment must be irrevocable, subject only to approval and receipt of a FY 2013 BCCI grant.

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

**a.** Specify the authority by which the commitment is made, the amount of the commitment, the proposed use of funds, and the relationship of the commitment to the proposed investment. If the committed activity is to be self-financed from the entity's internal cash resources, the entity must demonstrate its financial capability through a corporate or personal financial statement or other appropriate means. If any portion of the activity is to be financed

through a lending institution, the entity must provide evidence of the institution's commitment to provide the funds; and

**b.** Affirm that the firm commitment is contingent only upon the receipt of FY 2013 BCCI grant and state a willingness on the part of the signatory to sign a legally binding agreement (conditioned upon HUD's environmental review and approval of a property, where applicable) upon award of the grant.

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

## II. Award Information

### A. Available Funds

Funding Award Amount. HUD will award up to $2,000,000 on a competitive basis in two funding categories: Category I – Single Applicant and Category II - Consortium.
Each applicant for Category I funds must be a local rural non-profit or a federally recognized Indian tribe. Organizations applying for Category II must apply as a consortium. If the applicant is a federally recognized Indian tribe, it must be stated in the abstract of the application. Organizations applying as a consortium must provide a copy of the consortium agreement. An agreement of commitment to work together must be submitted with the application, and must be executed by all consortium members. (Please see Section (I.B.7) in this NOFA for detailed consortium requirements.) The lead entity will submit the application on behalf of the consortium.

HUD will use up to $2,000,000 in unexpended funds recaptured from expired grants made under the Rural Housing and Economic Development (RHED) program. The funds for this NOFA were appropriated to the Office of Rural Housing and Economic Development in annual appropriations between 1999 and 2009 (Public Laws 105-276; 106-74; 106-377; 107-73; 108-7; 108-199; 108-447; 109-115; 110-5; 110-161; and/or 111-8) and subsequently recaptured from or surrendered by underperforming or nonperforming grantees. These funds were appropriated by the Department of Housing and Urban Development Appropriations Act 2009 and prior appropriations Acts.

### B. Performance Period

Awards will be available for a period of up 36 months from the date of execution of the grant agreement.

### C. Terms of Award

The maximum amount of funds available for Category I - Single Applicant grants is $1,000,000. The maximum grant award amount for this category will be $200,000. The maximum amount of funds available for Category II - Consortium grants is $1,000,000. The maximum grant award amount for this category will be $1,000,000. HUD will enter into a grant agreement with successful applicants for the performance period for up to 36 months.

**D. Cost Sharing or Matching**

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

**III. Eligibility Information.**

**A. Eligible Applicants**
Eligible applicants for the BCCI are local rural nonprofits and federally recognized Indian tribes as defined in Section II.A.5, with demonstrated experience in lending or investing for affordable housing, small business development, and/or community facilities. Such applicants may be certified CDFIs, but CDFI certification is not required.

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

**1. DUNS Requirement.** A Data Universal Numbering System (DUNS) number is required to receive an award from HUD. The DUNS number on the application must be the same DUNS number for the organizational entity receiving the award. For more information on the DUNS requirement, applicants may refer Section III.C.4. of the General Section.

**2. System for Award Management Registration Requirement.** To receive an award or to receive award payments from HUD, the applicant/grantee must have an active registration in the System for Award Management (SAM), the successor system to CCR, (24 CFR 5.1004). See HUD Federal Register Notice FR-530-I-01, published July 15, 2010 (75 FR 41087).

**3. False Statements.** Any false statement made by an applicant in an application will be grounds for denial or termination of an award and possible punishment, as provided in 18 U.S.C. 1001.

**4. Other Eligibility Requirements.** Each applicant requesting funding under this NOFA must be an eligible applicant, proposing to carry out eligible activities under this NOFA. An applicant must also be in compliance with the threshold requirements found in the FY 2013 General Section at www.grants.gov, including the Civil Rights threshold requirements, set forth at Section III.C.2.d. "Resolution of Outstanding Civil Rights Matters." Applicants must also meet the additional fair housing, other civil rights, and affirmatively furthering fair housing requirements found in Section III.C.4 of the General Section of the FY 2013 General Section. In the case of consortia, each member must meet the threshold requirements. Purposed project must meet the goals of the BCCI and eligible activities as outlined in Section III.C.1 and C.3.

**C. Program Requirements**

**1. Goals of the BCCI.** Funds may be used to support eligible activities that serve the following goals:

a. Expanding the eligible target markets of established lenders and/or affordable housing, small businesses, and/or community facilities; and/or

b. Securing new public or private capital sources for lending or investing in affordable housing, small businesses, and/or community facilities in existing or new eligible target markets. Proposed target markets are defined in Section III.C.2.

