



U.S. Department of Housing and Urban Development

Public and Indian Housing

FY 2022 Choice Neighborhoods Implementation Grant Program

FR-6600-N-34

Implementation Grant 01/11/2023

Supplemental Deadline Date: 02/06/2023

Table of Contents

| | |
|---|----|
| Summary | 3 |
| Overview | 3 |
| I. FUNDING OPPORTUNITY DESCRIPTION..... | 4 |
| A. Program Description..... | 4 |
| B. Authority..... | 16 |
| II. Award Information. | 17 |
| A. Available Funds..... | 17 |
| B. Number of Awards. | 17 |
| C. Minimum/Maximum Award Information | 17 |
| D. Period of Performance..... | 18 |
| E. Type of Funding Instrument. | 18 |
| III. Eligibility Information..... | 18 |
| A. Eligible Applicants. | 18 |
| B. Ineligible Applicants..... | 21 |
| C. Cost Sharing or Matching..... | 21 |
| D. Threshold Eligibility Requirements. | 21 |
| E. Statutory and Regulatory Requirements Affecting Eligibility. | 27 |
| F. Program-Specific Requirements. | 28 |
| G. Criteria for Beneficiaries..... | 46 |
| IV. Application and Submission Information. | 47 |
| A. Obtaining an Application Package. | 47 |
| B. Content and Form of Application Submission. | 47 |
| C. System for Award Management (SAM) and Unique Entity Identifier (UEI). | 57 |
| D. Application Submission Dates and Times..... | 58 |
| E. Intergovernmental Review..... | 61 |
| F. Funding Restrictions. | 61 |
| G. Other Submission Requirements..... | 63 |
| V. Application Review Information..... | 64 |
| A. Review Criteria..... | 64 |
| B. Review and Selection Process. | 95 |
| VI. Award Administration Information. | 97 |
| A. Award Notices..... | 97 |

B. Administrative, National and Department Policy Requirements and Terms for HUD
Recipients Financial Assistance Awards..... 99

C. Reporting..... 102

D. Debriefing..... 103

VII. Agency Contact(s)..... 103

VIII. Other Information..... 104

APPENDIX..... 105

Program Office:

Public and Indian Housing

Funding Opportunity Title:

FY 2022 Choice Neighborhoods Implementation Grant Program

Funding Opportunity Number:

FR-6600-N-34

Assistance Listing Number:

14.889

Due Date for Applications:

02/06/2023

Summary

The U.S. Department of Housing and Urban Development (HUD) Strategic Plan sets the direction and focus of our programs and staff to create strong, sustainable, inclusive communities and quality, affordable homes for all.

HUD's Strategic Goals

HUD's FY 2022-2026 Strategic Plan lays out this administration's strategy for ensuring everyone has an affordable, healthy place to live. Over the course of the next four years HUD will pursue two overarching priorities focused on increasing equity and improving customer experience across all HUD programs. Five strategic goals undergird the Plan as follows:

- Strategic Goal 1: Support Underserved Communities
- Strategic Goal 2: Ensure Access to and Increase the Production of Affordable Housing
- Strategic Goal 3: Promote Homeownership
- Strategic Goal 4: Advance Sustainable Communities
- Strategic Goal 5: Strengthen HUD's Internal Capacity

The five goals of the FY 2022-2026 Strategic Plan present the core vision of what we hope to accomplish, the strategies to accomplish those objectives, and the indicators of success.

Overview

The U.S. Department of Housing and Urban Development (HUD) issues this Notice of Funding Opportunity (NOFO) to invite applications from eligible applicants for the program and purpose described within this NOFO. Prospective applicants should carefully read all instructions in all sections to avoid sending an incomplete or ineligible application. HUD funding is highly competitive. Failure to respond accurately to any submission requirement could result in an incomplete or noncompetitive proposal.

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

For Further Information Regarding this NOFO: Please direct questions regarding the specific

requirements of this NOFO to the office contact identified in Section VII.

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 NOFO will identify its applicable OMB control number unless its collection of information is excluded from these requirements under [5 CFR part 1320](#).

OMB Approval Number(s):

2577-0269

I. FUNDING OPPORTUNITY DESCRIPTION.

A. Program Description.

- **Purpose**

The Choice Neighborhoods program leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with severely distressed public housing and/or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and other stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a plan that revitalizes distressed HUD housing and addresses the challenges in the surrounding neighborhood. The program helps communities transform neighborhoods by redeveloping severely distressed public and/or HUD-assisted housing and catalyzing critical improvements in the neighborhood. To this end, Choice Neighborhoods is focused on three core goals:

1. **Housing:** Replace severely distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood.
2. **People:** Improve outcomes of households living in the target housing related to income and employment, health, and education; and
3. **Neighborhood:** Create the conditions necessary for public and private investment 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 under this NOFO 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 is needed. Successful applicants need to work with public and private agencies, organizations (including philanthropic and civic organizations), banks and financial institutions, and individuals to gather and leverage the financial and human capital resources

needed to support the sustainability of the plan. These efforts should build community support for and involvement in the development and implementation of the plan.

