FY 2017 Capital Magnet Fund Outreach Presentation

Module 8: FY 2017 CMF Round Application
The Application consists of the following two components:

<table>
<thead>
<tr>
<th>Application Form</th>
<th>Submission Method</th>
<th>Due Date</th>
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</thead>
<tbody>
<tr>
<td>SF-424 Mandatory Form</td>
<td>Electronically via Grants.gov</td>
<td>July 28, 2017</td>
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<tr>
<td></td>
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<td>11:59 pm ET</td>
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<tr>
<td>CMF Online Application and Required Attachments*</td>
<td>Electronically via AMIS</td>
<td>August 31, 2017</td>
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<td></td>
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<td>5:00 pm ET</td>
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- The CMF Application will be available in AMIS approximately 4 weeks before the Application due date of August 31.

- The last day to contact CMF staff with Application-related questions is **August 29 (5pm ET)**. Questions received after that time will not be answered until after the Application deadline.
In the FY 2017 Round, the CDFI Fund will prioritize funding as follows:

- Applications that propose to target 20 percent or more of all rental units to Very Low-Income Families (50% AMI or below), if proposing to support rental units.
- Applications that propose to target 20 percent or more of all homeownership units to Low-Income Families (80% AMI and below), if proposing to support homeownership units.
- Applications that propose to leverage a higher amount of private capital to finance and/or support Affordable Housing Activities and Economic Development Activities (as a ratio to the CMF Award request).
- Applications that propose to serve geographically diverse areas of economic distress, including Metropolitan Areas and Underserved Rural Areas.
Prior to submitting a CMF Application in the FY 2017 Round, Applicants should review the following documents on the CDFI Fund’s website:

- **CMF Interim Rule 12 C.F.R. 1807 (as amended 2/8/2016)**
- **FY 2017 Notice of Funding Availability (NOFA)**
- **FY 2017 CMF Application Instructions**: Provides detailed instructions on the CMF Application questions, content and requirements.
- **FY 2017 CMF Application Frequently Asked Questions (FAQs)**: Provides additional clarification on programmatic and Application-related questions. The CDFI Fund may update these FAQs based on questions received from Applicants in the coming weeks.
- **FY 2016 CMF Assistance Agreement**: FY 2017 CMF Assistance Agreement will be based on the FY 2016 Agreement, though there will be some updates.
Key Changes to FY 2017 CMF Round

- The CDFI Fund has implemented a minimum Award Request of $500,000 for the FY 2017 Round.
- The FY 2017 Round no longer includes a per-project income targeting requirement beyond what is required by the CMF Interim Rule (12 CFR 1807). Each rental Multi-family housing Project financed with a CMF Award must have at least 20% of the units occupied by Low-Income Families (80% of AMI or below).
- All Applicants will be held to the portfolio minimum thresholds, outlined below:
  - At least 20% of Affordable Housing rental units financed with CMF Award are targeted to Very-Low Income Families (50% of AMI or below).
  - At least 20% of Affordable Housing homeownership units financed with CMF Award are targeted to Low Income Families (80% of AMI or below).
- The CDFI Fund will allow all FY 2017 Recipients to use up to 5% of the Award for Direct Administrative Expenses. The CDFI Fund is encouraging Applicants to use an evidence-based approach in determining its strategy. Direct Administrative Expenses may include costs related to tracking outcomes and impact of the CMF Award.
- The initial Application review step will be a Quantitative Assessment of all Applications – the top 75% of Metro and 75% of Non-Metro Applicants will advance to the second step – External Review.
Key Changes to FY 2017 CMF Round (Continued)

- The Business and Leveraging Strategy sections have been merged for the FY 2017 CMF Application. There are now 3 application sections instead of 4.

- The term “High Housing Need” area is replaced with “Areas of Economic Distress” for FY 2017 CMF round. The criteria has also been updated and expanded, resulting in considerably more census tracts that qualify as Areas of Economic Distress.

- Applicants will no longer be able to select a “National Area” option in FY 2017 CMF Application. Instead, Applicants can select “Multi-State” Service Area and choose up to 10 states. The Service Area options are: Local, Statewide, and Multi-State.
Grants.gov and the SF-424 Form

- The SF-424 Mandatory Form (SF-424) is required for all Applicants and is the only component of the CMF Application submitted via Grants.gov.

