



PRO HOUSING

Pathways to Removing Obstacles



Pathways to Removing Obstacles to Housing

Preview **NOFO Walk-through**

Introduction to PRO Housing

- Introduction by Principal Deputy Assistant Secretary for Community Planning and Development Marion M. McFadden



PRO Housing NOFO Walk-through

- Description
- Award Information
- Eligibility
- Application Submission
- Application Review Factors
- Award Information

Caveat: This walk-through is intended as an introduction to the PRO Housing competition and does not include all the material in the NOFO. Please read the NOFO for definitive, detailed instructions.



Funding Opportunity Description



What are PRO Housing grants for?

- Pathways to Removing Obstacles to Housing, or PRO Housing, is a competitive grant being administered by HUD.
- PRO Housing seeks to identify and remove barriers to affordable housing production and preservation
- PRO Housing is a component of the Community Development Block Grant (CDBG) program.



What kinds of barriers does PRO Housing seek to remove?

Barriers to affordable housing look different in every community. They can be caused by:

- zoning decisions
- land use policies or regulations
- inefficient procedures
- gaps in available resources for development;
- deteriorating or inadequate infrastructure
- lack of neighborhood amenities
- challenges to preserving existing housing stock



What is HUD prioritizing in the PRO Housing competition?

HUD will prioritize applicants that demonstrate:

- progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation
- an acute demand for housing affordable to households with incomes below 100 percent of the area median income.



How is PRO Housing related to CDBG?

- PRO Housing funds use the CDBG framework. This means that statutes and regulations governing the CDBG program, including Title I of the Housing and Community Development Act of 1974 and 24 CFR part 570, apply to PRO Housing funds.
- The NOFO contains certain exceptions and waivers. See section III.G. of the NOFO for more information.
- As with all CDBG assistance, the priority is to serve low- and moderate-income people.



What are the public participation requirements?

- Before submitting to HUD, you must publish your PRO Housing application or amendment in its entirety for public comment.
- The streamlined requirements mandate at least one public hearing for the application and require providing a reasonable notice (at least 15 days) and opportunity for public comment and ongoing public access to information about the use of grant funds.
- For more information, please visit Section VI.E.5.a.iii of the NOFO



Award Information



How much, How many, When, How Long?

- Approximately \$85,000,000 is available
- HUD expects to make approximately 20 awards
- The minimum award amount is \$1,000,000
- The maximum award amount is \$10,000,000
- PRO Housing has a six-year period of performance.
- The estimated project start date is 1/31/2024, or after the expected issuance of awards.
- The estimated project end date is 9/30/2029.



What is the application deadline?

- **Applications must be submitted by 11:59:59pm Eastern Time on 10/30/2023.**



Eligibility



Who is eligible to apply?

Eligible applicants include:

- State governments
- Local governments (i.e., city and county governments)
- Metropolitan Planning Organizations (MPOs)
- Multijurisdictional entities.

Tribes are not eligible to apply for PRO Housing funds on their own; however, they may partner with eligible applicants



Who is ineligible to apply?

Ineligible applicants include:

- Individuals
- Any entity that does not meet the eligibility criteria

HUD will not evaluate applications from ineligible applicants



What is a multijurisdictional entity?

Any association of local governments or public agencies which are bound by collective agreement (such as a memorandum of understanding, joint powers authority, interstate compact, or the like), such that HUD determines that the entity is authorized and has administrative capability to carry out the activities under this NOFO on behalf of its member jurisdiction(s).



What is a multijurisdictional entity?

- Multijurisdictional entities must demonstrate partnership among all parties
- The parties may demonstrate a partnership by attaching relevant documentation, such as a memorandum of understanding or another foundational document (such as a CDBG joint agreement between an urban county and a metropolitan city or a HOME consortium agreement), to an application



Is match or cost sharing required?

- No match or cost share is required
- However, PRO Housing provides points based on leverage as described in Section V.A.1.d of the NOFO



What is a national objective?

