



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

Public and Indian Housing

Choice Neighborhoods Implementation Grant Program (Technical Correction)

FR-6000-N-34-TC

Application Due Date: 06/28/2016

Choice Neighborhoods Implementation Grant Program (Technical Correction)

FR-6000-N-34-TC

TABLE OF CONTENTS

- I. [Funding Opportunity Description.](#)
- II. [Award Information.](#)
- III. [Eligibility Information.](#)
  - A. Eligible Applicants.
  - B. Cost Sharing or Matching.
  - C. Other.
- IV. [Application and Submission Information.](#)
  - A. Obtaining an Application Package.
  - B. Content and Form of Application Submission.
  - C. System for Award Management (SAM) and Dun and Bradstreet Universal Numbering System (DUNS) Number.
  - D. Application Submission Dates and Times.
  - E. Intergovernmental Review.
  - F. Funding Restrictions.
  - G. Other Submission Requirements.
- V. [Application Review Information.](#)
  - A. Criteria.
  - B. Review and Selection Process.
  - C. Anticipated Announcement and Award Dates.
- VI. [Award Administration Information.](#)
  - A. Award Notices.
  - B. Administrative, National and Departmental Policy Requirements.
  - C. Reporting.
- VII. [Agency Contact\(s\).](#)
- VIII. [Other Information.](#)
- IX. [Appendix.](#)

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

**Program Office:** Public and Indian Housing  
**Funding Opportunity Title:** Choice Neighborhoods Implementation Grant Program (Technical Correction)  
**Announcement Type:** Initial  
**Funding Opportunity Number:** FR-6000-N-34-TC  
**Primary CFDA Number:** 14.889  
**Due Date for Applications:** **06/28/2016**

**For Further Information Contact:** Please direct questions regarding the specific program requirements of this Program Notice of Funding Availability (NOFA) to the agency contact identified in Section VII. Please direct general questions regarding the FY2016 NOFAs to the Office of Strategic Planning and Management, Grants Management Division, at AskGMO@hud.gov. Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Relay Service at 1-800-877-8339.

### **Additional Overview Information**

Incorporation of the General Section. HUD publishes a General Section each fiscal year that contains requirements for all applicants to HUD's various competitive grant programs, including this NOFA. Applications must meet all of the requirements of the General Section in addition to the requirements of this NOFA to be considered and potentially receive funding. The full title of the General Section is the General Section to HUD's Fiscal Year 2016 Notice[s] of Funding Availability for Discretionary Programs. Copies are available at [Grants.gov](http://Grants.gov) or HUD's [Funds Available](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail) page, [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail).

1. Participative Planning and Implementation. HUD encourages all applicants to HUD's competitive programs to ensure, where applicable, public decision making and meaningful participation throughout the visioning, development, and implementation of funded projects, by residents of affected areas and 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. 2000(d) 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).

2. OMB Approval Number(s): 2577-0269

This Technical Correction makes corrections in 3 places:

1. Add new paragraph "q. Relation to Rental Assistance Demonstration (RAD) Applicants" on page 19
2. Revise wording in paragraph 6 on page 24
3. Revise wording of Mixed-Income Housing rating factor on page 70

Choice Neighborhoods Implementation Grants support the implementation of comprehensive neighborhood revitalization plans that are expected to achieve the following 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 educational outcomes and intergenerational mobility for youth with services and supports delivered directly to youth and their families; 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.

## I. Funding Opportunity Description.

### A. Program Description.

#### 1. Purpose.

**Choice Neighborhoods Summary:** Choice Neighborhoods is HUD's signature place-based initiative in support of the President's goal to build Ladders of Opportunity to the middle class. This vision builds on the work that has been done by the Neighborhood Revitalization Initiative (NRI), an interagency partnership between HUD and the Departments of Education, Health and Human Services, Justice, and the Treasury, since 2009. Through a variety of interventions, the Ladders of Opportunity initiative is helping community partners rebuild neighborhoods, expand early learning opportunities, create pathways to jobs, and strengthen families. This federal partnership supports locally driven solutions for transforming distressed neighborhoods using place-based strategies to address the interconnected challenges of poor quality housing, inadequate schools, poor health, high crime, and lack of capital.

Choice Neighborhoods is designed to address struggling neighborhoods with distressed public housing and/or other HUD-assisted housing, including certain Indian Housing, through a comprehensive approach to neighborhood transformation. The program helps communities transform neighborhoods by revitalizing severely distressed public and/or assisted housing and investing and leveraging investments in well-functioning services, high quality public schools and education programs, high quality early learning programs and services, crime prevention strategies, public assets, public transportation, and improved access to jobs. Choice Neighborhoods ensures that current public and assisted housing residents will be able to benefit from this transformation, by preserving affordable housing or providing residents with the choice to move to affordable and accessible housing in another existing neighborhood of opportunity. 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 educational outcomes and intergenerational mobility for youth with services and supports delivered directly to youth and their families; 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 have in place a comprehensive neighborhood revitalization strategy, or "Transformation Plan." This Transformation Plan is the guiding document for the revitalization of the public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood and creating positive outcomes for families.

Experience shows that to successfully develop and implement the Transformation Plan, broad civic engagement will be needed. Successful applicants will need to work with public and private agencies, organizations (including philanthropic and civic organizations), and individuals - including local leaders, residents, and stakeholders, such as public housing authorities, cities, Tribes, schools, police, business owners, nonprofits, and private developers - 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.

**Objectives and Metrics to Measure Long Term Success:** Each Choice Neighborhoods grantee is expected to develop metrics based on the objectives listed below in order to measure performance.

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

- 1. 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 consumption and healthy indoor air quality, is built to be resistant to local disaster risk, has affordable broadband Internet access, and is free from all types of discrimination.
- 2. Mixed-Income.** Housing affordable to families and individuals with a broad range of incomes including low-income, moderate-income, and market rate or unrestricted.
- 3. 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.

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

- 1. Effective Education.** A high level of resident access to high quality early learning programs and services so children enter kindergarten ready to learn; significant improvement in the quality of schools nearest to the target development that prepare students to graduate from high school college- and career-ready; and significant growth in existing individual resident educational outcomes over time relative to the state average.
- 2. Employment Opportunities.** The income of neighborhood residents and residents of the target housing development, particularly wage income for non-elderly/non-disabled adult residents, increases over time.
- 3. Quality Health Care.** Residents have increased access to health services and have improved health over time.
- 4. 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:

- 1. 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.
- 2. 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. Those basic services include grocery stores, banks, health clinics and doctors' offices, dentist offices, and high quality early learning programs and services.
- 3. 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.
- 4. 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.**

### Highlights of significant changes:

- Revises multiple rating factors to simplify and improve for clarity.
- Removes threshold requirement related to Capital Fund Financing Program and made it a program requirement to be addressed post grant award, if applicable.
- Adds a new rating factor in Housing Strategy section that evaluates the financial feasibility of the Housing plan.
- Removes Housing Strategy rating factors on Replacement Housing and LIHTC Leverage.
- Combines rating factors related to Resident Involvement and Community Engagement into one rating factor.
- Provides alternate standards for applications targeting Indian housing for some rating factors.

Applicants are instructed to read the entire NOFA carefully for detailed requirements and scoring criteria.

### 3. Definitions.

a. **Eligibility Requirements** – Eligibility requirements are those requirements that must be met for an application to be eligible for funding. Deficiencies in meeting an eligibility requirement may be categorized as either curable or non-curable.

b. **Threshold Requirement** – Threshold requirements are a category of eligibility requirements. A threshold requirement is a requirement that must be met in order for an application to be reviewed. Threshold requirements are not curable.

Threshold requirements are listed in Section III.C.1 of this Program NOFA.

Applicants must ensure their application package addresses all threshold requirements. Please check your application carefully!

c. **Deficiency** – Deficiencies are not the same as errors. Errors are never curable except as permitted under Section IV.D.4. Deficiencies are items of missing or omitted information 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, etc.). Depending on specific criteria, deficiencies may be either curable or non-curable.

d. **Curable Deficiency** – A curable deficiency is a specific type of deficiency that applicants may correct with timely action. To be curable the deficiency must:

- Not be a threshold requirement;
- 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.

e. **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.

**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 and rating factors will be provided in those sections of the NOFA.

**1. Affordable Housing.** The term “affordable housing” includes, in the context of a Choice Neighborhoods Transformation Plan, housing for which the owner or purchaser of the project has recorded a HUD-approved affordability use restriction for 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. The affordability restrictions shall be contained in a legally enforceable document recorded in the appropriate recorder's office or registry of deeds and consistent with the long-term viability of the project as rental or homeownership housing.

**2. Anchor Institutions.** Anchor institutions are place-based entities that have regional significance

and are permanently rooted, economic and cultural drivers in specific locales – generating jobs, creating local business opportunities, and contributing in significant ways to the development of human, social and cultural capital. They include universities, tribal colleges, hospitals, sports facilities, performing arts, tribal cultural institutions, and other major cultural facilities (such as museums and central libraries) and some very large places of worship and corporations, subject to HUD’s discretion.

**3. 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 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); and the Native American Housing Assistance and Self-Determination Act of 1996, 25 U.S.C. § 4101, et seq (limited only to 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) (Indian Housing).

**4. Case Management.** Case Management is an individual- or family-centered approach to assisting people of all ages with accessing the services they want and need. It includes screening/assessment/risk management, individualized service planning based on resident needs and choices, provision of options and information, linkage/referral to formal and informal services and supports, service coordination at the client-level, crisis intervention, follow-up, advocacy, monitoring/evaluation of resident progress as well as timeliness and effectiveness of service delivery, and maintenance of records. Case management contributes to and benefits from well-coordinated services at the community level. The intensity and frequency of case management services should be tailored to the level of an individual’s or family’s needs.

**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 Grant Agreement and be responsible for implementing the activities identified in the Transformation Plan. The local government of jurisdiction, or tribe for applications that target Indian Housing, must be included as the Co-Applicant if it is not the Lead Applicant.

**6. Critical Community Improvements.** The term Critical Community Improvements (CCI) refers to the funds (up to 15 percent of the Choice Neighborhoods grant) to be used for community and economic development activities to enhance the neighborhood outcomes proposed in the Transformation Plan. Applicants must have a plan, approved by HUD, for how these funds will be used. CCI funds must be leveraged with additional resources. They must be used for physical community and economic development projects that enhance and accelerate the transformation of the neighborhood and the target housing being redeveloped. HUD does not explicitly define every possible use of CCI funds as use of these funds should be locally driven to solve challenges identified by the community. CCI funds are not intended to be used for infrastructure or substitute for basic municipal services. These funds should be used for innovative solutions to neighborhood challenges identified in the neighborhood narrative. Possible uses of funds include, but are not limited to:

- a. Financing for commercial and economic development projects;
- b. Neighborhood business facade improvement programs;
- c. Place-making projects;
- d. Neighborhood broadband;
- e. Revolving loan funds for business attraction and retention;
- f. Streetscape improvements above and beyond the locality’s norm;

g. Programs to improve housing in the neighborhood surrounding the target housing subject of this application. Such programs could include targeted loan, grant and revolving loan programs to assist existing property owners with maintaining their property, model block programs, facade and front porch repair programs; and

h. Acquisition of underutilized land for new parks, community gardens or community facilities.

Ineligible uses of CCI funds include, but are not limited to:

- a. Providing programs and services;
- b. The commission of plans and studies;
- c. Water and sewer line repair or infrastructure; and
- d. Street and sidewalk repair, infrastructure or lighting.

**7. Evidence-based Practice.** Evidence-based practice refers to the use of the best available conclusions/findings from research and studies as a base for determining the best practices and predictions of outcomes in a field. A strong evidence base is offered by studies with designs that can support causal conclusions and studies that, in total, include enough of the range of participants and settings to support generalizability.

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

**9. Hard to House.** Hard to House refers to a special population of residents who face multiple, persistent barriers to moving toward self-sufficiency or maintaining stable housing for reasons that go beyond affordability, such as long-term unemployment, substance use or mental health problems, and/or a criminal record. These vulnerable households may have trouble finding a unit in the private market and may face significant challenges meeting the screening requirements to return to a new mixed-income development.

**10. Housing Implementation Entity.** The entity that is responsible for implementing the Housing component of the Transformation Plan and that is at-risk and financially responsible for developing the housing and the long-term asset management of the housing.

**11. Lead Applicant.** Lead Applicant means the primary entity responsible for implementing the activities identified in the Transformation Plan. The Lead Applicant is responsible for overseeing and coordinating all elements of the Choice Neighborhoods Transformation Plan and is accountable to HUD to complete the work proposed in the application, as amended with HUD approval. The Lead Applicant must meet the qualifications of an Eligible Applicant. The Lead Applicant will sign the Grant Agreement.

**12. Livability Principles.** Livability principles jointly adopted by HUD, the Environmental Protection Agency (EPA) and Department of Transportation (DOT) to support federal neighborhood and community development initiatives. The Livability Principles are as follows: provide more transportation choices; promote equitable, affordable housing; enhance economic competitiveness; support existing communities; coordinate and leverage federal policies and investment; and value communities and neighborhoods. For further information, see [www.hud.gov/sustainability](http://www.hud.gov/sustainability).

**13. 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).

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

**15. Neighborhood.** The neighborhood is the geographic area within which the activities of the Transformation Plan shall focus. HUD understands that neighborhood boundaries are not fixed like municipal or county boundaries. The Department also recognizes that neighborhoods do not necessarily follow statistical boundaries, such as Census Tracts. For Choice Neighborhoods, HUD will rely on applicants to identify boundaries for the target neighborhood that are generally accepted as a neighborhood. In many communities, those typical neighborhood boundaries are delineated by major streets or physical topography. The neighborhood must be larger than just the footprint of the distressed public or HUD-Assisted Housing targeted in the application, but cannot encompass more than one municipal jurisdiction and is typically an area less than two miles wide.

**16. Neighborhood Assets.** Neighborhood assets means:

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

**17. Neighborhood Implementation Entity.** The entity that is responsible for coordinating, overseeing and implementing the Critical Community Improvements. The Neighborhood Implementation Entity must be either 1) the local government or tribe in which the target housing resides, 2) a local redevelopment authority, or 3) a public/private partnership which receives local funding for its activities in the target neighborhood and which has local government participation on its governing board. The Neighborhood Implementation Entity may partner with a local organization that works primarily in the target neighborhood.

**18. Nonprofit Organization.** Nonprofits eligible to be Lead or Co-Applicants under this NOFA are entities that are classified as such in accordance with section 501(c) of the Federal Tax Code or have been designated as such by their state or tribal 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 that are in the process of applying for tax-exempt status, but have not yet received nonprofit designation from the IRS by the application deadline date, will not be considered an

eligible applicant. All nonprofit applicants must submit either their IRS determination letter to prove their 501(c) status or the letter from the state government to prove their nonprofit status.

**19. 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.

**20. People Implementation Entity.** An entity with proven experience in supportive service design and implementation which has primary responsibility for facilitating the achievement of the supportive services strategy. This strategy should be minimally comprised of case management and service coordination related to health, economic development, education and early childhood education.

**21. Persistently Lowest-Achieving School.** The term persistently lowest-achieving school means, as determined by the State, or Bureau of Indian Education, as applicable:

a. Any school receiving assistance through Title I that is in improvement, corrective action, or restructuring and that –

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

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

b. Any secondary school that is eligible for, but does not receive, Title I funds that –

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

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

**22. Physical Needs Assessment.** A Physical Needs Assessment (PNA) should be prepared by an independent registered engineer or architect that conducts a physical inspection of at least 10 percent of the dwelling units and 50 percent of the non-dwelling space. Generally, it identifies all of the work needed to bring the housing project up to the applicable modernization and energy conservation standards. Typically, a PNA takes into account the life cycle replacement costs of all building systems 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.

**23. Principal Team Member.** Principal Team Members are the Lead Applicant, Co-Applicant(s) if any, Housing Implementation Entity, People Implementation Entity, and Neighborhood Implementation Entity.

**24. Public Housing.** The term “public housing” refers to housing that receives funding under an Annual Contributions Contract (ACC) and in accordance with section 9 of the US Housing Act of 1937. A public housing project is a group of such housing that has a single Project Number assigned by the Director of Public Housing of a HUD Field Office and has, or had (in the case of previously demolished units) housing units under an ACC and in accordance with section 9 of the US Housing Act of 1937. If a PHA had two distinct projects, with different project numbers, under its original ACC, and those projects were combined into a single project number in the Inventory Management System/Public Housing Information Center (IMS/PIC) for the purposes of implementing HUD’s project-based budgeting requirements using Asset Management Project (AMP) numbers, the applicant should use the original project number to identify the public housing project targeted by the application. Applicants should be clear throughout their application as to the project they are targeting.

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

**26. Positive Youth Development.** Positive youth development is an intentional, pro-social approach that: engages youth within their communities, schools, organizations, peer groups, and families in a manner that is productive and constructive; recognizes, utilizes, and enhances youths’ strengths; and promotes positive outcomes for young people, including social skills, emotional competence, positive relationships with peers and adults, and civic and school engagement.

**27. Rental Assistance Demonstration (RAD).** A HUD program that allows PHAs to convert public housing to project-based section 8 housing. More information on the RAD Program can be found at [www.hud.gov/rad](http://www.hud.gov/rad).

**28. Replacement Housing.** Replacement housing is rental housing that will replace demolished, disposed of, or otherwise reduced public or assisted housing. Replacement housing may take the form of public housing or section 8 assisted housing as defined under sections 8 and 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C 1437g) or the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. § 4101, et seq). With regard to section 8 housing, project-based vouchers (section 8(o)(13) of the US Housing Act of 1937) and project-based rental assistance as provided in a RAD conversion are included in this definition. RAD provides public housing capital and operating subsidies to eligible public housing properties to be converted to long-term section 8 contracts in order to facilitate additional debt and equity financing. If awarded a Choice Implementation Grant, awardees may use RAD as a replacement housing vehicle. To satisfy the housing replacement requirement through acquisition, the replacement unit must not have been receiving assistance under the sections listed above in this paragraph prior to submitting the application. For example, you cannot acquire a Section 202 funded property that is near the public or assisted housing site targeted in the application for the purposes of deeming that replacement housing.

**29. Severely Distressed Housing.**

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

- (1) Requires major redesign, reconstruction, or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plan of the project;
- (2) Is a significant contributing factor to the physical decline of, and disinvestment by public and private entities in, the surrounding neighborhood;
- (3) Is:
  - (i) Occupied predominantly by families who are very low-income families with children, have unemployed members, and are dependent on various forms of public assistance;
  - (ii) Has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area; or
  - (iii) 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 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 signed by HUD.

**30. Service Coordination.** Service Coordination is a systems-centered approach to coordinating multiple services across agencies within a community, based on the needs of the target resident population, in order to increase accessibility, utilization, and quality of services and to reduce fragmentation in service delivery systems. Service coordination often requires the negotiation of enhanced services to address unique needs and gaps in available services. Partnership and network building with community-based supportive and social service agencies are critical components of service coordination.

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

**32. Transformation Plan.** The Transformation Plan is a comprehensive neighborhood revitalization strategy proposed (as presented in the Choice Neighborhoods grant application) to achieve the three core goals of Choice Neighborhoods (Housing, People, Neighborhood). The Transformation Plan is a living document that is expected to change over time. HUD’s approval will be required for revisions to the Transformation Plan.

**33. Transition Age Youth.** Transition age youth are those aged 16 to 24 who experience a number of challenges on their path to a successful adulthood, including youth transitioning out of foster care or juvenile detention facilities, youth who have run away from home or dropped out of school, and youth with disabilities.

**34. Tribal Entities.** Tribal entities means tribes, as defined in Section 4(13) of NAHASDA, and Tribally Designated Housing Entities, as defined in section 4(22) of NAHASDA.

## **B. Authority.**

The funding authority for Choice Neighborhoods grants under this NOFA is provided by the [FY2016 Appropriations Act (Public Law XXX-XX, approved XXX)]. The program authority for the Choice Neighborhoods Initiative is Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) (1937 Act), as amended by the FY2016 Appropriations.

## **II. Award Information.**

## **A. Available Funds.**

HUD is making available approximately **\$0** through this NOFA for Choice Neighborhoods Implementation Grant Program (Technical Correction).

Additional funds may become available for award under this NOFA as a result 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 described in the General Section and to those contained in this NOFA.

Per the FY2016 Consolidated Appropriations Act, at least \$75 million of the total FY2016 Choice Neighborhoods funding must be awarded to applications in which a public housing authority is the Lead Applicant or Co-Applicant. HUD may set aside one grant award for the highest scoring application that targets a multifamily HUD-Assisted Housing property that is receiving project-based rental assistance under section 8 of the United States Housing Act of 1937 (exclusive of tenant-based or project-based vouchers). The maximum grant amount is \$30 million. At its discretion and subject to appropriations, HUD may use remaining FY2015 and FY2017 Choice Neighborhoods funding to make Implementation Grant awards under this NOFA. Tenant Protection Voucher assistance needed for relocation purposes in association with the Implementation Grants will be in addition to the Choice Neighborhoods Implementation Grant.

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

HUD expects to make approximately 0 awards from the funds available under this NOFA.

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

For the purposes of establishing the maximum amount of Choice Neighborhoods Implementation Grant funding that you may request, you will calculate a development cost for the replacement housing units to be developed in the Transformation Plan and allow for additional funding to cover non-housing activities. See Section IV.F.3 for detailed instructions on how to calculate this amount. You may request the lesser of this calculated amount or \$30,000,000. HUD will provide a grant sizing limitations worksheet which you must complete in order to determine the maximum amount you may request. This worksheet must be provided in the attachments section of your application.

|                          |                       |
|--------------------------|-----------------------|
| Estimated Total Funding: | \$0                   |
| Minimum Award Amount:    | \$0 Per Budget Period |
| Maximum Award Amount:    | \$0 Per Budget Period |

## **D. Period of Performance.**

Grantees must proceed in a timely manner, as indicated by the timeframes established in this NOFA and Grant Agreement. All FY2016 Choice Neighborhoods funds must be expended by September 30, 2023. The grant term will accommodate the timeframes established by Congress if any FY2017 funding is appropriated and included in the grant awards.

|                               |  |
|-------------------------------|--|
| Estimated Project Start Date: | 03/22/2017                                   |
| Estimated Project End Date:   | 03/22/2017                                   |
| Length of Project Periods:    | Other  |
| Length of Project Periods     | See Section IV.F for additional information. |
| Explanation of Other:         |  |

## **E. Type of Funding Instrument.**

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

### III. Eligibility Information.

#### A. Eligible Applicants.

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

Additional Information on Eligibility:

Choice Neighborhoods eligible applicants are Public Housing Authorities (PHAs), local governments, tribal entities, nonprofits, and for-profit developers that apply jointly with a public entity. See Sections I.C, III.A.1, and III.C.2 for additional information related to Eligible Applicants.

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

**1. Eligible Applicants.** PHAs, local governments, tribal entities, nonprofits, and for-profit developers that apply jointly with a public entity are eligible to apply. The local government of jurisdiction, or tribe for applications that target Indian Housing, must be included as the Co-Applicant if it is not the Lead Applicant. For-profit and nonprofit entities that apply must own the target housing. See Sections I.A.4 for definitions of related terms.

a. **Troubled Status for PHAs.** This applies to PHA applicants and is considered a Threshold Requirement under Section III.C.1 of this NOFA. 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. 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. **Previous Participation 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 activity grant, the Applicant is required to submit form HUD-2530, Previous Participation Certification. If the property 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 that 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. This requirement is not applicable to applications that target 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.

**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". You must demonstrate in your application 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, your application will not be considered for funding. You must identify the housing project(s) you are targeting on the Key Eligibility Data form included the attachments section of your application. You must also use the Certification of Severe Physical Distress form (HUD-53232) and include it in the attachments section of your application. The certification must be signed by an engineer or architect licensed by a state licensing board. The license does not need to have been issued in the same state as the severely distressed project. The engineer or architect must include his or her license number and state of registration on the certification. The engineer or architect may not be an employee of the Lead Applicant, Co-Applicant (if any), 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. That are experiencing distress related to one or more 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 2013-2015 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, 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 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; OR

(3) inadequate schools; defined as where either a low-performing public school or a persistently lowest-achieving public school, as defined in section I.A.4, is in the neighborhood or at least 20 percent of the children from the target public and/or HUD-Assisted Housing attend such a school.

In order to demonstrate compliance with this threshold, the following criteria apply:

(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 FY2016 NOFA and Funding Information page at [www.hud.gov/cn](http://www.hud.gov/cn) and provide a pdf 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 crime (data is described in the rating factor in Section V.A.1.B.b(3)), substandard housing (data is described in the rating factor in Section V.A.1.B.b(2)(ii)), or schools for the neighborhood and the city or county as a whole. For applications that target Indian housing, tribal entities do not need to submit the crime documentation.

HUD does not award grants to individuals. HUD will also not evaluate applications from ineligible applicants.

As required in the Code of Federal Regulations (CFR) at 2 CFR 25.200 and 24 CFR Part 5 Subpart K, all applicants for financial assistance must have an active Data Universal Numbering System (DUNS) number (<http://fedgov.dnb.com/webform>) and have an active registration in the System for Award Management (SAM) ([www.sam.gov](http://www.sam.gov)) before submitting an application. Getting a DUNS number and completing SAM registration can take up to four weeks; therefore, applicants should start this process or check their status early.

See also Section IV.B for necessary form and content information.

## **B. Cost Sharing or Matching.**

This Program requires an applicant to leverage resources through cost sharing or matching as described below.

Section 24(c)(1)(A) of the 1937 Act (42 U.S.C. 1437v(c)(1)(A)) sets forth a requirement for matching funds for all HOPE VI-related grants, which includes Choice Neighborhoods. Matching funds in the amount of at least five percent of the requested grant amount in cash or in-kind donations must be secured and used by the end of the grant term. 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, may NOT be considered match. Generally other federal sources are not allowed to be used as cost share or match unless permitted by a program's authorizing statute.

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.

Grantees must pursue and enforce any commitment (including commitments for service) 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.

## **C. Other.**

All applicants must comply with the following requirements, which may determine whether your application is reviewed or make your application ineligible for funding. Eligibility criteria for this competition include:



## **HUD Threshold Requirements.**

All Lead Applicants and Co-Applicants, Applications, and proposed Transformation Plans (see Definitions in Section I.A.4), must meet all Threshold Requirements of this NOFA in order to be rated and ranked. Applicants must demonstrate compliance with both the Choice Neighborhoods program threshold requirements and Departmental threshold requirements through the information provided in their application, unless instructed otherwise in this NOFA. HUD will screen for technical (not substantive) deficiencies and administer a cure period as described in section V.C.2 of the General Section. Applicants must review and follow the documentation requirements provided in this Thresholds Requirements section and the instructions on application organization, content and submission provided in Section IV.B.