**2. Eligible target markets.** Eligible target markets for lending and investing activities must include the geographic areas defined as colonias in Section I.B.2., and/or current low-income residents of colonias, and/or businesses owned by or serving low-income residents, and/or community facilities serving colonias communities or current low-income colonias residents.

**3. Eligible Activities**. Activities that may be funded through BCCI grants are listed below. Activities funded under the grant must support the BCCI goals and target markets described in Section III.C.1. and C.2.

a. Making loans and investments for affordable housing, small businesses, and/or community facilities in eligible target markets.

b. Securing additional sources of capital for lending and investing in affordable housing, small businesses, and/or community facilities in eligible target markets.

c. Market surveys, portfolio assessments, business planning, and similar activities directly related to the goals of the BCCI.

d. Preparation of legal documents, government paperwork, and applications necessary for the implementation of affordable housing, small businesses, and/or community facilities lending and investing activities for the eligible target market.

e. Establishing or expanding of lines of credit, revolving loan funds, microenterprise loan funds, and small business incubators. Such assistance includes, but is not limited to, grants, loans, loan guarantees, interest write-down subsidies, and collateral, such as a loan loss reserve, to support loans from other funding sources.

f. Establishment of funding mechanisms for direct financial assistance to homebuyers or developers for sale or rental housing, business owners, and/or organizations providing community facilities. This can be in the form of default reserves, pooling/securitization mechanisms, loans or investments grants in conjunction with loans or investment, or similar activities.

g. Homeownership counseling conducted in association with affordable housing lending or investing activities, including such subjects as fair housing counseling, fair lending, predatory lending counseling, credit counseling, budgeting, access to credit, and other federal assistance availability. Successful applicants under this NOFA who engage in homeownership counseling and their subrecipients, must use training facilities and services that are physically accessible to persons with disabilities.

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

Furthermore, HUD requires all grant recipients and subrecipients to comply with the goals and objectives of Section 508 of the Rehabilitation Act of 1973 with regard to accessible technology. (See the Accessible Technology Requirements in the General Section).

h. Technical assistance for small business and/or community facilities borrowers, conducted in association with lending or investing activities.

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

j. Other activities consistent with the BCCI goals and target markets as described in Sections III.C.1. and C.2.

**4. Administrative and other cost limitations.** Administrative costs, as defined in Section I.B.1. are limited to no more than ten (10) percent of the total BCCI grant. All eligible cost items charged to the grant, including both administrative and direct program delivery costs, must be allocable to the BCCI eligible activities in the approved application and budget. Administrative

costs for oversight of other programs, functions, or responsibilities not related to the BCCI grant will not be allocable to the BCCI grant and thus cannot be charged to the grant.

**5. Environmental Review.** Individual project sites to be funded by awards under this NOFA may not be known at the time the individual grant agreements are awarded and also may not be known when some of the individual sub-grants are made. Therefore, in accordance with 24 CFR 50.3(h), the application shall contain assurances to HUD that the applicant will: 1) supply HUD with all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 50; 2) carry out mitigating measures required by HUD or select alternate eligible property; and 3) not acquire, rehabilitate, convert, lease, repair, demolish, or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.

**6. Fair Housing and Equal Opportunity.** Applicants must comply with the fair housing and civil rights requirements outlined in Section III.C.4 of the FY 2013 General Section. Applicants must certify that the applicant and all sub grantees shall comply with the requirements of the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Americans with Disabilities Act.

Federally recognized Indian tribes must comply with the requirements of the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968; 25 U.S.C. 1301–1303).

**7. Equal Access Compliance.** Activities carried out with the BCCI funds must comply with the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule at 24 CFR5.105(a)/77 F.R. 5662.

**8. Affirmatively Furthering Fair Housing.** Consistent with the instructions in the Section III.C.4.b. of the FY 2013 General Section, applicants, other than federally recognized Indian tribes, must submit with their application a description of how their proposed activities will affirmatively further fair housing. In developing their plans, applicants shall review the Analyses of Impediments to fair housing choice in the jurisdictions in which the activities will take place. Examples of activities that may address impediments to fair housing choice include: (1) Affirmative fair housing marketing that targets persons least likely to apply for housing, including outreach to underserved population groups or advocacy organizations representing such persons; (2) Increasing accessible housing for persons with disabilities in accordance with Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and the Americans with Disabilities Act; (3) Planning new or rehabilitated housing in locations that provide greater housing choice and mobility opportunities for persons protected by the Fair Housing Act; (4) Providing language assistance services to persons with limited English proficiency; and (5) Addressing other impediments to fair housing choice identified in a jurisdiction's Consolidated Plan and Analysis of Impediments in coordination with local and regional nonprofit community groups and governmental organizations. The proposed activities must address at least one of the following objectives: (1) help overcome any impediments to fair housing choice related to the assisted program or activity itself; (2) promote racially, ethnically, and socioeconomically

