



**U.S. Department of Housing and Urban Development**

Public and Indian Housing

Choice Neighborhoods Planning Grants Program

FR-6300-N-38

Application Due Date: 06/10/2019

Choice Neighborhoods Planning Grants Program  
FR-6300-N-38  
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## U.S. Department of Housing and Urban Development

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| <b>Program Office:</b>             | Public and Indian Housing                    |
| <b>Funding Opportunity Title:</b>  | Choice Neighborhoods Planning Grants Program |
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### Overview

Prospective applicants should carefully read all instructions in all sections to avoid sending an incomplete or ineligible application. HUD funding is highly competitive. Failure to respond accurately to any submission requirement could result in an incomplete or noncompetitive proposal.

HUD is prohibited from disclosing 1) information regarding any applicant's relative standing, 2) the amount of assistance requested by an applicant, and 3) any information contained in the application. Prior to the application deadline, HUD may not disclose the identity of any applicant or the number of applicants that have applied for assistance.

**For Further Information Regarding this NOFA:** Please direct questions regarding the specific program requirements of this Program Notice of Funding Availability (NOFA) to the office contact identified in Section VII.

OMB Approval Number(s): 2577-0269

### Paperwork Reduction Act.

## I. Funding Opportunity Description.

### A. Program Description.

#### 1. Purpose.

The Choice Neighborhoods program leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with distressed public and/or HUD-assisted housing through a comprehensive approach to neighborhood transformation.

Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a plan that revitalizes distressed HUD housing and addresses the challenges in the surrounding neighborhood. The program helps communities transform neighborhoods by redeveloping severely distressed public and/or HUD-assisted housing and catalyzing critical improvements in the neighborhood, including vacant property, housing, businesses, services and schools. To this end, Choice Neighborhoods is focused on three core goals:

1. **Housing:** Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;
2. **People:** Improve outcomes of households living in the target housing related to employment and income, health, and children’s education; and
3. **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families’ choices about their community.

To achieve these core goals, successful applicants must develop and implement a comprehensive neighborhood revitalization strategy, or “Transformation Plan.” This Transformation Plan becomes the guiding document for the revitalization of the public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood.

Experience shows that to successfully develop and implement the Transformation Plan, broad engagement is needed. Successful applicants will need to work with public and private agencies, organizations (including philanthropic and civic organizations), and individuals to gather and leverage the financial and human capital resources needed to support the sustainability of the plan. These efforts should build community support for and involvement in the development and implementation of the plan.

Additionally, past revitalization efforts have demonstrated that even modest physical improvements and investment actions help communities build momentum for change and transition from planning to implementation of that plan. These actions improve neighborhood confidence, sustain the community’s energy, attract further engagement, and help convince skeptical stakeholders that positive change is possible. Successful applicants should undertake “doing while planning” projects, and when applicable, Action Activities, during the grant period.

**Objectives and Metrics to Measure Long Term Success:** Each Choice Neighborhoods grantee must develop a Transformation Plan that addresses the Housing, People, and Neighborhood objectives. Grantees are expected to develop performance metrics based on these objectives:

**1. Housing Objectives:** Housing transformed with the assistance of Choice Neighborhoods should be:

a. **Well-Managed and Financially Viable.** Developments that have budgeted appropriately for the rental income that can be generated from the project and meet or exceed industry standards for quality management and maintenance of the property.

b. **Mixed-Income.** Housing affordable to families and individuals with a broad range of incomes including low-income, moderate-income, and market rate or unrestricted.

c. **Energy Efficient, Sustainable, Accessible, Healthy, and Free from Discrimination.** Housing that is well-designed, embraces not only the requirements of accessible design but also concepts of visitability and universal design, has low per unit energy and water consumption and healthy indoor air quality, is built to be resistant to local disaster

risk, has affordable broadband Internet access, and is free from discrimination.

**2. People Objectives:** People that live in the neighborhood, with a primary focus on residents of the housing targeted for revitalization, benefit from:

a. **Effective Education.** A high level of resident access to high-quality early learning programs and services so children enter kindergarten ready to learn and quality schools and/or educational supports that ultimately prepare students to graduate from high school college- and/or career-ready.

b. **Employment Opportunities.** The income of residents of the target housing development, particularly wage income for non-elderly/non-disabled adult residents, increases over time.

c. **Quality Health Care.** Residents have increased access to health services and have improved physical and mental health over time.

d. **Housing Location, Quality, and Affordability.** Residents who, by their own choice, do not return to the development have housing and neighborhood opportunities as good as or better than the opportunities available to those who occupy the redeveloped site.

**3. Neighborhood Objectives:** Through investments catalyzed with Choice Neighborhoods, the neighborhood enjoys improved:

a. **Private and Public Investment in the Neighborhood.** The neighboring housing has a very low vacancy/abandonment rate, the housing inventory is of high quality, and the neighborhood is mixed income and maintains a mixture of incomes over time.

b. **Amenities.** The distance traveled from the neighborhood to basic services is equal to or less than the distance traveled from the median neighborhood in the metropolitan area. Basic services include grocery stores, banks, health clinics and doctors' offices, dentist offices, and high-quality early learning programs and services.

c. **Effective Public Schools:** Public schools in the target neighborhood are safe and welcoming places for children and their families. In addition, 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. **Safety:** Residents are living in a safer environment as evidenced by the revitalized neighborhood having significantly lower crime rates than the neighborhood had prior to redevelopment and maintaining a lower crime rate over time.

## **2. Changes from Previous NOFA.**

HUD has changed which alignments will earn the preference points in Section V.A.2. Applications may now earn points if (1) this application targets a neighborhood located within an Opportunity Zone or (2) the applicant is partnering with a Historically Black College or University.

## **3. Definitions.**

a. Standard Definitions

**Affirmatively Furthering Fair Housing (AFFH) Regulations.** Statutory obligation to affirmatively further the purposes and policies of the Fair Housing Act and guidance

promulgated thereunder.

**Assurances.** By submitting your application, you provide assurances that, if selected to receive an award, you will comply with U.S. statutory and public policy requirements, including, but not limited to civil rights requirements.

**Authorized Organization Representative (AOR)** is the person authorized to submit applications on behalf of the organization via Grants.gov. The AOR is authorized by the E-Biz point of contact in the System for Award Management. The AOR is listed in item 21 on the SF-424.

**Award**, as used in this NOFA means a federal grant OR cooperative agreement as specified in Section II.E (Type of Funding Instrument).

**Catalog of Federal Domestic Assistance (CFDA)** is a directory of the various Federal listings, projects, services and activities offering financial and non-financial assistance and benefits to the American public. CFDA Number is the unique number assigned to each program, project, service or activity listed in the Catalog of Federal Domestic Assistance (CFDA).

**Consolidated Plan** is a document developed by states and local jurisdictions. This plan is completed by engaging in a participatory process to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions with funding from formula grant programs. (See 24 CFR part 91 for more information about the Consolidated Plan and related Annual Action Plan).

**Contract** means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this NOFA does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward (See 2 CFR 200.22.)

Contractor means an entity receiving a contract.

**Deficiency** is information missing or omitted within a submitted application. Deficiencies typically involve missing documents, information on a form, or some other type of unsatisfied information requirement (e.g., an unsigned form, unchecked box.). Depending on specific criteria, deficiencies may be either curable or non-curable.

- Curable Deficiency – Applicants may correct a curable deficiency with timely action.

To be curable the deficiency must:

- Not be a threshold requirement, except for documentation of applicant eligibility;
- not influence how an applicant is ranked or scored versus other applicants; and

- be remedied within the time frame specified in the notice of deficiency.
- **Non-Curable Deficiency** – An applicant cannot correct a non-curable deficiency after the submission deadline.

Non-curable deficiencies are deficiencies that, if corrected, would change an applicant's score or rank versus other applicants. Non-curable deficiencies may result in an application being marked ineligible, or otherwise adversely affect an application's score and final determination.

**DUNS Number** is the nine-digit identification number assigned to a business or organization by Dun & Bradstreet and provides a means of identifying business entities on a location-specific basis. Requests for a DUNS number can be made by visiting the Online DUNS Request Portal.

**Eligibility requirements** are mandatory requirements for an application to be eligible for funding.

**Federal Awardee Performance and Integrity Information System (FAPIIS)** is a database that has been established to track contractor misconduct and performance.

**Grants.gov** is the website serving as the Federal government's central portal for searching and applying for federal financial assistance throughout the Federal government. Registration in Grants.gov is required for submission of applications to prospective agencies.

**Historically Black Colleges and Universities (HBCUs).** -The Higher Education Act of 1965 defines historically Black colleges and universities (HBCUs) as "any historically Black college or university that was established prior to 1964, whose principal mission was, and is, the education of Black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation..."

**Institution of Higher Education (IHE)**, has the meaning given at 20 U.S.C. 1001.

**Non-Federal Entity** means a state, local government, Indian tribe, institution of higher education (IHE), or non-profit organization carrying out a Federal award as a recipient or sub recipient.

**Nongovernmental organizations** include Non-Federal entities and for-profit entities for the purpose of calculating indirect cost proposals accompanying applications submitted under this NOFA.

**Personally identifiable information (PII)** means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case

assessment of the specific risk that an individual can be identified. For more detail, refer to 2 CFR 200.79.

**Point of Contact (POC)** is the person who may be contacted with questions about the application submitted by the AOR. The point of contact is listed in item 8F on the SF-424.

**Opportunity Zone** according to the IRS, is an “economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment.” Opportunity Zones are further defined in 26 U.S.C. 1400Z.

**Promotores/Promotoras** are Spanish-speaking Community Health Workers who work in their communities to reduce barriers to health services and make health care systems more responsive.

**Recipient** means a non-Federal entity receiving an award directly from HUD to carry out an activity under a HUD program.

**Section 3 Business Concern** means a business concern: (1) 51 percent or more owned by Section 3 residents; (2) of which at least 30 percent of permanent, full-time employees are currently Section 3 residents, or were Section 3 residents within three years of the date of first employment with the business concern; or (3) provides evidence of a commitment to subcontract over 25 percent of the dollar award of all subcontracts to be awarded to business concerns meeting the qualifications in this definition.

**Section 3 Residents** means: 1) Public housing residents; or 2) Low and very-low income persons, as defined in 24 CFR 135.5, who live in the metropolitan area or non-metropolitan county where Section 3 covered assistance is expended.

**Standard Form 424 (SF-424)** means the government-wide forms required to apply for Application for Federal Assistance Programs, required by discretionary Federal grants and other forms of financial assistance programs. Applicants for this Federal assistance program must submit all required forms in the SF-424 Family of forms, including SF-424B. For an application under this notice to be complete, the applicant must sign and submit all required forms in the SF-424 Family.

**Subaward** means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the recipient. It does not include payments to a contractor or payments to an individual beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. The legal agreement must contain the subrecipient’s assurance of compliance with program requirements, including but not limited to nondiscrimination and equal opportunity requirements.

**Subrecipient** means a non-Federal entity receiving a subaward from a pass-through entity to carry out part of a HUD program; but does not include an individual beneficiary of such program. A subrecipient may also receive other Federal awards directly from a Federal



awarding agency (including HUD).

**System for Award Management (SAM)**, is an official website of the U.S. government. SAM is a U.S. Government system that consolidated the capabilities of Central Contractor Registry (CCR), Excluded Parties List System (EPLS) and the Online Representations and Certifications Application (ORCA). Registration with [Sam.gov](https://sam.gov) is required for submission of applications via Grants.gov. You can access the website at [Sam.gov](https://sam.gov). There is no cost to use SAM.

**Threshold Requirement** – Threshold requirements are a type of eligibility requirement. Threshold requirements must be met for an application to be reviewed; are not curable, except for documentation of applicant eligibility and are listed in Section *III.D Threshold Eligibility Requirements*. Similarly, there are eligibility requirements under Section III.E, *Statutory and Regulatory Requirements Affecting Eligibility*.

#### **4. Program Definitions.**

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

**1. Action Activities.** The term “Action Activities” refers to the portion of a grant awarded for limited, physical neighborhood improvements during the Planning and Action Grant period. Action Activity funds are flexible funds that must be responsive to the neighborhoods’ needs. They must be used for physical community development or economic development projects that enhance and accelerate the transformation of the neighborhood. The projects funded may also build community capacity and social cohesion through the way in which the projects are designed, led, and implemented. Action Activities cannot be used for non-physical uses, such as supportive services, administrative costs (e.g. staffing, meeting space), and marketing. These funds must not be used for basic infrastructure or as a substitute for basic municipal services. Additionally, funds must not be used for housing development activities (including the public or HUD-assisted housing targeted in this application), such as acquisition, relocation, demolition and remediation, rehabilitation, or construction. These funds should be used for innovative solutions to neighborhood challenges and must be used for projects that can be completed within the grant term. Uses of funds are limited to:

- a. Reclaiming and recycling vacant property into community gardens, pocket parks, farmers markets, or land banking (with maintenance);
- b. Beautification, placemaking, and community arts projects, such as creative signage to enhance neighborhood branding, murals and sculptures, specialty streetscaping, or garden tool loan programs;
- c. Owner-occupied home or business façade improvement programs;
- d. Neighborhood broadband/Wi-Fi infrastructure and installation (internet service must be paid for by non-Choice Neighborhoods funds);
- e. Fresh food initiatives, such as farmers markets and mobile fresh food vendors; and
- f. Gap financing for economic development projects that are ready for implementation and

have secured all the necessary financing except a modest "gap."

If during the planning process, another use is identified, HUD has the discretion to consider whether the use is allowable based on the criteria listed in the opening paragraph of this definition.

**2. Affordable Housing.** The term “affordable housing” means, in the context of a Choice Neighborhoods Transformation Plan, housing funded by a Choice Neighborhoods Implementation grant for which the owner of the project/unit has recorded a HUD-approved affordability use restriction for occupancy by households earning up to 120 percent of Area Median Income (AMI) for no fewer than 20 years. Such housing is not considered replacement housing for the purposes of the one-for-one replacement requirement.

**3. Anchor Institutions.** Anchor institutions are place-based entities with regional significance and are permanently rooted, economic or cultural drivers in specific locales generating jobs, creating local business opportunities, and contributing significantly to the development of human, social, and cultural capital. They include universities, hospitals, sports facilities, performing arts and other major cultural facilities (such as museums and central libraries), and large corporations.