Objectives and Metrics to Measure Long Term Success: Each Choice Neighborhoods grantee is expected to develop performance metrics based on these objectives.

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

- **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.
- **Mixed-Income.** Housing affordable to families and individuals with a broad range of incomes including low-income, moderate-income, and market rate or unrestricted.
- **Energy Efficient, Climate Resistant, and Sustainable.** Housing that has low per unit energy and water consumption and is built to be resistant to local disaster risk.
- **Accessible, Healthy, and Free from Discrimination.** Housing that is well-designed, meets federal accessibility requirements and embraces concepts of visitability and universal design, has healthy indoor air quality, has affordable broadband Internet access, and is free from discrimination.

2. People Objectives: Residents who live in the target and replacement housing before and after redevelopment benefit from:

- **Effective Education.** A high level of resident access to high-quality early learning programs and services so children enter kindergarten ready to learn and quality schools and/or educational supports that ultimately prepare students to graduate from high school college- and/or career-ready.
- **Income and Employment Opportunities.** The income of residents, particularly wage income for non-elderly/non-disabled adult residents, increases over time.
- **Quality Health Care.** Residents have increased access to health services and have improved physical and mental health over time.
- **Housing Location, Quality, and Affordability.** Residents of the target housing 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 public and private investments catalyzed by Choice Neighborhoods, the distressed neighborhood will have improved:

- **Housing Quality and Variety.** The housing in the neighborhood has a lower vacancy/abandonment rate, is high quality and well-maintained, and has an appropriate mix of rental and homeownership units to meet resident needs. The neighborhood better supports families with a broad range of incomes.
- **Economic Opportunity.** The neighborhood attracts and maintains a diverse mix of businesses and employers to create meaningful jobs and economic

opportunities for residents, respond to local needs, and address long-term disinvestment.

- **Community Assets and Amenities.** The neighborhood includes community amenities found in higher opportunity areas, such as grocery stores and fresh food options, retail goods and services, financial institutions, medical and health facilities, parks and greenspace, public transit, high-quality early learning programs, and good public schools.
- **Community Confidence.** The neighborhood image reflects a healthy, livable, and equitable community that honors its history and embraces a positive outlook for the future. There is an enhanced sense of place and a visibly improved built environment. Long term-residents choose to stay and have the supports to do so, and new residents likewise choose to live in the revitalized neighborhood.
- **Public Safety.** Residents feel safer in their homes and spending time in the revitalized community and the neighborhood has lower crime rates than prior to redevelopment.

- **Changes from Previous NOFO.**

January 2023 update: Please note this NOFO has two deadline dates.

- **The pool of eligible applicants for a Supplemental Grant is expanded to include FY16 CN Implementation Grantees that did not receive a prior Supplemental Grant. The due date for these applications is extended to 11:59:59 pm Eastern time on February 6, 2023.**

The application due date for an Implementation Grant remains 11:59:59 pm Eastern Time on January 11, 2023. Any application received after the Jan 11th deadline that is not applying for the Supplemental Funding is automatically ineligible.

Highlights of significant changes:

- Changes to the Eligible Target Housing requirements: (1) Units in a public housing project funded by certain types of the ARRA Capital Fund Recovery Competitive grants are no longer ineligible and may now be included as the Eligible Target Housing; and (2) if the only target housing project in a previously awarded CN Planning Grant is designated for elderly and/or disabled residents or the DOFA is after 1996, that project may be the target housing in this Implementation Grant application.
- Change to the Eligible Target Neighborhood threshold: The minimum poverty/ELI rate for the target neighborhood has been lowered to 15 percent.
- Change in Relation to prior CN Implementation Grants: A new Implementation Grant application may target the same neighborhood as a previously funded CN Implementation Grant if it has a different target housing project.
- The Separability threshold has been revised to require that an entire development is included as the target housing in the grant application.
- The amount of CN funding allocated to Supportive Services can now be up to 20 percent of grant award.

- Prior CN Planning Grantees now automatically earn full points for the Need-Severe Physical Distress of Target Housing rating factors.
- Information for the People and Neighborhood components of the program have been updated and consolidated in the program requirements section.
- Prior Choice Neighborhoods Implementation Grantees that meet certain criteria may apply for a Supplemental Grant, as detailed in the Appendix.
- Revised language in some rating factors to improve clarity.
- **Definitions.**

a. Standard Definitions

Affirmatively Furthering Fair Housing (AFFH). Affirmatively Furthering Fair Housing (AFFH) means taking meaningful actions, in addition to combating discrimination to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunities, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all program participant’s activities and programs relating to housing and urban development.