diverse communities; or (3) promote housing-related opportunities that overcome the effects of past discrimination because of race, color, national origin, religion, sex, disability, and familial status. Also, the application will include a description of how records will be maintained on such programs or activities and their results. For more information, see Section III.C.4 of the General Section.

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

**10. Section 3 of the Housing and Urban Development Act of 1968.** Applicants must certify that the applicant and all sub grantees shall comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) and HUD's implementing regulations at 24 CFR part 135, which require recipients to ensure, to the greatest extent feasible, that training, employment, and contracting opportunities will be directed to Section 3 residents and to Section 3 business concerns. Additional information on these requirements can be found at http://www.hud.gov/section3.

Applicants must also ensure that their sub grantees have a feasible Section 3 plan to direct new employment and contracting opportunities created during the expenditure of covered financial assistance to Section 3 residents and Section 3 business concerns, and that their sub grantees demonstrate compliance with the requirements of Section 3 by reporting their activities in the Section 3 Annual Summary Report (Form HUD60002).

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

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

All grant recipients and subrecipients must use training and conference facilities and services that are physically accessible to persons with disabilities. Where physical accessibility is not achievable, recipients and subrecipients must give priority to alternative methods of product delivery that offer programs and activities to qualified individuals with handicaps in the most integrated setting appropriate in accordance with Section 504 of the Rehabilitation Act of 1973 and Title III of the Americans with Disabilities Act. HUD encourages selected providers to make electronically-accessed products and tools accessible in accordance with the requirements of Section 508 of the Rehabilitation Act.

## IV. Application and Submission Information

### A. Addresses to Request Application Package

Copies of the published NOFAs and application forms for HUD programs announced through NOFAs may be downloaded from the grants.gov website. Applicants can find this funding opportunity and link to the application and Instructions Download which contains additional forms at: http://www.grants.gov/applicants/find_grant_opportunities.jsp. If the applicant has difficulty accessing the information the applicant may receive customer support from grants.gov by calling their Support Desk at (800) 518-GRANTS, (TTY: 800-877-8339) or sending an email to support@grants.gov. The customer support center is open twenty-four hours a day, seven days per week, except federal holidays. The customer service representatives will assist applicants in accessing the information and addressing technology issues, including accessibility problems, in accordance with Section 508 of the Rehabilitation Act (see paragraph 4(h), Accessible Technology). Applicants should ask for a grants.gov call center ticket number if not provided one by the call center customer service representative. Applications from eligible applicants must be received by grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. Applicants need to be aware that following receipt, applications go through a validation process in which the application may be accepted or rejected. Please carefully read the General Section IV.C.4.a timely receipt requirements which include instructions on HUD's grace period.

If the applicant is granted a waiver from the electronic submission process, the approval of the waiver request will provide further instructions on where to submit the application and how to document proof of timely submission. See the General Section for application submission and timely receipt procedures and for instructions on how to request a waiver. Paper applications will not be accepted, unless the applicant has received a waiver of the electronic submission requirement. Requirements for waivers of electronic application submissions are set forth in Section IV.B.3. of the General Section. The Grace Period Policy is not applicable to applications received in paper format. Applications received after the stipulated date and time for receipt of the paper application will be considered late.

### B. Content and Form of Application Submission

HUD will accept only one application from any given eligible applicant or qualifying consortium. If more than one application is received from an organization or consortium, HUD will only consider the last application received and validated by Grants.gov in accordance with

the timely receipt requirements. Any subsequent application from that organization or consortium will be deemed ineligible. Organizations cannot apply both independently and as part of a consortium. If HUD receives an independent application from an organization that is also part of a consortium, the independent application will be considered ineligible. Each consortium application must include a copy of the consortium agreement executed by all consortium members. (See the definition section of this NOFA regarding specific consortium members agreement requirements). The lead entity will submit the application on behalf of the qualifying consortium.

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

**1. Page Limitation.** Narratives addressing Factors 1 through 5 are limited to no more than 15 double-spaced typed pages, 12 point font size. That is, reviewers will not review more than 15 pages for all five factors and bonus points combined, except that the page limit does not include budget spreadsheets, letters of commitment for leverage, and Form HUD-2990 for Rural EZ/Round II EC Bonus points.