**4. Assisted Housing.** In this NOFA, the term “assisted housing” (used interchangeably with “HUD-assisted housing”) means housing assisted under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C. 1437g) (excluding tenant-based vouchers and developments where fewer than 50 percent of the units in a housing development receive project-based voucher assistance), 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), section 811 of the National Affordable Housing Act of 1990 (42 U.S.C. 8013), or the Native American Housing Assistance and Self-Determination Act of 1996, 25 U.S.C. 4101, et seq (Indian Housing). In the case of Indian Housing, this includes only single family and duplex rental housing that is clustered in a development and/or multifamily rental housing projects in which at least 50 percent of the units are assisted.

**5. Co-Applicant.** Co-Applicant means an entity with which the Lead Applicant chooses to apply for funding under this NOFA. A Co-Applicant must also be an Eligible Applicant. The Co-Applicant will also sign the Choice Neighborhoods 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 not required.

**6. Early Action Activities.** The term “Early Action Activities” refers to up to \$50,000 of the grant funds that may be used toward limited, physical neighborhood improvements during the planning process. Early Action Activities are similar to Action Activities, but all grantees may use grant funds and projects must support the planning process through engaging the community, building capacity, fostering social cohesion, or otherwise reinforcing the planning process. They must also be responsive to the neighborhoods’ needs and must be used for physical community development or economic development projects that enhance and accelerate the transformation of the neighborhood. Early Action Activities funds are for physical improvements, and must not be used for non-physical uses, such as supportive services, administrative costs, and marketing. These funds must not be used for basic infrastructure or as a substitute for basic municipal services. Additionally, funds must not be

used for housing development activities (including the public or HUD-assisted housing targeted in this application), such as acquisition, relocation, demolition and remediation, rehabilitation, or construction. These funds should be used for innovative solutions to neighborhood challenges and must be used for projects that can be completed within the first two years. Uses of funds are limited to:

- a. Reclaiming and recycling vacant property into community gardens, pocket parks, farmers markets, or land banking (with maintenance);
- b. Beautification, placemaking, and community arts projects, such as creative signage to enhance neighborhood branding, murals and sculptures, specialty streetscaping, or garden tool loan programs;
- c. Owner-occupied home or business façade improvement programs;
- d. Neighborhood broadband/Wi-Fi infrastructure and installation (internet service must be paid for by non-Choice Neighborhoods funds);
- e. Fresh food initiatives, such as farmers markets and mobile fresh food vendors; and
- f. Gap financing for economic development projects that are ready to implement and have secured all the necessary funding except for a modest gap.

**7. Families, Family.** 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). In the case of tribal entities, the term "family" has the meaning provided in section 4103 (6) of the Native American Housing Assistance and Self-Determination Act of 1996, 25 U.S.C. 4103(6).

**8. Lead Applicant.** Lead Applicant means the primary entity responsible for implementing the activities identified in the application. The Lead Applicant must meet the qualifications 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) to draw down Choice Neighborhoods funding.

**9. 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): The term “unit of general local government” means any city, county, town, township, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions that, except as provided in section 5306(d)(4) of this title, is recognized by the Secretary; the District of Columbia; and the Trust Territory of the Pacific Islands. Such term also includes a State or a local public body or agency (as defined in section 4512 of this title), community association, or other entity, which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 4513 of this title or title IV of the Housing and Urban Development Act of 1968.

**10. Neighborhood.** The neighborhood is the geographic area within which the activities of the Transformation Plan shall take place. HUD understands neighborhood boundaries are not fixed like municipal or county boundaries. The Department also recognizes 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 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, but cannot encompass more than one municipal jurisdiction and is typically an area less than two miles wide.

**11. Neighborhood Assets.** Neighborhood assets include five main categories:

- 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).

**12. Nonprofit Organization.** Nonprofits eligible to be an applicant under this NOFA are entities classified as such in accordance with section 501(c) of the Internal Revenue Code or have been designated as such by their state government. 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 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 either their IRS determination letter to prove their 501(c) status or the letter from the state government to prove their nonprofit status.

**13. 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.

**14. Physical Needs Assessment.** A Physical Needs Assessment (PNA) for a housing project should be prepared by an independent registered engineer or architect that conducts a physical inspection of at least 10 percent of each dwelling unit set (i.e. a grouping of units within a building, which share characteristics, such as: number of bedrooms, number of full and half baths, ceiling height, and floor area) in order to ensure a representative sample of dwelling units are assessed and at least 50 percent of the non-dwelling space (i.e., exteriors, envelopes, non-dwelling units, grounds, common space and systems). Generally, a PNA identifies all of the work needed to bring the housing project up to the applicable building modernization and energy conservation standards. Typically, a PNA takes into account the life cycle replacement costs of the housing project's entire inventory of capital items for a period of 20 years; however, for the purposes of the rating factors in this NOFA, HUD will only consider the cost of immediate needs for rehabilitation, defined as capital replacements to be conducted in Year 1 of the PNA's replacement schedule. Capital Needs Assessments, Project Capital Needs

Assessments and Physical Condition Assessments are acceptable formats.

**15. Planning Coordinator.** A Planning Coordinator is a person or entity separate from the Lead Applicant or Co-Applicant procured to help the grantee coordinate the planning process. The Planning Coordinator should have significant experience in leading comprehensive neighborhood planning processes that lead to implementation activities and improved outcomes as well as building the capacity of local entities. Examples of Planning Coordinators include but are not limited to community-based organizations, redevelopment authorities, and private or non-profit planning firms. The Planning Coordinator is not only a local partner/stakeholder, but also a single person/entity selected to assist the grantee in carrying out the grant activities and in increasing grantee capacity to carry out the grant activities. Having a Planning Coordinator is optional.

**16. 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).

**17. Public Housing.** The term “public housing” refers to housing funded under an Annual Contributions Contract and in accordance with section 9 of the U.S. Housing Act of 1937. A public housing project is a group of housing units having 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. Applicants must be clear throughout their application as to the project they are targeting.

**18. Rental Assistance Demonstration (RAD).** A HUD program that allows PHAs to convert public housing to project-based section 8 housing in order to facilitate additional debt and equity financing.

**19. Replacement Housing.** Replacement housing is rental housing that will replace demolished, disposed of, or otherwise reduced public or assisted housing. It includes housing assisted under section 8 and 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C. 1437g), 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). With regard to section 8 housing, project-based vouchers (section 8o(13) of the U.S. Housing Act of 1937) and Project-Based Rental Assistance as provided in a RAD conversion are included in this definition, but tenant-based vouchers are excluded except as permitted by HUD. 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 and claim that as replacement housing.

**20. 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, 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, or in the case of Indian Housing, not later than the day the tribal entity signed the written notification of demolition provided to HUD in accordance with 24 CFR1000.134.

**21. Supportive Services.** The term “supportive services” includes all activities that 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 the community needs.

**22. Transformation Plan.** The Transformation Plan is a comprehensive neighborhood revitalization strategy proposed which, when implemented, will achieve the three core goals of Choice Neighborhoods (Housing, People, Neighborhood).

**23. Tribal Entities.** Tribal entities include Indian tribes and Tribally Designated Housing Entities, as defined in sections 4(13) and 4(22), respectively, of the Native American Housing and Self-Determination Act of 1996.

## 5. Web Resources.

- [Affirmatively Furthering Fair Housing Regulations](#)
- [Code of Conduct list](#)
- [Do Not Pay](#)

- [Dun & Bradstreet](#)
- [Equal Participation of Faith-Based Organizations](#)
- [Federal Awardee Performance and Integrity Information System](#)
- [FFATA Subaward Reporting System](#)
- [Grants.gov](#)
- [Healthy Homes Strategic Plan](#)
- [Healthy Housing Reference Manual](#)
- [HUD Funding Opportunities](#)
- [HUD's Strategic Plan](#)
- [HUD Grants](#)
- [Limited English Proficiency](#)
- [NOFA webcasts](#)
- [Opportunity Zone](#)
- [Procurement of recovered materials](#)
- [Section 3 Business Registry](#)
- [State Point of Contact List](#)
- [System for Award Management \(SAM\)](#)
- [Uniform Relocation Act – Real Property Acquisition and Relocation Requirements](#)
- [USA Spending](#)

## **B. Authority.**

The funding authority for Choice Neighborhoods grants under this NOFA is provided by the Consolidated Appropriations Act, 2019 (Public Law 116-6, enacted February 15, 2019) (FY2019 Appropriations). The program authority for the Choice Neighborhoods Initiative is section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), as amended by the FY2019 Appropriations.

## **II. Award Information.**

### **A. Available Funds.**

Funding of up to **\$5,000,000** is available through this NOFA.

Additional funds may become available for award under this NOFA, because of HUD's efforts to recapture unused funds, use carryover funds, or because of the availability of additional appropriated funds. Use of these funds is subject to statutory constraints. All awards are subject to the applicable funding restrictions contained in this NOFA.

### **B. Number of Awards.**

HUD expects to make approximately 6 awards from the funds available under this NOFA. HUD anticipates awarding 3 Planning and Action Grants not to exceed \$1.3 million each and 3 Planning Grants not to exceed \$350,000 each. If funds are appropriated by

Congress, HUD may, at its discretion, use FY2020 Choice Neighborhoods funding to make additional awards under this NOFA. Applicants must indicate if they are requesting a Planning and Action Grant or a Planning Grant and HUD will make its selection in accordance with section V.B.2 of this NOFA.

**C. Minimum/Maximum Award Information.**

Planning and Action Grant awards may be up to \$1.3 million. Planning Grants awards may be up to \$350,000.

|                          |                                |
|--------------------------|--------------------------------|
| Estimated Total Funding: | \$5,000,000                    |
| Minimum Award Amount:    | \$0 Per Project Period         |
| Maximum Award Amount:    | \$1,300,000 Per Project Period |

**D. Period of Performance.**

The term of a Planning and Action Grant is 3 1/2 years from the date of the Grant Agreement execution. The term of a Planning Grant is 2 years from the date of the Grant Agreement execution.

|   |   |
|---|---|
| Estimated Project Start Date:                   | 10/01/2019  |
| Estimated Project End Date:                     | 10/01/2019  |
| Length of Project Periods:                      | Other   |
| Length of Project Periods Explanation of Other: | 3 1/2 years for Planning and Action Grants; 2 years for Planning Grants |

**E. Type of Funding Instrument.**

|                          |       |
|--------------------------|-------|
| Funding Instrument Type: | Grant |
|--------------------------|-------|

**III. Eligibility.**

**A. Eligible Applicants.**

Others (see text field entitled "Additional Information on Eligibility" for clarification)

Additional Information on Eligibility:  
Eligible applicants under this NOFA are Public Housing Authorities (PHAs), local governments, tribal entities, and nonprofits. Refer to the definitions in Section I.A.4 for definitions of these terms.

**Key Eligibility Criteria.** There are three key eligibility criteria for Choice Neighborhoods funding. In addition to the requirement that an applicant must be eligible, the application must also demonstrate the proposal targets an eligible housing project located in an eligible neighborhood.



**1. Eligible Applicants.** PHAs, local governments, tribal entities, and nonprofits are eligible to apply. See Section I.A.4 for definitions of related terms. Additionally, the following criteria must be met, as relevant, in order to comply with this requirement:

a. **Troubled Status for PHAs.** This applies to PHA applicants. If a PHA was designated as troubled by HUD pursuant to section 6(j)(2) of the 1937 Act on the most recently released Operational Troubled List, HUD will use documents and information available to it to determine whether that PHA qualifies as an eligible applicant. PHAs designated as troubled are strongly encouraged to consider partnering with another entity (such as a local government or a nonprofit) to serve as the Lead Applicant for this Choice Neighborhoods grant. 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.

b. **Certification for Multifamily Assisted Property Owners.** If the Lead Applicant or Co-Applicant is the owner of the assisted property that is the subject of the Choice Neighborhoods grant, the Applicant is required to submit the Previous Participation Certification form (HUD-2530). If the property owner listed has defaulted on a mortgage loan or has less than satisfactory review ratings (physical inspections, management and financial reviews), HUD will use documents and information available to it to determine whether the owner of the property qualifies as an eligible applicant. Approvals of entities that have defaulted or received unsatisfactory review ratings will be subjected to HUD's Previous Participation clearance review process. Applicants may still be eligible to apply for Choice Neighborhoods funding if HUD deems the applicant to be making substantial progress in addressing the deficiencies related to such default or review rating. Multifamily assisted property owners with defaults or less than satisfactory review ratings are strongly encouraged to consider partnering with another entity (such as a local government or a nonprofit) to serve as the Lead Applicant for this Choice Neighborhoods grant. This requirement is not applicable to applications targeting public housing or Indian housing.

c. **Nonprofit Applicant.** For a nonprofit to demonstrate eligibility as a Lead or Co-Applicant, either an Internal Revenue Service determination letter indicating the organization's 501(c) status or the letter from the state government or tribe designating the organization's nonprofit status must be submitted in the attachments.

d. **Co-Applicants.** To demonstrate a Co-Applicant partnership, a Memorandum of Understanding (MOU) or Letter of Agreement must be provided, signed by the executive of each entity. The MOU or Letter of Agreement must demonstrate a commitment to work collaboratively throughout the entirety of the grant to develop a Transformation Plan and identify which party is the Lead Applicant.

e. **Applicants that are not the owner of the target housing project.** If the owner of the target

housing project is not the Lead Applicant or Co-Applicant for this grant, a letter from the owner indicating its support for your organization to submit this grant application and work collaboratively throughout the planning process must be included in this application.

**2. Eligible Target Housing.** Each application must focus on the revitalization of at least one severely distressed public and/or assisted housing project. The definition of severely distressed housing from section 24(j)(2) of the 1937 Act is included in Section I.A.4 along with definitions of "public housing" and "assisted housing". The application must demonstrate that the targeted housing is eligible under this NOFA (i.e. is public and/or assisted housing) and meets the definition of severely distressed. If the targeted project(s) is/are not eligible housing and is/are not severely distressed, the application will not be considered for funding. The target housing project must be identified on the Key Eligibility Data form (HUD-53152) and on the Certification of Severe Physical Distress form (HUD-53232). The certification must be signed and dated 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), Planning Coordinator (if any), the project's owner, the public housing authority (if applicable), or a unit of local government in which the housing is located. If this application targets more than one public and/or assisted housing project, each project must meet this definition and be listed on the severe distress certification form.

**3. Eligible Neighborhoods.** Eligible neighborhoods for Choice Neighborhoods grant funds are neighborhoods:

a. with 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

b. experiencing distress related to at least one of the following:

(1) high crime; defined as where either the Part I violent crime rate (measured as Part I Violent Crimes per 1000 persons) over the three years 2016-2018 is at least 1.5 times the per capita Part I violent crime rate (measured as Part I Violent Crimes per 1000 persons) of the city or, where no city data is available, the county/parish in which the neighborhood is located over the same time frame; or the rate is greater than 18 crimes per 1000 persons; OR

(2) high vacancy or, for applications targeting Indian housing, substandard homes; defined as where either 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 county/parish; or the rate is greater than 4 percent.

