

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5500-N-33]

**Notice of Funding Availability for the Department of Housing and Urban Development's
Fiscal Year 2011 Community Challenge Planning Grant Program**

AGENCY: Office of Sustainable Housing and Communities, Office of the Deputy Secretary,
U.S. Department of Housing and Urban Development.

ACTION: Notice of Funding Availability (NOFA).

SUMMARY: The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10, approved April 15, 2011) (Appropriations Act), provided a total of \$100,000,000 to HUD for a Sustainable Communities Initiative to improve regional planning efforts that integrate housing and transportation decisions, and increase the capacity to improve land use and zoning. Of that total, \$70,000,000 is available for the Sustainable Communities Regional Planning Grant Program, and \$30,000,000 is available for the Community Challenge Planning Grant Program. In addition to the application requirements set forth in this document, applicants must also comply with applicable requirements established in HUD's FY2011 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2011 NOFAs for Discretionary Programs (General Section) posted on Grants.gov on March 4, 2011.

The Department of Housing and Urban Development's ("HUD") Community Challenge Planning Grant Program ("Program") fosters reform and reduces barriers to achieving affordable, economically vital, and sustainable communities. Such efforts may include amending or replacing local master plans, zoning codes, and building codes, either on a jurisdiction-wide basis or in a specific neighborhood, district, corridor, or sector to promote mixed-use

development, affordable housing, the reuse of older buildings and structures for new purposes, and similar activities with the goal of promoting sustainability at the local or neighborhood level. This Program also supports the development of affordable housing through the development and adoption of inclusionary zoning ordinances and other activities to support plan implementation. Of the \$30 million available for the Community Challenge Planning Grant Program, this notice announces the availability of approximately \$28.6 million for Community Challenge Planning Grants, of which not less than \$3 million shall be awarded to jurisdictions with populations of less than 50,000. An additional \$1 million has been reserved for capacity support grants distributed through a separate NOFA posted on Grants.gov.

HUD thanks the public for the comments and input that were received prior the development of the FY2011 NOFA.

The Community Challenge Planning Grant Program differs from HUD's Sustainable Communities Regional Planning Grant Program, a \$70 million program also created in the Department of Defense and Full-Year Continuing Appropriations Act, 2011. While the latter program is designed to support regional planning efforts, the Community Challenge Planning Grant Program focuses on individual jurisdictions and more localized planning. HUD is publishing a separate NOFA for the Sustainable Communities Regional Planning Grant Program.

FOR FURTHER INFORMATION CONTACT: Specific questions regarding this Program's requirements should be directed to sustainablecommunities@hud.gov or through www.hud.gov/sustainability. Written questions may also be submitted to the Office of Sustainable Housing and Communities, Department of Housing and Urban Development, 451 7th Street, SW, Room 10180, Washington, DC 20410. Hearing or speech challenged persons

may call the Federal Information Relay Service at 800-877-8339 (this is a toll-free number). Questions regarding the 2011 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.

OVERVIEW INFORMATION

A. Federal Agency Name: Office of Sustainable Housing and Communities, Office of the Deputy Secretary, U.S. Department of Housing and Urban Development.

B. Funding Opportunity Title: Community Challenge Planning Grant Program.

C. Announcement Type: Initial Announcement.

D. Funding Opportunity Number: The funding opportunity number is **FR-5500-N-33**. The OMB Approval Number is 2501-0025.

E. Catalog of Federal Domestic Assistance (CFDA) Number: The Catalog of Federal Domestic Assistance (CFDA) number for the HUD Community Challenge Planning Grant is 14.704.

F. Dates: The application deadline date is **September 9, 2011**. Applications submitted through <http://www.grants.gov> must be received by grants.gov no later than 11:59:59 pm eastern time on the application deadline date. See Section IV of the General Section regarding application procedures, timely filing requirements, and grace period policy. .

G. Additional Overview Information:

- 1. Purpose of the Program.** The Department of Housing and Urban Development's Community Challenge Planning Grant Program fosters reform and reduces barriers to achieving affordable, economically vital, and sustainable communities. Such efforts may include amending or replacing local master plans, zoning codes, and building codes, either on a jurisdiction-wide basis or in a specific neighborhood, district, corridor, or sector to promote mixed-use development, affordable housing, the reuse of older buildings and structures for new purposes, and similar activities with the goal of promoting sustainability at the local or neighborhood level. This Program also supports the development of affordable housing through the development and adoption of inclusionary zoning ordinances and other activities to support plan implementation.
- 2. HUD's General Section.** Applicants should carefully review the requirements described in this NOFA and HUD's Notice of HUD's Fiscal Year (FY) 2011 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2011 NOFAs for Discretionary Programs ("General Section"). Unless otherwise stated in this NOFA, the requirements of the General Section apply.
- 3. Available Funds.** Approximately \$28.6 million, of which not less than \$3 million shall be awarded to jurisdictions with a population of less than 50,000.

4. Funding Categories. Given the range of planning activities that potential applicants are trying to accomplish, HUD will support a variety of eligible activities as listed in Section III.C.1.

5. Authority. The program is authorized by Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10, approved April 15, 2011).

FULL TEXT OF ANNOUNCEMENT

I. FUNDING OPPORTUNITY DESCRIPTION. This notice announces HUD's intention to offer funding to urban, suburban and rural communities through a competition made available as a Notice of Funding Availability (NOFA) under its Community Challenge Planning Grant Program.

A. Program Description. A top priority of the Administration is to build economically competitive, healthy, environmentally sustainable, and opportunity-rich communities. In the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10, approved April 15, 2011), Congress provided a total of \$100,000,000 in FY2011 to HUD for a Sustainable Communities Initiative. To do this, HUD is providing grant programs to improve regional planning efforts that integrate housing, transportation, economic development, and environmental infrastructure investment decisions, and increase state, regional, and local capacity to incorporate livability, sustainability, and social equity into land use plans and zoning. Of that total, \$30,000,000 is available for the Community Challenge Planning Grant Program, of which approximately \$28,600,000 will be distributed through this NOFA, with no less than \$3 million to be awarded to jurisdictions with a population of less than 50,000 based on the 2010

Census. An additional HUD will reserve \$1,000,000 for capacity support grants that are being distributed through a separate NOFA posted on Grants.gov.

B. The Partnership for Sustainable Communities. This NOFA has been developed in close coordination among the United States Department of Transportation (“DOT”), the United States Environmental Protection Agency (“EPA”), and HUD, through the Partnership for Sustainable Communities (the “Partnership”).

The Partnership was announced in 2009 to coordinate Federal housing, transportation, and environmental investments, protect public health and the environment, promote equitable development, and help address the challenges of climate change. Recognizing the fundamental role that public investment plays in achieving these outcomes, the Administration charged three agencies whose programs most directly impact the physical form of communities—HUD, DOT, and EPA—to lead the way in reshaping the role of the Federal government in helping communities obtain the capacity to embrace a more sustainable future. Recognizing the growing number of rural and small town communities that are also adopting sustainability practices in their economic development strategies, the Partnership has also been coordinating with the United States Department of Agriculture.

One of the first acts of the Partnership was to agree to a set of six “Livability Principles” to govern the work of the Partnership and for each of the three agencies to strive to incorporate into their policies and funding programs to the degree possible. In addition, each agency has clear and defined roles: HUD takes the lead in funding, evaluating, and supporting integrated regional planning for sustainable development, and invests in sustainable housing and community development efforts. DOT focuses on building the capacity of transportation

agencies to integrate their planning and investments into broader plans and actions that promote sustainable development, and invests in transportation infrastructure that directly supports sustainable development and livable communities. EPA provides technical assistance to communities and States to help them implement sustainable community strategies, and develops environmental sustainability metrics and practices. The three agencies have made a commitment to coordinate activities, integrate funding requirements, and adopt a common set of performance metrics for use by grantees.