### **1. Threshold 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. See also Section I.A.3 Definitions.

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

b. Civil Rights Matters – Outstanding civil rights matters must be resolved prior to the application deadline.

(1) Applicants having any of the charges, cause determinations, lawsuits, or letters of findings referenced in subparagraphs (a) – (e) that have not been resolved to HUD’s satisfaction before or on the application deadline date are ineligible for funding.

(a) Charges from HUD concerning a systemic violation of the Fair Housing Act or receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex, national origin, disability or familial status;

(b) Status as a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance pursuant to 42 U.S.C. 3614(a);

(c) Status as a defendant in any other lawsuit filed or joined by the Department of Justice alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, Title II of the Americans with Disabilities Act, or a claim under the False Claims Act related to fair housing, nondiscrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;

(d) Receipt of a letter of findings identifying systemic noncompliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974; or Title II of the Americans with Disabilities Act; or

(e) Receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law prohibiting discrimination in housing based on sexual orientation, gender identity, or lawful source of income.

(2) HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline date are sufficient to resolve the matter. Examples of actions that may be considered sufficient to resolve the matter include, but are not limited to:

(a) Current compliance with a voluntary compliance agreement signed by all the parties;

(b) Current compliance with a HUD-approved conciliation agreement signed by all the parties;

(c) Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;

(d) Current compliance with a consent order or consent decree; or

(e) Current compliance with a final judicial ruling or administrative ruling or decision.

## **Choice Neighborhoods Program Threshold Requirements.**

**c. Partnership and Joint Venture Certifications.** You must provide in the application a letter or other document from each Principal Team Member, including the Lead Applicant and any Co-Applicants, and the Principal Education Partner certifying their commitment to specific duties and responsibilities corresponding to the Housing, People and Neighborhood components of the Transformation Plan for at least the grant term. Each of the duties and responsibilities must be described in the document. If any Principal Team Member is a joint venture made up of two or more entities, the joint venture's certification should also affirm that one or more contract(s) governing the rights and responsibilities of the parties is in legal force and effect for that joint venture. Each letter must be signed by an authorized representative of each entity. The Housing Implementation Entity must indicate that it will be responsible for implementing day-to-day development and asset management activities associated with the Transformation Plan. If a Lead Applicant proposes to rely on a Principal Team Member for rating purposes under the NOFA, the applicant will be required to secure HUD's approval, if funded, prior to replacing any Principal Team Member or effecting any material change to the roles and responsibilities of the Principal Team Member. You may, but are not required to, submit one certification letter that all parties sign to meet this requirement, provided that it includes the required information for each of the entities.

**d. Local Government or Tribal Support.** You must submit a letter from the chief executive officer of the local government in which the target neighborhood is located indicating his/her support of the Transformation Plan activities proposed in the application. This requirement applies to all applicants, including those that are local governments. For applications targeting Indian housing, you must submit a letter from the tribal Chairperson or a tribal resolution indicating support of the Transformation Plan activities proposed in the application. This may be the same letter that is used to document leverage from the local government or tribe. A local government or tribe may only support one application under this NOFA.

**e. Site Control for Target and Replacement Housing Sites to Be Developed by the Housing Implementation Entity.** You must provide a letter or other documentation in your application certifying that you (as the Lead Applicant), your Co-Applicant (if any), or the Housing Implementation Entity has site control as of the application due date and will maintain site control through the later of the end of the grant term or until all replacement housing is built/rehabbed, unless otherwise approved by HUD. The site control certification must be provided for the target housing site and all parcels proposed for replacement housing under the Transformation Plan. Site control means the Lead Applicant, Co-Applicant, or Housing Implementation Entity either owns the property(ies), including land and buildings or that such parties have a legally binding purchase agreement for it, or, in the case of an application targeting Indian housing, owns or has a leasehold interest in the property(ies). Site control held by another Principal Team Member (who is not also the Lead Applicant, Co-Applicant, or the Housing Implementation Entity) is not sufficient. The certification must identify each parcel (e.g. by address or specific location), describe how the site is controlled, and be signed by the Executive Officer of the entity that has site control. If your Housing plan includes replacement units that will be provided through project-based vouchers as described in section III.C.3.2.b.6, you must also certify this will be done in accordance with the applicable regulations at 24 CFR 983. If you do not provide acceptable evidence of site control, your entire application will be disqualified from further consideration for funding. If after grant award, HUD determines that the Applicant or Housing Implementation Entity does not have the site control claimed in the certification, HUD reserves the right to rescind the grant award. A change in site due to unforeseeable environmental compliance issues will only be permitted if the environmental issues are beyond the control of the sponsor.

**f. Location of Housing.** You must provide a site map indicating both the original housing location and all proposed housing location(s). If all the housing will be located within the neighborhood, no additional documentation is necessary. If housing is proposed outside the target neighborhood, the application must also include (1) a justification explaining why it is necessary to locate this housing outside the target neighborhood (i.e., off-site) and how doing so supports and enables the Transformation Plan (as provided in

Section III.C.3.2.b.4) and (2) evidence that demonstrates the alternative neighborhood meets the requirements set forth in Section III.C.3.2.b.4.b. You must include this information in the attachments.

**g. Consistency with PHA/MTW Plan.** If a public housing project is the target housing of your application, you must demonstrate that the Transformation Plan is consistent with the PHA Plan (or MTW Plan, as applicable). You must provide a copy of the most relevant section(s) from the most recently approved PHA Plan (or MTW Plan, as applicable) in the attachments. The PHA/MTW Plan must specifically identify the target public housing project and its neighborhood for transformation.

**h. Consistency with Consolidated Plan or Indian Housing Plan.** The proposed Transformation Plan must be consistent with the Consolidated Plan for the jurisdiction in which the target neighborhood is located, or the Indian Housing Plan (IHP) for applications targeting Indian housing. You must provide the Certification of Consistency with the Consolidated Plan (form HUD-2991) or a certification from the Tribal Chairperson indicating that the Transformation Plan is consistent with the IHP.

**i. One-for-One-Replacement of Public and/or Assisted Housing.** You must certify, using the form provided, that you will comply with the one-for-one replacement requirements in Section III.C.3.2.b. If the target site has already been demolished or the housing plan is 100 percent rehabilitation of the units with the current bedroom configuration, you do not need to submit the form.

**j. Resident and Community Involvement.** In accordance with section 24(e)(2)(D) of the 1937 Act, applicants must involve affected residents at the beginning of and during the planning process for the transformation program, prior to the submission of an application. You are required to involve the affected public and/or assisted housing residents in the planning process and implementation of 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. You must demonstrate compliance with this threshold by providing the Resident and Community Involvement certification (form HUD-53231) in the attachments section of the application. The certification form must include name of the target public and/or assisted housing site, the dates of the meetings, and be signed and dated by the Lead Applicant Executive Officer.

(a) Resident Meeting. You must conduct at least two meetings with the residents of the target public and/or assisted housing during the development of the Transformation Plan.

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

(c) Allowable Time Period for Meetings.

(i) Each of these meetings must take place on different days.

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

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

(d) Content and Structure. At each meeting residents and community members must be given opportunities to express their support or lack of support for the proposals presented and given the power to affect changes impacting their living environment. Resident decision making must be recorded and documented. Such documentation might include voting rolls, minutes of meetings, and recorded public discussions. Each of the issues listed below must have been discussed in at least one meeting.

(i) The Choice Neighborhoods planning and implementation process;

(ii) The proposed physical plan, including the extent of proposed demolition or rehabilitation of existing structures, and if applicable, proposed site design. If you are also proposing to convert public housing units

via RAD, that must be discussed as well;

(iii) Planned supportive service activities;

(iv) Neighborhood improvement projects and other proposed transformation activities;

(v) Relocation issues, such as relocation planning, mobility counseling, relocation assistance, and maintaining the Choice Neighborhoods community planning process during the demolition and reconstruction phases;

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

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

**k. Separability.** In accordance with section 24(j)(2)(A)(v) of the 1937 Act, if you propose to target only a portion of an existing housing project for redevelopment, in the narrative you must demonstrate that the target severely distressed public and/or assisted housing is sufficiently separable from the remainder of the project, of which the building is a part, to make use of the building feasible for transformation. Separability can be demonstrated by evidencing that the subject site is located on its own legal lot or lots or by indicating that any criteria necessary for the local governmental agency responsible for land use decisions to legally subdivide the existing site can reasonably be achieved within the necessary timeframes. Physical features such as a road, berm, catch basin, or other recognized neighborhood distinction are sometimes used as the basis for delineating separate sites. You must demonstrate compliance with this threshold in the narrative. If you do not propose to target only a portion of a project for transformation, you may indicate, “n/a,” for not applicable, in the narrative.

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

(1) A local government, as Lead Applicant or Co-Applicant, may only submit one application under this NOFA. Other Principal Team Members may participate in a maximum of three FY2016 Choice Neighborhoods Implementation Grant applications, either as an individual entity or as a joint venture, in accordance with the criteria of this NOFA.

(2) You may only submit one Implementation Grant application per public and/or assisted housing site. There is no limit to the number of public and/or assisted housing projects per application, so long as all are within the boundaries of the neighborhood.

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

**m. 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.

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

Transformation Plan neighborhood.

**o. Relation to prior Choice Neighborhoods Implementation Grants.** Public and/or assisted housing projects and the neighborhoods in which they are located previously funded through a Choice Neighborhoods Implementation Grant may not be the target housing and neighborhood of a FY2016 Choice Neighborhoods Grant application.

**p. Relation to Choice Neighborhoods Planning Grants.** The target housing and neighborhood in this application does NOT need to have been the subject of a previously awarded Choice Neighborhoods Planning Grant. While HUD encourages current Planning Grantees to complete their grant term before applying for an Implementation Grant, public and/or assisted housing projects and the neighborhoods in which they are located previously funded through a Choice Neighborhoods Planning Grant are eligible to be the target housing and neighborhood in a FY2016 Choice Neighborhoods Implementation Grant application under this NOFA. However, if it is the subject of a FY2014 Planning Grant, the maximum award amount for which the application is eligible under this NOFA is reduced by the same amount awarded under the Choice Neighborhoods Planning Grant. Furthermore, you may not apply for both a FY2015/16 Planning Grant and a FY2016 Implementation Grant for the same target housing and neighborhood. Prior Planning Grantees that applied for the Action Activities-only funding under the FY2015/16 Planning Grants NOFA may still apply for an Implementation Grant under this NOFA.

**q. 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) that covers the property proposed and are planning on demolition and new construction or major rehabilitation or reconstruction may apply for a Choice Neighborhoods Implementation Grants 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, a target housing site can still be eligible if it only has the RCC for the first phase. The Office of Recapitalization will offer flexibility with regard to the RAD milestones so that PHAs and their partners may take advantage of the Implementation Grants.

## **2. Statutory and Regulatory Requirements.**

### **a. Compliance with Nondiscrimination and Related Requirements.**

#### **Compliance with Fair Housing and Civil Rights Laws.**

Applicants and their prospective subrecipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Title II and Title III of the Americans with Disabilities Act of 1990; and Section 109 of the Housing and Community Development Act of 1974. Applicants, and their prospective subrecipients, who are conducting programs or activities within a state or local jurisdiction that has passed a law prohibiting discrimination in housing based upon sexual orientation or gender identity, or a law prohibiting discrimination in housing based on lawful source of income, must comply with the law(s) of the state or locality in which the program activities are conducted.

In accordance with section 201(b)(6) of NAHASDA, which provides that Title VI of the Civil Rights Act of 1964, and the Fair Housing Act “shall not apply to actions by federally recognized tribes and the tribally designated housing entities of those tribes under this Act”, this requirement does not apply to applications targeting Indian housing.

### **Affirmatively Furthering Fair Housing.**

Section 808(e)(5) of the Fair Housing Act requires HUD to affirmatively further the purposes of the Fair Housing Act in its housing and urban development programs. Accordingly, HUD requires recipients of funds that are not specifically exempted to take affirmative steps to further fair housing. An applicant must discuss how it is going to carry out the proposed activities in a manner that affirmatively furthers fair housing in complete compliance with Section 808(e)(5) of the Fair Housing Act.

In accordance with section 201(b)(6) of NAHASDA, which provides that Title VI of the Civil Rights Act of 1964, and the Fair Housing Act “shall not apply to actions by federally recognized tribes and the tribally designated housing entities of those tribes under this Act”, this requirement does not apply to applications targeting Indian housing.

### **b. HUD Agency Wide or Federal Government Wide Requirements.**

(1) Outstanding Delinquent Federal Debts – It is HUD policy, consistent with the purposes and intent of 31 U.S.C. 3720B and 28 U.S.C. 3201(e), that applicants with outstanding delinquent federal debt will not be eligible to receive an award of funds, unless:

- (a) A negotiated repayment schedule is established and the repayment schedule is not delinquent, or
- (b) Other arrangements satisfactory to HUD are made prior to the award of funds by HUD. If satisfactory arrangements cannot be completed within 90 days of notification of selection, HUD will not make an award of funds to the applicant, and instead offer the award to the next eligible applicant. HUD may act earlier than the above stated 90 days to ensure, in HUD’s determination, that the funds can be obligated in a timely manner. Applicants selected for funding, or awarded funds, must report any changes in status of current agreements covering federal debt. HUD may withhold funding, terminate an award, or seek other remedies from a grantee if a previously agreed-upon payment schedule has not been followed or a new agreement with the federal agency to which the debt is owed has not been signed.

(2) Pre-Award Accounting System Survey – HUD will not award or disburse funds to applicants that do not have a financial management system that meets federal standards. HUD may arrange for a pre-award survey of any such financial management system for applicants selected for award who have not previously received federal financial assistance, where HUD Program officials have reason to question whether a financial management system meets federal financial management standards, or for applicants considered high risk based upon past performance or financial management findings.

(3) Debarments and/or Suspensions – In accordance with 2 CFR part 2424, no award of federal funds may be made to debarred or suspended applicants, or those proposed to be debarred or suspended from doing business with the Federal Government.

(4) False Statements – A false statement in an application is grounds for denial or termination of an award and possible punishment, as provided in 18 U.S.C. 1001.

(5) Do Not Pay Website Review – As part of the Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012, in making funding determinations HUD will look up applicant information on the Federal website <http://www.donotpay.treas.gov/>. The Do Not Pay Portal is intended to prevent improper payments and can be used by HUD to ensure that applicants that receive funding do not owe funds to the federal government; are not on the Excluded Parties List System (EPLS); the List of Excluded Individuals/Entities List (LEIE); the Social Security Administration (SSA) Death Master File (DMF); or other federal databases that would provide adverse information regarding the applicant. HUD reserves the right to:

- (a) Deny funding, or in the case of a renewal or continuing award, consider suspension or termination of an award immediately for cause,
- (b) Require the removal of any key individual from association with management or implementation of the award, and

(c) Make appropriate provisions or revisions with respect to the method of payment or financial reporting requirements.

(6) Conducting Business in Accordance with Ethical Standards/Code of Conduct – Applicants are required to develop and maintain a written code of conduct in accordance with 2 CFR 200.112 and 200.318. Codes of conduct must prohibit real and apparent conflicts of interest that may arise among officers, employees, or agents; prohibit the solicitation and acceptance of gifts or gratuities by officers, employees, or agents for their personal benefit in excess of minimal value; and outline administrative and disciplinary actions available to remedy violations of such standards.

Pursuant to applicable Federal and HUD regulations, applicants must disclose in writing any potential conflict of interest and all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

Before entering into an agreement with HUD, applicants selected to receive funding under a Program NOFA must submit an up-to-date copy of their code of conduct. Applicants with codes already on file with HUD do not need to resubmit a new code unless the information on file has changed. New or updated submissions must be dated and signed by the Executive Director, or Chair, or equivalent official, of the governing body of the organization. Applicants must also describe the methods to be used to ensure that all officers, employees, and agents are aware of and have agreed to adhere to the code of conduct.

(7) Conflict of Interest of Consultants or Technical Experts Assisting HUD – Consultants and technical experts who assist HUD in rating and ranking applications for funding under published FY 2016 Program NOFAs are subject to 18 U.S.C. 208, the federal criminal conflict-of-interest statute, and the Standards of Ethical Conduct for Employees of the Executive Branch regulation published at 5 CFR part 2635. As a result, consultants and technical experts who have assisted or plan to assist applicants with preparing applications for FY 2016 Program NOFAs may not serve on a selection panel and may not serve as a technical advisor to HUD. Anyone involved in rating and ranking FY 2016 Program NOFA applications, including departmental staff, experts and consultants must avoid conflicts of interest or the appearance of such conflicts. These individuals must also disclose to HUD’s Office of General Counsel Ethics Law Division the following information, if applicable:

(a) How the selection or non-selection of any applicant under a FY 2016 Program NOFA will affect the individual’s financial interests, as provided in 18 U.S.C. 208, or

(b) How the application process involves a party with whom the individual has a covered relationship under 5 CFR 2635.502.

The consultant or technical expert assisting HUD must disclose this information before participating in any matter regarding an FY 2016 program NOFA. Applicants with questions regarding these provisions or concerning a conflict of interest, please call the Office of General Counsel, Ethics Law Division, at (202) 708-3815 (this is not a toll-free number). The phone number above may also be reached by individuals who are deaf or hard of hearing, or who have speech disabilities, through the Federal Relay Service’s teletype service at 1-800-877-8339.

(8) Prohibition Against Lobbying Activities – Applicants are subject to the provisions of Section 319 of Public Law 101-121, 31 U.S.C. 1352, (the Byrd Amendment) and 24 CFR part 87, which prohibit recipients of federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, loan, or cooperative agreement. In addition, applicants must disclose, using Standard Form LLL (SFLLL), “Disclosure of Lobbying Activities,” any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, members of Congress, or congressional staff regarding specific grants or contracts. Federally-recognized Indian tribes and tribally designated housing entities (TDHEs) established by federally-recognized Indian tribes as a result of the exercise of the tribe’s sovereign power are excluded from coverage of the Byrd Amendment, but state-recognized Indian tribes and TDHEs established only under state law shall comply with this requirement. Applicants must submit the SFLLL if they have used or intend to use

non-federal funds for lobbying activities.

(9) Consistency with the Consolidated Plan and Analysis of Impediments (AI)/Assessment of Fair Housing – Certain competitive Programs require applications to contain a certification of consistency with a HUD-approved Consolidated Plan. This certification means that the proposed activities are consistent with the jurisdiction’s strategic plan, and the location of the proposed activities is consistent with the geographic areas specified in the Consolidated Plan. The Consolidated Plan also includes the jurisdiction’s certification to affirmatively further fair housing which means, among other requirements, that the jurisdiction has conducted an AI/Assessment of Fair Housing. If a program NOFA requires a certification of consistency with the Consolidated Plan and you fail to provide the certification, and you do not cure the omission as a technical deficiency, HUD will not fund the application.

Under HUD’s regulations at 24 CFR 91.2(d), an applicant’s PHA Plan must include a certification by the appropriate state or local official that the PHA Plan is consistent with the applicable Consolidated Plan for the jurisdiction in which the PHA is located and must describe the manner in which the applicable contents of the PHA Plan are consistent with the Consolidated Plan. To the extent that a proposal funded under this NOFA is addressed or should be addressed in the PHA Plan, it must be certified to be consistent with the Consolidated Plan.

### **3. Program Specific Requirements.**

**1. Program Activities** - Choice Neighborhoods grants must be used for activities that will further the purposes of the Choice Neighborhoods program in accordance with a Transformation Plan, to carry out transformational programs and initiatives. Activities approved by HUD must be conducted in accordance with section 24 of the US Housing Act of 1937, as amended, the FY16 Appropriations Act, and the requirements of this NOFA. Eligible activities include:

(a) Construction, acquisition or rehabilitation of public, assisted, and affordable housing (available to households earning 80-120 percent of AMI) that incorporates sustainable design principles, including energy efficiency;

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

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

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

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

(f) Activities that promote sustainable neighborhoods and incorporate principles of sustainable design and development;

(g) Critical community improvements, as defined in section I.A.4 of this NOFA;

(h) Endowments. Consistent with section 24(d)(2) of the 1937 Act, grantees may deposit up to 15 percent of the Choice Neighborhoods grant (the maximum amount of the award allowable for supportive services activities) into an endowment trust to provide supportive services activities. In order to establish an endowment trust, grantees must first execute with HUD an Endowment Trust Addendum to the grant agreement. When reviewing the request to set up an endowment trust, HUD will take into consideration the grantee's ability to pay for current supportive services activities with Choice Neighborhoods or other funds



and the projected long-term sustainability of the endowment trust to carry out those activities, and whether the grantee has secured a dollar for dollar match in non-Choice Neighborhoods funds for the endowment trust.

- (i) Conversion of vacant or foreclosed properties to affordable housing;
- (j) Architectural and engineering work;
- (k) Administrative costs of the applicant directly related to carrying out grant activities; and
- (l) Payment of reasonable legal fees.

## **2. Program Requirements**

This section contains Choice Neighborhoods program requirements, administrative and national policy requirements, and other program priorities. Applicants MUST review this section and ensure they comply with the requirements, as relevant.

**a. Housing Choice Opportunities for Returning Tenants.** An approved Transformation Plan shall demonstrate that each tenant who must be relocated during redevelopment that wishes to occupy a replacement housing unit may return if the tenant was lease-compliant at the time of departure from the housing prior to relocation and continued to remain lease-compliant during the relocation period. A returning tenant shall be provided a preference for occupancy of on-site or off-site replacement units before such units are made available to any other eligible households. The tenant also has the option not to occupy a replacement unit and may retain tenant-based voucher assistance provided under section 8(o) of the United States Housing Act of 1937 for relocation from the properties revitalized under this NOFA. These preferences are retained even if the resident has already received permanent relocation assistance. This preference remains available until the initial lease-up of the new units. If a household is “rightsized” (e.g. splits into two separate households) through the relocation resulting from Choice Neighborhoods, the original head of household will have the right to return. Once all of the original residents have been housed, the Grantee is required to offer the second household any units that are available. If no units are available, then the second household will be moved to the top of the waiting list for the replacement units in this project. Both the original household and the second household are required to be lease compliant at the time of relocation and throughout relocation.

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

(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 replacement of the same number of bedrooms. The number of dwelling units replaced may be greater or fewer than those still physically standing, so the overall unit mix meets the needs of the existing residents, takes into account 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 still physically standing 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) **Housing Choice Opportunities for Returning Tenants.** In instances where the tenants of the

original properties, both public housing and Assisted Housing, need a different number of bedrooms than households on the waiting list, the plan may enable displaced tenants to exercise their opportunity under program requirement, “Housing Choice Opportunities for Returning Tenants,” in section III.C.3.a using a tenant-based voucher in the original neighborhood or other neighborhood of the tenants’ choice.

**(4) Location.**

(a) Replacement housing units may be developed:

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

(ii) Off-site (i.e., outside of the target neighborhood but within the metropolitan area up to 25 miles from the target housing site), as necessary to:

(a) Take meaningful actions to overcome the effects of any impediments to fair housing choice consistent with actions identified in an applicable AI/Assessment of Fair Housing including to further the goals identified in the AI/Assessment of Fair Housing conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, and maintain records reflecting the analysis and actions in this regard; address other affirmatively furthering fair housing objectives as described in the grant application; or comply with a voluntary agreement, settlement, or order to resolve a finding or charge of violating a nondiscrimination or equal opportunity requirement;

(b) De-concentrate poverty; or

(c) Redevelop on-site with appropriate densities.

**(b)** Replacement housing outside the target neighborhood (i.e., off-site) 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; and

(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.

**(5) Types of Units.** Replacement housing is rental housing that will replace demolished, disposed of, or otherwise reduced public or assisted housing. Refer to the definition of Replacement Housing in Section I.A.4 of this NOFA.

**(6) Section 8 Project Based Voucher Replacement Housing Development.** Section 8 project-based vouchers may be developed as replacement housing provided that the local PHA has an established PBV program housing in accordance with 24 CFR Part 983. The PHA must provide a signed commitment to the Lead Applicant and the Housing Implementation Entity that it will provide a specific number of PBVs as replacement housing **developed** in eligible Choice Neighborhoods replacement locations as described above. These units can be developed by either the Housing Implementation Entity and/or other entities. In the event the proposed PBVs are not developed, the Lead Applicant and Housing Implementation Entity will be responsible for meeting the one-for-one requirements established above.

**(7) Tenant-based Vouchers as Replacement Housing.** The following is an exception to the hard-unit one-for-one replacement criteria described above. HUD must provide written approval to grant this exception. A grantee may replace up to half of the public housing and/or assisted housing dwelling units that are demolished or disposed of under the Transformation Plan with tenant-based vouchers in housing

markets where there is an adequate supply of affordable rental housing in areas of low poverty. Please note that this exception does not supersede an entity’s obligation to comply with other one-for-one replacement requirements associated with other funding sources (e.g. Section 104(d) of the Housing and Community Development Act).

**(a)** To be eligible for this exception to the hard-unit one-for-one replacement criteria, the target neighborhood of the Choice Neighborhoods application must meet all three of the following criteria:

**(i) Vacancy:** Be located in a county/parish with a rental vacancy rate (as measured in the American Communities Survey (ACS) 2008-2012) that exceeds the HUD conventional range for a “balanced” rental market by a percentage point or more in accordance with the table below. For example, in a market with slow population growth (population growth of one percent annually or less), HUD has determined that market to be “soft” or “loose” if rental vacancy rates in the county are greater than 5.9 percent.

| <b>Annual Population Growth</b> | <b>Vacancy Rate of Loose Rental Market</b> |
|---------------------------------|--|
| Slow (<1%)                      | >5.9%                                      |
| Moderate (1-2.9%)               | >7.4%                                      |
| Rapid (>3%)                     | >9.0%                                      |

**(ii) Voucher Dispersion:** Be located in a Core Based Statistical Area (CBSA) or non-CBSA County where vouchers currently in use are primarily in lower poverty neighborhoods. Data from IMS/PIC shows the location of current housing choice voucher holders in the CBSA (or county/parish outside of CBSA). To qualify on this standard, the median neighborhood poverty rate or extremely low-income percentage for voucher holders in the CBSA (or county/parish outside of a CBSA) must be 20 percent or less. In other words, at least 50 percent of all voucher holders in the CBSA must be in neighborhoods with a 20 percent poverty rate (or extremely low-income rate) or less. An applicant may also meet this requirement if the success rate of only the housing agency that will administer the replacement vouchers meets the criteria above.

