



**FY21 Section 4 Capacity Building Grants Program  
Request for Proposals – Rural + Tribal Communities  
Frequently Asked Questions**

## **ELIGIBILITY**

- 1. What is the difference between a CDC and a CHDO?**
  - A CDC is a 501(c)(3) non-profit organization that undertakes eligible Section 4 Capacity Building Program activities and meets the 8 qualifications listed in Appendix A of the RFP.
  - A CHDO is a private 501(c)(3) non-profit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. Designation is through HUD's HOME Program, not Enterprise.
- 2. How can we check/be sure that our org is a CDC?** If you are unsure about your organization's eligibility, email [RFP@enterprisecommunity.org](mailto:RFP@enterprisecommunity.org). Enterprise will ask for the following to help determine eligibility - 1) 501c3 Letter of Determination; 2) Articles of Incorporation; 3) By-laws.
- 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.
- 4. Can tribal organizations apply?** Yes, Tribes, THAs, TDHEs and Native CDFIs are eligible if they substantially meet the working definition of a CDC in that they are engaged in community development and affordable housing activities that improve the physical, economic, or social environment of their communities, with particular attention to the needs of tribal members with low incomes.
- 5. Can a TDHE, that functions as an umbrella, apply on behalf of each tribe?** Grant funding must build the capacity of the applicant organization (the TDHE) to carry out community development and affordable housing activities that benefit low-income persons. If the TDHE is the applicant, the proposal must show how it builds direct capacity of its own organization.
- 6. If the CDC is owned by a quasi-governmental agency (but not a housing authority) is it eligible for Section 4?** If a CDC is governed by a quasi-governmental agency, it must meet the eligibility criteria as described in Appendix A of the RFP. An organization involved in a structure such as this should email [rfp@enterprisecommunity.org](mailto:rfp@enterprisecommunity.org) to discuss this further to determine eligibility.

## **GEOGRAPHIES/LOCATION OF ACTIVITIES**

- 1. If we work in an urban area, are we allowed to apply for funding under this RFP?** If an eligible organization works in both urban and rural areas, it may apply for funding if work will be performed in a rural area as defined by HUD. Under the Section 4 program, a rural area is a statistical geographic entity delineated by the Census Bureau that does not meet the definition of an urbanized area contained in the Office of Management and Budget's 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas, 75 FR 37252 (June 28, 2010). That



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is, a rural area is an area that is NOT a statistical geographic entity delineated by the Census Bureau, which would consist of densely settled census tracts and blocks and adjacent densely settled territory that together contain at least 50,000 people.

2. **Can you share the link so we can confirm that the area we're working in meets the definition of rural?** To determine if the area where grant activities will take place qualifies as rural, enter the zip code or city here to confirm eligibility -

<https://www.arcgis.com/home/webmap/viewer.html?webmap=ad890ce1aafa44c8a9ecf55f21af9a91&extent=-98.1879,30.0915,-65.7343,45.1383> . Areas shaded pink are not eligible geographies.

1. **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 and the U.S. Territories (Guam, Northern Mariana Islands, Puerto Rico, Virgin Islands) based on how well proposals align with scoring criteria and the purpose of the RFP.
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 working in rural areas, as defined by HUD for the Section 4 program, operating across the United States. The Scoring Criteria includes Priority points for applications that address community needs in an area of persistent poverty. Persistent poverty areas are defined as counties that have had poverty rates of 20% or greater for at least 30 years. The continued persistence of poverty is most evident within several predominantly rural regions and populations such as Central Appalachia, the Lower Mississippi Delta, the southern Black Belt, the Colonias region along the U.S.- Mexico border, Native American lands, and migrant and seasonal farmworkers. Persistent poverty counties are defined as counties that have had poverty rates of 20% or greater for at least 30 years. To determine if the area where grant activities will take place is in an area of persistent poverty, see [page 9](#) of the RFP.

