



U.S. Department of Housing and Urban Development
Office of Rural Housing and Economic Development

Border Community Capital Initiative

Frequently Asked Questions

PURPOSE AND GOALS

1. Q: What is the purpose of the Border Community Capital Initiative?

A: The purpose of the Border Community Capital Initiative (BCCI) is to: 1) support 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, 2) expand services to the colonias and target markets, and 3) secure new sources of funding for existing services to colonias and target markets.

2. Q: What is a colonia?

A: The Cranston-Gonzalez National Affordable Housing Act of 1990 (Pub.L. 101-625, November 28, 1990) (the Act) and the Appropriations Act of 1997 (Pub L. 104-204, September 26, 1996, 110 Stat. 2887) defines a colonia as any identifiable community (i.e., with defined boundaries) that was in existence before November 28, 1990 and is located within 150 miles of the United States-Mexico border and outside Metropolitan Statistical Areas (MSAs) 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.

3. Q: How can I find out if a particular community meets the HUD definition of a colonia?

A: A list and a map of communities that this program requires to meet the definition of a colonia can be found at HUD's BCCI website:

<http://www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/bcci/index.cfm>.

However, HUD may consider communities that are not included on the list and map to be eligible target markets under the BCCI, based upon evidence submitted by applicants. Such

evidence may include aerial photographs from 1990 or prior documenting the existence of a community during that period, which may be obtained using Google Maps. The Texas Attorney General maintains a website of relevant information. Other sources showing that a community meets the criteria listed above will also be considered.

Interpretations of the Cranston-Gonzalez National Affordable Housing Act will be used for the purposes of the BCCI program only and will have no bearing on determinations used by other government programs.

4. Q: Is it possible for a community that was established after November 28, 1990 to be eligible as a colonia under the BCCI?

A: No. Communities must meet all criteria listed in the Cranston-Gonzalez National Affordable Housing Act of 1990, including the requirement that it be in existence before November 28, 1990.

5. Q: What is HUD's role in the BCCI?

A: As a federal partner, the U.S. Department of Housing and Urban Development (HUD) will make grants available to community development lenders and investors serving colonias and colonias residents, pursuant to a Notice of Fund Availability. HUD will also evaluate the outcomes of the BCCI in relation to other HUD grant-making approaches.

6. Q: What is USDA Rural Development's role in the BCCI?

A: In its role as a federal partner, where appropriate and permitted under program regulations, the U.S. Department of Agriculture (USDA) Rural Development (RD) will make efforts to award points in relevant program areas for BCCI grantees. USDA will also engage other USDA entities to help deliver programs supporting production agriculture business activities promoting fresh food access and distribution in the border region, and other policy priorities.

7. Q: What is U.S. Department of Treasury CDFI Fund's role in the BCCI?

A: As a partner, the U.S. Department of Treasury Community Development Financial Institution (CDFI) Fund will provide scholarships for BCCI grantees, allowing staff to attend CDFI Fund sponsored training workshops. The CDFI Fund will also provide BCCI grantees technical assistance opportunities and sponsor webinars specific to the needs of BCCI grantees.

8. Q: What is a CDFI?

A: CDFIs are organizations certified 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; serve 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.

APPLICANTS

9. Q: Who can apply?

A: Applicants that are eligible to participate in this initiative are community development lenders and investors that are either local rural non-profit organizations or Federally Recognized Indian tribes or consortia of such groups.

10. Q: What is a Consortium?

A: **Consortium** means 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. 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. One organization must serve as the lead grantee and take responsibility for administering HUD funds.

11. Q: Can an organization apply as a single applicant and as part of a consortium?

A: No. 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.

12. Q: Does an applicant have to be a certified CDFI to apply?

A: No, an applicant can be a certified CDFI, but it is not required. If the applicant proposes to become a CDFI, during the course of the grant term the application should include specific activities and milestones to reach that goal. Additionally, some of the expenses associated with seeking CDFI certification may be covered with BCCI funds.

13. Q: Are Federally Recognized Indian tribes eligible for the BCCI?

A: Yes, Federally Recognized Indian tribes may apply. A Federally Recognized Indian tribe is any tribal entity eligible to apply for funding and services from the Bureau of Indian Affairs 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/idc/groups/public/documents/text/idc002655.pdf>.

GRANT PARAMETERS

14. Q: What kind of activities will be funded by the BCCI?

A: Eligible activities include innovative housing and economic development uses, including but not limited to loan or investment capital, loan loss reserves, program staff costs, information systems, market studies, portfolio analyses and business planning. These eligible activities must contribute to the goals of the program.

15. Q: What are the eligible target markets?

A: Eligible target markets for lending and investing activities can include the geographic areas defined as colonias, current low income residents of colonias, business owned by or serving low income colonias residents, or community facilities serving colonias communities or low income colonias residents.

16. Q: Can funding be invested in activities that take place outside the specified colonia geography?

A: Yes, as long as the activity benefits low income people who are residents of colonias at the time the activities start. The activity itself need not necessarily be geographically located in the colonias.

17. Q: How much money is available for the BCCI and what is the maximum grant award?

A: There is a total of \$2,000,000 available for the BCCI, for two categories of grants. The maximum amount of funds available for Category I - Single Applicant grants is \$1,000,000. The maximum grant award amount for Category I will be up to \$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 up to \$1,000,000.