**(iii) High Voucher Lease-Up Success Rate.** Demonstrate that the agency that would administer the replacement vouchers has a lease-up success rate of 80 percent or higher. That is, a minimum of 80 percent of households issued new vouchers are successful at leasing units within 120 days. To meet this requirement you will need to provide a file to HUD from an agency that shows all new vouchers issued (not including when a current voucher holder moves to a new unit) in the 18 months prior to publication of this NOFA and the outcome associated with that issuance. In addition, you will need to provide a narrative (preferably with data if available) on success rates for the population comparable to the current population of the Choice Neighborhoods target development. For example, if the proposed Choice Neighborhoods development has 10 percent of its households as families with five or more people, 40 percent as families with two to four people, 30 percent non-elderly disabled, and 20 percent elderly, the applicant would need to discuss relative success rates for each of these groups in their application for an exception from one-for-one requirements. HUD will also review the lease-up data submitted by the agency that administers the vouchers to the PIC system.

**(b) Process for Receiving HUD Approval.** As part of the Choice Neighborhoods mapping tool, HUD has included the counties that meet the standard in (i) Vacancy and (ii) Voucher Dispersion above. This information will be included in the pdf that you receive via email after having drawn your neighborhood’s boundary on the mapping tool that you must include as an attachment in your application. In advance of submitting this grant application, Choice Neighborhoods applicants working in an eligible community may submit a request for an exception, subject to also providing voucher success rates of the

proposed voucher administering agency in the target market area as described above. You must also submit a chart that indicates the number of each type of unit and bedrooms per unit to be demolished or disposed as well as the number of each type of unit and bedrooms per unit that will replace it. Exception requests must be sent by email to [choiceneighborhoods@hud.gov](mailto:choiceneighborhoods@hud.gov) at least 30 working days before the application due date. HUD will review the request and respond within five working days of receipt of information. That response will be exception approval, exception disapproval, or a request for more information. If more information is requested, HUD will respond within five working days upon receipt of the additional information.

**c. Leverage Documentation Requirements.** Applicants must follow these requirements in compiling and documenting their leverage resources for purposes of the NOFA rating factors. Otherwise, it may not be possible for HUD to count the commitment at the level claimed.

(1) HUD seeks to fund Choice Neighborhoods projects that leverage the maximum amount of other funds in support of the proposed Transformation Plan. You must actively enlist other stakeholders who are committed to improving the community and who can provide significant financial assistance to the transformation effort, both for match and leverage. Grantees are required to have a match of at least five percent of the grant award. This is a Threshold Requirement that applicants commit to satisfying by signing the Choice Neighborhoods Application Certification. To encourage grantees to exceed the match requirement, there are separate rating factors related to the leverage generated for each component of the plan (e.g. Housing, People, and Neighborhood).

**(2) General Requirements.**

**(a) Firmly Committed.**

**(i)** All resources for leverage must be firmly committed as of the application deadline date. “Firmly committed” means that the amount of the resource and its dedication to Choice Neighborhoods activities must be explicit, in writing, and signed by a person authorized to make the commitment [e.g., a PHA’s Executive Director cannot commit the funds of another agency, organization or government body (unless the applicant can demonstrate otherwise in the application)]. Funding may be contingent upon receipt of the Choice Neighborhoods grant.

**(ii)** Examples of language that shows firm commitment: “X Agency commits to providing Y...” and “X Agency will provide....”

**(iii)** Examples of language that does NOT show firm commitment: “X Agency is interested in providing Y resource...,” “X Agency will give strong consideration to providing Y resource...,” “X Agency commits funds subject to their availability from the city/state...,” “X Agency commits funds subject to their approval of ABC application/resolution/other process...,” and “This document does not constitute a binding commitment....”

**(iv)** HUD will consider commitments contingent on future fiscal year Federal appropriations to be firmly committed for the following Federal programs only: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Indian Housing Block Grant (IHBG), and Community Services Block Grant (CSBG). If an entity makes a firm commitment of funds from its future year allocation but its actual allocation for that year is below the amount projected in the application, that commitment may only be reduced by a proportional amount (e.g., if the CDBG allocation is 10 percent less than projected, the CDBG commitment may only be reduced by up to 10 percent). If appropriations are enacted during HUD’s review of the applications and the commitment of funds is based on a percentage of the entity’s allocation, the dollar amount associated with percentage of the actual allocation will be used for purposes of calculating leverage. If the commitment of future year funds is contingent on the amount of Federal funding received, then an entity’s projected allocation for that future year cannot be higher than its most recent allocation.

**(b)** Endorsements or general letters of support from organizations or vendors alone will not count as

resources and should not be included in the application or on a resources summary form in the attachments section of the application.

**(c) Content.** Documents submitted must represent valid and accurate commitments. Documents must detail the dollar amount and term of the commitment. They must also indicate that the commitment is available to you for the relevant activities of the subject Transformation Plan. Otherwise, it may not be possible for HUD to count the commitment at the level claimed.

**(i)** If a commitment is for more than one resource/amount (and in the case of Supportive Services, the derivation/calculation), each resource/amount should be indicated individually rather than in one lump sum.

**(ii)** Documents must indicate that the committed leverage funding is clearly dedicated to this Transformation Plan.

**(iii)** For Supportive Services, documents must indicate whether the resource commitment is new, existing, and/or a combination of new and existing (i.e. an existing service that is also being increased to reach a larger number of targeted public and/or assisted housing residents). The documents must specify how the resource commitment will be directly tied to and coordinated with the People component of the Transformation Plan. Documents must state the total amount of the commitment. A statement that the commitment is \$X/year over the term of the grant is not acceptable. Documents must also provide the derivation of the calculation for the total. See section on supportive services resources below for in-kind calculation/derivation requirements.

**(iv)** Examples of good physical development commitments are: “X Agency commits to providing \$1,000,000 in funds for infrastructure over the life of the FY2014/FY2015 Choice Neighborhoods Implementation Grant for ABC Transformation Plan” or “X Agency has committed to providing \$2,000,000 in funds toward the construction of units to replace the XYZ assisted housing development.”

**(d) Signature and date.** Resource commitments must be written, signed, and dated by a person authorized to make the commitment. The Executive Director of one agency cannot commit the funds of another agency, organization or government body (unless the applicant can demonstrate otherwise in the application).

**(e) Letterhead.** For leverage commitments that are letters, the letters must be on letterhead or they will not be accepted.

**(f)** If the commitment document for any leverage funds/in-kind services is not included in the application, the related leverage will not be considered.

**(g)** The staff time and benefits of the Lead or Co-Applicant is not an eligible leverage resource.

**(h)** Resource commitments may only be counted once unless specifically stated otherwise (e.g. the CDBG funding commitment for CDBG Leverage can also be counted in either CCI Leverage or Neighborhood Investment Leverage).

**(i)** It is important to note that certain OMB circulars are applicable, and particular attention should be given to the provisions concerning the use of federal funds for matching requirements. See the General Section, as amended on May 6, 2014, for more information.

**(j) Federal Funds.** Funding provided under the U.S. Housing Act of 1937, as amended, (e.g. Public housing and MTW) funds may not be used for match or leverage. Other federal sources (e.g. non-public housing funds provided by HUD as well as funds from other federal agencies) may be counted provided the funds are permitted to be used as for leverage by the statute or regulation governing the funds, in accordance with Section III.B.

**(3) Physical Development Resources.** Types of Development Resources may include but are not limited to:

**(a) Permanent Phase Loans and Debt.** This includes private mortgage-secured loans, insured loans

and other debt that can remain in place throughout the permanent phase of the project. HUD will not accept loan commitments that require take-out sources or have balloon payments which jeopardize the project's long-term financial feasibility, unless there is a permanent take-out loan that will replace a construction/bridge loan. If this is the case, you must provide documentation of both loans, but only the value of the permanent loan will be counted. Your application or commitment letters must include each loan's interest rate and term and provide only commercially reasonable conditions to closing. Award of Choice Neighborhoods funds or receipt of documentation showing tax-exempt bond approval is an acceptable condition to closing. Without this information, HUD will not be able to count the commitment. For privately financed homeownership, acceptable documentation of construction loans only will be considered. Projected sales prices will not be counted as a development resource.

**(b) Bonds.** This includes tax-exempt bonds and private activity revenue bonds. Your application should include the documentation showing the bond resolution has been passed by the public entity with appropriate authority. In addition the application should include the dollar amount, a description of the use and term, and how the bonds will be issued. Otherwise, it may not be possible for HUD to count the bonds at the level claimed. HUD will NOT accept a bond commitment where you plan to pay that bond off with Choice Neighborhoods or other public housing or other HUD funds. If you are proposing to use volume capped tax-exempt bond authority (in tandem with 4 percent credits), you must provide evidence that such bond authority has been allocated to this project.

**(c) Low-Income Housing Tax Credits (LIHTC).**

**(i)** Only LIHTC allocations (nine percent or four percent) that have been secured as of the application deadline date will be considered for leverage scoring under this NOFA. Applications must provide evidence from the allocating agency that the allocation or reservation is secured. Evidence may be in a form other than a letter, provided that it comes from an official agency source such as a website or public announcement. LIHTC allocations that are not secured (i.e., documentation in the application does not demonstrate they have been reserved by the state or local housing finance agency) will not be counted for leverage scoring. Only tax credits that have been reserved specifically for revitalization performed through this NOFA will be counted.

**(ii)** Other resource commitments that are contingent on the receipt of tax credits that have not yet been secured cannot be counted.

**(d)** Tax Credit equity commitments (i.e., LIHTC, New Market Tax Credits, Historic Tax Credits and other state tax credits) will only be counted as leverage if the application demonstrates that the tax credits are secured.

**(e) Donations and Contributions of Funds.**

**(f) Sale of Land and Buildings.** Cash proceeds realized as of the application deadline date from the sale of land and/or buildings not associated with the target housing may be included as a resource. Absent a completed sales transaction, the value of land and/or buildings will not be counted.

**(g) Donations of Land and Buildings.** Donations of land and/or buildings may be counted as a resource, only if the donating entity owns the land/buildings to be donated. Donating entities may include a city, county/parish, tribe, church, community organization, etc. The land upon which the target housing is located will not be counted as leverage. The application must include documentation of this ownership, and the donation of land, signed by the appropriate authorizing official. The dollar amount attributed to the donated land and/or buildings must be verified through an appraisal by an independent, state-certified appraiser, or other appropriate means, the documentation of which must be provided in the attachments. (Please note that acquisitions of real property via donation are subject to the URA's acquisition policies.)

**(h) Housing Trust Funds.**

**(i) Program Income.** Program income from previous HOPE VI or other public housing or Indian housing must be already earned. Projected program income will not be counted.

**(j) Waived Government Fees.** The value of fees for services/activities necessary to the revitalization effort may be counted if they have been waived by the authorizing government entity and documented in writing by the local government.

**(k) Developer Fees.** Projected developer fees to be waived or put back into the project may *not* be counted.

**(l) Homeownership down payments** from homebuyers will *not* be counted. Down payment assistance may be counted as a physical development resource if it is provided by a third-party entity not related to the homebuyer.

**(m) Equity or permanent financing** committed to build private sector housing in direct connection with the Choice Neighborhoods Transformation Plan may be counted toward Neighborhood leverage only.

**(n) Tax Increment Financing (TIF).** A TIF will only be considered for leverage scoring under this NOFA if, as documented in a letter from the unit of local government responsible for approving the TIF: the TIF district has been formally created; the unit of local government responsible for approving the TIF has issued a commitment letter (as of the application deadline) reserving all or a portion of the TIF to benefit the Choice Neighborhoods Transformation Plan; the letter includes an estimate of the amount of resources anticipated to be generated by the TIF over the Choice Neighborhoods grant period; and the letter includes a detailed explanation of how that estimate was derived.

#### **(4) Supportive Services Resources.**

**(a) General.** HUD seeks to fund mixed-finance developments that leverage other resources to ensure the successful transformation of the lives of residents and the sustainability of the neighborhood.

Leveraging other funds and services is critical to the sustainability of Supportive Services activities so that they will continue after the Choice Neighborhoods grant funds have been expended. Commitments of funding or in-kind services related to the provision of supportive service activities may be counted toward the calculation of Supportive Services leverage, in accordance with the requirements below. These resources must be for supportive services purposes and be directly applicable to the Transformation Plan proposed in the Choice Neighborhoods application.

**(b) New and/or Existing Leverage for Supportive Services.** In order to count toward Supportive Services leverage rating factor points, resources can be for existing and/or new commitments.

**(i) New leverage.** In order to count as a new commitment, the financial and in-kind resources must be newly generated for the FY 2016 Choice Neighborhoods grant. New commitments mean that commitments by service providers to continue services they already provide will not be counted. However, if an existing service provider increases the level of financial or in-kind commitment directed to the residents of the target public and/or assisted housing, the increased commitment amount may be counted, unless otherwise noted in this section [e.g., Temporary Assistance for Needy Families (TANF) cash benefits (for individuals)].

HUD will not count any commitments as “new” that have already been provided on a routine basis, such as in-kind services that have been supporting ongoing Supportive Services activities.

**(ii) Existing leverage.** In order to count as existing leverage, previously committed financial and in-kind sources must be recommitted for use during the Choice Neighborhoods grant and must be directly tied to and coordinated with the People component of the proposed Transformation Plan.

**(iii) Documenting new and/or existing leverage.** Letters must distinguish between new and existing resource commitments (if applicable). To clearly make this distinction, letters should separate the content for these two categories, identifying existing resource commitments in one section and new resource commitments in a separate section.

**(c) In-Kind Leverage for Supportive Services.** In order to count toward people strategy leverage rating factor points, resources can be financial and/or in-kind.

**(i) In-kind contributions.** In-kind contributions will only be evaluated for the People leverage rating factor. They may be in the form of staff time, donated materials, or services. All assistance provided to meet this requirement must be identified by their dollar equivalent based upon accepted salary or regional dollar values. When an individual donates his/her time in a professional capacity to supervise members, train or engage in member development, provide technical assistance on a project, evaluate a project, oversee project quality, or provide pro bono work as a member of the nonprofit organization on a permanent or temporary basis, the time involved is an in-kind contribution. For materials, the items must be donated to the Lead Applicant or People Implementation Entity. Donated materials can include physical items such as computer equipment and supplies, materials for projects, and other marketing materials. They can also be in the form of office and meeting space or the use of a vehicle.

**(ii) In-kind calculation/derivation.** For in-kind contributions, the commitment letter must indicate how the dollar amount of the in-kind resource commitment was derived/calculated. Resource commitment documents that simply give a dollar figure for proposed services will not be counted. An example of a good Supportive Services commitment: “Q Agency will reserve 10 slots for new enrollees only in the Adult Literacy Program for residents of the targeted XYZ public housing development, valued at \$3000 per slot per year. Therefore, the total leveraged value over five years will be \$150,000 (10 slots multiplied by \$3000 per slot, multiplied by 5 years = \$150,000).” Another example: “Y Organization is committed to providing at least 12 hours of professional staff time per week on-site at the targeted ABC public housing community to conduct asset building services, including opening accounts, providing ongoing non-cash account services, and providing financial education. The value of this service is equal to \$87,840 for 12 hours a week of staff time for 244 weeks in total.” If an agency commits in the same letter to providing, for example, a job readiness workshop and an afterschool program, both derivations/calculations should be present in the letter or detailed in the application.

**(d) Types of Supportive Services Resources.** Types of Supportive Services resources may include, but are not limited to the following. All must be related to the Supportive Services activities of the proposed Choice Neighborhoods grant.

- (i) The value of a building or space in a building donated for Supportive Services purposes;
- (ii) The value of a lease on a building or space in a building donated for Supportive Services purposes;
- (iii) Other infrastructure for Supportive Services purposes;
- (iv) Time and services contributed by volunteers;
- (v) Staff salaries and benefits of service providers (PHA and/or applicant staff time may not be counted);
- (vi) The value of supportive services provided by a partner agency, in accordance with the eligible Supportive Services activities;
- (vii) TANF. Existing and newly generated non-cash services provided by TANF agencies may be accepted as a resource for leverage. Cash benefits (for individuals) will not be accepted as a resource for leverage.
- (viii) Wages projected to be paid to residents through jobs or projected benefits (e.g., health/insurance/retirement benefits) related to projected resources to be provided by Supportive Services partners may not be counted.

**NOTE:** Even though an in-kind Supportive Services contribution may count as a resource, it may not be appropriate to include on the Sources and Uses attachment. Each source on the sources and uses attachment must be matched by a specific and appropriate use. For example, donations of staff time may not be used to offset costs for infrastructure.

**d. Match Donations and Leverage Resources – Post Award.** After award, during review of development proposals, HUD will evaluate the nature of Match and Leverage resources to assess whether



the conditions precedent to the availability of the funds to the grantee are commercially reasonable or whether these preconditions provide the lender with too much unquantifiable discretion to withhold or withdraw the match. HUD will assess the availability of the participating party(ies)'s financing, the amount and source of financing committed to the proposal by the participating party(ies), and the firm commitment of those funds. HUD may require an opinion of the grantee's and the owner entity's counsel (or other party designated by HUD) attesting that counsel has examined the availability of the participating party's financing, and the amount and source of financing committed to the proposal by the participating party(ies), and has determined that such financing has been firmly committed by the participating party(ies) for use in carrying out the proposal, and that such commitment is in the amount required under the terms of the proposal and contains only commercially reasonable conditions precedents for release of the match.

Grantees will be required to show evidence that match and leverage resources were actually received and used for their intended purposes through quarterly reports as the project proceeds. Sources of match and leverage 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 or leverage amount.

**e. Broadband Access.** All Implementation Grantees will be required to include at least one form, and preferably two or more forms (e.g. wired and wireless), of infrastructure that permits unit-based access to broadband Internet connectivity in all new units. Grantees may use Choice Neighborhoods funds to provide unit-based broadband Internet connectivity, which includes the costs of installing broadband infrastructure and hardware in units, but not the costs of internet service for residents. Regular and informed Internet adoption can increase access to the job market, as well as health, education, financial and other services. Further, in-home broadband Internet access is an attractive, and in most cases, standard amenity that can be used to market the mixed-income community created through the Transformation Plan. For applications targeting Indian housing that are located in rural areas, this program requirement can be met by providing internet access.

**f. Real Property Acquisition and Relocation.** Except for displacement resulting from demolition or disposition activities subject to section 18 of the 1937 Act, projects involving real property acquisition, rehabilitation, or demolition are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4601-4655), and the government-wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24. The URA is a federal law that prescribes requirements that must be satisfied when real property is acquired for a federally-funded project. The URA also prescribes relocation assistance and payments that must be provided to persons displaced as a result of acquisition, rehabilitation or demolition of real property for a federally-funded project. As required by 49 CFR part 24, replacement dwellings must also contain the accessibility features needed by displaced persons with disabilities. Refer to the General Section VI.B.4 for more information on real property acquisition and relocation. Helpful resources and guidance pertaining to real property acquisition and relocation for HUD-funded programs and projects, including HUD's Tenant Assistance, Relocation and Real Property Acquisition Handbook (HUD Handbook 1378), are available on HUD's Real Estate Acquisition and Relocation website at <http://www.hud.gov/relocation>. This website contains applicable laws and regulations, policy and guidance, publications, training resources, and a listing of HUD contacts if you have questions or need assistance. Additionally, if Community Development Block Grant (CDBG) program (42 U.S.C. 5301 et seq.); the Urban Development Action Grant (UDAG) program (42 U.S.C. 5318 et seq.); or the HOME Investment Partnerships (HOME) program (42 U.S.C. 12701 et seq.) funds are used in connection with the demolition of lower-income dwelling units, or conversion of such units to a use other than lower-income dwelling units, the project may be subject to Section 104(d) of the Housing and Community Development Act of 1974, 42 U.S.C. 5304(d), including the relocation assistance and one-for-one housing replacement provisions as provided at 24 CFR part 42, subpart C. The terms "lower-income dwelling units" and "conversion," as used in this paragraph are defined at 24 CFR 42.305.

**g. Initiation of Negotiations Date (ION).** The ION is a trigger date for issuance of a Notice of Eligibility for Relocation Assistance or the Notice of Nondisplacement to each resident. The ION date is the date of the grant award, as a result of HUD's review of the Choice Neighborhoods Implementation application. As of the award date, all residents of the project are eligible for relocation payments or other relocation assistance in accordance with the URA. When HUD determines that there are circumstances under which a planned Choice Neighborhoods project is either so large, or is located in a community with such limited housing resources to absorb large numbers of residents who will be displaced by the project, that a single ION would be impracticable and/or detrimental to the smooth relocation of residents, demolition of the existing units, and reconstruction of the project, HUD may approve multiple ION dates based on phased demolition as proposed by a grantee in its Transformation Plan. Each demolition phase should propose an ION date which is at least 6 months prior to the planned start date for demolition in that phase (e.g., for a demolition phase that will begin June 1, the proposed ION date should be no later than the preceding January 1). These phased ION dates will enable the grantee to concentrate advisory services and resources on assisting affected residents to find replacement housing in a timely manner as each demolition date approaches. Grantees may opt to send Notices of Eligibility sooner than required, but these Notices must be sent no later than the established ION date for each phase.

In addition, Choice Neighborhoods grantees are required to (1) inform residents of the target public and/or assisted housing of their right to return, and the specific counseling and supports that have been or will be provided prior to and up to three years after initial relocation to ensure that all residents can maintain lease compliance and eligibility for units in the new development(s), including effectively handling landlord disputes, in order to make a successful transition back to the revitalized neighborhood; (2) explain how you will integrate comprehensive relocation and reoccupancy counseling and supports with the people strategy, so that residents of the target public and/or assisted housing receive the array of services they need to return to the revitalized housing or maintain stability in other housing of their choice; (3) describe how you are leveraging and building on high-quality service relocation and reoccupancy services that are already in the neighborhood; (4) track 100 percent of the original residents for at least five years after their initial move; and (5) report to HUD on the relocation and reoccupancy metrics.

**h. Affordability Requirement.** The owner of a housing property (rental or homeownership) assisted with Choice Neighborhoods funds must agree to a period of affordability for the property which shall not be less than the period of affordability to which the property is already subject and remains subject, or 20 years, whichever is greater.

**i. Capital Fund Financing Program (CFFP).** If the target housing is from the inventory of a PHA with an outstanding, approved CFFP proposal or CFFP proposal submitted and under review by HUD before the announcement of FY2016 Choice Neighborhoods Implementation Grant awards, the PHA must take necessary steps to remain in compliance with the terms of that approval, as applicable. To the extent HUD determines that the Capital Fund projections in its CFFP Proposal did not accurately or completely incorporate the reduction in public housing units that would be caused by the Choice Neighborhoods activity, prior to undertaking the Choice Neighborhoods activity, the PHA will use Capital Funds, or other eligible funds to defease, redeem, or otherwise prepay the CFFP financing. This prepayment must be sufficient to maintain the same debt coverage ratio in the year immediately following any reduction in Annual Contribution Contract (ACC) Units related to the Choice Neighborhoods grant (based on the then-current year's capital fund allocation, but giving effect to the change in ACC Units in a manner acceptable to HUD) as existed prior to any reductions occurring as a result of the Choice Neighborhoods grant.

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

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

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

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

#### **k. Public Housing Development.**

(1) Any public housing development activity (whether on-site reconstruction or off-site development) must be done in accordance with a development proposal submitted under 24 CFR part 905.606.

(2) Any RAD conversion must be done in accordance with PIH Notice 2012-32 REV-2, published June 15, 2015 or subsequent guidance.

(3) For new construction of community facilities primarily intended to facilitate the delivery of supportive services for residents of the project and residents of off-site replacement housing, you must comply with 24 CFR part 905. Information required for this activity must be included in a development proposal, as applicable.

**l. Public Housing Disposition.** Public Housing disposition is authorized through Section 18 regulations or through RAD.

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

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

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

(4) Alternatively, disposition of a public housing site may be done in accordance with RAD requirements, as set forth in PIH Notice 2012-32 REV-2, in a development seeking RAD conversion.

**m. Homeownership.** Homeownership units developed with Choice Neighborhoods funds must be developed in accordance with a homeownership proposal. Such units developed with Choice Neighborhoods funds are included in the definition of "affordable housing" provided in the Choice Neighborhoods Implementation NOFA (e.g. they may be sold to families earning up to 120 percent of AMI and grantees shall commit to an affordability period of at least 20 years).

#### **n. Acquisition.**

(1) Acquisition Proposal. A grantee must submit an acquisition proposal to HUD for review and approval prior to acquisition in accordance with 24 CFR 905.608 when a PHA determines that it is necessary to acquire vacant land for development of public housing through new construction, using public housing funds. This acquisition approval must be submission of a development proposal under 24 CFR 905.606.

(2) Land for Replacement Units outside the target neighborhood. For acquisition of land for replacement

housing outside the target neighborhood, you must comply with 24 CFR part 905.602 (site and neighborhood standards).

(3) Land for Economic Development-Related Activities.

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

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

**o. Building Standards.** As indicated in HUD’s Strategic Plan 2014-2018 (i.e., Goal 4) and the General Section, sustainability is a policy priority of the Department. Recognizing the fundamental role that HUD’s investments play in defining the physical form of communities and quality of life for residents, HUD encourages its grantees to help communities embrace a more sustainable future. To HUD, sustainability means, among other things (as indicated in the General Section), that federally-funded housing development occurs on land that is free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances that could affect the health and safety of occupants or conflict with the use of the property, or that such land will be cleaned through the use of an action or remediation plan approved by the appropriate State or other jurisdiction. Sustainability also means that the buildings we invest in are energy efficient and healthy. HUD encourages activities that actively promote sustainability through energy-efficient, environmentally-friendly, healthy design, including elements of visitability and universal design.

(1) **Building Codes.** All activities that include construction, rehabilitation, lead-based paint removal, and related activities must meet or exceed local building codes.

(2) **Physical Accessibility Requirements.** All new construction and alterations of existing buildings and facilities must be done in compliance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR part 8, or the 2010 ADA Standards for Accessible Design with exceptions as noted at FR-5784-N-01 Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities: <http://www.gpo.gov/fdsys/pkg/FR-2014-05-23/pdf/2014-11844.pdf>, the Fair Housing Act and its implementing regulations at 24 CFR part 100, Title II of the Americans with Disabilities Act and its implementing regulations at 28 CFR part 35, and the Architectural Barriers Act of 1968 and its implementing regulations at 24 CFR part 40 as applicable. HUD applies the Uniform Federal Accessibility Standards (UFAS) through its regulations under part 8. All applicable laws must be read together and followed. PIH Notice 2010-26, available at <http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf>, and subsequent updates or successor notices, provide an overview of all pertinent laws and implementing regulations pertaining to Choice Neighborhoods. In addition, under the Fair Housing Act, all new construction of covered multifamily dwellings must contain certain features of accessible and adaptable design. The term “covered multifamily dwellings” means buildings consisting of four or more dwelling units if such buildings have one or more elevators, and ground floor units in other buildings consisting of four or more dwelling units. The relevant accessibility requirements are provided on HUD’s Fair Housing and Equal Opportunity (FHEO) website at [http://portal.hud.gov/portal/page/portal/HUD/program\\_offices/fair\\_housing\\_equal\\_opp](http://portal.hud.gov/portal/page/portal/HUD/program_offices/fair_housing_equal_opp). You are encouraged to visit HUD’s website on Accessibility Analysis of Model Building Codes at <http://www.hud.gov/offices/fheo/disabilities/modelcodes>. You are also encouraged to read the “Report of HUD Review of the Fair Housing Accessibility Requirements in the 2006 International Building Code,” which can be accessed from the webpage above, along with other valuable information on model codes and fair housing accessibility guidelines. Housing assisted under this program must be provided in the most integrated setting appropriate to the needs of qualified persons with disabilities.