#### ALLOWABLE COSTS/ELIGIBLE ACTIVITIES

1. **Can grant funds be used to hire new staff to build capacity in housing?** Yes, grant funding can support new or existing staff members.
2. **What is an example of an indirect construction cost that is not allowable?** Fees directly related to property acquisition or construction implementation would not be allowable.
3. **Can an organization apply for capacity building and program expansion or is it one or the other?** Applicants must select one or the other however, organizational sustainability activities could also be included in the proposal/budget if program expansion is selected, and it aligns with the program work.



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4. **Can we use grant funds to support planning and design expenses for small parks?**  
Predevelopment expenses, such as securing planning or design consultants, are considered allowable under this grant program. The capacity building benefit and impact to the Applicant Organization must be clear from the proposed activities and budgeted costs. Impact to low-income families (80% AMI <) must also be clearly described.
5. **Can the grant be used on renovation expenses of a residential building serving low-income households?** Unfortunately, grant funds cannot be used for direct or indirect construction expenses, including renovation, rehabilitation, new construction, or the purchase of any related building materials.
6. **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. Unfortunately, grant funding may not be used for indirect or direct construction costs.
7. **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.
8. **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.
9. **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.
10. **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. For more information about purchasing Equipment and Supplies with federal funds, refer to [2 CFR §200.313 - Equipment](#) and [2 CFR §200.314 - Supplies](#).
11. **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



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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.

12. **Are affordable housing predevelopment expenses eligible expenses?** Yes, predevelopment expenses are allowable. Examples, but not an exhaustive list, Common examples of predevelopment expenses include appraisals, market studies, capital needs assessments, Architect and Engineering costs, Legal expenses, project financing consultants, housing needs and assessments.
13. **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.
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 13 – 14 in the RFP to understand common allowable and unallowable costs.
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 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. **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](#)
18. **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**



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3. **Can you share a copy of the PowerPoint from the webinar?** All materials are available on our website - <https://www.youtube.com/watch?v=Gobek4hXYbo&feature=youtu.be>
4. **Is there a maximum or suggested limit to the amount of salary we can request through this grant?** Enterprise's average award is expected to be \$45,000.00. Requests should be reasonable compared to the proposed activities in the proposal. 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 – 18 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 June 2023.

## **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.



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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 encouraged match of 3:1 will not influence the scoring of any proposal.
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 at a 3:1 ratio. Enterprise, in turn, encourages Grantees to demonstrate their ability to provide matching dollars 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 encouraged, not required, however, we ask that grantees do their best to document match, even if at a level of less than 3:1.
5. **How do we calculate a 3:1 match?** As an example, a request of \$40,000.00 in grant funding would equal \$120,000.00 in private funding received as match (ex. 40k x 3 = 120k).
6. **Would match funding be eligible if it supports the same project, but non-eligible costs within that project? For example, the match supports construction costs and the grant would support consultant costs.** Private funding documented as match should be received in support of the same program/project/activities as the proposal request. The key is ensuring that the documentation confirms the funding originated from a private source and was received and spent by the organization within the grant period of performance. More information on the Match Request can be found in Appendix C in the RFP.

#### **SUPPORTING DOCUMENTATION & REQUIRED TEMPLATES**

1. **What is the alternative of Good Standing for Tribes or TDHEs?** In lieu of a Certificate of Good Standing for tribal entities, Enterprise will accept a memo from the applicant organization noting that they are organized under the Federal Government's Bureau of Indian Affairs and not registered with their State of Incorporation, except for state tax-exemption.
2. **If we do not have audited financials, what else will Enterprise accept?** If Audited Financials are not available, Enterprise will also accept (1) financial reviews conducted by a Certified Professional Accountant (CPA) who is independent of the applicant organization or (2) IRS 990.
3. **Do we need to submit confirmation of a current account in the System for Award Management?** Confirmation of a SAM account is not required to submit a proposal. However, if an organization is recommended for an award, it must provide confirmation.
4. **Where can I find the Budget Template (Exhibit B) + Organizational Document Checklists (Exhibit A)?** All forms are available to download from Enterprise's website - <https://www.enterprisecommunity.org/news/hud-section-4-capacity-building-grants>



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- 5. On the Budget Template, do you want to see the overall project budget?** No, the budget should only reflect the amount requested in grant funding. Example: If you are requesting \$40,000.00, then the Budget Template must show a request for \$40,000.00.