

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5415-N-25]

### HUD's Fiscal Year (FY) 2010 NOFA for the Choice Neighborhoods Initiative – Round 1 NOFA

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing and Office of Multifamily Housing Programs, HUD.

**ACTION:** Notice of HUD's Fiscal Year (FY) 2010 Notice of Funding Availability for HUD's Choice Neighborhoods Initiative.

**SUMMARY:** Today's publication is governed by the information and instructions found in the Notice of HUD's Fiscal Year 2010 Notice of Funding Availability (NOFA) Policy Requirements and General Section (General Section) to HUD's FY 2010 NOFAs for Discretionary Programs, published on June 7, 2010. Through today's publication, HUD is making available approximately \$65 million in assistance through the FY 2010 Choice Neighborhoods Initiative.

a. For FY 2010, HUD will award two types of grants for the Choice Neighborhoods Initiative: Planning Grants and Implementation Grants.

(1) Planning Grants will enable those communities that are not yet able to fully undertake a successful neighborhood transformation to build the capacity to do so, with the Federal government supporting their endeavors and incentivizing local support. The Planning Grants will enable more communities to create a rigorously-developed plan and build support necessary for neighborhood transformation to be successful.

(2) Implementation Grants will provide a significant amount of Federal support to those communities that have undergone a comprehensive local planning process and are now moving forward with their "Transformation Plan" to redevelop the neighborhood.

(3) The FY 2010 Choice Neighborhoods competition will be conducted through two rounds. Today's publication is the Round 1 NOFA. In Round 1, applicants may submit either a Planning Grant or an Implementation Grant application. The application requirements will be different for each type of grant. Applicants will have until the application deadline date stated in this NOFA in order to submit Round 1 applications.

(a) Upon conclusion of its review of Planning Grant applications submitted in response to the Round 1 NOFA, HUD will announce approximately 12-15 Planning Grant awards.

(b) Upon conclusion of its review of Implementation Grant applications submitted in response to the Round 1 NOFA, HUD will select approximately 10 Implementation Grant finalists. HUD will then publish a second NOFA (i.e., the Round 2 NOFA). The Round 2 NOFA will give these Implementation Grant finalists an opportunity to assemble and submit a more detailed application. (Upon conclusion of its review of Implementation Grant applications submitted in response to the **Round 2** NOFA, HUD will announce approximately 2-4 Implementation Grant awards.)

b. This Round 1 NOFA is divided into two sections, in the following order:

- (1) Choice Neighborhoods Implementation Grants; and
- (2) Choice Neighborhoods Planning Grants.

c. Applicants may apply **ONLY** for a Planning Grant **OR** an Implementation Grant for the same public and/or assisted housing, not both.

**A. Choice Neighborhoods Initiative – Summary:** The Department of Housing and Urban Development Appropriations Act, 2010 (Public Law 111-117, enacted on December 16, 2009) permits the HUD Secretary to use up to \$65,000,000 of the HOPE VI appropriations for a Choice Neighborhoods Initiative demonstration. The spatial concentration of poverty remains a serious and often unrecognized challenge to the ability of poor families and children to access opportunities and move up the economic ladder. Many neighborhoods of concentrated poverty contain distressed public and/or HUD-assisted housing in need of repair or replacement. Prior to the creation of Choice Neighborhoods, HOPE VI was the only major source of revitalization funding available to these areas. This funding was only available to the public housing stock, and HUD could not reach nearby distressed assisted or vacant private housing. Choice Neighborhoods aims to demonstrate that by expanding the reach of HOPE VI-style investments to assisted and vacant housing units, while investing in people and neighborhood assets, HUD can help transform neighborhoods of distress into revitalized mixed-income neighborhoods.

Choice Neighborhoods will employ a comprehensive approach to neighborhood transformation. The program will transform neighborhoods by revitalizing severely distressed public and/or assisted housing and investing and leveraging investments in well-functioning services, high quality public schools and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs. Choice Neighborhoods will ensure that current residents will be able to benefit from this transformation, by preserving affordable housing or providing residents with the choice to move to affordable and accessible housing in another existing neighborhood of opportunity. In the development of Choice Neighborhoods, HUD has focused on directing resources into three core goals:

1. Housing: Transform distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term;
2. People: Support positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to residents' health, safety, employment, mobility, and education; and
3. Neighborhood: Transform neighborhoods of poverty into viable, mixed-income neighborhoods with access to well-functioning services, high quality public schools and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

To achieve these core goals, communities must develop a comprehensive neighborhood revitalization strategy, or Transformation Plan. This Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

To successfully implement the Transformation Plan, applicants will need to work with public and private agencies, organizations (including philanthropic organizations), and individuals to gather and leverage resources needed to support the financial sustainability of the plan. These efforts should build community support for and involvement in the development of the plan.

In addition, HUD intends to work with other Federal agencies to integrate programs so that place-based solutions can be more readily implemented. This interagency collaboration will assist HUD and Choice Neighborhoods applicants in identifying strategies for building upon, and leveraging, high-quality housing, academic, family and community programs and anticipated investments in neighborhood revitalization efforts funded by other Federal agencies. Examples

of these efforts include the Department of Justice's proposed Byrne Criminal Justice Innovation program and the Department of Education's Promise Neighborhoods program. Through these programs, the Departments intend to create incentives for communities to focus on the same geographic area and apply for funding from more than one source. HUD is also pursuing collaboration opportunities with other Federal programs, such as the Environmental Protection Agency's Smart Growth program and the Department of Transportation's proposed Livable Communities Initiative.

These coordinated efforts should result in the strategic investment of resources into the following key neighborhood assets:

(a) Developmental assets that allow residents to attain the skills needed to be successful in all aspects of daily life (e.g. educational institutions, early learning centers and health resources);

(b) Commercial assets that are associated with production, employment, transactions, and sales (e.g. labor force and retail establishments);

(c) Recreational assets that create value in a neighborhood beyond work and education (e.g. parks, open space, arts organizations, restaurants, movie theatres, and athletics);

(d) Physical assets that are associated with the built environment and physical infrastructure (e.g. housing, commercial buildings, roads, sidewalks and bike paths); and

(e) Social assets that establish well-functioning social interactions (e.g. public safety and community engagement).

By focusing resources in targeted places, and by drawing on the compounding effect of well-coordinated actions, HUD believes Choice Neighborhoods will result in neighborhoods of opportunity.

**B. Anticipated Objectives That Will Be Used to Develop Metrics to Measure Long Term Success:** As the Department moves forward with the selected grantees, the Department will work with each grantee to develop metrics appropriate to its site and neighborhood in order to measure performance. Below are the objectives that the Department will be using to measure performance across sites and neighborhoods.

**1. Housing Metrics:** Housing transformed by Choice Neighborhoods is expected to be:

a. Energy Efficient, Sustainable, Accessible, and Connected. HUD's expectation for Choice Neighborhoods are properties with low per unit energy consumption, healthy indoor air quality, built to be resistant to local disaster risk, exceeding the Section 504 and Fair Housing Act accessibility requirements, and with affordable broadband Internet access. A measure under HUD's strategic plan is to increase the proportion of public and multifamily housing with an available broadband Internet connection.

b. Mixed-Income. HUD's expectation for Choice Neighborhoods are properties with a mix of extremely low-income (e.g. public/assisted/HTF units), low income (e.g. tax credit/HOME units), and, as appropriate, moderate income (e.g. market rate rent/homeownership units).

c. Physically Viable. HUD's expectation for Choice Neighborhoods are properties that are constructed with durable and low-maintenance materials, receive high quality maintenance over time, and scheduled upgrades and replacements are performed.

d. Financially Viable. HUD's expectation for Choice Neighborhoods are projects that have budgeted appropriately for the rental income that can be generated from the project (including rental subsidy) to meet debt payments and meet or exceed industry standards for quality management and maintenance of the property.

**2. People Metrics:** People that live in the housing transformed through Choice Neighborhoods are expected to improve their quality of life.

a. There are two sets of resident groups for which metrics will be established.

(1) Baseline Residents. The grantee and HUD will work together to monitor the location and outcomes for the baseline residents of the public and/or assisted development. These are the residents that lived in the targeted redevelopment site at the time of application for Choice Neighborhoods. HUD's expectation is that the tenants who relocate find as good or better housing and neighborhood opportunities as tenants who return to the redeveloped site, and that all residents of the targeted redevelopment site experience improvements along all of the indicators below relative to their pre-redevelopment circumstances.

(2) Revitalized Development Residents. The grantee and HUD will also work together to track the experiences and changing characteristics of residents who live at the revitalized site. HUD's goal is that, over time, the average incomes at the site rise, residents experience a safe living environment, children have access to high quality early learning programs and services and high quality schools that prepare students to graduate from high school college- and career-ready and perform well on standardized tests relative to the state average, there is good access to parks and recreation, and residents have access to quality health care.

b. Outcomes for both the baseline residents and the residents of the revitalized developments are planned to be measured along the following dimensions:

(1) Housing Location, Quality, and Affordability: HUD's expectation is that baseline residents who, by their own choice, do not return to the development have as good or better housing and neighborhood opportunities as those who occupy the redeveloped site. An objective under HUD's strategic plan is to increase the proportion of HUD-assisted families in low-poverty and racially diverse communities.

(2) Resident Health: HUD's expectation is that health for residents over time is as good as or better than other households with similar economic and demographic conditions at baseline.

(3) Resident Safety: HUD's expectation is that residents are living in a safer environment as evidenced by the revitalized neighborhood having dramatically lower crime rates than the neighborhood had prior to redevelopment and maintain a lower crime rate over time.

(4) Employment: HUD's expectation is that the income of baseline residents and residents of the revitalized development, particularly wage income for non-elderly/non-disabled adult residents, increases over time. An objective under HUD's strategic plan is to increase the average income of existing HUD-assisted households.

(5) Education: HUD's expectation is a high level of resident access to high quality early learning programs and services so children enter kindergarten ready to learn, significant improvement in the quality of schools nearest to the target development that prepare students to graduate from high school college- and career-ready, and significant growth in existing individual resident educational outcomes over time relative to the state average.

**3. Neighborhood Metrics:** Through Choice Neighborhoods, the neighborhood is expected to improve along the following metrics:

a. Other Neighborhood Housing: HUD's expectation is that post-redevelopment the neighboring housing has a very low vacancy/abandonment rate, that the housing inventory be of high quality, and that the neighborhood be mixed income and maintain a mixture of incomes over time. This may include maintaining a significant amount of the private inventory as affordable post-redevelopment.

- b. Services: HUD's expectation is that the distance traveled from the neighborhood to basic services be equal to or less than the distance traveled from the median neighborhood in the metropolitan area. Those basic services include grocery stores, banks, health clinics and doctors' offices, dentist offices, and high quality early learning programs and services.
- c. Public Schools: HUD's expectation is that public schools in the target neighborhood are safe and welcoming places for children and their families. In addition, HUD's expectation is that the schools have test scores that are as good as or better than the state average or are implementing school reforms that raise student achievement over time and graduate students from high school prepared for college and a career.
- d. Other education programs: HUD's expectation is that infants, toddlers and preschool-age children have access to high quality early learning programs and services that result in significantly improved outcomes in physical well-being and motor development, social-emotional development, language and literacy development, and cognition and general knowledge, including early numeracy for children and that engage their families in meaningful ways.
- e. Public assets: HUD's expectation is that the distance to travel to high quality park and recreational facilities in the neighborhood be equal to or less than for other neighborhoods in the jurisdiction and the region.
- f. Effective Transportation Alternatives: HUD's expectation is that neighborhood residents have quality public transit, walking and/or biking options to connect them easily to places of work and local services.
- g. Job Access: HUD's expectation is that neighborhood residents have rates of employment among working age non-disabled adults similar or better to the employment rate in other neighborhoods in the jurisdiction and region.

**FOR FURTHER INFORMATION CONTACT:** Questions regarding specific program requirements should be directed to the agency contact identified in this program NOFA. Questions regarding the 2010 General Section should be directed to the Office of Departmental Grants Management and Oversight at (202) 708-0667 (this is not a toll-free number) or the NOFA Information Center at (800) HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at (800) 877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

**SUPPLEMENTARY INFORMATION:**

The NOFA published today provides the statutory and regulatory requirements, threshold requirements, and rating factors applicable to funding being made available today (through the Choice Neighborhoods NOFA). Applicants for the Choice Neighborhoods NOFA must also refer to the 2010 General Section for important application information and requirements, including submission requirements, which have changed this year.

In FY 2010, HUD is continuing its requirement that applicants submit their applications electronically through <http://www.grants.gov>. If applicants have questions concerning the registration process, registration renewal, assigning a new Authorized Organization Representative, or have a question about a NOFA requirement, please contact HUD staff identified in this program NOFA. HUD staff cannot help you write your application, but can clarify requirements that are contained in the General Section, this Notice, and in the Grants.gov registration materials. New applicants should note that they are required to complete a five-step registration process in order to submit their applications electronically. HUD's General Section

provides step-by-step instructions for applicants who must register with Grants.gov and also provides renewal/update instructions for those who have previously registered.

Application materials and instructions are posted to Grants.gov as soon as HUD finalizes them. HUD encourages applicants to subscribe to the Grants.gov free notification service at [http://www.grants.gov/applicants/email\\_subscription.jsp](http://www.grants.gov/applicants/email_subscription.jsp). By doing so, applicants will receive an email notification as soon as items are posted to the website. By joining the notification service, if a modification is made to the NOFA, applicants will receive notification that a change has been made.

HUD encourages applicants to carefully read the General Section and all parts of this Choice Neighborhoods NOFA. Carefully following the directions provided can make the difference in a successful application submission.

Pursuant to government-wide policy, all applicants must have a DUNS number and be registered in the Central Contractor Registration (CCR) to receive an award of funds from HUD. Applicants applying via Grants.gov already meet this requirement by completing the Grants.gov registration requirements. Applicants who receive a waiver to submit a paper application, if any, must also comply with the requirement for a DUNS number and registration in the CCR. Failure to meet the requirement will prohibit you from receive a grant award.

In FY 2010, HUD is posting the full NOFA on the Grants.gov website rather than the Federal Register. The Federal Register publication is merely a notice of where to find the NOFA and application forms. The NOFA posted to Grants.gov is the official version of the Notice and if there is a discrepancy between information posted to Grants.gov and other websites, the Grants.gov information prevails.

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## **OVERVIEW INFORMATION:**

**A. Federal Agency Name.** Department of Housing and Urban Development, Office of Public and Indian Housing.

**B. Funding Opportunity Title.** Choice Neighborhoods Initiative Grants Fiscal Year 2010.

**C. Announcement Type.** Initial announcement.

**D. Funding Opportunity Number.** The Federal Register number for this NOFA is FR-5415-N-25. The OMB approval number for this program is 2577-0269.

**E. Catalog of Federal Domestic Assistance (CFDA) Number.** The CFDA number for this NOFA is 14.889, "Choice Neighborhoods."

**F. Dates.** Application Deadline Date: The application deadline date is **October 26, 2010**. Electronic applications must be received by 11:59:59 p.m. eastern time on the deadline date. See this NOFA for application submission, faxing instructions, and timely receipt requirements, including Section IV.C, which provides detailed information on what qualifies as "received." See HUD's 2010 General Section for application submission, faxing instructions, and timely receipt requirements, unless otherwise noted in this NOFA. Note: Grants.gov now uses Adobe Reader 9.3.2. Applicants must use the **latest** version of Adobe reader that is compatible and available from the Grants.gov website. Information on the latest version of Adobe Reader can be found on the Grants.gov website at [www.grants.gov](http://www.grants.gov). HUD recommends that applicants download either of these two readers to prepare and transmit the application to Grants.gov. HUD will not accept an entire application submitted by fax.

### **G. Additional Overview Content Information**

#### **1. Structure of the NOFA – Select a Grant Type**

a. For FY 2010, HUD will award two types of grants for the Choice Neighborhoods Initiative: Planning Grants and Implementation Grants.

(1) Planning Grants will enable those communities that are not yet able to fully undertake a successful neighborhood transformation to build the capacity to do so, with the Federal government supporting their endeavors and incentivizing local support. The Planning Grants will enable more communities to create a rigorously-developed plan and build support necessary for neighborhood transformation to be successful.

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- b. This Round 1 NOFA is divided into two sections, in the following order:
- (1) Choice Neighborhoods Implementation Grants; and
  - (2) Choice Neighborhoods Planning Grants.
- c. Applicants may apply ONLY for a Planning Grant OR an Implementation Grant for the same public and/or assisted housing, not both.
- 2. Available Funds.** This NOFA announces the availability of approximately \$65 million in FY 2010 funds for Choice Neighborhoods grants. The funds are allocated as follows between the two grant types.
- a. Planning Grants: approximately \$3 million. HUD anticipates awarding 12-15 Planning grants of up to \$250,000 each.
  - b. Implementation Grants: approximately \$62 million. HUD anticipates awarding two to four grants not to exceed \$31,000,000 each, or the sum of the amounts in Section IV.E.3, whichever is lower.
- 3. Eligible Applicants.** As stated in the FY 2010 HUD Appropriations Act, Choice Neighborhoods eligible applicants are Public Housing Authorities (PHAs), local governments, nonprofits, and for-profit developers that apply jointly with a public entity. See Sections I.C, III.A.1, and III.C.2 for additional information related to Eligible Applicants. Tribal housing agencies, tribally designated housing entities, and private citizens are not eligible to apply.
- 4. Eligible Neighborhoods.** See I.C, III.A.2, and III.C.2 for additional information related to Eligible Neighborhoods.
- 5. Matching Requirement.** A match of at least 5 percent is required. See III.B for additional information related to the match requirement.
- 6. Application** materials may be obtained from [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). Notification of any technical corrections will be published in the Federal Register and posted to Grants.gov. Responses to frequently asked questions will be posted on the Choice Neighborhoods website at <http://www.hud.gov/cn/>.

## **FULL TEXT OF ANNOUNCEMENT**

### **CHOICE NEIGHBORHOODS IMPLEMENTATION GRANTS SECTION**

**The Implementation Grants Section of the Choice Neighborhoods NOFA contains information that applies to the Choice Neighborhoods Implementation Grants Program. Unless otherwise noted, citations refer to the Implementation Grants Section.**

#### **I. Funding Opportunity Description**

**A. Program Description.** The purpose of the Choice Neighborhoods grants is to:

1. Transform neighborhoods of concentrated poverty into mixed-income neighborhoods of long-term viability by revitalizing severely distressed housing, improving access to economic opportunities, and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs;
2. Grow communities and metropolitan areas by concentrating, leveraging, and coordinating Federal, State, regional, local, and private funding for public transportation, education, housing, energy, health and mental health services, supportive services, public safety; and environmental programs and initiatives;
3. Support positive outcomes for all residents, including improvements in educational achievements and economic self-sufficiency; and

4. Ensure that current residents benefit from transformation by preserving affordable housing in the neighborhood or providing residents the choice to move to affordable housing in another neighborhood of opportunity.

**B. Authority**

1. The funding authority for Choice Neighborhoods grants under this NOFA is provided by the HUD Appropriations Act as part of the Consolidated Appropriations Act, 2010 (Public Law 111-117, approved December 16, 2009).

2. The program authority for the Choice Neighborhoods Initiative is Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) (1937 Act), as amended by the Consolidated Appropriations Act, 2010 (Public Law 111-117, approved December 16, 2009).

**C. Definitions.** For purposes of the Choice Neighborhoods program, the following definitions of key terms apply. As needed, other definitions relevant to specific thresholds and rating factors will be provided in those sections of the NOFA.

**1. Affordable Housing.** The term “affordable housing” includes:

a. Assisted housing as defined below; or

b. In the context of a Choice Neighborhoods Transformation Plan, housing for which HUD requires the owner or purchaser of the project to maintain affordability for no fewer than 20 years, which restrictions shall be:

(1) Contained in a legally enforceable document recorded in the appropriate records; and

(2) Consistent with the long-term viability of the project as rental or homeownership

housing.

**2. Assisted Housing.** The term “assisted housing” means housing assisted under sections 8 or 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C 1437g) (excluding tenant-based vouchers), section 221(d)(3) or section 236 of the National Housing Act (12 U.S.C. 1715 and 12 U.S.C 1715z-1), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), and section 811 of the National Affordable Housing Act of 1990 (42 U.S.C 8013).

**3. Co-Applicant(s).** Co-Applicant(s) means any entity with which the Lead Applicant chooses to apply for funding under this NOFA. A Co-Applicant must also meet the definition of an Eligible Applicant. The Co-Applicant will also sign the Grant Agreement and be responsible for implementing the activities identified in the Transformation Plan, but will not directly receive access to funding through HUD’s Line of Credit Control System (LOCCS). A Co-Applicant is only **required** when a for-profit developer is the Lead Applicant. (Note: In Round 2, Lead Applicants may choose (they are not required) to add a Co-Applicant(s). For example, the Lead Applicant could choose to elevate a Principal Team Member identified in Round 1 or to identify an entity that was not identified in Round 1).

**4. Critical Community Improvements.** The term “critical community improvements” means:

a. Development or improvement of community facilities to promote upward mobility, self-sufficiency, or improved quality of life for residents of the neighborhood, such as construction or rehabilitation of parks and community gardens, or environmental improvements; or

b. Activities to promote economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources.

**5. Eligible Applicants.** See Section III.A.1.

**6. Eligible Neighborhood.** See Section III.A.2.

**7. Evidence-based Practice.** Evidence-based practice refers to the use of the best available conclusions/findings from research and studies as a base for determining the best practices and

predictions of outcomes in a field. A strong evidence base is offered by studies with designs that can support causal conclusions and studies that, in total, include enough of the range of participants and settings to support generalizability.

**8. Families.** The term “families” has the meaning provided in section 3(B)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437a).

**9. Lead Applicant.** Lead Applicant means the primary entity responsible for implementing the activities identified in the Transformation Plan. The Lead Applicant must meet the definition of an Eligible Applicant. The Lead Applicant will sign the Grant Agreement and is the sole entity that will have access to HUD’s Line of Credit Control System (LOCCS) in order to drawdown Choice Neighborhoods funding.

**10. Livability Principles.** Livability principles jointly adopted by HUD, EPA and DOT to support federal neighborhood and community development initiatives. For further information, see [www.hud.gov/sustainability](http://www.hud.gov/sustainability).

**11. Local Government.** The term “local government” shall have the same meaning as “unit of general local government” in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

**12. Long-Term Viability.** The term “long-term viability” refers to a community that has in place all five Neighborhood Assets sufficient to provide for resident well-being and community quality of life.

**13. Low-performing School.** The term low-performing school means, “schools receiving assistance through Title I that are in corrective action or restructuring in the State, as determined under section 1116 of the Elementary and Secondary Education Act (ESEA), and the secondary schools (both middle and high schools) in the State that are equally as low-achieving as these Title I schools and are eligible for, but do not receive, Title I funds.”

**14. Neighborhood.** The neighborhood is the geographic area within which the activities of the Transformation Plan shall focus. HUD understands that neighborhood boundaries are not fixed like municipal or county boundaries. The Department also recognizes that neighborhoods do not necessarily follow statistical boundaries, such as Census Tracts. For Choice Neighborhoods, HUD will rely on applicants to identify boundaries for the target neighborhood that are generally accepted as a neighborhood. In many communities, those typical neighborhood boundaries are delineated by major streets or physical topography. The neighborhood must be larger than just the footprint of the distressed public or HUD-assisted housing targeted in the application. Note: If HUD believes the neighborhood is being defined simply to maximize scoring on the application, HUD reserves the right to ask grantees to provide evidence that the target neighborhood boundary is generally accepted. Such evidence might include planning, community development or zoning maps which have been adopted by a public jurisdiction.

**15. Neighborhood Assets.** Neighborhood assets means:

- a. Developmental assets that allow residents to attain the skills needed to be successful in all aspects of daily life (e.g., educational institutions, early learning centers, and health resources);
- b. Commercial assets that are associated with production, employment, transactions, and sales (e.g., labor force and retail establishments);
- c. Recreational assets that create value in a neighborhood beyond work and education (e.g., parks, open space, community gardens, athletics and arts organizations);
- d. Physical assets that are associated with the built environment and physical infrastructure (e.g., housing, commercial buildings, and roads); and

- e. Social assets that establish well-functioning social interactions (e.g., public safety and community engagement).

**16. Nonprofit Organization.** Nonprofits eligible to be an applicant under this NOFA are entities that are classified as such in accordance with section 501(c) of the Federal Tax Code. A nonprofit organization can be organized for the following purposes: charitable, religious, educational, scientific, or other similar purposes in the public interest. To obtain tax-exempt status, qualified organizations must file an application with the Internal Revenue Service (IRS) and receive designation as such by the IRS. For more information, go to [www.irs.gov](http://www.irs.gov). Entities that are in the process of applying for tax-exempt status, but have not yet received nonprofit designation from the IRS by the application deadline date, will not be considered an eligible applicant. All nonprofit applicants must submit their IRS determination letter to prove their 501(c) status.

**17. Part I Violent Crimes.** Part I violent crimes shall have the same meaning used by the United States Department of Justice Bureau of Justice Statistics and the Uniform Crime Report. Aggravated assault, rape, murder, and robbery are classified as Part I violent crimes.

**18. Principal Team Member.** Principal Team Members are those entities that the Lead Applicant, and Co-Applicant(s) if any, for an Implementation Grant has selected to have primary responsibility for coordinating the implementation of the activities to achieve one or more of the three core goals – Housing, People (including Education), and Neighborhood. A Principal Team Member may also be the Lead Applicant or a Co-Applicant and may oversee the activities to achieve more than one of the core goals. A Principal Team Member need not be an Eligible Applicant. For purposes of this NOFA, the following terms will be used as needed (e.g., in the rating factors) to refer to these Principal Team Members: Housing Implementation Entity, People Implementation Entity (and Education Implementation Entity), and Neighborhood Implementation Entity.

**19. Public Entity.** The term “public entity” means any department, agency, special purpose district, or other instrumentality of a State or local government.

**20. Public Housing Agency.** The term “public housing agency” has the meaning provided in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a).