**2. Prohibition on Materials Not Required.** Materials other than what is requested in this NOFA are prohibited. Reviewers will not consider resumes, charts, letters, or any other documents attached to the application, that are not specified in this NOFA.

**3. Checklist for Application Submission.** The following checklist is provided as a guide to help ensure that applicants submit all the required elements. The paper submission should be in the order provided below. All applicants should enter the applicant name, DUNS number, and page numbers on the narrative pages of the application. See General Section IV.B.1.f.

Application for Federal Assistance (Form SF424) (Note: Applicants must enter the legal name of their organization in box 8.a. and DUNS number in box 8.c. of the SF424 as it appears in the System for Award Management (SAM) which is the successor system to CCR.. See Section IV.B.4. of the General Section regarding CCR Registration. In block 8.d of the form, the applicant must include a 9 digit number for the organization's zip code (zip plus 4).

_ Faith-Based EEO Survey (SF424 Supplement, Survey for Ensuring Equal Opportunity for Applicants);
_ Narrative addressing Factors 1 through 5;
_ Grant Application Detailed Budget (HUD424CB);
_ Disclosure of Lobbying Activities (SFLLL) (if applicable);
_ Applicant/Recipient Disclosure/Update Report (HUD2880);
_ Preferred Sustainable Communities Bonus Points (HUD 2995);
_ Acknowledgment of Application Receipt (HUD2993) (applicable to paper applications only); and
_ HUD96011 Facsimile Transmittal Third Party Documentation Facsimile Transmittal (for electronic applications only).
_ Affirmatively Furthering Fair Housing Narrative Statement

_ Certification (Form HUD-2990) if applicant wished to be considered for Rural EZ/Round II EC bonus points
_ Consortium agreement signed by all consortium members (for Category II applicants only)
_ Consortium Organizational Chart (for Category II applicants only)

**C. Receipt Date and Times**

The application deadline for receipt of HUD applications via Grants.gov is 11:59:59 p.m. eastern time on **August 26, 2013**. Applications must be received by grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date.

Unless the applicant received a waiver to the electronic application submission requirement, the application must be submitted through http://www.grants.gov/applicants/apply_for_grants.jsp and must be received by grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. (Refer to Section IV of the General Section for further information on the delivery and receipt of applications.)

If the applicant is granted a waiver from the electronic submission process, the approval of the waiver request will provide further instructions on where to submit the application and how to document proof of timely submission.

**D. Intergovernmental Review**

Intergovernmental review is not applicable to BCCI.

**E. Funding Restrictions**

Recipients and sub-recipients of BCCI funds may charge the grant only for the actual cost of goods procured and services provided. No fee or profit may be paid to any recipient or sub-recipient of an award under this NOFA.

**F. Other Submission Requirements**

**1**. The grants.gov website offers a simple, unified application process. There are several registration steps applicants need to complete. Further information is contained in the General Section posted at www.grants.gov on August 8, 2012. Application via grants.gov requires a DUNS number, an active registration in the System for Award Management (SAM), Registration of the Authorized Agency Representative (AOR), with password and ID in the grants.gov system and approval of the AOR by the eBusiness Point of Contact that was listed in the SAM registration to authorize the AOR to submit the application. See the General Section (Section IV.B.4.) for further details of the registration process and requirements.

**2. Electronic Signature.** Applications submitted through grants.gov constitute submission as an electronically signed application. Instructions on how to submit electronically are outlined in HUD's FY 2013 General Section and the grants.gov website.

**3. Waiver of Electronic Submission Requirement.** Applicants interested in applying for funding under this NOFA must submit their applications electronically or request a waiver from the electronic submission process. Waiver requests must be submitted in writing. Waiver requests must be submitted no later than 15 days prior to the application deadline date and should be sent to Jackie L. Williams, Ph.D., Director, Office of Rural Housing and Economic Development, U.S. Department of Housing and Urban Development, 451 7th Street, S.W., Room 7137, Washington, D.C. 20410. If the applicant is granted a waiver from the electronic submission process, the application must be received by HUD no later than 4:00 p.m. eastern time on the application deadline date. The approval of the waiver request will provide further instructions on where to submit the application and how to document proof of timely submission.