Each proposed PRO Housing assisted activity, other than general administration and planning, must meet a CDBG national objective pursuant to section 101(c) of the Housing and Community Development Act of 1974:

- Benefiting low- and moderate-income persons,
- Preventing or eliminating slums or blight, or
- Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.



What activities are eligible?

Each proposed activity must be an eligible CDBG activity

- Each proposed activity must be eligible pursuant to section 105(a) of the Housing and Community Development Act of 1974 and applicable program regulations at 24 CFR part 570 or
- Receive an eligibility waiver for the activity, requested in the application



What activities are eligible?

Eligible activities include:

- Planning and policy activities
- Development activities
- Infrastructure activities, and
- Preservation activities

For specific examples, please see Section III.F.2.c of the PRO Housing NOFO.



May PRO Housing funds be used to construct new housing?

- HUD is waiving 42 U.S.C. 5305(a) and 24 CFR 570.207(b)(3) and adopting alternative requirements to the extent necessary to permit new construction of housing, subject to the same requirements that apply to rehabilitation activities under the provisions at section 105(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(4)) and 24 CFR 570.202(b).



Can I request an activity eligibility waiver?

- Yes, an applicant may request an activity eligibility waiver.
- For information about waivers and how to request them, please see Section VI.E and Appendix A of the PRO Housing NOFO.



Can PRO Housing funds be used for the general conduct of government?

- No. Any activity to carry out the regular responsibilities of the government is ineligible and unallowable.
- Applicants should plan their approaches accordingly to ensure that PRO Housing award funds are not used for such costs.
- Grantees may and are encouraged to use leverage funding for such unallowable costs.



Can PRO Housing funds be used for downzoning?

- No. Any activity that results in a net decrease in allowable or actual housing construction is ineligible.
- Rezoning efforts and development activities must ensure a net increase in zoned capacity or number of homes, respectively, to be considered for funding.



What if I want to amend my application after submitting it?

- 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 must resubmit the entire application to ensure that HUD gets a complete application.



Which regulations apply to me?

- For CDBG entitlement communities, multijurisdictional entities, and metropolitan planning organizations, regulatory provisions at 24 CFR part 570 subparts A, C, D, J, K, and O apply, as appropriate.
- For states, 24 CFR part 570 subpart I applies; however, Section VI.E of the NOFO waives the requirement for states to distribute funds through a method of distribution as is required for annual State CDBG funds.
 - In other words, states may act directly with PRO Housing funds.



Application Submission



Where can I find application materials?

- All application materials, including the Application Instructions and Application Package, will be available through Grants.gov in September 2023.
- A preview is available to allow interested applicants to review it, submit questions, and prepare applications.
- Interested applicants may submit questions on the NOFO preview to the following email address: CDBG-PROHousing@HUD.gov.
- This NOFO preview is subject to change. While HUD does not intend to make substantive changes at this point, applicants should consider the NOFO published on Grants.gov to be the official version.



What forms will I need?

- Application for Federal Assistance (SF-424)
 - Applicant and Recipient Assurances and Certifications (HUD 424-B)
 - Applicant/Recipient Update/Disclosure Report (HUD 2880)
 - Disclosure of Lobbying Activities (SF-LLL)
 - Certification Regarding Lobbying (Lobbying Form)
 - Federal Assistance Assurances
 - Grant Application Detailed Budget Worksheet (424-CBW)
 - PRO Housing Certifications
- See Section IV.B.1 of the NOFO for more information



What is the standard application format?

- Applications have a maximum of 40 pages.
- These pages must use 12-point (minimum) Times New Roman font on letter sized paper (8 1/2 x 11 inches) with at least 1-inch margins on all sides.
- For more information about format and form, see Section IV.B.2 of the NOFO.



Are there page limit exceptions?

Yes. The documents listed below are not counted in the page limit:

- Table of Contents
- Eligible Applicants documentation
- Evidence of partnership letters
- Leverage documentation
- Application Certifications and Standard forms
- Summary of comments received on published Application and list of commenters by name/organization (Attachment A)
- Tabs/title pages that are blank or display a title/header/'n/a' indication



Are there required attachments?