**21. Public Housing Project.** A public housing project is a group of assisted housing units that has a single Project Number assigned by the Director of Public Housing of a HUD Field Office and has, or had (in the case of previously demolished units) housing units under an Annual Contributions Contract. If a PHA had two distinct projects, with different project numbers, under its original ACC, and those projects were combined into a single project number in the Public Housing Information Center (PIC) for the purposes of implementing HUD’s project-based budgeting requirements using Asset Management Project (AMP) numbers, the applicant should use the original project number to identify the public housing project targeted by the application. Applicants should be clear throughout their application as to the project they are targeting.

**22. Replacement Housing.** Replacement housing includes housing assisted under sections 8 or 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C 1437g) (excluding tenant-based vouchers, except as permitted), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), and section 811 of the National Affordable Housing Act of 1990 (42 U.S.C 8013). To satisfy the one-for-one replacement requirement through acquisition, the replacement unit must not have been receiving assistance prior to submitting the application under the sections listed above in this paragraph. For example, you cannot acquire a Section 202 funded property that is

near the public or assisted housing site targeted in the application for the purposes of deeming that replacement housing.

**23. Severely Distressed Housing.**

a. In accordance with Section 24(j)(2) of the 1937 Act, the term means a public and/or assisted housing project (or building in a project) that:

(1) Requires major redesign, reconstruction, or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plan of the project;

(2) Is a significant contributing factor to the physical decline of, and disinvestment by public and private entities in, the surrounding neighborhood;

(3) (a) Is occupied predominantly by families who are very low-income families with children, have unemployed members, and are dependent on various forms of public assistance; (b) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area; or (c) is lacking in sufficient appropriate transportation, supportive services, economic opportunity, schools, civic and religious institutions, and public services, resulting in severe social distress in the project;

(4) Cannot be revitalized through assistance under other programs, such as the Capital Fund and Operating Fund programs for public housing under the 1937 Act, or the programs under sections 9 or 14 of the 1937 Act (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, approved October 21, 1998)), because of cost constraints and inadequacy of available amounts; and

(5) In the case of an individual building that currently forms a portion of the public and/or assisted housing project targeted by the application to this NOFA: (a) Is sufficiently separable from the remainder of the project of which the building is part, such that the revitalization of the building is feasible; or (b) Was part of the targeted public and/or assisted housing project that has been legally vacated or demolished, but for which HUD has not yet provided replacement housing assistance (other than tenant-based assistance). “Replacement housing assistance” is defined as funds that have been furnished by HUD to perform major rehabilitation on, or reconstruction of, the public and/or assisted housing units that have been legally vacated or demolished.

b. A severely distressed project that has been legally vacated or demolished (but for which HUD has not yet provided replacement housing assistance, other than tenant-based assistance) must have met the definition of physical distress not later than the day the demolition application approval letter was dated by HUD.

**24. Supportive Services.** The term “supportive services” includes all activities that will promote upward mobility, self-sufficiency, or improved quality of life, including such activities as literacy training, activities that promote early learning and the continuum of educational supports, remedial and continuing education, job training, financial literacy instruction, day care, youth services, aging-in-place, public transportation, physical and mental health services, economic development activities, and other programs for which the community demonstrates need.

**25. Transformation Plan.** The Transformation Plan is a comprehensive neighborhood revitalization strategy proposed (as presented in the Choice Neighborhoods grant application) to achieve the three core goals of Choice Neighborhoods (Housing, People, Neighborhood).

## II. Award Information

### A. Availability of Choice Neighborhoods Funds

**1. Choice Neighborhood Grants.** Approximately \$65 million of the FY 2010 HOPE VI appropriation has been allocated to fund Choice Neighborhoods grants and will be awarded in accordance with this NOFA. The table below indicates the amount of funds allocated between the two grant types, the maximum amount of funds that may be requested for each grant type, and the anticipated number of awards. Voucher assistance needed for relocation purposes in association with the Implementation Grants will be in addition to the amounts below.

Grant Type	Allocation of Funds (Approximate)	Maximum Grant Request	Anticipated Number of Grant Awards
Planning Grants	\$3,000,000	\$250,000	12 – 15
Implementation Grants	\$62,000,000	\$31,000,000 or the calculated amount described in Sections II.A.2 and IV.E.3, whichever is lower.	2 – 4 (but funding will not be awarded until after Round 2).
TOTAL	\$65,000,000		

**2. Grant Sizing.** For the purposes of establishing the maximum amount of Choice Neighborhoods Implementation Grant funding that you may request, you will calculate a development cost for the replacement housing units to be developed in the Transformation Plan and allow for additional funding to cover non-housing activities. See Section IV.E.3 for detailed instructions on how to calculate this amount. You may request the lesser of this calculated amount or \$31,000,000. HUD will provide a grant sizing limitations worksheet which you must complete in order to determine the maximum amount you may request. This worksheet must be provided in the attachments section of your application. Applicants may request up to \$250,000 for a Planning Grant.

**3. Grant term.** Grantees must proceed in a timely manner, as indicated by the timeframes established in this NOFA and Grant Agreement. See Section IV.E.1. for statutory time limits related to the grant and expenditure of funds, including the requirement that all FY 2010 Choice Neighborhoods funds must be expended by September 30, 2016.

**4. Relation to FY 2010 HOPE VI Revitalization Grant Applications.** See the threshold requirement in Section III.C.2.

**5. Relation to Prior HOPE VI Revitalization Grants and ARRA Capital Fund Recovery Competition Grants.** See the threshold requirement in Section III.C.2.

## III. Eligibility Information

### A. Eligible Applicants and Eligible Neighborhoods

#### 1. Eligible Applicants

a. Eligible applicants for Choice Neighborhoods grants are Public Housing Authorities (PHAs), local governments, nonprofits, and for-profit developers that apply jointly with a public entity. Also see the Eligible Applicants threshold requirement in Section III.C.2 of this NOFA and the Definitions in Section I.C for definitions of related terms.

b. Ineligible to Apply. Tribal housing agencies, tribally designated housing entities, and private citizens are not eligible to apply.

c. Troubled Status for PHAs. This applies to PHA applicants and is considered a threshold requirement under Section III.C.2 of this NOFA. If HUD has designated a PHA as troubled pursuant to section 6(j)(2) of the 1937 Act, HUD will use documents and information available to it to determine whether you qualify as an eligible applicant. In accordance with section 24(j) of the 1937 Act, a troubled PHA may still be eligible to apply if it:

- (1) Is designated as troubled principally for reasons that will not affect its capacity to carry out a revitalization program;
- (2) Is making substantial progress toward eliminating the deficiencies of the agency that resulted in its troubled status;
- (3) Has not been found to be in noncompliance with fair housing or other civil rights requirements; or
- (4) Is otherwise determined by HUD to be capable of carrying out a revitalization program.

## **2. Eligible Neighborhoods.**

a. Eligible neighborhoods for Choice Neighborhoods grant funds include neighborhoods with:

- (1) At least 20 percent of the residents estimated to be in poverty or have extremely low incomes based on the most recent data collected by the U.S. Census Bureau and that are experiencing distress related to one or more of the following:
  - (a) per capita Part I violent crime rates over the past three years are at least 1.5 times the per capita Part I violent crime rates of the city or, where no city data is available, county/parish in which the neighborhood is located over the same time frame; or
  - (b) the most current rate within the last year of long-term vacant or substandard homes is at least 1.5 times higher than that of the city or, where no city data is available, county/parish as a whole; or
  - (c) a low-performing public school or at least 20 children or 20 percent of the children from the target public and/or HUD-assisted housing attend a low-performing public school; and
- (2) Severely distressed public and/or HUD-assisted housing, that meets the definition provided in section 24(j)(2) of the 1937 Act.

b. Also see the Eligible Neighborhoods threshold requirement in Section III.C.2 of this NOFA and the Definitions in Section I.C for definitions of related terms.

## **B. Match Requirements**

**1. Choice Neighborhoods Grant Match.** HUD is required by section 24(c)(1)(A) of the 1937 Act (42 U.S.C. 1437v(c)(1)(A)) to include the requirement for matching funds for all HOPE VI-related grants, which includes Choice Neighborhoods. You are required to have matching funds in the amount of five percent of the requested grant amount in cash or in-kind donations. Applications that do not demonstrate the minimum five percent match will not be considered for funding. This is considered a threshold requirement under Section III.C.2 of this NOFA.

**2. No HOPE VI Funding in Match.** In accordance with section 24(c) of the 1937 Act, for purposes of calculating the amount of matching funds required by Section 1 above, you **may NOT** include amounts from HOPE VI program funding, including HOPE VI Revitalization, HOPE VI Demolition, HOPE VI Neighborhood Networks or HOPE VI Main Street grants.

**3. OMB Circulars and Ability to Use Funds for Match.** It is important to note that the following Office of Management and Budget (OMB) circulars are applicable, and particular attention should be given to the provisions concerning the use of federal funds for matching requirements.

(a) OMB Circular A-102 (Grants and Cooperative Agreements with State and Local Governments) establishes consistency and uniformity among federal agencies in the management of grants and cooperative agreements with state, local, and federally recognized Indian tribal governments. The circular provides that state and local administration of federal funds must include fiscal and administrative requirements that are sufficiently specific to ensure that funds are used in compliance with all applicable federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not to be used for general expenses required to carry out other responsibilities of a state or its subrecipients. HUD's implementation of OMB Circular A-102 is found at 24 CFR part 85.

(b) OMB Circular A-110 (Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations) sets forth standards for obtaining consistency and uniformity among federal agencies in the administration of grants and agreements with institutions of higher education, hospitals, and other nonprofit organizations. This circular specifies the conditions for which funds may be used for cost sharing or matching and provides that federal funds shall not be accepted as cost sharing or matching, except where authorized by federal statute to be used for cost sharing or matching. HUD's implementation of OMB Circular A-110 is found at 24 CFR part 84.

(c) OMB Circular A-87 (2 CFR Part 225) (Cost Principles for State, Local, and Indian Tribal Governments) establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments and federally recognized Indian tribal governments (governmental units). This circular provides that an allowable cost under a federal award does not include a cost sharing or matching requirement of any other federal award in the applicable funding period, except as specifically provided by federal law or regulation.

(d) OMB Circular A-122 (2 CFR 230) (Cost Principles for Non-Profit Organizations) establishes principles for determining costs of grants, contracts, and other agreements with nonprofit organizations. This circular provides, similar to OMB Circular A-87, that an allowable cost under a federal award in the applicable funding period does not include a cost sharing or matching requirement of any other federally financed program.

(e) Applicants for funding under HUD's FY 2010 NOFA are reminded of the importance of confirming that any federal grant funds that they intend to use as a cost sharing or matching share are available to be used as matching funds under **applicable** statutes and regulations.

## **C. Other**

**1. Program Activities.** Choice Neighborhoods grants may be used for activities that will further the purposes of the Choice Neighborhoods program in accordance with a Transformation Plan, to carry out transformational programs and initiatives. Activities approved by HUD must be conducted in accordance with the requirements of this NOFA. The following is a list of required and eligible activities.

a. **Required Activities.** The following authorized activities must be contained in the Transformation Plan:

(1) the transformation of housing through rehabilitation, preservation, and/or demolition and replacement of severely distressed housing projects that incorporates energy efficient design principles;



(2) one-for-one replacement of all public and/or assisted dwelling units of the targeted neighborhood in existence, as of the date of the application for the grant, that are to be demolished or disposed, unless otherwise permitted (as provided in Section III.C.3.b);

(3) resident involvement in planning and implementation of the Transformation Plan;

(4) activities ensuring the long-term viability of the neighborhood on an economic, educational, and environmental basis;

(5) activities that promote economic self-sufficiency of residents of the revitalized housing and of the surrounding neighborhood;

(6) partnering with local educators, and engaging in local community planning, to help increase access to programs that combine a continuum of effective community services, strong family supports, and comprehensive education reforms to improve the academic and developmental outcomes for resident children and youth;

(7) activities that preserve affordable housing in the neighborhood and other activities necessary to ensure that existing residents have access to the benefits of the neighborhood transformation;

(8) appropriate service coordination, supportive services, mobility counseling and housing search assistance for residents displaced as a result of revitalization of severely distressed projects;

(9) activities that demonstrate that each tenant who wishes to return to the on-site or off-site replacement housing may return if the tenant was lease-compliant at the time of departure from the housing subject to rehabilitation or demolition, and continued to remain lease-compliant during the relocation period, and shall be provided a preference;

(10) tracking of tenants relocated during redevelopment throughout the life of the grant or until full occupancy of replacement housing, whichever is longer; and

(11) activities that meet the applicable fair housing and accessibility requirements, including affirmative marketing, providing meaningful access to programs for persons with limited English proficiency, meeting applicable accessibility standards, and ensuring program activities comply with applicable civil rights requirements.

**b. Eligible Activities.** In addition to the required activities, activities eligible for funding include:

(1) Construction, acquisition or rehabilitation of public, assisted, and privately owned housing that incorporates sustainable design principles, including energy efficiency;

(2) Acquisition, demolition or disposition of properties, including Federal Housing Administration-Real Estate Owned properties;

(3) Providing supportive services for residents, primarily focused on case management, service coordination and assistance to enable residents to access programs from other key agencies and local service providers in order to help residents be stably housed, improve outcomes for children, enhance adults' capacity for self-sufficiency and economic security, and services for elderly and persons with disabilities to maintain independence;

(4) Partnering with employers and for-profit and nonprofit organizations to create jobs and job training opportunities, with a focus on job opportunities accessible by mass transit;

(5) Relocation assistance, including tenant-based rental assistance renewable under section 8 of the United States Housing Act of 1937, and supportive services for families that are displaced, including mobility and relocation counseling over multiple years, reasonable moving costs, and security deposits;

(6) Activities that promote sustainable neighborhoods and incorporate principles of

sustainable design and development;

(7) Critical community improvements, as defined in section I.C of this NOFA;

(8) Endowments. Consistent with section 24(d)(2) of the 1937 Act, you may deposit up to 15 percent of your Choice Neighborhoods grant (the maximum amount of the award allowable for supportive services activities) into an endowment trust to provide supportive services activities. In order to establish an endowment trust, you must first execute with HUD an Endowment Trust Addendum to the grant agreement. When reviewing your request to set up an endowment trust, HUD will take into consideration your ability to pay for current supportive services activities with Choice Neighborhoods or other funds and the projected long-term sustainability of the endowment trust to carry out those activities.)

(9) Conversion of vacant or foreclosed properties to affordable housing

(10) Architectural and engineering work;

(11) The demolition, sale, or lease of the site, in whole or in part;

(12) Administrative costs of the applicant, subject to the criteria stated in this NOFA (such as Section III.C.3 and Section IV.E);

(13) Payment of reasonable legal fees, subject to the criteria stated in this NOFA (such as Section III.C.3 and Section IV.E);

(14) Necessary management improvements;

(15) Leveraging other resources, including additional housing resources, retail, supportive services, jobs, and other economic development uses on or near the project that will benefit future residents of the site;

(16) Replacement housing as defined in this NOFA;

(17) Transitional security activities.

**2. Threshold Requirements.** Applications, and the Transformation Plan proposed in it (see Definitions in Section I.C for that and other definitions), must meet all threshold requirements of this NOFA in order to be rated and ranked. Applicants must demonstrate compliance with the threshold requirements through the information provided in their application, unless instructed otherwise in this NOFA. The threshold requirements of this NOFA include certain threshold requirements of section III.C.2 of the General Section and threshold requirements specific to the Choice Neighborhoods program. If an application does not meet all threshold requirements, HUD will not consider the application as eligible for funding and will not rate and rank it. HUD will screen for technical (not substantive) deficiencies and administer a cure period. Examples of curable (correctable) technical deficiencies include, but are not limited to, inconsistencies in the funding request, failure to submit the proper certifications (e.g., form HUD-2880), and failure to submit a signature and/or date of signature on a certification. The subsection entitled, “Corrections to Deficient Applications,” in section V.B. of the General Section is incorporated by reference and applies to this NOFA unless otherwise stated. Clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within 5 calendar days of the date of receipt of the HUD notification. (If the deadline date falls on a Saturday, Sunday, or federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or federal holiday.) If an applicant does not cure all its technical deficiencies that relate to threshold requirements within the cure period, HUD will consider the threshold(s) in question to be failed, will not consider the application as eligible for funding, and will not rate and rank it. **Applicants must review and follow documentation requirements provided in this Thresholds Requirements Section and the instructions on application organization, content and submission provided in Section IV.B.8.** Required

forms, certifications and assurances must be included in the Choice Neighborhoods application and will be available on the Internet at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp).

**a. Curable Thresholds.** The following thresholds may be cured in accordance with the criteria above.

**(1) Site Control.** You **must** provide evidence in your application that you, your Co-Applicant or a Principal Team Member has site control of the target public and/or assisted housing property(ies) as of the application deadline date. If you do not provide acceptable evidence of site control, your **entire** application will be disqualified from further consideration for funding. Evidence may include, but is not limited to a deed, a title, binding contract of sale or option agreement, or a ground lease. If you demonstrate site control through a contract of sale or option agreement, such contract or agreement must remain in effect for at least 180 days after the application deadline date and include only commercially standard early termination clauses and conditions to closing. Site control may NOT be evidenced through a letter from the mayor or other official, letters of support from members of the relevant municipal entities, a resolution evidencing the intent to exercise its power of eminent domain, or a memorandum of understanding. (Note: In Round 2, it will be necessary to demonstrate that the Lead Applicant or a Co-Applicant (who will sign the grant agreement, as noted in the Definitions Section I.C) has site control for **all** parcels proposed to be part of the Transformation Plan. In Round 2, evidence of site control will be required to meet the same documentation criteria as listed above in this paragraph, i.e., “Evidence may include...”).

**(2) Standard Forms and Certifications.** The last part of your application will be comprised of standard certifications common to many HUD programs. For the Choice Neighborhoods application, the required standard forms and certifications are located in Section IV.B of this NOFA.

**(3) Choice Neighborhoods Applicant Certifications.** You must include in your application a certification from the Lead Applicant and Co-Applicant (if any) (and the Chairman of the PHA Board of Commissioners if the Lead Applicant or Co-Applicant is a PHA) to the requirements listed in the Choice Neighborhoods Applicant Certifications. You must include this certification in your attachments. By providing this certification, you also attest that you will meet the Match Requirement from III.B of this NOFA.

**b. Non-Curable Thresholds.** The following thresholds may **NOT** be cured in accordance with the criteria referenced in III.C.2 above.

**(1) Eligible Applicants.** This section incorporates as a threshold requirement the Eligible Applicants requirement from III.A.1 of the NOFA. Additionally, the following criteria must be met, as relevant, in order to comply with this threshold:

(a) For-Profit Developer Applicant. Additional proof of eligibility is required from a for-profit developer applicant only if the for-profit developer is also the Lead Applicant. To demonstrate the Co-Applicant partnership that is required between a for-profit developer and a public entity, a Memorandum of Understanding (MOU) must be provided on the public entity’s official letterhead signed by the executive of the public entity and an executive officer of the for-profit developer. The MOU must demonstrate a commitment to work collaboratively throughout the entirety of the grant and identify which party will serve as the Lead Applicant. (Note: The Round 2 NOFA will require a contractually binding agreement between the Co-Applicants detailing specific roles and responsibilities.)

(b) Nonprofit Applicant. To be eligible as a nonprofit applicant, you must submit an Internal Revenue Service determination letter indicating your organization’s 501(c) status.

**(2) Eligible Neighborhoods.** This section incorporates as a threshold requirement the Eligible Neighborhoods requirement from III.A.2 of the NOFA. You must demonstrate in your application that the targeted neighborhood meets the Eligible Neighborhoods requirement criteria from III.A.2. The following criteria apply, as relevant, in order to demonstrate compliance with this threshold:

(a) The definition of “neighborhood” from I.C.13 applies.

(b) For the purposes of establishing neighborhood eligibility, HUD will overlay the locally defined neighborhood boundaries with the smallest available statistical boundar(ies) associated with that area and estimate the target area’s poverty rate, extremely low-income rate, vacancy rate, and other measures of distress using a proportional allocation methodology to determine if the neighborhood meets eligibility criteria. For example, if census tract is the smallest statistical boundary for the available data and the locally defined neighborhood is partially within two different census tracts, the poverty rate would be calculated based on the portion of the neighborhood housing units (at the block level) located in each tract. In this example, 80 percent of the housing units in the locally defined neighborhood are in a tract with a poverty rate of 40 percent and 20 percent of the units are in a tract with a poverty rate of 10 percent. The “neighborhood poverty rate” would be calculated as:  $(80\% \times 40\%) + (20\% \times 10\%) = 34\%$ . To assist potential applicants, HUD is making available on [www.hud.gov/cn](http://www.hud.gov/cn) a tool that can be used to draw the boundaries of their neighborhood. You must provide a pdf of your eligible neighborhood map, produced by using this tool, in the attachments section of their application. HUD will make the final determination on compliance with the threshold. HUD will calculate the poverty rate, extremely low-income rate, and residential vacancy rate for the target area.

(c) Also in order to demonstrate compliance with the Eligible Neighborhoods criteria in III.A.2.a(1), you must provide in your application data on crime (data is described in the rating factor in V.A.2.b(3)), or substandard housing (data is described in this paragraph), or schools (data is described in the rating factor in V.A.2.b(4)) for the neighborhood and the city or county as a whole (vacancy data can be used as well but you do not have to provide that separately). Information provided on rates of substandard housing must be data published by a local jurisdiction or unrelated third party, such as code enforcement data from the housing office of the applicable city or county.

(d) Severe Distress of Targeted Project Certification. In order to demonstrate compliance with the Eligible Neighborhoods criteria in III.A.2.a(2), you must demonstrate that the targeted public housing and/or assisted project(s) is severely distressed. See I.C of this NOFA for the definition of “severely distressed housing.” If the targeted project is not severely distressed, your application will not be considered for funding. You must use the severe distress certification form provided and include it in the attachments section of your application. The certification must be signed by an engineer or architect licensed by a state licensing board. The license does not need to have been issued in the same state as the severely distressed project. The engineer or architect must include his or her license number and state of registration on the certification. The engineer or architect may not be an employee of the Lead Applicant, Co-Applicant (if any), Principal Team Member (if any), the public housing authority (if applicable), or a unit of local government in which the housing is located.

**(3) Number of Applications and Public and/or Assisted Housing Projects.**

(a) A Lead Applicant, Co-Applicant, and/or Principal Team Member may participate in a maximum of three Choice Neighborhoods applications, in accordance with the criteria of this

NOFA. You may only submit one application per public and/or assisted housing site. There is no limit to the number of public and/or assisted housing projects per application, so long as all are within the boundaries of the neighborhood. Additionally, you may apply **ONLY** for a Planning Grant **OR** an Implementation Grant for the same public and/or assisted site, not both.

(b) If HUD receives electronically multiple versions of an application, HUD will rate and rank the last version of the application **received** by Grants.gov that meets the timely receipt requirements. All other applications (i.e., prior versions) will not be considered eligible. If applicants find after submitting an application that they want to amend or adjust their application and it is prior to the deadline date, applicants should be aware that they **must resubmit the entire** application, including all fax transmissions previously sent, to ensure that HUD gets a complete application.

(c) HUD will not consider applications sent entirely by facsimile.

(d) HUD will not consider any application that does not meet the timely receipt requirements for electronic applications, in accordance with the criteria of the General Section “Receipt Dates and Times.”

**(4) Relation to FY 2010 HOPE VI Revitalization Grant Applications.** HUD is issuing a separate NOFA for the FY 2010 HOPE VI Revitalization grant program. Public housing project(s) included in a FY 2010 Choice Neighborhoods application may not be the subject of a FY 2010 HOPE VI Revitalization grant application. However, an applicant may apply for a Choice Neighborhoods Planning or Implementation grant for a housing project in the same neighborhood as a public housing project for which a public housing authority is applying for a FY 2010 HOPE VI Revitalization grant.

**(5) Relation to prior HOPE VI Revitalization Grantees.** Public housing projects previously funded through a HOPE VI Revitalization grant may not be the target public housing project of a FY 2010 Choice Neighborhoods grant application. However, they may be located within the Transformation Plan neighborhood.

**(6) Relation to ARRA CFRC Grantees.** Public housing projects previously funded through an ARRA Capital Fund Recovery Competition (CFRC) grant under Category 2 (Public Housing Transformation), Category 3 (Gap Financing for Projects that are Stalled Due to Financing Issues), or Category 4 Option 1 (Creation of Energy Efficient, Green Communities, Substantial Rehabilitation or New Construction) may not be the target public housing project of a FY 2010 Choice Neighborhoods grant application. However, they may be located within the Transformation Plan neighborhood.

**(7) Partnership MOU.** To demonstrate the partnership amongst the Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any), an MOU must be provided in the application that is signed by the executive officers of each entity, demonstrates a commitment to work collaboratively throughout the entirety of the grant, and identifies which party will serve in which role(s) (including indicating who will implement the Housing, People and Neighborhood components of your proposed Transformation Plan). If there are any Co-Applicants, the MOU must state that they are jointly and severally liable with the Lead Applicant for the performance of the grant. Concerning the roles, the MOU must indicate that the Housing Implementation Entity will be responsible for implementing day-to-day development and asset management activities associated with the Transformation Plan. Additionally, you must describe this partnership in your narrative exhibits. (Note: In the Round 2 submission, HUD will require a legal contract, such as a developer services and asset management agreement, joint venture agreement, or performance contract between the parties that affirms the roles and responsibilities

identified in the MOU. If a Lead Applicant proposes to rely on a Principal Team Member for rating purposes under the NOFA, the applicant will be required to secure HUD's approval, if funded, prior to effecting any material change to that contract or replacing the Principal Team Member.).

**(8) One-for One-Replacement of Public and/or Assisted Housing Units.** You must certify, using the form provided, that you will comply with the one-for-one replacement requirements in III.C.3.b.

**(9) Resident and Community Involvement.** You must demonstrate compliance with this threshold in your attachments.

(a) General. In accordance with section 24(e)(2)(D) of the 1937 Act, applicants must involve affected residents at the beginning and during the planning process for the transformation program, prior to the submission of an application. You are required to involve the affected public and/or assisted housing residents in the planning process and implementation of your Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant, if awarded.

(b) Resident Meeting. You must conduct at least one meeting with the residents of the target public and/or assisted housing to discuss the proposed Transformation Plan.

(c) Public Meetings. You must conduct at least two public meetings with residents of the target public and/or assisted housing and the broader community, in order to involve them in a meaningful way, to develop the Transformation Plan.

(d) These meetings must take place on different days from each other.