**4. Proof of Timely Submission.** Applicants must submit their applications via grants.gov http://www.grants.gov/applicants/apply_for_grants.jsp by 11:59:59 p.m. eastern time on the application deadline date of **August 26, 2013**. Applications go through a validation at grants.gov and may be rejected. Please see HUD's General Section for timely receipt requirements and what to do if the application is rejected. Validation can take up to 48 hours. Applicants are also advised to submit their application and monitor the application status to ensure that they can meet HUD timely receipt requirements. To check the status of the application, click on the "Track My Application" link at www.grants.gov. The applicant can enter up to five grant application tracking numbers and grants.gov system will provide the applicant with a status report for each tracking number. If the applicant does not receive an automated tracking number from the grants.gov system upon submission, or the Track My Application link does not provide a tracking report, the applicant will need to resubmit the application. Applicants should allow time to be able to track and monitor the receipt of the application or to be able to call the help desk to determine why the application is not uploading to the grants.gov system. The grants.gov help desk is open 24 hours a day, 7 days a week, except federal holidays. (Refer to the General Section for specific procedures regarding timely receipt and proof of submission.)

## V. Application Review Information

### A. Criteria and Scoring

The maximum number of points to be awarded for a BCCI application is 102, which includes 4 bonus points. The minimum score for an application to be considered for funding is 75. Points are assigned based on applicant responses to five factors. When addressing Factors 2 through 5, applicants should discuss the activities that will be carried out with BCCI funds during the term of the grant agreement. Submissions should provide relevant examples to support the proposal, where appropriate. Submissions must also be specific when describing the communities, populations, and organizations that they propose to serve and the specific outcomes expected as a result of the activities.

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

This rating factor addresses the extent to which the applicant (Category I - Single Applicant or Category II - Consortium) has the organizational resources necessary to successfully implement

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

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

**a. Team members, composition, and experience (20 points)**. HUD will evaluate the experience (up to the last 7 years) of the project director, core staff, and any outside consultant, contractor, sub-recipient, or project partner as it relates to capital for affordable housing and small business development and to the implementation of the activities in the action plan (see Section III.C.4 of the General Section). All applicants should describe the lines of authority and procedures that the applicant has in place for ensuring that action plan goals and objectives will be met, that consultants and other project partners will perform as planned, and that beneficiaries will be adequately served. Category II applicants must include an organizational chart.

HUD also will assess the services that consultants, consortium members, or other parties will provide to fill gaps in the staffing structure to enable the applicant to carry out the proposed action plan and the experience of the project director in managing projects of similar size, scope, and dollar amount. All applicants should also include their degree of experience in working with persons with disabilities and/or persons with limited English proficiency. In judging the response to this factor, HUD will only consider work experience gained within the last 7 years. When responding, please be sure to provide the dates, job titles, and relevancy of the past experience to the work to be undertaken by the employee or contractor under the proposed Border Community Capital Initiative award. The more recent, relevant, and successful the experience of applicant's team members, including staff, subcontractors, and sub grantees, is in relationship to the action plan activities, the greater the number of points the applicant will receive. Please **do not** include the Social Security Numbers (SSN) of any staff members.

**b. Organizational structure and management capacity (15 points)**. HUD will evaluate the extent to which the applicant can demonstrate the organization's ability to manage a workforce composed of full-time or part-time staff, as well as any consultant staff, and the ability to work with individuals, small businesses, municipalities, community-based groups, or organizations as appropriate to the application. In evaluating this sub-factor, the more recent, relevant, and

successful the experience of the organization and any participating entity, the greater the number of points the applicant will receive. Applicants should describe: 1) the specific experiences of staff members in managing lending and investment activities and portfolios; 2) the scope and complexity of lending and investment projects undertaken and whether these experiences are similar in scope and complexity to the proposed activities; 3) the applicant's successful coordination with local government, businesses, and community organizations in carrying out lending and investment projects; and 4) the extent to which proposed activity involves part-time staff and/or consultants and previous experience managing such a workforce.

HUD reserves the right to give zero points for Rating Factor 1 if the applicant has been determined to have a pattern or practice of any or all of the following activities related to the management and operation of previous grant awards: (1) mismanagement of funds, including the inability to account for funds appropriately; (2) untimely use of funds received either from HUD or other federal, state, or local programs; and (3) significant and consistent failure to measure performance outcomes.