In order to meet this application requirement, the applicant must demonstrate compliance with the following criteria:

(1) The definition of "neighborhood" from Section I.A.4 applies. Note: HUD reserves the right to ask applicants 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.

(2) For the purposes of establishing neighborhood eligibility and to assign points for certain rating factors, HUD has created a mapping tool that will overlay the locally defined

neighborhood boundaries with data associated with that area and estimate the rates of certain indicators in that neighborhood using a proportional allocation methodology. HUD will calculate the poverty rate, extremely low-income rate, and residential vacancy rate for the target area as well as other measures of distress. For example, if census tracts are the smallest statistical boundary for the available data and the locally defined neighborhood is partially within two different census tracts, the poverty rate will be calculated based on the portion of the neighborhood housing units 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:  $(80\% \times 40\%) + (20\% \times 10\%) = 34\%$ . You must draw the boundaries of the target neighborhood using the mapping tool posted on the FY2019 NOFA and Funding Information page at [www.hud.gov/cn](http://www.hud.gov/cn) and then provide the pdf report of your eligible neighborhood, as produced and emailed to the user by the mapping tool, in the attachments section of your application. HUD will not accept additional documentation and will make the final determination on compliance with the threshold.

(3) As applicable, you must provide the data on Part I violent crime (data is described in the rating factor in Section V.A.1.B.2.c) or substandard housing (only for applications that target Indian housing, and data is described in the rating factor in Section V.A.1.B.2.b) for the neighborhood and the city or county as a whole.

#### **B. Ineligible Applicants.**

1. Individuals.
2. Any entity that does not meet the eligibility criteria listed above.

#### **C. Cost Sharing or Matching.**

This Program requires cost sharing, matching or leveraging as described below.

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 grants made under section 24, which includes Choice Neighborhoods. By the end of the grant term, you are required to have matching funds in the amount of five percent of the grant amount in cash or in-kind donations. You **may NOT** include amounts from HOPE VI program funding, including HOPE VI Revitalization, HOPE VI Demolition, HOPE VI Neighborhood Networks, HOPE VI Main Street grants, Choice Neighborhoods Implementation, or Choice Neighborhoods Planning Grants.

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.

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.

#### **D. Threshold Eligibility Requirements.**

Applicants who fail to meet any of the following threshold eligibility requirements will be deemed ineligible. Applications from ineligible applicants will not be evaluated.

Outstanding civil rights matters must be resolved to HUD's satisfaction prior to grant award, provided that all applicable legal processes have been satisfied.

**1. Timely Submission of Applications.** – Applications submitted after the deadline stated within this NOFA that do not meet the requirements of the grace period policy will be marked late. Late applications are ineligible and will not be considered for funding. See also Section IV Application and Submission Information, part D. Application Submission Dates and Times.

**2. Choice Neighborhoods Application Certifications.** The application must include the Choice Neighborhoods Application Certifications form for Planning Grants (HUD-53156) in the attachments. It must be signed by the Executive Office of the Lead Applicant and Co-Applicant (if any) (and the Chair of the PHA Board of Commissioners if the Lead Applicant or Co-Applicant is a PHA). By providing this certification, you are attesting you will meet the Match Requirement from Section III.C.

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

(a) A Planning Coordinator may participate in a maximum of two applications under this NOFA. If this entity participates in more than two applications, all applications in which they are a participant will be deemed ineligible.

(b) You may only submit one application per locality, defined as the area within the boundary of your local government, or in the case of a tribal entity, the boundary of your Indian area as defined in section 4(11) of the Native American Housing and Self-Determination Act of 1996. 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.

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

**4. Relation to Prior HOPE VI Revitalization Grants.** Public housing projects previously funded through a HOPE VI Revitalization grant may not be the target public housing project of a Choice Neighborhoods grant application. However, they may be located within the Transformation Plan neighborhood.

**5. Relation to American Recovery and Reinvestment Act (ARRA) Capital Fund Recovery Competition (CFRC) Grants.** Public housing projects previously funded through an ARRA 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 Choice Neighborhoods grant application. However, such projects may be located within the Transformation Plan neighborhood.

**6. Relation to Prior Choice Neighborhoods Grants.** Public and/or assisted housing projects and the neighborhoods in which they are located previously funded through a Choice

Neighborhoods Planning or Implementation Grant may not be the target housing and neighborhood of a Choice Neighborhoods application under this NOFA. In addition, you may not apply for both a FY2019 Planning Grant and FY2019 Implementation Grant for the same target housing and neighborhood.

**7. Relation to Rental Assistance Demonstration (RAD) Applicants.** PHAs that have applied for RAD, received a Commitment to enter into a Housing Assistance Payments Contract (CHAP) (either a Portfolio award that covers the property proposed or a Multiphase award) covering the property proposed and are planning on demolition and new construction or major rehabilitation or reconstruction may apply for a Choice Neighborhoods Planning Grant provided they have not yet received a RAD Conversion Commitment (RCC) at the time of the application deadline for this NOFA. In the case where there is a Multiphase award, only units at the target housing site that are not included in an RCC can still be eligible. The Office of Recapitalization will offer flexibility with regard to the RAD milestones so that PHAs and their partners may take advantage of the Planning Grants.

**8. Resident Involvement.** 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. Applicants are required to involve the affected public and/or assisted housing residents in the planning process and implementation of the Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant, if awarded. As of the application deadline date, you must have conducted at least one meeting with residents of the targeted public and/or assisted housing related to the proposed planning process. **That meeting must occur after publication of this NOFA.** Applicants should ensure public decision making and meaningful participation throughout the visioning, development, and implementation of funded projects. Applicants should work with all residents of affected areas, especially communities traditionally marginalized from planning processes. In seeking public participation, applicants and grantees must ensure that all communications are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities consistent with section 504 of the Rehabilitation Act of 1973 and, as applicable, the Americans with Disabilities Act. In addition, Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d and Executive Order 13166 require that grantees take responsible steps to ensure meaningful access to services, programs, and activities by persons with Limited English Proficiency (LEP persons). You must demonstrate compliance with this requirement by using the Resident Involvement Certification form (HUD-53151) and include the form in the attachments section of your application. The certification form must include name of the target public and/or assisted housing site, the date of the resident meeting, and be signed and dated by the Lead Applicant Executive Officer.

#### **E. Statutory and Regulatory Requirements Affecting Eligibility.**

##### **Eligibility Requirements for Applicants of HUD's Grants Programs.**

The following requirements affect applicant eligibility. Detailed information on each requirement is posted on HUD's Funding Opportunities Page ([click here](#)).

[Outstanding Delinquent Federal Debts](#)

[Debarments and/or Suspensions](#)  
[Pre-selection Review of Performance](#)  
[Sufficiency of Financial Management System](#)  
[False Statements](#)  
[Mandatory Disclosure Requirement](#)  
[Prohibition Against Lobbying Activities](#)  
[Equal Participation of Faith-Based Organizations in HUD Programs and Activities](#)

## **F. Program-Specific Requirements Affecting Eligibility.**

**1. Choice Neighborhoods Program Activities.** A Transformation Plan for the target neighborhood must include the required activities specified below. In addition, a Transformation Plan must include objectives, strategies, and program activities under the three core goals of Housing, People, and Neighborhood. Program activities proposed by the applicant must be eligible activities, as described below.

### **a. Required Activities.**

(1) Within the first 12 months of the Choice Neighborhoods grant, conduct a household-level needs assessment of the public and/or assisted housing residents in the target development(s) to better design solutions for challenges facing the children and families of HUD housing. In addition, grantees must evaluate existing data (such as the census [including the American Community Survey (ACS)], police reports, healthcare agencies/providers, school reports, research surveys, etc.) to determine whether more comprehensive needs assessments are required at the neighborhood level.

(2) Devise a relocation strategy for residents that need to be relocated during the rehabilitation or reconstruction of the public and/or assisted housing.

(3) If not already completed, have a market assessment conducted of the target neighborhood by an independent, third party professional during the grant period. The conclusions drawn from this study must inform the development of the Transformation Plan.

(4) If not already identified, select the master developer/housing developer that will implement the housing component of the Transformation Plan before the end of the grant term.

(5) Complete a Phase I environmental assessment of the target redevelopment site(s) to determine the potential for and extent of any needed environmental remediation, in order for a grantee to determine a feasible timeline and budget for the realization of redevelopment efforts.

(6) Contact the State Historic Preservation Officer (SHPO) to determine the potential for negative effects of demolition on historic properties if the target housing contains buildings 45 years of age or older.

(7) If awarded funds for Action Activities, as defined in Section I.A.4, submit an Action Activities plan proposal within 24 months of the grant award date and implement approved Action Activities before the end of the grant term.

### **b. Eligible Activities.** Funding under this NOFA may be used for the following activities.

Proposed activities must reflect local area conditions and the needs of the target neighborhood and must be consistent with the local land use and planning process.

(1) Conduct comprehensive needs assessments to inform the preparation of the Transformation Plan. The needs assessments should include:

(a) Current patterns of disinvestment within 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 (e.g., Housing Choice Vouchers, LIHTC units, PBRA, state or locally subsidized affordable units) in the neighborhood that are not part of the target public and/or assisted housing project(s), the current mix of incomes, and any long-term economic factors for continued disinvestment that may be expected to continue, absent a publicly funded intervention;

(b) The neighborhood's access to key assets, such as quality grocery stores, banks, health clinics and doctors' offices, 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;

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

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

(2) Undertake a comprehensive and integrated planning process that addresses the challenges and gaps in services and assets identified through the needs assessments and leads to a plan for implementation that has broad community support, in the areas of:

(a) Housing. Adopt effective strategies to achieve the Housing goal. Such activities include but are not limited to: studies of the different options for revitalization, including the feasibility, costs and neighborhood impact of such options; assessment of the need for affordable housing; site planning and conceptual architectural design work that includes accessible design in accordance with applicable accessibility requirements, including but not limited to those under section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulation at 24 CFR part 8, the Fair Housing Act and HUD's implementing regulation at 24 CFR part 100, and the Americans with Disabilities Act and the government-wide regulations at 28 CFR parts 35 and 26; designing a suitable replacement housing plan, in situations where partial or total demolition is considered; designing a suitable mobility strategy and relocation plan; conducting environmental or geotechnical studies of the target housing site; and developing a viable financing plan to implement the Housing component of the plan. The plan should consider a range of viable financing plans which is not dependent on a Choice Neighborhoods Implementation Grant in particular.

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

i. Planning for supportive services, particularly education, economic development, job training, self-sufficiency, fair housing counseling and asset building activities for neighborhood and target housing families that help increase intergenerational mobility and improve employment, health, and education outcomes;

ii. Planning for improving access to high-quality education programs and improved academic and developmental outcomes for children living in the target housing and in the neighborhood along the continuum of cradle-through-college-to-career solutions, including:

(a) 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.

(b) 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 students for college and career success.

(c) Ensuring access to existing high-quality schools or undertaking 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.

iii. Partnering with the agencies and organizations necessary to develop and implement a viable financing plan to support the People component of the plan.

(c) Neighborhood. Adopt effective strategies to achieve the Neighborhood goal. Such activities include but are not limited to: planning for neighborhood-level improvements across the range of Neighborhood Assets; aligning with existing planning processes and activities in the local jurisdiction and/or metropolitan area or county/parish; planning for neighborhood economic development activities; and partnering with the necessary agencies and organizations and developing a viable financing plan to implement the Neighborhood component of the plan.

(3) 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, or capital improvement programming. However, any such studies should directly further the integration of strategies to develop a comprehensive neighborhood-level Transformation Plan.

(4) Work with public and private agencies, organizations (including philanthropic organizations) and individuals to: develop a Transformation Plan that includes a governance strategy that will provide long-term accountability and secure commitments for long-term collaboration to ensure it will be implemented successfully; gather and leverage resources needed to support the financial sustainability of the Transformation Plan; identify strategies for building upon and leveraging existing neighborhood efforts and anticipated Federal, state, regional and local investments; and strengthen management and decision-making capacities of participating organizations.

(5) Ensure meaningful resident, community, and stakeholder 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, local business owners and employees, and civic and community organization representatives 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, grantees should 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/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq](http://www.hud.gov/program_offices/fair_housing_equal_opp/promotingfh/lep-faq). Pursuant to section 504 of the Rehabilitation Act of 1973, recipients of federal financial assistance must ensure effective communication for persons with disabilities (see 24 CFR 8.6). This includes employing accessible means of technology to ensure that persons with disabilities can access information on the planning process, plans, and other information.

(6) Plan for the collection and strategic use of relevant data to track future community impacts once the Transformation Plan is implemented by employing statistical and qualitative analysis of specific metrics developed in partnership with the appropriate local, state, regional, and federal agencies/organizations. Such planning should focus on integrating data systems across agencies and/or negotiating data sharing agreements so that these data can be used for intervention targeting and improvement.

(7) 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.

(8) Early Action Activities, as defined in Section I.A.4 of this NOFA. Up to \$50,000 of grant funds may be used for Early Action Activities. Specific Early Action Activities may be proposed in the application, as part of the submitted budget, or during the grant period, as a budget revision. These funds should be used for innovative solutions to neighborhood challenges and must be used for projects that can be completed within the first two years of this grant.

**c. Ineligible Activities.** Ineligible activities for all grantees include:

(1) Supportive services;

(2) Incentives for recruitment into, participation in, or completion of any planning activities (e.g. gift cards provided to residents that complete a survey or needs assessment and meals provided at planning meetings); and

(3) Housing development, including acquisition, relocation, demolition and remediation, rehabilitation, or construction.

**2. Choice Neighborhoods Program Requirements.** For all successful applicants this section contains Choice Neighborhoods program requirements, administrative and national policy requirements, and other program priorities that Planning Grantees and Planning and Action Grantees must consider as they develop their Transformation Plan. Successful applicants must review this section and ensure they comply with the requirements, as relevant.