(e) Allowable Time Period for Resident and Public Meetings.

(i) At least one public meeting, which included representation from the target public and/or assisted housing residents and the broader community, must have taken place at the beginning of the transformation planning process. This meeting can have occurred prior to the publication of this NOFA, but must have anticipated the project proposed in this application.

(ii) At least one meeting must have been held after the publication date of this NOFA.

(f) Over the course of these meetings, the issues listed below must have been identified (i.e., all issues need not be addressed at each meeting):

(i) The Choice Neighborhoods planning and implementation process;

(ii) The proposed physical plan, including the extent of proposed demolition or rehabilitation of existing structures, and if applicable, proposed site design;

(iii) Planned supportive service activities;

(iv) Other proposed transformation activities;

(v) Relocation issues, such as relocation planning, mobility counseling, relocation benefits, and maintaining the Choice Neighborhoods community planning process during the demolition and reconstruction phases, where temporary relocation, i.e., relocation for a reasonable period (less than one year), is involved;

(vi) Reoccupancy plans and policies, such as site-based waiting lists; and

(vii) Economic Opportunities for Low- and Very Low-Income Persons, including efforts by the recipient, in accordance with Section 3 of the Housing and Urban Development Act of 1968 (Section 3) to ensure, to the greatest extent feasible, that training, employment, and other economic opportunities will be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons in the area in which the project is located. See the Section 3 regulations at 24 CFR Part 135.

(g) **Physical Accessibility.** All training sessions and meetings must be held in facilities that are physically accessible to persons with disabilities. Where physical accessibility is not achievable, recipients and subrecipients must give priority to alternative methods of product delivery that offer programs and activities to qualified individuals with disabilities in the most integrated setting appropriate in accordance with HUD's implementing regulations for Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) at 24 CFR Part 8. In addition, all notices of and communications during all training sessions and public meetings shall be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities or provide other means of accommodation for persons with disabilities consistent with Section 504 of the Rehabilitation Act of 1973 and HUD's section 504 regulations. See 24 CFR 8.6.

(h) **Limited English Proficiency.** All applicants must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964. This may mean providing language assistance services to ensure meaningful resident and community involvement for persons with LEP as a result of their nationality. The Department published *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* (72 Fed. Reg. 2732; January 22, 2007) to assist recipients of HUD assistance in identifying language assistance needs and developing language assistance plans.

**(10) Appropriateness of Proposal.** In accordance with section 24(e)(1) of the 1937 Act, each application must demonstrate the appropriateness of the proposal (Transformation Plan) in the context of the local housing market **relative to other alternatives**. You must discuss other possible alternatives in the local housing market and explain why the housing envisioned in the application is more appropriate (e.g., "We considered X, Y, Z other alternatives, but they were not the optimal alternatives for A, B, C reasons"). If you do not demonstrate the appropriateness of the proposal in the context of the local housing market relative to other alternatives, your application will not be considered for funding. Applicants must demonstrate compliance with this threshold in their narrative. Examples of alternative proposals may include:

- (a) Proposing to rehabilitate the existing project when the units are obsolete;
- (b) Proposing a range of incomes, housing types (rental, homeownership, market-rate, public housing, townhouse, detached house, etc.), or costs that cannot be supported by a market analysis; or
- (c) Proposing to use the land in a manner that is contrary to the goals of your organization.

**(11) Separability.** In accordance with section 24(j)(2)(A)(v) of the 1937 Act, if you propose to target only a portion of a project for transformation, in your narrative you must demonstrate that the target severely distressed public and/or assisted housing is sufficiently separable from the remainder of the project, of which the building is a part, to make use of the building feasible for transformation. Separability can be demonstrated by evidencing that the subject site is located on its own legal lot or lots or by indicating that any criteria necessary for the local governmental agency responsible for land use decisions to legally subdivide the existing site can reasonably be achieved within the necessary timeframes. Physical features such as a road, berm, catch basin, or other recognized neighborhood distinction are sometimes used as the basis for delineating separate sites. You must demonstrate compliance with this threshold in

your narrative. If you do not propose to target only a portion of a project for transformation, you may indicate, “n/a,” for not applicable, in your narrative.

**(12) Dun and Bradstreet Data Universal Numbering System (DUNS) Number Requirement.** This threshold is hereby incorporated from the General Section (III.C.2.b).

**(13) Active Registration in the CCR.** This threshold is hereby incorporated from the General Section (III.C.2.c).

**(14) Resolution of Outstanding Civil Rights Matters.** This threshold is hereby incorporated from the General Section (III.C.2.d).

**(15) Debarment and Suspension.** This threshold is hereby incorporated from the General Section (III.C.2.e).

**(16) Delinquent Federal Debts.** This threshold is hereby incorporated from the General Section (III.C.2.g).

**3. Program Requirements.** This Section III.C.3 contains Choice Neighborhoods program requirements, administrative and national policy requirements, and other program priorities. Applicants MUST review this section and ensure they comply with the requirements, as relevant.

**a. Housing Choice Opportunities for Returning Tenants.** An approved Transformation Plan shall demonstrate that each tenant who wishes to return to the on-site or off-site replacement housing may return if the tenant was lease-compliant at the time of departure from the housing prior to relocation and continued to remain lease-compliant during the relocation period. A returning tenant shall be provided a preference for occupancy of on-site or off-site replacement units before such units are made available to any other eligible households, or the tenant may choose to retain tenant-based voucher assistance provided under section 8(o) of the United States Housing Act of 1937 for relocation from the properties revitalized under this NOFA. These preferences are retained even if the resident has already received permanent relocation benefits. This preference remains available until the initial lease-up of the new units.

**b. One-for-One Replacement of Public and/or Assisted Housing Units.** Each Transformation Plan that provides for public and/or assisted dwelling units to be demolished or disposed must provide as follows:

(a) Number of Units. For one hundred percent of all such dwelling units in existence, as of the date the application for the grant is submitted, that are to be demolished or disposed, the Transformation Plan must provide for replacement of the dwelling unit;

(b) Number of Bedrooms. Replacement housing for demolished or disposed properties shall reflect the number of bedrooms per unit that are needed to adequately serve returning tenants, households currently on the waiting list and that are needed based on other market data, except that in instances where the tenants of the original properties need a different number of bedrooms than households on the waiting list, the plan may enable displaced tenants to exercise their opportunity under program requirement, “Housing Choice Opportunities for Returning Tenants,” in section III.C.3.a using a tenant-based voucher in the original neighborhood or other neighborhood of the tenants’ choice. (Note: Final bedroom information will be required in Round 2).

(c) Location.

(i) Replacement housing units shall be developed:

(A) on-site and/or in the target neighborhood being revitalized; and

(B) within the metropolitan area up to 25 miles from the original project site, as necessary to:

(I) comply with fair housing requirements;



- (II) deconcentrate poverty; or
- (III) redevelop onsite with appropriate densities.

(ii) Replacement housing outside the target neighborhood must offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services and facilities that are comparable to those that will be provided in the target neighborhood.

(iii) Replacement housing outside the target neighborhood shall be located neither in areas of minority concentration (defined as areas where the neighborhood's total percentage of minority persons is at least 20 percentage points higher than the total percentage of all minorities for the MSA as a whole) nor in areas with a poverty rate above 40 percent.

(d) Types of Units. Replacement housing includes housing assisted under sections 8 or 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C. 1437g) (excluding tenant-based vouchers, except as described below), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), and section 811 of the National Affordable Housing Act of 1990 (42 U.S.C. 8013). To satisfy the one-for-one replacement requirement, the replacement unit must not have been receiving assistance, prior to submitting the application, under the sections listed above in this paragraph. For example, you cannot acquire a section 202 property that is nearby the public or assisted housing site targeted in the application for the purposes of deeming that replacement housing.

(e) Tenant-based Vouchers as Replacement Housing. The following is an exception to the hard-unit one-for-one replacement criteria described above. HUD must provide written approval to grant this exception. A grantee may replace up to half of the public housing and/or assisted housing dwelling units that are demolished or disposed of under the Transformation Plan with tenant-based vouchers in housing markets where there is an adequate supply of affordable rental housing in areas of low poverty. Please note that this exception does not supersede an entity's obligation to comply with other one-for-one replacement requirements associated with other funding sources (e.g. Section 104(d) of the Housing and Community Development Act).

(i) To be granted this exception to the hard-unit one-for-one replacement criteria, the area of the Choice Neighborhoods development must meet all three of the following criteria:

(A) Be located in a county with a currently and historically soft rental housing market for low-income renters. HUD has defined these counties as those where the county rental vacancy rates for units affordable to low-income households were greater than 7.3 percent in 2000 and greater than 9.2 percent in 2005-2007.

(B) Be located in a Core Based Statistical Area (CBSA) or non-CBSA County where vouchers currently in use are primarily in lower poverty neighborhoods. Data from PIC shows the location of current housing choice voucher holders in the CBSA (or county outside of CBSA). To qualify on this standard, the median neighborhood poverty rate for a voucher holder in the CBSA (or county outside of a CBSA) must be 20 percent or less. In other words, at least 50 percent of voucher holders must be in neighborhoods with 20 percent poverty rate or less. An applicant may request that this standard only be applied for the agency proposed to operate the voucher program as opposed to all agencies in the CBSA.

(C) High voucher success rate. The applicant will be required to provide data to HUD that shows that the agency that would administer the replacement vouchers has a success rate of 80 percent or higher. That is, a minimum of 80 percent of households issued vouchers are successful at leasing units within 120 days. To meet this requirement you will need to provide a file to HUD from an agency that shows all vouchers issued in the prior 18 months and the

outcome associated with that issuance. In addition, you will need to provide a narrative (preferably with data if available) on success rates for the population comparable to the current population of the Choice Neighborhoods target development. For example, if the proposed Choice Neighborhoods development has 10 percent of its households as families with 5 or more people, 40 percent as families with 2 to 4 people, 30 percent non-elderly disabled, and 20 percent elderly, the applicant would need to discuss relative success rates for each of these groups in their one-for-one waiver application.

(ii) Process for receiving HUD approval.

(A) HUD has provided a list on its website ([www.hud.gov/cn](http://www.hud.gov/cn)) of the communities it has identified where voucher holders are currently moderately- to well-dispersed in areas of low poverty and with consistently high rental vacancy rates.

(B) In advance of submitting the grant application, Choice Neighborhoods applicants working in one of the relatively few eligible communities may submit a request for an exception, subject to also providing voucher success rates of the proposed voucher administering agency in the target market area as described above. You must also submit a chart that indicates the number of each type of unit, to be demolished or disposed as well as the number of each type of unit that will replace it.

(C) HUD will review the request and respond in five working days of receipt of information. That response will be exception approval, exception disapproval, or a request for more information. If more information is requested, HUD will respond in five working days upon receipt of the additional information. Applicants will be able to appeal HUD's determination.

**c. Nondiscrimination.** All housing provided under this NOFA shall be provided in conformity with civil rights laws and their implementing regulations, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and applicable site and neighborhood standards such as 24 CFR 1.4(b)(3) and 24 CFR 941.202. All programs and activities related to this NOFA including, demolition or disposition, relocation, replacement, and re-occupancy of housing units shall be conducted in compliance with federal civil rights laws.

**d. Affirmatively furthering fair housing.** All activities under this NOFA including, but not limited to, demolition or disposition, relocation, replacement, and re-occupancy of housing units, shall be carried out in a manner that affirmatively furthers fair housing, as required by section 808(e)(5) of the Fair Housing Act, as amended (42 U.S.C. 3608(e)(5)). Grantees must adopt affirmative marketing procedures, and require affirmative marketing activities of project owners and managers. These special outreach efforts must be targeted to those who are least likely to apply for the housing, to ensure that all persons regardless of their race, color, national origin, religion, sex, disability or familial status are aware of the housing opportunities in each project funded under this NOFA. (Note: The Round 2 NOFA will contain additional instructions for applicants to describe how their proposals will affirmatively further fair housing, consistent with III.C.5.b of the General Section).

**e. Physical Accessibility Requirements.** All new construction and alterations of existing buildings must comply with the requirements of Section 504 the Rehabilitation Act of 1973, as amended, the Uniform Federal Accessibility Standards, the Fair Housing Act, and any other requirements as determined by HUD.

**f. Affordability Requirement.** The owner of a property assisted with funding under this NOFA shall agree to a period of affordability for the property which shall not be less than the period of

affordability to which the property is already subject and remains subject, or 20 years, whichever is greater.

**g. Applicability of the Uniform Relocation Act.** Except for demolition or disposition activities subject to section 18 of the 1937 Act, projects involving real property acquisition, rehabilitation, or demolition are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.). See Section III.C.5.h. Real Property Acquisition and Relocation in the General Section and Handbook 1378 for additional information on the acquisition and relocation policies under URA. The Handbook can be located on HUD's Real Estate Acquisition and Relocation website at [www.hud.gov/relocation](http://www.hud.gov/relocation).

**h. Public Housing Demolition.**

(1) You may not carry out nor permit others to carry out the demolition of the targeted project or any portion of the project until HUD approves, in writing, one of the following ((a) – (c) of this section), and until HUD has also: (i) approved a Request for Release of Funds submitted in accordance with 24 CFR part 58, or (ii) if HUD performs an environmental review under 24 CFR part 50, has approved the property for demolition, in writing, following its environmental review.

(a) Information regarding demolition in your Choice Neighborhoods Application, along with Supplemental Submissions requested by HUD after the award of the grant. Section 24(g) of the 1937 Act provides that severely distressed public housing that is demolished pursuant to a transformation plan is not required to be approved through a demolition application under section 18 of the 1937 Act or regulations at 24 CFR part 970. If you do not receive a Choice Neighborhoods grant, the information in your application will not be used to process a request for demolition;

(b) A demolition application under section 18 of the 1937 Act; or

(c) A section 202 Mandatory Conversion Plan, in compliance with regulations at 24 CFR part 971 and other applicable HUD requirements, if the project is subject to Mandatory Conversion (section 202 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub. L. 104-134, approved April 26, 1996). A Mandatory Conversion Plan concerns the removal of a public housing project from a PHA's inventory.

**i. Public Housing Development.**

(1) Any standard (non-mixed finance) public housing development activity (whether on-site reconstruction or off-site development) must be done in accordance with the standard development proposal submitted under 24 CFR part 941 (or successor part).

(2) Any mixed-finance public housing development must be done in accordance with the mixed-finance proposal, submitted under 24 CFR part 941, subpart F (or successor part and subpart).

(3) For new construction of community facilities primarily intended to facilitate the delivery of supportive services for residents of the project and residents of off-site replacement housing, you must comply with 24 CFR part 941 (or successor part). Information required for this activity must be included in either a standard or mixed-finance development proposal, as applicable.

**j. Public Housing Disposition.**

(1) Disposition of a severely distressed public housing site, by sale or lease, in whole or in part, may be done in accordance with section 18 of the 1937 Act and implementing regulations at 24 CFR part 970.

(2) The Grantee will comply with the provisions of section 18 of the 1937 Act, 24 CFR part 970, as may be modified or amended from time to time, and the provisions of its approved disposition application (the approved “Disposition Application”), unless otherwise modified in writing by HUD. The Grantee will also comply with procedures for processing dispositions associated with mixed-finance projects as set forth by HUD.

(3) A lease of one year or more that is not incident to the normal operation of a development is considered to be a disposition that is subject to section 18 of the 1937 Act.

**k. Homeownership.**

(1) Any homeownership replacement units developed under a Choice Neighborhoods grant must be done in accordance with a homeownership proposal, which must conform with either:

(a) Section 24(d)(1)(J) of the 1937 Act; or

(b) Section 32 of the 1937 Act (see 24 CFR part 906). Additional information on this option may be found at [www.hud.gov/offices/pih/centers/sac/homeownership](http://www.hud.gov/offices/pih/centers/sac/homeownership).

(2) The homeownership proposal must be consistent with the Section 8 Area Median Income (AMI) limitations (80 percent of AMI) and any other applicable provisions under the 1937 Act. (HUD publishes AMI tables for each family size in each locality annually. The income limit tables can be found at <http://www.huduser.org/datasets/il/il06/index.html>.)

**l. Acquisition.**

(1) Acquisition Proposal. Any acquisition activities you undertake with Choice Neighborhoods or other public housing funds must be done in accordance with an acquisition proposal that meets the requirements of 24 CFR 941.303.

(2) Rental Units. For acquisition of rental units in existing or new apartment buildings, single family subdivisions, etc., with or without rehabilitation, for use as public housing replacement units, you must obtain HUD approval of a Development Proposal in accordance with 24 CFR 941.304 (conventional development) or 24 CFR 941.606 (mixed-finance development).

(3) Land for Replacement Units outside the target neighborhood. For acquisition of land for replacement housing outside the target neighborhood, you must comply with 24 CFR part 941.202 (site and neighborhood standards) or successor part.

(4) Land for Economic Development-Related Activities.

(a) Acquisition of land for this purpose is eligible only if the economic development-related activities specifically promote the economic self-sufficiency of residents.

(b) Limited infrastructure and site improvements associated with developing retail, commercial, or office facilities, such as rough grading and bringing utilities to (but not on) the site, are eligible activities with prior HUD approval.

**m. Building Standards.** As indicated in HUD’s FY 2010-2015 Strategic Plan (i.e., Goal 3 and Goal 4) and the General Section, sustainability is a policy priority of the Department.

Recognizing the fundamental role that HUD’s investments play in defining the physical form of communities and quality of life for residents, HUD encourages its grantees to help communities embrace a more sustainable future. To HUD, sustainability means, among other things (as indicated in the General Section), that the land that we build on is clean or will be clean and the buildings we invest in are energy efficient and healthy. HUD encourages activities that actively promote sustainability through energy-efficient, environmentally-friendly, healthy design, including elements of visitability and universal design.

(1) Building Codes. All activities that include construction, rehabilitation, lead-based paint removal, and related activities must meet or exceed local building codes. All new construction and substantial rehabilitation developments must also comply with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR part 8, the Fair Housing Act and its implementing regulations at 24 CFR part 100, Title II of the Americans with Disabilities Act and its implementing regulations at 28 CFR part 35, and the Architectural Barriers Act of 1968 and its implementing regulations at 24 CFR part 40. All applicable laws must be read together and followed. PIH Notice 2006-13, available at <http://www.hud.gov/offices/adm/hudclips/notices/pih/06pihnotices.cfm> and subsequent updates or successor notices, provide an overview of all pertinent laws and implementing regulations pertaining to Choice Neighborhoods. In addition, under the Fair Housing Act, all new construction of covered multifamily dwellings must contain certain features of accessible and adaptable design. The term “covered multifamily dwellings” means buildings consisting of four or more dwelling units if such buildings have one or more elevators, and ground floor units in other buildings consisting of four or more dwelling units. The relevant accessibility requirements are provided on HUD’s Fair Housing and Equal Opportunity (FHEO) website at [http://portal.hud.gov/portal/page/portal/HUD/program\\_offices/fair\\_housing\\_equal\\_opp](http://portal.hud.gov/portal/page/portal/HUD/program_offices/fair_housing_equal_opp). You are encouraged to visit HUD’s website on Accessibility Analysis of Model Building Codes at <http://www.hud.gov/offices/fheo/disabilities/modelcodes/>. You are also encouraged to read the “Report of HUD Review of the Fair Housing Accessibility Requirements in the 2006 International Building Code,” which can be accessed from the webpage above, along with other valuable information on model codes and fair housing accessibility guidelines.

(2) Deconstruction. You should design programs that incorporate sustainable construction and demolition practices, such as the dismantling or “deconstruction” of public housing units, recycling of demolition debris, and reusing of salvage materials in new construction. “A Guide to Deconstruction: An Overview of Destruction with a Focus on Community Development Opportunities” can be found at <http://www.huduser.org/publications/destech/decon.html>.

(3) Energy Efficiency and Green Building Standards. HUD will require grantees to take specific energy-saving actions in furtherance of HUD’s Strategic Plan (Goal 4B). HUD’s wide-ranging Energy Action Plan for improving energy efficiency in all program areas can be found at <http://www.hud.gov/energy/energyactionplan.pdf>.

(a) New construction or rehabilitation must comply with the International Energy Conservation Code (IECC) 2006, or in the case of multifamily high rises, ASHRAE Standard 90.1-2004, or applicable successor codes.

(b) HUD encourages you to set higher standards, where cost effective, for energy and water efficiency in Choice Neighborhoods new construction and rehabilitation, which can achieve utility savings of 30 to 50 percent with minimal extra cost.

(c) HUD also encourages the utilization of recognized green rating programs for new construction or substantial rehabilitation, including such programs as the Energy Star Plus Indoor Air Package or Energy Star Advanced New Home Construction; Enterprise Green Communities Initiative; the NAHB Green Building Standards; LEED for Homes (for single family); LEED New Construction (for multifamily or commercial development); as well as regionally or locally recognized green standards such as Earthcraft or Built Green.

(d) Applicants constructing, rehabilitating, or maintaining housing or community facilities are encouraged to promote and adopt energy efficiency in design and operations. They

must use Energy Star for New Homes design standards as well as purchase and install Energy Star-labeled products. Applicants providing housing assistance or counseling services are encouraged to promote and adopt Energy Star building by homebuyers and renters. Program activities can include developing Energy Star promotional and information materials, outreach to low- and moderate-income renters and buyers on the benefits and savings when using Energy Star products and appliances, and promoting the designation of community buildings and homes as Energy Star-compliant. For further information about Energy Star, see <http://www.energystar.gov> or call 888-STAR-YES (888-782-7937), or, for the hearing-impaired, call 888-588-9920 TTY.

(e) You are encouraged to negotiate with your local utility company to obtain a lower rate. Utility rates and tax laws vary widely throughout the country. In some areas, PHAs are exempt or partially exempt from utility rate taxes. Some PHAs have paid unnecessarily high utility rates because they were billed at an incorrect rate classification.

(f) Local utility companies may be able to provide grant funds to assist in energy efficiency activities. States may also have programs that will assist in energy efficient building techniques.

(g) You must use technologies that will conserve energy and decrease operating costs, where cost effective. Examples of such technologies include:

- (i) Geothermal heating and cooling;
- (ii) Placement of buildings and size of eaves that take advantage of the directions of the sun throughout the year;
- (iii) Photovoltaics (technologies that convert light into electrical power);
- (iv) Extra insulation;
- (v) Smart windows;
- (vi) Energy Star appliances;
- (vii) Concentrated solar power;
- (viii) Right sized and efficient HVAC and other systems; and
- (ix) Demand side management applications (e.g. “smart meters”).

(4) Universal Design. In addition to any applicable required accessibility feature under Section 504 of the Rehabilitation Act of 1973 or the design and construction requirements of the Fair Housing Act, the Department encourages applicants to incorporate the principles of universal design when developing housing, community facilities, and electronic communication mechanisms, or when communicating with community residents at public meetings or events. Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. The intent of universal design is to simplify life for everyone by making products, communications, and the built environment more usable by as many people as possible at little or no extra cost to the user. A universal design benefits people of all ages and abilities. Examples include designing wider doorways, installing levers instead of doorknobs, and putting bathtub/shower grab bars in all units. Computers and telephones can also be set up in ways that enable as many residents as possible to use them. There are also designs available for accessible children’s playgrounds that can be utilized. HUD believes that to address affordable housing needs effectively, it is necessary to provide affordable housing that is accessible to all regardless of ability or age. Likewise, creating places where people work, train, and interact that are usable and open to all residents increases opportunities for economic and personal self-sufficiency. More information on universal design is available from at <http://www.universaldesign.org> and the Center for

Universal Design at <http://www.design.ncsu.edu/cud/> or the Resource Center on Accessible Housing and Universal Design at <http://www.abledata.com/abledata.cfm?pageid=113573&top=16029&sectionid=19326>. The Department has a publication that contains a number of ideas about how the principles of Universal Design can benefit persons with disabilities. To order a copy of Strategies for Providing Accessibility and Visitability for HOPE VI and Mixed Finance Homeownership, go to the publications and resource page of the HOPE VI website at <http://www.huduser.org/publications/pubasst/strategies.html>. More information about visitability is available at <http://www.visitability.org>.

(5) Lead-Based Paint. You must comply with lead-based paint evaluation and reduction requirements as provided for under the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.). You also must comply with regulations at 24 CFR part 35, 24 CFR 965.701, and 24 CFR 968.110(k), as they may be amended or revised from time to time. As applicable, you will be responsible for lead-based paint evaluation and reduction activities. The National Lead Information Hotline is (800) 424-5323.

**n. Federal Labor Standards.** Federal labor standards are applicable to Choice Neighborhoods grants. These labor standards involve the payment of not less than prevailing wage rates, and may include overtime requirements (premium pay for hours worked over 40 in a workweek), and recordkeeping and reporting requirements.

(1) Davis-Bacon wage requirements apply to the development of any replacement housing rental units or homeownership units developed with Choice Neighborhoods grant funds. The grantee must obtain the appropriate Davis-Bacon wage decision, which sets forth the minimum wage rates that may be paid to construction laborers and mechanics. This wage decision and provisions requiring compliance with federal labor standards must be included in any bid specifications and construction contracts. Development work undertaken directly by the grantee, with its own employees, is also subject to Davis-Bacon wage requirements.

(2) HUD-determined wage rates are applicable to all maintenance laborers and mechanics engaged in the operation of revitalized housing.

(3) Exclusions. Under Section 12(b) of the 1937 Act, prevailing wage requirements do not apply to individuals who:

(a) Perform services for which they volunteered;

(b) Do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and

(c) Are not otherwise employed in the work involved (24 CFR Part 70).

(4) If other federal programs are used in connection with Choice Neighborhoods activities, federal labor standards requirements apply to the extent required by the other federal programs on portion of the project that are not subject to Section 12 of the 1937 Act.

**o. Operation and Management Principles and Policies, and Management Agreement.**

Choice Neighborhoods grantees will be required to develop Management Agreements that describe their operation and management principles and policies for their public housing units. You and your procured property manager, if applicable, must comply (to the extent required) with the provisions of 24 CFR part 966 in planning for the implementation of the operation and management principles and policies described below.