Many of the eligible activities (i.e. encouraging long-term affordability in high opportunity areas) and rating factors elements (i.e. encouraging the alignment of federal sustainability planning and investments) stem from work undertaken by the Partnership to address barriers to sustainable communities. In addition, changes made to the FY2011 NOFA, such as the \$3 million reserved for jurisdictions with populations under 50,000, reflect lessons learned from the FY2010 competition and HUD's continuing work with the Partnership and other participating federal agencies such as USDA.

In FY 2010, this program was announced jointly with the DOT's TIGER II Planning Grant program. Because the DOT TIGER Planning Grant program did not receive an appropriation for FY2011, this FY 2011 program announcement is limited to the HUD Community Challenge Grant Program and does not include any DOT funds.

C. Program Goals

- 1.** To better align Federal programs to support the building of projects that further the six Livability Principles (see Section V.A.1).

2. To remove artificial or bureaucratic barriers among Federal, State, and local programs and create more coordinated points of contact for State and local governments building innovative projects that coordinate housing, economic development, transportation, and environmental policies and goals.

D. Preferred Sustainability Status. HUD will recognize the commitment of regions and localities to advance the Livability Principles. All applicants achieving a specified threshold score in their submission for the FY2011 round of the Community Challenge Planning Grant Program will qualify for Preferred Sustainability Status for the project area included in the application. For FY 2011 grantees, this status will be in effect for the duration of period of Community Challenge award activities; for applicants who do not receive funding, but attain Preferred Sustainability Status, this status will be in effect for the FY 2012 grant competitions. Applicants that meet this criterion will qualify for several benefits, including access to capacity building resources and potential points in a number of funding opportunities managed by HUD and possibly other federal agencies such as DOT and EPA.

E. Authority. The program was authorized by Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10, approved April 15, 2011).

F. Definitions. In this NOFA, the following terms shall have the meanings indicated below.

1. ***Cooperative Agreement.*** The term “cooperative agreement” means an agreement in which the Federal government provides funding authorized by public statute where substantial involvement is expected between the Federal government and the funding recipient when carrying out the award activities.

2. *Indian Tribe.* The term “Indian Tribe” has the meaning given that term in 25 U.S.C. 4103(13).

3. *Livability.* The term “livability” is a measure of integration of the housing, transportation, environmental, and employment amenities accessible to residents. A livable community is one with multiple modes of transportation, different types of housing, and destinations located close to home.

4. *Social Equity.* The term “social equity” involves the process of identifying structural disparities between persons of different racial and ethnic groups and between persons of different income groups in areas such as health outcomes, employment, and school outcomes and creating pathways for prosperity: fair and equal access to livelihood (jobs and small business opportunities); quality education (pre-K to college, and new economy job skills); and core amenities (affordable transportation, affordable homes, parks, and fresh food); full participation in the political and cultural life of the community; and self-determination in meeting fundamental needs of individuals, families, and communities.

5. *Sustainable Communities.* The term “sustainable communities” refers to urban, suburban, and rural places that successfully integrate housing, land use, economic and workforce development, transportation, and infrastructure investments in a manner that empowers jurisdictions to consider the interdependent challenges of: a) economic competitiveness and revitalization; b) social equity, inclusion, and access to opportunity; c) energy use and climate change; and d) public health and environmental impact.

6. *Underserved Populations.* The term “underserved populations” means groups of individuals who fall within one or more of the categories protected under the Fair Housing Act or who are: of an immigrant population (especially racial and ethnic minorities who are Limited English

Proficiency (LEP) individuals); in rural populations; homeless; persons with disabilities (e.g., physical or mental) who can be historically documented to have been subject to discriminatory practices not having been the focus of federal, state or local fair housing enforcement efforts; persons in areas that are heavily populated with minorities where there is inadequate protection or ability to provide service from the state or local government or private fair housing organizations; or populations that have faced generational economic disadvantage, job dislocation, or other forces that prevent them from achieving individual and family self-sufficiency.

7. Unit of General Local Government. The term “unit of general local government” has the meaning given that term in 42 U.S.C. 5302(a)(1).

II. AWARD INFORMATION

A. Funding Available. Approximately \$28 million will be made available through this NOFA. Not less than \$3 million of the funds available shall be awarded to jurisdictions with a population of less than 50,000 based on the 2010 Census.

B. Award Size. The minimum award size is \$100,000, and the maximum award size is \$3 million.

C. Period of Performance. The period of performance shall not exceed 36 months from the date the funds are obligated. The period of availability of funds shall be in compliance with 24 CFR 85.23. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the period of performance stated in the funding award.

Type of Awards. All awards will be made in the form of *Cooperative Agreements*. HUD anticipates having substantial involvement in the work being conducted under this award to ensure the purposes of the grant program are being carried out and that entities are following through on their commitments. This includes making progress in meeting established performance metrics, and ensuring consistency in projects in participating jurisdictions that are funded through other HUD, DOT, and EPA programs so that they are implemented in a manner consistent with the Livability Principles.

ELIGIBILITY INFORMATION

A. Eligible Applicants. State and local governments, including U.S. territories, tribal governments, political subdivisions of State or local governments, and multi-State or multijurisdictional groupings.

B. Cost Sharing or Matching.

1. Match Requirements.

Applicants must provide 20 percent of the requested funding amount in **match** in the form of cash and/or verified in-kind contributions or a combination of these sources. In-kind contributions may be in the form of staff time, donated materials, or services. See Section III.B.2. below for a more detailed description of possible in-kind contributions. All contributions provided to meet this requirement must be identified in the application by their dollar equivalent based upon accepted salary or regional dollar values. Cash contributions may come from any combination of local, state, and/or private and philanthropic contributions dedicated to the

express purposes of the proposal. Applicants will receive credit for leveraging resources greater than the 20 percent required match amount as described in Section V.A.4. If an applicant does not include the minimum 20 percent match with appropriate supporting documentation (see below in this Section), that application will be considered ineligible (see Section III.C.2).

Federal funds are not eligible as match unless otherwise permitted in their authorizing statutes (e.g., Community Development Block Grant funds (CDBG) can be used as match). Applicants submitting multiple applications for different projects must secure independent matching funds for each proposal submitted. Note that applicants may not submit multiple applications for the same project.

For all matched or leveraged resources, the applicant must support each source of contributions, cash or in-kind, both for the required match and additional leverage amounts, by a letter of commitment from the contributing entity, whether a public or private source. Such supporting documentation must be provided in the form of 1) letters of firm commitment, 2) memorandums of understanding, or 3) other signed agreements to contribute from those entities identified as partners in your application. Each letter of commitment, memorandum of understanding, or agreement to participate should include the organization's name, the proposed level and type of commitment, and the responsibilities as they relate to your proposed program. The commitment must be signed and dated by an official of the organization legally able to make commitments on behalf of the organization. If the applicant does not provide letters from contributors specifying details and the amount of the actual contributions, those contributions will not be counted.

2. In-Kind Contributions.

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, the phones, fax and copy machines, or the use of a vehicle, 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 organization on a permanent or temporary basis, the time involved is an in-kind contribution.