**a. Right to Return for Tenants.** An accepted 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 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. Accordingly, the Housing plan must provide an adequate number of replacement units that can be occupied by households with incomes up to 80% AMI (e.g. units that are not limited by another funding source such as LIHTC equity that has a lower income limit). The tenant also has the option 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. 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.** The Transformation Plan created through a Planning Grant or Planning and Action Grant should provide for the one-for-one replacement of all public and/or assisted dwelling units as described below:

(1) Public Housing Replacement Housing. For all public housing dwelling units still physically standing as of the application due date which will be demolished or disposed, the Transformation Plan must provide for the replacement of at least the same number of bedrooms. The number of dwelling units replaced may be greater or fewer than those still physically standing, so that the overall unit mix meets the needs of the existing residents, takes into account the needs of the residents on the waiting list, and is aligned with the results of a recent housing market study. For example, if the development has experienced high vacancy rates for efficiency and one-bedroom units and the PHA waiting list and market study indicate there is no expectation of demand in the future, but there is a need for three-bedroom units, three one-bedroom and/or efficiency units may be combined to create a three-bedroom unit. Larger bedroom units (i.e. four or more bedrooms) may only be converted to create additional smaller-bedroom units if 1) the PHA is currently under its Faircloth limit (i.e. section 9(g)(3) of the United States Housing Act of 1937, as amended) and 2) there are no existing households or waiting-list households requiring larger-bedroom units, and the market study indicates there will not be future demand.

(2) Assisted Housing Replacement Housing. For all Assisted Housing units in the HAP contract as of the application due date which are to be demolished or disposed, the Transformation Plan must provide for one-for-one replacement in accordance with all HUD policies, procedures and requirements for project-based section 8 Housing Assistance Payments (HAP) contract.

(3) Location. Replacement housing units shall be developed:

(a) On-site (i.e., on the target housing site and/or in the target neighborhood being revitalized); and/or

(b) Off-site (i.e., outside of the target neighborhood but within the metropolitan area up to 25 miles from the target project site). If a Transformation Plan proposes to develop replacement housing outside the target neighborhood, such housing must:

i. 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;

ii. be located neither in areas of minority concentration nor in areas with a poverty rate above 40 percent. A neighborhood of minority concentration is a Census tract or other defined geographic area in which the percentage of residents who are racial or ethnic minorities is at

least 20 percentage points higher than the percentage of minority residents in the Metropolitan Statistical Area (MSA) (or jurisdiction not in a MSA) as a whole. In MSAs (or jurisdictions not in MSAs) in which the majority of residents are racial or ethnic minorities, HUD will consider and rely on all relevant information to determine whether the neighborhood proposed for replacement housing will lead to the creation of more inclusive and integrated housing in opportunity-rich neighborhoods; and

iii. meet the site and neighborhood standards listed in 24 CFR 905.602(d).

(4) Types of Units. Please refer to the definition of Replacement Housing in Section I.A.4. Grantees targeting public housing projects are encouraged to plan to utilize Section 8 project-based rental assistance or Section 8 project-based vouchers, such as through a RAD conversion, in order to meet the one-for-one replacement requirement.

(5) Tenant-based Housing Choice Vouchers as Replacement Housing. Up to half of the public housing and/or assisted housing dwelling units that are demolished or disposed of under the Transformation Plan may be replaced with tenant-based vouchers in housing markets where there is an adequate supply of affordable rental housing in areas of low poverty. Please note 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., the Rental Assistance Demonstration, section 104(d) of the Housing and Community Development Act, etc.).

(a) To be eligible for this exception to the hard-unit one-for-one replacement criteria, the area of the Choice Neighborhoods development must meet both of the following criteria:

i. Be located in a county/parish with a currently and historically soft rental housing market for low-income renters.

ii. Be located in a Core Based Statistical Area (CBSA) or non-CBSA County/Parish where vouchers currently in use are primarily in lower poverty neighborhoods.

(b) HUD provides this data as part of the report generated from the Choice Neighborhoods mapping tool. Planning Grantees that would qualify for this exception may devise a Transformation Plan under this grant in accordance with the exception.

**c. Sustainable Development.** Transformation Plans must incorporate sustainable development practices in your Transformation Plan. The plan must address key Livability Principles ([https://www.hud.gov/program\\_offices/economic\\_development/Six\\_Livability\\_Principles](https://www.hud.gov/program_offices/economic_development/Six_Livability_Principles)) adopted by HUD and its federal partners, including but not limited to supporting compact development and proximity to and increased availability of transportation choices, amenities, services and employment opportunities. Grantees must include key stakeholders, agencies and experts in addressing these principles during the planning process, and identify how the plan applies the Livability Principles to your project, and how outcomes will be measured. The plan should also maximize energy efficiency and water saving techniques and practices and improve the health of residents by adopting green building practices or standards to the extent feasible and affordable, including but not limited to incorporating renewable energy systems and proper ventilation.

**d. Energy Efficiency and Green Building Standards.** Recognizing the fundamental role that HUD's investments play in defining the physical form of communities and quality of life for residents, Planning Grant recipients must design their Transformation Plan to achieve

certification by one of the recognized green rating programs for new construction or substantial rehabilitation (e.g. Enterprise Green Communities Initiative, the National Green Building Standards, or LEED New Construction) and become eligible to secure the LEED for Neighborhood Development designation from the United States Green Building Council of all or a portion of the neighborhood targeted in their Transformation Plan.

**e. 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 Planning Grant Agreement and Planning and Action Grant Agreement, OMB Administrative Requirements and Cost Principles set forth in 2 CFR part 200, and generally accepted accounting principles (GAAP).

**f. Design.** HUD is seeking excellence in physical design. Grantees must carefully select 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 resulting in the procurement of excellent design services. Grantees must select a design team committed to a process in which all residents, including young people, persons with disabilities, and seniors, the broader community, and other stakeholders participate in designing the new community. The 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. Site and building design must also incorporate accessibility standards. Housing, community facilities, and commercial space must be well integrated. Grantees must select members of your team who have the experience, training, and credentials to meet these requirements.

**G. Criteria for Beneficiaries.**

n/a

**IV. Application and Submission Information.**

**A. Obtaining an Application Package.**

**Instructions for Applicants.**

You must download both the Application Instruction and the Application Package from Grants.gov. You must verify that the CFDA Number and CFDA Description on the first page of the Application Package, and the Funding Opportunity Title and the Funding Opportunity

Number match the Program and NOFA to which you are applying.

The Application Package contains the portable document forms (PDFs) available on Grants.gov, such as the SF-424 Family. The Instruction Download contains official copies of the NOFA and forms necessary for a complete application. The Instruction Download may include Microsoft Word, Microsoft Excel and additional documents.

An applicant demonstrating good cause may request a waiver from the requirement for electronic submission. For example, a lack of available Internet access in the geographic area in which your business offices are located. Lack of SAM registration or valid DUNS is not deemed good cause. If you cannot submit your application electronically, you must ask in writing for a waiver of the electronic grant submission requirements. HUD will not grant a waiver if HUD does not receive your written request at least 15 days before the application deadline and if you do not demonstrate good cause. An email request for a waiver sent 15 days before the application is due will also be considered. If HUD waives the requirement, HUD must receive your paper application before the deadline of this NOFA. To request a waiver you must contact:

Email: [ChoiceNeighborhoods@hud.gov](mailto:ChoiceNeighborhoods@hud.gov)

**B. Content and Form of Application Submission.**

You must verify that boxes 11, 12, and 13 on the SF424 match the NOFA for which you are applying. If they do not match, you have downloaded the wrong Application Instruction and Application Package.

Submission of an application that is otherwise sufficient, under the wrong CFDA and Funding Opportunity Number is not a curable deficiency and will result in your application being declared ineligible for funding.

**1. Content.**

Forms for your package include the forms outlined below:

| Forms / Assurances / Certifications                | Submission Requirement                | Notes / Description  |
|--|---------------------------------------|--|
| FY19 Planning Grants Table of Contents (HUD-53150) | All applicants must submit this form. | As this form is updated annually, make sure to use the FY19 version provided in the grants.gov application package download. |
| Key Eligibility Data form (HUD-53152)              | All applicants must submit this form. | Please note there are multiple tabs in the Excel workbook.   |
| Severe Distress of                                 | All applicants must submit            |  |

|   |                                       |  |
|---|---------------------------------------|--|
| Targeted Project Certification (HUD-53232)                                | this form.                            |  |
| Certification of Consistency with the Consolidated Plan (HUD-2991)        | All applicants must submit this form. |  |
| Resident Involvement Certification (HUD-53151)                            | All applicants must submit this form. |  |
| Leverage documentation cover sheet (HUD-53154)                            | All applicants must submit this form. | Please note there are multiple tabs in the Excel workbook. |
| Previous Participation Certification (HUD-2530)                           | Provide this form if applicable.      |  |
| Choice Neighborhoods Planning Grant Application Certification (HUD-53156) | All applicants must submit this form. |  |

Additionally, your complete application must include the following narratives and non-form attachments.

**Instructions on Application Organization and Content.** The following provides instructions on the organization and content of your application. It lists the narrative exhibits and 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 Section III.D and the Review Criteria in Section 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 your application not being able to be scored and ranked or a lower**

**score. Please also only submit documents that are required to respond to a threshold requirement and/or rating factor.** HUD forms required by this NOFA will be made available at <http://www.grants.gov/>. The list of narrative exhibits and attachments, and instructions for each, are specified below:

(1) **Table of Contents.** Use form provided (form HUD-53150).

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

**Exhibit A ? Executive Summary.** There are often many communities in a metro or non-metro area that meet the Choice Neighborhoods criteria for housing need, poverty and crime. Please describe why this neighborhood was selected and what defining neighborhood characteristics (both needs and assets) led to its selection. In your response, please describe the target neighborhood's and target housing's challenges, the current image of the neighborhood (including positive and negative aspects), the Neighborhood Assets (as defined in this NOFA) on which your planning approach will build, and what you plan to use this grant to achieve. Include a profile of the neighborhood demographics in comparison to the city (or county/parish for applications from non-metropolitan areas). Provide a brief overview of the neighborhood planning process and identify key partner organizations with which you will be working. Include preliminary observations on the neighborhood's market potential. Describe the basis of how the neighborhood boundaries were established. (Note: HUD reserves the right to ask applicants to provide evidence during the review process that the target neighborhood boundary is generally accepted.) (suggested 3 pages maximum)

**Exhibit B ? Requirements.** Review and provide a narrative response to the Threshold Requirements in Section III.C. Please also use this space to indicate: (1) if you are only requesting funds for the planning process (up to \$350,000) vs. a Planning and Action Grant (up to \$1.3 million) and (2) if you would accept a 'Planning only' grant (up to \$350,000) if you are not among the highest scoring applications that have requested funding for Action Activities. (suggested 1 page maximum)

**Exhibit C ? Capacity.** Review and provide a narrative response to V.A.1.A (suggested 6 pages maximum)

**Exhibit D ? Need - Design Deficiencies.** Review and provide a narrative response to V.A.1.B.1.c (suggested 2 pages maximum)

**Exhibit E ? Soundness of Approach.** Review and provide a narrative response to V.A.1.C (suggested 15 pages maximum)

(3) **Attachments.** The attachments required in an application, unless otherwise noted, are listed below.

Attachment 1. **Key Eligibility Data Form.** Complete the form provided (form HUD-53152). Provide backup documentation, as applicable, in the appropriate attachment identified below.

Attachment 2. **Eligible Applicants Documentation.** Review and respond to the requirements in III.A.1, as applicable.

- i. Certification for Multifamily Assisted Property Owners.
- ii. Nonprofit applicant.

- iii. Co-Applicant MOU or Letter of Agreement.
- iv. Letter from housing project owner.

Attachment 3. **Documentation for Planning Partner or Planning Coordinator** (if applicable). Review and respond to the rating factors in V.A.1.A.3 by providing the documentation required. Note: HUD will only review this documentation to determine if a formal relationship exists and not to evaluate the capacity of the planning partner.

Attachment 4. **Eligible Target Housing Documentation ? Severe Distress of Targeted Project Certification.** Review and respond to the requirement in III.A.2 by completing the form provided (form HUD-53232).

Attachment 5. **Eligible Neighborhoods Documentation ? Eligible Neighborhoods Data.** Review and respond to the requirement in III.A.3 by providing the pdf received via email that contains data generated from the mapping tool provided on [www.hud.gov/cn](http://www.hud.gov/cn).

Attachment 6. **Resident Involvement Certification.** Review and respond to the requirement in III.D.8 by providing the certification form provided (form HUD-53151).

Attachment 7. **Immediate Project Capital Needs.** Review and respond to the rating factor in V.A.1.B.1.a by providing the documentation identified in that section.

Attachment 8. **Structural Deficiencies Documentation.** Review and respond to the rating factor in V.A.1.B.1.b by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

Attachment 9. **Design Deficiencies Documentation.** Review and respond to the rating factor in V.A.1.B.1.c by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

Attachment 10. **Substandard Housing Documentation.** If applicable, review and respond to the rating factor in V.A.1.B.2.b by providing the documentation identified in that section. This documentation may also be used by HUD to assess compliance with the Eligible Neighborhood requirement in section III.A.3.

Attachment 11. **Part I Violent Crimes Documentation.** Review and respond to the rating factor in V.A.1.B.2.c by providing the documentation identified in that section. This documentation may also be used by HUD to assess compliance with the Eligible Neighborhood requirement in section III.A.3. Tribal entities can choose to mark this section as ?N/A? for Not Applicable.

Attachment 12. **Evidence of Partnerships.** Review and respond to the rating factor in V.A.1.C.5 by providing the documentation required under that section. Applicants may also include partner letters responding to V.A.1.C.5 in this attachment, if applicable, by providing the documentation required under that section.

Attachment 13. **Staffing Plan.** Review and respond to the rating factor in V.A.1.C.8.

Attachment 14. **Planning Schedule.** Review and respond to the rating factor in V.A.1.C.9.

Attachment 15. **Budget.** Review and respond to the rating factor in V.A.1.C.10.

Attachment 16. **Documentation to Support Consistency with Consolidated Plan and PHA/MTW Plan.** Review and respond to the rating factor in V.A.1.C.11 by providing the



documentation required under that section.

Attachment 17. **Alignment with Existing Efforts.** Review and respond to the rating factor in V.A.1.D.1 by providing the documentation required under that section.

Attachment 18. **Evidence of Local Government Support and School District Support.** Review and respond to the rating factors in V.A.1.D.2 and V.A.1.D.3 by providing the documentation required under those sections.

Attachment 19. **Planning Leverage Documentation.** Review and respond to the rating factor in V.A.1.E.2.a. Include the cover sheet provided (form HUD-53154).

Attachment 20. **Action Activities Leverage Documentation.** Review and respond to the rating factor in V.A.1.E.2.b. Include the cover sheet provided (form HUD-53154).

Attachment 21. **Preference Points,** if applicable. Review and respond to the rating factor in V.A.2 by providing the required documentation.

Attachment 22. **City and Neighborhood Maps.** Provide city and neighborhood maps to-scale clearly identifying and labeling the items below in the context of existing city streets, the central business district, other key city and neighborhood sites, and census tracts. The City and Neighborhood Maps provide essential context for HUD reviewers, so it is essential that applicants provide a map that is readable, at a reasonable scale, and clearly labels the target public and/or HUD-assisted housing project(s) and eligible neighborhood and 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 5.