(1) Rewarding work and promoting family stability by promoting positive incentives such as income disregards and ceiling rents;

(2) Instituting a system of local preferences adopted in response to local housing needs and priorities, e. g., preferences for victims of domestic violence, residency preferences, working families, and disaster victims. Note that local preferences for public housing must comply with Fair Housing requirements at 24 CFR 960.206. No preference should lead to disparate negative impact on any Fair Housing Act protected class;

(3) Lease requirements that encourage self-sufficiency by promoting involvement in the resident association, performance of community service, participation in self-sufficiency activities, and transitioning from public housing;

(4) Implementing site-based waiting lists that follow project-based management principles for the redeveloped public housing. Note that site-based waiting lists for public housing must comply with Fair Housing requirements at 24 CFR 903.7(b)(2);

(5) Strictly enforcing lease and eviction provisions;

(6) Implementation of defensible space principles and the installation of physical security systems such as surveillance equipment, control engineering systems, etc. to improve the safety and security of residents;

(7) Enhancing ongoing efforts to eliminate drugs and crime from neighborhoods through collaborative efforts with federal, state, and local crime prevention programs and entities.

**p. Non-Fungibility for Moving To Work (MTW) PHAs.** Funds awarded under this NOFA are not fungible under MTW agreements and must be accounted for separately, in accordance with the Choice Neighborhoods Grant Agreement, the requirements in OMB Circulars A-87, “Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments;” A-133, “Audits of States, Local Governments, and Non-Profit Organizations;” the regulations 24 CFR part 85, “Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Government” and generally accepted accounting principles (GAAP).

**q. Resident and Community Involvement.** See the threshold in III.C.2.

**r. Supportive Services**

(1) Term Period. Supportive Services programs and activities must last for the life of the grant and must be carefully planned so that they will be sustainable after the Choice Neighborhoods grant period ends.

(2) Allowed Funding Mechanisms:

(a) Maximum Supportive Services amount. Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act, you may use up to 15 percent of the total Choice Neighborhoods grant to pay the costs of Supportive Services activities. You may spend additional sums on Supportive Services activities using donations; other HUD funds made available for that purpose; and other federal, state, local, PHA, or private-sector donations (leverage). See also the funding restriction information in IV.E.

(b) Supportive Services Endowment Trust. See III.C.1 for additional information.

**s. Design.** HUD is seeking excellence in design. You must carefully select your architects and planners, and enlist local affiliates of national architectural and planning organizations such as the American Institute of Architects, the American Society of Landscape Architects, the American Planning Association, the Congress for the New Urbanism, and the department of architecture at a local college or university to assist you in assessing qualifications of design professionals or in participating on a selection panel that results in the procurement of excellent design services. You should select a design team that is committed to a process in which



residents, including young people and seniors, the broader community, and other stakeholders participate in designing the new community.

Your proposed site plan, new units, and other buildings must be designed to be compatible with and enrich the surrounding neighborhood. Local architecture and design elements and amenities should be incorporated into the new or rehabilitated homes so that the revitalized sites and structures will blend into the broader community and appeal to the market segments for which they are intended. Housing, community facilities, and economic development space must be well integrated. You must select members of your team who have the ability to meet these requirements.

**t. Environmental Requirements.**

(1) HUD Approval. HUD notification that you have been selected to receive a Choice Neighborhoods grant constitutes only preliminary approval. Grant funds may not be released under this NOFA (except for activities that are excluded from environmental review under 24 CFR part 58 or part 50) until the responsible entity, as defined in 24 CFR 58.2(a)(7), completes an environmental review and you submit and obtain HUD approval of both a request for release of funds and the responsible entity's environmental certification, in accordance with 24 CFR part 58 (or HUD has completed an environmental review under 24 CFR part 50, where HUD has determined to conduct the environmental review).

(2) Responsibility. If you are selected for funding and an environmental review has not been conducted on the targeted site, the responsible entity must assume the environmental review responsibilities for projects being funded by Choice Neighborhoods. If you object to the responsible entity conducting the environmental review, on the basis of performance, timing, or compatibility of objectives, HUD will review the facts and determine who will perform the environmental review. At any time, HUD may reject the use of a responsible entity to conduct the environmental review in a particular case on the basis of performance, timing, or compatibility of objectives, or in accordance with 24 CFR 58.77(d)(1). If a responsible entity objects to performing an environmental review, or if HUD determines that the responsible entity should not perform the environmental review, HUD may designate another responsible entity to conduct the review or may itself conduct the environmental review in accordance with the provisions of 24 CFR part 50. You must provide any documentation to the responsible entity (or HUD, where applicable) that is needed to perform the environmental review.

(3) Phase I and Phase II Environmental Site Assessments. If you are selected for funding, you must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-05, as amended, for each affected site. A Phase I assessment is required whether the environmental review is completed under 24 CFR part 50 or 24 CFR part 58. The results of the Phase I assessment must be included in the documents that must be provided to the responsible entity (or HUD) for the environmental review. If the Phase I assessment recognizes environmental concerns or if the results are inconclusive, a Phase II environmental site assessment will be required.

(4) Request for Release of Funds. You, and any participant in the development process, may not undertake any actions with respect to the project that are choice-limiting or could have environmentally adverse effects, including demolishing, acquiring, rehabilitating, converting, leasing, repairing, or constructing property (i.e. "physical activities") proposed to be assisted under this NOFA, and you, and any participant in the development process, may not commit or expend HUD or local funds for these activities, until HUD has approved a Request for Release of Funds following a responsible entity's environmental review under 24 CFR part 58, or until

HUD has completed an environmental review and given approval for the action under 24 CFR part 50. In addition, you must carry out any mitigating/remedial measures required by the responsible entity (or HUD). If a remediation plan, where required, is not approved by HUD and a fully funded contract with a qualified contractor licensed to perform the required type of remediation is not executed, HUD reserves the right to determine that the grant is in default.

(5) If the environmental review is completed before HUD approval of the Choice Neighborhoods Supplemental Submissions and you have submitted your Request for Release of Funds (RROF), the supplemental submissions approval letter shall state any conditions, modifications, prohibitions, etc., required as a result of the environmental review, including the need for any further environmental review. You must carry out any mitigating/remedial measures required by HUD, or select an alternate eligible property, if permitted by HUD. If HUD does not approve the remediation plan and a fully funded contract with a qualified contractor licensed to perform the required type of remediation is not executed, HUD reserves the right to determine that the grant is in default.

(6) If the environmental review is not completed and you have not submitted the RROF before HUD approval of the supplemental submissions, the letter approving the supplemental submissions will instruct you and any participant in the transformation plan process to refrain from undertaking, obligating, or expending HUD or non-HUD funds on physical activities or other choice-limiting actions until HUD approves your RROF and the related certification of the responsible entity (or HUD has completed the environmental review). The supplemental submissions approval letter also will advise you that the approved supplemental submissions may be modified on the basis of the results of the environmental review.

(7) There must not be any open issues or uncertainties related to environmental issues, public policy factors (such as sewer moratoriums), proper zoning, availability of all necessary utilities, or clouds on title that would preclude development in the requested locality. You will certify to these facts when signing the Choice Neighborhoods Grant Application Certifications.

(8) HUD's environmental website is located at <http://www.hud.gov/offices/cpd/environment/index.cfm>.

**u. Match Resources – Post Award.** After award, during review of grantee mixed-finance, development, or homeownership proposals, HUD will evaluate the nature of Match resources to assess the conditions precedent to the availability of the funds to the grantee. HUD will assess the availability of the participating party(ies)'s financing, the amount and source of financing committed to the proposal by the participating party(ies), and the firm commitment of those funds. HUD may require an opinion of the grantee's and the owner entity's counsel (or other party designated by HUD) attesting that counsel has examined the availability of the participating party's financing, and the amount and source of financing committed to the proposal by the participating party(ies), and has determined that such financing has been firmly committed by the participating party(ies) for use in carrying out the proposal, and that such commitment is in the amount required under the terms of the proposal.

**v. Evidence of Use.** Grantees will be required to show evidence that matching resources were actually received and used for their intended purposes through quarterly reports as the project proceeds. Sources of matching funds may be substituted after grant award, as long as the dollar requirement is met.

**w. Grantee Enforcement.** Grantees must pursue and enforce any commitment (including commitments for services) obtained from any public or private entity for any contribution or commitment to the project or surrounding area that was part of the match amount.

**x. Section 3.** Choice Neighborhoods grantees must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Economic Opportunities for Low- and Very-Low-Income Persons in Connection with Assisted Projects) and the implementing regulations at 24 CFR part 135. Information about Section 3 can be found at HUD's Section 3 website at <http://www.hud.gov/offices/fheo/section3/section3.cfm>. (Note: Round 2 applicants will be rated on the extent to which they demonstrate they will train and employ Section 3 residents and contract with Section 3 business concerns.)

**y. Program Requirements from the General Section.** The following subsections of the General Section are hereby incorporated by reference:

- (1) Pre-Award Accounting System Surveys. (III.C.4.a);
- (2) Name Check Review. (III.C.4.b);
- (3) False Statements. (III.C.4.c);
- (4) Compliance with Fair Housing and Civil Rights Laws. (III.C.5.a).
- (5) Affirmatively Furthering Fair Housing (III.C.5.b);
- (6) Executive Order 13166, "Improving Access to Services for Persons With Limited English Proficiency (LEP)" (III.C.5.c);
- (7) Economic Opportunities for Low- and Very Low-Income Persons (section 3) (III.C.5.d);
- (8) Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses (III.C.5.e);
- (9) Accessible Technology (III.C.5.f);
- (10) Executive Order 13279, "Equal Protection of the Laws for Faith-Based and Community Organizations" (III.C.5.g);
- (11) Real Property Acquisition and Relocation (III.C.5.h);
- (12) Conducting Business in Accordance with Core Values and Ethical Standards/Code of Conduct (III.C.5.i);
- (13) Prohibition Against Lobbying Activities. (Section III.C.5.j);
- (14) Procurement of Recovered Materials (III.C.5.k);
- (15) Participation in HUD-Sponsored Program Evaluation (III.C.5.l);
- (16) Salary Limitation for Consultants (III.C.5.m);
- (17) OMB Circulars and Government-wide Regulations Applicable to Financial Assistance Programs (III.C.5.n);
- (18) Environmental Requirements (III.C.5.o);
- (19) Drug-Free Workplace (III.C.5.p);
- (20) Conflicts of Interest (III.C.5.q);
- (21) Safeguarding Resident/Client Files (III.C.5.r);
- (22) Executive Order, "Intergovernmental Review of Federal Programs." (III.C.5.s);
- (23) Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub.L. 109-282) (Transparency Act) (III.C.5.t); and
- (24) Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), hereafter referred to as "Section 872." (III.C.5.u).

**z. Conflict of Interest in Grant Activities and Exceptions**

- (1) Prohibition. As required by 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of a grantee and who exercises or has exercised any functions or responsibilities with respect to activities assisted under a Choice Neighborhoods grant, or who is in a position to participate in a decision-making process or gain

inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

(2) HUD-Approved Exception.

(a) Standard. HUD may grant an exception to the prohibition above on a case-by-case basis when it determines that such an exception will serve to further the purposes of Choice Neighborhoods and its effective and efficient administration.

(b) Procedure. HUD will consider granting an exception only after the grantee has provided a disclosure of the nature of the conflict, accompanied by:

- (i) An assurance that there has been public disclosure of the conflict;
- (ii) A description of how the public disclosure was made; and
- (iii) An opinion of the grantee's attorney that the interest for which the exception is sought does not violate state or local laws.

(c) Consideration of Relevant Factors. In determining whether to grant a requested exception as discussed, HUD will consider the cumulative effect of the following factors, where applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the Choice Neighborhoods plan and demolition activities that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class intended to be the beneficiaries of the Choice Neighborhoods plan, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or from the decision-making process, with respect to the specific activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in section (iii) above;

(vi) Whether undue hardship will result either to the grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

**aa. OMB Circulars and Administrative Requirements.** You must comply with the following administrative requirements related to the expenditure of federal funds. OMB circulars can be found at [www.whitehouse.gov/omb/circulars/index.html](http://www.whitehouse.gov/omb/circulars/index.html). Copies of the OMB circulars may be obtained from EOP Publications, Room 2200, New Executive Office Building, Washington, DC 20503; telephone (202) 395-7332 (this is not a toll-free number). The Code of Federal Regulations can be found at [www.gpoaccess.gov/cfr/index.html](http://www.gpoaccess.gov/cfr/index.html).

(1) Administrative requirements applicable to PHAs and local governments are:

(a) 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments), as modified by 24 CFR 941 or successor part, subpart F, relating to the procurement of partners in mixed-finance developments. Note: The procurement criteria of this regulation are not required to be followed for purposes of assembling a team of entities in response to this NOFA (i.e., Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any)). However, you may

choose to follow the procurement criteria of this regulation for purposes of assembling a team of entities in response to this NOFA. If the procurement criteria are not followed for purposes of assembling the team, then all future procurements by the team may be subject to these requirements;

(b) OMB Circular A-87 (2 CFR Part 225) (Cost Principles for State, Local, and Indian Tribal Governments); and

(c) 24 CFR 85.26 (audit requirements).

(2) Administrative requirements applicable to nonprofit organizations are:

(a) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations). Note: The procurement criteria of this regulation are not required to be followed for purposes of assembling a team of entities in response to this NOFA (i.e., Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any)). However, you may choose to follow the procurement criteria of this regulation for purposes of assembling a team of entities in response to this NOFA. If the procurement criteria are not followed for purposes of assembling the team, then all future procurements by the team may be subject to these requirements;

(b) OMB Circular A-122 (Cost Principles for Nonprofit Organizations); and

(c) 24 CFR 84.26 (audit requirements).

(3) Administrative requirements applicable to for profit organizations are:

(a) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations). Note: The procurement criteria of this regulation are not required to be followed for purposes of assembling a team of entities in response to this NOFA (i.e., Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any)). However, you may choose to follow the procurement criteria of this regulation for purposes of assembling a team of entities in response to this NOFA. If the procurement criteria are not followed for purposes of assembling the team, then all future procurements by the team may be subject to these requirements;

(b) 48 CFR part 31 (contract cost principles and procedures); and

(c) 24 CFR 84.26 (audit requirements).

#### **IV. Application, Submission and Timely Receipt Information.**

Applications under this NOFA must be received electronically through the Federal website Grants.gov, unless a waiver of this requirement is granted in accordance with the instructions below. In addition to submitting the application electronically through Grants.gov, which is the official version, applicants must also send one printed copy of the application, assembled in proper order in accordance with the NOFA criteria below, to the Office of Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410-5000. Regarding electronic submission of the application, applicants must follow the instructions in this NOFA and in the FY 2010 General Section (as incorporated in this NOFA), unless a waiver for good cause (e.g., the applicant does not have internet access) in accordance with HUD's waiver policy of 24 CFR 5.1005, to the electronic application requirements is approved by HUD. Applicants requesting a waiver should submit their waiver requests in writing using e-mail or fax. Waiver requests must contain in the subject line, the name of the applicant and the subject Request for Waiver to Electronic Application for Choice Neighborhoods. The request must be submitted no later than 15 days prior to the application deadline date and must be submitted to: Choice Neighborhoods Request for Waiver to Electronic Application, at [choiceneighborhoods@hud.gov](mailto:choiceneighborhoods@hud.gov) or fax (202) 401-2370 (this is not a

toll-free number). The mailing address is: Office of Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410-5000. If an applicant is granted a waiver of the electronic submission, approval notice will provide instructions for submission.

Applicants **MUST** follow the directions and guidance provided in this NOFA, which incorporates criteria from the Notice of HUD's Fiscal Year 2010 Notice of Funding Availability (NOFA), Policy Requirements and General Section (General Section) to HUD's FY 2010 NOFAs for Discretionary Programs, published on June 7, 2010. Relevant sections of Section IV of the General Section are incorporated into the FY 2010 Choice Neighborhoods NOFA, as indicated herein. **Applicants MUST follow the directions and guidance provided in these sections from Section IV of the General Section, unless otherwise noted in this Choice Neighborhoods NOFA.**

**A. Addresses to Request Application Package.** This section describes how applicants may obtain application forms and request technical assistance. The published NOFA and application forms are made available at Grants.gov at the following website:

[http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp).

#### 1. **Technical Assistance and Resources for Electronic Grant Applications**

**a. Grants.gov Customer Support.** Grants.gov provides customer support information on its website at <http://www.grants.gov/contactus/contactus.jsp>. Applicants having difficulty accessing the application and instructions or having technical problems can receive customer support from Grants.gov by calling 800-518-GRANTS (this is a toll-free number) or by sending an email to support@grants.gov. **The customer support center is open twenty-four hours a day, seven days per week, except federal holidays.** The customer service representatives will assist applicants in accessing the information and addressing technology issues, including accessibility problems, in accordance with Section 508 of the Rehabilitation Act (See paragraph 4(h), Accessible Technology). Applicants should ask for a Grants.gov call center ticket number if not provided one by the call center customer service representative. In case of issues, HUD relies on the call center ticket logs as part of the review of records.

**b. HUD's NOFA Information Center.** Applicants that do not have Internet access and need to obtain a copy of a NOFA can contact HUD's NOFA Information Center toll-free at (800) HUD-8929. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

**c. HUD Staff.** HUD staff will be available to provide you with general guidance and technical assistance about this notice or about individual program NOFAs. However, HUD staff is not permitted to help prepare your application. Following selection of applicants, but before announcement of awards, HUD staff is available to assist in clarifying or confirming information that is a prerequisite to the offer of an award or Annual Contributions Contract (ACC) by HUD. If you have program-related questions, follow the instructions in Section VII of this NOFA entitled "Agency Contact(s)." If you have difficulty in submitting your application, please first contact the Grants.gov Help Desk. The Grants.gov Help Desk can be reached by calling 800-518-GRANTS or emailing support@grants.gov. HUD recommends calling the Help Desk rather than emailing, because determining the basis for the problem may take some conversation with the Grants.gov Support Customer Service Representative. Grants.gov can try to assist you in overcoming technology obstacles, but can only provide assistance with 24 to 48 hours advance

notice so it has resources and time to diagnose the problems. Applicants are reminded to retain any Grants.gov Help Desk ticket number(s).

**B. Content and Form of Application Submission.** The following sections from IV.B of the General Section are hereby incorporated, as indicated by their title. **NOTE: Applicants should also note that Adobe has put out a new version of Adobe Reader compatible with Grants.gov. This version is 9.3.2. Applicants must use this version.** HUD's FY 2010 applications use Adobe Reader.

1. Use of Adobe Forms Application Packages.
2. Instructions on How to Register for Electronic Application Submission.
3. Key Terms Used as Part of the Registration Process.
4. Instructions on Completing the Registration Process for New Applicants or Applicants Updating or Renewing Registration.
5. Instructions on How to Download an Application Package and Application Instructions.
6. Instructions on How to Complete the Selected Grant Application Package
7. Steps to Take Before You Submit Your Application.

**8. Choice Neighborhoods-specific Application and Submission Information.** Applicants must follow the instructions below on content and form of the application submission. These criteria apply to all Choice Neighborhoods grant applicants and applications, unless otherwise noted.

**a. Application Layout.**

- (1) Double-space your narrative pages. **Single-spaced pages will be counted as two pages;**
- (2) Use 8½ x 11-inch paper.
- (3) All margins should be approximately one inch. If any margin is smaller than ½ inch, the page will be counted as two pages;
- (4) Use 12-point, Times New Roman font;
- (5) Any pages marked as sub-pages (e.g., with numbers and letters such as 75A, 75B, 75C), will be treated as separate pages;
- (6) If a section is not applicable, indicate "N/A" so that there is a clear indication to HUD (do not just leave the section blank);
- (7) Mark each Exhibit and Attachment with the appropriate tab/title page, as listed below. No material on the tab/title page will be considered for review purposes;
- (8) No more than one page of text may be placed on one sheet of paper; i.e., you may not shrink pages to get two or more on a page. Shrunken pages, or pages where a minimized/reduced font are used, will be counted as multiple pages;
- (9) Do not format your narrative in columns. Pages with text in columns will be counted as two pages;
- (10) Any tables included in the narrative sections of the application must also be double spaced or they will be counted twice.
- (11) Narrative pages must be numbered. HUD recommends that applicants consecutively number the pages of the Attachments section to ensure proper assembly of their application if submitted.

**b. Application Page Count.** These criteria apply to all applicants.

- (1) Narrative Exhibits.
  - (a) The first part of your application will be comprised of narrative exhibits. Your narratives will respond to threshold, rating factor, and other criteria in the NOFA, as indicated

below and will also respond to threshold requirements. Among other things, your narratives must describe your capacity, need and vision.

(b) Each Choice Neighborhoods application must contain **no more than 45 pages** of narrative exhibits as broken out by the page limits for each section. Any pages beyond each section's limit **will not be reviewed**. Although submitting pages in excess of the page limitations for each section will not disqualify an application, **HUD will not consider the information on any excess pages for each section, which may result in a lower score or failure of a threshold**. Text submitted at the request of HUD to correct a technical deficiency will not be counted in the 45-page limit.

(2) Attachments.

(a) The second part of your application will be comprised of Attachments. These documents will also respond to the rating factors in the NOFA, as well as threshold and mandatory documentation requirements. They will include documents such as maps, photographs, application data forms, and various certifications.

(b) Each Choice Neighborhoods application must contain **no more than 50 pages** of attachments. Any pages after the first 50 pages of attachments **will not be considered**. Although submitting pages in excess of the page limit will not disqualify an application, **HUD will not consider the information on any excess pages, which may result in a lower score or failure to meet a threshold**.

(3) Exceptions to page limits. The documents listed below constitute the **only** exceptions and are not counted in the page limits listed in Sections (1) and (2) above:

(a) Additional pages submitted at the request of HUD in response to a technical deficiency.

(b) Attachments that provide documentation of site control, in accordance with III.C of this NOFA.

(c) Memorandums of Understanding (MOUs)

(d) Documentation from Other Planning Documents (e.g., PHA Plan, Consolidated Plan, etc.)

(e) Standard forms.

(f) Blank/extra pages generated as part of standard forms.

(g) Tabs/title pages that are blank or display a title/header/ "n/a" indication.

### **c. Choice Neighborhoods-Specific Electronic Submission Requirements: Format and Title Instructions in Addition to Those in the General Section**

(1) Exhibits and Exhibit Title Pages. Exhibits are as listed below in IV.B.8.e of this NOFA. Each Exhibit should be contained in its own separate file in the application. Each file should contain one title page. **Do NOT** create title pages separately from the document it goes with. HUD will use title pages as tabs when it downloads and prints the application. Provided the information on the title page is limited to the list in this section, the title pages will not be counted when HUD determines the length of each Exhibit, or the overall length of the Exhibits. Each title page should only contain, in the following order:

(a) The name of the Exhibit, as described below in IV.B.8.e of this NOFA, e.g., "NarrativeExhibitASummaryInfo." **WARNING:** Applications that contain file names which are longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a "VirusDetect" message.

(b) The name of the applicant; and



(c) The name of the file that contains the Exhibit.

(2) Attachments and Attachment Title Pages. Attachments are as listed below in IV.B.9.e of this NOFA. Each Attachment should be contained in its own separate file in the application. Each Attachment that is not a HUD form should contain one title page. HUD will use title pages as tabs if it downloads and prints the application. Provided the information on the title page is limited to the list in this section, the title pages will not be counted when HUD determines the length of each Attachment or the overall length of the Attachments. HUD forms do not require title pages. Each title page should only contain:

(a) The name of the Attachment, as described below in IV.B.6.e of this NOFA, e.g., “Att10ExtraordinarySiteCostCert.” **WARNING:** Applications that contain file names which are longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a “VirusDetect” message.

(b) The name of the applicant; and

(c) The name of the file that contains the Attachment.

**d. Documentation Requirements.** Documentation requirements are provided throughout the “Threshold Requirements” section (III.C.2), “Program Requirements” section (III.C.3), and “Rating Factors” section (V.A) of this NOFA, as relevant. **Applicants must carefully review and follow documentation requirements.**

**e. Instructions on Application Organization and Content.** The following provides instructions on the organization and content of your application. It lists the narrative exhibits, attachments, and instructions for each, that are required as part of the application. All narrative exhibits, attachments, and forms are required to be submitted in your application unless otherwise indicated. Non-submission of any of the items below may lower your rating score or make you ineligible for award under this NOFA. Review the threshold requirements in III.C and the Rating Factors of V.A for the criteria and to ascertain the effects of non-submission. **Please be advised that not providing information clearly and consistently, and/or not providing exhibits and attachments in accordance with the instructions and documentation requirements in this NOFA, may negatively impact HUD’s ability to determine if your application meets threshold requirements or to score your application. This could result in a determination of threshold non-compliance or a lower score.** HUD forms required by this NOFA will be made available at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). The narrative exhibits, attachments, and instructions for each are as follows:

(1) **Table of Contents.** Use form provided.

(2) **Narrative Exhibits.** The narrative exhibits required in your applications are as follows:

(a) Exhibit A. Executive Summary. Provide an overall summary of the Transformation Plan proposed in your application, including summarizing the Housing, People, and Neighborhood components of your Transformation Plan. Identify the Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (specifying the Housing Implementation Entity, People Implementation Entity, Education Implementation Entity, and Neighborhood Implementation Entity) and indicate how they will work together (MOUs, partnership agreements, if any). Identify the amount of Choice Neighborhoods grant funding you are requesting, the targeted public and/or assisted housing sites targeted and the neighborhood. (3 pages maximum).

(b) Exhibit B. Threshold Requirements. Some of the threshold requirements require a

narrative response. Review and provide narrative responses (3 pages maximum) for the following threshold requirements:

B.1. Partnership MOU Narrative - Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any). Review and provide a narrative response to III.C.2.b(5)(b) (in addition to the MOU required by that section);

B.2. Appropriateness of the Proposal. Review and provide a narrative response to III.C.2.b(10) ;

B.3. Separability. Review and provide a narrative response to III.C.2.b(11).

(c) Exhibit C. Capacity. Review and provide a narrative response to V.A.1.