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

The BCCI is designed to expand or sustain access to capital for affordable housing, small businesses, and/or community facilities for eligible target markets as defined in Section III.C.2. In this section, HUD will review the nature and extent of need to be addressed by the lending or investing activities proposed by the applicant. In answering this section, applicants should describe:

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

**b. The nature and extent of the gap in capital availability for affordable housing, small businesses, and/or community facilities for their target market (10 points):** Applicants will receive more points for providing a clear and more specific description of capital needs and barriers that currently exist for their target markets, including elements such as:

> The characteristics of loans or investments needed to produce or improve affordable housing, support small businesses or provide community facilities for the benefit of the applicant's selected target markets;

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

Needs that previously were identified in a statewide or local Analysis of Impediments to Fair Housing Choice (AI) or Consolidated Plan to the extent that affordable housing is proposed as a use of funds in the applicant's action plan;

Needs and strategies for economic development that were identified in HUD's Consolidated Plan, and needs that have been identified by a local Community Development Block Grant (CDBG) and HOME grantee analysis, if such an analysis and/or strategies exist;

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

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

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

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

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

This factor also should include information that indicates the extent to which the applicant has coordinated or plans to coordinate activities with other known organizations (e.g., through consortium agreements, letters of participation, or coordination) that are not directly participating

in the proposed work activities, but with which the applicant shares common goals and objectives and that are working toward meeting these objectives in a holistic and comprehensive manner. The applicant should discuss how its proposal takes advantage of capacities and resources that already exist for the benefit of target markets or acts in a complementary way to improve the range of capital availability for the target markets addressed by the application. Category II applicants should discuss the work activities of each consortium member and describe how these activities will be coordinated to address the needs identified in Rating Factor 2 of this NOFA.

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

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

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

**4. Rating Factor 4 - Leveraging Resources (5 points)**.

This factor addresses the extent to which applicants have obtained firm commitments of financial or in-kind resources from other federal, state, local, and private sources, as defined in Section I.B.8. For every BCCI dollar anticipated, the applicant should provide the specific amount of dollars leveraged. In assigning points for this criterion, HUD will consider the level of outside resources obtained in the form of cash or in-kind goods or services that support activities proposed in the application. HUD will award a greater number of points based on a comparison of the extent of leveraged funds with the requested BCCI award. The level of outside resources for which commitments are obtained will be evaluated based on their importance to the total program. The application must provide evidence of leveraging in the form of letters of firm commitment from any entity, including all organization(s) that will be providing the leveraging funds to the project. Each commitment described in the narrative of this factor must be in accordance with the definition of "firm commitment," as defined in the BCCI NOFA. The commitment letter must be on letterhead of the participating organization, must be signed by an

official of the organization legally able to make commitments on behalf of the organization, and must not be dated earlier than the date this NOFA is published.

Points for this factor will be awarded based on the satisfactory provision of evidence of leveraging and financial sustainability, as described above, and the ratio of leveraged funds to requested BCCI funds as follows:

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

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

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

NOFA applicants are encouraged to review evidence-based models that have been proven effective in developing performance measures for their proposed projects. Relevant examples of successful models may be found in HUD's notice CPD-03-10, which provides a list of best practices for distributing funds to colonia communities for State and Entitlement Community Development Block Grant (CDBG) grantees and subrecipients, Rural Housing and Economic Development (RHED) grantees, and HOME participating jurisdictions and subrecipients in the four Border States. The notice can be found at: www.hud.gov/offices/adm/hudclips/notices/cpd/03-10c.doc . Applicants are also encouraged to utilize the on-line mapping tool CPDMaps, found at egis.hud.gov/cpdmaps/, to locate and coordinate with other organizations serving the colonia region.

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

**a. Output measures are quantifiable.** BCCI outputs include number community facilities financed, number of rental units financed, number of homeownership units financed, number of jobs created, number of new businesses created, and number of existing businesses assisted,

number of borrowers and investees provided with technical assistance, and number of lending or investing amount of lending or investing, including grant funds and other sources.

**b. Outcome Measures.** Outcomes are ultimate project end goals and should address the ultimate benefits planned for selected target markets. Applicants must show that their proposed strategies have been implemented in the past and provide evidence to show their strategies have accomplished the goals of:

1) supporting lending and investing activity in affordable housing, business development, and community facilities to benefit low-income residents of colonias along the U.S./Mexico border, and/or
2) expanding services to the colonias and target markets, and/or
3) securing new sources of funding for existing services.

HUD will review the research or report to determine if it shows the strategies to be successful at achieving one or more the goals of this NOFA and that the intervention is applicable to the colonias. If the research or report includes the applicant as a study subject, that is preferable but not essential. Please note that grantees must participate in agency-wide evaluations of program outcomes.

**c. Proposed program benefits.** Proposed program benefits must include program activities, benchmarks, and interim activities or performance indicators with timelines. Applications must include an evaluation plan that will effectively measure actual achievements against anticipated achievements.