C. Other

1. Eligible Activities. Eligible activities include those related to the following:

- a.** Development of master plans or comprehensive plans that 1) promote affordable housing co-located and/or well-connected with retail and business development and 2) discourage development not aligned with transportation plans, economic development plans, or regional sustainability plans;
- b.** Development and implementation of local, corridor or district plans and strategies that promote livability and sustainability (see the Livability Principles in Section V.A.1) while avoiding residential and small business displacement;
- c.** Comprehensive review to develop and prioritize revisions to zoning codes, ordinances, building standards, administrative regulations/actions or other laws to remove barriers and promote sustainable and mixed-use development and to overcome the effects of impediments to fair housing choice in local zoning codes and other land use laws, including form-based codes

and inclusionary zoning ordinances to promote accessible, long-term affordable housing that reduces racial and poverty housing concentration and expands fair housing choice for low-income, minorities and persons with disabilities;

d. Develop building codes that balance energy efficient rehabilitation of older structures and the creation affordable and healthy housing;

e. Strategies for creating or preserving affordable housing for low-, very low-, and extremely low-income families or individuals in mixed-income, mixed-use neighborhoods along an existing or planned transportation corridor which are based on data and market analysis;

f. Strategies to bring additional affordable housing to areas that have few affordable housing opportunities and are close to job clusters;

g. Planning, establishing, and acquiring land for development, redevelopment, and revitalization that reserves property for the development of affordable housing within the context of sustainable development (see Section VI.B.1 for additional requirements for land acquisition);

h. Development of community-scale energy strategies and implementation plans, and climate adaptation plans; and

i. Development of pre- and post-disaster plans in the context of sustainable communities.

2. Threshold Requirements. Evaluation teams from HUD will review each application that is received on or prior to the Application Deadline and will be responsible for analyzing whether the application satisfies the following threshold requirements. Applications that do not meet all of the threshold requirements will not be eligible for funding from this program.

a. Applicants must meet all threshold requirements contained in Section III.C.2 of HUD's Fiscal Year (FY) 2011 Notice of Funding Availability (NOFA) Policy Requirements and the General Section to HUD's FY 2011 NOFAs for Discretionary Programs (General Section) posted on

Grants.gov on April 4, 2011, and the requirements of this NOFA. In particular, applicants should carefully review the Threshold requirements that could result in the failure to receive funding;

b. The project and the applicants must be eligible for funding under the Community Challenge Planning Grant program (see Section III.A);

c. Applicants are required to provide a minimum of 20 percent in matching funds or in-kind contributions of the total grant funds requested with appropriate documentation (see Section III.B);

d. A completed budget summary must accompany the application. Applicants shall use the SF-424CBW or an Excel-based equivalent to provide the budget as explained in Section V.A.3.c.

e. Only one application per project will be accepted for review. Applicants may submit multiple applications as long as they are for different projects. If more than one application is received for the same project, the application that was received last by Grants.gov in compliance with the timely receipt requirements (see the General Section) will be considered for funding; and

f. Projects funded in the FY 2010 HUD Community Challenge Planning Grant competition will be ineligible for review and/or additional funding. However, successful applicants from the 2010 competition may submit applications for other projects not funded in the FY 2010 competition.

3. Additional Requirements as stated in HUD's General Section. All provisions of the General Section apply to this NOFA unless otherwise stated. Specifically, applicants should review Section III.C. Other Requirements and Procedures Applicable to All Programs. The following sections of the General Section are of particular significance for this Notice, and applicants should confirm their adherence to their conditions.

a. Code of Conduct. Prior to entering into a cooperative agreement with HUD, applicants will be required to submit a copy of their organization's Code of Conduct and describe the methods

they will use to ensure that all officers, employees, and agents of the organization are aware of its Code of Conduct. See the General Section for more information.

b. Pre-Award Accounting System Surveys. HUD may arrange for a pre-award survey of the applicant's financial management system if the recommended applicant has no prior federal support, if HUD's program officials have reason to question whether the applicant's financial management system meets federal financial management standards, or if the applicant is considered high-risk based upon past performance or financial management findings. HUD will not disburse funds to any applicant that does not have a financial management system that meets federal standards. States, local governments, or Indian tribes should review 24 CFR 85.20. See the General Section for further instructions.

c. Compliance with Fair Housing and Civil Rights Laws. With the exception of federally recognized Indian tribes and their instrumentalities, applicants and their sub-recipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, and Section 109 of the Housing and Community Development Act of 1974. Federally recognized Indian tribes must comply with the nondiscrimination provisions enumerated at 24 CFR 1000.12, as applicable. See Section III.C.5.a of the FY 2011 General Section for further instructions on this requirement.

d. Affirmatively Furthering Fair Housing. Section 808(e)(5) of the Fair Housing Act imposes a duty on HUD to affirmatively further the purposes of the Fair Housing Act in its housing and urban development programs. Accordingly, HUD requires recipients of HUD funds, including those awarded and announced under HUD's FY 2011 funding notices, to take affirmative steps to further fair housing. Your application must include a discussion of how the proposed plan will

affirmatively further fair housing. Applications that include specific activities and outcomes that address this requirement will be rated higher under Rating sub-factor 2.a. (see Section V.A.2).

Applications from federally recognized Indian Tribes or their instrumentalities are not subject to the affirmatively further fair housing application submission requirement. See General Section III.C.5.b for further instructions regarding this requirement.

e. Executive Order 13166, “Improving Access to Services for Persons with Limited English

Proficiency (LEP).” Executive Order 13166 seeks to improve access to federally assisted programs and activities for individuals who, as a result of national origin, are limited in their English proficiency. Applicants obtaining federal financial assistance from HUD shall take reasonable steps to ensure meaningful access to their programs and activities to LEP

individuals. As an aid to recipients, HUD published *Final Guidance to Federal Financial Assistance Recipients: Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* (LEP Guidance) in the Federal Register on January 22, 2007 (72 FR 2732). This guidance is available at

http://www.justice.gov/crt/lep/guidance/HUD_guidance_Jan07.pdf . For more information on LEP, please visit <http://www.hud.gov/offices/fheo/promotingfh/lep.cfm>.

IV. APPLICATION AND SUBMISSION INFORMATION

A. Address to Request Application Package. Applications are available on the Federal website www.Grants.gov. To find this funding opportunity at Grants.gov, go to

http://www.grants.gov/applicants/find_grant_opportunities.jsp. There you can search by agency to find this funding opportunity or you can click on Basic Search and then, under the box provided for the CFDA number, you can enter the number 14.704. See the General Section for a

description on how to download the application and accompanying instructions package. Please carefully read the instructions in the General Section regarding how to find and apply for funding opportunities using the Grants.gov system. Carefully following the instructions can make the difference in having the application received or rejected by the system.

If you have difficulty accessing the information you may receive customer support from Grants.gov by calling their Support Desk at (800) 518-GRANTS (TTY: 1-800-877-8339) or 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 Grants.gov and CCR call center ticket logs as part of the review of records.