C.1 Overall Leadership Capacity of Lead Applicant. Review and provide a narrative response to V.A.1.a. (4 pages maximum)

C.2. Housing Implementation Capacity of Lead Applicant, Co-Applicant, or Principal Team Members. Review and provide a narrative response to V.A.1.b. (4 pages maximum)

C.3. People Implementation Capacity of Lead Applicant, Co-Applicant, or Principal Team Members. Review and provide a narrative response to V.A.1.c. (4 pages maximum)

C.4. Education Implementation Capacity of Lead Applicant, Co-Applicant, Principal Team Member, or Principal Education Partner. Review and provide a narrative response to V.A.1.d. (2 pages maximum)

C.5. Neighborhood Implementation Capacity of Lead Applicant, Co-Applicant, or Principal Team Members. Review and provide a narrative response to section V.A.1.e. (4 pages maximum)

C.6. Overall Community Involvement. Review and provide a narrative response to V.A.1.f. (2 pages maximum)

(d) Exhibit D. Need- Severe Physical Distress of the PH and/or Assisted Housing. Review and provide a narrative response to V.A.2a(3). (2 pages maximum)

(e) Exhibit E. Vision. Review and provide a narrative response to V.A.3.

E.1. Housing Component Description. Review and provide a narrative response to V.A.3.a. (4 pages maximum)

E.2. People Component Description. Review and provide a narrative response to V.A.3.b. (4 pages maximum)

E.3. Neighborhood Component Description. Review and provide a narrative response to V.A.3.c. (4 pages maximum)

E.4. Achievability of the Vision. Review and provide a narrative response to V.A.3.d. (3 pages maximum)

E.5. Consistency with Other Planning Documents. Review and provide a narrative response to section V.A.3.e. (2 pages maximum)

**(3) Attachments.** The attachments required in your applications, unless otherwise noted, are as follows:

(a) Attachment 1: Application Data Form: Cover Sheet. Complete the form provided.

(b) Attachment 2: Application Data Form: Existing Units, Occupancy, Vacancy.

Complete the form provided.

(c) Attachment 3: Application Data Form: Planned Units. Complete the form provided.

(d) Attachment 4. Sources and Uses. Complete form provided.

(e) Attachment 5. Grant Sizing Worksheet. Review the Program Requirements in III.C.3 and Funding Restrictions in IV.E. Complete the form provided.

(f) Attachment 6. Extraordinary Site Costs Certification. Review III.C.3 and Funding Restrictions in IV.E to determine if this attachment applies to you. Complete the form provided.

(g) Attachment 7. Site Control Documentation. Review and respond to the threshold requirement in III.C.2.a(1) by providing the documentation required by that section. You must include a cover sheet with your documented evidence of site control. This cover sheet must provide a list that matches the public and/or assisted housing site(s) targeted in your application. Specifically, this table should provide in one column the name of each project, as identified in your application. A second column should contain the name of the documented evidence corresponding to each parcel. A third column should provide the location of the documented evidence in the attachment (page number, etc.) and any other necessary detail about the evidence documenting site control.

(h) Attachment 8. Eligible Applicants Documentation

(i) MOU for For-Profit Developer, if applicable. Review and respond to the threshold requirement in III.C.2.b(1)(a) by providing the MOU required by that section.

(ii) Nonprofits, if applicable. Review and respond to the threshold requirement in III.C.2.b(1)(b) by providing the documentation required by that section.

(i) Attachment 9. Eligible Neighborhoods Documentation – Eligible Neighborhoods Data. Review and respond to the threshold requirement in III.C.2.b(2)(b) by providing the pdf received via email from using the mapping tool provided on [www.hud.gov/cn](http://www.hud.gov/cn).

(j) Attachment 10. Eligible Neighborhoods Documentation – Substandard Housing Documentation, as applicable. If you are demonstrating compliance with the Eligible Neighborhoods threshold requirement in III.C.2.b(2)(c) through the substandard housing criteria, documentation demonstrating substandard housing must be provided in this attachment. Such documentation must meet the criteria of III.C.2.b(2)(c).

(k) Attachment 11. Eligible Neighborhoods Documentation –Severe Distress of Targeted Project Certification. Review and respond to the threshold requirement in III.C.2.b(2)(d) by completing the form provided.

(l) Attachment 12. Partnership MOU - MOU for Lead Applicant, Co-Applicant(s), and Principal Team Members. Review and respond to the threshold requirement in III.C.2.b(7) by providing the MOU required by that section.

(m) Attachment 13. One-for-One Replacement Certification. Review and respond to the threshold requirement in III.C.2.b(8) by including the certification form provided.

(n) Attachment 14. Resident and Community Involvement Certification. Review and respond to the threshold requirement in III.C.2.b(9) by including the assurance form provided.

(o) Attachment 15. Capacity - Lead Applicant Implementation Documentation. This attachment may be used, if needed, to provide any additional support for your narrative response to V.A.1.a.

(p) Attachment 16. Capacity - Housing Implementation Documentation. Review and respond to V.A.1.b(1)(a)(iii) by providing the most recent operating statements, in accordance with that criteria. Also, this attachment may be used, if needed, to provide any additional support for your narrative response to V.A.1.b.

(q) Attachment 17. Capacity - People Implementation Documentation. This attachment may be used, if needed, to provide any additional support for your narrative response to V.A.1.c.

(r) Attachment 18. Capacity - Education Implementation Documentation. Review and respond, if applicable, to V.A.1.d(1) by providing an MOU, in accordance with that criteria. Also, this attachment may be used, if needed, to provide any additional support for your narrative response to V.A.1.d.

(s) Attachment 19. Capacity - Neighborhood Implementation Documentation. This attachment may be used, if needed, to provide any additional support for your narrative response to V.A.1.e.

(t) Attachment 20. Capacity - Overall Community Involvement Documentation. This attachment may be used, if needed, to provide any additional support for your narrative response to V.A.1.f.

(u) Attachment 21. Capacity - References. Review and respond to the rating factor in V.A.1.g.

(v) Attachment 22. Need - Structural Deficiencies Documentation. Review and respond to the rating factor in V.A.2.a(2) by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

(w) Attachment 23. Need - Design Deficiencies Documentation. Review and respond to the rating factor in V.A.2.a(3) by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

(x) Attachment 24. Need - Part I Violent Crimes Documentation. Review and respond to the rating factor in V.A.2.b(3) by providing the documentation identified in that section. This documentation may also be used by HUD in order to assess compliance with the threshold requirement at III.C.2.b(2)(c), which is part of the Eligible Neighborhoods threshold requirement.

(y) Attachment 25. Need - School Form and Supporting Documentation. Review and respond to the rating factor in V.A.2.b(4) by providing the form (and any supporting documentation needed in accordance with the form) identified in that section, as relevant. This documentation may also be used by HUD in order to assess compliance with the threshold requirement at III.C.2.b(2)(c), which is part of the Eligible Neighborhoods threshold requirement.

(z) Attachment 26. Vision - Achievability - Walkscore Documentation. Review and respond to the rating factor in V.A.3.c(1) by providing a copy of the walkability score and listed amenities produced by [www.walkscore.com](http://www.walkscore.com), in accordance with that section.

(aa) Attachment 27. Vision - Achievability - Preliminary Budget. Review and respond to the rating factor in V.A.3.d(2). Review the Program Requirements in III.C.3 and Funding Restrictions in IV.E for relevant information in completing the preliminary budget. HUD is not prescribing the form of this submission; applicants may use their own format.

(bb) Attachment 28. Vision – Achievability - Development Schedule. Review and respond to the rating factor in V.A.3.d(4).

(cc) Attachment 29. Documentation to Support Consistency with Other Planning Documents. Review and respond to the rating factor in V.A.3.e by providing the documentation required under that section.

(dd) Attachment 30. City and Neighborhood Maps. Provide a to-scale city and a neighborhood map that clearly labels the items in (i)-(iv) following in the context of existing city streets, the central business district, other key city and neighborhood sites, and census tracts. Because the City and Neighborhood Maps provide essential context for HUD reviewers, it is

essential that applicant's provide a map that is readable, at a reasonable scale, and clearly labels the key information below:

- (i) the existing housing project and eligible neighborhood;
- (ii) replacement neighborhoods, if any;
- (iii) off-site properties, if any;
- (iv) other useful information to place the project in the context of the city, county/parish, or municipality, neighborhood assets, and other revitalization activity underway or planned. The neighborhood map must show the same boundaries used to draw the neighborhood through the mapping tool that generated the eligible neighborhoods data required in Attachment 9.

(ee) Attachment 31. Current Site Plan. The Current Site Plan shows and clearly labels the targeted housing site's various buildings. Previously demolished buildings should be shown and labeled as such. Label all uses and buildings that adjoin the existing development.

(ff) Attachment 32. Conceptual Site Plan. Review and respond to the rating factor in V.A.3.a by providing a conceptual site plan. The Conceptual Site Plan shows and clearly labels the layout of the proposed site plan post-transformation, indicating where your plan's proposed construction and rehabilitation activities will take place and any planned acquisition of adjacent property and/or buildings.

(gg) Attachment 33. Choice Neighborhoods Application Certifications. Review and respond to the threshold requirement in III.C.2.a(3) by completing the form provided.

(hh) Standard Forms and Certifications. Respond to the threshold requirement in III.C.2.a(2) by completing and providing the forms listed below in (i)-(iv). The Lead Applicant must be the signatory for these forms.

(i) Attachment 34. Application for Federal Assistance (SF-424).

(ii) Attachment 35. Disclosure of Lobbying Activities (SF-LLL), if applicable. If this form does not apply, indicate that (e.g., writing "N/A") on the form and submit it with your application.

(iii) Attachment 36. Applicant/Recipient Disclosure/Update Report (form HUD-2880) ("HUD Applicant Recipient Disclosure Report");

(iv) Attachment 37. Form HUD-96011, Third Party Documentation Facsimile Transmittal (Facsimile Transmittal Form on Grants.gov), if applicable.

**9. Printed Copy of Application.** For the Choice Neighborhoods program, in addition to submitting the application electronically through Grants.gov, which is the official version, applicants must also send one printed copy of the application, assembled in proper order in accordance with the NOFA criteria below, to the Office of Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410-5000.

**C. Receipt Dates and Times.** Section IV.C of the General Section is hereby incorporated. Applications **MUST** review and follow the information in this NOFA on dates and times and Section IV.C of the General Section. **NOTE:** The application deadline for receipt of HUD applications via Grants.gov is 11:59:59 p.m. eastern time **October 26, 2010**. Applications must be received by Grants.gov by the deadline. Received means that the application has been successfully been uploaded to and validated by Grants.gov. Applicants should be aware that hitting the "sign and submit" button to transmit the application does not mean the application has been successfully uploaded to Grants.gov nor does it mean that the application has been received. Following submission to Grants.gov the application will be validated (See the General

Section for information on the registration requirements, how to submit and application, use of the form 96011 and what to do if your application is rejected from the Grants.gov system. An application that has been rejected by Grants.gov is not deemed to have been received by Grants.gov. (Please see Section IV.C.4.a of the General Section for a detailed explanation of Timely Receipt Requirements and Proof of Timely Receipt.) As in the past, HUD encourages applicants to submit their applications early and with sufficient time to address any issues that might affect the applicant's ability to have an application successfully uploaded and received by Grants.gov.

In FY 2010, HUD has established a one-day grace period from the date of notification of a rejection from Grants.gov, to allow applicants that successfully upload an application to Grants.gov prior to the deadline date and time, but receive a rejection notice after the deadline date and time, to cure the reason for rejection and re-upload the application to Grants.gov. The paragraphs below describe HUD's Grace Period Policy for FY 2010.

Reminder: Applications **MUST** review and follow the rest the information in IV.C of the General Section (the above information from IV.C is only an excerpt).

**D. Intergovernmental Review/State Points of Contact (SPOC).** Section IV.D of the General Section are hereby incorporated.

**E. Funding Restrictions.**

**1. Statutory Time Limits.**

**a. Required Obligation Date.** Funds appropriated for the Choice Neighborhoods program for FY 2010 must be obligated by HUD on or before September 30, 2011. Any funds that are not obligated by that date will be recaptured by the Treasury, and thereafter will not be available for obligation for any purpose.

**b. Required Expenditure Date.** In accordance with **31 U.S.C. § 1552**, all FY 2010 Choice Neighborhoods funds expire on **September 30, 2016**. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose.

**2. Ineligible Activities.**

a. You may not use Choice Neighborhoods grant funds to pay for any activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods grant.

b. You may not use Choice Neighborhoods funds for the cost of Choice Neighborhoods application preparation.

c. Funds may not be used for construction or rehabilitation of a K-12 school building or a higher educational institution.

d. Not more than 15 percent of funds may be used for Supportive Services, as defined in I.C of this NOFA.

e. Not more than 15 percent of funds may be used for Critical Community Improvements, as described in part b of the definition for critical community improvements (i.e. activities to promote economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources).

**3. Grant Sizing Methodology.** HUD has established the following methodology for the purposes of establishing the maximum amount of Choice Neighborhoods Implementation Grant funding that you may request. You may request the lesser of \$31,000,000 or the amount calculated in accordance with the methodology below. The formula calculates a development

cost for the replacement housing units to be developed in the Transformation Plan and allows for additional funding to cover non-development activities.

a. To establish the replacement housing unit development cost, HUD will use the Total Development Cost limits (TDC Limit) in effect at the time this Choice Neighborhoods NOFA is published (currently PIH Notice 2010-20) as a proxy for the costs of all types of replacement housing units. (Note: The TDC limit, as defined at 24 CFR 941.306, refers to the maximum amount of public housing capital assistance that HUD will approve for development of public housing. It applies only to the costs of development of public housing that are paid directly with HUD public housing funds; a PHA may exceed the TDC limit using non-public housing funds such as CDBG, HOME, low-income housing tax credit equity, etc.).

(1) TDC definitions and limits in the regulations are summarized as follows:

(a) The total cost of development, which includes relocation costs, is limited to the sum of:

(i) Up to 100 percent of HUD's published TDC limits for the costs of demolition and new construction, multiplied by the number of public housing replacement units; and

(ii) Ninety percent of the TDC limits, multiplied by the number of public housing units after substantial rehabilitation and reconfiguration.

(b) The TDC limit for a project is made up of the following components:

(i) Housing Cost Cap (HCC): HUD's published limit on the use of public housing funds for the cost of constructing the public housing units, which includes unit hard costs, builder's overhead and profit, utilities from the street to the public housing project, finish landscaping, and a hard cost contingency. Estimates should take into consideration the Davis-Bacon minimum wage rate and other requirements as described in "Labor Standards," section III.C. of this NOFA.

(ii) Community Renewal (CR): The balance of funds remaining within the project's TDC limit after the housing construction costs described in (a) above are available to pay for other eligible costs, such as planning, administration, site acquisition, relocation, demolition of public housing units that will be replaced on the project site, interest and carrying charges, off-site facilities, community buildings and non-dwelling facilities, contingency allowance, insurance premiums, any initial operating deficit, on-site streets, on-site utilities, and all other development costs.

(c) Demolition and Site Remediation Costs of Unreplaced On-site Units. You may request an amount necessary for demolition and site remediation costs of units that will not be replaced on-site. This cost is in addition to (i.e., excluded from) the TDC/cost cap calculation above.

(d) Extraordinary Site Costs.

(i) You may request a reasonable amount to pay extraordinary site costs, which are construction costs related to unusual pre-existing site conditions that are incurred, or anticipated to be incurred. If such costs are significantly greater than those typically required for similar construction, are verified by an independent, certified engineer or architect, and are approved by HUD, they may be excluded from the TDC/cost cap calculation above. Extraordinary site costs may be incurred in the remediation and demolition of existing property, as well as in the development of new and rehabilitated units. Examples of such costs include, but are not limited to: abatement of extraordinary environmental site hazards; removal or replacement of extensive underground utility systems; extensive rock and soil removal and replacement; removal of hazardous underground tanks; work to address unusual site conditions such as slopes, terraces, water catchments, lakes, etc.; and work to address flood plain and other environmental

remediation issues. Costs to abate asbestos and lead-based paint from structures are normal demolition costs. Extraordinary measures to remove lead-based paint that has leached into the soil would constitute an extraordinary site cost.

(ii) Extraordinary site costs must be justified and verified by a licensed engineer or architect who is not an employee of a PHA, the city or the applicant. The engineer or architect must provide his or her license number and state of registration. This certification must be included in the application and approved by HUD or else such costs will be subtracted from the grant amount.

(2) Funding for non-housing activities

(a) Supportive Services. You may request an amount not to exceed 15 percent of the total Choice Neighborhoods grant to pay the costs of Supportive Services activities, as described in III.C. of this NOFA. These costs are in addition to, i.e., excluded from, the TDC/cost cap calculation above.

(b) Certain Critical Community Improvements. You may request an amount not to exceed 15 percent of the total Choice Neighborhoods grant to pay the costs of non-housing capital costs as described in part b of the definition for critical community improvements (i.e. activities to promote economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources).

#### **4. Cost Control Standards**

a. Your hard development costs must be realistically developed through the use of technically competent methodologies, including cost estimating services, and should be comparable to industry standards for the kind of construction to be performed in the proposed geographic area.

b. Your cost estimates must represent an economically viable preliminary plan for designing, planning, and carrying out your proposed activities, in accordance with local costs of labor, materials, and services.

c. Your projected soft costs must be reasonable and comparable to industry standards and in accordance with the applicable policy, statute and/or regulations.

d. HUD shall establish cost limits on eligible activities under this NOFA sufficient to provide for effective transformation programs.

**5. Budget Deductions.** HUD may delete any unallowable items from your budget and may reduce your grant amount accordingly. HUD will not fund any portion of an application that: (a) is not eligible for funding under specific HUD program statutory or regulatory requirements; (b) does not meet the requirements of this notice; or (c) is duplicative of other funded programs or activities from prior year awards or other selected applicants. Only the eligible portions of an application (excluding duplicative portions) may be funded.

**6. Grant Recapture.** If you are selected for funding, and if you propose to make significant changes to your transformation plan, compared to what was presented in this application, HUD reserves the right to recapture the grant.

**7. Withdrawal of Grant Amounts.** In accordance with section 24(i) of the 1937 Act, if a grantee does not proceed within a reasonable timeframe, HUD reserves the right to withdraw any unobligated grant amounts. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for Choice Neighborhoods assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Choice Neighborhoods plan of the original grantee.



**8. Eminent Domain and Public Use.** Title IV, Section 409 of the Consolidated Appropriations Act, 2010 (Pub.L 111-117, approved December 16, 2009) under which this NOFA is funded, prohibits any use of these funds “to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is used only for a public use.” The term “public use” is expressly stated not “to include economic development that primarily benefits private entities.” Accordingly, applications under this NOFA may not propose mixed-use projects in which housing is complemented appreciably with commercial facilities (i.e., economic development), if eminent domain is used for the site.

**F. Other Submission Requirements.**

1. Discrepancies Between the NOFA Posted on HUD Website and Other Documents, from IV.F.1 of the General Section, is hereby incorporated.
2. Application Certifications and Assurances, from IV.F.2.a and IV.F.2.b of the General Section are hereby incorporated.

**V. Application Review Information.**

<b>Choice Neighborhoods Implementation Round 1 Scoring</b>			
	<b>Rating Factor</b>	<b>Points</b>	<b>Totals</b>
<b>Capacity</b>			
Overall Project Leadership			
	manage contracts/partnerships	4	
	secured leverage	4	
	achieved outcomes	7	
<b>Housing</b>			
	housing experience	10	
	leverage	3	
<b>People</b>			
	supportive services experience and leverage	5	
	results oriented	2	
	educational outcomes	3	
<b>Neighborhood</b>			
	neighborhood transformation experience	7	
	leverage	3	
<b>Community Involvement</b>			
	overall community involvement	3	
			<b>51</b>
<b>Need</b>			
Unit distress			
	REAC physical inspection	3	
	infrastructure and site deficiencies	5	
	design deficiencies	4	

Neighborhood distress			
	poverty/ELI	5	
	vacancy	1	
	crime	3	
	schools	3	
Need for affordable housing in the community		1	
			<b>25</b>
<b>Vision</b>			
Housing			
	quality of plan	6	
People			
	quality of plan	4	
	educational component	4	
Neighborhood			
	quality of plan	9	
Achievability of Plan		4	
Consistency with Planning documents			
	PHA/Consolidated Plan	1	
	regional sustainability plan	1	
			<b>29</b>
		<b>TOTAL</b>	<b>105</b>

**A. Criteria.** Applications, and the Transformation Plan proposed in it, must respond to the rating factor criteria of the NOFA as the basis to be rated and ranked. **Applicants must review and follow any documentation requirements provided in this Rating Factor Section and the instructions on application organization, content and submission provided in IV.B.8.**

(Note: This section includes the identification of a policy priority rating factor for Implementation Grants, in accordance with the FY 2010 General Section and in addition to the program rating factors. As the Implementation Grants competition will take place over two rounds, an additional policy priority rating factor will be included in the Round 2 NOFA).

**1. RATING FACTOR – CAPACITY (51 Points Total)**

**a. Overall Project Leadership Capacity of the Lead Applicant – 15 points.** You must demonstrate that you have effectively led complex components and processes that resulted in positive, measureable outcomes aligned with the three core goals of Choice Neighborhoods – Housing, People and Neighborhoods as defined in the NOFA. This rating factor looks at the capacity of ONLY the Lead Applicant.

(1) Please provide two examples of comprehensive neighborhood transformation projects – comparable in scale and scope to your proposed Transformation Plan – that you led. One of your examples may be a project that is still underway, as long as measurable outcomes have already been realized. You may demonstrate this rating factor through narrative

description, charts, and other documentation. For each example, you must include achievements in the following areas:

(a) You may receive up to 4 points if you demonstrate that you effectively managed and coordinated multiple contracts and/or partnerships with public and private entities focused on different activities and representing diverse constituencies. Please include the following information:

- (i) Identify the number and types of all major contracts and/or partnerships;
- (ii) Discuss how you managed individual actors, partner interactions, and planning processes; and
- (iii) Explain how you strategically collected and used data to inform your oversight of contractors/partners and promote ongoing evaluation and improvement.

(b) You may receive up to 4 points if you demonstrate that you effectively secured, leveraged, and coordinated multiple funding streams from private and public sources. Please include the following information:

- (i) Identify all major funding sources and amounts; and
- (ii) If applicable, describe any instance in which you were in default under the terms of any funding source.

(c) You may receive up to 7 points if you demonstrate that you achieved positive measurable outcomes in the areas of Housing, People and Neighborhood. Please include the following information:

- (i) Provide quantifiable outcome data (or, for an example that is not yet completed, a description of evidence-based approaches currently underway and expected outcomes based on this evidence) to substantiate achievements in all three of these areas; and
- (ii) Describe the current status of the projects.

(2) Scoring.

(a) You may receive up to 15 points (as broken out above) if you demonstrate relevant and successful experience in ALL of the above criteria; your two examples are comparable in scale and scope to your proposed Transformation Plan; and you provide compelling quantifiable outcome data to evidence your achievements.

(b) Fewer points will be awarded if you have some, but less extensive, experience in the above criteria. Fewer points will be awarded for failure to address all of the above criteria, failure to address the above criteria in a sufficient manner, and general lack of specificity. Fewer points will be awarded for providing an example that is smaller in scope or scale than your proposed Transformation Plan and for providing outcomes that are not measurable or do not reflect significant success.

(c) Zero points will be awarded if you do not have the experience described above, or if your narrative does not address this factor to an extent that makes HUD's rating of this factor possible.

**b. Housing Implementation Capacity of the Lead Applicant, Co-Applicant or Principal Team Member – 13 Points.** You must demonstrate that the Housing Implementation Entity (you or the entity you have selected to lead implementation of the Housing component of your proposed Transformation Plan) has effectively implemented housing activities – comparable in scale and scope to the Housing component of your proposed Transformation Plan – that have resulted in positive outcomes aligned with the Housing goal of Choice Neighborhoods. This rating factor looks at the capacity of EITHER the Lead Applicant, OR its Co-Applicant OR a Principal Team Member.

(1) Please provide three examples of housing development projects – comparable in scale and scope to the Housing component of your proposed Transformation Plan – in which the Housing Implementation Entity had primary responsibility for implementing day-to-day development and asset management activities. You must identify the Housing Implementation Entity’s role in each project and include achievements in the areas described below. You may respond to these two rating factors through narrative description, charts, and other documentation.

(a) You may receive up to 10 points if you demonstrate that the Housing Implementation Entity effectively developed, newly constructed, rehabilitated, and/or acquired, as well as operated high-quality, energy efficient, affordable housing that resulted in significant improvements in the quality, affordability, and income mix of housing in a neighborhood. Please include the following information:

- (i) Populations served;
- (ii) Total number of units and unit types;
- (iii) Most recent operating statements for each of the three examples certified by an independent auditor and indicating that existing properties are not requiring ongoing cash infusions by the owner; and
- (iv) Relocation of residents, if applicable.

(b) You may receive up to 3 points if you demonstrate that the Housing Implementation Entity effectively secured and leveraged significant funding streams from a range of public and private sources. Please identify all major sources and amounts of financing.

(2) Scoring.

(a) You will receive up to 13 points (as broken out above) if you demonstrate that the Housing Implementation Entity has extensive and successful experience in ALL of the above criteria; the three examples are comparable in scale and scope to the Housing component of your proposed Transformation Plan; and you provide compelling, measurable results.

(b) Fewer points will be awarded if the Housing Implementation entity has some, but less extensive, experience in the above criteria. Fewer points will be awarded for failure to address all of the above criteria, failure to address the above criteria in a sufficient manner, and general lack of specificity. Fewer points will be awarded for providing an example that is smaller in scope or scale than the Housing component of your proposed Transformation Plan and for providing results that are not measurable or do not reflect significant success.

(c) Zero points will be awarded if the Housing Implementation Entity does not have the experience described above, or if your narrative does not address this factor to an extent that makes HUD’s rating of this factor possible.

**c. People Implementation Capacity of the Lead Applicant, Co-Applicant or Principal Team Member – 7 Points.** You must demonstrate that the People Implementation Entity (you or the entity you have selected to lead implementation of the People component of your proposed Transformation Plan) has effectively implemented supportive services coordination and program design activities – comparable in scale and scope to the People component of your proposed Transformation Plan – that have resulted in positive outcomes aligned with the People goal of Choice Neighborhoods. This rating factor looks at the capacity of EITHER the Lead Applicant, OR its Co-Applicant OR a Principal Team Member.

(1) Please provide three examples of supportive services coordination projects – comparable in scope and scale to the People component of your proposed Transformation Plan – in which the People Implementation Entity had primary responsibility for implementing day-to-

day services coordination and program design. One of your examples may be a project that is still underway, as long as measurable outcomes have already been realized. For each example, you must identify the People Implementation Entity's role in the project and include achievements in the areas described below. You may respond to these rating factors through narrative description, charts, and other documentation.

