

Capital Fund Recovery Competition Grant NOFA

Important Dates

For the first three categories, HUD will begin accepting applications on June 1, 2009, and will continue to accept applications until 11:59:59 PM on August 18, 2009. Applications in these categories will be funded on a threshold basis by Ordinal (order of receipt), category, and round. All applications received from June 1, 2009, through June 15, 2009, will receive the same Ordinal. HUD may begin to fund new grants starting on June 15, 2009.

For the first three categories, the NOFA establishes multiple rounds of funding. Each successive round lifts funding limits and threshold requirements if there are insufficient applications to consume the available funding.

For the fourth category, the deadline for applications is July 21, 2009. These applications will be rated and ranked. The NOFA removes the funding limits and threshold requirements and continues to award funding in rank order if there are insufficient successful applications to consume the available funding.

Funding Request Limits

Each application can apply to only one category and may target only one project. Applicants may submit applications for more than one category and may submit more than one application for each category, unless otherwise indicated in the NOFA.

Funding caps per category for Round 1 are as follows: (1) improvements addressing the needs of the elderly and/or persons with disabilities — \$95,000,000; (2) public housing transformation — \$100,000,000; (3) gap financing for projects that are stalled due to financing issues — \$200,000,000; and (4) creation of energy efficient, green communities — \$600,000,000 (\$300,000,000 per each of two options).

For categories 1 and 4, maximum grant awards vary by PHA size and are based on a per-unit amount — per category. There is no limit on the total number of applications an applicant can submit for either of these two categories. For categories 2 and 3, the maximum grant award (per

application, per category) is \$10 million. During Round 1, a PHA may submit up to 2 applications for each category.

Threshold Requirements

PHAs must meet several threshold requirements. They must be eligible applicants (as defined in the NOFA); requests must be signed by a person authorized to sign an ACC Amendment; they must have a DUNS number; they must be in compliance with Fair Housing and Civil Rights laws; they must provide an AFFH (affirmatively further fair housing) Certification as part of their grant application; they must comply with the prohibition against lobbying activities; they must certify that they will administer the grant in compliance with the NOFA and all applicable laws and regulations; they must make a certification regarding the supplanting of funds; and they must be designated as high performers under PHAS for the quarters ending 12/31/06, 3/31/07, 6/30/07, and 9/30/07 or have had an MTW agreement in place during those quarters. The NOFA states that "applicants that have expended previously awarded Capital Fund grants in an expeditious manner will be considered for funding" if the PHA's actual expenditure rate was equal to or greater than the normative expenditure rate. (HUD's methodology for determining these rates is explained in the NOFA.)

There are additional threshold requirements specific to each category and, in some cases, specific to activities within each category. **Section V.A of the NOFA addresses in detail the required application content and organization for each category of application.**

Category 4 contains two options: Option 1 involves substantial rehabilitation or new construction, and Option 2 involves moderate rehabilitation. The rating factors under each option are described in detail in the NOFA.

Categories 1 through 3 have leveraging requirements; category 4 has leveraging rating factors.

Eligible & Ineligible Uses of Funds

CFRC funds can be used for any eligible activity enumerated in 24 CFR Section 905.100(k), unless modified elsewhere in the NOFA. The NOFA lists ineligible uses of funds, which include operating or rental assistance and routine maintenance activities, among other things. Administrative expenditures are limited to 10 percent of the total grant. For mixed-finance development, administrative costs may be only 3 to 6 percent of the project. A PHA-wide management improvement may be funded under circumstances specified in the NOFA.

Application and Submission Information

Applications may be downloaded from <http://www.hud.gov/offices/pih/programs/ph/capfund/ocir.cfm> and must be submitted electronically to PHI_RecoveryCompetition@hud.gov. The NOFA contains explicit instructions regarding the submission of application materials.

HUD will not fund incomplete applications; if HUD notifies an applicant that their submission is incomplete, the applicant will be required to resubmit the application, and the resubmitted application will be placed in the funding queue based on the date and time of receipt of the resubmitted application. For category 4 funding requests, applicants may have an opportunity to cure deficiencies.

Funding Rounds & Lifting of Threshold Requirements

Awards for categories 1 through 3 will be funded in two rounds. Round 1 will last from June 15, 2009, through July 21, 2009. If all funds are awarded during Round 1, there will be no Round 2. Otherwise, Round 2 will last from July 22, 2009, through August 18, 2009. During Round 2 and subject to the availability of funds, HUD will lift the funding request limits, category caps, and threshold criteria. The threshold criteria will be lifted in the following order, one-by-one, until no funds remain: (1) capacity, high performer; (2) capacity, capital fund expenditure rate; (3) leverage; (4) category funding caps; and (5) funding request limits and number of applications limits (if any) per PHA. Applicants may submit applications during Round 1 that could only qualify for funding under Round 2.

Category 4 applications will be rated and ranked. The maximum score possible for either option is 105 points; the minimum score required to be funded under either option is 60 points.

HUD reserves the right if funds remain after all eligible CFRC applications for a category are funded to reallocate unused funds to fund or supplement the next eligible CFRC grant application(s) in another category.

HUD must obligate all the CFRC funds to grantees by September 30, 2009.

Performance Measures, Reporting, and Other Requirements

HUD has established performance measures and reporting requirements specific to each category and, where applicable, to activities or options within particular categories. PHAs must comply with administrative, program, and national policy requirements, including those specific to the

Recovery Act. As with the Capital Fund Recovery Act formula awards, HUD has reduced the public comment period on proposed modifications to the Five-Year Action Plan and Annual Plan from 45 to 10 days. PHAs may use noncompetitive proposals on a contract-by-contract basis and in compliance with all Part 85 requirements and must ensure that the noncompetitive proposals process is described clearly in their amended Capital Fund Stimulus Grant Procurement Policy. The Buy American requirements of Section 1605 of the Recovery Act must be met.

Prevailing wage requirements apply, in addition to other cross-cutting federal requirements identified in the NOFA. Environmental requirements are spelled out at VI.B.3.k of the NOFA.

HUD Resources

HUD's PIH Customer Service Center can address questions related to procurement policy and energy conservation. The toll-free number is 1-800-955-2232, and the email address is PIHIRC@deval.us.