(3) **Deconstruction.** You should design programs that incorporate sustainable construction and demolition practices, such as the dismantling or “deconstruction” of public housing units, recycling of demolition debris, and reusing of salvage materials in new construction. “A Guide to Deconstruction: An

Overview of Destruction with a Focus on Community Development Opportunities” can be found at <https://www.huduser.gov/portal/publications/destech/decon.html>.

(4) **Energy Efficiency and Green Building Standards.** HUD will require grantees to take specific energy-saving actions in furtherance of HUD’s Strategic Plan 2014-2018 (Goal 4B). HUD’s wide-ranging Energy Action Plan for improving energy efficiency in all program areas can be found at <http://www.hud.gov/energy/energyactionplan.pdf>.

(a) Owners of new construction and substantial rehabilitation low-rise (up to 3 stories) multifamily developments must meet the requirements of EPA’s ENERGY STAR Qualified Homes. Mid-Rise & High Rise developments (4 or more stories) must meet the ASHRAE 90.1 Appendix G Plus 15 percent standard for Energy Efficiency. Any state energy code requirements will take precedence over ENERGY STAR or ASHRAE specifications when the state code approximates or exceeds that standard. More information concerning this requirement can be found at <http://www.energystar.gov>. For information on the ENERGY STAR Multifamily High-Rise Program, please visit [https://www.energystar.gov/index.cfm?c=bldrs\\_lenders\\_raters.nh\\_multifamily\\_highrise](https://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.nh_multifamily_highrise). For information concerning ASHRAE, please visit [www.ashrae.org](http://www.ashrae.org).

(b) HUD encourages you to set higher standards, where cost effective, for energy and water efficiency in Choice Neighborhoods new construction and rehabilitation.

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

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

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

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

(g) All new construction and substantially improved structures (as defined in 24 CFR 55) located in the 100-year floodplain on the latest FEMA map must be elevated or floodproofed, where applicable, to at least one foot above the 100-year base flood elevation

(h) You are encouraged to use technologies that will conserve energy and decrease operating costs, where cost effective. Examples of such technologies include:

(i) Geothermal heating and cooling;

(ii) Placement of buildings and size of eaves that take advantage of the directions of the sun throughout the year;

- (iii) Photovoltaics (technologies that convert light into electrical power);
- (iv) Extra insulation;
- (v) Smart windows;
- (vi) Concentrated solar power;
- (vii) Right sized and efficient HVAC and other systems; and
- (viii) Demand side management applications (e.g. “smart meters”).

(5) **Universal Design.** In addition to any applicable required accessibility feature under Section 504 of the Rehabilitation Act of 1973, the design and construction requirements of the Fair Housing Act, or Title II of the Americans with Disabilities Act, the Department encourages applicants to incorporate the principles of universal design when developing housing, community facilities, and electronic communication mechanisms, or when communicating with community residents at public meetings or events. Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. The intent of universal design is to simplify life for everyone by making products, communications, and the built environment more usable by as many people as possible at little or no extra cost to the user. A universal design benefits people of all ages and abilities.

Examples include designing wider doorways, installing levers instead of doorknobs, and putting bathtub/shower grab bars in all units. Computers and telephones can also be set up in ways that enable as many residents as possible to use them. There are also designs available for accessible children’s playgrounds that can be utilized. HUD believes that to address affordable housing needs effectively, it is necessary to provide affordable housing that is accessible to all regardless of ability or age. Likewise, creating places where people work, train, and interact that are usable and open to all residents increases opportunities for economic and personal self-sufficiency. More information on universal design is available at <https://universaldesign.org/> and the Center for Universal Design at <https://www.ncsu.edu/ncsu/design/cud/> or the Resource Center on Accessible Housing and Universal Design at <http://www.abledata.com/abledata.cfm?pageid=113573&:top=16029&:sectionid=19326>. The Department has a publication that contains a number of ideas about how the principles of Universal Design can benefit persons with disabilities. To order a copy of Strategies for Providing Accessibility and Visitability for HOPE VI and Mixed Finance Homeownership, go to the publications and resource page of the HOPE VI website at <https://www.huduser.gov/portal/publications/pubasst/strategies.html>. More information about visitability is available at <http://www.visitability.org>.

(6) **Lead-Based Paint.** Grantees must comply with lead-based paint evaluation and reduction requirements as provided for under the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.) and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), known as “Title X”. Grantees also must comply with regulations at 24 CFR part 35, 24 CFR 965.701, and 24 CFR 968.110(k), and 40 CFR part 745 as they may be amended or revised from time to time. As applicable, you will be responsible for lead-based paint evaluation and reduction activities. The National Lead Information Hotline is 800-424-5323; information is on line at [http:// www.hud.gov/offices/lead](http://www.hud.gov/offices/lead), and <http://www.epa.gov/lead>.

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

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

undertaken directly by the grantee, with its own employees, is also subject to Davis-Bacon wage requirements.

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

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

(a) Perform services for which they volunteered;

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

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

(4) If other federal programs are used in connection with Choice Neighborhoods activities, federal labor standards requirements apply to the extent required by the other federal programs on portion of the project that are not subject to Section 12 of the 1937 Act. For applications targeting Indian housing, tribally-determined wages are permissible in accordance with NAHASDA.

**q. Operation and Management Principles and Policies, and Management Agreement for PHAs.** Choice Neighborhoods grantees with public housing projects will be required to develop Management Agreements that describe their operation and management principles and policies for their public housing units. Grantees and procured property managers, if applicable, must comply (to the extent required) with the provisions of 24 CFR part 966 in planning for the implementation of the operation and management principles and policies described below.

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

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

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

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

(5) Strictly enforcing lease and eviction provisions;

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

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

**r. Non-Fungibility for Moving To Work (MTW) PHAs.** Funds awarded under this NOFA are not fungible under MTW agreements and must be accounted for separately, in accordance with the Choice Neighborhoods Grant Agreement, Administrative Requirements and Cost Principles set forth in 2 CFR 200, and generally accepted accounting principles (GAAP).

**s. Supportive Services.**

(1) **Term Period.** Key supportive Services programs and activities must be made available to affected

residents within 60 days of grant award, must last for the life of the grant and must be carefully planned so that they will be sustainable after the Choice Neighborhoods grant period ends.

**(2) Allowed Funding Mechanisms:**

(a) **Maximum Supportive Services Amount.** Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act, grantees may use up to 15 percent of the total Choice Neighborhoods grant to pay the costs of Supportive Services activities. Grantees may spend additional sums on Supportive Services activities using donations; other HUD funds made available for that purpose; and other federal, state, local, PHA, or private-sector donations (leverage).

(b) **Supportive Services Endowment Trust.** Each grantee may elect to establish an endowment with some or all of the Supportive Services funding under this grant. The Supportive Services Endowment Trust must be matched dollar for dollar. HUD will release funds into the Supportive Services Endowment Trust during the last year of the grant term if the grantee demonstrates that it has made substantial progress on a subset of performance indicators. If the grantee has neither met these performance benchmarks nor have secured matching funds, then it will forfeit this portion of the total grant.

**t. Service Coordination and Case Management.** Service coordination (as defined in this notice) should be available to all original residents of the target public and/or assisted housing site(s) as well as to all residents who occupy the revitalized public and/or assisted housing. The service coordination strategy should leverage and improve access to existing high-quality case management and service coordination services for HUD-assisted as well as other low-income residents in the neighborhood and support Hard to House residents (as defined in this notice), as well as households with children ages 0-5, school-aged children, transition age youth (as defined in this notice), and elderly or disabled members. Case management (as defined in this notice) should be provided to individuals and families that are Hard to House or otherwise high need throughout the grant period. These households will require sustained and intensive supportive services to successfully relocate to the revitalized housing or maintain stability in other housing of their choice, as well as to improve self-sufficiency.

**u. Early Education Programs.** Any identified early learning program(s) should use a set of statewide program standards that demonstrate high expectations of program excellence commensurate with nationally recognized standards and are linked to the States licensing system. They must include a family engagement component; family supports either on-site, through partners, or in the homes of participating families; and other learning supports, such as connections to health and nutrition programs, to address relevant needs identified in your resident needs assessment. The early learning program(s) must also include intensive community outreach and enrollment. Should you receive a grant, you must commit to a goal of enrolling, tracking and supporting the attendance of children from birth to kindergarten in high-quality early learning programs. You must commit to a post-revitalization goal of enrolling at least 65 percent of the families with children ages birth to kindergarten that will occupy the revitalized site in high-quality early learning programs. In addition, you must commit to an appropriate enrollment goal for all children across income levels in the neighborhood.

**v. School-based Education Programs.** You must commit to a goal of enrolling, tracking and supporting the attendance of school-aged children in high-quality and/or improving schools located either in the receiving neighborhoods and/or in the original neighborhood during the grant period. Arrangements should be made for appropriate transportation to ensure HUD-assisted families can access the school(s). Should you receive a grant, you must commit to a post-revitalization goal of enrolling at least 65 percent of the families with school-aged children that will occupy the revitalized site in high-quality schools and schools that are undergoing significant improvements. In addition, you must commit to an appropriate enrollment goal for all children across income levels in the neighborhood.

**w. Design.** HUD is seeking excellence in design. You must carefully select your architects and planners, and enlist local affiliates of national architectural and planning organizations such as the American Institute of Architects, the American Society of Landscape Architects, the American Planning Association, the



Congress for the New Urbanism, and the department of architecture at a local college or university to assist you in assessing qualifications of design professionals or in participating on a selection panel that results in the procurement of excellent design services. You should select a design team that is committed to a process in which residents, including young people and seniors, the broader community, and other stakeholders participate in designing the new community. Your proposed site plan, new or rehabilitated 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 and/or enhance the broader community. Housing, community facilities, and economic development space must be well integrated.

#### **x. Environmental Requirements.**

(1) **Limitations on activities pending clearance.** 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) (where a PHA, jointly or on its own, is the grantee) 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, grantees must carry out any mitigating/remedial measures required by the responsible entity (or HUD), or select an alternate eligible property, if permitted by HUD.

(2) **Environmental Review and Choice Neighborhoods Supplemental Submissions.** The environmental review must be completed before development activities commence, which means either the responsible entity has submitted a Request for Release of Funds (RROF) or HUD has completed and signed off on their environmental review, as documented in the HUD Form 4128. Grantees must carry out any mitigating/remedial measures required by the responsible entity (or HUD), or select an alternate eligible property, if permitted by HUD. If a mitigating measure, where required, is not approved by the responsible entity (or HUD) and/or other jurisdictional authority HUD reserves the right to determine that the grant is in default. If a fully funded contract with a qualified contractor licensed to perform the required type of mitigation is not executed, HUD reserves the right to determine that the grant is in default.

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

(4) **Site selection and control.** A change in site due to unforeseeable environmental compliance issues will only be permitted if the environmental issues are beyond the control of the sponsor. In the event of unforeseeable environmental compliance issues beyond your control, HUD may permit you to propose a site at a different location than the site originally proposed. If you are permitted to propose a different site, additional environmental reports and information concerning the proposed site will be required.

(5) **Supporting Documentation.** You must provide any reports and documentation that are 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

Chapter 9 of the MAP Guide. Guidance on environmental review is available on HUD's environmental website: <https://www.hudexchange.info/environmental-review/>.

(6) **Scoping, Aggregation, and Cumulative Impacts.** The environmental review must cover all activities and actions that are logically related to the project, regardless of whether they are also assisted by HUD. An Environmental Impact Statement must be prepared for projects that are determined to have a significant impact on the environment.

The environmental review must group together and evaluate as a single project all individual activities which are related either on a geographical or functional basis, or are logical parts of a composite of contemplated actions, regardless of funding sources.

In approaching the risks and solutions, applicants should be cognizant of the cumulative impacts and effects of their project when considered with other efforts in an area. Cumulative impacts are the effect on the environment of a collection of minor, acceptable issues at disparate projects. These results are incremental. The action when added to other past, present and reasonably foreseeable future actions can result in collectively important concerns. An Environmental Impact Statement must be prepared for projects that are determined to have a significant impact on the environment.

(7) **Phase I and Phase II Environmental Site Assessments.** If your application is selected for funding, you must have a Phase I Environmental Site Assessment (Phase I ESA) completed in accordance with ASTM E 1527-13 for each affected site. A Phase I ESA is required whether the environmental review is completed under 24 CFR part 50 or 24 CFR part 58. The Phase I ESA must incorporate a Vapor Encroachment Screen in accordance with ASTM E 2600-10 to assess the potential for vapor migration. The results of the Phase I ESA must be included in the documents that must be provided to the responsible entity (or HUD) for the environmental review. If the Phase I ESA concludes that there are recognized environmental conditions or if the results are inconclusive, a Phase II environmental site assessment will be required. If a contamination remediation plan, where required, is not approved by a state or other jurisdictional authority (whether under Part 50 or Part 58) and a fully funded contract with a qualified contractor licensed to perform the remediation is not executed, HUD reserves the right to determine that the grant is in default.

(8) **Radon.** Any new construction projects must be built with radon-resistant construction techniques. Testing of existing structures is strongly encouraged, as well as mitigation of any structures with elevated radon.

(9) **Failure to meet environmental requirements.** HUD may rescind the grant award if the site or application fails to comply with environmental requirements or the environmental process under 24 CFR Parts 50 and 58.

(10) **HUD's environmental website is:** <https://www.hudexchange.info/environmental-review/>

**y. OMB Circulars and Administrative Requirements.** For OMB Administrative Requirements and Cost Principles, see section V.C.3 of the General Section.

(1) Administrative Requirements, Cost Principles and Audit Requirements. Any Grantee must comply with 2 CFR part 200.

(2) Procurement Criteria to assemble the Choice Neighborhoods Grant Application. The procurement criteria of this regulation are not required to be followed for purposes of assembling a team of entities in response to this NOFA (i.e., Lead Applicant, Co-Applicant, and Principal Team Members). However, if the procurement criteria are not followed for purposes of assembling the team, then the grantee will be required to ensure compliance with the applicable procurement requirements for all expenditure of grant funds.

(3) Subgrant Agreements for Supportive Services. If awarded a Choice Neighborhoods grant, the grantee may enter into subgrant agreements with nonprofit entities or state or local governments for the performance of Supportive Services activities under the Transformation Plan. The grantee is not required to undertake a

competitive procurement under 2 CFR part 200, or any superseding guidance, to select a nonprofit or state or local government subgrantee.

#### 4. Criteria for Beneficiaries.

### IV. Application and Submission Information.

#### A. Obtaining an Application Package

An electronic copy of the Application Package and Application Instructions for this NOFA can be downloaded from Grants.gov at <http://www.grants.gov/applicants/apply-for-grants.html>. Except for Continuum of Care applications, or unless an applicant received a waiver for good cause, all applications must be submitted electronically via Grants.gov. The Continuum of Care application is submitted through HUD’s e-snaps system.

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 the applicant’s business offices are located. Applicants that cannot submit their applications electronically and must seek a waiver of the electronic grant submission requirements must submit a waiver request so that the request is received at least 15 days before the application deadline. If HUD waives the requirement, HUD must receive your paper application before the deadline of this NOFA. To request a waiver and receive a paper copy of the application materials, you should contact:

Choice Neighborhoods Program Office: [choiceneighborhoods@hud.gov](mailto:choiceneighborhoods@hud.gov)

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

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

To ensure that the correct Application Package and Application Instructions are used, applicants must verify that the CFDA Number and CFDA Description on the first page of the Application Package downloaded from Grants.gov, as well as the Funding Opportunity Title, and the Funding Opportunity Number match the Program and NOFA to which they are applying. Applications will only be considered for the competition indicated in box 11, 12, and 13 on the SF-424 submitted in the application.

##### 1. Content

Forms for your package include the forms outlined below:

| Forms / Assurances / Certifications                                 | Submission Requirement                            | Notes / Description                                       |
|---|---|---|
| FY16 Implementation Grant Application Table of Contents (HUD-53230) | All applicants should provide a table of contents |   |
| CN Certification of Severe Physical Distress (HUD-53232)            | All applicants must submit this form              |   |
| CN Application Information (HUD-53233)                              | All applicants must submit this form              | Please note there are multiple tabs in the Excel workbook |

|  |   |   |
|--|---|---|
| CN Unit Information (HUD-53234)                                      | All applicants must submit this form  | Please note there are multiple tabs in the Excel workbook |
| CN Implementation Grant Sizing Workbook (HUD-53235)                  | All applicants must submit this form  |   |
| CN Implementation Grants Budget (HUD-53236)                          | All applicants must submit this form  | Please note there are multiple tabs in the Excel workbook |
| Extraordinary Site Costs Certification (HUD-53237)                   | Provide this form, if applicable  |   |
| Previous Participation (HUD-2530)                                    | All applicants must submit this form as applicable for Lead or Co-Applicant and for Housing Implementation Entity |   |
| CN Implementation One-for-One Replacement Certification (HUD-53238)  | Provide this form, if applicable  |   |
| Consistency with Consolidated Plan (HUD-2991)                        | All applicants (except those that target Indian Housing) must provide this form                                   |   |
| Certification of Consistency with Sustainable Communities (HUD-2995) | Provide this form, if applicable  |   |
| CN Implementation Leverage Resource Cover Sheets (HUD-53239)         | All applicants must submit each cover sheet with the applicable leverage commitment letters                       |   |
| CN Inadequate Schools (HUD-53153)                                    | Provide this form, if applicable  |   |
| CN Resident & Community Involvement Certification (HUD-53231)        | All applicants must submit this form  |   |

|   |  |  |
|---|--|--|
| HUD Applicant Recipient Disclosure Report (HUD) 2880 Applicant/Recipient Disclosure/Update Report | HUD will provide instructions to grantees on how the form is to be submitted.  | HUD will provide instructions to grantees on how the form is to be submitted.  |
| Housing Choice Vouchers application (HUD-52515)   | Provide this form, if applicable   |  |
| Acknowledgment of Application Receipt (HUD2993), if applicable                                    | This form is applicable only to applications submitted on paper, following receipt of a waiver of electronic submission. | This form is not required but is available for applicants who want confirmation that their hard-copy application was received by HUD. The form must be submitted with the application, in accordance with the application submission instructions included in the waiver of electronic submission. |

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

### 1. Application Layout.

(1) The first part of your application will be comprised of narrative exhibits. Your narratives will respond to thresholds, rating factors, and other criteria in the NOFA, as indicated below.

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

(3) Use 8½ x 11-inch paper. If a larger size page is submitted, it will be counted as two pages (or more) when printed.

(4) All margins should be approximately one inch. If any margin is smaller than ¾ inch, the page will be counted as two pages.

(5) Use 12-point, Times New Roman font. If you use a smaller and/or different font, the page will be counted as two pages.

(6) Double-space your narrative pages. Single-spaced pages will be counted as two pages.

(7) Narrative pages must be numbered. HUD recommends that applicants consecutively number the pages of the attachments section to ensure proper assembly of their application if submitted.

(8) Any pages marked as sub-pages (e.g., with numbers and letters such as 75A, 75B, 75C), will be treated as separate pages.

(9) If a section is not applicable, indicate “N/A” so that there is a clear indication to HUD (do not just leave the section blank).

(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 use endnotes or footnotes.

(12) Do not format your narrative in columns. Pages with text in columns will be counted as two pages.

(13) Any tables included in the narrative exhibits of the application must also be double spaced or they

will be counted twice (i.e., if the table is single-spaced on one page, it will count against the page limit as two pages).

**2. Application Page Count.** HUD will only consider the information on any pages in excess of the limits for the purposes of reviewing for compliance with the Threshold Requirements. HUD will not consider the information on any excess pages for the purpose of scoring.

(1) **Narrative Exhibits.** Each Choice Neighborhoods application must contain no more than 105 pages of narrative exhibits. The suggested page length for each section is provided as a guide to applicants.

(2) **Attachments.** Each Choice Neighborhoods application must contain no more than 120 pages of attachments.

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

- (a) Additional pages submitted at the request of HUD in response to a technical deficiency.
- (b) Documentation required for the Key Eligibility Criteria (Attachments 5, 6, 9, 10, 11, and 12).
- (c) Maps of the city and neighborhood (Attachment 21).
- (d) Leverage documentation (Attachments 50, 51, 52, 53, 54, and 55).
- (e) Housing Choice Voucher Application (Attachment 59).
- (f) Standard Forms (Attachments 60, 61, and 62).
- (g) Blank/extra pages generated as part of standard forms.
- (h) Tabs/title pages that are blank or display a title/header/“n/a” indication.

**3. Format and Title Instructions.** In addition to instructions in section IV of the General Section, the following applies to Choice Neighborhoods applications. Each narrative exhibit and attachment should be contained in its own separate file in the application. Each file should contain one title page. Do NOT upload title pages in a separate file from the document that goes with it. HUD will use title pages as tabs when it downloads and prints the application. Provided the information on the title page is limited to the list in this section, the title pages will not be counted in the page limits. Each title page should only contain, in the following order:

- (a) The name of the narrative exhibit or attachment, as described below, e.g., “ExhAExecSummary”.
- (b) The name of the Lead Applicant; and
- (c) The name of the file that contains the narrative exhibit or attachment. **WARNING:** Applications that contain file names which are longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a “VirusDetect” message.

**4. Documentation Requirements.** Documentation requirements are provided throughout the “Threshold Requirements” section (III.C.1) and “Rating Factors” section (V.A) of this NOFA, as relevant. Applicants must carefully review and follow documentation requirements.

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

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

The following provides instructions on the organization and content of your application. It lists the narrative exhibits, attachments, and instructions for each, that are required as part of the application. All narrative exhibits and attachments (including forms) are required to be submitted in your application unless otherwise indicated. Please be advised that not providing required documentation, not providing information clearly and consistently, and/or not providing exhibits and attachments in accordance with the instructions and documentation requirements in this NOFA, may negatively impact HUD's ability to determine if your application meets Threshold Requirements or to score your application. This could result in a determination of threshold non-compliance or a lower score. HUD forms required by this NOFA will be made available at <http://www.grants.gov/>.

(1) **Table of Contents.** Use form provided (form HUD-53230).

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

(a) **Exhibit A – Executive Summary.** Provide an overall summary of the Transformation Plan proposed in your application, including summarizing the Housing, People, and Neighborhood components of your Transformation Plan. Identify the Lead Applicant, Co-Applicant(s) (if any), Principal Team Members (specifying the Housing Implementation Entity, People Implementation Entity, and Neighborhood Implementation Entity), and Principal Education Partner and describe their roles and how they will work together. Describe the basis of how the neighborhood boundaries were established. Please note that HUD reserves the right to ask applicants to provide evidence during the review process that the target neighborhood boundary is generally accepted. Identify the amount of Choice Neighborhoods grant funding you are requesting, the number and rationale for tenant protection vouchers you are requesting, the targeted public and/or assisted housing sites targeted and the neighborhood. (suggested 3 pages maximum)

(b) **Exhibit B – Threshold Requirements.** Some of the Threshold Requirements require a narrative response. Review and provide narrative responses for the following Threshold Requirements (suggested 3 pages maximum):

B.1 Partnership Narrative - Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any). Review and provide a narrative response to section III.C.1.c;

B.2 Separability. Review and provide a narrative response to section III.C.1.k.

(c) **Exhibit C – Capacity.** Review and provide a narrative response to section V.A.1.A. (suggested 17 pages maximum)

C.1 Overall Project Leadership Capacity of the Lead Applicant. Review and provide a narrative response to section V.A.1.A.1.

C.2 Capacity of Neighborhood Implementation Entity. Review and provide a narrative response to section V.A.1.A.2.

C.3 Capacity of Housing Implementation Entity. Review and provide a narrative response to section V.A.1.A.3.

C.4 Capacity of People Implementation Entity. Review and provide a narrative response to section V.A.1.A.4.

C.5 Capacity of Principal Education Partner. Review and provide a narrative response to section V.A.1.A.5.

C.6 Overall Community Involvement. Review and provide a narrative response to section V.A.1.A.6.

(d) **Exhibit D – Need.** Design Deficiencies. Review and provide a narrative response to section V.A.1.B.a(3). (suggested 2 pages maximum)

(e) **Exhibit E – Neighborhood Narrative.** Provide the narrative required in section V.A.1.C.a (suggested 9 pages maximum)

**(f) Exhibit F – Neighborhood Strategy.** Review and provide a narrative response to section V.A.1.C.b (suggested 14 pages maximum)

F.1 Overall Neighborhood Strategy. Review and provide a narrative response to section V.A.1.C.b(1).

F.2 Critical Community Improvements (CCI) Plan. Review and provide a narrative response to section V.A.1.C.b(2).

F.3 Public Safety Strategy. Review and provide a narrative response to section V.A.1.C.b(3).

F.4 Alignment with Existing Efforts. Review and provide a narrative response to section V.A.1.C.b(4).

**(g) Exhibit G – Housing Strategy.** Review and provide a narrative response to V.A.1.C.c. (suggested 11 pages maximum)

G.1 Overall Housing Strategy. Review and provide a narrative response to section V.A.1.C.c(1).

G.2 Mixed-Income Development. Review and provide a narrative response to section V.A.1.C.c(2).

G.3 Long-term Affordability. Review and provide a narrative response to section V.A.1.C.c(3).

G.4 Design. Review and provide a narrative response to section V.A.1.C.c(4).

G.5 Green Building. Review and provide a narrative response to section V.A.1.C.c(5).

**(h) Exhibit H – People Strategy.** Review and provide a narrative response to section V.A.1.C.d (suggested 27 pages maximum)

H.1 Resident Needs Assessment. Review and provide a narrative response to section V.A.1.C.d(1).

H.2 Supportive Services and Programs. Review and provide a narrative response to section V.A.1.C.d(2).

H.3 Case Management. Review and provide a narrative response to section V.A.1.C.d(3).

H.4 Supportive Services Sustainability. Review and provide a narrative response to section V.A.1.C.d(4).

H.5 Federally Qualified Health Center. Review and provide a narrative response to section V.A.1.C.d(5).

H.6 Education Strategy. Review and provide a narrative response to section V.A.1.C.d(6).