- Yes. An applicant must attach a summary of comments received on its published application, and a list of commenters by name/organization.
- This is known as Attachment A and does not count toward the page limit.



What are the environmental requirements?

- Environmental justice requirements as set forth in HUD's regulations at 24 CFR parts 50 and 58, which implement the policies of the National Environmental Policy Act (NEPA) and other environmental requirements.
- Grantees who are States or units of general local government (UGLGs) are considered the Responsible Entity under 24 CFR part 58 and are responsible for completing their own environmental review.
- For grantees who are not States or units of general local government (UGLGs) or are not recipients of funding under Title I of the Housing and Community Development Act of 1974 and HUD's regulations at 24 CFR 58.2(a)(5), HUD will perform the environmental review in accordance with 24 CFR part 50.
- For more about environmental requirements, see Sections IV.G.2.c and VI.E of the NOFO.



Factors



What are the rating factors?

- Need (35 points)
- Soundness of Approach (35 points)
- Capacity (10 points)
- Leverage (10 points)
- Long-term Effect (10 points)

You can review the complete prompts at Section V.A.1 of the NOFO. **This presentation does not include all text for all factor prompts.**



Need: HUD Priorities

HUD is prioritizing applications that demonstrate:

1. Progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation; and
2. Acute demand for housing affordable to households with incomes below 100 percent of the area median income.



Need: Sub-factors

a. Need		35
i	Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation.	12
ii	Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?	13
iii	What key barriers still exist and need to be addressed to produce and preserve more affordable accessible housing?	10



Need

- A thorough response:
 - Identifies a need for affordable housing,
 - Names barriers to affordable housing production and preservation in your jurisdiction(s) and
 - Describes the extent of such barriers.
- HUD encourages applications that will discuss key barriers related to land-use regulations, permitting, or related procedural issues.
- HUD will rate applicants based on clear, well supported, demonstrated need.



Need - i. Describe your efforts so far

- Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation. (12 points)
 - Address the timeframe for these efforts
 - How these efforts were adopted, established, or otherwise made permanent and the measurable impact thus far
 - Be sure to describe recent policy changes or community planning strategies that you have adopted to increase housing production for low- and moderate-income populations, as well as
 - Recent initiatives to preserve affordability, increase access to affordable accessible housing in high opportunity areas, and invest in underserved communities.

HUD will rate applicants more highly if they demonstrate that they have successfully taken actions to remove local barriers to increasing affordable housing production and preservation.



Need – ii. Do you have acute demand?

You will be awarded ten (10) points if your application primarily serves a priority geography that has an affordable housing need greater than a threshold calculation for one of three measures:

- Affordable housing not keeping pace,
- Insufficient affordable housing
- Widespread housing cost burden or substandard housing
- HUD has provided a spreadsheet identifying each of these geographies on its website. To see whether your jurisdiction meets the criteria to receive points, visit https://www.hud.gov/program_offices/comm_planning/pro_housing and view the spreadsheet



Need – ii. Do you have acute demand?

You may be awarded up to three (3) additional points for providing compelling information about your affordable housing needs. This information should demonstrate acute demand for affordable housing in your jurisdiction(s) to households with incomes below 100 percent of the area median income.



Need – iii. What key barriers still exist?

- What key barriers still exist and need to be addressed to produce and preserve more affordable housing? (10 points)
 - Describe in detail the leading barriers to affordable housing production and preservation in your jurisdiction(s).
 - A complete response will identify why the identified barriers are key barriers.
- If you are not aware of the extent of barriers to affordable housing production and preservation, describe how the proposed activities will identify barriers and facilitate removal of such barriers.