B. Content and Form of Application Submission. Applicants eligible to apply under this NOFA are to follow the submission requirements described below:

a. Applications. An application for a Community Challenge Planning Grant should include all of the information requested below.

b. Application Abstract. An abstract with a summary of the objectives and expected results (one-page maximum) must be included in the proposal. The abstract should also include the following clarifying information: Project Name, Lead Applicant, Point of Contact, Telephone, Email, Population of the jurisdiction from the 2010 Census, Total Budget, HUD Request, Applicant Match, Location (list of counties/parishes included), and Congressional Districts

Covered. (This information can be placed in a table so that there is room for additional descriptive information within the space allowed.) Information contained in the abstract will not be considered in the evaluation and scoring of your application. Any information the applicant wishes to be considered should be provided under the appropriate rating factor response. The application abstract will not count towards the 15-page limit of the proposal narrative nor the maximum 10-page limit of appendices.

c. Application Narrative. The application narrative response to the Rating Factors is limited to a maximum of 15 pages (excluding appendices and worksheets) of size 8½ x 11” using a 12-point (minimum) font with not less than ¾” margins on all sides. HUD will not refer to websites for information pertinent to the narrative response. Any materials that the applicant intends to have included in the formal review should be incorporated in the 15-page limit of the proposal narrative.

d. Supporting documentation of the 20 percent required match and additional leveraged resources do not count toward the page count of the application or appendices.

e. Appendices. A maximum of 10 pages will be allowed as appendices. Materials provided in the appendices should be referenced and discussed in the narrative response. Materials provided in the appendices should directly apply to the specific rating factor narrative. Information that is not referenced or does not directly apply to a specific narrative response may not be evaluated by reviewers. Photographs, maps, and charts that describe local conditions are encouraged as appendices and will be counted against the appendix page limit. Applicants are strongly urged not to submit information that is not required and/or requested by the NOFA or does not directly apply to a specific narrative response.

f. Map of the Proposed Project Area and Surrounding Context. Include a map that clearly delineates the boundaries of the proposed project area and shows the area's relationship to its surrounding context.

g. Application Checklist. Your application must contain all of the required information noted in this NOFA and the General Section. These items include the standard forms, and the certifications and assurances listed in the General Section that are applicable to this NOFA. The forms required for application submission and instructions can be found in the application at <http://www.grants.gov>. HUD requests that applicants group their materials into three primary documents and additional federal forms for submission as described below in the "Checklist and Submission Table of Contents." Inclusion of this "Checklist and Submission Table of Contents" with your proposal is recommended but not required.

Checklist and Submission Table of Contents

a. First Exhibit (filename: Lead Applicant Name_ Exhibit_One) should consist of:

- (1) Applicant Abstract (limited to a maximum of 1 page);
- (2) Rating Factor Narrative Response (limited to a maximum of 15 narrative pages)

b. Second Exhibit (filename: Lead Applicant Name_ Exhibit_Two) should consist of:

- (3) Map of Project Area and surrounding context (does not count toward the page limit);
- (4) Proof of partnerships and matching resources (does not count toward the page limit);
- (5) Other materials in support of rating factors. Organizational chart, bios, or resumes for key personnel (limited to a maximum of 10 pages).

c. Other Federal Forms (submitted individually)

- (6) Form SF-424, Application for Federal Assistance – in block 8.d of the form, applicants must include a 9 digit number for your organization's zip code (zip plus 4);

- (7) Form SF-424 Supplemental Survey on Equal Opportunity for Applicants (“Faith Based EEO survey (SF-424 SUPP)” on Grants.gov) (optional submission);
- (8) HUD-424-CBW, HUD Detailed Budget Worksheet (Include Total Budget, Federal Share and Match);
- (9) Form HUD-2880, Applicant/Recipient Disclosure/Update Report (“HUD Applicant Recipient Disclosure Report” on Grants.gov);
- (10) Form SF-LLL, Disclosure of Lobbying Activities (if applicable);
- (11) Form HUD-96011, Third Party Documentation Facsimile Transmittal (“Facsimile Transmittal Form” on Grants.gov) (used as the cover page to transmit third party documents and other information designed for each specific application for tracking purposes. HUD will not read faxes that do not use the HUD-96011 as the cover page to the fax); and
- (12) HUD2995, Certification of Consistency with Sustainable Communities Planning and Implementation (if applicable) (must be signed by the Designated Point of Contact for designated Preferred Sustainability Status Community or the HUD Regional Administrator in cases where the applicant would otherwise be self-certifying; see the General Section for details.)

C. Receipt Dates and Times. Applications must be submitted electronically through Grants.gov by the deadline date, at 11:59:59 p.m. eastern time. All applications must be received and validated by http://www.grants.gov/applicants/apply_for_grants.jsp no later than 11:59:59 p.m. eastern time on the application deadline date.

Following receipt the application will go through a validation process. If the application fails the Grants.gov validation process, it will be rejected. Please see the 2011 General Section

for instructions for timely receipt, including actions to take if the application is rejected.

Applicants should carefully read the section titled “INSTRUCTIONS ON HOW TO DOWNLOAD AND APPLICATION PACKAGE AND APPLICATION INSTRUCTIONS” in the 2011 General Section. This section contains information on using Adobe Reader, HUD’s timely receipt policies, and other application information.

D. Intergovernmental Review. Not required.

E. Funding Restrictions. Applicants may not use funds for the following ineligible activities:

1. Ineligible administrative activities under OMB Circular A-102, Grants and Cooperative Agreements with States and Local Governments, or OMB Circular A-110, Uniform Administrative Requirements for Grants and Cooperative Agreement with Institutions of Higher Education, Hospitals and other Non-Profit Organizations;
2. Ineligible costs under OMB Circular A-87 (2 CFR 225), Cost Principles for State and Local and Indian Tribal Governments, and OMB Circular A-122, Cost Principles for Non-Profit Organizations;
3. HUD will not fund duplicative activities that have been approved in a previously awarded Community Challenge Planning Grant;
4. HUD will not fund activities which are funded or are planned to be funded through an existing formula or other award by a federal agency such as transportation alternatives analysis, planning activities undertaken by MPOs for developing long-range transportation plans, or HUD Consolidated Plan development activities; or

5. Substitution of Sustainable Communities funds for funding already pledged to support community development, housing, watershed, air and water quality, transportation planning, food production and distribution planning, and other planning activities eligible under this Program.

In addition, no less than 5 percent of the budget request must be committed to activities that specifically support the goals of this NOFA to deepen the engagement, participation, and governance of populations underrepresented in planning processes.

E. Other Submission Requirements.

Applicants are required to submit applications electronically via the website:

http://www.grants.gov/applicants/apply_for_grants.jsp. **Applicants requesting a waiver of electronic application requirements** should submit their electronic application waiver requests in writing by email, mail, or fax no later than 15 days prior to the application deadline date.

Requests for waivers may be submitted by mail to:

Office of Sustainable Housing and Communities
Attn: Zuleika K. Morales-Romero,
Office of Sustainable Housing and Communities,
U.S. Department of Housing and Urban Development,
451 Seventh Street, SW, Room 10180, Washington DC 20410;

Or by email to: Zuleika.K.Morales@hud.gov

Or by FAX to: (202) 708-0465.

If an electronic submission waiver is granted, the application must be submitted in paper format and received by HUD no later than 4:00 p.m. eastern time on the application deadline date to permit the application to be scanned by HUD Security. The electronic submission waiver approval notification will provide further information on where and how to send the application

and the number of copies to be provided. Applicants are reminded that HUD mail is irradiated and sending the application by regular mail can cause a delay in the receipt of the application due to the procedure, which may result in the application not meeting the deadline date and time requirements. There is no grace period for paper application submissions.

V. APPLICATION REVIEW INFORMATION

A. Criteria.

1. Rating Factor 1 — Purpose and Outcomes (30 points).

a. Purpose and Alignment with Livability Principles (15 points):

Applicants should state the problems or barriers the project seeks to address and why they are an impediment to promoting a more sustainable future for the applicant community; describe the regional or local significance of the project, whether it is a part of a comprehensive regional plan, and its relationship to other Federal investments that support the Livability Principles; and describe the project's alignment to the Livability Principles (see below for the Livability Principles and www.sustainablecommunities.gov for examples of Federal investments). As there is a wide range of projects that can be supported through this notice, not every project is expected to address all six Livability Principles; however, promoting equitable, affordable housing choices should be a component of all applications. Projects which address multiple Livability Principles will be given greater consideration.