Assistance Listing number refers to the publicly available listing of Federal assistance programs managed and administered by the General Services Administration, formerly known as the Catalog of Federal Domestic Assistance (CFDA). Assistance Listing is a unique number assigned to identify a Federal Assistance Listings, formerly known as the CFDA

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

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

Contract means, for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a federal award. For additional information on contractor and subrecipient determinations, see [2 CFR 200.331](#).

Contractor means an entity that receives a contract as defined above and in [2 CFR 200.1](#).

Deficiency is information missing or omitted within a submitted application. Examples of deficiencies include missing documents, information on a form, or some other type of unsatisfied information requirement. Depending on specific criteria, deficiencies may be either Curable or Non-Curable.

- *Curable Deficiencies* may be corrected by the applicant with timely action. To be curable the deficiency must:
- Not be a threshold requirement, except for documentation of applicant eligibility;
- Not influence how an applicant is ranked or scored versus other applicants; and
- Be remedied within the time frame specified in the notice of deficiency.

Non-Curable Deficiencies cannot be corrected by an applicant after the submission deadline. Non-curable deficiencies are deficiencies that, if corrected, would change an applicant's score or rank versus other applicants. Non-curable deficiencies may result in an application being marked ineligible, or otherwise adversely affect an application's score and final determination.

DUNS Number is the nine-digit Dun and Bradstreet Data Universal Number System identification number assigned to a business or organization by Dun & Bradstreet and provides a means of identifying business entities on a location-specific basis.

E-Business Point of Contact (E-Biz POC) A user registered as an organization applicant who is responsible for the administration and management of grant activities for his or her organization. The E-Biz POC is likely to be an organization's chief financial officer or authorizing official. The E-Biz POC authorizes representatives of their organization to apply on behalf of the organization (see Standard AOR and Expanded AOR). There can only be one E-Biz POC per DUNS Number.

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

Expanded Authorized Organization Representative (AOR) An AOR is a member of your organization authorized by the EBiz POC to submit applications in Grants.gov on behalf of the organization. An applicant user with the Expanded AOR role is authorized to submit any applications on behalf of the organization and has privileges that allow the user to modify organization-level settings in Grants.gov.

Federal Financial Assistance means assistance that entities received or administer in the form of:

1. Grants;
2. Cooperative agreements (which does not include a cooperative research and development agreement pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C. 3710a)).
3. Loans;
4. Loan guarantees;
5. Subsidies;
6. Insurance;
7. Food commodities;
8. Direct appropriations;
9. Assessed and voluntary contributions; and
10. Any other financial assistance transaction that authorizes the non-Federal entity's expenditure of Federal funds.

11. Federal financial assistance does not include amounts received as reimbursement for services rendered to individuals as described in section [200.502\(h\)](#) and (i). ([2 CFR 200.1](#))

Federal award, has the meaning, depending on the context, in either paragraph (i) or (ii) of this definition:

1. (i) The Federal financial assistance that a recipient receives directly from a Federal awarding agency or a subrecipient receives indirectly from a pass-through entity, as described in [2 CFR §200.101](#); or
 - ii. The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in [2 CFR §200.101](#).
2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (2) of the definitions of Federal financial assistance in [2 CFR §200.1](#), and this NOFO, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.
3. Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).
4. See also definitions of Federal financial assistance, grant agreement, and cooperative agreement in [2 CFR 200.1](#).

Grants.gov is the website serving as the Federal government's central portal for searching and applying for Federal financial assistance throughout the Federal government. Registration on Grants.gov is required for submission of applications to prospective agencies unless otherwise specified in this NOFO.

Green and Resilient Building Standard means an industry-recognized standard that has both:

- a) achieved certification under (i) Enterprise Green Communities, (ii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iii) ICC-700 National Green Building Standard Green+ Resilience; or the (iv) Living Building Challenge, or (v) a regional standard such as Earth Advantage New Homes; or any other equivalent comprehensive green building program acceptable to HUD

And

- b) meets minimum energy efficiency requirements, such as those defined in (i) ENERGY STAR (Certified Homes or Multifamily High-Rise), (ii) DOE Zero Energy Ready Home; (iii) regional or local certifications such as EarthCraft House, EarthCraft Multifamily; Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole Building label); (iv) Passive House Institute Passive Building or EnerPHit certification from the Passive House Institute US (PHIUS), International Passive House Association.

