



Section 4 Capacity Building Grants
Frequently Asked Questions - National RFP Webinar
Held August 24, 2020

ELIGIBILITY

1. **What is the difference between a CDC and a CHDO?** [Appendix A](#) of the RFP describes the 8 distinct characteristics that organizations must meet to be considered a Community Development Corporation (CDC). Information is also provided about obtaining Community Housing Development Organization (CHDO) status through the HOME program.
2. **I'm wondering how we can check/be sure that our org is a CDC or CHDO?** If you are unsure about your organization's eligibility, email RFP@enterprisecommunity.org and we will get back to you asking for organization documents to help you make this determination.
3. **Are local CDFIs that otherwise meet the requirements of a CDC and CHDO eligible?** CDFIs that meet the CDC criteria or are a certified CHDO are eligible to apply.

ALLOWABLE COSTS/ELIGIBLE ACTIVITIES

1. **Can the grant be used on renovation expenses of a residential building serving low income households?** As written, Enterprise cannot answer this question as the allowability depends on the nature of the renovation activities. Refer to [Appendix O](#) of Enterprise's Grants Guide to review the Federal Provisions that govern the award, including Environmental Regulations that should be taken into consideration for any proposed activity that may impact or alter the environment. Enterprise will not fund any requests for activities that impact or alter the environment without proper documentation from the Applicant's local HUD office either confirming: 1) that the activities either do not require further environmental review or 2) have satisfactorily secured appropriate approvals.
2. **Can grants funds be used to pay for infrastructure costs for building wide wi-fi for low income individuals to address the digital divide? Does that include wiring the building for internet use?** As written, Enterprise would consider this a rehabilitation activity, subject to compliance with related environmental laws and authorities per [24 CFR Part 50](#). Refer to [Appendix O](#) of Enterprise's Grants Guide to review the Federal Provisions that govern the award. Enterprise will not fund any requests for activities that impact or alter the environment without proper documentation from the Applicant's local HUD office either confirming: 1) that the activities either do not require further environmental review or 2) have satisfactorily secured appropriate approvals. Please keep in mind that all proposed activities must directly build the capacity of the Applicant.
3. **On page 13 of the RFP, it says that Direct/indirect construction costs are not eligible costs however, there is a note that they may be eligible if local HUD reviews and approvals are**



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secured. As noted in Questions 1 and 2, Section 4 grant funding is subject to compliance with related environmental laws and authorities per [24 CFR Part 50](#). Enterprise will not fund any requests for activities that impact or alter the environment without proper documentation from the Applicant's local HUD office either confirming: 1) that the activities either do not require further environmental review or 2) have satisfactorily secured appropriate approvals. It is Enterprise's recommendation that grant funds are not used to support direct or indirect construction expenses. Please keep in mind that all proposed activities must directly build the capacity of the Applicant.

4. **Must we apply for a specific activity (e.g. computer software acquisition, staff salary) or can we apply for more general activities such as pipeline building in affordable housing?** Applicants may apply for activities such as pipeline building. However, Applicants must identify the specific cost elements (software acquisition, staff salary, etc.) in their detailed budget and budget narrative. Enterprise must understand how Applicants plan to use funding to support their proposed activities.
5. **Are these funds able to be used to hire new staff?** Yes, a request to use funds to hire new staff is allowable.
6. **Can the grant amount be used for affordable housing counseling and for financial education programs?** Yes, grant funds may be used to support these types of costs.
7. **Would hiring staff to organize residents to hold public officials accountable for implementing strategies in a publicly-adopted housing plan be an eligible cost?** Hiring staff to educate residents is eligible; however, organizing them to hold public officials accountable appears to be grassroots lobbying which is not allowable.
8. **Can iPads/computers, etc. be purchased for individuals?** Requesting funds to purchase computer software/hardware for staff, to help optimize the use of technology and to strengthen organizational capacity, is permitted. Applicants should be aware that any computer software/hardware or other tangible equipment purchased with Section 4 grant funding is the property of HUD. However, purchasing computer software/hardware for individuals outside of the Applicant Organization for personal use or to give to individuals is not permitted. Equipment and supplies purchased using federal funding must be tracked and reported on at the close of the grant period in [Exhibit E \(Close Out\)](#). For more information about purchasing Equipment and Supplies with federal funds, refer to [2 CFR §200.313 - Equipment](#) and [2 CFR 2 CFR §200.314 - Supplies](#).
9. **Would an application for property management software for a NFP low income housing provider potentially be eligible?** Software purchases to help Applicants build or strengthen capacity are eligible. For additional information, refer to [2 CFR §200.314 - Supplies](#). As noted above, any supplies must be tracked and reported at the close of the grant period in [Exhibit E \(Close Out\)](#).