(a) You may receive up to **5** points if you demonstrate that the People Implementation Entity effectively improved resident wellbeing and quality of life across a range of populations and indicators, such as employment, adult education, health, safety, and mobility. Please include the following information:

- (i) Populations served;
- (ii) Coordination of high-quality, evidence-based supportive service programs and case management;
- (iii) Coordination and design of effective mobility and relocation counseling, as

Applicable;

(iv) Leverage and coordination of services from a diverse set of partner organizations, including community- and faith-based organizations that are broadly representative of resident voices; and

- (v) Sustaining and expanding successful service strategies over time.

(b) You may receive up to **2** points if you demonstrate that the People Implementation Entity effectively collected and analyzed data for planning, evaluation and ongoing improvement of supportive services.

(2) Scoring.

(a) You will receive up to 7 points (as broken out above) if you demonstrate that the People Implementation Entity has extensive and successful experience in ALL of the above criteria; the three examples are comparable in scale and scope to the People component of your proposed Transformation Plan; and you provide compelling quantifiable outcome data to evidence results and a strong evidence base for your approaches.

(b) Fewer points will be awarded if the People Implementation Entity has some, but less extensive, experience in the above criteria. Fewer points will be awarded for failure to address all of the above criteria, failure to address the above criteria in a sufficient manner, and general lack of specificity. Fewer points will be awarded for providing an example that is smaller in scope or scale than the People component of your proposed Transformation Plan; for providing outcomes that are not measurable or do not reflect significant success; and for providing a weak evidence base for the approaches.

(c) Zero points will be awarded if the People Implementation Entity does not have the experience described above, or if your narrative does not address this factor to an extent that makes HUD's rating of this factor possible.

**d. Education Implementation Capacity of the Lead Applicant, Co-Applicant, Principal Team Member, or Principal Education Partner – 3 Points.** You must demonstrate that the Education Implementation Entity (you or the entity you have selected to implement the education strategy proposed in your Transformation Plan) has effectively implemented education program coordination and reforms – comparable in scale and scope to the education strategy proposed in your Transformation Plan – that have resulted in improved academic and developmental outcomes for children and youth in a neighborhood. This rating factor looks at the capacity of EITHER the Lead Applicant, OR its Co-Applicant OR a Principal Team Member

OR a principal education partner identified by the Lead Applicant in the rating factor narrative below.

(1) You may demonstrate this rating factor through narrative description, charts, and other documentation. **Note:** If the Education Implementation Entity is not a Co-applicant or Principal Team Member, then you must provide an MOU that identifies the Education Implementation Entity, is signed by the executive officers of each entity, and demonstrates a commitment to work collaboratively throughout the entirety of the grant. In your narrative for this rating factor, you must identify the Education Implementation Entity's role in the project and include achievements in the areas described below.

(a) You may receive up to 3 points if you demonstrate that the Education Implementation Entity has effectively improved access to high quality education programs and academic and developmental and outcomes for children in a neighborhood, detailing measurable and significant results achieved on its own or by partnering with local educators in one or more of the following areas:

(i) High quality early learning programs and services that are comprehensive, inclusive, evidence-based, and significantly improve outcomes in physical well-being and motor development, social-emotional development, language and literacy development, and cognition and general knowledge, including early numeracy for children.

(ii) High quality education programs, which may include: (a) evidence-based programs that increase learning time, which may include high quality after-school, summer school, and other expanded-learning-time programs designed to improve student outcomes and (b) evidence-based programs that prepare student for college and career success.

(iii) School improvements, which may include (a) significant improvements to the programs, policies and personnel of an elementary, middle/junior high and/or high school that are linked to improved academic outcomes or (b) establishing a new high-quality school.

(2) Scoring.

(a) You will receive up to 3 points if you demonstrate that the Education Implementation Entity has extensive and successful experience in at least one of the above criteria and if this experience is comparable in scale and scope to the education strategy proposed in your Transformation Plan; and you provide compelling quantifiable outcome data to evidence results and a strong evidence base for the approaches.

(b) Fewer points will be awarded if the Education Implementation Entity has some, but less extensive, experience in the above criteria. Fewer points will be awarded for failure to address the above criteria in a sufficient manner, and general lack of specificity. Fewer points will be awarded for providing if the Education Implementation Entity's experience is smaller in scope or scale than the education strategy proposed in your Transformation Plan; for providing outcomes that are not measurable or do not reflect significant success; and for providing a weak evidence base for the approaches.

(c) Zero points will be awarded if the Education Implementation Entity does not have the experience described above, or if your narrative does not address this factor to an extent that makes HUD's rating of this factor possible.

**e. Neighborhood Implementation Capacity of the Lead Applicant, Co-Applicant or Principal Team Member – 10 Points.** You must demonstrate that the Neighborhood Implementation Entity (you or the entity you have selected to lead implementation of the Neighborhood component of your proposed Transformation Plan) has effectively implemented neighborhood-level planning and coordination activities – comparable in scale and scope to the

Neighborhood component of your proposed Transformation Plan – that have resulted in positive outcomes aligned with the Neighborhood goal of Choice Neighborhoods. This rating factor looks at the capacity of EITHER the Lead Applicant, OR its Co-Applicant OR a Principal Team Member.

(1) Please provide three examples of neighborhood-level planning and coordination activities – comparable in scope and scale to the Neighborhood component of your proposed Transformation Plan – in which you directly undertook substantial leadership activities or had a leadership role in a coordinating council, board or equivalent entity empowered through a substantive community process to affect neighborhood planning. One of your examples may be a project that is still underway, as long as measurable outcomes have already been realized. For each example, you must identify the Neighborhood Implementation Entity’s role in the project and include achievements in the areas described below. You may respond to these rating factors through narrative description, charts, and other documentation.

(a) You may receive up to 7 points if you demonstrate that you effectively and substantially contributed to moving a neighborhood of distress toward a neighborhood of opportunity. Please include the following information:

(i) Development of a shared plan and outcomes with other participating parties. This plan must build upon a baseline assessment, conducted prior to implementation of the neighborhood-level planning and coordination activities, of a range of neighborhood assets (as defined in this NOFA) and;

(ii) Improvement of a range of neighborhood assets and sustaining these improvements over time.

(b) You may receive up to 3 points if you demonstrate that you effectively secured and integrated a range of public and private funding sources in support of neighborhood planning and implementation activities. Please identify all major funding sources and amounts.

(2) Scoring.

(a) You will receive up to 10 points (as broken out above) if you demonstrate that the Neighborhood Implementation Entity demonstrated extensive and successful experience in ALL of the above criteria; the three examples are comparable in scale and scope to the Neighborhood component of your proposed Transformation Plan; and you provide compelling quantifiable outcome data to evidence results.

(b) Fewer points will be awarded if the Neighborhood Implementation Entity has some, but less extensive, experience in the above criteria. Fewer points will be awarded for failure to address all of the above criteria, failure to address the above criteria in a sufficient manner, and general lack of specificity. Fewer points will be awarded for providing an example that is smaller in scope or scale than the Neighborhood component of your proposed Transformation Plan and for providing outcomes that are not measurable or do not reflect significant success.

(c) Zero points will be awarded if the Neighborhood Implementation Entity does not have the experience described above, or if your narrative does not address this factor to an extent that makes HUD’s rating of this factor possible.

#### **f. Overall Community Involvement.**

(1) You may receive up to 3 points if you demonstrate that you, your Co-Applicant(s) or Principal Team Member(s) effectively promoted ongoing community participation in project planning and implementation, including housing residents and community- and faith-based groups and organizations that are broadly representative of resident voices for each of the

Housing, People and Neighborhood examples. You may respond to this rating factor through narrative description, charts, and other documentation.

(2) Fewer points will be awarded for failure to address all of the above criteria, failure to address the above criteria in a sufficient manner, and general lack of specificity.

(3) Zero points will be awarded if you, your Co-Applicant(s), or your Principal Team Member(s) do not have the experience described above, or if your narrative does not address this factor to an extent that makes HUD's rating of this factor possible.

**g. References.** You must provide one reference for each example of a past project identified throughout this Capacity section. You must, therefore, provide one reference for each of the two examples of the Lead Applicant's experience leading comprehensive neighborhood revitalization efforts and one reference for each of the three examples of the Lead Applicant's, the Co-Applicant's or the Principal Team Member's experience implementing the Housing, People and Neighborhood activities. Each reference should be a significant financial funder, local governmental official, or resident or community organization directly involved in the project. Each reference should include only a contact name and title, organization, address, phone number and email address so that HUD may verify the information you provided. To receive full points in each of the above Capacity rating factors, your references, if contacted, must be able to affirm the information you provided.

## **2. RATING FACTOR – NEED (25 Points Total)**

**a. Severe Physical Distress of Public and/or Assisted Housing – 12 points.** HUD will evaluate the extent of the severe physical distress of the public and/or assisted housing project(s) that are proposed for redevelopment as part of the Choice Neighborhoods grant. If the targeted units have already been demolished, HUD will evaluate the condition of the units based on the condition of the units as of the day the demolition application was approved by HUD. You will receive points for the following subfactors, as indicated.

(1) You may receive up to **3** points based on the physical condition of the public and/or assisted housing project(s). This shall be reflected by the most recent HUD Real Estate Assessment Center Physical Inspection Score (REAC Score), even if the public and/or assisted housing units have been previously demolished. You do not need to provide any information as HUD will provide these scores. If this application is for more than one public and/or assisted housing project, HUD will compute a weighted-average for all properties in order to award points. Points will be awarded as shown in the following table:

<b>REAC Score</b>	<b>Points Awarded</b>
60.00 and below	3
Between 60.01 and 64.99	2
Between 65.00 and 69.99	1
70.00 and above	0

(2) You may receive up to **5** points if your application demonstrates significant deficiencies in the structural elements, building systems, or on-site infrastructure of the targeted public and/or assisted housing units such that significant rehabilitation or demolition is required. Examples of structural elements include roofs, foundations, and structural walls. Building systems include electrical, plumbing, heating and cooling, and mechanical systems. On-site infrastructure includes site work, sewer and storm drain laterals, or other on-site utilities. You must demonstrate significant deterioration of your targeted public and/or assisted housing units through a letter signed by a registered architect or engineer, which includes a narrative description, and may be supplemented physical inspection reports or pictures. If this application



is for more than one public and/or assisted housing project, descriptions should be submitted for each site and HUD will consider documentation provided for all properties. Fewer points may be awarded for descriptions that are inadequate and/or demonstrate distress that could be remedied through cosmetic rehabilitation or routine repair and maintenance. Zero points will be awarded if the letter does not demonstrate distress or if the letter does not provide adequate information to make HUD's rating of this factor possible.

(3) You may receive up to **4** points if your application demonstrates that there are major design deficiencies related to: (a) substantially inappropriate building design or site layout when compared to the surrounding neighborhood which may include inappropriately high density; (b) inadequate room size and/or unit configurations to meet the needs of existing residents; (c) lack of defensible space related to building layout and orientation; (d) disproportionately high and adverse environmental health effects associated with ongoing residency; (e) inaccessibility for persons with disabilities with regard to individual units (i.e. less than 5 percent of units are accessible), entranceways, and common areas; and (f) significant utility expenses (at least 30 percent higher than similar properties) caused by energy conservation deficiencies that may be documented by an energy audit. You may demonstrate this in your application through narrative description, additional physical inspection information, letters from relevant oversight agencies, and/or pictures in the attachments section. If this application is for more than one public and/or assisted housing project, descriptions should be submitted for each site and HUD will consider documentation provided for all properties.

(a) You will receive **4** points if your application demonstrates a severe deficiency in 3 or more of these items.

(b) Fewer points will be awarded for applications that address fewer than 3 items, demonstrate less severe distress, and/or for responses that are inadequate.

(c) You will receive **0** points if your application does not address any of these items, does not demonstrate distress, or does not address this subfactor to an extent that makes HUD's rating of this subfactor possible.

**b. Severe Distress of the Targeted Neighborhood – 12 points.** HUD recognizes that in neighborhoods containing severely distressed public or assisted housing, the pattern of distress often affects all residents. HUD will evaluate the level of this neighborhood-wide distress by examining several factors: poverty, vacancy rates, crime rates, and school performance. You will receive points by addressing the following separate factors, as indicated.

(1) You may receive up to **5** points based on the concentration of households in poverty or with extremely low incomes (whichever is greater) residing within the target neighborhood. HUD will use the same data from the most recent US Census as used for the eligible neighborhood threshold (section III.C.2.b(6)) to assign points for this factor.

<b>Concentration of Households in Poverty or with Extremely Low Incomes</b>	<b>Points Awarded</b>
40.00 percent and above	5
Between 36.25 and 39.99 percent	4
Between 32.50 and 36.24 percent	3
Between 28.75 and 32.49 percent	2
Between 25.00 and 28.74 percent	1
24.99 percent and below	0

(2) You may receive **1** point based on the current rate of long-term vacant properties within the target neighborhood. HUD will use data from the US Postal Service based on the neighborhood map you supplied to determine the vacancy rate for this scoring criteria and the eligible neighborhood threshold (section III.C.2.b(6) of this NOFA).

<b>Current Long-term Vacancy Rate</b>	<b>Points Awarded</b>
6.00 percent and above	1
less than 6.00 percent	0

(3) You may receive up to **3** points based on the target neighborhood's rate of Part I violent crimes (homicide and non-negligent manslaughter, robbery, forcible rape, and aggravated assault) per 1,000 residents in 2007-2009. This information must be submitted in your attachments as a letter of certification from the local law enforcement agency or by providing published local law enforcement data when such data conforms to your neighborhood boundaries.

<b>Part I Violent Crime Rate- crimes per 1000 residents in target neighborhood</b>	<b>Points Awarded</b>
10.00 or more	3
Between 8.00 and 9.99	2
Between 6.00 and 7.99	1
5.99 or less	0

(4) You may receive **3 points or 2** points (not both), as described in (a) and (b) below, if the target neighborhood contains a low-performing or persistently lowest-achieving school or children from the target public and/or assisted housing project(s) attend a low-performing or persistently lowest-performing school. You must provide this data by completing the form provided.

(a) You will receive **3** points if the target neighborhood contains a persistently lowest-achieving school, or at least 20 children or 20 percent of the children from the target housing development attend a persistently lowest-achieving school. The term persistently lowest-performing school means, as determined by the State,

(i) Any school receiving assistance through Title I that is in improvement, corrective action, or restructuring and that –

(A) Is among the lowest-achieving five percent of Title I schools in improvement, corrective action, or restructuring or the lowest-achieving five Title I schools in improvement, corrective action, or restructuring in the State, whichever number of schools is greater; or

(B) Is a high school that has had a graduation rate that is less than 60 percent over a number of years; and

(ii) Any secondary school that is eligible for, but does not receive, Title I funds that –

(A) Is among the lowest-achieving five percent of secondary schools or the lowest-achieving five secondary schools in the State that are eligible for, but do not receive, Title I funds, whichever number of schools is greater; or

(B) Is a high school that has had a graduation rate that is less than 60 percent over a number of years.

(b) You will receive **2** points if the target neighborhood contains a low-performing school (as defined in I.C), or at least 20 children or 20 percent of the children from the target housing development attend a low-performing school.

(c) You will receive 0 points if you do not meet the above criteria.

**c. Need for Affordable Housing in the Community – 1 point.** You will receive 1 point if the Choice Neighborhoods project is in a county where the shortage of housing affordable to very low-income (VLI) renter households (0 to 50 percent AMI) is greater than the national rate using the most currently available Census Data. HUD will provide this data at [www.hud.gov/cn](http://www.hud.gov/cn). The shortage rate is calculated as the number of VLI renter households divided by the number of rental units affordable and available to VLI households, where affordable and available equals units that: (1) have rents not exceeding 30 percent of 50 percent of AMI; and (2) are vacant or occupied by a VLI renter household

### **3. RATING FACTOR – VISION (24 Points Total)**

**a. Housing – 6 points.** Although your Transformation Plan does not need to be complete or ready for implementation for this Round 1 application, HUD will assess how you are planning to address the Severe Physical Distress of Public and/or Assisted Housing units identified in the Need scoring criteria and any additional units proposed. Describe your vision for the Housing component of your Transformation Plan, both in the neighborhood (on- and/or off-site) and, where necessary, outside the neighborhood (see one-for-one replacement requirements in III.C for guidance). Your description should include such information as (a) whether you plan to demolish and develop units, rehabilitate the distressed units and/or acquire existing units, providing the rationale for each strategy; (b) any plans to develop additional housing that will have, at a minimum, a 20-year affordability restriction; (c) any plans to acquire properties, including FHA-Real Estate Owned properties; (e) number of units, the type of these units (such as public housing, LIHTC, Project-based Section 8, market rate, homeownership etc), and their location; and (f) any other central elements of the Housing component of your Transformation Plan. Your application must also include a conceptual site plan that shows the layout of the proposed development. You must present the unit descriptions clearly and consistently throughout this section and all narratives and attachments.

(1) You will receive 3 points if you thoroughly describe the planned housing and address all elements identified above.

(2) For sites that were previously demolished or meet the exception for the one-for-one replacement requirement, you will receive 1 point if the housing plan sustains the number of or creates as many replacement units as exist currently, or existed prior to demolition, at the target site(s). Applications fulfilling the one-for-one replacement requirement will receive 1 point.

(3) You will receive 1 point if the housing plan creates a mixed-income community in which at least one-third of the total number of units developed and/or rehabilitated under the Transformation Plan are not public and/or assisted housing (i.e. market rate rental or homeownership, LIHTC units, HOME units, affordable homeownership units, etc)

(4) You will receive 1 point for requiring that any unit receiving Choice Neighborhoods funds will have, at a minimum, a 30-year affordability restriction.

(5) Note: In the Round 2 NOFA, HUD will require more detail and have additional selection criteria on how the Transformation Plan will achieve the housing goals, including evidence of land use approvals, site control for all parcels, plans for green building and energy efficient design, sustainability, physical accessibility, affirmatively furthering fair housing and committed financing, such as Community Development Block Grant funding (and Section 108 loan guarantees), to ensure long-term viability.

**b. People – 8 points.** Although your Transformation Plan does not need to be complete or ready for implementation for this Round 1 application, HUD will assess how you are planning to

achieve goals for People – to support positive outcomes related to education, employment, health, mobility, and safety for families who live in the target development before revitalization as well as families who occupy the site after revitalization.

(1) To receive **1** point, you must discuss the current status of relevant developmental and social assets (as defined in under Neighborhood Assets in I.C) in the target neighborhood as these assets relate to resident education, employment, health, mobility, and safety.

(a) Describe the current status of resident education, employment, health, mobility, and safety status, with relevant data to ground your narrative. For example, you could provide neighborhood high school graduation rates; average school state assessment scores relative to the state average by school type (elementary, middle/junior high, high school); the percent of children determined to be ready for school success at kindergarten entry; the percent of children, from birth to kindergarten entry, enrolled in high quality early learning program or service, which may include Early Head Start, Head Start home visiting programs, early childhood programs under IDEA (Part C early intervention or Part B, Section 619 preschool special education), private child care programs or publicly-funded preschool; adult income and employment rates; the percent of neighborhood children who have a medical home (e.g. a place where they usually go, other than an emergency room, when they are sick or in need of advice about their health); household mobility rates; and crime rates. Please reference any relevant data already included in the Need section of this application. (Note: For this Round 1 application, you are only expected to analyze neighborhood-level data. Finalists selected for Round 2 will be expected to conduct and analyze a comprehensive needs assessment of the individual residents currently living in the target public and/or assisted housing site(s)).

(b) Describe relevant existing developmental and social assets (as defined under Neighborhood Assets in I.C) in the target neighborhood. Please explain how these assets currently support positive resident outcomes, and please describe existing deficiencies in these assets.

(2) You must provide a general description of your vision for the People component of the Transformation Plan. It should include an explanation of how this vision addresses the deficiencies identified in the baseline assessment.

(a) You may receive up to **3** points based on the soundness of your plan. In its evaluation, HUD will consider the extent to which you:

(i) Identify the goals (in terms of metrics) and the outcomes desired for the People component of the Transformation Plan. Short-term and long-term outcomes should be stated.

(ii) Identify preliminary strategies chosen to achieve these outcomes.

(iii) Explain the evidence base that supports using these strategies.

(iv) Describe how the People component of the Transformation Plan aligns with and builds on existing efforts to improve resident outcomes, including how it will result in improving the developmental outcomes for children from cradle through college and career.

(v) Explain your strategy for ongoing resident engagement in the development of the People component of your Transformation plan.

(b) **Policy Priority.** As noted in the FY 2010 General Section, a policy priority of the Department is to utilize housing as a platform for improving quality of life. As a result, HUD seeks to connect HUD assistance to improved socioeconomic outcomes including those related to, among other indicators, education. You will receive up to **4** points based on the educational components of your plan. In its evaluation, HUD will consider the extent to which you undertake directly or partner with local educators, including community-based early learning

professionals, to (a) ensure resident children have access to high quality educational opportunities, including high quality early learning programs and services, and (b) increase access to programs that combine a continuum of effective community services, strong family supports, and comprehensive education reforms to improve the academic and developmental outcomes for resident children and youth through support or implementation of the types of programs listed below.

(i) High quality early learning programs and services may include programs that are comprehensive, inclusive, evidence-based and that lead to significant improvements in the health, social-emotional and educational outcomes for children.

(ii) Activities to ensure that young neighborhood residents have access to high-quality schools, by either providing them access to existing high-quality schools or making school improvements, which may include (a) significant improvements to the programs, policies and personnel of an elementary, middle/junior high and/or high school to improve academic outcomes; or (b) establishing a new high-quality school serving your target population.

(iii) High quality education programs may include: (a) knowledge evidence-based programs that increase learning time, which may include high quality after-school, summer school, and expanded-learning-time programs designed to improve student outcomes; and (b) evidence-based programs that prepare students for college and career success.

(iv) Family and community supports may include programs to improve child health, safety, community stability, family and community engagement, and access to learning technology.

**c. Neighborhood – 9 points.** Although your Transformation Plan does not need to be complete or ready for implementation for this Round 1 application, HUD will assess how you are planning to achieve the goals for Neighborhoods – to transform neighborhoods of poverty into viable, mixed-income neighborhoods with access to well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs.

(1) You will receive up to **4** points for thoroughly describing the neighborhood's current status with regard to: patterns of disinvestment with the neighborhood; existing neighborhood assets; and your plan for how your Transformation Plan will address such disinvestment and building on neighborhood assets. Concerning patterns of disinvestment, this could include description of vacant/abandoned homes and businesses, the quality of the existing housing stock, foreclosures, and changes in home values and rents. This description should also talk about other subsidized housing (for example Housing Choice vouchers, LIHTC units, local affordable housing units, etc) in the neighborhood not part of the Transformation Plan, the current mix of incomes, and any long term economic drivers for continued disinvestment that may be expected to continue, absent a publicly funded intervention. Concerning existing neighborhood assets, you must provide the walkability score and listed amenities for an address near the center of the target neighborhood using the website [www.walkscore.com](http://www.walkscore.com). You must also describe current neighborhood access to key amenities such as quality grocery stores, banks, health clinics and doctors' offices, local schools, child care facilities, parks and recreational facilities, and public transit. You must also describe key neighborhood anchor institutions, such as major employers, universities, or hospitals that can reliably be expected to continue to provide significant economic activity. Fewer points may be awarded for not addressing the mandatory criteria of this paragraph or for lack of specificity.

(2) You must provide a general description of your overall vision for the Neighborhood component of the Transformation Plan. It should include an explanation of how this vision

addresses the distress identified in the Needs scoring criteria and any deficiencies identified in the preceding section.

(a) You will receive up to **5** points based on the quality of your plan. In its evaluation, HUD will consider the extent to which you:

- (i) Identify the goals (in terms of metrics) and outcomes desired for the Neighborhood component of your Transformation Plan. Short-term and long-term outcomes should be stated.
- (ii) Identify preliminary strategies chosen to achieve these outcomes.
- (iii) Explain the evidence base supporting the use of these strategies.
- (iv) Describe how the Neighborhood component of the Transformation Plan aligns with and builds on existing efforts to improve the neighborhood.
- (v) Explain your strategy for ongoing resident and community engagement in the development of the Neighborhood component of your Transformation plan.

(b) Fewer points will be awarded for failure to address all of the above criteria, failure to address the above criteria in a sufficient manner, and general lack of specificity.

(c) Zero points will be awarded if your narrative does not address this factor to an extent that makes HUD's rating of this factor possible

**d. Achievability of the Vision.** You may receive up to **4** points as HUD assesses the achievability of the Transformation Plan, including the Housing, People and Neighborhood components. Points will be awarded based upon the overall quality of the responses for the following factors involved in the development of the preliminary Transformation Plan. HUD will evaluate the following information:

(1) You must describe how existing neighborhood assets will help achieve the goals of the Transformation Plan, including the Housing, People and Neighborhood components.

(2) You must provide a preliminary budget reasonably reflecting the funding sources and planned activities for each of the three core goals. The Housing budget should include replacement units and all other units, across all phases. People should include the supportive services activities, including education. Neighborhood should include the neighborhood transformation activities. These preliminary budgets should identify which sources are already committed, in process, or not yet applied for.

(3) You must describe the likelihood of securing necessary land use approvals within the timeframes necessary to implement all proposed housing activities. Please describe all necessary discretionary land use approvals (e.g. rezoning, conditional use permits, state/local environmental review) that are required and the projected timeline for receipt of such approvals.

(4) You must provide a reasonable preliminary grant implementation schedule for the commencement and conclusion of major milestones for planned activities for each of the three core goals. This development schedule need not be any more detailed than the season and year of major milestones (i.e. Phase I construction begins Fall 2011). Examples of major milestones include: initiation of supportive services, submission of development proposal for each phase, closing for each phase, construction commencement and completion for each phase, and opening dates for retail, parks, etc. For purposes of the application only, applicants may assume grant awards during the summer of 2011. Applicants are reminded that all FY 2010 Choice Neighborhoods funding must be expended by September 30, 2016.

**e. Consistency with Other Planning Documents – 2 points.** Points will also be awarded to applicants who can provide evidence of consistency with other planning documents.