Historically Black Colleges and Universities (HBCUs) The Higher Education Act of 1965, as amended, defines an HBCU as: "...any historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of black

Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation.” HBCUs offer all students, regardless of race, an opportunity to develop their skills and talents.

Non-Federal Entity (NFE) means a state, local government, Indian tribe, Institution of Higher Education (IHE), or non-profit organization that carries out a federal award as a recipient or subrecipient.

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

Promise Zones (PZs) are high poverty communities where the federal government partners with local leaders to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health and address other priorities identified by the community. [See Promise Zones.](#)

Recipient means an entity, usually but not limited to non-Federal entities, that receives a federal award directly from HUD. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Small business is defined as a privately-owned corporation, partnership, or sole proprietorship that has fewer employees and less annual revenue than a corporation or regular-sized business. The definition of “small”—in terms of being able to apply for government support and qualify for preferential tax policy—varies by country and industry. The U.S. Small Business Administration defines a small business according to a set of standards based on specific industries. See [13 CFR Part 121](#).

Standard Authorized Organization Representative (AOR) An AOR is a member of your organization authorized by the EBiz POC to submit applications in Grants.gov on behalf of the organization. An applicant user with the Standard AOR role can only submit applications when they are a Participant of that workspace.

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

System for Award Management (SAM) is the Federal Repository into which an entity must provide information required for the conduct of business as a recipient. Registration with SAM is required for submission of applications via Grants.gov. You can access the website at <https://www.sam.gov/SAM/>. There is no cost to use SAM.

Threshold Requirements are an eligibility requirement that must be met for an application to be reviewed. Threshold requirements are not curable, except for documentation of applicant

eligibility and are listed in Section III.D Threshold Eligibility Requirements. Similarly, there are eligibility requirements under Section III.E, Statutory and Regulatory Requirements Affecting Eligibility.

Unique Entity Identifier (UEI) means the identifier assigned by SAM to uniquely identify business entities.

- 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 NOFO.

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

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

Assisted Housing. In this NOFO, the term “assisted housing” (used interchangeably with “HUD-Assisted Housing”) means housing assisted under a Housing Assistance Payment (HAP) contract pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C 1437g) (excluding tenant-based vouchers and developments where fewer than 50 percent of the units in a housing development receive project-based voucher assistance), section 221(d)(3) or section 236 of the National Housing Act (12 U.S.C. 1715l and 12 U.S.C 1715z-1), or the Native American Housing Assistance and Self-Determination Act of 1996, 25 U.S.C. 4101, et seq. (Indian Housing). In the case of Indian Housing, this includes only single family and duplex rental housing that is clustered in a development and multifamily rental housing projects in which at least 50 percent of the units are assisted.

Case Management. Case Management is an individual- or family-centered approach to improve resident outcomes in income, employment, health, and education, as well as to ensure residents' housing stability and successful relocation. Case management should employ a coaching approach that is trauma-informed, in which case managers work one-on-one to help residents achieve the goals that they identify for themselves in these areas. 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. Active case management requires a minimum of quarterly client contact.

Co-Applicant. Co-Applicant means an entity with which the Lead Applicant applies for funding under this NOFO. A Co-Applicant can be a local government, PHA, owner of the target HUD-assisted housing (e.g., a nonprofit or for-profit developer), or tribal entity. The local government of jurisdiction must be the Co-Applicant if it is not the Lead Applicant. Along with the Lead Applicant, the Co-Applicant must meet each Threshold Requirement listed in Section III.A, will sign the Grant Agreement, and will be responsible for implementing the activities identified in the Transformation Plan.

Critical Community Improvements. Critical Community Improvements (CCIs) are grant funded, physical community and economic development projects that advance the neighborhood outcomes proposed in the Transformation Plan.

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 a range of participants and settings to support generalizability.

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

Housing Implementation Entity. The entity that is responsible for implementing the Housing component of the Transformation Plan and is at-risk and financially responsible for developing the housing and the long-term asset management of the housing. A joint venture with an executed agreement that establishes clear roles and responsibility can be the Housing Implementation Entity.

Lead Applicant. Lead Applicant means the entity primarily responsible for coordinating the activities identified in the Transformation Plan. The Lead Applicant must be a local government, PHA, or tribal entity. 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 will be the sole entity that has access to the Choice Neighborhoods grant funds through HUD's Line of Credit Control System (LOCCS).

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.

Neighborhood. The neighborhood is the geographic area within which the activities of the Transformation Plan shall take place. HUD understands neighborhood boundaries are not fixed like municipal or county boundaries. The Department also recognizes that neighborhoods do not necessarily follow statistical boundaries, such as census tracts. For Choice Neighborhoods, HUD will rely on applicants to identify generally accepted boundaries for the target neighborhood. In many communities, 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.