**(i) Exhibit I – Soundness of Approach.** Review and provide a narrative response to V.A.1.D. (suggested 16 pages maximum)

I.1 Planning Process. Review and provide a narrative response to section V.A.1.D.1.

I.2 Community Engagement. Review and provide a narrative response to section V.A.1.D.2.

I.3 Anchor Institution Engagement. Review and provide a narrative response to section V.A.1.D.3.

I.4 Organizational Framework for Implementation. Review and provide a narrative response to section V.A.1.D.4.

I.5 Evidence-based Decision Making. Review and provide a narrative response to section V.A.1.D.7.

I.6 Use of Data to Achieve Core Goals of the Transformation Plan. Review and provide a narrative response to section V.A.1.D.8.

**(j) Exhibit J - Priority Points.** Review and provide a narrative response to V.A.2. (suggested 3 pages maximum)

J.1 Promote Economic Development and Resilience.

J.2 Affirmatively Furthering Fair Housing.



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

Attachment 1: **Implementation Grants Key Eligibility Threshold Data Form.** Complete the form provided (form HUD-53233).

Attachment 2: **Existing Units, Occupancy, Vacancy.** Complete the form provided (form HUD-53234).

Attachment 3: **Planned Units.** Complete the form provided indicating the units included in the Housing component of your Transformation Plan (form HUD-53234).

Attachment 4: **RAD Certification.** If you are proposing a joint RAD application, provide a letter signed by the Executive Director and the Chair of the PHA Board of Commissioners identifying the housing project(s) and/or units to be placed on the RAD wait list.

Attachment 5: **Eligible Applicants Documentation**

(a) Nonprofits, if applicable. Review and respond to the Threshold Requirement in Section III.C.2.a(1) by providing the documentation required by that section.

(b) Certification for Multifamily Assisted Property Owners, if applicable. If the Lead Applicant is the owner of the assisted property that is the subject of the Choice Neighborhoods activity grant, the applicant is required to submit the Previous Participation Certification (form HUD-2530) as stated in Section III.A.1.b.

Attachment 6: **Partnership Certifications.** Review and respond to the Threshold Requirement in Section III.C.2.c by providing the documentation required in that section.

Attachment 7: **Consistency with PHA/MTW Plan.** Review and respond to Threshold Requirement in Section III.C.2.g by providing the documentation required under that section, if applicable.

Attachment 8: **Consistency with Consolidated Plan or Indian Housing Plan.** Review and respond to the Threshold Requirement in Section III.C.2.h by including form HUD-2991 or tribal resolution.

Attachment 9: **Eligible Target Housing Documentation – Severe Distress of Targeted Project Certification.** Review and respond to the eligibility requirement in Section III.A.2 by completing the form provided (form HUD-53232).

Attachment 10: **Eligible Neighborhoods Documentation – Eligible Neighborhoods Data.** Review and respond to the Threshold Requirement in Section III.C.2.c by providing the pdf received via email from using the mapping tool provided on the FY2016 NOFA and Funding Information page of the Choice Neighborhoods website ([www.hud.gov/cn](http://www.hud.gov/cn)).

Attachment 11: **Eligible Neighborhoods Documentation – Substandard Housing Documentation,** as applicable. If you are demonstrating compliance with the Eligible Neighborhoods Threshold Requirement in Section III.A.3 through the substandard housing criterion, documentation demonstrating substandard housing must be provided in this attachment.

Attachment 12: **Eligible Neighborhoods Documentation - Inadequate School Documentation,** as applicable. If you are demonstrating compliance with the Eligible Neighborhoods Threshold Requirement in Section III.A.3 through the inadequate school criterion, provide the school form (form HUD-53153) and supporting documentation from the local school district or state education agency. Supporting documentation may be either a letter from the entity or published data. If providing the latter, the source must be identifiable.

Attachment 13: **Local Government or Tribe Support.** Provide the documentation required in Section III.C.2.m.

Attachment 14: **One-for-One Replacement Certification.** Review and respond to the Threshold Requirement in Section III.C.2.i by including the certification form provided (form HUD-53238).

Attachment 15: **Resident and Community Involvement Certification.** Review and respond to the

Threshold Requirement in Section III.C.2.j by including the assurance form provided (form HUD-53231).

Attachment 16: **Grant Sizing Worksheet.** Review the Program Requirements in Section III.C.3 and Funding Restrictions in Section IV.D. Complete and provide the entire form provided (form HUD-53235).

Attachment 17: **Extraordinary Site Costs Certification.** Review Section III.C.3 and Funding Restrictions in Section IV.D to determine if this attachment applies to you. If applicable, complete the form provided (form HUD-53237).

Attachment 18: **Choice Neighborhoods Budget Form.** Complete the form provided (form HUD-53236) and only include Choice Neighborhoods funds.

Attachment 19: **CCI Budget and Leverage.** Include a chart in response to the rating factor in Section V.A.1.C.b(2).

Attachment 20: **Housing Sources and Uses.** Include 1) an overall Sources and Uses for the entire housing development plan and 2) a phase-by-phase break out. If there is both construction period financing and permanent financing, submit the sources and uses for both. The chart should show the intended use for each source (e.g. have separate columns for each source). It should also indicate (e.g. by highlighting, underlining or putting in bold font) which funding is firmly committed (i.e. the funding for which you have included documentation for the leverage rating factors). The budget should be based upon a construction cost estimate performed by a general contractor or professional cost estimator with itemized sources of funds to cover costs.

Attachment 21: **City and Neighborhood Maps.** Provide to-scale city and neighborhood maps that clearly labels the items listed below following in the context of existing city streets, the central business district, other key city and neighborhood sites, and census tracts. 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 10. Because the City and Neighborhood Maps provide essential context for HUD reviewers, it is essential that applicants provide maps that are readable, at a reasonable scale, and clearly label the key information below:

- (a) the existing housing project and eligible neighborhood;
- (b) replacement neighborhoods, if any;
- (c) off-site properties, if any;
- (d) other subsidized housing;
- (e) neighborhood assets;
- (f) job centers and applicable transportation connections (highways, streets, bus/rail transit service, bike and pedestrian facilities) from the neighborhood to these job centers;
- (g) Promise Zones, Promise Neighborhoods, and Byrne Criminal Justice Grant neighborhood boundaries, if applicable; and
- (h) other useful information to place the project in the context of the city, county/parish, or municipality, and other revitalization activity underway or planned.

Attachment 22: **Photographs.** Please provide photographs of the housing development and the neighborhood, especially photos of the areas immediately surrounding the development.

Attachment 23: **Location of Housing Documentation/Map.** Review and respond to the Threshold Requirement in Section III.C.2.f by providing the documentation required by that section. The map required can either be a map provided in Attachment 21 (if it clearly labels each housing site) or a separate map that only highlights the target neighborhood boundaries and housing location(s).

Attachment 24: **Neighborhood Investment Map.** Provide a to-scale city and neighborhood map(s) that clearly labels the items listed below in the context of existing city streets:

- (a) Proposed housing development/s;
- (b) Planned CCI projects;
- (c) Neighborhood investments described the application and
- (d) Identification of any applicable designated TIF, redevelopment, or other legally designated revitalization area.

Attachment 25: **Site Control for Target and Replacement Housing Sites to Be Developed by the Housing Implementation Entity.** Review and respond to the Threshold Requirement in Section III.C.2.e by providing the documentation required by that section.

Attachment 26: **Capacity – Lead Applicant Documentation.** This attachment may be used, if needed, to provide any additional support for your narrative response to Section V.A.1.A.1.

Attachment 27: **Capacity – Neighborhood Implementation Entity Documentation.** This attachment may be used, if needed, to provide any additional support for your narrative response to Section V.A.1.A.2.

Attachment 28: **Capacity – Housing Implementation Entity Documentation.** This attachment may be used, if needed, to provide any additional support for your narrative response to Section V.A.1.A.3.

Attachment 29: **Capacity – People Implementation Entity Documentation.** This attachment may be used, if needed, to provide any additional support for your narrative response to Section V.A.1.A.4.

Attachment 30: **Capacity – Principal Education Partner Documentation.** This attachment may be used, if needed, to provide any additional support for your narrative response to Section V.A.1.A.5.

Attachment 31: **Capacity – Overall Community Involvement Documentation.** This attachment may be used, if needed, to provide any additional support for your narrative response to Section V.A.1.A.6.

Attachment 32: **Capacity - References.** Review and respond to the rating factor in Section V.A.1.A.8.

Attachment 33: **Need – Rehabilitation Cost Estimate from PNA.** Review and respond to the rating factor in Section V.A.1.B.a(1).

Attachment 34: **Need – Structural Deficiencies Documentation.** Review and respond to the rating factor in Section V.A.1.B.a(2) by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

Attachment 35: **Need – Design Deficiencies Documentation.** Review and respond to the rating factor in Section V.A.1.B.a(3) by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

Attachment 36: **Need – Part I Violent Crimes Documentation.** Review and respond to the rating factor in Section V.A.1.B.b(3) by providing the documentation identified in that section. This documentation may also be used by HUD in order to assess compliance with the Eligible Neighborhoods Threshold Requirement.

Attachment 37: **Market Analysis.** Provide a summary of the market analysis conducted that supports the information provided in the neighborhood narrative required in Section V.A.1.C.a.

Attachment 38: **LEED for Neighborhood Development Documentation.** Review and respond to Rating Factor in Section V.A.1.C.b(5).

Attachment 39: **Current Site Plan.** The Current Site Plan shows and clearly labels the targeted housing site's various buildings. Previously demolished buildings should be shown and labeled as such. Label all uses and buildings that adjoin the existing development.

Attachment 40: **Conceptual Site Plan Design.** Review and respond to the rating factor in Section V.A.1.C.c(4) by providing a conceptual site plan. The Conceptual Site Plan shows and clearly labels the

layout of the proposed site plan post-transformation, indicating where your plan's proposed construction and rehabilitation activities will take place and any planned acquisition of adjacent property and/or buildings.

Attachment 41: **Building Elevations.** Provide elevation drawings for proposed new construction or rehabilitation in response to Rating Factor V.A.1.C.c(4).

Attachment 42: **Schematic Drawings.** Provide sample schematic drawings for proposed new construction or rehabilitation in response to Rating Factor V.A.1.C.c(4).

Attachment 43: **Documentation for Green Development and Energy Efficiency Strategies,** if any. Provide any necessary documents in response to Rating Factor in Section V.A.1.C.c(5).

Attachment 44: **Land Use Approvals.** Review and respond to Rating Factor in Section V.A.1.C.c(6).

Attachment 45: **Federally Qualified Health Center.** Provide the documentation required in Rating Factor in Section V.A.1.C.d(5).

Attachment 46: **Anchor Institution Engagement.** Provide documentation required in Rating Factor in Section V.A.1.D.3, if not otherwise included in an attachment related to the Leverage rating factors.

Attachment 47: **Organizational Chart.** Provide an organizational chart(s) in relation to Rating Factor in Section V.A.1.D.4.

Attachment 48: **Program Schedule.** Review and respond to Rating Factor in Section V.A.1.D.6.

Attachment 49: **Evidence-based Decision Making.** Provide documentation related to Rating Factor in Section V.A.1.D.7, as applicable.

Attachment 50: **Community Development Block Grant Leverage Documentation.** Review and respond to Rating Factor in Section V.A.1.C.b(6)(a).

Attachment 51: **CCI Leverage Documentation.** Review and respond to Rating Factor in Section V.A.1.C.b(6)(b). Include cover sheet provided in form HUD-53239.

Attachment 52: **Neighborhood Investment Documentation.** Review and respond to Rating Factor in Section V.A.1.C.b(6)(c). Include cover sheet provided in form HUD-53239.

Attachment 53: **Housing Leverage Documentation.** Review and respond to Rating Factor in Section V.A.1.C.c(8). Include cover sheet provided in form HUD-53239.

Attachment 54: **Supportive Services Sustainability,** if any. Review and respond to Rating Factor in Section V.A.1.C.d(4). Include cover sheet provided in form HUD-53239 if providing leverage documentation.

Attachment 55: **People Leverage Documentation.** Review and respond to Rating Factor in Section V.A.1.C.d(7). Include cover sheet provided in form HUD-53239.

Attachment 56: **Promote Economic Development and Economic Resilience.** Review and respond to the Rating Factor in Section V.A.2. Provide documentation required.

Attachment 57: **Preferred Sustainable Status Certification,** if applicable. Review and respond to Rating Factor in Section V.A.3 by providing a completed form HUD-2995 as instructed in section V.A.1.b of the General Section.

Attachment 58: **Promise Zones Engagement.** Provide documentation required to Rating Factor in Section V.A.3.

Attachment 59: **Housing Choice Voucher Application.** Housing Choice Voucher (HCV) assistance is available from the tenant protection voucher fund to successful applicants that receive the Implementation Grant awards. The dollar amount of HCV assistance is in addition to the award amount and will be based upon resident relocation needs. Applicants must prepare their HCV assistance applications for the targeted

project in accordance with the requirements of Notice PIH 2007-10 (and any reinstatement of or successor to that Notice) and submit it in its entirety (not just form HUD- 52515) with this Choice Neighborhoods Application. HUD will process the HCV assistance applications for Choice Neighborhoods grantees. If you are not funded by this NOFA, the HCV application will not be processed. The notice can be found on the Internet at [http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_11380.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11380.pdf). If funds are not available from the tenant protection voucher fund, HUD may use Choice Neighborhoods funds to fund vouchers for grantees and may, specifically, adjust the grant award amount for any or all applications in order to provide tenant protection vouchers to grantees.

**Standard Forms.** The Lead Applicant must be the signatory for these forms.

- (i) Attachment 60: **Application for Federal Assistance** (SF-424).
- (ii) Attachment 61: **Disclosure of Lobbying Activities** (SF-LLL), if applicable. If this form does not apply, indicate that (e.g., writing “N/A”) on the form and submit it.
- (iii) Attachment 62: **Applicant/Recipient Disclosure/Update Report** (form HUD-2880) (“HUD Applicant Recipient h your application. Disclosure Report”).

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

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

Applicants must be registered with SAM before submitting their application. In addition, applicants must continue to maintain an active SAM registration with current information at all times during which 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 in their application. DUNS numbers may be obtained for free at <http://fedgov.dnb.com/webform>.

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

The application deadline is 11:59:59 p.m. Eastern time on **06/28/2016**. 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 or you are applying for the Continuum of Care program. The Continuum of Care application is submitted through HUD’s e-snaps system. Instructions for submitting your application to Grants.gov are contained within the Application Package you downloaded from Grants.gov. Instructions for submitting your paper application will be contained in the waiver of electronic submission.

Your application must be both **received and validated** by Grants.gov. Your application is “received” when Grants.gov provides you a confirmation of receipt and an application tracking number. **If you do not see this confirmation and tracking number, your application has not been received.**

After your application has been received, your application still must be validated by Grants.gov. During this process, your application may be “validated” or “rejected with errors.” To know whether your application was rejected with errors and the reason(s) why, you must log into Grants.gov, select “Applicants” from the top navigation, and select “Track my application” from the drop-down list. If the status is “rejected with errors,” you have the option to correct the error(s) and resubmit your application before the Grace Period ends. **If your application was “rejected with errors” and you do not correct these errors, Grants.gov**

**will not send your application to HUD, and HUD will not review your application.** If your status is “validated” your application will be forwarded to HUD by Grants.gov.

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

Before the submission deadline, applicants who choose to amend an application that has been validated by Grants.gov may resubmit a revised application containing the new or changed material. The resubmitted application must be received by the applicable deadline.

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

If an application is received by Grants.gov before the deadline, but is rejected with errors, applicants have a grace period of 24 hours beyond the application deadline to submit a corrected application that is received and validated by Grants.gov. Any application submitted during the grace period that does not meet the criteria above will not be considered for funding. There is no grace period for paper applications.

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

An application received after the Program NOFA deadline date that does not meet the requirements of the grace period policy will be marked late, and will not be considered for funding.

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

Except as provided by the electronic submission grace period described in this notice, HUD may not consider any unsolicited information that applicants may want to provide after the application deadline. (Refer to 24 CFR part 4, subpart B.) In addition, HUD may not seek clarification of items or responses that improve the substantive quality of an applicant’s response to any rating factors or which correct deficiencies which are in whole or part of a rating factor, including items that impact bonus points. HUD may contact the applicant to clarify other items in its application. In order not to unreasonably exclude applications from being rated and ranked in situations where there are curable deficiencies, HUD will notify applicants of each technical deficiency and will do so on a uniform basis.

If HUD finds a curable deficiency in an application, HUD will notify the applicant by email describing the clarification or technical deficiency. HUD will send an email to the person designated in item 8F of the SF424 and to the person listed as the authorized representative in item 21 of the SF424. Both email notifications will be sent from HUD with confirmation of delivery receipt requested. The email notifications will be the official notification of the need to cure a technical deficiency. It is the responsibility of applicants to provide accurate email addresses for receipt of these notifications and to monitor their email accounts to determine whether a cure letter has been received. The applicant must carefully review the request for cure of a technical deficiency and must provide the response in accordance with the instructions contained in the deficiency notification.

Clarifications or corrections of technical deficiencies must be received by HUD within the time limits specified in the notification. In no case shall the time allowed to correct deficiencies exceed 14 calendar days or be less than 48 hours from the date of the email notification. The start of the cure period will be the date stamp on the email HUD sends to the applicant. If the deficiency cure deadline date falls on a Saturday, Sunday, federal holiday, or other day when HUD’s Headquarters offices in Washington, DC, are closed, then the applicant’s correction must be received on the next day that is not a Saturday, Sunday, or federal holiday, or other day when the HUD’s Headquarters offices in Washington, DC, are closed.

Curable deficiency items must be submitted via email addressed to [ApplicationSupport@hud.gov](mailto:ApplicationSupport@hud.gov). When submitting technical deficiency cure items you must enter “Technical Cure” plus the Grants.gov application tracking number in the subject line of the email (e.g., Subject: Technical Cure - GRANT123456). If this information is not included, HUD will not be able to match the response to the application under review and the application may therefore be rejected due to the deficiency.

Corrections to a paper application should 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 that contains the wrong DUNS number as having a technical 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.

## **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 FY2016 must be obligated by HUD on or before September 30, 2018. HUD will make sure to comply with obligation requirements for funds appropriated for the Choice Neighborhoods program. Any funds that are not obligated by their respective dates 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 FY2016 Choice Neighborhoods funds expire on September 30, 2023. Grantees must also comply with expenditure dates established for any other funding included in the grant award. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose. HUD reserves the right, however, to require an earlier expenditure deadline under a Grant Agreement.

### **2. Ineligible Activities.**

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

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

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

d. Not more than 15 percent of funds may be used for Supportive Services, as defined in Section I.A.4.

e. Not more than 15 percent of funds may be used for Critical Community Improvements, as defined in Section I.A.4.

**3. Grant Sizing Methodology.** HUD has established the following methodology for the purposes of establishing the maximum amount of Choice Neighborhoods Implementation Grant funding that you may request. You may request the lesser of \$30,000,000 or the amount calculated in accordance with the methodology below. The formula calculates a development cost for the replacement housing units to be developed in the Transformation Plan and allows for additional funding for non-development activities.

a. To establish the replacement housing unit development cost, HUD will use the Total Development Cost limits (TDC Limit) in effect at the time this Choice Neighborhoods NOFA is published (currently posted on May 8, 2015 in accordance with PIH Notice 2011-38) as a proxy for the costs of all types of replacement housing units. Note: The TDC limit, as defined at 24 CFR 905.314, refers to the maximum amount of public housing capital assistance that HUD will approve for development of public housing. It applies only to the costs of development of public housing that are paid directly with HUD public housing funds; a PHA may exceed the TDC limit using non-public housing funds such as CDBG, HOME, low-income housing tax

credit equity, etc.

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

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

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

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

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

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

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

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

(d) Extraordinary Site Costs.

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

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

## **b. Funding for Non-Housing Activities.**

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

(b) **Certain Critical Community Improvements.** You may request an amount not to exceed 15 percent of the total Choice Neighborhoods grant to pay the costs of non-replacement housing capital costs as



described in the definition for CCI (i.e. activities to promote economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources).

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

- a. Your hard development costs must be realistically developed through the use of technically competent methodologies, including cost estimating services, and should be comparable to industry standards for the kind of construction to be performed in the proposed geographic area.
- b. Your cost estimates must represent an economically viable preliminary plan for designing, planning, and carrying out your proposed activities, in accordance with local costs of labor, materials, and services.
- c. Your projected soft costs must be reasonable and comparable to industry standards and in accordance with the applicable policy, statute and/or regulations.
- d. HUD shall establish cost limits on eligible activities under this NOFA sufficient to provide for effective transformation programs.

**5. Grant Reduction or Recapture.** If you are selected for funding, and if you propose to make significant changes to your transformation plan, compared to what was presented in this application, HUD reserves the right to amend the award and reduce the amount or recapture 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 their award. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for Choice Neighborhoods assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Choice Neighborhoods plan of the original grantee.

#### **Indirect Cost Rate**

Statutory or Regulatory Restrictions Apply

Grantees may only use grant funds to pay for administrative costs directly related to carrying out grant activities.

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

##### **1. Discrepancies between the NOFA on Grants.gov and Other Documents.**

The Program NOFA posted at the Grants.gov website is the official document HUD uses to solicit applications. Applicants are advised to review their application submission against the requirements in the posted Program NOFA. If there is a discrepancy between the Program NOFA posted on Grants.gov and other information provided in any other copy or version or supporting documentation, the posted Program NOFA located at [www.Grants.gov](http://www.Grants.gov) prevails. If discrepancies are found, please notify HUD immediately by calling the program contact listed in the Program NOFA. HUD will post any corrections or changes to a Program NOFA on the Grants.gov website. Applicants who enroll an email address at the application download page will receive an e-mail alert from Grants.gov in the event the opportunity is changed.

##### **2. Application Certifications and Assurances.**

Applicants signing the SF424 cover page either through electronic submission or in paper copy submission (for those granted a waiver) affirm that the certifications and assurances associated with the application are material representations of the facts upon which HUD will rely when making an award to the applicant. If it is later determined that the signatory to the application submission knowingly made a false certification or

assurance or did not have the authority to make a legally binding commitment for the applicant, the applicant may be subject to criminal prosecution, and 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.

### **3. 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)).

### **4. Indirect Cost Rate (ICR)**

If you are a governmental organization or agency that receives more than \$35 million in federal funding, you are required to request an Indirect Cost Rate from your cognizant agency (2 CFR 200 Appendix VII). If you have not requested an indirect cost rate or have not received a negotiated indirect cost rate, you may not claim indirect costs until you receive a negotiated rate.

Non-governmental organizations: If your organization has never had an indirect cost rate and wishes to use the *de minimis* rate, your application's budget narrative must clearly state you intend to use the *de minimis* 10% of Modified Total Direct Costs (MTDC). If you are using a negotiated indirect cost rate, your application must clearly state the approved rate and distribution base and include a letter or other documentation from the cognizant agency showing the approved rate.

Governmental organizations: If your organization has a negotiated indirect cost rate, your application's budget narrative must include the rate and a letter or other documentation from the cognizant agency showing the negotiated rate. If your organization has prepared and maintains documentation supporting an indirect rate proposal but has not negotiated approval of the rate, your application's budget narrative must include the rate and applicable distribution base. State and local government departments that have never negotiated indirect cost rates with the Federal government and receive less than \$35 million in direct Federal funding per year may use the 10% *de minimis* indirect cost rate, and must keep the documentation of this decision on file. Federally recognized Indian tribes that have never negotiated an indirect cost rate with the Federal government may also use the 10% *de minimis* rate and must keep the documentation of this decision on file.

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

### **A. Review Criteria.**

#### **1. Rating Factors**

Applications, and Transformation Plans proposed in them, must respond to the rating factor criteria of the NOFA as the basis to be rated and ranked. Applicants must review and follow many documentation requirements provided in this Rating Factor Section and the instructions on application organization, content and submission provided in Section IV.B.

#### **Scoring Summary**

|                 |   |    |
|-----------------|---|----|
| <b>Capacity</b> | Overall Project Leadership Capacity of the Lead Applicant | 8  |
|                 | Capacity of Neighborhood Implementation Entity            | 8  |
|                 | Capacity of Housing Implementation Entity                 | 8  |
|                 | Capacity of People Implementation Entity                  | 6  |
|                 | Capacity of Principal Education Partner                   | 3  |
|                 | Community Involvement                                     | 4  |
|                 | subtotal  | 37 |

|             |  |    |
|-------------|--|----|
| <b>Need</b> | <i>Unit Distress</i>                         |    |
|             | Current Rehabilitation Costs                 | 3  |
|             | Structural Deficiencies                      | 4  |
|             | Design Deficiencies                          | 4  |
|             | <i>Neighborhood Distress</i>                 |    |
|             | Poverty/ELI                                  | 4  |
|             | Long-term Vacancy or Substandard Homes       | 2  |
|             | Part I Violent Crime                         | 4  |
|             | Need for affordable housing in the community | 1  |
|             | subtotal                                     | 22 |

|                                |  |    |
|--------------------------------|--|----|
| <b>Strategy - Neighborhood</b> | Overall Neighborhood Transformation Strategy | 6  |
|                                | CCI Plan                                     | 5  |
|                                | Public Safety Strategy                       | 3  |
|                                | Public Safety - Byrne Grant                  | 2  |
|                                | Alignment with Existing Efforts              | 4  |
|                                | LEED-ND                                      | 2  |
|                                | Leverage - CDBG                              | 2  |
|                                | Leverage - CCI                               | 4  |
|                                | Leverage - Neighborhood Investment           | 4  |
|                                | subtotal                                     | 32 |

|                           |                          |   |
|---------------------------|--------------------------|---|
| <b>Strategy - Housing</b> | Overall Housing Strategy | 6 |
|                           | Mixed-income Development | 5 |

|  |                                |    |
|--|--------------------------------|----|
|  | Long-term Affordability        | 2  |
|  | Design                         | 5  |
|  | Green Building                 | 3  |
|  | Land Use Approvals             | 3  |
|  | Financial Feasibility          | 4  |
|  | Leverage - Housing Development | 6  |
|  | subtotal                       | 34 |

|                          |   |    |
|--------------------------|---|----|
| <b>Strategy - People</b> | Resident Needs Survey and Results       | 2  |
|                          | Supportive Services and Programs        | 6  |
|                          | Case Management                         | 4  |
|                          | Supportive Services Sustainability      | 2  |
|                          | Federally Qualified Health Center       | 1  |
|                          | Education - Early Learning              | 3  |
|                          | Education - Schools                     | 3  |
|                          | Education - Promise Neighborhoods Grant | 2  |
|                          | Leverage                                | 5  |
|                          | subtotal                                | 28 |

|                              |   |    |
|------------------------------|---|----|
| <b>Soundness of Approach</b> | Planning Process                            | 3  |
|                              | Community Engagement                        | 3  |
|                              | Anchor Institution Engagement               | 2  |
|                              | Organizational Framework for Implementation | 4  |
|                              | Project Readiness                           | 3  |
|                              | Program Schedule                            | 2  |
|                              | Evidence-based Decision Making              | 4  |
|                              | Use of Data to Achieve Core Goals           | 3  |
|                              | Impact of the Transformation Plan           | 12 |
|                              | subtotal                                    | 36 |

|                        |  |   |
|------------------------|--|---|
| <b>Priority Points</b> | Promote Economic Development and Economic Resilience | 2 |
|                        | Affirmatively Further Fair Housing                   | 2 |
|                        | subtotal   | 4 |

|              |                                    |     |
|--------------|------------------------------------|-----|
| Bonus Points | Preferred Sustainability Status OR | 2   |
|              | Promise Zones                      | 2   |
| TOTAL        |                                    | 195 |

## A. CAPACITY

Maximum Points: 37

**1. Overall Project Leadership Capacity of the Lead Applicant** – 8 points. You, the Lead Applicant, must demonstrate how well you managed the implementation of a comprehensive neighborhood transformation plan that included strategies to improve outcomes for Neighborhood, People and Housing, and was similar in scope and complexity to what is proposed in this grant application. Please provide two examples of comprehensive neighborhood transformation projects that you led (this rating factor looks at the capacity of ONLY the Lead Applicant). One of your examples may be a project that is still underway, as long as implementation activities are substantially underway and measurable outcomes have already been realized. You may demonstrate this rating factor through narrative description, charts, and other documentation. Each example is worth up to four points. For each example, up to three points will be earned if you describe how you led the effort with other parties, and how those efforts led to positive, measurable outcomes. One point per example will be earned if you demonstrate you have effectively secured, leveraged, and coordinated multiple funding streams from private and public sources as part of the effort.