The Livability Principles are as follows:

(1) *Provide More Transportation Choices.* Develop safe, reliable and affordable transportation choices to decrease household transportation costs, reduce energy consumption

and dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.

(2) *Promote equitable, affordable housing.* Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.

(3) *Enhance Economic Competitiveness.* Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.

(4) *Support Existing Communities.* Target Federal funding toward existing communities to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.

(5) *Coordinate Policies and Leverage Investment.* Align Federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

(6) *Value Communities and Neighborhoods.* Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

An applicant's score on this rating factor will be based on the description of the existing conditions that the proposed project is intended to address, the proposed project's alignment with the six "Livability Principles," the degree to which the proposed project addresses long-term problems, and consistency with existing region-wide plans that consider transportation, economic development, housing, water, and other infrastructure needs and investments. Points

will be awarded based on the extent to which the proposed project clearly and strongly addresses the problems or barriers described, demonstrates an innovative approach, meaningfully furthers the specifically identified Livability Principles, and aligns with existing region-wide plans.

Applicants are requested to describe its consultation and use of existing best practices and provide any data driven analysis, and/or introduce new and innovative approaches when addressing this rating factor. (HUD and the Partnership have collected examples of best practices which are available on the Partnership website

<http://www.sustainablecommunities.gov/toolsKeyResources.html>) and the HUD Regulatory Barriers Clearinghouse (<http://www.huduser.org/portal/rbc>). These resources are by no means an exhaustive list of best practices; applicants may also identify other best practices to adapt to their local context.)

Include a map of the proposed project area and community context.

b. Clarity of Outcomes (10 points):

Applicants are required to clearly identify the benefits or outcomes of its proposed program. HUD recognizes that each project is unique and thus is allowing significant latitude to the applicant to set the desired outcomes that will result from implementation of the project.

HUD has identified six possible outcomes, listed below, that relate to the Livability Principles, eligible activities, and goals of this program. Each applicant should pursue and report on the first outcome, *increased participation and decision-making*, and select a minimum of two additional outcomes that it will pursue and report on during its period of performance. The six possible outcomes are:

(1) Increased participation and decision-making in developing and implementing a plan, code, development strategy, or project by populations traditionally marginalized in public planning processes, including underserved populations;

(2) Impact on affordability and accessibility, including increased supply of affordable housing units, access to jobs, and/or proportion of low- and very-low income households within a 30-minute transit commute of major employment centers and associated reductions in disparities between racial and ethnic groups and between income groups in these areas;

(3) Energy efficiency increases and/or reductions in community energy use through community-scale energy strategies and/or green building code development;

(4) Economic development, including infill development or recycled parcels of land or private sector investment along a project or corridor, or local business development and job creation;

(5) Travel changes, such as changes in mode share, vehicle miles traveled (VMT) per capita, or household transportation costs and associated reductions in disparities between racial and ethnic groups and between income groups in these areas; and

(6) Environmental benefits, such as reduction in greenhouse gas emissions, criteria pollutant emissions, or oil consumption and preservation of recreational areas, farm land, or open space while balancing the need for affordable housing in the community.

In order for points to be awarded, applicants should select outcomes to report on, as described above, and provide baseline data and a narrative to describe current conditions related to each outcome selected in the application. For example, a community seeking travel changes should provide current data on mode share or vehicle miles traveled (VMT) in the project area. Where possible, data should be provided for the project area as a whole and by race and ethnicity

and income level. Explanations for data not available should be provided, and alternative descriptive information is encouraged, particularly in rural communities or other places where the data is not practically available. Applicants should also describe the connection between their proposed activities and the projected outcomes. Finally, applicants should specify benchmarks that they will establish to measure progress toward these outcomes both during and following the award period of performance.

Applicants will be evaluated on their ability to identify the outcomes they seek to achieve; the connection between those outcomes and existing conditions, supported by data (where available); the clarity with which they articulate the elements of their plan that will help achieve those outcomes; and the specificity of the benchmarks that they establish to measure progress toward the outcomes.

c. Implementation (5 points):

Applicants should describe the level of support they will have to implement the plan, including but not limited to community support, local government support, and private sector.

2. Rating Factor 2 — Work Plan and HUD Policy Priorities (30 points).

a. Work Plan (26 points):

Applicants must submit a work plan that includes the following:

(1) *Proposed Activities (6 points)*. Briefly describe the proposed activities, including any coordinated components that will not be directly funded under the Community Challenge Planning Grant Program. Include the objective of each major task, and include public outreach and participation activities, including those that target minority and disadvantaged populations.

(2) *Public Participation Plan (5 points)*. In addition to the public engagement activities detailed in the Proposed Activities section, describe the project's approach for deepening the participation and decision-making power of populations that are traditionally marginalized in the planning process, including underserved populations.

(3) *Schedule (5 points)*. Briefly describe the project completion schedule, including milestones in each month for the critical management actions for the applicant and any other entity whose cooperation or assistance is necessary to achieve your desired result, including the end dates of each required action and your expected metrics and results. Applicants should be prepared to initiate eligible activities within 120 days of the effective date of the award. HUD reserves the right to terminate the award if sufficient personnel or qualified experts are not retained within these 120 days.

(4) *Other Work Plan Elements (10 points)*:

(i) **Responsible Entity**. Indicate the entity responsible for each project and activity, including any elected bodies or bodies appointed by elected officials.

(ii) **Evaluation Methods**. Applicants will describe how they will evaluate the success of their project or activity. They should also describe how project evaluation information will be obtained, documented, and reported.

(iii) **Anticipated Obstacles**. Applicants should also identify potential obstacles in executing the proposed activities and discuss steps they would take to overcome those obstacles.

(iv) **Affirmatively Furthering Fair Housing**. All applicants for HUD funding are subject to the requirements to Affirmatively Further Fair Housing. Proposed activities must help overcome impediments to fair housing choice that are identified in the Analysis of Impediments to Fair Housing Choice (AI) produced by the state and/or local government(s) in which your

program activities occur, the effects of those impediments, and any other impediments in housing or urban development activities you may identify. Proposed activities must address at least one of the following objectives: (1) help overcome any impediments to fair housing choice related to the assisted program or activity itself; (2) promote racially, ethnically, and socioeconomically diverse communities; or (3) promote housing-related opportunities that overcome the effects of past discrimination because of race, color, national origin, religion, sex, disability, and familial status. HUD will award additional points to applicants that prioritize additional measures to advance civil rights.

An applicant's score on this rating factor will be based on the quality of the proposed work plan including the clarity and logic of proposed activities, quality of the public participation plan, clarity of the project schedule, identification of responsible entities for each task, suitability of evaluation methods, identification of potential obstacles, connection to affirmatively furthering fair housing and other civil rights efforts, and integration of these seven elements above in a coherent manner. In addition, applications that demonstrate how proposed activities are aligned with the outcomes defined in Rating Factor 1 will receive a higher score.

d. HUD Policy Priorities (4 points): Applicants should indicate if, and describe how, the following policy priorities will be addressed: (1) Capacity Building and Knowledge Sharing and (2) Expand Cross-Cutting Policy Knowledge. Two points will be awarded for each policy priority. Identify specific activities, outputs and outcomes that further these policy priorities over the period of performance.