Neighborhood Assets. Neighborhood assets include the following main categories:

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

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 government funding for its activities in the target neighborhood and which has local government participation on its governing board. A joint venture or other type of partnership cannot be the Neighborhood Implementation Entity.

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.

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, the People component of the Transformation Plan ("People Plan"). At a minimum, this strategy should be comprised of case management and service coordination related to health, income and employment, education and early learning. This entity must also have primary responsibility for implementing day-to-day case management. A joint venture or other type of partnership cannot be the People Implementation Entity.

Physical Needs Assessment. A Physical Needs Assessment (PNA) for a housing project should be prepared by an independent registered engineer or architect that conducts a physical inspection of at least 10 percent of each dwelling unit set (i.e. a grouping of units within a building, which share characteristics, such as: number of bedrooms, number of full and half baths, ceiling height, and floor area) in order to ensure a representative sample of dwelling units are assessed and at least 50 percent of the non-dwelling space (i.e. exteriors, envelopes, non-dwelling units, grounds, common space and systems). Generally, a PNA identifies all the work needed to bring the housing project up to the applicable building modernization and energy conservation standards and includes work to bring the housing project into compliance with federal accessibility requirements. Typically, a PNA takes into account the life cycle replacement costs of the housing project's entire inventory of capital items for a period of 20 years; however, for the purposes of the rating factors in this NOFO, HUD will only consider the cost of immediate needs for rehabilitation. Capital Needs Assessments, Project Capital Needs Assessments and Physical Condition Assessments are acceptable formats. Please note that HUD offers PHAs a free and standardized PNA format via our PNA Tool at: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/gpnatool. Additionally, this website includes a user guide, instructions, and other informative PNA resources. PHAs can retrieve their PIC data in HUD's Energy and Performance Information Center's (EPIC) PNA tab or via request at PHAPNA@hud.gov.

Principal Education Partner. The entity selected to have primary responsibility for implementing the education component of the Transformation Plan.

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.

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 units that has a single Project Number assigned by the Director of Public Housing of a HUD Field Office and has, or had (in the case of previously demolished units), housing units under an ACC and in accordance with section 9 of the US Housing Act of 1937. Applicants must be clear throughout their application as to the project they are targeting.

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).

Rental Assistance Demonstration (RAD). A HUD program that allows PHAs to convert public housing to project-based section 8 housing to facilitate additional debt and equity financing. If awarded a Choice Implementation Grant, awardees may use RAD as a replacement housing vehicle. More information on the RAD Program can be found at www.hud.gov/rad.

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 U.S. 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 U.S. Housing Act of 1937) and project-based rental assistance as provided in a RAD conversion are included in this definition. To satisfy the one-for-one replacement requirement through acquisition, the replacement unit must not have been receiving assistance prior to submitting the application.

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

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 NOFO: (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.

Supportive Services. In accordance with section 24(j)(3) of the 1937 Act, the term “supportive services” includes all activities that will promote upward mobility, self-sufficiency, or improved quality of life for the residents of the [target] housing involved,' including 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.

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.

Tribal Entities. Tribal entities means Indian 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 NOFO is provided by the Consolidated Appropriations Act, 2022 (Public Law 117-103, enacted March 15, 2022) and Consolidated Appropriations Act, 2021 (Public Law 116-260, approved December 27, 2020). 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 applied by the fiscal year 2021 and 2022 Appropriations.

II. Award Information.

A. Available Funds

Funding of approximately **\$379,000,000** is available through this NOFO.

Additional funds may become available for award under this NOFO. Use of these funds might be subject to statutory constraints or other requirements. All awards are subject to the funding restrictions contained in this NOFO.

Per the FY 2022 appropriations, at least \$175,000,000 million of the total FY 2022 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). HUD will allocate a portion of the funding under this NOFO to award Supplemental Grants to previously funded CN Implementation Grantees (see Appendix for details). We anticipate allocating approximately \$100 million toward Supplemental Grants; however, the actual amount will be determined after grant applications are received and reviewed. This NOFO includes FY 2021 and FY 2022 appropriations, and at the Department's discretion and subject to appropriations, HUD may use FY 2023 appropriations to make grant awards under this NOFO. Tenant Protection Voucher assistance for purposes in association with the Implementation Grants will be in addition to the Choice Neighborhoods Implementation Grant and may be requested after the Choice Neighborhoods grant award.

B. Number of Awards.

HUD expects to make approximately 6 awards from the funds available under this NOFO.

In addition, HUD expects to award approximately 15 Supplemental Grants to previously funded Implementation Grantees (as detailed in the Appendix).

Depending on the FY 2023 appropriations and the amount of FY 2023 funding HUD elects to use for grants under this NOFO, the number of awards may be higher.