Soundness of Approach

b. Soundness of Approach		35
i	What is your vision?	15
ii	What is your geographic scope?	5
iii	Who are your key stakeholders? How are you engaging them?	5
iv	How does your proposal align with requirements to affirmatively further fair housing?	5
v	What are your budget and timeline proposals?	5



Soundness of Approach – i. Vision

What is your vision? (15 points)

- A sound proposal will seek to enable increased production and preservation of affordable housing across a broad geographic area over a sustained timeframe.
- HUD expects your response to be clear, complete, specific, and fully analyzed.
- HUD will rate more highly approaches that most directly address the barriers identified in Need [Factor (a)(iii)] and relieve the acute demand.



Soundness of Approach – i. Vision

- Describe your proposed activities and why they are appropriate, given identified Need and applicant Capacity
- Explain how your proposal addresses key barriers to affordable housing production and preservation
- Explain how your proposal compares to similar efforts and how lessons learned from those efforts have shaped your proposal
- You may also wish to discuss how your proposal aligns with existing planning initiatives, services, other community assets. .



Soundness of Approach –

ii. Scope

- What is your geographic scope? (5 points) Explain your proposal's anticipated effects on targeted locations, neighborhoods, cities, or other geographies.
- Describe how your proposal preserves and creates housing units in high-opportunity areas and expands opportunity in underserved communities.
- HUD will rate more highly proposals that address a larger geographic scope.
- Maps, drawings, renderings, and other graphical representations are optional but encouraged.



Soundness of Approach –

iii. Stakeholders

Potential stakeholders may include, but are not limited to,

- Persons with unmet housing needs
- Residents of public or other affordable housing units
- Persons from all protected class groups under the Fair Housing Act
- Local and regional public agencies that provide funding or technical assistance for housing, transportation, and social services
- Community organizations, especially those that represent protected classes
- Private and non-profit housing developers
- Community land trusts
- Advocacy organizations and legal groups
- Business and civic leaders



Soundness of Approach –

iii. Stakeholders

Who are your key stakeholders? How are you engaging them?

- Describe your key stakeholders and how you conducted outreach in developing this proposal. Please also describe your strategy for continued outreach during the grant's period of performance.
- Describe the specific actions you have taken to solicit input from and collaborate with stakeholders in developing this application, including how input from stakeholders and community members has shaped your proposal.
 - In particular, describe input from the housing industry in your area, including affordable housing developers, builders/general contractors, and unions as well as persons in need of affordable housing
- Describe how you incorporated input from stakeholders into your proposal
- Describe your strategies to encourage public participation, build support, and engage community members, including those most likely to benefit from your proposed activity.



Soundness of Approach –

iv. AFFH alignment

- Describe your plans to remove barriers to the development of affordable housing in well-resourced areas of opportunity.
 - How will your proposal increase access for underserved groups to these areas? What is the racial composition of the persons or households who are expected to benefit from your proposed grant activities?
- Describe your plans to remove barriers impeding the development of affordable housing that would promote desegregation.
 - What policies or practices perpetuate segregation and how will your proposal address them?
- How will you ensure that your proposal will not cause affordable housing to be further concentrated in low-opportunity areas or in areas that already have ample affordable housing?
 - How will your proposal increase housing choice by expanding the neighborhoods in which residents who need affordable housing can live?



Soundness of Approach –

iv. AFFH alignment

- How does your approach address the unique housing needs of members of protected class groups, including persons with disabilities, families with children, and underserved communities of color?
- Does your plan address issues identified in your jurisdiction's most recent fair housing plan or plans?
- Have you considered the risk of displacement associated with your proposal?
 - How will you ensure that your planned activities do not lead to the displacement of vulnerable residents in communities of color? Describe any anti-displacement measures included in your proposal (e.g., replacement of affordable units for new construction, or right of first refusal for tenants)?



Soundness of Approach –

iv. AFFH alignment

- How will your proposal address the housing needs of people with disabilities and increase their access to accessible and affordable housing?
 - How will it support independent living with access to supportive services and transportation in the community? Please also describe your plan to ensure compliance with the Americans with Disabilities Act (ADA) and accessibility requirements under the Fair Housing Act.
- Describe the implementation and/or enforcement plan for your proposal.
 - Describe how you will approach resistance (e.g. litigation, environmental review, design standards) to the elimination of your targeted barrier(s).
- Describe any equity-related educational resources, tools, or public input that have informed your proposal.