(1) You will receive **1** point if the proposed Transformation Plan is consistent with the PHA Plan (or MTW Plan, as applicable) and/or Consolidated Plan for the jurisdiction in which

the target neighborhood is located. If there is a targeted public housing site in the application, then you must demonstrate consistency with both the PHA Plan (or MTW Plan, as applicable) and Consolidated Plan. You must provide a copy of the relevant section from the PHA Plan (or MTW Plan, as applicable) and/or Consolidated Plan in your attachments. You must also explain in your narrative the consistency required in this paragraph. If the criteria are not met, you will receive **0** points.

(2) You will receive **1** point if:

(a) the proposed Transformation Plan is consistent with a regional sustainability plan, which plan has been adopted by a consortium of local jurisdictions, that includes the target neighborhood of the Choice Neighborhoods application or

(b) the target neighborhood is located in a jurisdiction that has received a HUD grant to support a regional planning process through the Sustainable Communities Regional Planning Grant Program. You must provide a copy of the relevant section from the regional sustainability plan or grant award letter in your attachments. You must also explain in your narrative the consistency required in this paragraph. If there is no regional sustainability plan, you will receive **0** points.

## **B. Review and Selection Process.**

HUD's selection process is designed to ensure that grants are awarded to eligible applicants that submit the most meritorious applications. HUD will consider the information you submit by the application deadline date. After the application deadline date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that you or any third party may want to provide.

### **1. Application Screening.**

a. HUD will screen each application to determine if:

(1) It is deficient, i.e., contains any Technical Deficiencies; and

(2) It meets the threshold criteria listed in III.C. of this NOFA

b. See III.C.2 of this NOFA for information regarding thresholds and technical deficiencies.

c. **Corrections to Deficient Applications – Cure Period.** The subsection entitled, "Corrections to Deficient Applications," in V.B of the General Section is incorporated by reference and applies to this NOFA, except that clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within five calendar days of the date of receipt of the HUD notification. (If the deadline date falls on a Saturday, Sunday, or federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or federal holiday.)

d. **Applications that will not be rated or ranked.** HUD will not rate or rank applications that are deficient at the end of the cure period stated in V.B of the General Section or that have not met the thresholds described in III.C of this NOFA. Such applications will not be eligible for funding.

### **2. Preliminary Rating and Ranking.**

a. **Rating.**

(1) Reviewers will preliminarily rate each eligible application, SOLELY on the basis of the rating factors described in V.A of this NOFA.

(2) HUD will assign a preliminary score for each rating factor and a preliminary total score for each eligible application.

(3) The maximum number of points for each application is 105.

b. **Ranking.** After preliminary review, applications will be ranked in score order.

### 3. Final Panel Review.

a. A Final Review Panel will:

(1) Review the Preliminary Rating and Ranking documentation to:

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and

(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

(2) Assign a final score to each application and rank them in score order; and

(3) Recommend for selection **the most highly rated applications**, subject to the amount of available funding, in accordance with the allocation of funds described in section II of this NOFA.

**4. Grant Sizing.** HUD will only fund grant awards that are in accordance with the Grant Sizing criteria of II.A and IV.E.3.

**5. Reductions to Amount Requested.** If you are selected for funding, HUD may delete any unallowable items from your budget and may reduce your grant amount accordingly. HUD will not fund any portion of an application that: (1) is not eligible for funding under specific HUD program statutory or regulatory requirements; (2) does not meet the requirements of this notice; or (3) is duplicative of other funded programs or activities from prior year awards or other selected applicants. Only the eligible portions of an application (excluding duplicative portions) may be funded.

**6.** In accordance with the FY 2010 HOPE VI appropriation, HUD may not use HOPE VI, which includes Choice Neighborhoods, funds to grant competitive advantage in awards to settle litigation or pay judgments.

**7. Tie Scores.** If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for the overall Capacity Rating Factor. If a tie remains, HUD will select for funding the application(s) with the highest score for the Lead Applicant Capacity Rating Factor. HUD will select further tied applications with the highest score for the Need Rating Factor.

**8. Remaining Funds.** HUD reserves the right to reallocate remaining funds from this NOFA to other eligible activities under section 24 of the 1937 Act.

a. If the total amount of funds requested by all applications found eligible for funding under V.B of this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded and those funds in excess of the total requested amount will be considered remaining funds.

b. If the total amount of funds requested by all applications found eligible for funding under this NOFA is greater than the amount of funds available from this NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to feasibly fund the next eligible application. In this case, the funds that have not been awarded will be considered remaining funds.

**9. Review and Selection Process References from the General Section.** The following subsections of V.B of the General Section are hereby incorporated into this NOFA:

a. Threshold Compliance (V.B.1);

b. Corrections to Deficient Applications (V.B.2);

c. Rating Panels (V.B.3);

d. Rating (V.B.4); and

e. Ranking (V.B.5).



## **VI. Award Administration Information.**

### **A. Award Notices.**

1. **Initial Announcement.** The HUD Reform Act prohibits HUD from notifying you as to whether or not you have been selected to receive a grant until it has announced all grant recipients. If your application has been found to be ineligible or if it did not receive enough points to be funded, you will not be notified until the successful applicants have been notified. HUD will provide written notification to all applicants, whether or not they have been selected for funding.
2. **Award Letter.** The notice of award letter is signed by the Secretary or the Assistant Secretary for Public and Indian Housing and will be delivered by fax and the U.S. Postal Service.
3. **Choice Neighborhoods Grant Agreement.** When you are selected to receive a Choice Neighborhoods grant, HUD will send you a Choice Neighborhoods grant agreement, which constitutes the contract between you and HUD to carry out and fund Choice Neighborhoods grant activities. Both you and HUD will sign the cover sheet of the grant agreement, form HUD-1044. It is effective on the date of HUD's signature, which is the second signature.
4. **Applicant Debriefing.** HUD will provide an applicant a copy of the total score received by their application and the score received for each rating factor.
5. **Adjustments to Funding.** The Adjustments to Funding sub-section of VI.A.2 of the General Section is hereby incorporated.

**B. Administrative and National Policy Requirements.** In addition to the list below, see III.C.3 of this NOFA for administrative and national policy requirements.

1. **LOCCS Requirements.** The grantee must record all obligations and expenditures in the Line of Credit Control System (LOCCS).
2. **Final Audit.** Grantees are required to obtain a complete final closeout audit of the grant's financial statements by a certified public accountant, in accordance with generally accepted government audit standards. A written report of the audit must be forwarded to HUD within 60 days of issuance. Grant recipients must comply with the requirements of 24 CFR part 84 or 24 CFR part 85, as stated in OMB Circulars A-110, A-87, and A-122, as applicable.
3. **Flood Insurance.** In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), your application may not propose to provide financial assistance for acquisition or construction (including rehabilitation) of properties located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
  - (1) The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and
  - (2) Where the community is participating in the National Flood Insurance Program, flood insurance is obtained as a condition of execution of a grant agreement.
4. **Coastal Barrier Resources Act.** In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501), your application may not target properties in the Coastal Barrier Resources System.

**C. Reporting.** HUD shall require grantees under this NOFA to report the sources and uses of all amounts expended and other information about transformation plans for HUD's annual report to Congress or other purposes as determined by HUD.

1. **Quarterly Report.**
  - a. If you are selected for funding, you must submit a quarterly report to HUD.

(1) HUD will provide training and technical assistance on the filing and submitting of quarterly reports.

(2) Filing of quarterly reports is mandatory for all grantees, and failure to do so within the required timeframe will result in suspension of grant funds until the report is filed and approved by HUD.

(3) Grantees will be held to the milestones in the program schedule, as approved by HUD.

(4) Grantees must also report obligations and expenditures in LOCCS, or its successor system, on a quarterly basis.

**2. Logic Model Reporting.** Logic Model reporting will be required of the Choice Neighborhoods Implementation Grantees but not until Round 2, as that is when the Implementation Grantees will be determined. As a condition of the receipt of financial assistance under this NOFA, all successful applicants will be required to cooperate with all HUD staff or contractors performing HUD-funded research and evaluation studies.

### **3. Final Report.**

a. The grantees shall submit a final report, which will include a financial report and a narrative evaluating overall performance against its Choice Neighborhoods Transformation Plan. Grantees shall use quantifiable data to measure performance against goals and objectives outlined in its Transformation Plan. The financial report shall contain a summary of all expenditures made from the beginning of the grant agreement to the end of the grant agreement and shall include any unexpended balances.

b. The final narrative and financial report shall be due to HUD 90 days after either the full expenditure of funds, or when the grant term expires, whichever comes first.

**4. Race and Ethnic Data Reporting.** The race and ethnic data reporting requirements of VI.C.7 of the General Section are hereby incorporated.

## **VII. Agency Contacts.**

### **A. Technical Assistance.**

1. Before the application deadline date, HUD staff will be available to provide you with general guidance and technical assistance. However, HUD staff is not permitted to assist in preparing your application. If you have a question or need a clarification, you may call or send an e-mail message to the Office of Public Housing Investments, Attention: Ms. Caroline Clayton, at [Caroline.C.Clayton@hud.gov](mailto:Caroline.C.Clayton@hud.gov) or at (202) 402-5461 (this is not a toll-free number). The mailing address is: Office of Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410-5000; telephone numbers (202) 401-8812; fax (202) 401-2370 (these are not toll-free numbers). Persons with hearing or speech impairments may access these telephone numbers through a text telephone (TTY) by calling the toll-free Federal Information Relay Service at (800) 877-8339.

**2. Frequently Asked Questions and General Choice Neighborhoods Information.** Before the application deadline date, frequently asked questions (FAQs) on the NOFA will be posted to Grants.gov, the HUD's grants website at <http://www.hud.gov/offices/adm/grants/otherhud.cfm>, and the Choice Neighborhoods webpage at <http://www.hud.gov/cn/>.

3. You may obtain general information about HUD's Choice Neighborhoods program from HUD's Choice Neighborhoods website at <http://www.hud.gov/cn/>.

### **B. Technical Corrections to the NOFA.**

1. Technical corrections to this NOFA will be posted to Grants.gov, the HUD's grants website at <http://www.hud.gov/offices/adm/grants/otherhud.cfm>, and the Choice Neighborhoods webpage

at <http://www.hud.gov/cn/>. You are responsible for monitoring the website during the application preparation period.

### **VIII. Other Information.**

**A. Waivers.** Any Choice Neighborhoods-funded activities at public housing projects are subject to statutory requirements applicable to public housing projects under the 1937 Act, other statutes, and the Annual Contributions Contract (ACC). Within such restrictions, HUD seeks innovative solutions to the long-standing problems of severely distressed public housing projects. You may request, for the revitalized project, a waiver of HUD regulations, subject to statutory limitations and a finding of good cause under 24 CFR 5.110, if the waiver will permit you to undertake measures that enhance the long-term viability of a project revitalized under this program. HUD will assess each request to determine whether good cause is established to grant the waiver.

**B. Environmental Impact.** A Finding of No Significant Impact with respect to the environment has been made for this notice, in accordance with HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding of No Significant Impact is available for public inspection between 8:00 a.m. and 5:00 p.m. eastern time, Monday through Friday, except federal holidays, in the Office of General Counsel, Regulations Division, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the finding by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number).

**C. General Section References.** The following sub-sections of VIII of the General Section are hereby incorporated by reference:

1. Executive Order 13132, Federalism;
2. Public Access, Documentation, and Disclosure;
3. Section 103 of the HUD Reform Act;

## **CHOICE NEIGHBORHOODS PLANNING GRANTS SECTION**

**The Planning Grants Section of the Choice Neighborhoods NOFA contains information that applies to the Choice Neighborhoods Planning Grants Program. Unless otherwise noted, citations refer to the Planning Grants Section.**

HUD has set aside approximately \$3 million in order to award Planning Grants of up to \$250,000 each. These two-year grants will support the development of a comprehensive Transformation Plan. In subsequent years, contingent on availability of funds, HUD intends to conduct competitions for Choice Neighborhoods Implementation Grants, as well as competitions for new Choice Neighborhoods Planning Grants. While all eligible applicants will be able to apply for Implementation Grants, eligible applicants that have effectively carried out the planning activities described in this notice, whether independently or with a Choice Neighborhoods Planning Grant, are likely to be well-positioned with the plan, partner commitments, and organizational leadership and capacity necessary to develop a quality application for an Implementation Grant.

### **I. Funding Opportunity Description**

A. Section I from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

B. Additionally, the purpose of the Planning Grants is as follows: Funding for the Planning Grants will support the development of comprehensive neighborhood Transformation Plans. High quality plans integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. Planning Grants must translate the three core goals of Choice Neighborhoods – Housing, People, and Neighborhood – into strategies that will direct investments, demonstrate the commitment among a range of public and private partners to address interdependent neighborhood challenges, utilize data to set and monitor progress toward implementation goals, and engage community stakeholders and residents in meaningful decision-making roles. At the conclusion of the Planning Grant period, grantees are required, at a minimum, to have developed a Transformation Plan aligned with the three core goals of Choice Neighborhoods and secured significant buy-in from a representative group of neighborhood stakeholders and local governmental entities.

**II. Award Information.** Section II from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

**III. Eligibility Information**

A. Section III.A from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

B. Section III.B from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

C. Section III.C.1 (Eligible Activities) and Section III.C.2 (Threshold Requirements) have been modified for the Planning Grants. The modified criteria are provided below.

**1. Eligible Activities.** Eligible activities include tasks necessary to develop a Transformation Plan, align investments with this plan, and develop the relevant planning and evaluation capacity of the applicant and its partners. You are not required to carry out all of the activities described below, but your application must address those activities necessary to develop a comprehensive Transformation Plan as is appropriate to the local context and the current status of the local planning process. Applicants may undertake activities necessary to:

a. **Conduct comprehensive needs assessments** to inform the development of the Transformation Plan. The needs assessments should include:

(1) Current patterns of disinvestment with the neighborhood, including vacant/abandoned homes and businesses, the quality of the existing housing stock, foreclosures, and current home values and rents. Discuss other subsidized housing (for example Housing Choice Vouchers, LIHTC units, local affordable housing units, etc.) in the neighborhood not part of the target public and/or assisted housing project(s), the current mix of incomes, and any long-term economic drivers for continued disinvestment that may be expected to continue, absent a publicly funded intervention;

(2) The neighborhood's access to key assets, such as quality grocery stores, banks, health clinics and doctors' offices, local schools, child care facilities, parks and recreational facilities, and public transit. Identify key neighborhood anchor institutions, such as major employers, universities, or hospitals that can reliably be expected to continue to provide significant economic activity;

(3) Relevant developmental and social assets in the target neighborhood as these assets relate to opportunities for resident education, employment, health, mobility and safety; and

(4) Challenges and gaps in neighborhood services and assets.

(5) A household-level needs assessment for public and/or assisted housing residents living in the target development(s) to better design solutions for the children and families of HUD housing.

b. **Develop a comprehensive and integrated Transformation Plan** that addresses the challenges and gaps in services and assets identified through the needs assessments.

(1) **Housing.** Adopt effective strategies to achieve the Housing goal. Such activities include but are not limited to:

- (a) Studies of the different options for revitalization, including the feasibility, costs and neighborhood impact of such options;
- (b) Assessment of the need for affordable housing;
- (c) Site planning and conceptual architectural design work;
- (d) Designing a suitable replacement housing plan, in situations where partial or total demolition is considered;
- (e) Designing a suitable mobility strategy and relocation assistance;
- (f) Conducting environmental or geotechnical studies to assess the suitability of a site for developmental activities; and
- (g) Developing a viable financing plan to implement the Housing plan.

(2) **People.** Adopt effective strategies to achieve the People goal. Such activities include but are not limited to:

(a) Planning for supportive services, particularly education, economic development, job training and self-sufficiency activities that promote the educational attainment and economic self-sufficiency of the neighborhood residents, including original residents of the targeted public and/or assisted housing;

(b) Planning for improving access to high quality education programs and improved academic and developmental outcomes for children in the neighborhood along the continuum of cradle-through-college-to-career solutions, including:

(i) High quality early learning programs and services that are comprehensive, inclusive, evidence-based and that result in significantly improved outcomes in physical well-being and motor development, social-emotional development, language and literacy development, and cognition and general knowledge, including early numeracy for children.

(ii) High quality education programs, which may include: (A) evidence-based programs that increase learning time which may include high quality after-school, summer school, and other expanded learning-time programs designed to improve student outcomes and (B) evidence-based programs that prepare student for college and career success.

(iii) School improvements, which may include (A) significant improvements to the programs, policies and personnel of an elementary, middle/junior high and/or high school that are linked to improved academic outcomes or (B) establishing a new high-quality school.

(c) Developing a viable financing plan to implement the People plan.

(3) **Neighborhood.** Adopt effective strategies to achieve the Neighborhood goal. Such activities include but are not limited to:

(a) Planning for neighborhood-level improvements across a range of neighborhood assets;

(b) Aligning with existing planning processes and activities in the local jurisdiction and/or metropolitan area or county;

(c) Planning for neighborhood economic development activities; and

(d) Developing a viable financing plan to implement the Neighborhood plan.

**c. Conduct technical planning studies** concerning local development issues, priorities, or suggested appropriate approaches in the context of the local housing market relative to other alternatives. This could include new approaches to housing, economic development, capital improvement programming or community relations. However, any such studies should directly further the integration of strategies to develop a comprehensive neighborhood-level Transformation Plan.

**d. Work with public and private agencies, organizations (including philanthropic organizations) and individuals** to:

(1) Develop the Transformation Plan and secure commitments to collaborate long-term to ensure it will be implemented successfully;

(2) Gather and leverage resources needed to support the financial sustainability of the Transformation Plan; and

(3) Identify strategies for building upon and leveraging existing neighborhood efforts and anticipated Federal, state, regional and local investments.

**e. Ensure meaningful resident participation** throughout the development of the Transformation Plan, including but not limited to public hearings, meetings, websites, forums, charrettes, and other communication that will provide all aspects of the policy and development plans and alternative options to neighborhood residents in sufficient time for them to review, react, and make informed decisions on how proposed plans and policies will impact their daily lives. Activities should prioritize ways to engage communities traditionally marginalized from planning processes, such as low-income individuals and families, limited English speakers, persons with disabilities, and the elderly. For assistance in ensuring meaningful access for persons with limited English proficiency, applicants may consult HUD's Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (HUD's LEP Guidance) published in the Federal Register on January 22, 2007 (72 Fed. Reg. 2732). Additional information is also available at [www.hud.gov/fheo/promotingfh/lep.cfm](http://www.hud.gov/fheo/promotingfh/lep.cfm). Pursuant to Section 508 of the Rehabilitation Act, recipients must employ accessible means of technology to ensure that persons with disabilities can access information on the planning process, plans, and other information.

**f. Plan for the collection and strategic use of relevant data** by identifying data to track future community impacts once the Transformation Plan is implemented by employing statistical and qualitative analysis of specific metrics (see Summary section B) developed in partnership with the appropriate local, state, regional and federal agencies/organizations.

**g. Strengthen management and decision-making capacities** of participating organizations to create a comprehensive and integrated Transformation Plan.

**h. Identify and secure the involvement of effective practices and actors** based on the best available evidence. Such activities may include conducting site visits, research, or participating in a community of practice, which is a group of grantees that agrees to interact regularly to solve a persistent problem or improve practice in an area that is important to them and the success of their project, enabling grantees to meet, discuss and collaborate with each other regarding grantee projects.

**2. Threshold Requirements.** Applications, and the Transformation Plan proposed in it (see Definitions in I.C for that and other definitions), must meet all threshold requirements of this NOFA in order to be rated and ranked. The threshold requirements of this NOFA include threshold requirements of III.C.2 of the General Section and threshold requirements specific to

the HOPE VI program. If an application does not meet all threshold requirements, HUD will not consider the application as eligible for funding and will not rate and rank it. HUD will screen for technical (not substantive) deficiencies and administer a cure period. Examples of curable (correctable) technical deficiencies include, but are not limited to, inconsistencies in the funding request, failure to submit the proper certifications (e.g., form HUD-2880), and failure to submit a signature and/or date of signature on a certification. The subsection entitled, "Corrections to Deficient Applications," in section V.B. of the General Section is incorporated by reference and applies to this NOFA unless otherwise stated. Clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within 5 calendar days of the date of receipt of the HUD notification. (If the deadline date falls on a Saturday, Sunday, or federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or federal holiday.) If an applicant does not cure all its technical deficiencies that relate to threshold requirements within the cure period, HUD will consider the threshold(s) in question to be failed, will not consider the application as eligible for funding, and will not rate and rank it. Applicants MUST review and follow documentation requirements provided in this Thresholds Requirements Section and the Program Requirements of III.C.3. Required forms, certifications and assurances must be included in the application and will be available on the Internet at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp).

a. **Curable Thresholds.** The following thresholds may be cured in accordance with the criteria above. The following thresholds are incorporated from Implementation Grants section III.C.2.a:

- (1) Standard Forms and Certifications;
- (2) Choice Neighborhoods Applicant Certifications;

b. **Non-Curable Thresholds.** The following thresholds may **NOT** be cured in accordance with the criteria above. The following thresholds are incorporated from Implementation Grants section III.C.2.b, unless otherwise indicated.

- (1) Number of Applications and Public and/or Assisted Housing Projects;
- (2) Relation to FY 2010 HOPE VI Revitalization Grant Application;
- (3) Relation to prior HOPE VI Revitalization Grantees;
- (4) Relation to ARRA CFRC Grantees;
- (5) Eligible Applicants;
- (6) Eligible Neighborhoods;
- (7) Dun and Bradstreet Data Universal Number System (DUNS) Number;
- (8) Active Registration in the CCR;
- (9) Resolution of Outstanding Civil Rights Matters;
- (10) Debarment and Suspension; and
- (11) Delinquent Federal Debts.

(12) Modified for Planning Grants: Resident Involvement. For Planning Grant applications, Implementation Grants threshold III.C.2.b(9) is modified as follows. You must demonstrate compliance with this threshold in your application.

(a) General. In accordance with section 24(e)(2)(D) of the 1937 Act, applicants must involve affected residents at the beginning and during the planning process for the transformation program, prior to the submission of an application. You are required to involve the affected public and/or assisted housing residents in the planning process and implementation of your Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant, if awarded.

(b) Resident Meeting. As of the application deadline date, you must have conducted one meeting with residents of the targeted public and/or assisted housing. That meeting must have covered the plans for this Choice Neighborhoods application. This meeting can have occurred prior to the publication of this NOFA, but must have anticipated the project proposed in this application.

(c) Physical Accessibility. All training sessions and meetings must be held in facilities that are physically accessible to persons with disabilities. Where physical accessibility is not achievable, recipients and subrecipients must give priority to alternative methods of product delivery that offer programs and activities to qualified individuals with disabilities in the most integrated setting appropriate in accordance with HUD's implementing regulations for Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) at 24 CFR Part 8. In addition, all notices of and communications during all training sessions and public meetings shall be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities or provide other means of accommodation for persons with disabilities consistent with Section 504 of the Rehabilitation Act of 1973 and HUD's section 504 regulations. See 24 CFR Section 8.6.

(d) Limited English Proficiency. All applicants must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964. This may mean providing language assistance services to ensure meaningful resident and community involvement for persons with LEP as a result of their nationality. The Department published *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* (72 Fed. Reg. 2732; January 22, 2007) to assist recipients of HUD assistance in identifying language assistance needs and developing language assistance plans.

(13) New for Planning Grants: Binding Agreement with planning coordinator (if applicable). If you have decided to contract with an outside entity that has experience in leading a comprehensive neighborhood planning process and want that entity to be evaluated along with you in the Capacity rating factors of this NOFA, you must include documentation of a binding contractual agreement that is in place and lasts for the term of this grant. If you have a planning coordinator, you must also describe this relationship in your narrative exhibits. For the purposes of this NOFA, this entity will be referred to as the "planning coordinator."

**3.** Section III.C.3 (Program Requirements) from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

#### **IV. Application, Submission and Timely Receipt Information.**

A. Section IV.A from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

B. Section IV.B from the Implementation Grants Section is hereby incorporated to apply to Planning Grants, except for IV.B.8.b and IV.B.8.e. Section IV.B.8.b and Section IV.B.8.e have been modified for the Planning Grants and are provided as follows:

**8. Choice Neighborhoods-specific Application and Submission Information.** Applicants must follow the instructions below on content and form of the application submission. These criteria apply to all Choice Neighborhoods grant applicants and applications, unless otherwise noted.

**b. Application Page Count.** These criteria apply to all applicants.

(1) Narrative Exhibits.



(a) The first part of your application will be comprised of narrative exhibits. Your narratives will respond to threshold, rating factor, and other criteria in the NOFA, as indicated below and will also respond to threshold requirements. Among other things, your narratives must describe your capacity, need and vision.

(b) Each Choice Neighborhoods Planning Grant application must contain **no more than 15 pages** of narrative exhibits. Any pages after the first 15 pages of narrative exhibits for each section **will not be reviewed**. Although submitting pages in excess of the page limitations will not disqualify an application, **HUD will not consider the information on any excess pages for each section, which may result in a lower score or failure of a threshold**. Text submitted at the request of HUD to correct a technical deficiency will not be counted in the 15-page limit.

(2) Attachments.

(a) The second part of your application will be comprised of Attachments. These documents will also respond to the rating factors in the NOFA, as well as threshold and mandatory documentation requirements. They will include documents such as maps, photographs, application data forms, and various certifications.

(b) Each Choice Neighborhoods Planning Grant application must contain **no more than 25 pages** of attachments. Any pages after the first 25 pages of attachments **will not be considered**. Although submitting pages in excess of the page limit will not disqualify an application, **HUD will not consider the information on any excess pages, which may result in a lower score or failure to meet a threshold**.

(3) Exceptions to page limits. The documents listed below constitute the **only** exceptions and are not counted in the page limits listed in Sections (1) and (2) above:

(a) Additional pages submitted at the request of HUD in response to a technical deficiency.

(b) Attachments that provide documentation of site control, in accordance with Section III.C of this NOFA.

(c) Narratives and Attachments, as relevant, required to be submitted only by for-profit developers (e.g., MOU required as a threshold from for-profit developers when they are applying jointly as a public entity).

(d) Memorandums of Understanding (MOUs), binding agreement for the planning coordinator, and leverage documentation.

(e) Standard forms.

(f) Blank/extra pages generated as part of standard forms.