**2. Capacity of Neighborhood Implementation Entity** – 8 points. You must demonstrate that the Neighborhood Implementation Entity (you or the entity you have selected to implement the Neighborhood component of your proposed Transformation Plan) has effectively led neighborhood-level planning, coordination, and implementation activities comparable in scope to the Neighborhood component of your proposed Transformation Plan, that have resulted in positive outcomes aligned with the Neighborhood goal of Choice Neighborhoods. This rating factor looks only at the capacity of the Neighborhood Implementation Entity. Please provide two examples of neighborhood-level planning, coordination, and implementation of activities in which the Neighborhood Implementation Entity directly undertook substantial leadership activities or had a leadership role in a coordinating council, board or equivalent entity empowered through a substantive community process to affect neighborhood transformation and revitalization. Each example is worth up to four points. One of your examples may be a project that is still underway, as long as implementation activities have been initiated and measurable outcomes have already been realized.

For each example, up to three points may be earned if you identify the Neighborhood Implementation Entity's role in the project and demonstrate that it effectively and substantially contributed to moving a neighborhood of distress toward a neighborhood of opportunity. You may demonstrate this by showing that private capital has begun to be reinvested back into the neighborhood and key amenities are available, describing how the entity led the development of a shared plan and outcomes with other participating parties and the improvement of a range of neighborhood assets and sustained these improvements over time. One point per example will be earned by demonstrating that it effectively secured and integrated a range of public and private funding sources in support of neighborhood planning, coordination, and implementation activities (i.e. identify all major funding sources and amounts), and identifying achieved

outcomes. You may respond to these rating factors through narrative description, charts, and other documentation.

**3. Capacity of Housing Implementation Entity – 8 points.** You must demonstrate that the Housing Implementation Entity (you or the entity you have selected to implement the Housing component of your proposed Transformation Plan) has effectively implemented mixed-income housing activities, including both affordable and market rate housing, comparable in scope and complexity to the Housing component of your proposed Transformation Plan that have resulted in positive outcomes aligned with the Housing goal of Choice Neighborhoods. This rating factor looks ONLY at the capacity of the Housing Implementation Entity. Please provide two detailed examples of completed, comparable housing development projects in which the Housing Implementation Entity had primary responsibility for implementing day-to-day development (including securing financing and providing completion and long-term operating guarantees) and performing ongoing asset management activities. If the Housing Implementation Entity is a joint venture, provide at least one example for each member that is representative of its role in the Housing component of this Transformation Plan. HUD will weigh the points based on the proportion of responsibility each member has (e.g. if one member of the joint venture will be responsible for most of the housing, the example(s) demonstrating that entity's capacity will carry more weight in assigning points under this rating factor). You must also include the most recent filing of the Previous Participation Certification form (HUD-2530) from the Housing Implementation Entity.

In the examples, you must identify the Housing Implementation Entity's role in each project. Up to six points will be awarded if you demonstrate that it effectively developed, newly constructed, rehabilitated, and/or acquired, high-quality, energy efficient, accessible, housing that resulted in significant improvements in the quality, affordability, and income mix of housing in a neighborhood, and that it effectively managed the units either on its own or through a property management firm it directed. Up to two points will be earned by demonstrating that it effectively secured and leveraged significant funding streams from a range of public and private sources (i.e. identify all major sources and amounts of financing).

**4. Capacity of People Implementation Entity – 6 points.** You must demonstrate that the People Implementation Entity (you or the entity you have selected to lead implementation of the People component of your proposed Transformation Plan) has effectively implemented supportive services coordination and program design activities comparable in scope to the People component of your proposed Transformation Plan that have resulted in positive outcomes aligned with the People goal of Choice Neighborhoods. This rating factor looks only at the capacity of the People Implementation Entity. Please provide one example of a comparable supportive services coordination initiatives in which the People Implementation Entity had primary responsibility for implementing day-to-day services coordination and program design. Your example may be an initiative that is still underway, as long as supportive service activities have been initiated and measurable outcomes have already been realized. The example is worth six points.

In the example, you must identify the People Implementation Entity's role in the initiative and include achievements in the areas described below. You may respond to these rating factors through narrative description, charts, and other documentation. Up to five points will available if you must demonstrate that the People Implementation Entity effectively coordinated the corresponding services from a diverse set of partner organizations, including creating and managing the supportive services strategy and providing wraparound services; effectively improved resident well-being and/or quality of life across targeted populations (please identify the populations served) for key indicators in response to particular needs that were identified, such as access to prenatal health care, number of children enrolled in effective early learning programs, or improvements in employment rates; and how successful service strategies were sustained and/or expanded over time. One point will be earned if you demonstrate how the People Implementation Entity effectively secured and integrated a range of public and private funding sources through leverage.

**5. Capacity of Principal Education Partner** – 3 points. You must demonstrate that the Principal Education Partner (you or the entity you have selected to implement the education strategy proposed in your Transformation Plan) has effectively implemented education program coordination and reforms comparable in scope to the education strategy proposed in your Transformation Plan that have resulted in improved academic and developmental outcomes for children and youth. This rating factor looks only at the capacity of the Principal Education Partner. You may demonstrate this rating factor through narrative description, charts, and other documentation. To earn full points, you must identify the Principal Education Partner’s role in the project and demonstrate success in improving access to high quality education programs and in achieving academic and developmental and outcomes for children in a neighborhood, with measurable and significant results achieved on its own or by partnering with local educators. The examples you use to demonstrate success should cover one or more of the following areas:

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

(2) High quality K-12 education programs that have produced measurable results, 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.

(3) 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.

**6. Overall Community Involvement** – 4 points. Please provide a detailed description of the planning process and how it was driven by the community, as well as your team’s role in developing the plans implemented, using only the examples of prior experience provided above. You may respond to this rating factor through narrative description, charts, and other documentation. HUD will evaluate your application based on the extent to which it demonstrates that you, your Co-Applicant and Principal Team Member(s) effectively promoted the community in driving project planning and implementation, including public and/or assisted housing residents, community and faith-based groups, local businesses, and organizations that are broadly representative of resident needs for each of the Housing, People, and Neighborhood examples.

**7. Past Performance.** In accordance with Section V.D.4 of the FY2016 General Section, the Department will take into account an applicant’s past performance and may elect to deduct points from rating scores.

If the Lead Applicant, Co-Applicant, or Principal Team Members are recipients or principal partners of past HOPE VI or Choice Neighborhoods Planning or Implementation Grants, HUD may consider the following when evaluating past performance:

(1) The timely submission and quality of deliverables provided to the Department, including Transformation Plans, development proposals, supportive services plans, quarterly data reports, budgets and schedules;

(2) Ability to account for funds appropriately;

(3) The timely use of funds received from the Department;

(4) Meeting performance targets, key deadlines, or other performance evaluation tools approved as part of a grant agreement, including unit production, improved outcomes for residents and in the neighborhood;

(5) Receipt of promised matching and or leveraged funds; and

(6) A reduction in the number of persons served or targeted for assistance.

**8. References.** You must provide one reference for each example of a past project identified throughout this Capacity section. You must, therefore, provide one reference for each of the two examples of the

Lead Applicant’s experience leading comprehensive neighborhood revitalization efforts and one reference for each of the examples of the Lead Applicant’s, the Co-Applicant’s or the Principal Team Member’s experience implementing the Housing, People, and Neighborhood activities. Each reference should be a significant financial funder, local governmental official, or resident or community organization directly involved in the project. Each reference should include a contact name and title, organization, address, phone number and email address so that HUD may verify the information you provided. To receive full points in each of the above Capacity rating factors, your references, if contacted, must be able to affirm the information you provided. Please provide only a list of references as described above. Letters of support will not be accepted as references.

**B. NEED**

**Maximum Points: 22**

**a. 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 Implementation Grant. You will receive points for the following subfactors, as indicated.

(1) **Current Rehabilitation Costs** – 3 points. You may receive up to 3 points based on the estimated cost to rehabilitate the units as determined by a Physical Needs Assessment (PNA, as defined in section I.A.4) that has been conducted within the last three years for the target public and/or assisted housing project(s). You must provide a copy of the applicable excerpt from the PNA report, which is dated and identifies the author, showing the total estimated current rehabilitation costs for all units (these are immediate costs, not a multi-year lifecycle projection). The copy or your narrative must clearly label this number as the total estimated current rehabilitation costs for all units. 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. If this application is for more than one public and/or assisted housing project, a PNA excerpt must be submitted for each site. 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 941.306, in effect at the time this NOFA is published (currently posted on May 8, 2015 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, HUD will calculate a weighted average of the rehab costs relative to the applicable TDC limit 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, you will receive full points if you submit a copy of HUD’s letter approving the demolition. If the targeted units are Indian Housing that have been demolished, you will receive full points if you submit a copy of the written notification of demolition provided to HUD in accordance with 24 CFR 1000.134. Points will be awarded based on the following table:

| Estimated Rehabilitation Needs as Percent of TDC | Points Awarded |
|--|----------------|
| At least 55 percent                              | 3              |
| Between 45.00 and 54.99 percent                  | 2              |
| Between 35.00 and 44.99 percent                  | 1              |
| Less than 35 percent                             | 0              |



(2) **Structural Deficiencies** – 4 points. You may receive up to 4 points if your application demonstrates significant deficiencies in the 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 demolition of the targeted units you will receive full points if you submit a copy of HUD’s letter approving the demolition. If the targeted units are Indian Housing that have been demolished, you will receive full points if you submit a copy of the written notification of demolition provided to HUD in accordance with 24 CFR1000.134. 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 your 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.

(3) **Design Deficiencies** – 4 points. You may receive up to 4 points if your application 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 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) inaccessibility for persons with disabilities with regard to individual units (i.e. less than 5 percent of units are accessible), entranceways, and common areas; and (f) significant utility expenses (at least 30 percent higher than similar properties) caused by energy conservation deficiencies that may be documented by an energy audit. You may demonstrate this in your application through narrative description in the exhibits and additional physical inspection information, letters from relevant oversight agencies, and/or pictures in the attachments section. If this application is for more than one public and/or assisted housing project, descriptions should be submitted for each site and HUD will consider documentation provided for all properties.

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

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

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

**b. Severe Distress of the Targeted Neighborhood.** 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, vacancy rates, and crime rates. You will receive points by addressing the following separate factors, as indicated.

(1) **Poverty/ELI Rate** – 4 points. You may receive up to 4 points based on the concentration of households in poverty or with extremely low incomes (whichever is greater) residing within the target neighborhood. HUD will use the same data from the 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              |

(2) **Long-term Vacancy or Substandard Homes** – 2 points. You may receive up to 2 points based on the current rate of long-term vacant properties or substandard homes within the target neighborhood. Applicants only need to submit for one of these criterion. If applicants submit documentation for both, the high scorer item will be considered.

(i) Long-term vacancy: You will earn points for the higher of either the ratio 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 the same 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 Target Neighborhood is X times the County/Parish | Points Awarded |
|---|--|----------------|
| 14.00 percent and above                                   | More than 4.00   | 2              |
| Between 7.00 and 13.99 percent                            | Between 2.00 and 3.99  | 1              |
| 7.00 percent and below                                    | Less than 2.00   | 0              |

(ii) Substandard Homes: You will earn points in accordance with the table below. Data must be published by a local jurisdiction or unrelated third party and be based on either code enforcement data, such as from the housing office of the applicable city or county/parish, or data on the percentage of occupied housing units lacking complete plumbing facilities, such as the 2009-2012 data from the American Community Survey (ACS) for your neighborhood. In your attachments you must include either a letter of certification from a local agency or a copy/print out of published data. If providing the latter, the source must be identifiable. ACS data from Census tracts that cover the majority of the neighborhood can be used to approximate neighborhood-level data (please indicate tracts).

| Percentage of homes that are substandard | Points Awarded |
|--|----------------|
| 8.00 percent and above                   | 2              |

|                               |   |
|-------------------------------|---|
| Between 4.00 and 7.99 percent | 1 |
| Less than 4.00 percent        | 0 |

(3) **Part I Violent Crime Rate** – 4 points. You may receive up to 4 points based on the rate of Part I Violent Crimes for the precinct/PSA in which the target housing is located for the three years 2013-2015 (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 incidents for each of the four classifications of Part I Violent Crimes, in your attachments as a letter of certification from the local law enforcement agency or by providing a copy/print out of published local law enforcement data. If providing the latter, the source must be identifiable. You will earn points 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. Tribal entities will automatically be awarded full points and do not need to submit the crime documentation.

| Part I Violent Crime Rate: Crimes per 1,000 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   | Less than 1.75   | 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.

You will receive 0 points if the data is not for the time period specified (calendar years 2013-2015), in the format required (e.g. shows each of the three years individually and indicates the number of incidents per 1,000 residents), or otherwise inadequate to make HUD’s rating of this factor possible.

**c. Need for Affordable Housing in the Community** – 1 point. You will receive 1 point if the Choice Neighborhoods project is in a county where the shortage of housing affordable to very low-income (VLI) renter households (0 to 50 percent AMI) is greater than the national rate using the most currently available Census Data. HUD will provide this data at via the mapping tool at [www.hud.gov/cn](http://www.hud.gov/cn). The shortage rate is calculated as the number of VLI renter households divided by the number of rental units affordable and available to VLI households, where affordable and available equals units that: (1) have rents not exceeding 30 percent of 50 percent of AMI; and (2) are vacant or occupied by a VLI renter household. Where HUD and the Census Bureau have not provided this data, HUD may approve applicants to provide the most relevant source of locally available data to demonstrate a need for affordable housing. Locally gathered data should still reflect what households of given income levels are paying for rent.

## C. STRATEGY

Maximum Points: 94

**a. Neighborhood Narrative.** The Choice Neighborhoods program is intended to use investment in Housing, People, and Neighborhood as a catalyst for comprehensive neighborhood change. In order to evaluate your overall Transformation Plan, HUD requires an understanding of the neighborhood you propose to improve. Provide a narrative of your neighborhood that is supplemented with maps and other documents in the attachments. The purpose of this section is to provide HUD with an overall understanding of the strengths and challenges in the neighborhood and to provide the foundation from

which to evaluate the strategies proposed in your Transformation Plan. Each of the specific strategies should relate to the strengths and challenges identified in this section and describe how the selected strategy addresses the challenges identified.

*Neighborhood Data.* Please provide a quantitative description of the neighborhood. This should include:

- Demographic information (population, age, income, race, employment, etc.) in relation to the city and region;
- Crime rates in relation to the city and region;
- School(s) location, performance, enrollment numbers, enrollment policies/catchment areas, etc.;
- Housing stock information (other public/HUD-assisted/subsidized housing in the neighborhood, property values, age of housing, rental/homeownership rates, sales prices, rents, vacancy rates etc.);
- Vacant land, if applicable;
- Foreclosure rates; and
- Other information, as necessary.

For purposes of this NOFA, the data can be from secondary sources (e.g., Census, HUD’s Inventory Management System/Public Housing Information Center, health department, school system, police department, etc.). Locally published data from city or regional plans and other sources may be used. Data may be provided in chart form or narrative. Sources should be identified.

*Neighborhood Description.* Please provide a narrative description of your neighborhood, which should include history, location, ethnic and racial changes, economics, community assets, transit, educational opportunities, employment centers, organizations etc. Provide whatever you think will best provide HUD with a “snapshot” of your community. Describe the neighborhood’s current status with regard to patterns of disinvestment, existing neighborhood assets, patterns of racial and ethnic concentration, and patterns of poverty concentration. Please include descriptions of ongoing or recent revitalization activities and new investment that may be taking place in the neighborhood or on its periphery. Describe challenges that residents have in accessing job opportunities. Please describe the critical challenges facing the neighborhood.

*Housing Description and Relationship to Neighborhood.* Please describe the housing development(s), that is the subject of this application including age, condition, unit mix and population. Using your market analysis and other available data, please describe the housing in the neighborhood paying particular attention to the housing in the area immediately surrounding the housing development(s) you intend to revitalize. Also, include a description of the development’s current impact on the surrounding community. Please describe the critical housing challenges facing the neighborhood.

*People Narrative.* Please briefly describe the demographics of the residents of the housing development as well as the surrounding neighborhood. From your resident needs assessment, please identify the services and assets most needed, particularly for children and youth. What services and assets are in the neighborhood? Are they adequate? Are additional services and assets needed? If so, what kind? From other city or community documents or your own planning process, what broader neighborhood services have been identified as needed in the community?

*Vision.* What is the long term vision for the neighborhood? What changes do you want to occur in the neighborhood?

**b. NEIGHBORHOOD** (32 points total). The purpose of this rating factor is to provide detail about the Neighborhood component of your Transformation Plan. HUD will evaluate the application based on the extent it demonstrates a well-defined, sound and results-oriented plan to achieve the Neighborhood goals identified in the neighborhood narrative. The Neighborhood plan should serve as the framework of your overall Transformation Plan. It should relate to the key findings of your planning process, relevant data, and the strengths and challenges discussed in the neighborhood narrative. The Neighborhood plan should be the ‘glue’ that holds together the Housing and People strategies. It should also serve as the basis for the

use of the Critical Community Improvements (CCI) funds available through this grant.

(1) **Overall Neighborhood Transformation Strategy** – 6 points. Please describe the neighborhood improvement strategies and activities you plan to undertake as part of this Transformation Plan. What activities will be undertaken as part of the neighborhood investment? What strategies and activities will be undertaken by community partners that enhance the Choice Neighborhoods activities? What no-cost or low-cost strategies might you undertake? How do these strategies relate to the needs and challenges identified in your neighborhood narrative? Describe how these strategies and activities leverage other stakeholders and funding. How do your strategies and activities address disinvestment, avoid or reduce the concentration of racial or ethnic minorities, reduce the concentration of poverty, and build upon neighborhood assets? How do these strategies address the Livability Principles? In its evaluation of the Neighborhood Strategy, HUD will consider the extent to which the strategies and activities relate to the neighborhood needs identified in the neighborhood narrative, data provided, market analysis and the planning process and the extent to which you demonstrate that your plan will improve key measurable outcomes. You must identify the specific outcomes your plan will improve and the metrics you will use to measure and track these outcomes.

(2) **CCI Plan** – 5 points. Please describe your plan for using the CCI funds available through this grant, including a detailed explanation about each project. How do these projects relate to and reinforce the Housing component of your Transformation Plan? How does each activity relate to the needs and challenges identified in your neighborhood narrative? How will these activities enhance the neighborhood, especially the area immediately surrounding the target housing site, and serve as a catalyst for continued investment in the community? You must include a budget for each activity that shows other sources of funding and partners. If this application is selected for grant award, HUD reserves the right to negotiate and approve the final overall plan as well as to approve each specific activity or project.

(3) **Public Safety**. Your public safety strategy should ensure that a comprehensive, community-based strategy will bring together criminal justice entities with other community groups and institutions to coordinate activities that improve key measurable outcomes for community safety. These activities should balance enforcement efforts targeting serious public safety concerns associated with Part I Violent Crimes, gang activity and illegal drugs with prevention, intervention and community building strategies. You are encouraged to consider evidence-based approaches with a demonstrated record of success decreasing Part I Violent Crimes, gang activity, and illegal drugs.

(a) **Public Safety Strategy** – 3 points. You may receive up to 3 points based on the extent to which you demonstrate a well-defined, sound and results-oriented public safety strategy as indicated by the evidence base and responsiveness to your residents' needs to achieve the priority outcomes, which addresses all of the following criteria:

(i) You must demonstrate that findings from your resident needs assessment serve as the foundation for your proposed public safety activities and partnerships;

(ii) Describe specific activities that will be undertaken to address and prevent high Part I Violent Crimes, gang, and illegal drug activity in the target neighborhood through law enforcement, innovative police practices, re-entry initiatives, prosecution, adjudication, parole and probation, courts, and corrections; and

(iii) Describe how you are aligning with and building on existing public safety efforts in the community and describe the criminal justice and other community-based partnerships/resource commitments that have been established.

(b) **Alignment with Byrne Criminal Justice Innovation Grant** – 2 points. If your target neighborhood is also the focus area of a Byrne Criminal Justice Innovation Grant funded through the Department of Justice, you may receive 2 points by describing how the public safety strategies under this grant are integrated with the strategies funded through grant and how they will be enhanced.

**(4) Alignment with Existing Efforts** – 4 points. HUD will evaluate your application based on the extent to which you demonstrate how the Neighborhood component of the Transformation Plan aligns with existing efforts and builds on positive momentum to improve the neighborhood. Such existing efforts may be reflected by a Promise Zones designation, public land use designations, and funded private investments that support and complement your Transformation Plan. You must demonstrate that any existing efforts described are either underway or started in the last three years, and are not still in the planning stage.

(a) You will receive up to 4 points if you demonstrate existing efforts that complement the Transformation Plan are underway or started within the last three years AND if your target neighborhood is located in an investment priority area (e.g. Promise Zone, Neighborhood Revitalization Strategy Area, Tax Increment Finance district, Neighborhood Stabilization Program target area, etc.).

(b) You will receive up to 2 points if you demonstrate existing efforts that complement the Transformation Plan are underway or started within the last three years.

**(5) Sustainability through LEED for Neighborhood Development (LEED-ND)** – 2 points. You will receive 2 points if you provide an attestation from LEED Accredited Professional (LEED AP) that your project has been designed to comply with the goal of achieving at a minimum, LEED-ND Certification and you commit to achieving that certification. The LEED-ND project can be a subset of the overall Transformation Plan.

**(6) Leverage.** Leverage is a critical element of Choice Neighborhoods, enabling grantees to leverage other local, state and federal resources to catalyze comprehensive transformation of the neighborhood environment to benefit residents. Leveraged resource commitments for these rating factors must be for your Neighborhood purposes only. See section III.C.3.2.c, Leverage Documentation Requirements, for eligible resources and leverage documentation requirements. These requirements MUST be followed in order to earn points under these rating factors.

**(a) Community Development Block Grant Leverage** – 2 points. In your attachments, provide a commitment letter from the local jurisdiction in which the target neighborhood is located detailing its commitment of CDBG funds, excluding CDBG Disaster Recovery funds, to the Transformation Plan.

(i) You will receive 2 points if the local jurisdiction commits at least one of the following: (1) a minimum of \$1,500,000 or 10 percent of its annual CDBG allocation, whichever is greater, to the activities in the Transformation Plan or (2) Section 108 financing committed by the local jurisdiction in an amount of at least \$1,500,000 to support an economic development project in the Transformation Plan.

(ii) You will receive 1 point if the local jurisdiction commits at least one of the following: (1) a minimum of \$500,000 or 5 percent of the CDBG grantee's annual allocation, whichever is greater, committed to activities in the Transformation Plan (projects in non-entitlement areas only must meet the \$500,000 commitment) or (2) Section 108 financing committed by the local jurisdiction in an amount of at least \$500,000 to support an economic development project in the Transformation Plan.

**(b) Critical Community Improvements Leverage** – 4 points. This rating factor includes all funding sources of leverage with documented commitment to the CCI projects included in the Transformation Plan relative to the Choice Neighborhoods funding award requested. Only new investment that leverages the proposed CCI activities will be counted. HUD will award points based on the ratio of Choice Neighborhoods funds that can be requested for Critical Community Improvements (15 percent of the total Choice Neighborhoods grant amount requested) to the dollar value of documented, committed resources leveraged from other sources.

| Leverage Ratio<br>(15% of Choice Neighborhoods grant request vs.<br>non-Choice Neighborhoods funds) |   | Points Awarded |
|---|---|----------------|
| MSA greater than 200,000  | MSA 200,000 or less or application targeting Indian Housing |                |
| 1:2.5 or higher   | 1:1.25 or higher  | 4              |
| 1:1.50 and 1:2.49   | 1:0.75 and 1:1.24   | 3              |
| 1:1.00 and 1:1.49   | 1:0.50 and 1:0.74   | 2              |
| 1:0.50 and 1:0.99   | 1:0.25 and 1:0.49   | 1              |
| Less than 1:0.50  | Less than 1:0.25  | 0              |

**(c) Neighborhood Investment** – 4 points. HUD recognizes that neighborhood transformation is an evolving, locally-driven process that requires more than just federal funds to truly succeed. While HUD encourages Choice Neighborhoods awards to leverage significant new investment, it does not want to penalize communities that have already begun to reinvest in their communities in anticipation of catalytic redevelopment. Please provide a list of activities/projects supported by documented commitments along with the dollar value of each investment in the target neighborhood that have and will contribute to the goals and outcomes you have described in your application. Please separately identify committed public and private investments for future activities as well as those that began no earlier than 36 months prior to the date you submitted this application.

| Neighborhood Investments   |   | Points Awarded |
|----------------------------|---|----------------|
| MSA greater than 200,000   | MSA less than 200,000 or application targeting Indian Housing |                |
| More than \$20,000,000     | More than \$10,000,000  | 4              |
| \$15,000,001- \$20,000,000 | \$7,500,001- \$10,000,000                                     | 3              |
| \$10,000,001- \$15,000,000 | \$5,000,001 - \$7,500,000                                     | 2              |
| \$5,000,001- \$10,000,000  | \$2,500,001- \$5,000,000                                      | 1              |
| \$0- \$5,000,000           | \$0- \$2,500,000  | 0              |

**c. HOUSING** (34 points total). The purpose of this rating factor is to provide detail about the Housing component of your Transformation Plan. HUD will evaluate your application based on the extent to which you demonstrate a well-defined, high-quality, sound plan to achieve the Housing goal defined in this NOFA. HUD considers only housing to be developed/rehabilitated by the Housing Implementation Entity and units to be replaced through project-based vouchers to be included in the Housing component of the Plan, thus all replacement housing must be included in this section of your application. Other housing

proposed for development/rehabilitation in which the Housing Implementation Entity does not have material control is excluded from consideration for the rating factors this section (though may be included in the Neighborhood component of your Plan).