Attachment 23. **Current Site Plan.** Provide a Current Site Plan that shows and clearly labels the target housing site's various buildings. Demolished buildings should be shown and labeled as such. Label all uses and buildings adjoining the existing development.

Attachment 24. **Photographs of the Target Housing and Neighborhood.** Submit photographs of the targeted severely distressed housing and neighborhood that illustrate the extent of distress as well as reflect the existing assets.

Attachment 25. **Choice Neighborhoods Application Certifications.** Review and respond to the requirement in III.D.2 by completing the form provided (form HUD-53156).

Attachment 26. **Standard Forms.** These forms are incorporated into the grants.gov system and thus do not need to be uploaded separately. The Lead Applicant must be the signatory for these forms.

i. **Application for Federal Assistance (SF-424).** Applicants must include the nine-digit zip code (zip code plus four digits) associated with the applicant address in box 8d of the SF-424. The DUNS number used must have an active registration in SAM.

ii. **Certification Regarding Lobbying.** All applicants except Federally recognized Indian tribes must submit this certification with their application.

iii. **Disclosure of Lobbying Activities (SF-LLL).** If this form does not apply, indicate on the form (e.g., writing ?N/A?) and submit it with your application.

iv. **Applicant/Recipient Disclosure/Update Report** (form HUD-2880) (?HUD Applicant Recipient Disclosure Report?).

## **2. Format and Form.**

Narratives and other attachments to your application must follow the following format guidelines.

### **a. Application Layout.**

- (1) The first part of an application is comprised of narrative exhibits. The narratives respond to requirements, rating factors, and other criteria in the NOFA, as indicated below.
- (2) The second part of an application is comprised of attachments. These documents also respond to the rating factors in the NOFA, as well as threshold and mandatory documentation requirements. They include documents such as maps, photographs, application data forms, and various certifications.
- (3) Double-space the narrative exhibit pages. Single-spaced pages will be counted as two pages;
- (4) Use 8 $\frac{1}{2}$  x 11-inch paper.
- (5) All margins should be approximately one inch. If any margin is smaller than  $\frac{3}{4}$  inch, the page will be counted as two pages;
- (6) Use 12-point, Times New Roman font. If the type is smaller and/or in a different font, the page will be counted as two pages;
- (7) Any pages marked as sub-pages (e.g., with numbers and letters such as 25A, 25B, 25C), will be treated as separate pages;
- (8) If a section is not applicable, indicate "N/A" as a clear indication to HUD (do not leave the section blank);
- (9) Mark each Exhibit and Attachment with the appropriate tab/title page, as listed above. No material on the tab/title page will be considered for review purposes;
- (10) 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;
- (11) Do not format the narrative exhibits in columns. Pages with text in columns will be counted as two pages;
- (12) Any tables included in the narrative exhibits of the application must also be double spaced or they will be counted twice.
- (13) All pages should be numbered. HUD recommends applicants consecutively number the pages of the Attachments section to ensure proper assembly of their application if printed.

### **b. Application Page Count.**

- (1) Each Choice Neighborhoods application must contain no more than 80 pages. Any pages beyond this limit will not be reviewed. HUD will not consider the information on any excess pages, which may result in a lower score.

(2) Exceptions to page limits. The documents listed below constitute the only exceptions and are not counted in the page limit listed above. Extraneous information not requested in the NOFA that is provided in these attachments will be counted toward the page limit.

- Additional pages submitted at the request of HUD in response to a technical deficiency
- Table of Contents
- Eligible Applicants documentation (Attachment 2)
- Planning Partner or Planning Coordinator documentation (Attachment 3)
- The report generated from the mapping tool that you received via email (Attachment 5)
- Evidence of Partnership letters (Attachment 12)
- Documentation to support Consistency with Consolidated Plan and PHA/MTW Plan (Attachment 16)
- Leverage documentation (Attachments 19-20)
- Application Certifications and Standard forms (Attachments 25-26)
- Tabs/title pages that are blank or display a title/header/ ?n/a? indication

### **C. System for Award Management (SAM) and Dun and Bradstreet Universal Numbering System (DUNS) Number.**

#### **1. SAM Registration Requirement.**

Applicants must be registered with SAM before submitting their application. In addition, applicants must maintain an active SAM registration with current information while they have an active Federal award or an application or plan under consideration by HUD.

#### **2. DUNS Number Requirement.**

Applicants must provide a valid DUNS number, registered and active at SAM, in the application. DUNS numbers may be obtained for free from [Dun & Bradstreet](#).

#### **3. Requirement to Register with Grants.gov.**

Anyone planning to submit applications on behalf of an organization must register at Grants.gov and be approved by the EBiz Point of Contact in SAM to submit applications for the organization.

Registration for SAM and Grants.gov is a multi-step process and can take four (4) weeks or longer to complete if data issues arise. Applicants without a valid registration cannot submit an application through Grants.gov. Complete registration instructions and guidance are provided at Grants.gov. See also Section IV.B for necessary form and content information.

### **D. Application Submission Dates and Times.**

The application deadline is 11:59:59 p.m. Eastern time on **06/10/2019**. Applications must be received no later than the deadline.

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit your application in paper form. Instructions for submitting your paper application will be

contained in the waiver of electronic submission.

"Received by Grants.gov" means the applicant received a confirmation of receipt and an application tracking number from Grants.gov. Grants.gov then assigns an application tracking number and date-and time-stamps each application upon successful receipt by the Grants.gov system. A submission attempt not resulting in confirmation of receipt and an application tracking number is not considered received by Grants.gov.

Applications received by Grants.gov must be validated by Grants.gov to be received by HUD.

"Validated by Grants.gov" means the application has been accepted and was not rejected with errors. You can track the status of your application by logging into Grants.gov, selecting "Applicants" from the top navigation, and selecting "Track my application" from the dropdown list. If the application status is "rejected with errors," you must correct the error(s) and resubmit the application before the 24-hour grace period ends. Applications in "rejected with errors" status after the 24-hour grace period expires will not be received by HUD. Visit Grants.gov for a complete description of processing steps after submitting an application.

HUD strongly recommends applications be submitted at least **48 hours before the deadline** and during regular business hours to allow enough time to correct errors or overcome other problems.

You can verify the contents of your submitted application to confirm Grants.gov received everything you intended to submit. To verify the contents of your submitted application:

- Log in to Grants.gov.
- Click the Check Application Status link, which appears under the Grant Applications heading in the Applicant Center page. This will take you to the Check Application Status page.
- Enter search criteria and a date range to narrow your search results.
- Click the Search button. To review your search results in Microsoft Excel, click the Export Data button.
- Review the Status column.
- To view more detailed submission information, click the Details link in the Actions column.
- To download the submitted application, click the Download link in the Actions column.

Please make note of the Grants.gov tracking number as it will be needed by the Grants.gov Help Desk if you seek their assistance.

HUD may extend the application deadline for any program if Grants.gov is offline or not available to applicants for at least 24 hours immediately prior to the deadline date, or the system is down for 24 hours or longer and impacts the ability of applicants to cure a submission deficiency within the grace period.

HUD may also extend the application deadline upon request if there is a presidentially-declared disaster in the applicant's area.

If these events occur, HUD will post a notice on its website establishing the new, extended deadline for the affected applicants. HUD will also include the fact of the extension in the program's Notice of Funding Awards required to be published in the Federal Register.

In determining whether to grant a request for an extension based on a presidentially-declared disaster, HUD will consider the totality of the circumstances including the date of an applicant's extension request (how closely it followed the basis for the extension), whether other applicants in the geographic area are similarly affected by the disaster, and how quickly power or services are restored to enable the applicant to submit its application.

**PLEASE NOTE:** Busy servers, slow processing, large file sizes, improper registration or password issues are not valid circumstances to extend the deadline dates or the grace period.

### **1. Amending or Resubmitting an Application.**

Before the submission deadline, you may amend a validated application through Grants.gov by resubmitting a revised application containing the new or changed material. The resubmitted application must be received and validated by Grants.gov by the applicable deadline.

If HUD receives an original and a revised application for a single proposal, HUD will evaluate only the last submission received by Grants.gov before the deadline.

### **2. Grace Period for Grants.gov Submissions.**

If your application is received by Grants.gov before the deadline, but is rejected with errors, you have a grace period of 24 hours after the application deadline to submit a corrected, received, and validated application through Grants.gov. The date and time stamp on the

Grants.gov system determines the application receipt time. Any application submitted during the grace period not received and validated by Grants.gov will not be considered for funding. There is no grace period for paper applications.

### **3. Late Applications.**

An application received after the NOFA deadline date that does not meet the Grace Period requirements will be marked late and will not be received by HUD for funding consideration. Improper or expired registration and password issues are not causes that allow HUD to accept applications after the deadline.

### **4. Corrections to Deficient Applications.**

HUD will not consider information from applicants after the application deadline. HUD may contact the applicant to clarify information submitted prior to the deadline. HUD will uniformly notify applicants of each curable deficiency. A curable deficiency is an error or oversight that, if corrected, it would not alter, in a positive or negative fashion, the review and rating of the application. See curable deficiency in the definitions section (Section I.A.3.). Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to

submit required certifications. These examples are non-exhaustive.

When HUD identifies a curable deficiency, HUD will notify the authorized representative by email. This email is the official notification of a curable deficiency. Each applicant must provide accurate email addresses for receipt of these notifications and must monitor their email accounts to determine whether a deficiency notification has been received. The applicant must carefully review the request to cure a deficiency and must provide the response in accordance with the instructions contained in the deficiency notification.

Applicants must email corrections of curable deficiencies to [applicationsupport@hud.gov](mailto:applicationsupport@hud.gov) within the time limits specified in the notification. The time allowed to correct deficiencies will be no less than 48 hours and no more than 14 calendar days from the date of the email notification. The start of the cure period will be the date stamp on the email sent from HUD. If the deficiency cure deadline date falls on a Saturday, Sunday, Federal holiday, or on a day when HUD's Headquarters are closed, then the applicant's correction must be received on the next business day HUD Headquarters offices in Washington, DC are open.

The subject line of the email sent to [applicationsupport@hud.gov](mailto:applicationsupport@hud.gov) must state: Technical Cure and include the Grants.gov application tracking number or the GrantSolutions application number (e.g., Subject: Technical Cure - GRANT123456 or Technical Cure - XXXXXXXXXXXX). If this information is not included, HUD cannot match the response with the application under review and the application may be rejected due to the deficiency.

Corrections to a paper application must be sent in accordance with and to the address indicated in the notification of deficiency. HUD will treat a paper application submitted in accordance with a waiver of electronic application containing the wrong DUNS number as having a curable deficiency. Failure to correct the deficiency and meet the requirement to have a DUNS number and active registration in SAM will render the application ineligible for funding.

**5. Authoritative Versions of HUD NOFAs.** The version of these NOFAs as posted on Grants.gov are the official documents HUD uses to solicit applications.

**6. Exemptions.** Parties that believe the requirements of the NOFA would impose a substantial burden on the exercise of their religion should seek an exemption under the Religious Freedom Restoration Act (RFRA).

#### **E. Intergovernmental Review.**

This program is not subject to Executive Order 12372, Intergovernmental Review of Federal Programs.

#### **F. Funding Restrictions.**

##### **1. Statutory Time Limits.**

- a. Required Obligation Date. Funds appropriated for the Choice Neighborhoods program for

FY2019 must be obligated by HUD on or before September 30, 2021. Any funds 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 FY2019 Choice Neighborhoods funds must be expended by September 30, 2026. Any funds not expended by that date will be cancelled and recaptured by the Treasury and thereafter will not be available for expenditure for any purpose. HUD reserves the right to require an earlier expenditure deadline under a Grant Agreement.

## **2. Grant Sizing and Use of Grant Funds.**

a. The maximum award for a Planning Grant is \$350,000. Planning activities include all required and eligible activities, except Action Activities. Of these funds, up to \$50,000 may be used toward Early Action Activities that enhance the planning process.

b. The maximum award for a Planning and Action Grant is \$1,300,000. Of this amount, up to \$350,000 must be used for planning activities conducted during the first 24 months of the grant period. Planning activities include all required and eligible activities, except Action Activities. Of these funds, up to \$50,000 may be used toward Early Action Activities to enhance the planning process. In addition, funds up to \$950,000 must be used for Action Activities. The maximum amount allowed for Action Activities is \$950,000 even if an applicant requests less than \$350,000 for the planning process. An applicant cannot only request funding for Action Activities. Applicants are not expected to identify specific Action Activities within the application as they should be developed through the planning process. Within 24 months of the grant award date, Planning and Action Grantees must propose a plan, which must be approved by HUD, that identifies the Action Activities for which these funds will be used. If any Action Activities are subject to environmental review, an environmental review must be completed (see Section VI.B) before funds are released. Funds for Action Activities will be withheld by HUD (i.e., obligated to the grantee, but not released) until the plan is approved and the environmental review is complete.

## **3. Cost Control Standards.**

a. Cost estimates must represent an economically viable preliminary plan for designing, planning, and carrying out the proposed activities, in accordance with local costs of labor, materials, and services.

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

**4. Budget Deductions.** HUD may delete any unallowable items from the proposed budget and may reduce the 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.

**5. Grant Reduction or Recapture.** If an application is selected for funding, and the grantee subsequently proposes to make significant changes to the planning process, compared to what was presented in this application, HUD reserves the right to amend the award and reduce the

amount or recapture the grant. Further, if a Planning and Action Grantee fails to propose an approvable plan for Action Activities, HUD may amend the award to reduce the amount and recapture a portion of the grant.

**6. 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 funds the grantee has not obligated under its award. HUD may 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.

### **7. Ineligible Use of Grant Funds**

a. Grantees 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. Grantees may not use Choice Neighborhoods funds for the cost of Choice Neighborhoods grant application preparation.

c. No more than the amount specified in the Use of Grant Funds section can be used for Action Activities.

d. Grantees may not use Choice Neighborhoods grant funds for any Ineligible Activities.

Indirect Cost Rate.

Statutory or Regulatory Restrictions Apply

In accordance with section 24 of the U.S. Housing Act of 1937, as amended, funding under this program may only be used for direct costs. Therefore, indirect costs are not permitted under this NOFA.