(g) Tabs/title pages that are blank or display a title/header/ "n/a" indication.

**e. Instructions on Application Organization and Content.** The following provides instructions on the organization and content of your application. It lists the narrative exhibits, attachments, and instructions for each, that are required as part of the application. All narrative exhibits, attachments, and forms are required to be submitted in your application unless otherwise indicated. Non-submission of any of the items below may lower your rating score or make you ineligible for award under this NOFA. Review the threshold requirements in III.C and the Rating Factors of V.A for the criteria and to ascertain the effects of non-submission. **Please be advised that not providing information clearly and consistently, and/or not providing exhibits and attachments in accordance with the instructions and documentation requirements in this NOFA, may negatively impact HUD's ability to determine if your application meets threshold requirements or to score your application. This could result in a determination of threshold non-compliance or a lower score.** HUD forms required by this

NOFA will be made available at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). The narrative exhibits, attachments, and instructions for each are as follows:

**(1) Table of Contents.**

**(2) Narrative Exhibits.** The narrative exhibits required in your applications are as follows (please note the maximum page lengths):

(a) Exhibit A. Executive Summary. Please explain the target neighborhood's need for this Planning Grant, the Neighborhood Assets you plan to build on through the planning process, and what you plan to use this grant to achieve. (2 pages maximum)

(b) Exhibit B. Threshold Requirements. Review and provide a narrative response to the threshold requirements, as applicable, in III.C.2. (1 page maximum)

(c) Exhibit C. Capacity. Review and provide a narrative response to V.A.1. (4 pages maximum)

(d) Exhibit D. Need. Review and provide a narrative response to V.A.2. (2 pages maximum)

(e) Exhibit E. Plan. Review and provide a narrative response to V.A.3. (6 pages maximum)

E.1. Plan – Planning Activities. Review and provide a narrative response to V.A.3.a.

E.2. Plan – Neighborhoods Assets and Needs Assessment. Review and provide a narrative response to V.A.3.b.

E.3. Plan – Policy Priority – Educational Opportunities Planning. Review and provide a narrative response to V.A.3.c.

E.4. Plan – Policy Priority – Capacity Building and Knowledge Sharing. Review and provide a narrative response to V.A.3.f.

E.5. Plan – Resident and Community Involvement. Review and provide a narrative response to V.A.3.g.

**(3) Attachments.** The attachments required in your applications, unless otherwise noted, are as follows:

(a) Attachment 1. Application Data Form: Cover Sheet. Complete the form provided.

(b) Attachment 2. Application Data Form: Existing Units, Occupancy, Vacancy. Complete the form provided.

(c) Attachment 3. Budget. Review and respond to V.A.3.e. Review the Program Requirements in III.C.3 and Funding Restrictions in IV.E in completing the budget. Complete the budget form provided.

(d) Attachment 4. Eligible Applicants Documentation

(i) MOU for For-Profit Developer, if applicable. Review and respond to the threshold requirement in III.C.2.b, which incorporates Implementation Grants section III.C.2.b(1)(a), by providing the MOU required by that section.

(ii) Nonprofits, if applicable. Review and respond to the threshold requirement in III.C.2.b, which incorporates Implementation Grants section III.C.2.b(1)(b), by providing the documentation required by that section.

(e) Attachment 5. Binding Contract with Planning Coordinator for Planning Grants (if applicable). Review and respond to the threshold requirement in Planning Grant Section III.C.2.b(13) by providing the document required.

(f) Attachment 6. Eligible Neighborhoods Documentation – Eligible Neighborhoods Data. Review and respond to the threshold requirement in III.C.2.b, which incorporates

Implementation Grants Section III.C.2.b(2)(b), by providing the pdf received via email from using the mapping tool provided on [www.hud.gov/cn](http://www.hud.gov/cn).

(g) Attachment 7. Eligible Neighborhoods Documentation – Substandard Housing Documentation, as applicable. If you are demonstrating compliance with the Eligible Neighborhoods threshold requirement in III.C.2.b, which incorporates Implementation Grants Section III.C.2.b(2)(c), through the substandard housing criteria, documentation demonstrating substandard housing must be provided in this attachment.

(h) Attachment 8. Eligible Neighborhoods Documentation –Severe Distress of Targeted Project Certification. Review and respond to the threshold requirement in III.C.2.b, which incorporates Implementation Grants Section III.C.2.b(2)(d), by completing the form provided.

(i) Attachment 9. Resident Involvement Certification. Review and respond to the threshold requirement in III.C.2.b(12) by providing the certification required by that section.

(j) Attachment 10. Need- Structural Deficiencies Documentation. Review and respond to the rating factor in V.A.2 which directs you to follow Implementation Grants Section V.A.2.a(2) by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

(k) Attachment 11. Need- Design Deficiencies Documentation. Review and respond to the rating factor in V.A.2 which directs you to follow Implementation Grants Section V.A.2.a(3) by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

(l) Attachment 12. Need - Part I Violent Crimes Documentation. Review and respond to the rating factor in V.A.2 which directs you to follow Implementation Grants Section V.A.2.b(3) by providing the documentation identified in that section. This documentation may also be used by HUD in order to assess compliance with the threshold requirement at Section III.C.2.b which incorporates Implementation Grants section III.C.2.b(2)(c), part of the Eligible Neighborhoods threshold requirement.

(m) Attachment 13. Need- School Form and Supporting Documentation. Review and respond to the rating factor in V.A.2 which directs you to follow Implementation Grants Section V.A.2.b(4) by providing the form (and any supporting documentation needed in accordance with the form) identified in that section, as relevant. This documentation may also be used by HUD in order to assess compliance with the threshold requirement at III.C.2.b, which incorporates Implementation Grants section III.C.2.b(2)(c), part of the Eligible Neighborhoods threshold requirement.

(n) Attachment 14. Leverage documentation. Review and respond to rating factor V.A.4. Follow the documentation instructions provided in that section.

(o) Attachment 15. City and Neighborhood Maps. Provide to-scale city and neighborhood maps that clearly label the items in (i)-(iv) following in the context of existing city streets, the central business district, other key city and neighborhood sites, and census tracts. Because the City and Neighborhood Maps provide essential context for HUD reviewers, it is essential that applicants provide a map that is readable, at a reasonable scale, and clearly labels the key information below:

- (i) the existing housing project and eligible neighborhood;
- (ii) replacement neighborhoods, if any;
- (iii) off-site properties, if any;
- (iv) other useful information to place the project in the context of the city,

county/parish, or municipality, neighborhood assets, and other revitalization activity underway or planned.

(p) Attachment 16. Current Site Plan. This attachment is required in all applications. The Current Site Plan shows and clearly labels the targeted housing site's various buildings and identifies which buildings are to be rehabilitated, demolished, or disposed of. Demolished buildings should be shown and labeled as such. Label all uses and buildings that adjoin the existing development. The neighborhood map must show the same boundaries used to draw the neighborhood through the mapping tool that generated the eligible neighborhoods data required in Attachment 6.

(q) Attachment 17. Choice Neighborhoods Application Certifications. Review and respond to the threshold requirement in III.C.2.a which incorporates Implementation Grants Section III.C.2.a(3) by completing the form provided.

(r) Standard Forms and Certifications. Respond to the threshold requirement in III.C.2 which incorporates Implementation Grants section III.C.2.a(2) by completing and providing the forms listed in (i)-(iv) below. The Lead Applicant must be the signatory for these forms.

(i) Attachment 18. Application for Federal Assistance (SF-424).

(ii) Attachment 19. Disclosure of Lobbying Activities (SF-LLL), if applicable. If this form does not apply, indicate that (e.g., writing "N/A") on the form and submit it with your application.

(iii) Attachment 20. Applicant/Recipient Disclosure/Update Report (form HUD-2880) ("HUD Applicant Recipient Disclosure Report");

(iv) Attachment 21. Form HUD-96011, Third Party Documentation Facsimile Transmittal (Facsimile Transmittal Form on Grants.gov), if applicable.

C. Section IV.C from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

D. Section IV.D from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

E. Section IV.E from the Implementation Grants Section is hereby incorporated to apply to Planning Grants, except IV.E.3.

#### **V. Application Review Information.**

<b>Choice Neighborhoods Planning Grant Scoring Summary</b>			
	<b>Rating Factor</b>	<b>Points</b>	<b>Totals</b>
<b>Capacity</b>			
	led planning	8	
	resident and community involvement	4	
	data and evaluation	4	
	leverage experience	4	
			<b>20</b>
<b>Need</b>			
Unit distress			
	REAC physical inspection	3	
	infrastructure and site deficiencies	5	
	design deficiencies	4	
Neighborhood distress			
	poverty/ELI	5	

	vacancy	1	
	crime	3	
	schools	3	
Need for affordable housing in the community		1	
			<b>25</b>
<b>Plan</b>			
	plan for planning activities	6	
	plan for needs assessment	4	
	educational opportunities planning (policy priority)	2	
	planning schedule	3	
	budget	2	
	capacity building (policy priority)	2	
	resident and community involvement	4	
			<b>23</b>
<b>Leverage</b>	leverage	7	<b>7</b>
		<b>TOTAL</b>	<b>75</b>

**A. Criteria.** Applications must respond to the rating factor criteria of the NOFA as the basis to be rated and ranked. (Note: This section includes the identification of two policy priority rating factors for Planning Grants, in accordance with the FY 2010 General Section and in addition to the program rating factors.).

**1. RATING FACTOR – CAPACITY (20 Points Total).**

**a. Capacity of the Applicant.** You may receive up to **20** points by demonstrating the extent to which you and your planning coordinator (if applicable) have the organizational capacity to effectively lead a planning process to develop a vision and strategy for comprehensive neighborhood Transformation Plan. You will receive full points for describing in detail specific examples that demonstrate you and your planning coordinator (if applicable) have extensive, recent, and successful experience undertaking planning activities similar to the one proposed. Fewer points will be awarded if you and/or your planning coordinator have less extensive experience, you do not address all the criteria, and/or you provide a response that lacks specificity.

(1) You may receive up to **8** points by demonstrating that you and/or your planning coordinator effectively led the development and implementation of a shared plan with other participating parties, including governmental agencies, and held these parties accountable for implementation and sustained commitments. To earn full points, your application must evidence that this past planning experience involved activities similar or related to the neighborhood transformation planning activities you are proposing to undertake with this grant.

(2) You may receive up to **4** points by demonstrating that you and/or your planning coordinator effectively promoted ongoing and meaningful community participation with residents and organizations that are broadly representative of resident voices.

(3) You may receive up to **4** points by demonstrating that you and/or your planning coordinator effectively collected, analyzed, and used data for decision-making and ongoing

improvement of a project or program. Please describe the types of data you have worked with and your process for data management and analysis.

(4) You may receive up to **4** points by demonstrating that you and/or your planning coordinator effectively secured and integrated funding streams from multiple public and private sources to implement a comprehensive neighborhood plan. Please identify major funding sources and amounts.

**2. RATING FACTOR – NEED (25 Points Total).** You may receive up to **25** points if you demonstrate severe physical distress of the public and/or assisted housing that are central to your planning process and the severe distress of the targeted neighborhood, as well as the need for affordable housing in the community. To address this rating factor, you must provide all of the information required in the Need rating factors listed in V.A.2 of the Implementation Grants section of this NOFA. You will be evaluated using the criteria and point allocations detailed in those pages.

**3. RATING FACTOR – PLAN (23 Points Total).** This factor addresses the quality and feasibility of your proposed work plan. You may receive up to **23** points by demonstrating that you have developed an achievable and thorough strategy for leading a collaborative planning process that will develop a comprehensive Transformation Plan aligned with the three core goals of Choice Neighborhoods – Housing, People and Neighborhoods. Points will be awarded based on the extent to which you document how your proposed activities will address the goals of the program. Fewer points will be awarded if your plan is less comprehensive and achievable, does not address all the criteria and/or lacks specificity.

**a. Planning Activities.** You may receive up to **6** points by providing a detailed and comprehensive description of the specific planning activities you will lead and implement during the Planning Grant period. Please describe how you will use your needs assessments to ensure that you focus on those resident populations with the highest needs. Please also discuss in detail your strategy for building the additional partnerships necessary for developing the Transformation Plan. Please identify partners you plan to work with and explain why their involvement is necessary.

**b. Neighborhood Assets and Needs Assessments.** You may receive up to **4** points by providing a plan for designing, administering, and analyzing the current status of neighborhood assets (as defined in this notice) and needs (as outlined in the Eligible Activities section of this NOFA), including the types of measures to be tracked and the sources of this data. Describe how you will assess existing conditions and ongoing trends related to Housing, People and Neighborhood. Describe how you will use data to inform decision-making, develop a vision and engage stakeholders. Explain how you will document the planning process, including lessons learned and effective practices.

**c. Policy Priority: Educational Opportunities Planning.** In HUD’s Strategic Plan, this policy priority is addressed in all of Goal 3, “Utilize Housing as a Platform for Improving Quality of Life,” which seeks to use HUD assistance to improve outcomes in education, early learning and development, health, economic security and self-sufficiency, housing stability through supportive services for vulnerable populations, and public safety. You may receive up to **2** points by providing a detailed strategy for planning the education component of your Transformation Plan. Please describe the partners you intend to bring to the table and your plan to identify strategies based on the best available evidence that will improve the developmental and educational outcomes of children in the target neighborhood. This Policy Priority rating factor will consider the extent to which you describe your strategy to identify local educators to

partner with and to develop an education strategy that (a) ensures resident children have access to high quality educational opportunities, including high quality early learning opportunities, and (b) increases access to programs that combine a continuum of effective community services, strong family supports, and comprehensive education reform to improve the educational and life outcomes for resident children and youth. See the Eligible Activities for Planning Grants in III.C.1 for a description of educational activities. To earn full points for this Policy Priority, you must describe how you will develop a strategy to increase neighborhood resident participation in high quality cradle-to college programs, including early learning programs and effective schools.

**d. Planning Implementation Schedule.** You may receive up to **3** points by providing a detailed and feasible schedule for completing all of your proposed planning activities within 24 months of the effective date of the Planning Grant agreement. Describe the timeline for developing the neighborhood Transformation Plan, including start and end dates for each activity and milestones for critical actions you will take.

**e. Budget.** You may receive up to **2** points by providing a budget proposal for the planning activities related to the grant that thoroughly estimates all applicable costs and is presented in a clear and coherent format. Your budget will also be evaluated on the extent to which resources are appropriate for the scope of the proposed planning process.

**f. Policy Priority: Capacity Building and Knowledge Sharing (2 points).** Capacity building is featured in HUD's Strategic Plan for FY 2010-2015, Goal 4 (See I.C). Specifically, Subgoal 4E reads, "Build the capacity of local, state, and regional public and private organizations." HUD seeks to fund grantees that undertake activities that build enduring capacity of partners. You may receive up to **2** points by providing a detailed plan for identifying and securing the training and technical assistance needed for you and your partners to create a comprehensive and feasible Transformation Plan. Explain how you will strengthen the capacity of your partners to participate in decision-making and planning processes and coordinate on cross-programmatic, place-based approaches in order to develop an effective Transformation Plan. Please explain how you will demonstrate the increased skills and expertise gained by you and your partners during the life of award and the means of measuring this increased capacity (i.e., needs assessments, evaluations, etc.).

**g. Resident and Community Involvement.** You may receive up to **4** points by providing a detailed description of your plan for resident and community involvement during the planning period. Describe what efforts will be made to ensure that residents and community organizations that are broadly representative of resident voices have a meaningful role in participating in a sustained manner throughout the planning process.

**4. RATING FACTOR – LEVERAGE (7 Points Total).** HUD views leveraged commitments as an indicator of support in the community for this comprehensive neighborhood planning effort. These additional resources will also increase the effectiveness of the proposed grant activities. You will receive up to **7** points by demonstrating that you have secured financial and/or in-kind commitments from other sources to implement the planning process proposed in this application, in accordance with the criteria below.

**a. Program Requirements that Apply to Leverage.** You must follow these requirements in compiling and documenting leverage for purposes of the NOFA. **Otherwise, it may not be possible for HUD to count the commitment at the level claimed.** These general requirements apply to all leverage resource commitments.

(1) Firmly Committed. Resources must be firmly committed as of the application deadline date. "Firmly committed" means that the amount of the resource and its dedication to

Choice Neighborhoods activities is explicit. Endorsements or general letters of support from organizations or vendors alone **will not** count as resources and should not be included in the application.

(2) Content. Commitment letters must represent valid and accurate commitments. They must detail the dollar amount and term of commitment. They must also indicate that the commitment is available to you for the activities of the subject Transformation Plan.

(a) If a commitment letter is for more than one resource/amount, they should be indicated individually in the letter rather than in one lump sum.

(b) An example of a good commitment: “X Agency commits to providing \$100,000 in funds for a geotechnical study to support the FY 2010 Choice Neighborhoods Planning Grant for ABC housing development.”

(3) Signature. Resource commitments must be written and be signed a person authorized to make the commitment. For example, the PHA’s Executive Director cannot commit the funds of another agency, organization or government body (unless you can demonstrate otherwise in the application).

(4) Letterhead. Commitment letters must be on letterhead or they will not be accepted.

(5) If the commitment document for any funds/in-kind services is not included in the application and provided before the NOFA deadline date, it will not be considered.

(6) Your staff time and benefits are not an eligible match/leverage resource.

(7) Resource commitments may only be counted once. Also, if you are applying for a FY 2010 Choice Neighborhoods Planning Grant and a FY 2010 HOPE VI Revitalization Grant, you cannot use the same resource commitment(s) for both applications.

(8) Sources of Leverage. Funding may come from a variety of sources, including any of the following:

(a) Public, private, and nonprofit entities;

(b) State and local housing finance agencies;

(c) Local governments;

(d) Foundations;

(e) Government Sponsored Enterprises such as the Federal Home Loan Bank, Fannie Mae, and Freddie Mac;

(f) HUD and other federal agencies;

(g) Financial institutions, banks, or insurers; and

(h) Other private funders.

(9) In-kind contribution. In-kind contributions may be in the form of staff time, donated materials, or services. All assistance provided to meet this requirement must be identified by their dollar equivalent based upon accepted salary or regional dollar values. In-kind contributions can include physical items such as office supplies, computer equipment and supplies, materials for projects, and flyers and other marketing materials. They can also be in the form of office and meeting space, including allowed use of computers, phones, fax and copy machine, or the use of a vehicle, construction equipment and other project related items. In-kind contribution can also be contribution of professional time. When an individual donates his/her time in a professional capacity to supervise members, train or engage in member development, provide technical assistance on a project, evaluate a project, oversee project quality, or provide pro bono work as a member of the non-profit organization on a permanent or temporary basis, the time involved is an in-kind contribution.



b. You will receive points as described below based on amount of leveraged commitments relative to amount of Planning Grant funds requested. Only one-third of the leveraged commitments included in this rating factor can be in-kind contributions.

<b>Leveraged Commitments as Percent of Grant Funds Requested</b>	<b>Points Awarded</b>
100 percent and above	7
Between 90.00 and 99.99 percent	6
Between 80.00 and 89.99 percent	5
Between 65.00 and 79.99 percent	4
Between 50.00 and 64.99 percent	3
Between 35.00 and 49.99 percent	2
Between 20.00 and 34.99 percent	1
Below 20 percent	0

## **B. Reviews and Selection Process.**

Section V.B from the Implementation Grants Section has been modified for Planning Grants and the criteria is provided below. HUD's selection process is designed to ensure that grants are awarded to eligible applicants that submit the most meritorious applications. HUD will consider the information you submit by the application deadline date. After the application deadline date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that you or any third party may want to provide.

### **1. Application Screening.**

a. HUD will screen each application to determine if:

- (1) It is deficient, i.e., contains any Technical Deficiencies; and
- (2) It meets the threshold criteria listed in III.C.

b. See III.C.2 of this NOFA for information regarding thresholds and technical deficiencies.

c. **Corrections to Deficient Applications – Cure Period.** The subsection entitled, "Corrections to Deficient Applications," in V.B of the General Section is incorporated by reference and applies to this NOFA, except that clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within 5 calendar days of the date of receipt of the HUD notification. (If the deadline date falls on a Saturday, Sunday, or federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or federal holiday.)

d. **Applications that will not be rated or ranked.** HUD will not rate or rank applications that are deficient at the end of the cure period stated in V.B of the General Section or that have not met the thresholds described in III.C of this NOFA. Such applications will not be eligible for funding.

### **2. Preliminary Rating and Ranking.**

a. **Rating.**

(1) Reviewers will preliminarily rate each eligible application, SOLELY on the basis of the rating factors described in V.A of this NOFA.

(2) HUD will assign a preliminary score for each rating factor and a preliminary total score for each eligible application.

(3) The maximum number of points for each application is 75.

**b. Ranking.** After preliminary review, applications will be ranked in score order.

### **3. Final Panel Review.**

a. A Final Review Panel will:

(1) Review the Preliminary Rating and Ranking documentation to:

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and

(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

(2) Assign a final score to each application and rank them in score order; and

(3) Recommend for selection **the most highly rated applications**, subject to the amount of available funding, in accordance with the allocation of funds described in section II of this NOFA.

(4) **Selection Considerations.**

(a) **Category Preferences.** Three types of applications will receive priority funding, as described below. Please indicate in your application which category you intend to be considered for, if applicable. These categories are not mutually exclusive (i.e. if you meet more than one of these criteria, your application will count toward each preference allocation). To qualify for any of these categories, you must score a minimum of 60 points. If no applicants earn this score or otherwise fulfill the category preference criteria below, the Planning Grant funding will be available to the rest of the Planning Grant applicant pool.

(i) Non-Metropolitan areas. HUD will set aside two Planning Grants for proposals targeting non-metropolitan areas located outside a Metropolitan Core Based Statistical Area, as defined by the most current OMB definition. HUD will make the determination of eligibility under this category based on the data HUD has and the neighborhood map you provide.

(ii) Collaboration among housing providers. HUD will set aside two Planning Grants for proposals that demonstrate collaboration among multiple owners of public and/or assisted housing projects. To be eligible for this category preference, you must provide an MOU amongst the public and/or assisted housing owners in the target neighborhood that is signed by an executive officer of each entity. The MOU must indicate each entity's support of your leadership of the planning process, demonstrate a commitment to participate throughout the entirety of the grant, and detail each entity's role.

(ii) Promise Neighborhoods grantees. HUD will set aside four Choice Neighborhoods Planning Grants for those that received a Planning Grants from the Department of Education's Promise Neighborhoods program for the same target neighborhood. You are eligible for this category preference if either (1) you received the Promise Neighborhoods Planning Grant or (2) you provide an MOU with the Promise Neighborhoods Planning Grant recipient. The MOU must indicate your commitment to coordinate planning and align resources to the greatest extent practicable.

(b) **Minimum scoring.** To qualify for a Choice Neighborhoods Planning Grant, applicants must earn a minimum of 50 percent of the points for each Rating Factor – Need, Capacity and Planning. Any applicant that does not reach these minimum scoring criteria will not be awarded a Planning Grant.

**4. Reductions to Amount Requested.** If you are selected funding, HUD may delete any unallowable items from your budget and may reduce your grant amount accordingly. HUD will not fund any portion of an application that: (1) is not eligible for funding under specific HUD

program statutory or regulatory requirements; (2) does not meet the requirements of this notice; or (3) is duplicative of other funded programs or activities from prior year awards or other selected applicants. Only the eligible portions of an application (excluding duplicative portions) may be funded.

5. In accordance with the FY 2010 HOPE VI appropriation, HUD may not use HOPE VI, which includes Choice Neighborhoods, funds to grant competitive advantage in awards to settle litigation or pay judgments.

6. **Tie Scores.** If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for the overall Need Rating Factor. If a tie remains, HUD will select for funding the application(s) with the highest score for the Need- Severe Distress of the Targeted Neighborhood Rating Factor. HUD will select further tied applications with the highest score for the Leverage Rating Factor, then overall Plan Rating Factor, then overall Capacity.

7. **Remaining Funds.** HUD reserves the right to reallocate remaining funds from this NOFA to other eligible activities under section 24 of the 1937 Act.

a. If the total amount of funds requested by all applications found eligible for funding under V.B of this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded and those funds in excess of the total requested amount will be considered remaining funds.

b. If the total amount of funds requested by all applications found eligible for funding under this NOFA is greater than the amount of funds available from this NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to feasibly fund the next eligible application. In this case, the funds that have not been awarded will be considered remaining funds.

8. **Review and Selection Process References from the General Section.** The following subsections of section V.B of the General Section are hereby incorporated into this NOFA:

- a. Threshold Compliance (V.B.1);
- b. Corrections to Deficient Applications (V.B.2);
- c. Rating Panels (V.B.3);
- d. Rating (V.B.4); and
- e. Ranking (V.B.5).

#### **VI. Award Administration Information.**

Section VI from the Implementation Grants Section, unless otherwise noted in that section, is hereby incorporated to apply to Planning Grants. HUD will monitor each grantee's progress toward completion of the proposed activities. During the planning period, grantees must be able to demonstrate performance, or show significant progress toward the completion of a Transformation Plan. Grantees will also need to comply with HUD's reporting requirements.

#### **VII. Agency Contacts.**

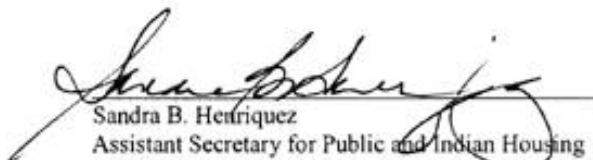
Section VII from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

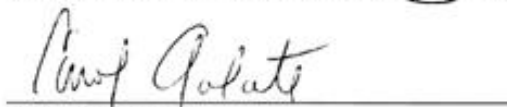
#### **VIII. Other Information.**

Section VIII from the Implementation Grants Section is hereby incorporated to apply to Planning Grants.

**IX. Paperwork Reduction Act Statement.** The information collection requirements contained in this document is 2577-0269 under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid OMB control number. The public reporting burden for the collection of information is estimated to average 35.59 hours for Planning Grant applications and 58.09 hours for Round 1 Implementation Grant applications per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, quarterly reports, and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

Dated: 8/25/10

  
Sandra B. Henriquez  
Assistant Secretary for Public and Indian Housing

  
Carol J. Galante  
Deputy Assistant Secretary for Multifamily  
Housing Programs

[FR-5415-N-25]