**6. Bonus points.**

**a. Empowerment Zones/Enterprise Communities/Renewal Communities (2 points):** HUD will also award **two bonus points** to all applications that include documentation stating that the proposed eligible activities/projects will be located in and serve federally designated renewal community (RCs), empowerment zone (EZs), or enterprise communities (ECs) designated by the U.S. Department of Agriculture (USDA) in round II RC/EZ/EC. A listing of federally designated RC/EZ/EC-II is available on the Internet at www.hud.gov/crlocator**.** This notice contains a certification (Form HUD-2990) that must be completed for the applicant to be considered for Rural EZ/Round II EC bonus points.

**B. Review and Selection Process**

**1. Review Types.** Two types of reviews will be conducted. First, HUD will review each application to determine whether it meets threshold eligibility requirements described in Section III.B.4. Second, HUD will review and assign scores to applications meeting the threshold requirements using the Factors for Award noted under Criteria, Section V.A.

**2. Ranked Order.** Once rating scores are assigned, rated applications will be listed in ranked order. After HUD has rated and ranked the applications, applicants within the fundable range of 75 or more points will be funded in ranked order up to the amount requested, or in a lesser

amount if sufficient funds are not available. HUD reserves the right to reduce the amount of the award requested. HUD has determined that geographic diversity of coverage within the U.S.-Mexico border region is an appropriate consideration in selecting grantees in this competition.

HUD will select Category I – Single Applicant grant applications that score 75 points or more in rank order until selections totaling $1,000,000 have been reached. If there is an insufficient number of Category I grant applications to utilize the full $1,000,000, HUD reserves the right to make available the remaining funds to Category II - Consortium grants.

HUD will select Category II – Consortium grant applications that score 75 points or more in rank order until selections totaling $1,000,000 have been reached. If there is an insufficient number of Category II grant applications to utilize the full $1,000,000, HUD reserves the right to make available the remaining funds to Category I Single Applicant grants.

**3. Threshold Eligibility Requirements.** All applicants must be in compliance with the threshold requirements found in the General Section and the eligibility requirements listed in Section III of this NOFA in order to be reviewed, scored, and ranked. Applications that do not meet these requirements and applications that are received after the deadline (see Section IV.C. of the General Section) will be considered ineligible for funding.

### C. Geographic Diversity

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

## VI. Award Administration Information

**A. Award Notices.** HUD will send written notifications to both successful and unsuccessful applicants, including the lead entity of the consortium. A notification sent to a successful applicant is not an authorization to begin performance or to incur costs.

After award, grantees will submit their action plan and budget into HUD's web based system prior to approval to draw down. Applicants will be given the opportunity to amend their budget according to the grant award, in the event HUD awards less than the requested amount prior to entering into the grant agreement. The action plan(s) must be sufficiently detailed, including budget information, for monitoring purposes, and must identify the performance goals and objectives to be achieved, as described in Section V.A.3. HUD will approve the action plan(s) or notify the grantee of matters that need to be addressed prior to approval. All activities are also subject to the environmental requirements in Section III.C.5 of this notice.

Consistent with Section III.C.4. of the General Section and 24 CFR 84.42, after selection, but prior to award, applicants selected for funding will be required to provide HUD with a written Code of Conduct. An applicant who previously submitted an application and included a copy of its code of conduct will not be required to submit another copy if the applicant is listed on http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm and the information has not been revised.

**B. Administrative and National Policy Requirements.**

**1. OMB Circulars and Government wide Regulations Applicable to Financial Assistance Programs.** Awards under this NOFA will be governed by 24 CFR part 84 and 24 CFR part 85 (Uniform Administrative Requirements), 2 CFR 230 (formerly OMB Circular A-122) (Cost Principles for Non-profit Organizations), OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments) and OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations). The regulations may be obtained from the CFR Website at http://www.gpoaccess.gov/cfr/retrieve.html. Copies of OMB Circulars may be obtained from the Executive Office of the President's (EOP) Publications Office, Room 2200, New Executive Office Building, Washington, DC 20503, telephone number (202) 395-3080 (this is not a toll-free number) or (800) 877-8339 (a toll-free number for the TTY Federal Relay Service, for hearing or speech impaired persons). Information also may be obtained from the OMB website at: http://www.whitehouse.gov/omb/circulars/index.html.

**2. General.** See Section III.C.4. of the General Section regarding additional applicable requirements.

**C. Reporting.**

**1.** Grantees will be required to report to HUD, as specified in the grant agreement. Performance reports shall include reports on both performance and financial progress under action plans and shall include reports on the commitment and expenditure of leveraging resources utilized through the end of the reporting period. Reports shall conform to the reporting requirements of 24 CFR part 84 and 24 CFR part 85.