## **G. Other Submission Requirements.**

### **1. Application Certifications and Assurances.**

By signing the forms in the SF-424 either through electronic submission or in paper copy submission (for those granted a waiver), the applicant and the signing authorized representative affirm that they have reviewed the certifications and assurances associated with the application for federal assistance and (1) are aware the submission of the SF424 is an assertion that the relevant certifications and assurances are established and (2) acknowledge that the truthfulness of the certifications and assurances are material representations upon which HUD will rely when making an award to the applicant. If it is later determined the signing authorized representative to the application made a false certification or assurance, caused the submission of a false certification or assurance, or did not have the authority to make a legally binding commitment for the applicant, the applicant and the individual who signed the application may be subject to administrative, civil, or criminal action. Additionally, HUD may terminate the award to the applicant organization or pursue other available remedies. Each applicant is responsible for including the correct certifications and assurances with its application submission, including those applicable to all applicants, those applicable only to federally-



recognized Indian tribes, and those applicable to applicants other than federally-recognized Indian tribes. All program-specific certifications and assurances are included in the program Instructions Download on Grants.gov.

**2. Lead Based Paint Requirements.**

When providing housing assistance funding for purchase, lease, support services operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

When providing education or counseling on buying or renting housing that may include pre-1978 housing, when required by regulation or policy, applicants must inform clients of their rights under the Lead Disclosure Rule (24 CFR part 35, subpart A), and, if the focus of the education or counseling is on rental or purchase of HUD-assisted pre-1978 housing, the Lead Safe Housing Rule (subparts B, R, and, as applicable, F - M).

**V. Application Review Information.**

**A. Review Criteria.**

**1. Rating Factors.**

Applications 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 Section IV.B.

| <b>Rating Category</b> | <b>Rating Factor</b>                   | <b>Points</b> |
|------------------------|--|---------------|
| <b>Capacity</b>        |  |               |
|                        | Capacity to lead the planning process  | 10            |
|                        | Resident and community engagement      | 5             |
|                        | Capacity of the Planning Partner       | 5             |
|                        | <i>subtotal</i>                        | <b>20</b>     |
| <b>Need</b>            |  |               |
|                        | <i>Unit Distress</i>                   |               |
|                        | Immediate Project Capital Needs        | 3             |
|                        | Structural deficiencies                | 4             |
|                        | Design deficiencies                    | 4             |
|                        | <i>Neighborhood Distress</i>           |               |
|                        | Poverty/ELI (Neighborhood poverty)     | 4             |
|                        | Long-term vacancy or substandard homes | 2             |

|                                     |  |            |
|-------------------------------------|--|------------|
|                                     | Part I violent crime   | 4          |
|                                     | <i>Need for Affordable Housing</i>                                   |            |
|                                     | Need for affordable Housing in the community                         | 1          |
|                                     | <i>subtotal</i>  | <b>22</b>  |
| <b>Soundness of Approach</b>        |  |            |
|                                     | Resident engagement  | 5          |
|                                     | Community engagement   | 4          |
|                                     | Needs assessment   | 4          |
|                                     | Visioning and decision-making  | 4          |
|                                     | Partnerships   | 5          |
|                                     | Doing while planning   | 5          |
|                                     | Action Activities process  | 5          |
|                                     | Staffing plan  | 3          |
|                                     | Planning schedule  | 2          |
|                                     | Budget   | 2          |
|                                     | Certification of Consistency with Consolidated Plan and PHA/MTW Plan | 1          |
|                                     | <i>subtotal</i>  | <b>40</b>  |
| <b>Likelihood of Implementation</b> |  |            |
|                                     | Alignment with existing efforts                                      | 4          |
|                                     | Local government support   | 4          |
|                                     | School district support  | 2          |
|                                     | <i>subtotal</i>  | <b>10</b>  |
| <b>Leverage</b>                     |  |            |
|                                     | Leverage for planning  | 6          |
|                                     | Leverage for Action Activities                                       | 2          |
|                                     | <i>subtotal</i>  | <b>8</b>   |
| <b>Preference Points</b>            | Opportunity Zones or HBCU  | 2          |
|                                     | <b>TOTAL</b>   | <b>102</b> |

**A. CAPACITY** Maximum Points: 20

**1. Capacity to Lead the Planning Process - 10 points.** This rating factor evaluates the organizational capacity, based on **past** experience of both the Lead Applicant **and** Co-Applicant (if applicable), to effectively lead and coordinate a comprehensive neighborhood planning process and undertake successful Action Activities, as defined in this NOFA. What is your and your Co-Applicant's experience with conducting a comprehensive neighborhood needs assessment? What

is your and your Co-Applicant's experience leading a visioning process with residents and stakeholders? What is your and your Co-Applicant's experience with leading partners (including governmental agencies and key community stakeholders, such as businesses and civic organization representatives, and especially residents) in prioritizing strategies and creating a cohesive plan? How did you and your Co-Applicant effectively hold these parties accountable throughout the planning process and into the action phases of past projects? What were the results of the neighborhood planning process(es), including physical neighborhood improvements that you or your Co-Applicant led or coordinated that were similar in scope to Action Activities?

To demonstrate this past experience, you must provide specific examples that detail your and your Co-Applicant's extensive and successful experience in the past six years undertaking planning and action activities that support each of the three core goals of Housing, People, and Neighborhood. Fewer points will be awarded for not responding to applicable questions, not providing information about the Lead Applicant and Co-Applicant, lack of detail, and/or lack of demonstrating capacity. HUD also will consider past performance in accordance with Section V.B.1 in its evaluation of this rating factor.

**2. Resident and Community Engagement - 5 points.** This rating subfactor evaluates the extent to which the application demonstrates that past planning process(es) you or your Co-Applicant led effectively involved and was substantially informed by the community, including residents, faith-based institutions, local business owners, and other community organizations. Applicants should provide concrete examples of resident and community engagement and the outcomes of that engagement.

**3. Capacity of a Planning Partner - 5 points.** Often, successful planning processes rely on the capacity of an additional planning partner. For purposes of this NOFA, HUD will consider the capacity of one planning partner - either an entity such as a local non-profit or philanthropy or a procured Planning Coordinator (defined in this NOFA). If you do not want the capacity of a planning partner to be evaluated, then respond 'N/A' and the capacity of the Lead and Co-Applicant as described in the "Capacity to Lead the Planning Process" rating factor (V.1.A.1) will be assigned up to 15 points instead of up to 10 points. If you choose to respond to this rating factor, you will receive up to 5 points based on the capacity of one specific planning partner and how they will supplement your and your Co-Applicant's capacity to undertake a comprehensive planning process. Please clearly identify the partner you wish to be evaluated under this factor and describe their capacity as it relates to experience in conducting a comprehensive neighborhood needs assessment; leading a visioning process with residents and stakeholders; leading partners (including governmental agencies and key community stakeholders, such as businesses and civic organization representatives, and especially residents) in prioritizing strategies and creating a cohesive plan; and building the capacity of partners/clients in a prior planning process. To demonstrate this past experience, you must provide specific examples within the past six years that demonstrate the planning partner's experience undertaking planning and action activities that support each of the three core goals of Housing, People, and Neighborhood.

For a partner to be considered under this rating factor, include in the attachments a signed letter or document from the partner indicating their commitment to help lead the planning process and help build your capacity to lead the planning process. If this partner is a Planning Coordinator, the Planning Coordinator's capacity will only be evaluated for this rating factor if you include documentation in your attachments that demonstrates you have procured the entity with either a

binding contractual agreement in place or you have provided a selection letter to the Planning Coordinator and will enter into a binding contractual agreement. If the contract between you and the Planning Coordinator has been executed, submit a copy of the contract. If you have not executed the contract, submit a copy of the procurement selection letter from you to the Planning Coordinator. The agreement must be between the Lead Applicant and the Planning Coordinator. The documentation must identify duties/tasks for which the Planning Coordinator will be responsible related to this grant and make clear that the agreement will last for the term of the grant. The documentation provided in the attachments will only be reviewed to determine the formal relationship exists and not to evaluate the capacity of the planning partner. Rather, the capacity of the planning partner will be evaluated based on the information provided in the narrative exhibit. HUD also will consider past performance in accordance with Section V.B.1 in its evaluation of this rating factor.

**B. NEED** Maximum Points: 22

**1. Severe Physical Distress of Public and/or Assisted Housing.** 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. Applications will earn points for the following subfactors, as indicated.

(a) **Immediate Project Capital Needs - 3 points.** An application will be evaluated based on the estimated cost of immediate project capital needs as determined by a Physical Needs Assessment (PNA, as defined in this NOFA) that has been conducted within the last three years for the target public and/or assisted housing project(s). Provide a copy of the PNA's Immediate capital needs replacement schedule and the PNA's executive summary. The executive summary must be dated and on the letterhead of the entity that conducted it. It should provide a narrative explanation of the immediate replacement needs and costs noted in Year 1 of the housing project's PNA replacement schedule. These applicable PNA excerpts must show the Project's total estimated current costs of immediate project capital needs (not a multi-year life cycle projection) for the entirety of the target housing project(s). If the PNA was completed more than one year prior to the publication date of this NOFA, you must also include an update by the project's owner indicating which improvements identified in the PNA have been completed. HUD will then calculate the per unit cost as a percentage of the applicable Total Development Cost limit (TDC Limit), as defined at 24 CFR 905.314, in effect at the time this NOFA is published (posted on August 23, 2018 in accordance with PIH Notice 2011-38), for a two-bedroom walkup unit. If this application is for more than one public and/or assisted housing project, a PNA excerpt must be submitted for each site and HUD will calculate a weighted average in order to award points. If the targeted units are public housing and HUD has already approved a Section 18 demolition of the targeted units, submit a copy of HUD's letter approving the demolition to receive full points. If the targeted units are Indian Housing that have been demolished, the application will receive full points if it contains a copy of the written notification of demolition provided to HUD in accordance with 24 CFR 1000.134. Zero points will be awarded if the documentation is not provided in accordance with the criteria stated above. If the required documentation is provided, points will be awarded based on the following table:

| Estimated Rehabilitation Needs as Percent of TDC Limit | Points Awarded |
|--|----------------|
|--|----------------|

|                                 |   |
|---------------------------------|---|
| At least 60.00 percent          | 3 |
| Between 45.00 and 59.99 percent | 2 |
| Between 35.00 and 44.99 percent | 1 |
| Less than 35.00 percent         | 0 |

(b) **Structural Deficiencies - 4 points.** An application will be evaluated based on the extent to which it demonstrates significant deficiencies in the physical structural elements, building systems, and 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. If the targeted units are public housing and HUD has already approved a Section 18 demolition of the targeted units, submit a copy of HUD's letter approving the demolition to receive full points. If the targeted units are Indian Housing that have been demolished, the application will receive full points if it contains a copy of the written notification of demolition provided to HUD in accordance with 24 CFR 1000.134. If this application is for more than one public and/or assisted housing project, descriptions must be submitted for each site and HUD will consider documentation provided for all properties.

Provide a letter in the attachments signed by a registered engineer or architect and including a narrative description. It may be supplemented by physical inspection reports or pictures. (The Certification of Severe Physical Distress submitted to satisfy the Eligible Target Housing requirement is not sufficient to earn points for this rating factor, though it may be signed by the same person that signs the letter required for this rating factor). The letter must be based on a recent physical inspection and dated no more than 18 months prior to the publication of this NOFA.

Fewer points may be awarded for descriptions that are inadequate and/or demonstrate less severe distress. Zero points will be awarded if the documentation in your attachments is not in the format required (e.g., not a letter signed by a registered architect or engineer), does not demonstrate severe distress, the deficiencies are cosmetic or require routine repair/maintenance, or does not provide adequate information to make HUD's rating of this factor possible.

(c) **Design Deficiencies - 4 points.** An application will be evaluated based on the extent to which it demonstrates that there are fundamental design deficiencies, of a type and character that require substantial rehabilitation or reconstruction to fully address, related to: (a) substantially inappropriate building design or site layout and street connectivity when compared to the surrounding neighborhood which may include inappropriate 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) physical inaccessibility for persons with disabilities with regard to individual dwelling units (i.e., less than 5 percent of units are accessible), entrances/entryways, 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. This may be demonstrated this in an 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. If the target housing has already been demolished, then the narrative must demonstrate design deficiencies at the time of demolition.

i. You will receive **4** points if your application demonstrates fundamental design deficiencies, of a type and character that require substantial rehabilitation or reconstruction to fully address, in 3 or more of these deficiencies.

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

iii. 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.

**2. Severe Distress of the Targeted Neighborhood.** Choice Neighborhoods is intended to be a tool to help communities turn around the most distressed neighborhoods. HUD will evaluate the level of this neighborhood-wide distress by examining several factors: poverty, crime rates and vacancy rates. You will receive points by addressing the following separate factors, as indicated.

(a) **Neighborhood Poverty - 4 points.** An application will be evaluated 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 mapping tool as used for the Eligible Neighborhood requirement to assign points for this factor.

| Concentration of Households in Poverty or with Extremely Low Incomes | Points Awarded |
|--|----------------|
| 40.00 percent and above  | 4              |
| Between 35.00 and 39.99 percent                                      | 3              |
| Between 30.00 and 34.99 percent                                      | 2              |
| Between 25.00 and 29.99 percent                                      | 1              |
| 24.99 percent and below  | 0              |

(b) **Long-term Vacancy or Substandard Homes - 2 points.** An application will be evaluated based on the current rate of long-term vacant properties or substandard homes within the target neighborhood. Only applicants targeting Indian housing may be evaluated based on substandard homes.

i. You will earn points for the higher of either the rate of vacant housing or the ratio of vacant housing in the neighborhood to the county/parish in accordance with the table below. HUD will use data from the mapping tool to determine the vacancy rate for this scoring criteria and the Eligible Neighborhood requirement.

| Current Long-Term Vacancy Rate in the Target Neighborhood | Current Long-Term Vacancy Rate in the Neighborhood is X times the County/Parish | Points Awarded |
|---|---|----------------|
| 14.00 percent and above                                   | 4.00 and above  | 2              |

|                                |                       |   |
|--------------------------------|-----------------------|---|
| Between 7.00 and 13.99 percent | Between 2.00 and 3.99 | 1 |
| 6.99 percent and below         | 1.99 and below        | 0 |

ii. Alternatively, applications targeting Indian housing can be evaluated based on the percentage of occupied housing units lacking complete plumbing facilities, as indicated by the most recent data from the American Community Survey (ACS) for your neighborhood. If the rate is 8.00 percent or above, the application will earn 2 points. If the rate is between 4.00 and 7.99 percent, the application will earn 1 point. ACS data from Census tracts that cover the majority of the neighborhood can be used to approximate neighborhood-level data (please indicate tracts). In your attachments you must include a photocopy/print out of published data including the relevant full page or pages from the original source, such as a printed publication or website, and the source must be identifiable on the photocopy/print out itself, for example through a header or footer identifying the publication or a website link.