C. Minimum/Maximum Award Information

For the purposes of establishing the maximum amount of Choice Neighborhoods Implementation Grant funding that an applicant may request, 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. An applicant may request the lesser of this calculated amount or \$40,000,000 for applications with a target housing project with fewer than 250 public housing/assisted units or \$50,000,000 if the target housing has 250 or more public housing/assisted units. Use the FY 2022 Implementation Grant Sizing worksheet (HUD-53235) and include it in the attachments section of the application.

Estimated Total Funding:

\$379,000,000

Minimum Award Amount:

\$1
Per Project Period

Maximum Award Amount:
\$50,000,000
Per Project Period

D. Period of Performance

Grantees must proceed in a timely manner, as indicated by the timeframes established in this NOFO and Grant Agreement. All FY 2021 Choice Neighborhoods funds must be expended by September 30, 2028 and all FY 2022 Choice Neighborhoods funds must be expended by September 30, 2031, unless the Grant Agreement establishes an earlier deadline. The grant term will accommodate the timeframes established by Congress if any FY 2023 funding is appropriated and included in the grant awards.

Estimated Project Start Date:
07/10/2023

Estimated Project End Date:
09/30/2031

Length of Project Periods:
Other

Length of Periods Explanation of Other:
See Section IV.F for additional information.

E. Type of Funding Instrument.

Funding Instrument Type:
G (Grant)

III. Eligibility Information.

A. Eligible Applicants.

02 (City or township governments)

08 (Public housing authorities/Indian housing authorities)

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

Additional Information on Eligibility

The local government of jurisdiction must be either the Lead Applicant or Co-Applicant. The Lead Applicant can be either a Public Housing Agency (PHA), local government, or tribal entity. A Co-Applicant can be a local government, PHA, tribal entity, or the owner of the target HUD-assisted housing (e.g., nonprofit or for-profit developer).

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

1. Eligible Applicants. The local government of jurisdiction must be the Lead Applicant or Co-Applicant. (For applications that target Indian Housing, the tribe meets this requirement.) The Lead Applicant must be a local government, Public Housing Agency (PHA),

or a tribal entity. A Co-Applicant can be a local government, PHA, tribal entity, or the owner of the target HUD-assisted housing (e.g., a nonprofit or for-profit developer). See Section I.A for definitions of related terms.

a. **Troubled Status for PHAs.** If a PHA applicant 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 Co-Applicant is the owner of the assisted property that is the subject of the Choice Neighborhoods grant application, the application must include the owner's most recent Previous Participation Certification (HUD-2530). If the owner 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 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 only public housing or Indian housing.

2. Eligible Target Housing. Each application must focus on the revitalization of at least one severely distressed public and/or assisted housing project. Eligible target housing meets the following criteria:

a. Is currently HUD "public housing" or "assisted housing" as defined in this NOFO.

b. If the project's occupancy is designated housing for "elderly" or "disabled" residents, it cannot be the only target housing project identified in this grant application. At least one target housing project must be available for general occupancy by families. For public housing projects, HUD will verify if the property has such a designation in PIC. For assisted housing, HUD will verify if such a designation is listed in the Housing Assistance Payments (HAP) contract or other HUD records. For this FY22 NOFO, if a project that is designated housing for elderly or disabled residents was the target housing in a previously awarded Choice Neighborhoods Planning Grant, it is eligible to be the only target housing in this Implementation Grant application.

c. For public housing projects, the Actual Date of Full Availability (DOFA) date in PIC must be earlier than January 1, 1996. For this FY22 NOFO, if a project that has a DOFA date after January 1, 1996, was the target housing in a previously awarded Choice Neighborhoods Planning Grant, it is eligible to be the target housing in this Implementation Grant application.

d. Severely distressed: The definition of severely distressed housing from section 24(j)(2) of the 1937 Act is included in section I.A. Provide the Certification of Severe Physical Distress form (HUD-53232) and include it in the attachments section of the application. The certification must be signed by an engineer or architect licensed by a state licensing board and dated. 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 of severe distress and be listed on the certification form. If the HUD-53232 form was signed more than 12 months prior to the NOFO publication date, the property's owner must submit a certification that it has not undertaken rehabilitation activities that would make the certification invalid.