(1) Capacity Building and Knowledge Sharing

HUD recognizes that successful program implementation can only occur in partnership with effectively prepared grantees. It is therefore critical to strengthen the capacity of each consortium by developing partnerships that will advance the objectives of proposed programs. HUD's Strategic Plan emphasizes the importance of strengthening the capacity of state and local partners to implement HUD programs, participate in decision-making and planning processes, and coordinate on cross-programmatic, place-based approaches through grant making and technical assistance. To receive policy priority points, applicants are expected to describe how they will achieve the following outcomes:

(a) Increase the skills and technical expertise of partner organizations to manage federal awards, provide solid financial management, and perform program performance assessment and evaluation. The applicant must describe the methods that will be used to achieve these outcomes. Examples include in-service trainings, online information provision (e.g., webinars, podcasts, etc.), and structured observation of best practices. According to the proposed methods, the applicant should identify the anticipated outputs (e.g., number of people trained, number of training events, volume of easily accessible training materials for targeted capacities, etc.) during the 3-year period of performance. See Section VI.C for information on reporting requirements for these Policy Priorities.

(b) Share knowledge among partners so that key personnel responsible for grant implementation coordinate cross-programmatic, placed-based approaches. The applicant must describe the outreach methods that will be used to achieve this outcome. Examples include establishing regular partner dialogues, and structured peer exchange. According to the proposed

methods, the applicant should establish and specify the anticipated outputs (e.g., number of meetings, web postings, number of participating partners, total staff exposed to new learning and promising practice, number of briefings, issuance of monthly fact sheets, etc.) during the 3-year period of performance. HUD will work with grantees to support knowledge sharing and innovation by disseminating best practices, encouraging peer learning, publishing data analysis and research, and helping to incubate and test new ideas. See Section VI.C for information on reporting requirements for these Policy Priorities.

(2) Expand Cross-Cutting Policy Knowledge

Broadening the use of successful models to other communities requires definitive evidence of which policies work and how, and a plan for public dissemination of this information. To achieve full points, the applicant must indicate what data they and/or partner organizations will collect on outcomes for the defined target area (e.g., changes in commuting time, improved health outcomes, VMT measures, etc.). Any data collected must include race and ethnicity as well as income level. The grantee must document a plan to engage credible policy researchers to assist in the analysis of that data in order to measure policy impact, and clarify the extent of data that will be made available to those researchers through a data-sharing agreement.

(a) For household-level data, this may be an agreement with a university or other policy research group that regularly produces peer-reviewed research publications.

(b) For parcel-related data, this agreement may be with a regional planning, non-profit, or government agency that provides consolidated local data on a regular basis to the public for free. The applicant should specifically describe how they intend to disseminate policy lessons learned during the planning process to a diverse range of potential audiences, including policymakers, other regional consortia, and interested community leadership. The collection method and

specific data elements will not be prescribed by HUD, but may be determined by the applicant. The applicant must establish and provide the anticipated outputs within the period of performance. Examples include the number of policy publications, number of research studies, anticipated distribution of findings, etc. See Section VI.C for information on reporting requirements for these Policy Priorities.

3. Rating Factor 3 — Budget (10 points):

a. Sources and Uses of Funds/Budget. The applicant’s budget proposal should thoroughly estimate all applicable costs (direct, indirect, and administrative), and be presented in a clear and coherent format in accordance with the requirements listed in the General Section using Form HUD-424-CBW. HUD is not required to approve or fund all proposed activities. The applicant must thoroughly document and justify all budget categories and costs (Form HUD-424-CBW) and all major tasks for the applicant, sub-recipients, joint venture participants, or others contributing resources to the project. A separate budget form must be provided for partners who are proposed to receive 10 percent or more of the applicant’s proposed federal funding amount.

When developing your budget, include under “Travel” expenses within the HUD-424-CBW, the estimated cost of one trip for each year of proposed activities (maximum three trips) to Washington DC for two people for a three night stay, in addition to any other planned travel. Make sure to use current per-diem rates (current rates available at <http://www.gsa.gov/portal/category/21287>).

If your program will utilize contract work include the budgeted expenses under the “Consultant” category within the HUD-424-CBW. List all consortium partners that will receive funds and/or provide match funds under the “Sub-grantee” category within the HUD-424-CBW.

b. Based on our assessment of the FY 2010 Sustainable Communities competition applications, this year, HUD is requiring that no less than 5 percent of the applicant's budget request be committed to activities that specifically support the goals of this NOFA to deepen the engagement, participation, and governance of populations underrepresented in planning processes. These resources can be targeted in a number of ways to fit the diversity of local circumstances experienced across the country, including but not limited to: dedicated staff to work on these issues, commitment of resources to a community partner with the expertise to execute these activities, or the establishment of a resource pool that allows neighborhood and community-based organizations to devote substantive energy to outreach, engagement, and training activities. Applicants should clearly illustrate what resources are being dedicated to these purposes through their budget narrative. Applicants that dedicate greater than 5 percent of their budget to these purposes will receive additional points.

c. Use of Funds by Project Activity. The applicant should describe how the funds will be allocated to the project activities identified in Rating Factor 2 – Work Plan.

d. The applicant's proposed budget should clearly identify the funding or cash equivalent amounts being provided as match and leveraged resources. These funds should reflect the numbers and contributions provided in response to Rating Factor 4 — Additional Leveraging and Collaboration.

The applicant's application will be evaluated on the extent to which proposed resources are appropriate for the scope of the proposed project; the allocation of resources toward engagement and participation activities as described above; the extent to which the allocation of resources between project activities are appropriate; and the identification of the cash equivalent of match and leveraged resources.

4. Rating Factor 4 — Additional Leveraging and Collaboration (15 points):

a. Additional Leveraging (10 points): An applicant's score on this rating factor will be based on how well the application demonstrates the project's ability to obtain other community, local, State, and private support beyond the required 20% match, as applicable, and resources that can be combined with HUD program resources to achieve program objectives. Leveraged resources may include cash or in-kind contributions of services, equipment, or supplies allocated to the proposed program. Federal dollars will not count toward leverage unless otherwise permitted by that program's authorizing statute. Additional consideration will also be given to projects that are strongly related to other federal sustainability investments including HUD Sustainable Communities Regional Planning grants and HUD-assisted housing, EPA's Area-wide Brownfield Planning grants, FTA's Livability and Urban Circulator grants, USDA's Great Regions grants, and DOT's TIGER Capital grants.

When evaluating this factor, HUD will take into account three considerations: (1) the amount of resources leveraged that exceeds the required 20 percent match, (2) proposed projects which are strongly related to other federal sustainability investments (as described above) and (3) per capita income in the project area relative to the metropolitan average. For areas outside of a metropolitan statistical area, applicants should report on project area per capita income relative to the state per capita income. Income data must be provided for the indicator when responding to this rating factor.

Applicants will only be awarded points for the leveraged resources that exceed the 20 percent match threshold requirement. To score points in this rating factor, resources may be provided by state, regional, or local entities, public or private organizations, and other entities.

The applicant should provide supporting documentation of all committed funds. Applicants must record the matched and leveraged resources along with their funding request on the SF-424 coversheet.

Applicants will not receive full points if they do not submit evidence of a firm commitment and the appropriate use of leveraged or matched resources under the program. Such evidence must be provided in the form of letters of firm commitment, memoranda of understanding, or other signed agreements to participate from those entities identified as partners in the application. Each letter of commitment, memorandum of understanding, or agreement to participate should include the organization's name, the level of commitment, and the organization's responsibilities as they relate to the proposed project. The commitment must be signed and dated by an official of the organization legally able to make commitments on behalf of the organization. The letter must describe the contributed resources that the applicant will use in the program and their designated purpose. Staff in-kind contributions should be given a monetary value based on the local market value of the staff skills. If the applicant does not provide letters from contributors specifying details and the amount of the actual contributions, those contributions will not be counted. The letter must be signed and dated anytime from the date of the publication of the funding opportunity on www.Grants.gov to the deadline date of the funding opportunity. Any letters signed before or after those dates will not be acceptable.