(c) **Part I Violent Crime Rate - 4 points.** An application will be evaluated based on the rate of Part I violent crimes for the precinct/PSA in which the target housing is located for the three years 2016-2018 (measured as Part I violent crimes per 1,000 persons). You must submit data for each of the three years, and preferably break out the number of incidences for each of the four classifications of Part I violent crimes, in the attachments as a letter of certification from the local law enforcement agency or by providing a photocopy/print out of published local law enforcement data. If providing the latter, the photocopy/print out must include the relevant full page or pages from the original source, such as a printed publication or website, and the source must be identifiable on the photocopy/print out itself, for example through a header or footer that identifies the publication or a website link. Points will be awarded for the higher of the 3-year average for either the rate compared to the city/county/parish or the rate in accordance with the applicable table below. This rating factor does not apply to applicants who are tribal entities. Applications targeting Indian housing will automatically be awarded full points and do not need to submit the crime documentation listed above.

| Part I Violent Crime Rate - crimes per 1000 residents in precinct/PSA of Target Housing | Part I Violent Crime Rate of precinct/PSA is X times the City/County/Parish* | Points Awarded |
|---|--|----------------|
| 26.50 or more   | 2.50 or more   | 4              |
| Between 24.00 and 26.49   | Between 2.25 and 2.49  | 3              |
| Between 21.50 and 23.99   | Between 2.00 and 2.24  | 2              |
| Between 19.00 and 21.49   | Between 1.75 and 1.99  | 1              |
| 18.99 or less   | 1.74 or less   | 0              |

\*In non-metropolitan areas, if the Precinct/PSA is coterminous with the County/Parish, the applicant may compare its Part I violent crime rate to that of the state.

Zero points will be awarded if the data are not for the time-period specified (calendar years 2016-2018), in the format required (i.e. shows each of the three years individually, indicates the number of incidents per 1,000 residents), or otherwise inadequate to make HUD's rating of this factor possible.

**3. Need for Affordable Housing in the Community - 1 point.** An application will

receive 1 point if the Choice Neighborhoods project is in a county/parish 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 use data included in the mapping tool for this rating factor. 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.

## C. SOUNDNESS OF APPROACH

Maximum Points: 40

This factor addresses the quality and feasibility of your proposed work plan and evaluates how well you have developed a sound and achievable 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 Neighborhood.

**1. Resident Engagement - 5 points.** Points will be awarded based on the extent to which the application demonstrates how public and/or HUD-assisted housing residents of the target housing will be meaningfully engaged in the planning process. How will you conduct continuing outreach to target housing residents and encourage a broad range of target housing residents to engage in the planning process? How will you ensure target housing residents substantially inform the Transformation Plan, including the vision, priorities, and strategies? How will you build capacity among target housing residents to do this?

**2. Community Engagement - 4 points.** Points will be awarded based on the extent to which the application demonstrates how other neighborhood residents and community-based partners, including community organizations, faith-based institutions and local business owners, will be meaningfully engaged in the planning process. How will you conduct continuing outreach to these populations to engage them throughout the planning process? How will you ensure neighborhood residents and community-based partners substantially inform the Transformation Plan, including the vision, priorities, and strategies?

**3. Needs Assessment - 4 points.** Points will be awarded based on the quality of your plan to assess your community's unique needs and assets to substantially inform the Transformation Plan. How will you identify: current needs and assets; what has and has not worked; the quality of existing services and amenities; and potential barriers and opportunities related to Housing, Neighborhood, and People? How will you conduct your household-level needs assessment and ensure a high rate of response? From which other partners and sources will you collect needs assessment data and how will you do this? In what other ways will you capture open-ended information from residents and stakeholders to explore the meaning behind needs assessment results?

**4. Visioning and Decision-Making - 4 points.** Points will be awarded based on the soundness of your approach to facilitate visioning and decision-making within the planning process. How will your process create, in partnership with residents and stakeholders, a shared vision for the neighborhood that is specific to the strengths and challenges of the neighborhood? How will you select shared target goals that are measurable, and who will be involved in this process? How will you collectively prioritize among multiple, differing strategies to create a cohesive Transformation Plan, and who will be involved in this process?

**5. Partnerships - 5 points.** Points will be awarded based on the breadth, quality, and depth of



your partnerships as they relate to the neighborhood needs and their contribution to the planning process. Who are the partners that have committed to substantially contribute to the planning process to develop the Transformation Plan, including partners in the areas of housing, neighborhood, public safety, education, employment, and health? What will their roles be in the planning process and how will they substantially contribute to the Transformation Plan? With what partners have you not yet engaged but plan to, and what is your strategy for building these additional partnerships? In your attachments, please include unique, individual letters (not form letters) from your partners that indicate their support of the proposed planning process and describe their role in it (such as contribution of resources and expertise related to specific tasks and components of the planning process, leadership positions in working groups or committees, etc.).

**6. Doing While Planning - 5 points.** 'Doing while planning' projects can increase confidence in the neighborhood, respond to community concerns in real time, and help convince skeptical stakeholders that positive change is possible. To demonstrate your commitment to 'doing while planning,' describe at least one project in the neighborhood that will be carried out during the first 24 months of the Planning Grant. Points will be awarded based on how well the proposed project(s) is designed to foster community engagement, responds to community needs, and enhances the neighborhood. Successful applicants can choose to fund this project(s) through leveraged commitments and/or the Choice Neighborhoods Early Action Activities funds (i.e., up to \$50,000). 'Doing while planning' projects using Early Action Activities funds must be limited to the activities listed in this NOFA, whereas 'doing while planning' projects funded by leveraged commitments are not limited to this list. No matter what funding sources are used, the following projects will not be considered under this rating subfactor: supportive services, marketing, basic infrastructure, basic municipal services, housing development (e.g. demolition, construction, or rehabilitation), or relocation.

**7. Action Activities Process - 5 points.** Identification and selection of Action Activities must evolve from the planning process. Up to 5 points will be awarded based the proposed process for devising and selecting Action Activities. What process will you use for identifying Action Activities that will best enhance and accelerate the transformation of the target neighborhood? How will you, in partnership with residents and other stakeholders, prioritize Action Activities? What criteria or guidelines will you use to evaluate potential projects? How will you ensure the funds are used strategically, encourage additional investment in the neighborhood, and have a lasting impact? One of the five points will be assigned based on the extent to which the application explains how the grantee will address how employment, training, contracting, and other economic opportunities will be provided (as applicable) to Section 3 persons or business concerns. Applicants and awardees are encouraged to contact HUD's Economic Opportunity Division, Office of Fair Housing and Equal Opportunity, for more information on the applicability of Section 3, Economic Opportunities for Low- and Very Low-Income Persons. If you are requesting a Planning Grant only for the planning process (up to \$350,000), mark this section "n/a" in your application.

**8. Staffing Plan - 3 points.** An application may receive up to 3 points for providing a detailed and feasible staffing plan for completing all of the proposed planning activities. The Staffing Plan should include an organizational chart that identifies the various organizations participating in the planning effort and shows their relationship to each other in the governance structure (e.g., decision makers, advisors, stakeholders, working groups). The Staffing Plan should identify the

principal staff positions and the percentage of their time that will be dedicated to the planning process, including a "project manager" responsible for the whole grant, employed by the Lead Applicant or Co-Applicant, that will devote a significant amount of time to the planning process. Provide a description of the staffing plan in the narrative exhibits and the organizational chart in the attachments.

**9. Planning Schedule - 2 points.** An application may receive up to 2 points for providing a detailed and feasible schedule for completing all of your proposed planning activities within the first 24 months of the effective date of the Grant Agreement, including required activities listed in Section III.E.1.a, other eligible activities proposed as part of the planning process to develop the Transformation Plan, the proposed doing while planning project(s), and the proposed Action Activities Planning Process (unless you selected the 'Planning Grant Only' option). The schedule should identify each significant activity and milestone required for completing the planning process and should list the planned start and completion dates of all tasks. You may provide additional description of your schedule in the narrative exhibits.

**10. Budget - 2 points.** An application may receive up to 2 points for providing a budget for the planning activities related to the grant, including required activities listed in Section III.E.1.a, other eligible activities proposed as part of the planning process to develop the Transformation Plan, the proposed doing while planning project(s), and proposed Action Activities (unless you selected the 'Planning Grant Only' option). Because the Action Activities themselves will be identified and proposed later, applicants must designate any requested Choice Neighborhoods funds over \$350,000 as a single line item labeled, "Action Activities TBD." The budget will be evaluated based on the extent to which it shows projected sources and thoroughly estimates all applicable costs in a clear and coherent format, and the extent to which the projected sources are sufficient for the scope of your proposed planning process. Provide a detailed Sources and Uses statement that reflects all funding in the attachments. The proposed uses for the Choice Neighborhoods funds must be identified in a separate column from other funds. You may provide additional description of your budget in the narrative exhibits as needed to provide further detail on costs and/or restrictions associated with other sources.

**11. Certification of Consistency with Consolidated Plan and PHA/MTW Plan - 1 point.** An application will receive 1 point if the proposed planning process is consistent with the Consolidated Plan for the jurisdiction in which the target neighborhood is located and, as applicable, the PHA Plan or MTW Plan. All applications must include the Certification of Consistency with the Consolidated Plan (form HUD-2991) in the attachments. If there is a public housing site targeted in the application, then the application must also include a letter signed by the PHA Executive Director or Board Chair certifying that the intention to plan for redevelopment of the target housing site is included in the most recently approved PHA/MTW Plan. Zero points will be awarded if the required documentation is not provided. Applications that target Indian housing will automatically be awarded 1 point and do not need to submit any documentation.

#### D. LIKELIHOOD OF IMPLEMENTATION

Maximum Points: 10

These rating factors evaluate the extent to which each applicant demonstrates the planning process proposed in this application will create sustainable momentum that persists through implementation.

**1. Alignment with Existing Efforts - 4 points.** An application will receive 4 points if the target housing and the surrounding neighborhood are located in an officially designated investment

priority area (e.g., redevelopment area, Tax Increment Finance district, CDBG Neighborhood Revitalization Strategy Area, etc.). Tribal entities may receive full points if an Indian Community Development Block Grant has been secured for a project in the target neighborhood and that project is currently underway. An officially designated investment priority area is meant to show that the local government or other similar entity has designated this particular neighborhood, over other neighborhoods, as a priority for investment. The boundaries of the investment priority area and target neighborhood must be substantially the same and contain the target housing project identified in this grant application. All applicants must provide a copy of the relevant section from an official plan or a letter from the appropriate official in the attachments in order to demonstrate that the application meets the criteria under this rating factor. The documentation must indicate under what authority the designation was made (e.g. by City Council ordinance), when the designation took effect, and if it has an end date. Zero points will be awarded if the required documentation is not provided or if the designation is only pending.

**2. Local Government Support - 4 points.** An application will receive 4 points if it contains a letter signed by the chief executive officer or highest-ranking Housing/Community Development/Planning official of your local government indicating official support for this planning process and committing that staff will be actively engaged. Tribal entities will receive full points if the application contains a tribal resolution or its equivalent indicating support for this planning process. This document must be submitted in the attachments. If the local government is Lead Applicant or Co-Applicant, this letter does not need to be provided and the application will automatically receive full points.

**3. School District Support - 2 points.** An application will receive 2 points if it contains a letter signed by either the superintendent of the local public school district or, if there is a K-12 public school in the neighborhood, the school principal indicating support for this planning process and committing that staff will be actively engaged. This document must be submitted in the attachments.

## E. LEVERAGE

Maximum Points: 8

HUD views leveraged commitments as an indicator of support in the community for this comprehensive neighborhood planning effort. These additional funds will also increase the effectiveness of the proposed grant activities. These rating factors evaluate the extent to which the application demonstrates that the Lead Applicant and Co-Applicant (if any) have secured financial commitments, in the form of cash, from other sources to carry out the activities proposed in this application, in accordance with the criteria below.

**1. Program Requirements that Apply to Leverage.** Applicants 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 commitments.

(a) Firmly Committed. Funding must be firmly committed by an official of the committing organization with authority to make such a commitment as of the application deadline date. "Firmly committed" means that the funding amount and its dedication to Choice Neighborhoods planning 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.

(b) Content. Leverage commitment documents supporting the planning process must indicate the

dollar amount of the financial commitment as well as the element(s) of the Choice Neighborhoods planning process for which it is being committed. The commitment document must also explicitly state whether the funds are being committed to the Lead Applicant, Co-Applicant, or the planning partner identified in the rating factor for capacity (excluding a Planning Coordinator).

(1) HUD will not accept funding commitments for supportive services, infrastructure, housing development (e.g. acquisition, rehabilitation, demolition, or construction), and relocation as these are ineligible activities under a Planning Grant. Cash commitments for physical projects will only be accepted if they are directly related to the "doing while planning" projects that are part of this grant application.

(2) Because Action Activities must be identified through a community planning process and then must be approved by HUD, HUD will only count cash leverage for undefined Action Activities. Letters must state that the committed funds will be set aside for Action Activities that will be defined through a community planning process and approved by HUD.

(3) If a commitment document is for more than one activity, each should be indicated individually in the document rather than in one lump sum.

(4) An example of a valid and accurate commitment: "XYZ Foundation commits to providing [the Planning Partner] with \$50,000 to conduct the household level needs assessment of residents of ABC public housing development."

(c) Signature. Funding commitments must be signed and dated by 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).

(d) Letterhead. Commitment letters must be on letterhead or they will not be accepted.

(e) If the commitment document is not included in the application and submitted before the NOFA deadline date, it will not be considered.

(f) Staff time and benefits of the Lead Applicant and/or Co-Applicant (if any) are not an eligible leverage resource.

(g) Sources of Leverage. Funding may come from a variety of sources, including any of the following:

- (1) Public, private, and nonprofit entities;
- (2) State and local housing finance agencies;
- (3) Local governments;
- (4) Tribal entities and Tribal organizations eligible under Title I of the Indian Self-Determination and Education Assistance Act;
- (5) Foundations;
- (6) Government Sponsored Enterprises such as the Federal Home Loan Bank, Fannie Mae, and Freddie Mac;
- (7) HUD and other federal agencies, provided the statutory language of the funding source

allows the funds to be used for these purposes. Public Housing funds and other funding provided under the U.S. Housing Act of 1937, as amended may not be used as match or leverage. In the case of HUD's Community Development Block Grant (CDBG) funds, the work activity must be included in the CDBG recipient's annual action plan. Such plans may be amended to include the Choice Neighborhoods funded activity(ies);

(8) Financial institutions, banks, or insurers; and

(9) Other private funders.

(h) Match. Funds used to meet the five percent match requirement (see Section III.B) may be counted toward leverage for purposes of this rating factor.