Soundness of Approach - iv. AFFH alignment

- Do you plan to engage and support minority-, women-, and veteran-owned businesses during your proposed housing production process? Do you have a diversity and equity plan in place or plan to create one? Include, other equity considerations informed by your local circumstances.
- Describe how you will evaluate the effect of your proposal on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing
- How will you track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities?



Soundness of Approach – iv. AFFH alignment

- If you propose to use PRO Housing funds to fund housing units, you must discuss how those benefits will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts.

Note that any actions taken in furtherance of this section must be consistent with federal nondiscrimination requirements.



Soundness of Approach – v. Budget and Timeline

What are your budget and timeline proposals? (5 points)

- Provide a [activity level] budget for the proposed activities that documents all projected sources of funds and estimates all applicable costs.
 - Describe how you determined the budget and how you will ensure that the project will be cost-effective, in line with industry standards, and appropriate for the scope of the project. HUD will evaluate your proposed project cost estimate on the extent to which projected sources, including PRO Housing funds and any leveraged funds, are sufficient for the scope of the proposed project as a whole.
- Describe how you would budget for and manage a successful project if HUD awards a different dollar amount than you are requesting.
 - What is the minimum funding amount that would allow you to carry out your proposal in some form, and what would that proposal achieve?
 - If you were to receive only 50% of your request, what would you be able to achieve?
- Provide a schedule for completing all proposed activities before the expenditure deadline at the end of FY 2029.



Capacity

What capacity do you and your Partner(s) have?

- What is your staffing plan? (10 points) Describe your capacity for managing a Federal grant of this size and scope.
- In evaluating this subfactor, HUD will consider the degree to which applicants demonstrate clear capacity, or a plan to develop capacity, in
 - Managing Federal funds
 - Project management on the scale of the idea or proposal
 - Leadership capacity to coordinate among proposed partners.
- Rather than measuring general capacity, HUD will measure your specific capacity to carry out your proposal, and your responses should reflect this.



Leverage

Leverage commitments as percent of grant funds requested	Points awarded
50 percent and above	10
Between 40.00 and 49.99 percent	8
Between 30.00 and 39.99 percent	6
Between 20.00 and 29.99 percent	4
Between 10.00 and 19.99 percent	2
Below 10.00 percent	0



Leverage

- Applicants are encouraged to leverage additional funding from outside sources. Under the Leverage rating factor, applicants are awarded points for leveraged funding as a percentage of the amount of PRO Housing funding requested.
 - Resources must be firmly committed as of the application deadline date. “Firmly committed” means that the amount of the resource and its dedication to PRO Housing Grant activities is explicit. Endorsements or general letters of support alone will not count as resources and should not be included in the application.
 - Leverage documents must represent valid and accurate commitments of future support. They must detail the dollar amount and any terms of the commitment. They must also indicate that the funding is available to you for the specific activities proposed in your PRO Housing application.
 - Resource commitments must be written and signed by a person authorized to make the commitment and dated.



Leverage

- Commitment letters must be on letterhead or they will not be accepted.
- If the commitment document is not included in the application and submitted before the NOFO deadline, it will not be considered.
- Staff time of the Applicant and/or Partner(s) (if any) will be an eligible leverage resource if they are firmly committed and quantified.



Long-term Effect

What permanent, long-term effects will your proposal have?
What outcomes do you expect? (10 points)

- HUD seeks to ensure that funded activities enable the production and preservation of affordable housing units long after the grant's period of performance.
- Describe how your approach seeks to permanently remove key barriers to producing and preserving affordable housing and the measurable outcomes you expect to achieve.
- Be sure to address how the removal of barriers will result in more resilient housing and sustained production.