**2.** To further the consultation process and share the results of progress to date, the Secretary may require grantees to present and discuss their performance reports at annual meetings in Washington, DC during the life of the award.

**3.** The performance reports must contain the information required under 24 CFR part 84 and 24 CFR part 85, including a comparison of actual accomplishments with the objectives and performance goals of the action plans. In the action plans, each grantee will identify performance goals and objectives or policy priorities established for each community in which it proposes to work and appropriate measurements under the action plan, such as the number of housing units and facilities each grantee produces annually during the grant period and the average cost of such units. The performance reports will also include a discussion of the reasonableness of the unit costs, the reasons for slippage if established objectives and goals are not met, and additional pertinent information.

**4.** A final performance report, in the form described in paragraph (1) immediately above, shall be provided to HUD by each grantee within 90 days after the completion date of the award.

**5.** Transparency Act Reporting. Recipient Reporting to Meet the Requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006, as amended.

**a. Prime Awardee Reporting**. Prime recipients of HUD financial assistance are required to report sub awards in the federal government-wide website www.fsrs.gov or its successor system. Starting with awards made October 1, 2010, prime financial assistance awardees receiving funds directly from HUD are required to report sub awards and executive compensation information both for the prime award and sub award recipients, including awards made as pass-through awards or awards to vendors, where both the initial award is $25,000 or greater or the cumulative award will be $25,000 or greater if funded incrementally as directed by HUD in accordance with OMB guidance. If sub award recipients' executive compensation is reported through the System for Award Management (SAM) system, the prime recipient is not required to report this information. The reporting of award and sub award information is in accordance with the requirements of Federal Financial Assistance Accountability and Transparency Act of 2006, as amended by section 6202 of Public Law 110-252, hereafter referred to as the "Transparency Act" and OMB Guidance issued to the Federal agencies on September 14, 2010 (75 FR 55669) and in OMB Policy guidance. The prime awardee will have until the end of the month plus one additional month after a sub award or pass-through award is obligated to fulfill the reporting requirement. Prime recipients are required to report the following information for applicable sub awards. This information will be displayed on a public government website pursuant to the Transparency Act.

(i) Name of entity receiving award;

(ii) Amount of award;

(iii) Funding agency;

(iv) North American Industry Classification System (NAICS) code for contracts/CFDA program for financial assistance awards;

(v) Program source;

(vi) Award title descriptive of the purpose of the funding action;

(vii) Location of the entity (including Congressional district);

(viii) Place of Performance (including Congressional district);

(ix) Unique identifier of the entity and its parent; and

(x) Total compensation and names of top five executives.

For the purposes of reporting into the FFATA Sub Award Reporting System (FSRS) reporting site, the unique identifier is the DUN and Bradstreet Universal Numbering System (DUNS) number the entity has obtained from Dun and Bradstreet, and for Prime awardees the DUNS number registered in the Central Contractor Registration as required by HUD regulation 24 CFR 5.1004.

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

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

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

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

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

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

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

by federal officials in making awards. OMB is in the process of issuing regulations regarding federal agency implementation of section 872 requirements. A technical correction to this General section may be issued when such regulations are promulgated. HUD anticipates that the terms and conditions to its FY 2013 awards will contain requirements related to meeting FFATA and Section 872 requirements.

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

## VII. Agency Contacts

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

## VIII. Other Information

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

**B. North American Development Bank's CAIP Program**. Some applicants for BCCI funding may also be eligible to apply for Targeted Grants under the North American Development Bank's CAIP program. Information on the CAIP and the Targeted Grant program can be found at www.nadbank-caip.org. HUD will forward applicants' application information to the CAIP program, with written permission from the applicant. Applicants requesting HUD to forward their information should send a letter to that effect, on the applicant's letterhead and signed by an official with appropriate authority within the organization.

The decision to apply for CAIP Targeted Grant Program funds, or not to apply, will have no bearing whatsoever on the scoring of an application for the Border Community Capital Initiative funds. Scoring and ranking of applications for the Border Community Capital Initiative will be conducted as set forth in this NOFA plus any technical corrections or other related documents issued by HUD.

Applicants should be advised that the CAIP program, in its sole discretion, may request additional information related to an application for CAIP Targeted Grant funds. While HUD will forward materials as a courtesy, applicants should independently confirm receipt of all materials by the CAIP Program. Please include a reference to the letter as a part of the table of contents as the last item in your application. The letter should be an attachment to the application.

Date: 6/17/13

Mark Johnston
Deputy Assistant Secretary for
Special Needs Programs

[**FR-5600-N-38**]