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10. **Are affordable housing predevelopment expenses eligible expenses?** Yes, predevelopment expenses are allowable.
11. **If we have a new staff member who will be overseeing our low income housing program, can we use funding for them to attend an affordable housing training?** Strengthening the skills, competencies, and abilities of CDC and CHDO staff through trainings is eligible.
12. **Can we use funds for a new staff position to be created: Director or Manager of Diversity and Inclusion as we want to forward the agency's efforts on racial equity?** Yes, funds to hire a new staff member to enhance the Applicant's capacity surrounding racial equity is allowable.
13. **Do you award a specific number of grants per State?** Enterprise does not allocate funding per state or award a set number of grants per state. Awards are issued across the United States based on how well proposals score and align with the Program Areas listed in the RFP.
14. **Can funds be used for participant (tenant) stipends/incentives?** Grant funds may not be used to support stipends or purchase/provide incentives. Grant funds must be used to directly build the capacity of the Applicant organization. Providing stipends/incentives to participants/tenants would be considered as building the capacity of an individual as they would receive the benefit of the funds.
15. **Are there expenses which will be favored through the scoring criteria?** No; however, Applicants should carefully review pages 12 – 13 in the RFP to understand common allowable and unallowable costs as *Criteria 4: Reasonableness of Proposed Budget* will score Applicants based on the eligibility of costs included in their budget.
16. **How do you define fundraising? For example, can this award support salaries for staff that work on LIHTC applications?** For the purposes of this grant program, [2 CFR § 200.442](#) defines fundraising as, *"Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable."* Project-related capital raising, such as LIHTC applications, are considered allowable. If an activity is really project-related capital raising, then Enterprise should be able to, at the end of the grant period, tie all of the activities to a defined project for the benefit of families/individuals with low income (e.g. La Hacienda Boulevard, 250 units of housing affordable at 60% AMI).
17. **Can we apply for funding to support Covid-19 relief efforts at our existing housing properties (i.e. emergency rental assistance, or technology support for assisting children with virtual learning, etc.)?** Applicants may apply for funding to support Covid-19 response efforts if the request aligns with one or more of the three (3) Program Areas listed in the RFP. However, all requests must directly build the capacity of the CDC or CHDO Applicant. Grant funds cannot be used to provide direct financial assistance, such as emergency rental assistance, to residents or individuals.



**Section 4 Capacity Building Grants
Frequently Asked Questions - National RFP Webinar
Held August 24, 2020**

18. **Can this grant be used to fund ongoing program activities, or is it intended more to fund capacity building specifically?** Applicants may request funds to support ongoing program activities if the request aligns with one or more of the three (3) Program Areas in the RFP.
19. **We have a subsidiary of our agency which conducts our development work - we are in need of support to transition this work back into our larger agency as an internal department and build internal capacity to do this work. It is not a merger, as it is an arm of the agency already. Would capacity work to do this be allowable?** As written, this appears to be a reorganization which would not be allowable per [2 CFR §200.455 – Organizational Costs](#)
20. **What about a land acquisition fund or for a land trust? generally to purchase land for development?** Purchasing real property is an allowable expense. *Real property* means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment. Purchase of real property is subject to [2 CFR §200.311](#) and the [Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970](#), as amended. See the Section 4 Federal Provisions for more detail on the Uniform Act. All real property purchased with federal funds will be required to be reported appropriately at the end of the grant period in [Exhibit E \(Close Out\)](#) in accordance with the Property Standards in 2 CFR 200 Subpart D.
21. **For CDCs can funds be used only to purchase housing or can you use grant funds to renovate the property as well.** Grant funds may be used for renovations. If a grantee chooses to use grant funds for renovations, they must comply with the appropriate Environmental Review and compliance with [24 CFR Part 50](#) and other requirements (such as the Uniform Act, Davis-Bacon Act, etc.) as outlined in the Section 4 Federal Provisions. Please keep in mind that all proposed activities must directly build the capacity of the Applicant.
22. **Can funds be used in broad re-branding of organization and its programs?** As written, the activity may be considered as [Advertising and Public Relations \(2 CFR §200.421\)](#) or [Organizational Costs \(2 CFR §200.455\)](#), neither of which is allowable.