Documented Match and Leveraged Resources (of the amount requested under this NOFA)	Points Awarded
20 percent (required match)	0 points
> 20 and ≤ 30 percent	2 point
> 30 and ≤ 40 percent	3 points
> 40 and ≤ 50 percent	4 points
> 50 and ≤ 60 percent	5 points
More than 60 percent	6 points
Per capita income less than the metropolitan average	Up to 2 points
Strongly related to other federal sustainability investments	2 points

b. Collaboration (5 points): An applicant’s score on this rating factor will be based on the extent to which the applicant has established working partnerships with other entities to get additional resources or commitments to increase the effectiveness of the proposed program activities. HUD will consider how well the applicant demonstrates strong collaboration among a broad range of participants, including public, private, and nonprofit entities. Additional consideration will be given to applications that specifically involve state-level partners.

5. Rating Factor 5 — Capacity (15 points):

The applicant should provide:

a. Specific examples of previous projects similar to the proposed effort that demonstrate its capacity to implement the proposed work plan (HUD will give priority to applications that demonstrate the prior experience to bring the type of project(s) that is the subject of the planning activities to completion);

b. A description of the applicant’s experience in outreach efforts involving low-income persons, particularly those living in revitalization areas where funds are proposed to be used,

residents of public housing, minorities, socially and economically disadvantaged individuals, LEP individuals, and persons with disabilities;

c. A list of designated staff that is anticipated to manage the proposed project, and their qualifications, as well as other staff anticipated to contribute to the project's completion (Applicants should demonstrate that they either have sufficient personnel or the ability to procure qualified experts or professionals, with the knowledge, skills, and abilities with relevant experience to carry out the proposed activity); and

d. The applicant's past history in managing federal funds (applicants should provide examples of past successful federally-funded projects and explain how the applicant overcame any obstacles during unsuccessful projects).

Where applicants do not have experience relevant to the proposed project activities, they should describe their ability to procure individuals or partners with the knowledge and recent (within the past 3-5 years) experience in the proposed activities or other strategies to successfully carry out the proposed activities.

An applicant's score on this rating factor will be based on how well the application demonstrates the applicant's capacity to successfully implement the proposed activities in a timely manner. In rating this factor, HUD will consider the applicant's level of experience and capacity to carry out the project activities as described in Rating Factor 2; the applicant's level of experience in outreach as described above; the extent to which the application demonstrates that the applicant has an adequate number of key staff or the ability to procure individuals with the knowledge and recent (within the past 3-5 years) experience in the proposed activities; and the applicant's past history in managing federal funds. Ratings under this factor are based on the capacity of the applicant's organization, and its team, as applicable, and the capacity of sub-

contractors, consultants, sub-recipients, community-based organizations, and any other entities that are part of the project application, as applicable.

6. Preferred Sustainability Status (2 bonus points).

In FY2011, HUD will award **2 bonus points** to applicants that are working in the following ways with communities that have received Preferred Sustainability Status (“PSS”) under the HUD FY2010 Sustainable Communities Regional Planning Grant Program and/or the FY2010 HUD funded Challenge Grant Program (hereafter referred to as the Preferred Sustainability Status Communities):

- a.** The applicant is engaged in activities, that in consultation with the designated Point of Contact of the HUD-designated PSS Community furthers the purposes of the Regional Planning Grant Program or the Challenge Grant Program; and
- b.** The applicant’s proposed activities either directly reflect the Livability Principles cited and contained in HUD’s General Section to the FY2011 NOFAs or will result in the delivery of services that are consistent with the goals of the Livability Principles; and
- c.** The applicant has committed to maintain an on-going relationship with a HUD PSS Community for the purposes of being part of the planning and implementation processes in the designated area.

To be eligible to receive bonus points, an applicant is required to obtain a certification from the Designated Point of Contact for the designated PSS Community using form HUD2995 which verifies that the applicant has met the above criteria. The form will certify the nexus between the proposed activities of the applicant and the Livability Principles as they are being advanced in the PSS Community. It must be signed and dated anytime from the date of the

publication of the funding opportunity on www.Grants.gov to the deadline date of the funding opportunity. Any certifications signed before or after those dates will not be acceptable. If the applicant is from the agency that holds Point of Contact status in a particular PSS Community, the form HUD2995 must be certified by the appropriate HUD Regional Administrator in consultation with field staff.

To view the listing of PSS Communities Points of Contact and to determine if your program will be operating within a Preferred Sustainable Status Community area, go to http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail.

At that site there is a link to a map and listing of preferred status areas and contacts.

B. Evaluation and Selection Process

1. Rating and Ranking. Please refer also to the General Section.

a. Only those eligible applications that meet the threshold requirements will be rated and ranked (see Section III.C.2).

b. Remaining Funds. Refer to the General Section for HUD's procedures if funds remain after all selections have been made within a category.

c. The scoring criteria to be used to award the maximum points for this NOFA is determined by how fully and thoroughly the applicant answers each item listed in each rating factor.

d. Evaluation teams made up of representatives from DOT, HUD, and EPA will initially evaluate each application to determine how well each addresses the "Rating Factors" identified above, and will assign it a score on a scale of 0-102. Applications that score highly will be provided to a final review team comprised of members of the federal Partnership for Sustainable Communities and other federal agencies. Proposals will be selected by score except when necessary to ensure

that there is an equitable distribution of grant awards based on geography and to ensure the final cohort of awards reflects the range of activities and impacts covered under the Livability Principles. The final review team's ranked recommendations along with the original rank order scoring shall be provided to the selecting official.

2. Factors for Award Used to Rate and Rank Applications.

a. Implementing HUD's Strategic Framework and Demonstrating Results. HUD is committed to ensuring that programs result in the achievement of HUD's strategic mission. To support this effort, grant applications submitted for HUD programs will be rated on how well they tie proposed outcomes to HUD's policy priorities and Annual Goals and Objectives, and the quality of proposed Evaluation and Monitoring Plans.

b. The maximum number of points to be awarded is 102.

c. The factors for rating and ranking eligible applicants under all categories, and the maximum points for each factor as described in Section V.A are summarized below:

Rating Factor	Maximum Points
<i>Rating Factor 1 – Purpose and Outcomes</i>	<i>30 points</i>
a. Purpose and Alignment with Livability Principles	15
b. Clarity of Outcomes	10
c. Implementation	5
<i>Rating Factor 2 – Work Plan and HUD Policy Priorities</i>	<i>30 points</i>
a. Work Plan	26
b. HUD Policy Priorities	4
<i>Rating Factor 3 – Budget</i>	<i>10 points</i>
<i>Rating Factor 4 – Additional Leveraging and Collaboration</i>	<i>15 points</i>
a. Additional Match and Leveraging	10
b. Collaboration	5
<i>Rating Factor 5 – Capacity</i>	<i>15 points</i>
<i>Preferred Sustainability Status Bonus Points</i>	<i>2 points</i>
TOTAL	102

VI. AWARD ADMINISTRATION INFORMATION

A. Award Notices

1. Applicants Selected for Award.

a. Successful applicants will receive a letter from the Office of Sustainable Housing and Communities providing details regarding the effective start date of the cooperative agreement and any additional data and information to be submitted to execute the award. This letter is not an authorization to begin work or incur costs under the award.

b. HUD will require selected applicants to participate in negotiations to determine the specific terms of the cooperative agreement, budget, and Logic Model. Should HUD not be able to

successfully conclude negotiations with a selected applicant, an award will not be made. If the applicant accepts the terms and conditions of the cooperative agreement, a signed cooperative agreement must be returned by the date specified. Instructions on how to have the cooperative agreement account entered into HUD's Line of Credit Control System (LOCCS) payment system will be provided. Other forms and program requirements will be provided. In accordance with OMB Circular A-133 (Audits of States, Local Governments and Nonprofit Organizations), if an awardee expends \$500,000 in federal funds in a single year, the awardee must follow the requirements of the Single Audit Act and submit its completed audit-reporting package along with the Data Collection Form (SF-SAC) to the Single Audit Clearinghouse. The mailing address can be obtained from the Clearinghouse's website. The SF-SAC can be downloaded at:

<http://harvester.census.gov/sac/>.

c. HUD reserves the right to publicly post the top-scoring application in each funding category of competition.