**2. Rating.**

(a) **Leverage for Planning - 6 points.** An application will receive up to 6 points in accordance with the table below based on the amount of cash leverage commitments for the planning process (including Early Action Activities) relative to the amount of grant funds requested for the planning process (i.e., up to \$350,000).

| Cash Leverage Commitments as Percent of Grant Funds Requested for Planning (Applications for a Metro area) | Cash Leverage Commitments as a Percent of Grant Funds Requested for Planning (Applications for a Non-metro Area or targeting Indian housing) | Points Awarded |
|--|--|----------------|
| 70 percent and above   | 35 percent and above   | 6              |
| Between 60.00 and 69.99 percent  | Between 30.00 and 34.99 percent  | 5              |
| Between 50.00 and 59.99 percent  | Between 25.00 and 29.99 percent  | 4              |
| Between 40.00 and 49.99 percent  | Between 20.00 and 24.99 percent  | 3              |
| Between 25.00 and 39.99 percent  | Between 12.50 and 19.99 percent  | 2              |
| Between 10.00 and 24.99 percent  | Between 5.00 and 12.49 percent   | 1              |
| Below 10.00 percent  | Below 5.00 percent   | 0              |

(b) **Leverage for Action Activities - 2 points.** An application will receive up to 2 points in accordance with the table below based on the amount of cash leverage commitments for Action Activities relative to the amount of grant funds requested for Action Activities (i.e. up to \$950,000). This rating factor is not applicable to HUD's evaluation for a Planning-only Grant.

| Cash Leverage Commitments as Percent of \$950,000 (Applications for a Metro area) | Cash Leverage Commitments as a Percent of \$950,000 (Applications for a Non-metro Area or targeting Indian housing) | Points Awarded |
|---|---|----------------|
| 30 percent and above  | 15 percent and above  | 2              |
| Between 15.00 and 29.99 percent   | Between 7.50 and 14.99 percent  | 1              |
| Below 15.00 percent   | Below 7.50 percent  | 0              |

**2. Other Factors.**

**Preference Points.**

HUD encourages activities in Opportunity Zones (OZ) and activities in collaboration with

HBCUs. HUD may award two (2) points for qualified activities supporting either or both initiative(s). In no case will HUD award more than two preference points for these activities.

### **Opportunity Zones.**

HUD encourages activities in Opportunity Zones (OZ) communities. HUD will award two (2) points for qualified activities within a designated zone or area.

Applicants must certify to HUD that the investment is in a qualified OZ.

To view the list of designated OZs, please see the following link on the U.S. Department of the Treasury website: <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>.

### **HBCU.**

Applicants partnering with a Historically Black College or University will receive two (2) HBCU Preference Points when their application includes a Letter of Commitment certifying that an HBCU Partnership is in place and signed by an authorizing official of the HBCU and documentation of the college or university's status as an HBCU. [Click here](#) for more information about HBCUs, Partnership Plans, and HBCU authorizing officials.

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

### **1. Past Performance**

In evaluating applications for funding, HUD will consider an applicant's past performance in managing funds. Items HUD may consider include, but are not limited to:

The ability to account for funds appropriately;

Timely use of funds received from HUD;

Timely submission and quality of reports submitted to HUD;

Meeting program requirements;

Meeting performance targets as established in the grant agreement;

The applicant's organizational capacity, including staffing structures and capabilities;

Time-lines for completion of activities and receipt of promised matching or leveraged funds;

and

The number of persons to be served or targeted for assistance;

HUD may reduce scores as specified under V. A. Review Criteria. Whenever possible, HUD will obtain past performance information. If this review results in an adverse finding related to integrity or performance, HUD reserves the right to take any of the remedies provided in Section III.D 1. Pre-selection Review of Performance, above.

### **2. Assessing Applicant Risk.**

In evaluating risks posed by applicants, the Federal awarding agency may use a risk-based approach and may consider any items such as the following:

- Financial stability;

- Quality of management systems and ability to meet the management standards prescribed in this part;
- History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
- Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and
- The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

HUD's selection process is designed to ensure grants are awarded to eligible applicants submitting 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 information not requested explicitly by HUD that the applicant or any third party may want to provide. HUD may verify information provided in the application as needed by sending a written request for clarification. Responses to such inquiries will be required within 2 business days.

a. Application Screening.

(1) HUD will screen each application to determine if the Key Eligibility Criteria in Section III.A are met (including screening for technical deficiencies). If these criteria are not met, the application will be deemed ineligible and will not receive further review. If these criteria are met, then HUD will screen the application to determine if it meets the other threshold criteria listed in Section III.D (including screening for technical deficiencies).

(2) Corrections to Deficient Applications - Cure Period. In accordance with Section IV.D.4, corrections of technical deficiencies must be submitted within five business days of the date of the notification from HUD. Examples of curable (correctable) technical deficiencies include, but are not limited to, inconsistencies in the funding request, omissions on the Key Eligibility Data form, and failure to submit a signature and/or date of signature on a certification.

(3) Applications that will not be rated or ranked. HUD will not rate or rank applications that do not meet the eligibility criteria, do not meet the Threshold Requirements described in Section III.D, or are deficient at the end of the cure period stated above. Such applications will not be eligible for funding.

b. Preliminary Rating and Ranking. Reviewers will preliminarily rate each eligible application, SOLELY based on the rating factors described in Section V.A and assign a preliminary score for each rating factor and total score. HUD will then rank applications in score order in two lists: one for Planning and Action Grants and one for Planning Grants.

c. Final Panel Review. A Final Review Panel will:

- (1) Review the Preliminary Rating and Ranking documentation to ensure any inconsistencies between preliminary reviewers are identified and rectified and to ensure 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.

d. Selection Considerations:

(1) Minimum scoring. To qualify for a Choice Neighborhoods Planning Grant, applicants must earn a minimum of 50 percent of the points for each overall Rating Factor category in Need, Capacity and Soundness of Approach. Any applicant not earning these minimum ratings will not be awarded a grant.

(2) Tie Scores. If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select the application(s) with the highest score for the overall Need Rating Factors. If a tie remains, HUD will select the application(s) with the highest score for the overall Soundness of Approach Rating Factors, then overall Capacity Rating Factors.

(3) Grant Type. HUD will first award Planning and Action Grants to the top scoring applicants that requested such a grant. Applications that do not score high enough to receive a Planning and Action Grant will then be considered for a Planning Grant along with applications that only requested a Planning Grant. The rating factors indicated as 'not applicable' to Planning-only grants in Section V.A.1 will not be considered.

e. Remaining Funds. HUD reserves the right to reallocate remaining funds from this NOFA to other eligible activities under section 24 of the 1937 Act, including Choice Neighborhoods Implementation Grants. If the total amount of funds requested by all applications found eligible for funding under this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded in rank order and those funds in excess of the total requested amount will be considered remaining funds. 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.

## VI. Award Administration Information.

### A. Award Notices.

Following the evaluation process, HUD will notify successful applicants of their selection for funding. HUD will also notify other applicants, whose applications were received by the deadline, but have not been chosen for award. Notifications will be sent by email to the person listed as the AOR in item 21 of the SF424.

**Negotiation.** After HUD has made selections, some HUD programs may negotiate specific terms of the funding agreement and budget with selected applicants. If HUD and a selected applicant do not successfully conclude negotiations in a timely manner, or a selected applicant fails to provide requested information, an award will not be made to that applicant. In this case, HUD may select another eligible applicant. Consult the program NOFA for specific details.

HUD may impose special conditions on an award as provided under 2 CFR 200.207:

- Based on HUD's review of the applicant's risk under 2 CFR 200.205;
- When the applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;



- When the applicant or recipient fails to meet expected performance goals; or
- When the applicant or recipient is not otherwise responsible.

**Adjustments to Funding.** To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met, HUD reserves the right to fund less than the amount requested in an application.

a. HUD will fund no portion of an application that:

- (1) Is not eligible for funding under applicable statutory or regulatory requirements;
- (2) Does not meet the requirements of this notice; or
- (3) Duplicates other funded programs or activities from prior year awards or other selected applicants.

b. If funds are available after funding the highest-ranking application, HUD may fund all or part of another eligible fundable application. If an applicant turns down an award offer, or if HUD and an applicant do not successfully complete grant negotiations, HUD may make an offer of funding to another eligible application.

c. If funds remain after all selections have been made, remaining funds may be made available within the current FY for other competitions within the program area, or be held for future competitions, or be used as otherwise provided by authorizing statute or appropriation.

d. If, after announcement of awards made under the current NOFA, additional funds become available either through the current appropriations, a supplemental appropriation, other appropriations or recapture of funds, HUD may use the additional funds to provide additional funding to an applicant awarded less than the requested amount of funds to make the full award, and/or to fund additional applicants that were eligible to receive an award but for which there were no funds available.

**Funding Errors.** If HUD commits an error that when corrected would cause selection of an applicant during the funding round of a Program NOFA, HUD may select that applicant for funding, subject to the availability of funds.

**Anticipated Announcement and Award Date.** HUD anticipates announcing awards under this NOFA approximately four months after the application due date.

**Choice Neighborhoods Grant Agreement.** If you are selected to receive a Choice Neighborhoods grant, HUD will send you a grant agreement, which constitutes the contract between you and HUD to carry out and fund Choice Neighborhoods Planning Grant activities or Choice Neighborhoods Planning and Action Grant activities. It is effective on the date of HUD's signature.

## **B. Administrative, National and Department Policy Requirements for HUD recipients.**

For this NOFA, the following Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards apply. Please [Click here](#) to read the detailed description of each applicable requirement.

### 1. Compliance with Non-discrimination and Other Requirements

Unless otherwise specified, these non-discrimination and equal opportunity authorities and other requirements apply to all NOFAs. Please read the following requirements carefully as the requirements are different among HUD's programs.

- Compliance with Fair Housing and Civil Rights Laws, Which Encompass the Fair Housing Act and Related Authorities (cf. 24 CFR 5.105(a)).
  - Affirmatively Furthering Fair Housing.
  - Economic Opportunities for Low-and Very Low-income Persons (Section 3).
  - Improving Access to Services for Persons with Limited English Proficiency (LEP).
  - Accessible Technology.

2. Real Property Acquisition and Relocation.

3. Participation in HUD-Sponsored Program Evaluation.

4. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

5. Safeguarding Resident/Client Files.

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

7. Accessibility for Persons with Disabilities.

8. Conducting Business in Accordance with Ethical Standards/Code of Conduct.

9. Environmental Requirements.

Compliance with 24 CFR part 50 or 58 procedures is explained below:

**(a) Applicability.** All Choice Neighborhoods grantees must comply with applicable environmental requirements. Environmental reviews must be performed by the State or unit of general local government (Responsible Entity) under 24 CFR part 58, regardless of whether the grantee is a PHA. These regulations implement the policies of the National Environmental Policy Act (NEPA) and other environmental requirements. The Responsible Entity must determine whether each activity assisted under this NOFA is exempt or categorically excluded from NEPA and other environmental review requirements or requires further environmental review. While many planning activities assisted under the NOFA are exempt or categorically excluded from NEPA and other environmental review requirements, other activities, including many Action Activities, will require environmental review prior to implementation. When such an activity is proposed, no Choice Neighborhoods grant funds for that activity will be released until the environmental review is complete and HUD has approved a Request for Release of Funds from the Responsible Entity. Note the environmental review process may require compliance with other Federal laws and authorities, such as the National Historic Preservation Act of 1966, which also apply to Choice Neighborhoods activities, even some of those categorically excluded from NEPA review.

**(b) Responsibility.** If the grantee objects to the Responsible Entity conducting the environmental review, based on 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 based on 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.

**(c) Limitations on activities pending clearance.** Unless an action is exempt or is categorically excluded and is not subject to other applicable environmental requirements, 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 (i) HUD has approved a Request for Release of Funds following a responsible entity’s environmental review under 24 CFR part 58, or (ii) 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), or select an alternate eligible property or site, if permitted by HUD.

**(d) Supporting Documentation.** You must provide any reports and documentation needed to perform the environmental review to the responsible entity (or HUD, where applicable). Where HUD is conducting the environmental review, applicants should follow the documentation guidance as discussed in PIH Notice 2016-22 (Environmental Review Requirements for Public Housing Agencies, <https://www.hud.gov/sites/documents/PIH2016-22.PDF>) or Chapter 9 of the MAP Guide. Guidance on environmental review is available on HUD’s environmental website: <https://www.hudexchange.info/environmental-review/>.

## **C. Reporting.**

HUD requires recipients to submit performance and financial reports under OMB guidance and program instructions.

**1. Reporting Requirements and Frequency of Reporting.** Applicants should be aware that if the total Federal share of your Federal award includes more than \$ 500,000 over the period of performance, you may be subject to post award reporting requirements reflected in Appendix XII to Part 200-Award Term and Condition for Recipient Integrity and Performance Matters.

**2. Performance Reporting.** All HUD-funded programs, including this program, require recipients to submit, not less than annually, a report documenting achievement of outcomes under the purpose of the program and the work plan in the award agreement.

**3. Race, Ethnicity and Other Data Reporting.** HUD requires recipients that provide HUD-funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department’s responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and

Community Development Act of 1987. NOFAs may specify the data collection and reporting requirements. Many programs use the Race and Ethnic Data Reporting Form HUD-27061, U.S. Department of Housing OMB Approval No. 2535-0113.

#### **D. Debriefing.**

For a period of at least 120 days, beginning 30 days after the public announcement of awards under this NOFA, HUD will provide a debriefing related to their application to requesting applicants. 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 point of contact in Section VII Agency Contact(s), below. Information provided during a debriefing may include 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 funding was approved or denied.

#### **VII. Agency Contacts.**

HUD staff will be available to provide clarification on the content of this NOFA.

Questions regarding specific program requirements for this NOFA should be directed to the point of contact listed below.

[ChoiceNeighborhoods@hud.gov](mailto:ChoiceNeighborhoods@hud.gov)

Persons with hearing or speech impairments may access this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339. Please note that HUD staff cannot assist applicants in preparing their applications.

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

##### **1. National Environmental Policy Act.**

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 inspection at HUD's Funding Opportunities web page at: [https://www.hud.gov/program\\_offices/spm/gmomgmt/grantsinfo/fundingopps](https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps).

**2. Posting Application Information.** After the selection process, HUD may post on-line certain summary and contact information from Choice Neighborhoods applications (e.g., the Executive Summary, neighborhood map, Lead Applicant contact information) in order to facilitate connections between eligible applicants (both those selected for grant funding and those who are not) and other entities (e.g., foundations, philanthropies) interested in supporting

the project proposed in the application.