Long-term Effect

What permanent, long-term effects will your proposal have?
What outcomes do you expect? (10 points)

- HUD seeks to ensure that funded activities enable the production and preservation of affordable housing units long after the grant's period of performance.
- Describe how your approach seeks to permanently remove key barriers to producing and preserving affordable housing and the measurable outcomes you expect to achieve.
- Be sure to address how the removal of barriers will result in more resilient housing and sustained production.



Long-term Effect

- Describe what you will have achieved upon completion of grant-funded activities, including the specific work product(s), deliverable(s), or completed projects you will produce and any implementation actions that follow.
 - Be sure to address how these achievements will have a permanent, long-term effect.
- Describe what roadblocks your proposal might be facing. What are the most likely ways in which the barriers might persist despite your proposed activities, and how does the proposal account for and counteract this?
- Do you anticipate your proposal will result in reducing housing cost burden for residents without increasing other costs, such as transportation costs?
- Describe how your proposal represents a model for other communities.
- Describe the community's most significant environmental risks and how the proposal is aligned with them to efficiently promote community resiliency.



Long-term Effect

- What do you consider success to look like at the end of the period of performance or beyond?
 - How would you anticipate the proposal to enable the production and preservation of affordable housing? Explain how the targeted outcomes will remedy the identified Need [prompt (a)].
 - If possible, propose metrics (the quantifiable topic area you will measure) and target outcomes (a quantified goal for each metric which you will strive to achieve) \
 - HUD will rate applicants more highly for metrics and outcomes that have an evidence-based connection to the proposed activities and the barriers being addressed.
 - Please be aware that HUD will not score on the basis of high target outcomes, and HUD encourages applicants to set target outcomes that they believe to be realistically achievable.
- Describe the long term effect of your proposal on removing barriers to affordable housing production that have perpetuated segregation, inhibited access to well-resourced neighborhoods of opportunity for protected class groups and vulnerable populations and expanded access to housing opportunities for these populations.



Award Information



Process Information

- HUD will screen applications to determine if the threshold criteria from Section III.D of the NOFO are met. If they are not met, the application will be deemed ineligible and will not receive further review. If they are met, HUD will screen the application to determine if it meets the other threshold criteria listed in Section III.D (including screening for technical deficiencies).
- Reviewers will rate each eligible application based solely on the rating factors described in Section V.A of the PRO Housing NOFO and assign a preliminary score for each rating factor and total score. HUD will then rank applications in score order. From there, a final review panel will:
 - Review the Preliminary Rating and Ranking documentation to ensure any inconsistencies between preliminary reviewers are identified and rectified and to ensure the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.
 - Assign a final score to each application and rank them in score order; and
 - Recommend for selection the most highly rated applications, subject to the amount of available funding.



Process Information

- For a period of at least 120 calendar days, beginning 30 calendar days after the public announcement of awards under this NOFO, HUD will provide a debriefing related to their application to requesting applicants. Information provided during a debriefing may include the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which funding was approved or denied.
- A grantee shall maintain a public website which provides information accounting for how all grant funds are used and managed/administered, including details of all contracts and ongoing procurement policies. To meet this requirement, each grantee must make the PRO Housing Action Plan (including all amendments) and each Annual Performance Report (as created using the DRGR system) available on its website(s).



Process Information

- To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met, HUD reserves the right to fund less than the amount requested in an application.
- Grantees will be required to submit a progress report on an annual basis throughout the grant term through HUD-provided templates and HUD's Disaster Recovery Grant Reporting (DRGR) System. Recipients will also have to show evidence through quarterly Federal Financial Reports (SF-425) that they received and used financial leverage resources for their intended purpose.



How can an applicant contact HUD with questions?

- You can contact HUD about program-specific requirements by directing your questions to CDBG-PROHousing@hud.gov.





Does HUD have resources related to removing barriers to affordable housing?

- HUD has a webpage dedicated to barriers to affordable housing. It features HUD's recent technical assistance webinars on this topic and links to additional resources, such as HUD's Regulatory Barriers Clearinghouse.
- Please visit the webpage at this link:
https://www.hud.gov/program_offices/comm_planning/affordable_housing_barriers



Questions?