2. Debriefing. For a period of 120 days, beginning 30 days after the awards for assistance are publicly announced, HUD will provide to a requesting applicant a debriefing related to its application. A request for debriefing must be made in writing or by email by the authorized official whose signature appears on the SF424 or by his or her successor in office, and be submitted to the Grants Division Director for the Office of Sustainable Housing and Communities. Information provided during a debriefing will include, at a minimum, the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied. Refer to the General Section for additional details.

3. Negotiation. Refer to the General Section for additional details.

4. Adjustments to Funding. HUD has the discretion to waive the minimum grant size requirements if the applicant demonstrates the ability to make effective progress toward stated goals with a lesser amount of funds. Refer to the General Section for additional details.

5. Learning Cohorts. HUD may use the information contained in the grant applications, from the reviews, and/or emerging from grants management or grantee conversations to determine selected cohorts of grantees that are focused on the same issues, themes, practices, policies and/or who have similar contexts in order for grantees to learn from each other, establish best practices, programs, or policies, pose questions for ongoing research, etc. Initiation, selection, and management of these cohorts will be at the sole discretion of HUD.

B. Administrative and National Policy Requirements.

1. Environmental Requirements. All applicants that are proposing to use award funds for land acquisition must comply with HUD's environmental procedures. In accordance with 24 CFR 50.19(b)(1), (9), and (16), all other eligible activities assisted by HUD funds under this NOFA are categorically excluded from environmental review under the National Environmental Policy Act of 1969 and are not subject to environmental review under the related laws and authorities. For applicants requesting award funds for transportation planning, NEPA is not typically triggered (and even if triggered, categorical exclusions typically exist). However, if any projects planned with funding under this NOFA move to the construction phase and federal funds are later sought for construction, all appropriate NEPA analyses will need to be completed prior to any federal expenditures.

Under HUD's environmental procedures, for those applications involving land acquisition activities requiring environmental review, the notification of award to a selected

applicant will constitute a preliminary approval by HUD, subject to the completion of an environmental review of the proposed site(s), and the execution by HUD and the recipient of a Cooperative Agreement. Selection for participation (preliminary approval) does not constitute approval of the proposed site(s). Each proposal will be subject to a HUD environmental review, in accordance with 24 CFR part 50, and the proposal may be modified or the proposed sites rejected as a result of that review.

Submission of an application involving a project requiring an environmental review will constitute an assurance that the applicant shall assist HUD in complying with 24 CFR part 50 and shall:

- a. Supply HUD with all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 50;
- b. Carry out mitigating measures required by HUD or select an alternate eligible property; and
- c. Not acquire, rehabilitate, demolish, convert, lease, repair, or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.

For assistance, contact the HUD Environmental Review Officer in the HUD Field Office serving your area.

2. Administrative and Indirect Cost Requirements. For reference to the Administrative Cost requirements and Indirect cost requirements, please see OMB Circular A-87.

C. Reporting. HUD Award Agreements will include the terms and conditions of the award including the reporting requirements.

1. Final Work Plan and Logic Model. Final work plan and completed Logic Model are due 60 days after the effective date of the cooperative agreement. See the General Section for detailed information on the use of the “Master” eLogic Model.
2. Successful applicants will be required to submit bi-annual and final program reports according to the requirements of the award agreement. Your bi-annual and final report must include a completed Logic Model, form HUD-96010, approved and incorporated into your award agreement, showing specific outputs and outcome results against those proposed and accepted as part of your approved cooperative agreement.

Applicants that receive awards will be expected to report on the progress of the project and outcomes realized semi-annually and at the end of the term of the award. This progress will be documented and supported with data points. HUD recognizes that for some projects, benefits may not be realized until the implementation phase; however, final plans, strategies, or code revisions should include anticipated outcomes of their implementation. For example, a community that is applying for funds to draft an affordable housing master plan in a jobs-rich area served by transit would not be expected to have constructed new housing by the end of the award period of performance, but the resulting plan should identify anticipated outcomes in terms of a change in the proportion of low- and very-low income households within a 30-minute transit commute of major employment centers and, where available, any change in disparities between racial and ethnic groups in the proportion of low- and very-low income households within a 30-minute transit commute of major employment centers.

3. Successful awardees who receive HUD Policy Priority Points are required to report on additional outcomes as follows. For *Capacity Building and Knowledge Sharing: Increase the skills and technical expertise of partner organizations*, awardees should report on indicators

including, but not limited to: number of people trained, number of training events, volume of easily accessible training materials for targeted capacities. For *Capacity Building and Knowledge Sharing: Share knowledge among partners*, awardees should report on indicators including, but not limited to: number of meetings, web postings, number of participating partners, total staff exposed to new learning and promising practice, number of briefings, issuance of monthly fact sheets, etc. For *Expand Cross-Cutting Policy Knowledge*, awardees should report on indicators including, but not limited to: the number of policy publications, number of research studies, and anticipated distribution of findings.

4. Financial reporting requirements include, but are not limited to, the submission of the financial status report, SF-425, bi-annually.

5. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act), as amended. (See General Section)

VII. AGENCY CONTACTS

A. Programmatic Information: For program related information, email sustainablecommunities@hud.gov or contact Sunaree K. Marshall, U.S. Department of Housing and Urban Development; 451 7th Street, SW, Room 10180; Washington, DC 20410; telephone (202) 402-6011 (this is not a toll-free number). Hearing and speech challenged persons may access the telephone numbers listed below by calling the Federal Information Relay Service at 800-877-8339.

B. General Questions: General questions regarding this notice should be directed to the NOFA Information Center between the hours of 10:00 a.m. and 6:30 p.m. eastern time 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. (These are toll-free numbers.)

C. Electronic Application Questions: For technical questions about electronic application registration or submission, call the Grants.gov Help Desk at 800-518-GRANTS. The help desk can also be reached by email at: support@grants.gov. See the **General Section** for more information on this topic starting in section IV.

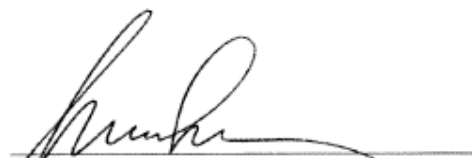
VII. OTHER INFORMATION

A. Paperwork Reduction Act. The information collection requirements contained in this document have been approved by the OMB under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2501-0024. In accordance with the PRA, 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. Public reporting burden for the collection of information is estimated to average 80 hours per annum per respondent for the application and 16 hours per annum for grant administration. This includes the time for collecting, reviewing, and reporting the data for the application and other required reporting. 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.

B. Additional Environmental Requirements. A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, 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, an advance appointment to review the FONSI must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number).

JUL 26 2011

Date: _____



Shaun Donovan, Secretary
Department of Housing and Urban Development

[FR-5500-N-33]