- An Applicant must electronically sign and submit the SF-424 Mandatory Form.

- Signing the SF-424 means that the Applicant certifies that the information in the application is true, complete, and accurate, and also certifies that the Applicant will comply with the SF-424 Assurances and Certifications.
FY 2017 CMF Application Overview in AMIS

The Application submitted through AMIS has the following parts:

• Applicant Information
• Part 1: Business and Leveraging Strategy
• Part 2: Community Impact
• Part 3: Organizational Capacity
• Appendices (related to the above sections and including additional forms and certifications)
This section largely collects administrative information, including:

- Organizational and contact information
- Applicant eligibility information
- Award request and proposed Service Area
- Executive Summary

* Appendix 1 is associated with the Application Information section
Applicants are asked to describe:

- The needs of communities and persons in their proposed Service Area and the extent to which the proposed strategy addresses these needs
- The affordable housing and financing gaps addressed by their business strategy
- Their track record in successfully carrying out similar activities
- How they will build a pipeline of projects and sample projects
- Their strategy to effectively use CMF funds and leverage other sources
Part 1: Business & Leveraging Strategy – Continued

Applicants are also asked to describe their strategy for leveraging the CMF Award, including the extent to which additional funds will be raised:

- At the Enterprise Level (funds raised by the Applicant that are not restricted to specific projects at the time they are raised);
- At the Project Level (funds raised by the Applicant that are restricted to a specific Project.

In addition, Applicants are asked to describe their strategy to:

- Reinvest the CMF Award during the five year Investment Period into additional Projects (Applicants proposing short term financing activities may have to reinvest funds as they are repaid).

* Please reference Module 3: Attracting Capital Through Capital Magnet Fund for definitions and additional guidance around these terms.

** Appendices 2, 3, and 4 are associated with the Business & Leveraging Strategy Section.
Applicants are asked to describe:

• Anticipated outcomes and impacts of Affordable Housing and Economic Development Activities (if applicable);

• Their strategy and track record of producing housing units targeted to Low-Income, Very Low-Income, and Extremely Low-Income Families;

• If applicable, their strategy and track record of financing and/or supporting Economic Development Activities and how these activities will benefit the residents of nearby Affordable Housing;

• Their strategy for engaging low-income stakeholders in identifying Projects;

• The percentage of units in Areas of Economic Distress (defined in the NOFA and Application) that will be financed with their CMF Award;

• If applicable, their projected activity and track record in Non-Metropolitan Counties.
In this section, Applicants are asked to identify and describe:

- Their management team and key staff;
- The roles and responsibilities of those staff in managing a CMF Award;
- Their past experience managing other Federal awards;
- The financial health of the Applicant; and
- The Applicant’s loan portfolio (if applicable).

* Appendices 5, 6, and 7 are associated with the Organizational Capacity Section*
## Application Attachments

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<thead>
<tr>
<th>APPLICATION ATTACHMENTS</th>
<th>Requirements</th>
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<tr>
<td>Audited Financial Statements for the 2 most recent fiscal years</td>
<td>Required for All Applicants</td>
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<tr>
<td>Any management letters related to the audited financial statements for the 2 most recent fiscal years</td>
<td>Required for All Applicants</td>
</tr>
<tr>
<td>State charter, articles of incorporation, or other establishing documents designating that the Applicant is a nonprofit or not-for-profit entity under the laws of the organization’s State of formation</td>
<td>Required only for Applicants that are <strong>not</strong> Certified CDFIs</td>
</tr>
<tr>
<td>A certification demonstrating tax exempt status from the IRS</td>
<td>Required only for Applicants that are <strong>not</strong> Certified CDFIs</td>
</tr>
<tr>
<td>Articles of incorporation, by-laws or other establishing documents demonstrating the Applicant has a principal purpose of managing or developing affordable housing</td>
<td>Required only for Applicants that are <strong>not</strong> Certified CDFIs</td>
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In Appendix 9, the Applicant will need to review and complete the following forms and certifications:

- **Environmental Review Form** – Required of all Applicants
- **Assurances and Certifications** – Required of all Applicants
- **501(c)(4) Questionnaire** – Only completed by Applicants that are 501(c)(4)s
Overview of Application Review Process

All eligible Applications will be reviewed through a multi-phase review process that includes both quantitative and qualitative reviews:

1. Eligibility and Completeness Review (CDFI Fund)
2. Quantitative Assessment (CDFI Fund)
3. External Application Review (External non-Federal Reviewers)
4. Internal Application Review and Initial Award Determination (CDFI Fund)
5. Selection (CDFI Fund)

* These elements are described in detail in Section V of the FY 2017 CMF NOFA
Overview of Scoring: Quantitative Assessment

• Maximum of **100 points**
• Three sections:

  ➢ Part 1: Business Strategy and Leveraging Strategy (40 points)
    - Private Leveraging multiplier, including portion from third parties
    - Reasonableness of project activities based on track record
    - Applicant-level leverage multiplier

  ➢ Part 2: Community Impact (35 points)
    - Percent of rental housing units targeted to Very-Low Income Families
    - Percent of homeownership units targeted to Low-Income Families
    - Commitment to finance Economic Development Activities in Low-Income Areas
    - Percent of housing units to be produced in Areas of Economic Distress
Overview of Scoring: Quantitative Assessment (continued)

- Part 3: Organizational Capacity (25 points)
  - Capitalization
  - Operating Performance
  - Net Income
  - Liquidity
  - Unqualified Audit Opinions for last three years

* Please reference the FY 2017 CMF Application Instructions for additional information and guidance on Financial Data Inputs.
Applications will be ranked based on their Quantitative Assessment Score in two groups:

- Applications with a maximum Non-Metropolitan Area investment of 50 percent or greater
- All other Applicants

The top 75% from each group will be forwarded for external review.

The CDFI Fund may forward additional Applications to external review if needed to achieve geographic diversity.

The CDFI Fund will not implement the Quantitative Assessment if it receives less than 140 Applications.
Overview of Scoring: External Review

- Maximum of **100 points**
- Three sections:
  - Part 1: Business Strategy and Leveraging Strategy (40 points)
  - Part 2: Community Impact (35 points)
  - Part 3: Organizational Capacity (25 points)
- The final score will be a combination of Quantitative Assessment factors and the External Reviewers evaluation of the Application.
  - Majority of the score will be based on the External Reviewers’ assessment.
An Applicant will generally score more favorably, if:

• The proposed CMF activities clearly align with the affordable housing economic development needs, and financing gaps identified.

• The Applicant demonstrates that the projected activities are achievable based on the Applicant’s strategy and track record.

• There is a clear process for creating a pipeline of feasible projects.

• The Applicant has a clear strategy for leveraging private capital with a CMF Award, particularly third-party capital.

• There is a clear strategy and demonstrated track record to leverage funds at the enterprise-level and/or through re-investments.

• The Applicant is able to demonstrate a strategy and a track record in leveraging funds at the Project Level.
An Applicant will generally score more favorably based on the following:

- A clear compelling strategy and track record for producing housing units targeted to Low-Income Families (for homeownership) and Very-Low Income Families (for rental).
- The percentage of housing units targeted to Low, Very-Low and Extremely-Low Income Families and percentage in Areas of Economic Distress.
- Economic Development Activities (if applicable) in Low-Income areas that fit within a Concerted Strategy and will benefit the residents of the nearby Affordable Housing;
- Track record with Economic Development Activities (if applicable).
- Track record in serving the proposed geography (Service Areas).
- Strategy for engaging low-income stakeholders as part of business strategy.

CMF is also interested in the expected outcomes resulting from the CMF Award and the anticipated impact on the communities and Families served.
An Applicant will generally be scored more favorably to the extent that it:

- Demonstrates strong qualifications of its key personnel with respect to their skills and experience identifying investments; underwriting, developing, and financing similar projects; managing a portfolio of similar activities and ensuring compliance with program requirements.
- Demonstrates success in administering prior CMF Awards and/or other Federal program awards.
- Demonstrates strong financial health (capitalization, liquidity, income, etc.) as reported from its audited financial statements.
- Demonstrates solid lending portfolio performance (if applicable).
Internal Review and Award Determination

- A maximum of the 50 highest scoring Applications at the end of the External Review will be forwarded for Internal Review and Award consideration.
  - These Applications are considered the highly qualified pool.
- During the Internal Review, CDFI Fund staff will prioritize and make initial recommendations for Awards based on:
  - The Applicant’s External Review Score
  - Alignment with CMF statutory and policy priorities
  - Overall quality of the Applicant’s strategy
- For more information, see Section V.B.3 of the NOFA.
Once the initial Award pool is determined, the CDFI Fund will evaluate it for alignment with the following statutory objectives:

- Broad geographic coverage of the United States
- Equitable representation of Metropolitan and Non-Metropolitan Areas

If necessary, the CDFI Fund reserves the right to modify award amounts or add additional Recipients to the Award pool to achieve these objectives.
Data Accuracy in Application

- It is critical to provide accurate information and careful projections in the Application, as both will be used as part of the Application evaluation and also as part of the performance requirements in the Assistance Agreement (if selected for award).
A number of important steps must be completed in order to successfully submit the FY 2017 CMF Application:

1. **SAM:** Ensure Applicant has an active System for Awards Management (SAM) account ([www.SAM.gov](http://www.SAM.gov)).

2. **DUNS and EIN Number:** Ensure that Applicant has a current and valid Dun and Bradstreet Data Universal Numbering System (DUNS) number and Employer Identification Number (EIN).

3. **Complete and Submit SF-424:** Follow instructions provided by Grants.gov (not administered by CDFI Fund) [https://www.grants.gov/web/grants/applicants/apply-for-grants.html](https://www.grants.gov/web/grants/applicants/apply-for-grants.html)

4. **Submit CMF Application and all required attachments in AMIS:** Please reference the FY 2017 CMF Application Instructions for guidance.
Accessing AMIS

AMIS Link: amis.cdfifund.gov

If you have an AMIS account:
1. Log into AMIS. Use your assigned AMIS Username, which in most cases is your email address.
2. Navigate to Applicant’s Organization. Select CMF within the Program Profiles. Select “New CMF Application.”

If you don’t have an AMIS account:
1. Log into AMIS. Select “Join our Community”.
2. Register your organization in AMIS first. The first person to register an organization becomes an administrative user for that organization. Once the organization is registered, other users can be added to the organization.
AMIS Application Submission Tips

- Each question response has **specified character limitations** and AMIS has character restrictions for its questions and instructions. Applicants should prepare responses in an off-line format using the CMF Application Instructions and then paste them into AMIS.

- Allow plenty of time to submit. Inquiries must be received by the CDFI Fund no later than **August 29, 2017 (5 pm ET)** in order to receive a response before the AMIS Application deadline.

- The CDFI Fund recommends that Applicants submit AMIS application two days prior to the deadline of **August 31, 2017**, so that we may be available to assist in case technical issues arise.

- Applicants will **not** be able to access or change their Application once submitted.
AMIS Resources and Training

- **AMIS Webinars:** There will be two AMIS Webinars specifically focused on accessing and navigating AMIS. Additional information on these webinars will be posted on our website.


- **AMIS Help Desk and Service Requests**

  **Please Note:** AMIS is a fairly new system so users may encounter bugs or technical glitches. We ask that you report any issues by submitting a Service Request within AMIS. For technical issues, please select “General Inquiry” for the Service Request Record Type, and “Cross-Program-AMIS technical problem” for the Type.
# Contacting the CDFI Fund

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<thead>
<tr>
<th>Type of Question</th>
<th>Telephone</th>
<th>Email/AMIS Service Request</th>
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</thead>
<tbody>
<tr>
<td>CMF Program Support</td>
<td>202-653-0421</td>
<td>Submit AMIS Service Request or <a href="mailto:cmf@cdfi.treas.gov">cmf@cdfi.treas.gov</a></td>
</tr>
<tr>
<td>Compliance Support</td>
<td>202-653-0421</td>
<td>Submit AMIS Service Request</td>
</tr>
<tr>
<td>Information Technology Support</td>
<td>202-653-0422</td>
<td><a href="mailto:AMIS@cdfi.treas.gov">AMIS@cdfi.treas.gov</a></td>
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How to Submit a Question (Service Request) through AMIS

1) Log into your AMIS account
2) Click on the “Service Requests” tab on the top
3) Click on the “Create New Service Request” button
4) Select “General Inquiry” for “Record Type” in the dropdown
5) For “Type” select, “CMF General Question” in the dropdown
6) Complete all required fields
7) Press “Submit”

CMF Staff will review your Service Request and respond by email and/or through AMIS.