(1) **Overall Housing Strategy** – 6 points. HUD’s expectation is that Choice Neighborhoods are neighborhoods where people choose to live, because they provide amenities and assets, such as safety, good schools, and commercial activity, including neighborhoods that have historically lived there to remain there. HUD anticipates that these grant funds will serve as a catalyst to neighborhood revitalization and rebuilding the neighborhood housing market. Grantees are encouraged to develop housing available to households with a broad range of incomes that is mixed within buildings, to the maximum extent possible. Provide a detailed description of the Housing component of your Transformation Plan, both in the neighborhood (on- and/or off-site) and, if applicable to your Plan, outside the neighborhood (see one-for-one replacement requirements in section III.C.3.2.b for guidance). Your description must include information about the housing you plan to demolish, develop, rehabilitate, and/or acquire, including the number of each type of unit (such as public housing, LIHTC, Project-based section 8, market rate, homeownership etc.), bedrooms per unit, income type or AMI targets, initial proposed rents or sales prices, funding sources, and building and location by each phase. For each phase, please identify who will provide developer and operations guarantees to the lender and investor and who will receive any developer fees. Also note what types of long-term control mechanisms the Housing Implementation Entity will have as it relates to each phase, (e.g., approval rights in ground lease agreements, control of the limited partner entity, year 15 buyout rights, etc., joint venture). Also, if applicable, describe the rationale and use of tenant protection vouchers. Your description should also identify the replacement units being funded with Choice Neighborhoods, non-replacement units funded with Choice Neighborhoods, and other units not funded with Choice Neighborhoods. Explain why you chose the proposed unit mix and how it is informed by market analysis and other information you described in the neighborhood narrative. You must discuss other possible alternatives in the local housing market and explain why the housing envisioned in the application is more appropriate. In its evaluation of how well defined your Housing Plan is, HUD will consider the extent to which you thoroughly describe the key activities, staff, partnerships, and leverage required to achieve the goals of your plan. HUD will evaluate the Housing Plan based on the appropriateness of the proposal in the context of the local housing market, relative to other alternatives; whether it provides for a mix of incomes in each phase/building; the extent to which you demonstrate that your plan addresses the needs identified through your housing needs assessment; builds on relevant neighborhood assets and local efforts; and is informed by market need.

(2) **Mixed-Income Development** – 5 points. Grantees must develop housing available to households with a broad range of incomes. This includes housing that is available to households with moderate to middle-income as is needed to improve the housing market dynamics in the neighborhood as identified in your neighborhood narrative (as described in NOFA Section V.A.1.C.a.). HUD will evaluate your application based on the extent to which the Housing Plan contains units that are not replacement housing, and that will be available to households earning more than 60 percent of AMI. In order to earn points for this rating factor, at least 50 percent of the new or rehabbed units must be non-replacement housing.

Points will be awarded in accordance with the table below based on the percentage of units that will be available to households earning above 60 percent of AMI. This can include units that have received financial assistance (including Choice Neighborhoods funding to build non-replacement units affordable to households earning up to 120 percent as defined in section I.A.4) to develop the unit, but will not receive direct, ongoing operating subsidy. If the Housing Plan contains 50 percent or more of public and/or assisted-housing units, the application will earn zero points.

|   |
|---|
| Units Available to Households above 60% of AMI (Exclusive of Public or Assisted Housing) as a Percentage of Total Units in the Housing Plan |
|---|

|                   |
|-------------------|
| Points<br>Awarded |
|-------------------|



|                                 |   |
|---------------------------------|---|
| More than 20 percent            | 5 |
| Between 15.01 and 20.00 percent | 3 |
| Between 10.01 and 15.00 percent | 1 |
| Less than 10 percent            | 0 |

For example, an application proposes to develop a total of 300 units: 135 PBV/LIHTC units, 90 LITHC-only (no PBVs attached) units, 25 affordable units partially financed with Choice Neighborhoods funding, and 50 unrestricted units. In this case, only 45 percent (135/300) are replacement units, so the application can earn more than zero points. In accordance with the table, it earns 5 points since 25 percent (75/300) of the units will be available to households above 60 percent of AMI and are not replacement housing and are available to households earning more than 60 percent of AMI.

(3) **Long-term affordability** – 2 points. Housing assisted with Choice Neighborhoods funds must be affordable, from the date of initial occupancy, for not less than the period of affordability to which the property is already subject and remains subject, or 20 years, whichever is greater. However, longer affordability periods ensure a greater benefit to current and future residents and a more effective use of the Choice Neighborhoods investment. Describe how you will ensure, to the maximum extent practicable and for the longest feasible term that all affordable rental housing funded by Choice Neighborhoods will remain affordable to persons whose income do not exceed 120 percent of AMI.

(a) You will receive 2 points if you certify that you will maintain a long-term affordability restriction on title of 40 years or more from the date of initial occupancy for all affordable rental housing funded by Choice Neighborhoods.

(b) You will receive 1 point if you certify that you will maintain a long-term affordability restriction on title between 30 and 40 years from the date of initial occupancy for all affordable rental housing funded by Choice Neighborhoods, or if only a majority of units (not all units) will be restricted to 40 years or more.

(c) Zero points will be awarded if you do not certify that you can exceed the 20-year affordability requirement, if you will only exceed it for less than half the units, or if the response does not address this factor to an extent that makes HUD’s rating of this factor possible.

(4) **Design** - 5 points. HUD is seeking excellence in design. Your proposed site plan, new units, and other buildings must be designed to enrich the surrounding neighborhood and promote mixed-income, mixed-use communities. High quality residential and mixed-use architecture should be incorporated into the new neighborhood. Subsidized, LIHTC and unrestricted or market rate housing should be indistinguishable from each other. HUD expects quality, energy-efficient amenities found in newly developed and renovated housing in the community. Housing, community facilities, and economic development space must be well integrated and accessible to persons with disabilities. Site plans, schematic drawings, building sections and elevations, and pictures of the adjoining neighborhood must be submitted in the attachments to support your narrative in order to receive full points.

(a) Your application should demonstrate the following elements:

(i) You have proposed a plan that incorporates architectural character, design elements and amenities into the revitalized homes that will attract income diversity and enable the housing to enrich the neighborhood and appeal to intended market segments;

(ii) Unit and room sizes should be adequate for and accommodate contemporary families;

(iii) A compact, pedestrian-friendly and mixed-use neighborhood through the use of an interconnected network of sidewalks, streets, bike trails and open space;

(iv) Opportunities for recreation and appropriate settings for community gathering spaces;

(v) Defensible space and “eyes on the street” with building entrances fronting on the street and housing overlooking common areas, including clearly defined public and private spaces, helping the community watch over itself and providing a sense of safety;

(vi) Landscape elements that are appropriate to each site’s soils and microclimate and provide shade trees for streets and parking; and

(vii) Stormwater management practices such as green roofs, rain gardens, pervious surfaces, bioswales and natural vegetation.

**(b)** You will receive full points for thoroughly and specifically addressing each element. Fewer points will be awarded if your plan addresses some, but not all, of the elements or does not address each element with sufficient detail. Zero points will be awarded for lack of specificity.

**(5) Green Building - 3 points.** HUD encourages housing development and rehabilitation that increases resource efficiency, reduces greenhouse gas emissions and promotes healthy living environments for residents. You may earn points under either paragraph (a) or (b). You will receive zero points if your application does not demonstrate either of these criteria, or if your application does not address this factor to an extent that makes HUD’s rating of this factor possible.

**(a) Green Development (3 points).** Applicants that certify and demonstrate that they will meet one of the following green building standards in the construction of all new units and/or substantial rehabilitation of all existing units included in the Housing component of the Plan are eligible to receive 3 points. These points are available to applicants who certify and describe how they will fulfill the requirements of one of several recognized green rating programs, including Enterprise Green Communities, the National Green Building Standards, Leadership in Energy and Environmental Design (LEED) for Homes (for single family) or LEED New Construction (for multifamily), or such local or regionally preferred standards as Earthcraft, Built Green, Green Point Rated Homes, or Earth Advantage, in the design and construction of their project. If funded, you must provide evidence of such certification after construction of the units. For green programs that require only self-certification, the applicant, if funded, must provide independent third-party certification of compliance with program requirements to be performed by a third-party consultant experienced in the installation of green, energy-efficient systems, such as a licensed engineer who is a certified Home Energy Rater, BOP Inspector, or an equivalent designation as determined by a Verification Oversight Organization such as RESNET.

**(b) Energy Star Indoor Air Package (2 points).** If you are not able to commit to Green Development as described in (a) above, you will earn 2 points for adopting the Energy Star Indoor Air Package and commit to certification by an independent Home Energy Rater upon completion as outlined at [www.energystar.gov/homes](http://www.energystar.gov/homes).

**(6) Land Use Approvals – 3 points.** You will receive up to 3 points if your application includes a certification that all required discretionary land use approvals (including zoning), other than any required design review, have been secured for the developed and undeveloped land. Building permits are not considered part of land use approvals. All applicants, including local governments, must include a certification from the appropriate local official (i.e., that has the necessary authority) in your attachments.

**(a)** You will receive 3 points if the certification includes the first phase of development, regardless of the proposed land use type (e.g. retail, commercial, housing, etc.), and all land use approvals for all housing planned, regardless of how they will be financed (i.e., whether with Choice Neighborhoods grant funds or leveraged funds).

**(b)** You will receive 1 point if the certification only includes the first housing phase that is funded with Choice Neighborhoods funds and any prior phase that has not yet started construction.

**(c)** You will receive 0 points if your application does not meet either of the above criteria.

**(7) Financial Feasibility** - 4 points. For this rating factor, HUD will review both the construction and permanent budget (sources and uses) for each individual phase as well as the leverage commitment letters and evaluate the extent to which they demonstrate that the Housing plan is sound and financially feasible and can be completed within the grant term.

**(8) Housing Development Leverage** - 6 points. An essential element of the Choice Neighborhoods program is that the Choice Neighborhoods grant dollars leverage other resources. In order to count as development leverage for purposes of this NOFA, resource commitments must be firmly committed for the future or in the process of being used as of the application deadline. For this rating factor, the resource commitments must be for the housing development included in the Transformation Plan. Resource commitments being used for activities completed in the past or by an entity other than the Housing Implementation Entity will not be counted as Housing Development Leverage. Applicants must follow the Leverage Documentation Requirements in Section III.C.3.2.c when preparing their leverage documentation. If leverage sources and amounts are not documented in accordance with these requirements, they will not be counted toward your leverage amounts. For each commitment document, HUD will evaluate the strength of commitment and add the amounts that are acceptably documented.

You will receive up to 6 points based on the extent to which you have secured leverage for the Housing Plan. HUD will only accept signed commitment documents as evidence of leverage. Equity leverage for housing phases that do not have LIHTC allocations will not be accepted. HUD will calculate the ratio of 70 percent of the Choice Neighborhoods grant amount requested to the dollar value of documented, committed Housing resources leveraged from other sources. HUD will round figures to two decimal points, using standard rounding rules.

| Leverage Ratio<br>(70% of Choice Neighborhoods grant request vs.<br>non-Choice Neighborhoods grant funds) |   | Points Awarded |
|---|---|----------------|
| MSA greater than 200,000  | MSA 200,000 or less or application targeting Indian Housing |                |
| 1:3.0 or higher   | 1:2.25 or higher  | 6              |
| 1:2.65 and 1:2.99   | 1:2.00 and 1:2.24   | 5              |
| 1:2.21 and 1:2.64   | 1:1.72 and 1:1.99   | 4              |
| 1:1.81 and 1:2.20   | 1:1.31 and 1:1.71   | 3              |
| 1:1.41 and 1:1.80   | 1:1.01 and 1:1.30   | 2              |
| 1:1.00 and 1:1.40   | 1:0.76 and 1:1.00   | 1              |
| Below 1:1.00  | Below 1:0.76  | 0              |

**d. PEOPLE** (28 points total). The purpose of this rating factor is to describe, in sufficient detail, the People component of your Transformation Plan. This component aims to improve outcomes related to health, education, and employment of households living in the target development(s), with a specific focus on children. The People Plan should be developed primarily based on the needs of the residents of the targeted housing site(s) and should be responsive to the results of the household needs assessment. If other residents in the neighborhood will also be served by the strategies identified in the People plan, please

explain how the strategies are responsive to the neighborhood narrative. HUD will evaluate the People plan based on the extent to which you demonstrate a well-defined, sound and results-oriented plan.

Your plan must address the following priority outcomes, as well as any additional outcomes and associated metrics (if any) in the areas of health, education, and employment, identified as a priority in the needs assessment and/or neighborhood narrative.

**Health, Education, and Economic Self-Sufficiency Outcomes and Metrics**

| Outcome  | Metrics   |
|--|---|
| 1. Children, youth, and adults that are physically and mentally healthy  | <ul style="list-style-type: none"> <li>• Number and percentage of target residents who have a place of healthcare where they regularly go, other than an emergency room, when they are sick or need advice about their health</li> <li>• Number and percentage of target residents who have health insurance</li> </ul>   |
| 2. Children enter Kindergarten ready to learn<br><br>3. Children are proficient in core academic subjects<br><br>4. Youth, including youth with disabilities, graduate from high school college-and career-ready | <ul style="list-style-type: none"> <li>• Number and percentage of target resident children in kindergarten who demonstrate at the beginning of the program or school year age-appropriate functioning across multiple domains of early learning as determined using developmentally appropriate early learning measures</li> <li>• Number and percentage of target resident students at or above grade level according to state mathematics and English language arts assessments in at least the grades required by the ESEA (3rd through 8th and once in high school)</li> <li>• Number and percentage of target resident students who graduate from high school on-time</li> </ul> |
| 5. Households are economically stable and self-sufficient  | <ul style="list-style-type: none"> <li>• Number and percentage of target residents between the ages of 15-64 years with wage income.</li> <li>• Average hourly wage of target residents (excluding those who cannot work due to being elderly or disabled)</li> </ul>   |

(1) **Resident Needs Assessment** – 2 points. You must demonstrate that a comprehensive resident needs survey has been completed as of the application deadline, which informs the People strategy proposed in your application and case management activities. All households of the public and/or assisted housing must have the opportunity to complete a written or oral survey as part of the resident needs assessment. It is HUD’s expectation that you have at least a 51 percent response rate from all public and/or assisted households targeted for this grant. To achieve full points for this rating factor, a higher response rate is expected. In detailing the results of your resident needs survey, please provide numbers and percentages for the following:

- (a) demographics of residents in the target public and/or assisted housing;
- (b) key data in the areas of health, education, and employment of affected residents across all age groups, including those with unique circumstances (e.g. elderly or disabled), as relevant to the target development(s) and neighborhood. You should report on the “Health, Education, and Economic Self-Sufficiency Outcomes and Metrics” as part of the resident needs survey results description; and

(c) resident satisfaction with the quality and accessibility of existing services and resident preferences for improved and new services.

**(2) Supportive Services and Programs** – 6 points. Describe the supportive services and programs that will be administered through effective case management to achieve the year five outcomes identified in the table above (see the “Health, Education, and Economic Self-Sufficiency and Metrics” table), as well as any additional priority outcomes you have identified through your resident needs assessment and/or neighborhood narrative. Use the table format below for each component of your People Plan:

**Table: People Strategy and Expected Results by Year Five**

|   |   |
|---|---|
| <b>Impact Statement and Expected Outcome(s)</b> | Provide the desired year five outcome (number and percentage) from the Health, Education, and Economic Self-Sufficiency Outcomes and Metrics table above, and/or the additional priority outcome identified through the neighborhood narrative.   |
| <b>Needs Assessment Baseline</b>                | State the baseline result (number and percentage) for each metric as identified in the resident needs assessment and/or neighborhood narrative.   |
| <b>Strategy</b>                                 | Provide a brief description of the strategies and services that will be used in order to achieve your year five outcome. Describe how these strategies and services address the need(s) identified in the resident needs assessment and/or neighborhood narrative. Describe how services and strategies will be coordinated between partners. Describe how you will ensure services will be provided to the targeted housing residents, with a particular emphasis on how you will ensure these residents receive priority for any leveraged positions or “slots” in early childhood learning, job training/employment, and case management programs. |
| <b>Residents Served</b>                         | Provide the number and percentage of public and/or assisted housing residents to be served by each strategy/service; and number and percentage of additional neighborhood residents to be served by each strategy/service as applicable.  |
| <b>Service Provider</b>                         | State the name and role of the service provider(s) contributing to this outcome.  |
| <b>Resource Commitment</b>                      | Identify the Choice Neighborhoods funds and major leverage commitments dedicated to the strategies. Describe how you are leveraging and building on existing high-quality services and programs that are already in the neighborhood. Describe how these commitments directly address the needs identified in the resident needs assessment and/or neighborhood narrative. Finally, provide a summary table detailing the leveraged positions or “slots” for targeted housing and neighborhood residents in early childhood learning, job training/employment, and case management programs.  |

**(3) Case Management** – 4 points. HUD expects case management services to be provided to all residents of the targeted housing development(s) before and after revitalization. Case management must (1) ensure the successful relocation of original residents, if applicable; (2) ensure that all original residents understand their choice of housing options and are prepared to return to the revitalized site or successfully relocate permanently; and (3) ensure that residents are working towards their self-sufficiency and quality of life goals. Describe how your proposed case management approach will achieve these objectives. Explain how the case management approach will serve as a foundation for the People Plan and ensure that

residents of the targeted housing development(s) are aware of and will be the primary beneficiaries of the People Plan. Finally, provide anticipated client-to-staff ratios among your case management provider(s).

**(4) Supportive Services Sustainability** – 2 points. The sustainability of your supportive services strategy is important to attaining long-term outcomes that improve resident quality of life and avoiding abrupt cessation of key services at the end of the grant period. Please describe your plan to ensure that effective services are offered after the term of the grant. Describe firmly committed financing in place to assure future services. If no commitments are in place, describe your plan to secure future commitments and/or any necessary match funds by the final year of the grant.

**(5) Federally Qualified Health Center** – 1 point. If your target neighborhood is also the focus area of a Federally Qualified Health Center (FQHC), you will receive one point by describing how your health strategies under this grant are integrated with the FQHC’s strategic priorities and how specific resources deployed by the FQHC will be instrumental in meeting your desired health outcomes. A letter, signed by a senior officer of the FQHC, identifying the FQHC’s intention to partner and collaborate with the applicant within the target neighborhood must be provided as an attachment.

**(6) Education Strategy.** Your Education strategy should ensure that neighborhood residents between the ages of 0-18 will have access to high-quality, early learning programs, schools, and education programs that will improve key measurable outcomes for HUD-assisted and other school-aged children and youth in the neighborhood. HUD encourages participation in these education opportunities by all children in the neighborhood, though the Choice Neighborhoods grant funds must be used for the primary benefit of the public and/or assisted housing residents. Please refer to section III.3.C.3 for the Program Requirements related to Early Education and School-based programs. HUD will evaluate your application based on the extent to which you demonstrate a well-defined, sound and results-oriented Education strategy to achieve the priority outcomes, which addresses all of the criteria in each of the following rating factors:

**(a) Early Learning** – 3 points. You should:

i. describe the specific activities that will be undertaken during the grant period and sustained after implementation of your Transformation Plan to ensure that HUD-assisted and other neighborhood children ages birth to kindergarten entry have access to high-quality early learning programs and services that are evidence-based;

ii. describe how you and/or your partner(s) will continue to provide access to these consistently high-quality early learning programs and services to children of the community beyond the period of the grant; and

iii. identify and describe the metrics you will track, the baseline for those metrics (as determined by your comprehensive needs assessment), and the projected results for that metric (provide numbers and percentages) for year five in table format that includes the information requested in the above table (see “People Strategy and Expected Results by Year Five” table above).

You will be evaluated in part in terms of how successful your early learning strategy will be – as indicated by the evidence base and responsiveness to your residents’ needs – at improving the priority outcome that children enter Kindergarten ready to learn (see the “Health, Education, and Economic Self-Sufficiency Outcomes and Metrics” table above), as well as any additional outcomes and associated metrics in the area of early learning you have identified in your needs assessment or neighborhood narrative as a priority for affected residents.

**(b) Schools** – 3 points. You will be evaluated in part in terms of how successful your school strategy will be at improving the priority outcomes that children are proficient in core academic subjects and that youth are graduating from high school college- and career-ready (see “Health, Education, Economic Self-Sufficiency and Safety Outcomes and Metrics” table above), as well as additional outcomes and associated metrics in the area of education you have identified in your needs assessment and neighborhood

narrative as a priority for affected residents. You are encouraged to consider one of the four rigorous interventions identified by the Department of Education’s Title 1 School Improvement grant program as an indicator of the quality of a school improvement strategy. You should:

i. Identify and state the current performance of all schools located in the neighborhood. Please include a table and/or narrative with the following information:

| <b>School Name</b> | <b>School Type</b><br>(Elementary, Middle, High) | <b>School Size</b><br>(total student body count) | <b>School Performance</b><br>(Both reading and math scores for at least one high school grade for the neighborhood school and the state average reading and math scores for the selected grade. Submission of data points for grades 4 and 8 is optional.) |
|--------------------|--|--|--|
|--------------------|--|--|--|

ii. Describe specific activities that will be undertaken to ensure that young neighborhood residents have access to high-quality schools after the implementation of your Transformation Plan, by either providing them access to existing high-quality schools or making school improvements, which may include significant improvements to the programs, policies and personnel of an elementary, middle/junior high and/or high school to improve academic outcomes; or

iii. Explain the student outreach plan, enrollment policies, and parent involvement strategies for the school(s);

iv. Describe how you and/or your partner(s) will continue to provide access to consistently high-quality schools to children and youth of the community beyond the period of the grant; and

v. Identify and describe the metrics you will track, the baseline for those metrics (as determined by your comprehensive needs assessment), and the projected results for that metric (provide numbers and percentages) for year 5 in a narrative and/or table that includes the information requested in the above table (see “People Strategy and Expected Results by Year 5” table above).

**(c) Promise Neighborhoods – 2 points.** If your target neighborhood is also the focus area of a Promise Neighborhoods Grant funded through the Department of Education, you may receive 2 points by describing how the education strategies under this grant are integrated with the strategies funded through that grant.

**(7) People Leverage – 5 points.** Leverage – both financial and in-kind – is an essential element of Choice Neighborhoods. Choice Neighborhoods grant dollars enable grantees to leverage other local, state and federal resources to catalyze comprehensive transformation of the neighborhood to benefit HUD-assisted and other neighborhood residents. HUD encourages applicants to create a comprehensive continuum of committed resources that support your People plan. To receive points under this rating factor, leveraged resource commitments must directly contribute to your People plan. Please include a table in your People leverage attachments with the following information summarizing the People resource commitments you have secured:

| Agency | Amount –Existing | Amount – New | Brief Service Description | Number of Public and/or Assisted Housing Residents Served | Number of Other Neighborhood Residents Served, if any |
|--------|------------------|--------------|---------------------------|---|---|
|--------|------------------|--------------|---------------------------|---|---|

Carefully review the Leverage Documentation Requirements in section III.C.3.2.c for eligible resources, ineligible resources, and leverage documentation requirements, including a description of how you arrived at the value of the leverage. These requirements MUST be followed in order to earn points under this rating factor. Commitments to a Supportive Services Endowment do not count toward this rating factor. Both existing resources and new commitments will be counted, but new commitments must be at least half of the leveraged amount. HUD will calculate the ratio of the total allowable Choice Neighborhoods funds that can be requested for supportive services activities (15 percent of the total Choice Neighborhoods grant amount requested) to the dollar value of documented, committed People resources leveraged from other sources.

| Leverage Ratio<br>(15% of Choice Neighborhoods grant request vs.<br>non-Choice Neighborhoods funds) |   | Points Awarded |
|---|---|----------------|
| MSA greater than 200,000  | MSA 200,000 or less or application targeting Indian Housing |                |
| 1:3.00 or higher  | 1:1.50 or higher  | 5              |
| 1:2.50 and 1:2.99   | 1:1.25 and 1:1.49   | 4              |
| 1:2.00 and 1:2.49   | 1:1.00 and 1:1.24   | 3              |
| 1:1.50 and 1:1.99   | 1:0.75 and 1:0.99   | 2              |
| 1:1.00 and 1:1.49   | 1:0.50 and 1:0.74   | 1              |
| Less than 1:1.00  | Less than 1:0.50  | 0              |

**D. SOUNDNESS OF APPROACH** **Maximum Points: 37**

**1. Planning Process** – 3 points. This rating factor evaluates the quality of your overall neighborhood planning process for the Transformation Plan proposed in this grant application, including how well your Housing, People and Neighborhood strategies detailed in the Strategy rating factors relate to the findings and recommendations of your planning process. Please describe the planning process undertaken, participants in the process, engagement of residents, community residents, other community organizations, businesses, service providers, religious institutions, schools, etc. Please describe the engagement of governmental agencies and broader civic engagement, as applicable. Include a summary of representative resident and community recommendations and concerns from meetings and other forms of communication as well as an explanation of how this resident and community input has been addressed through the components of your proposed Transformation Plan.

**2. Community Engagement** – 3 points. Keeping residents of the target housing as well as other neighborhood residents and stakeholders engaged is critical to the success of a Choice Neighborhoods grant. How will you conduct outreach to these groups so that they are able to participate in the implementation process? How will your process ensure target housing residents, neighborhood residents, and community-based partners can make meaningful contributions to the implementation process? Please



identify specific key stakeholders (philanthropic, civic, business and political groups, etc.) and explain how they will be engaged throughout the transformation process?

**3. Anchor Institution Engagement** – 2 points. HUD will evaluate your application based on the extent to which the application evidences how your strategy has engaged Anchor Institutions, as defined in section I.C, in a meaningful way in the planning and implementation of the Transformation Plan, and builds on the existing relationships and contributions of the Anchor Institutions. Evidence should take the form of financial commitments and significant in-kind support as described in a letter signed by an Executive Officer of the Anchor Institution.