3. Eligible Neighborhood. An eligible neighborhood for a Choice Neighborhoods grant is a neighborhood with at least 15 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. To meet this application requirement, the applicant must demonstrate compliance with the following criteria:

a. The definition of "neighborhood" from Section I.A applies. Applicants should carefully consider the neighborhood boundary presented in this application. Discuss it with the local government, residents, and other local stakeholders to ensure the grant application truly reflects what is generally accepted as the boundary of the neighborhood. 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 that have been adopted by a public jurisdiction.

b. 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: $(80\% \times 40\%) + (20\% \times 10\%) = 34\%$. The applicant must draw the boundaries of the target neighborhood using the mapping tool posted on the FY 2022 NOFO and Funding Information page at www.hud.gov/cn and provide a PDF of the eligible neighborhood, as produced and emailed to the user by the mapping tool, in the attachments section of the application. HUD will not accept additional documentation and will make the final determination on compliance with the threshold.

B. Ineligible Applicants.

Individuals or any entity not listed above as an Eligible Applicant.

C. Cost Sharing or Matching.

This Program requires cost sharing or matching as described below.

In accordance with Section 24(c)(1)(A) of the 1937 Act (42 U.S.C. 1437v(c)(1)(A)), matching funds in the amount of at least five percent of the grant amount in cash or in-kind donations must be secured and used by the end of the grant term. In addition, in accordance with Section 24(c)(1)(B) of the 1937 Act, if a grantee uses more than five percent of the grant amount for Supportive Services, it must provide matching funds in an amount equal to the amount used in excess of five percent. 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 only allowed to be used as cost share or match if 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.

D. Threshold Eligibility Requirements.

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

1. Resolution of Civil Rights Matters. Outstanding civil rights matters must be resolved before the application deadline. Applicants, who after review are confirmed to have civil rights matters unresolved at the application deadline, will be deemed ineligible. Their applications will receive no further review, will not be rated and ranked, and they will not receive funding.

- a. Applicants having any of the charges, cause determinations, lawsuits, or letters of findings referenced in subparagraphs (1) – (5) that have not been resolved to HUD's satisfaction before or on the application deadline date are ineligible for funding. Such matters include:
 1. 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;
 2. Status as a defendant in a Fair Housing Act lawsuit filed by the United States alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance under 42 U.S.C. 3614(a);
 3. Status as a defendant in any other lawsuit filed or joined by the Department of Justice, or in which the Department of Justice has intervened, or filed an amicus brief or statement of interest, 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, the Americans with Disabilities Act or a claim under the False Claims Act related to fair housing, non-discrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;

4. Receipt of a letter of findings identifying systemic non-compliance 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 the Americans with Disabilities Act; or
 5. 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.
- b. HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline date will resolve the matter. Examples of actions that may be sufficient to resolve the matter include, but are not limited to:
1. Current compliance with a voluntary compliance agreement signed by all the parties;
 2. Current compliance with a HUD-approved conciliation agreement signed by all the parties;
 3. 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;
 4. Current compliance with a consent order or consent decree;
 5. Current compliance with a final judicial ruling or administrative ruling or decision; or
 6. Dismissal of charges.

2. Affirmatively Furthering Fair Housing. With some exceptions for federally recognized Indian tribes and their instrumentalities, the application must discuss how the applicant will carry out the proposed activities in a manner that affirmatively furthers fair housing in compliance with the Fair Housing Act and its implementing regulations. Applicants may propose activities that are consistent with their jurisdiction’s Analysis of Impediments (AI), an Assessment of Fair Housing (AFH), or other means of fair housing planning that meaningfully supports their AFFH certification.

If the applicant will carry out proposed activities in a jurisdiction with an accepted Assessment of Fair Housing (AFH), the proposed activities should be consistent with the AFH’s fair housing goals and with fair housing strategies specified in the jurisdiction’s Consolidated Plan or Public Housing Agency Plan.”

3. Timely Submission of Applications. Applications submitted after the deadline stated within this NOFO that do not meet the requirements of the grace period policy will be marked late. Late applications are ineligible and will not be considered for funding. See Section IV. D. Application Submission Dates and Times.

4. Partnership and Joint Venture Certifications. Provide a letter or other document from each Principal Team Member, including the Lead Applicant and any Co-Applicant, 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. Each document must be

signed by an authorized representative of each entity. If the Housing Implementation Entity is a joint venture, the joint venture's certification must affirm that a contract governing the rights and responsibilities of the parties is in legal force and effect for that joint venture, identify each member, and describe each member's role. The Housing Implementation Entity's certification must also indicate that it will be responsible for implementing day-to-day development and asset management activities associated with the Housing Plan. If a Lead Applicant proposes to rely on a Principal Team Member for rating purposes under the NOFO, the applicant will be required to secure HUD's approval, if funded, prior to dismissing and/or 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.