18. Q: Will there be matching requirements for available funds?

A: No

19. Q: What scoring criteria will be applied?

A: Scoring criteria information will not be available until the NOFA is published. However, all HUD NOFA's have the following categories of scoring criteria:

- a) Capacity and relevant experience
- b) Need and extent of the problem
- c) Soundness of approach
- d) Leveraging resources
- e) Achieving results and program evaluation

20. Q: What is the performance period for the BCCI?

A: Awards will be available for a period of up to 36 months.

21. Q: What percent of the grant amount may be used for administrative costs?

A: Administrative costs will be 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.

22. Q: Can funds be used to cover project-related travel costs?

A: Yes, funds can be used to cover project related travel costs. However, travel costs that are for general administration of the organization and do not relate solely to the activities carried out by the grant must be considered an administrative cost and will be subject to the administration cost limitation. Only travel that is identified with delivery of a particular lending and investment activity and intended to achieve the goals and objectives of the BCCI can be considered a direct project cost. Additionally, travel funds will be allowable to participate in CDFI Fund sponsored training made available as a part of the BCCI grant. All

travel costs will be capped at reasonable federal per diem rates. Original receipts for all allowable costs must be retained for review.

23. Q: What is the CAIP Targeted Grant Program of the North American Development bank?

A: CAIP targeted grants are made to projects that are ready to be implemented without delay and completed within a two-to three-year period. Applicants for these grants may include non-profit organizations, institutions of higher education and/or state, local or tribal government entities with:

- ongoing and proven economic development programs;
- a demonstrated need for grant funding, and
- a demonstrable capacity to manage a grant and create/preserve private sector jobs in Designated Eligible Areas.

Individuals and for-profit organizations are not eligible to receive grants.

CAIP targeted grants may be specific project grants or technical assistance grants. Specific project grants are investments in tangible assets having potential for long-term enhancements in the employment sector of a Designated Eligible Area meeting CAP guidelines. These may, for example, include funding infrastructure to prepare a property located in a Designated Eligible Area to attract new businesses, acquiring equipment and/or providing capital for a revolving loan fund to support business expansion in a Designated Eligible Area or supporting an entrepreneurial training program. Technical assistance grants are for funding an identifiable short-term need associated with a strategy to create sustainable new jobs in a Designated Eligible Area. Technical assistance grants may, for example, provide expertise in developing a local business marketing strategy or development of in-house capacity to support a revolving loan fund.

More information on the CAIP Targeted Grant Program and a list of Designated Eligible Areas can be found at <http://www.nadbank-caip.org/> under the Targeted Grant Program link.

24. Q: Will all BCCI grantees be able to receive CAIP funding from the North American Development Bank?

A: No. The North American Development Bank CAIP Targeted Grant Program invests in proposals that will create permanent, private-sector jobs in Designated Eligible Areas listed on its website. Not all eligible target markets for the Border Community Capital Initiative are Designated Eligible Areas for the CAIP Targeted Grant Program. In addition, not all

activities eligible under the Border Community Capital Initiative would be deemed to create permanent, private-sector jobs in accordance with CAIP Targeted Grant Program guidelines. For example, jobs in construction or home rehabilitation created by affordable housing lending activity would not generally be considered permanent. Jobs created in the operation of community facilities for public sector functions would generally not be considered private sector jobs. More information on CAIP Targeted Grant Program eligible activities is available <http://www.nadbank-caip.org/>, under the Guidelines link.

25. Q: If an applicant for the Border Community Capital Initiative requests HUD to forward its application information to the CAIP Targeted Grant Program, is it considered more competitive for either BCCI or CAIP funding?

No. HUD and the North American Development Bank will make separate funding decisions according to their own published selection criteria. The sharing of application information is offered as a convenience to applicants. Applicants who have asked HUD to send their information to the CAIP Program should verify with the CAIP Program that all information needed for review of their application has been received by CAIP.

APPLICATION PROCESS

26. Q: How can an applicant apply for the BCCI?

A: Applicants can submit applications electronically and can download the BCCI application at Grants.gov. 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.

Please see HUD's 2012 General Section NOFA, Section IV for more information on how to apply: <http://portal.hud.gov/huddoc/2012gensecNOFA.pdf>

27. Q: Can applicants submit a hard copy?

A: 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.

28. Q: Can an applicant who does not have access to high speed internet apply?

A: Applicants who are not able to apply online due to internet access limitations may submit a waiver as described above, which will authorize the submission of a paper copy of their application.

29. Q: When will the BCCI NOFA be published on Grants.gov?

A: We expect the BCCI NOFA to be published by the fall of 2012.

30. Q: Who should applicants contact for further information regarding the BCCI?

A: For further information, applicants should contact the Office of Rural Housing and Economic Development staff: Russell Quiniola or Thann Young at 1-877-787-2526 or (202) 708-2290 or by email at BCCI@hud.gov

31. Q: How can I get updates on further program information as it becomes available?

A: Please send an email to BCCI@hud.gov, including your name, organization, and email address. You will receive email notifications as program information, NOFA dates, and other updates are posted to the website.

OTHER INFORMATION

32. Q: If I live in a colonia, how can the BCCI help me?

A: The BCCI provides funding to increase the capacity of local rural nonprofits and Federally Recognized Indian tribes serving colonias for lending and investing activities in affordable housing, small business, and community facilities, and for securing additional sources of public and private capital for these activities. The specific type of activity will vary depending on the grantee organization. Please contact the organizations near you for information on what services they provide.

33. Q: How can I find out what organizations will receive funding?

A: Visit the BCCI webpage at <http://www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/bcci/index.cfm> after the awards are announced to find out which organizations received funding and how to contact them for more information about their services.