**4. Organizational Framework for Implementation** – 4 points. Please provide a chart identifying the organizational structure of the implementation team, including the Lead Applicant or Co-Applicants, Principal Team Members, and key partners, and identifying any committees, if applicable. Provide an accompanying narrative which discusses the roles of the team members, including the role of the Lead Applicant in overseeing and coordinating the implementation process. Include a discussion on how team members will interact and how they will be held accountable for performance, including how failure to perform and conflict resolution will be addressed. HUD will evaluate your response based on the extent to which the governance structure provides an effective structure for overseeing and managing the implementation process amongst all partners. HUD will also evaluate this rating factor using the partnership certifications provided in your attachments.

**5. Project Readiness**– 3 points. HUD seeks to fund projects that will be able to commence immediately after the grant award. HUD will evaluate your application for this rating factor based on the Sources and Uses and other information provided in the attachments.

(1) You will receive 3 points if:

(a) the funding for the first housing phase of development which includes Choice Neighborhoods funds is firmly committed. You should provide a detailed budget identifying sources and uses which indicates that all the construction and permanent period sources necessary to cover the cost of the phase (including any required infrastructure costs) have been committed (other than Choice Neighborhoods funding). If you identify, and are committing, public housing capital funds in your Sources and Uses, you must provide a commitment letter detailing the fiscal years and dollars amounts of these commitments. Please include these letters in the same attachment section as your Sources and Uses; and

(b) the People strategy demonstrates that you will start supportive services within 60 days of the grant award date.

(2) You will receive 1 point if some, but not all, of the funding for the first housing phase of development is firmly committed.

(3) You will receive 0 points if none of the funding for the first housing phase of development is firmly committed or if your response lacks specificity.

**6. Program Schedule** – 2 points. You must submit the proposed schedule for all the activities included in your Transformation Plan. Grantees must proceed in a timely manner, as indicated by the timeframes below. Grantees should also refer to section IV.D, Funding Restrictions, for the required expenditure date for FY2016 Choice Neighborhoods grant funds, which is September 30, 2023. The timeframes below apply to applicant’s ENTIRE Transformation Plan, including ALL phases, unit types, and activities, whether or not they are funded by Choice Neighborhoods grant dollars.

- The closing of the first housing phase of development must take place within 18 months of the grant award date. For this purpose, “closing” means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to commence.
- Grantees must start housing rehabilitation/construction within 21 months of the grant award date.
- Grantees must complete all housing rehabilitation/construction by the statutorily required

expenditure deadline.

- If awarded grant funds, all other required components of the Transformation Plan and any other submissions not identified above must be submitted in accordance with requirements HUD identifies.
- If the project is anticipated to require an Environmental Impact Statement (EIS), grantees should perform the scoping process as early as possible consistent with 24 CFR 58 and 40 CFR 1500-1508.

(1) You will receive 2 points if the program schedule provided in your application includes all components including timelines/milestones of your Transformation Plan.

(2) If your schedule does not incorporate all the timelines/milestones for your entire Transformation Plan or is not deemed to be feasible, you will earn zero points.

**7. Evidence-based Decision Making** – 4 points. You must describe how at least six strategies out of your high priority education, public safety, health and employment strategies are evidence-based as shown by scientific studies (i.e., evaluations). HUD will evaluate your application based on whether your description of these scientific studies meets the criteria below.

(1) You will receive four points if all of the six strategies you’ve described in this section are high priority strategies based on the needs and meet the criteria listed in the table below.

(2) Up to three points will be awarded if at least two key strategies you’ve described in this section are high priority strategies based on the needs and meet the criteria listed in the table below, with three points awarded for four to five qualifying strategies, two points awarded for three qualifying strategies, and one point for two qualifying strategies.

(3) You will receive zero points if less than two key strategies you’ve described in this section are high priority strategies based on the needs and meet the criteria listed in the table below.

| <b>Criteria</b> | <b>Basis of Evaluation</b>   |
|-----------------|--|
| Relevance       | The strategy in each study you describe is similar to the strategy you are proposing, meaning that either it is a similar program, the key program elements are similar, or the activities of the strategy are similar to yours.   |
| Outcome         | The outcome of the study or studies is the same or is highly related to one of the metrics in the “health, education, and economic self-sufficiency outcomes and metrics” table in this NOFA. Examples include an increase in young children’s literacy functioning at age three (in lieu of a comprehensive measure of school readiness in kindergarten), an increase in employment skills, a decrease in psychological distress, or impacts on specific chronic physical diseases or psychological distress (such as diabetes, obesity, or depression) that are a high priority in the neighborhood. |
| Impact          | The study or studies show that the strategy positively impacts the outcome described above, meaning the strategy resulted in a statically significant decrease or increase in the outcome metric.  |

**8. Use of Data to Achieve Core Goals of the Transformation Plan** - 3 points. For this rating factor, HUD will evaluate your plan to collect, use, and share quantitative and qualitative data to affect sustainable improvements in the core goals of your Transformation Plan. You will earn points based on the extent to which you describe a comprehensive plan for collecting, analyzing, and sharing data to evaluate and improve your Transformation Plan strategies and programs. You must describe the processes that will be established in order to integrate data analysis into the development and updating of your Transformation Plan. Explain and provide specific examples of how you will collect data relevant to the

Housing, People and Neighborhood components of your Transformation Plan, maximizing collaboration with partners and minimizing redundant surveying of participants; how this data will be shared across agencies/actors in the Transformation Plan; and how data will be discussed within your organization and with partners to continuously improve ongoing operations by identifying measurable progress, needed improvements or new program components or partners, and necessary adjustments in actions, outcomes, or milestones. Fewer points will be awarded for lacking a well-defined and comprehensive data plan.

**9. Impact of the Transformation Plan - 12 points.** To ensure the maximum impact of Choice Neighborhoods funds, your Transformation Plan must demonstrate a clear connection between the needs identified in Housing, People, and Neighborhood; the improvements your plan will make; and the strategies proposed to achieve those outcomes. Successful Transformation Plans will spur outside investment into the surrounding community, enhance economic and education opportunities for residents, remove impediments to continued redevelopment, and sustain the revitalization effort for the long-term. Your application should demonstrate that the plan is financially feasible, as reflected in the budgets. The application itself must be well organized, well written and internally consistent. For this rating factor, HUD will evaluate your overall Transformation Plan and rate it based on the extent to which the approach described in the Strategy sections of your application achieves the core goals of the program and addresses the key needs of the targeted neighborhood; the degree of impact your Plan will have on the three core goals and the likelihood of success (e.g. sustainability, financial feasibility, and/or support from local government). You will receive full points if your application demonstrates that you have devised a Transformation Plan that will accomplish the core goals of the program, have significant impact on the neighborhood, and is likely to succeed. Fewer points will be awarded if your application demonstrates that your Transformation Plan will accomplish some of the core goals of the program, have a less significant impact on the neighborhood, and/or is less likely to succeed.

## **2. NOFA Priorities.**

HUD encourages applicants for funding to undertake programs and projects that contribute to HUD's NOFA Priorities. Applicants that undertake activities that result in achievement of specific NOFA Priorities listed below are eligible to receive priority points in the rating of their application. These points will be awarded only if the application otherwise meets or exceeds the Program's minimum fundable score based on the rating factors of this NOFA.

### **Promote Economic Development and Economic Resilience (Capital Investment, Planning, and Research NOFAs or as specified in Individual Program NOFA)**

1. Community Economic Development (1 point): Applicants must show how their proposed grant activities will build infrastructure within the target community to support 1) job creation for low income people, at-risk youth and/or transition-age youth; 2) business opportunities for small and/or disadvantaged businesses; and/or 3) create a flow of investment of private or other public capital into a) small and disadvantaged businesses or b) nonprofit activities serving low income people, at-risk youth and/or transition-age youth; and/or 4) any combination of the above. Applicants must provide substantive description of each activity and specific, measureable targets of economic development impact, with a narrative supporting the estimate. For programs already subject to the requirements of Section 3 (see paragraph V.C.1), applicants must clearly explain how the proposed activities exceed the employment and contracting goals of Section 3. The minimal numerical employment goals, which for programs subject to Section 3 must be exceeded, are:

- For Public and Indian Housing: 30% aggregate number of new hires for 1 year period are Section 3 Residents.
- For other HUD programs: 10% aggregate number of new hires for each year of project are Section 3 Residents.

Other goals to be exceeded are:

- Dollar Amount: 10% of the total dollar amount of construction contracts are provided to Section 3 Business Concerns; and

- 3% of the total dollar amount of all other (non-construction) contracts are provided to Section 3 Business Concerns.

Applicants should refer to the full requirements established in 24 CFR 135.30.

2. Reducing Transportation Costs / Proximity to Amenities (1 point): Applicants must demonstrate that proposed activities will be conducted and projects sited at locations that will help households reduce their transportation costs. Selected sites must be within easy walking distance of services and amenities such as grocery stores, social services, cultural facilities, parks, recreation and other amenities and/or served by conveniently located public transportation with frequent service. Applicants may receive this point by providing evidence demonstrating one of the following:

- a. The proposed site has lower transportation costs than the regional average. This can be demonstrated using transportation cost data available on HUD and DOT's Location Affordability Index (<http://www.locationaffordability.info/lai.aspx>). Block-group-level transportation cost data can be obtained by searching for the site's address, and metropolitan-level data can be accessed by clicking on the name of the Combined Base Statistical Area (CBSA) above the place name at the top of the right column.
- b. The proposed site has a WalkScore better than the city average (this can be ascertained by searching for the site address on <https://www.wallocore.com/>).
- c. The proposed site is served by reliable and accessible public transportation through door-to-door shuttle/van service and/or a transit stop(s) within one-half mile, with headways of no more than 30 minutes during non-peak schedules. Applicants can demonstrate this using publicly available information about local transit service.

### **Affirmatively Furthering Fair Housing (Capital Investment or as specified in Individual Program NOFA)**

1. Rehabilitation or Redevelopment (2 points). Even though NAHASDA exempts Indian housing from the Fair Housing requirements, applicants targeting Indian housing may still elect to conduct these activities in order to earn these points under this NOFA.

- a. 1 point for demonstrating that the rehabilitated or redeveloped project will include housing for a range of incomes and a range of family sizes that is proportional to the regional need, based on Census data and other generally accepted data sources. Applicants must include the specific plans for such housing, including the total number of units affordable for each income group, by bedroom size; and,
- b. 1 point by presenting a plan for providing mobility counseling to each family that will be permanently displaced (for example, relocation of more than 1 year) by the redevelopment/rehabilitation activities, and, for each such family, identifying at least one option for comparable housing opportunity that is located in an area that is not minority-concentrated or poverty-concentrated and has access to community assets, such as public transportation, employment opportunities, and, education.

### **3. Bonus Points.**

In support of certain inter-agency initiatives, HUD awards bonus points to projects where the preponderance of work will occur in a designated zone, community or region. **These points will be awarded only if the application otherwise meets or exceeds the Program's minimum fundable score based on the rating factors of this NOFA.**

HUD encourages activities in communities with Preferred Sustainability Status (PSS) and/or Promise Zones (PZ), HUD will award two (2) points for qualified activities within a designated zone or area and supporting either or both initiative(s). In no case will HUD award more than two bonus points for these activities.

- a. To receive **Preferred Sustainability Status Communities Bonus Points**, applicants must submit form HUD2995, Certification of Consistency with Sustainable Communities Planning and Implementation, signed by the designated Preferred Sustainability Status Community point of contact. Designated PSS Communities Points of Contacts can be found on HUD's website at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/nofa11/psscontacts](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/nofa11/psscontacts).

b. To receive **Promise Zones Bonus Points**, applicants must submit form HUD 50153, Certification of Consistency with Promise Zone Goals and Implementation, signed by the Promise Zone Official authorized to certify the project meets the criteria to receive bonus points. To view the list of designated Promise Zones and persons authorized to certify, please go to [https:// www.hudexchange .info/ promise-zones/ promise-zones- designees/](https://www.hudexchange.info/promise-zones/promise-zones-designees/).

## **B. Reviews and Selection Process.**

### **1. Past Performance**

In evaluating applications for funding HUD will take into account an applicant's past performance in managing funds, including, but not limited to: the ability to account for funds appropriately; the timely use of funds received from HUD or other federal, state, or local programs; the timely submission and quality of reports submitted to HUD; meeting program requirements; meeting performance targets as established in Logic Models or other performance evaluation tools approved as part of the grant agreement; the timelines for completion of activities and receipt of promised matching or leveraged funds; and the number of persons to be served or targeted for assistance. Before making a Federal award, HUD is required by 31 U.S.C. 3321 and 41 U.S.C. 2313 note to review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information, such as Federal Awardee Performance and Integrity Information System (FAPIS), Dun and Bradstreet, and "Do Not Pay." HUD may consider other public sources such as newspapers, Inspector General or Government Accountability Office reports or findings, or hotline or other complaints that have been proven to have merit. In evaluating past performance, HUD may deduct points from the rating score or establish threshold levels as specified under the Factors for Award in the Program NOFAs. Each Program NOFA will specify how past performance will be rated.

### **2. Integrity**

HUD evaluates the integrity of the applicant as reflected in government-wide websites, information in HUD's files, the federal Do Not Pay portal, public information and information received during HUD's Name Check Review process. If this integrity evaluation results in an adverse finding, HUD reserves the right to take any of the remedies provided in Section III.C.4.a.5, Do Not Pay website Review.

3. HUD's selection process is designed to ensure that grants are awarded to eligible applicants that submit the most meritorious applications. HUD will consider the information you submit by the application deadline date. After the application deadline date, HUD cannot, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that you or any third party may want to provide. HUD may verify information provided in your application as needed by accessing information in HUD systems (e.g. PIC, TRACS, etc.) or by sending a written request for clarification (including following site visits to be conducted in stage 3 of the review process). Responses to such inquiries will be required within 2 business days.

#### **A. Application Screening.**

(1) HUD will screen each application to determine if the three key eligibility criteria in section III.A are met. If it does not, the application will be deemed ineligible and will not receive further review. If yes, then HUD will screen for Technical Deficiencies and if it meets the other threshold criteria listed in Section III.C.

(2) Corrections to Deficient Applications – Cure Period. The subsection entitled, "Corrections to Deficient Applications," in Section V.C.2 of the General Section is incorporated by reference and applies to this NOFA, except that clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within five business days (i.e. excluding Saturdays,

Sundays and federal holidays) of the date of receipt of the HUD notification. Examples of curable (correctable) technical deficiencies include, but are not limited to, inconsistencies in the funding request, the Key Eligibility Data form is not filled out completely, failure to submit the standard forms, and failure to submit a signature and/or date on a certification. Failure to submit a narrative exhibit or an attachment is not a technical deficiency that can be corrected.

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

## **B. Preliminary Rating and Ranking.**

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

(2) The preliminary review will be conducted in three stages:

(a) In **Stage 1**, HUD will evaluate the application based on only the Capacity and Need rating factors. Applications must earn at least 70 percent of the points in Capacity and at least 50 percent of the points in Need in order to move on to Stage 2. However, HUD reserves the right to lower these criteria to allow enough applications to move on to Stage 2 that reflect a cumulative funding request up to approximately four times the amount of funding available. For those applications that do not move onto Stage 2, HUD will not review the rest of the application.

(b) In **Stage 2**, HUD will evaluate the application based on the Strategy and Soundness of Approach rating factors, except for the Impact of the Transformation Plan rating subfactor. Applications will be ranked in score order based on the total score from each stage. The number of the most highly rated applications that reflects a cumulative funding request of up to or approximately two times the amount of funding available will move on to Stage 3 as Finalists, including at least two applications that target a multifamily HUD-assisted housing property receiving project-based rental assistance under section 8 of the United States Housing Act of 1937 (exclusive of tenant-based or project-based vouchers), section 221(d)(3) or section 236 of the National Housing Act, section 202 of Housing Act of 1959, or section 811 of the National Affordable Housing Act of 1990. For those applications that do not move on to Stage 3, HUD will not review the rest of the application.

(c) In **Stage 3**, HUD plans to conduct site visits to the Finalists' neighborhoods so that HUD may gain a better understanding of the Transformation Plan. Information gained during these visits will be taken into consideration while assigning scores in response to all the rating factors. HUD expects to meet with the Lead Applicant, Co-Applicant (if any), Principal Team Members and other key partners that HUD will identify to ensure that they are committed to and able to implement the Transformation Plan described in the Choice Neighborhoods grant application. These meetings are being conducted as part of a competition covered by the HUD Reform Act and thus will not be open to the public. HUD anticipates that all site visits will be conducted during October and November 2016. HUD encourages you to ensure that all of the key members of the team are available during these dates and to avoid scheduling conflicts. Given the short time frame for conducting these visits, HUD will determine the schedule of site visits and notify you in advance. Please do not indicate to HUD your scheduling preferences.

## **C. Final Panel Review.** A Final Review Panel will:

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

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and  
(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

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

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

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

### C. Anticipated Announcement and Award Dates.

HUD anticipates announcing grant awards under this NOFA in December 2016.

## 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 all other applicants, whose applications were received by the deadline, that have not been chosen for award. Notifications will be sent by email, delivery receipt requested, to the person designated in item 8F of the SF424 and to the person listed as authorized representative in item 21 of the SF424.

1. **Site Visit Notification.** If your application is selected as a Finalist to proceed to Stage 3, HUD will notify you via email to schedule the site visit. See Section V.B.3.B for review process.
2. **Notification of Non-selection.** If your application has been found to be ineligible or if it did not receive enough points to be selected as a Finalist, you will receive a letter stating why the application was ineligible or the score received upon the conclusion of HUD's review in Stage 2. For applications that are rated, HUD will provide you a copy of the total score received by your application and the score received for each rating factor.
3. **Final Notification.** HUD will provide a final written notification to all Finalists, whether or not you have been selected for funding.
4. **HUD-1044.** The grant funds are deemed obligated by HUD when HUD executes the form HUD-1044.
5. **Choice Neighborhoods Grant Agreement.** When you are selected to receive a Choice Neighborhoods grant, HUD will send you a Choice Neighborhoods grant agreement for your signature, which constitutes the contract between you and HUD to carry out and fund Choice Neighborhoods grant activities. It is effective on the date of HUD's signature, which is the second signature.

### B. Administrative, National and Department Policy Requirements.

For this NOFA, the following requirements apply:

#### Real Property Acquisition and Relocation.

Except as otherwise provided by federal statute, HUD-assisted programs or projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (42 U.S.C. 4601-4655), and the government-wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24. The Uniform Act applies to acquisitions of real property and displacements resulting from the acquisition, rehabilitation, or demolition of real property for Federal or federally-assisted programs or projects. With certain limited exceptions, real property acquisitions for programs or projects that receive federal financial assistance from HUD must comply with 49 CFR part 24, subpart B.

To be exempt from the URA's acquisition requirements, real property acquisitions conducted without the threat or use of eminent domain, commonly referred to as "voluntary acquisitions," must satisfy the applicable requirements of 49 CFR 24.101(b)(1) through (5). Records demonstrating compliance with these requirements must be maintained by the recipient. The URA's relocation requirements remain applicable to any tenant who is displaced by an acquisition that meets the requirements of 49 CFR 24.101(b) (1) through (5).

The relocation requirements of the Uniform Act, and its implementing regulations at 49 CFR part 24, cover any person who moves permanently from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD assistance. While there are no URA statutory provisions for "temporary relocation", the URA regulations recognize that there are circumstances where a person will not be permanently displaced but may need to be moved from a project for a short period of time. Appendix A of the URA regulation (49 CFR 24.2(a)(9)(ii)(D)) explains that any tenant who has been temporarily relocated for a period beyond one year must be contacted by the displacing agency and offered URA permanent relocation assistance. Some HUD program regulations provide additional protections for temporarily relocated tenants. Before planning their project, applicants must review the regulations for the programs for which they are applying. Generally, the URA does not apply to displacements resulting from the demolition or disposition of public housing covered by Section 18 of the United States Housing Act of 1937. Individual Program NOFAs may have additional relocation guidance and requirements.

Additional resources and guidance pertaining to real property acquisition and relocation for HUD-funded programs and projects are available on HUD's Real Estate Acquisition and Relocation website at [www.hud.gov/relocation](http://www.hud.gov/relocation). Applicable laws and regulations, policy and guidance, publications, training resources, and a listing of HUD contacts are also available for applicants who have questions or are in need of assistance.

### **Procurement of Recovered Materials.**

State agencies and agencies of a political subdivision of a state that are using assistance under a Program NOFA for procurement, and any person contracting with such an agency with respect to work performed under an assisted contract, must comply with the requirements of Section 6002 of the Solid Waste Disposal Act. In accordance with Section 6002, these agencies and persons must procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000; must procure solid waste management services in a manner that maximizes energy and resource recovery; and must have established an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. Please refer to [www.epa.gov/osw/conserves/tools/cpg/pdf/rcra-6002.pdf](http://www.epa.gov/osw/conserves/tools/cpg/pdf/rcra-6002.pdf) for complete text and requirements of Section 6002.

### **Participation in a HUD-Sponsored Program Evaluation.**



As a condition of the receipt of financial assistance under a Program NOFA, all successful applicants will be required to cooperate with all HUD staff, contractors, or designated grantees performing research or evaluation studies funded by HUD.

### **OMB Administrative Requirements and Cost Principles.**

Unless excepted under 24 CFR chapters I through IX, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth in 2 CFR part 200, shall apply to Federal Awards made by the Department of Housing and Urban Development to non-Federal entities.

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

Prime Grant Awardee Reporting. Prime recipients of HUD's financial assistance are required to report certain subawards in the Federal Funding Accountability and Transparency Act Subaward System (FSRS) website located at [www.fsrs.gov](http://www.fsrs.gov) or its successor system for all prime awards listed on the FSRS website. Prime financial assistance awardees receiving funds directly from HUD are required to report subawards and executive compensation information both for the prime award and subaward recipients, including awards made as pass-through awards or awards to vendors. For reportable subawards, if executive compensation reporting is required and subaward recipients' executive compensation is reported through the SAM system, the prime recipient is not required to report this information. The reporting of award and subaward information is in accordance with the requirements of the Transparency Act, as amended by section 6202 of Public Law 110-252, and by section 3 of Public Law 113-101.

### **Eminent Domain.**

Section 409 of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2012 (Pub. L. 112-55, Div. C, Title II), prohibits the use of funds to support any federal, state, or local project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use. Section 409 provides that public use shall not be construed to include economic development that primarily benefits private entities. Use of funds for mass transit, railroad, airport, seaport, or highway projects, as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related, and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields, as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. L. 107-118), shall be considered a public use for purposes of Section 409. Applicants for FY 2015 assistance under the programs governed by this NOFA may be subject to this restriction if it is incorporated in HUD's FY 2015 appropriation. A notice will be published indicating if this provision applies subsequent to the passage of HUD's FY 2015 appropriation.

### **Physical Accessibility.**

Note that all meetings must be held and services provided in facilities that are physically accessible to persons with disabilities. Where physical accessibility is not achievable, successful applicants must give priority to alternative methods of product or information delivery that offer programs and activities to qualified individuals with disabilities in the most integrated setting appropriate in accordance with HUD's implementing regulations for section 503 of the Rehabilitation Act of 1973 (29 U.S.C. §794) at 24 CFR part 8. In addition, all notices of and communications during all training sessions and public meetings shall be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities or provide other means of accommodation for persons with disabilities consistent with section 504 of the Rehabilitation Act of 1973 and HUD's section 504 regulations. See CFR section 8.6.

## C. Reporting.

- 1. Race and Ethnicity Data Reporting Form.** HUD requires grantees that provide HUD-funded program benefits to individuals or families to report data on the race and ethnicity of those individuals receiving such benefits. Grantees that provide benefits to individuals during the period of performance, whether directly or through subrecipients or contractors, must report the data using the Race and Ethnic Data Reporting Form found on Grants.gov. The form is a data collection based on the standards published by OMB on August 13, 2002.
- 2. Funding Sources and Uses.** HUD shall require grantees under this NOFA to report the sources and uses of all amounts expended and other information about transformation plans for HUD's annual report to Congress or other purposes as determined by HUD.
- 3. Quarterly Report.** If you are selected for funding, you must submit a quarterly report to HUD. HUD will provide training and technical assistance on the filing and submitting of quarterly reports. Filing of quarterly reports is mandatory for all grantees, and failure to do so within the required timeframe will result in suspension of grant funds until the report is filed and approved by HUD. Grantees will be held to the milestones in the program schedule, as approved by HUD. Grantees must also report obligations and expenditures in LOCCS, or its successor system, on a quarterly basis.
- 4. Research and Reporting.** As a condition of the receipt of financial assistance under this NOFA, all successful applicants will be required to cooperate with all HUD staff or contractors performing HUD-funded research and evaluation studies.
- 5. Final Report.** The grantees shall submit a final report, which will include a financial report and a narrative evaluating overall performance against its Choice Neighborhoods Transformation Plan. Grantees shall use quantifiable data to measure performance against goals and objectives outlined in its Transformation Plan. The financial report shall contain a summary of all expenditures made from the beginning of the grant agreement to the end of the grant agreement and shall include any unexpended balances. The final narrative and financial report shall be due to HUD 90 days after either the full expenditure of funds, or when the grant term expires, whichever comes first.

Please direct questions regarding specific reporting requirements to the point of contact listed in Section VII below.

## D. Debriefing.

For a period of at least 120 days, beginning 30 days after the awards for a Program NOFA are publicly announced, HUD will provide to a requesting applicant a debriefing related to its application. A request for debriefing must be made in writing or by email by the authorized official whose signature appears on the SF424 or by his or her successor in office, and be submitted to the person, organization, or email address identified as the contact under the section entitled Agency Contact(s) in the Program NOFA. 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 assistance was provided or denied.

## VII. Agency Contact(s).

HUD staff will be available to provide clarification on the content of this NOFA. Please note that HUD staff cannot assist applicants in preparing their applications.

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

Choice Neighborhoods Program Office

Persons with hearing or speech impairments may access this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339.

## VIII. Other Information.

**Paperwork Reduction Act Statement.** The information collection requirements in this notice have been approved by OMB under the Paperwork Reduction Act of 1995 (44 U.S.C.3501-3520). In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid OMB control number. Each Program NOFA will identify its applicable OMB control number unless its collection of information is excluded from these requirements under 5 CFR part 1320.

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 Funds Available web page at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail).

**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, etc.) 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, etc.) that might be interested in supporting the project proposed in the application. HUD also posts the highest rated application to its Freedom of Information Act (FOIA) frequently requested materials. FOIA materials are reviewed for privacy and proprietary information before posting.