GENERAL QUESTIONS

1. **Will the various regional offices be hosting separate webinars as they have in the past to share specific regional interests?** For this year's RFP, the regional offices will not be hosting separate webinars. All Program Areas listed in the RFP have equal priority across Enterprise.
2. **Do you have prioritized geographies?** This year's RFP does not include mention of specific geographies. The RFP is open to eligible CDCs and CHDOs operating across the United States.
3. **In previous years, the RFP has included information for geographies of interest with their preferred program areas. Will this not be part of the program this year?** This year, the RFP has been streamlined to focus on three Funding Areas of Interest/Program Areas that Enterprise views as equal priorities across the United States.



**Section 4 Capacity Building Grants
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Held August 24, 2020**

4. **Is there a maximum or suggested limit to the amount of salary we can request through this grant?** Page 3 of the RFP lists the range of awards as \$35,000 - \$150,000 with an average expected award of \$45,000. Requests should be reasonable compared to the proposed activities in the application. It is recommended that requests stay within the award range listed.
5. **What is the 'grant period'?** Grant periods will begin after both the Applicant recommended for an award and Enterprise sign the grant agreement. Grant periods will generally run 12 months from the date of full execution.
6. **Can CDCs with current Enterprise Capacity Building grant apply for this RFP?** Yes, current grantees may apply for funding under this RFP. Applicants that have a current grant are expected to be in good standing which means adhering to all administrative, programmatic, and fiscal contractual requirements.
7. **We have a federally approved indirect cost rate. Can we apply this rate to our request when developing the budget?** Yes, Enterprise will accept rates approved under an Applicant's federally negotiated indirect cost rate agreement (NICRA) or allow Applicants who do not have a NICRA to charge 10% for indirects against Total Modified Direct Costs. Applicants that have NICRAs will be asked to submit a copy if recommended for an award.
8. **Will we be able to see the questions in advance of inputting the information in Slide Room?** Yes, Applicants can preview the questions prior to, or after logging in to, SlideRoom. SlideRoom automatically saves your work as you go, and you can log in and out as many times as you need to complete your application.
9. **What is a certificate of good standing?** A certificate of good standing certifies that a company is properly registered with the state, is up to date on all state registration fees and required document filings and is legally permitted to engage in business activities in the state. In some states, it is called a certificate of status or certificate of existence. Most Applicants can register for this Certification through their Secretary of State.
10. **When will the grant be approved and funded?** Assuming all the correct documentation is submitted, we anticipate sending the award letters out by the beginning of November.

MATCH

1. **Can in-kind be counted as part of possible match?** Currently, Enterprise does not consider in-kind contributions as a possible match source.
2. **If an organization doesn't meet the match request from Enterprise will that have a negative impact on the scoring of our proposal?** Not meeting the requested match of 3:1 will not influence the scoring of any proposal.



**Section 4 Capacity Building Grants
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3. **Can you please describe the match requirement?** The Section 4 program requires Enterprise to raise match from private sources for every dollar of Section 4 funds spent. Enterprise, in turn, requests that Grantees demonstrate their ability to provide matching dollars at a 3:1 ratio to assist Enterprise in meeting this requirement. See Appendix C in the Grants Guide for additional information.
4. **Are there matching funds required?** Match is a request, not a requirement; however, we ask that grantees do their best to document match, even if at a level of less than 3:1.