5. Site Control for Target and Replacement Housing Sites to Be Developed by the Housing Implementation Entity. Either the Lead Applicant, Co-Applicant (if any), or the Housing Implementation Entity must have site control for the target housing site and all parcels proposed for replacement housing under the Transformation Plan. The entity that owns each parcel must provide a certification of site control in the application. 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 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. In the case of an application targeting Indian housing, a leasehold interest in the property(ies) is acceptable. 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(s) 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 the Housing Plan includes replacement units that will be provided through project-based vouchers in projects developed by a different entity as described in section III.F.2.b.5, HUD will review the letter from the PHA that will administer the vouchers as required in the Overall Housing Strategy rating factor. If you do not provide an acceptable certification of site control, the entire application will be disqualified from further consideration for funding. If after grant award, HUD determines that the Lead Applicant, Co-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 grantee.

6. Location of Housing. The application must include a site map indicating both the original target housing location and all proposed housing location(s). The map must also be at a scale to show exact lots/parcels and include street names. If all proposed 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 and (2) evidence that demonstrates the alternative neighborhood meets the requirements set forth in section III.F.2.b.3.b. The CN mapping tool now has an "Off-site Replacement Housing" tab that incorporates data to demonstrate compliance with the requirements. You must include all this information in the attachments. If

the Housing Plan includes replacement units that will be provided through project-based vouchers as described in section III.F.2.b.5, HUD will review the letter from the PHA that will administer the vouchers to ensure it includes the commitment that such units will be located in eligible Choice Neighborhoods locations as described in section III.F.2.b.3.

7. Consistency with PHA/MTW Plan. If a public housing project is the target housing of this application, the Transformation Plan must be consistent with the PHA Plan, including the MTW Supplement to the PHA Plan, or MTW Plan, as applicable. Provide a letter signed by the PHA Executive Director certifying that the Transformation Plan is consistent with most recently approved PHA Plan (or MTW Plan, as applicable) in the attachments. If this application is from a prior Planning Grantee and HUD has accepted the final Transformation Plan as of the NOFO publication date, the application automatically passes this threshold and no additional documentation is necessary.

8. Consistency with Consolidated Plan or Indian Housing Plan. The proposed Transformation Plan must be consistent with the Consolidated Plan (including the fair housing planning, strategies, and actions in the Consolidated Plan) for the jurisdiction in which the target neighborhood is located, or the Indian Housing Plan (IHP) for applications targeting Indian housing. 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.

9. One-for-One-Replacement of Public and/or Assisted Housing. Provide the One-for-One Replacement Certification form (HUD-53238) committing to compliance with the one-for-one replacement requirements in Section III.F.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, the certification form does not need to be provided. If the report generated from the HUD CN Mapping Tool indicates that this neighborhood qualifies for the exception allowing tenant-based vouchers as replacement housing provided in Section III.F.2.b.6, fill out the form accordingly.

10. 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 throughout the planning process for the transformation program, prior to the submission of an application. 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 the name of the target public housing and/or assisted housing site, the dates of the meetings, and be signed and dated by the Lead Applicant's Executive Officer. If this application is from a prior Planning Grantee and HUD has accepted the final Transformation Plan as of the NOFO publication date, the application automatically passes this threshold and you do not need to submit the certification form.

(a) Resident Meetings. You must conduct at least two meetings with the residents of the target housing project to discuss the proposed Transformation Plan during its development.

(b) Public Meetings. You must conduct at least two public meetings with the broader community (including residents of the target housing project) 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 resident meeting and one public meeting must be held after the publication date of this NOFO.

(d) Content and Structure. In light of the COVID-19 pandemic, meetings held virtually through an interactive platform (such as Zoom) are acceptable to satisfy this threshold requirement. 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. All meetings must be held in facilities that are physically accessible to persons with disabilities, and auxiliary aids or services and reasonable accommodations must be provided to ensure equal participation by individuals with disabilities. Where physical accessibility is not achievable, recipients and subrecipients must give priority to alternative methods of resident involvement that are accessible to and usable by individuals with disabilities and must ensure effective communication during such meetings or during other methods of engaging the residents in accordance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and HUD's implementing regulations at 24 CFR Part 8, and Title II of the Americans with Disabilities Act (42 U.S.C. §§ 12131-12134) and the implementing regulation at 28 CFR Part 35. All successful applicants must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964 and Executive Order 13166. This may mean providing language assistance services to ensure meaningful resident and community involvement for persons with LEP. The Department published Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 Fed. Reg. 2732; January 22, 2007) to aid recipients of HUD assistance in identifying language assistance needs and developing language assistance plans. 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, how information will be shared with residents before and during the demolition and reconstruction phases, the provision of reasonable accommodations for individuals with disabilities that may be necessary as part of the relocation process, and the purpose and timing of written notices required by the URA;

(vi) Re-occupancy plans and policies, such as site-based waiting lists, the availability of accessible units, and the right to return; 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, contracting, 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 75.

11. Separability. While section 24(j)(2)(A)(v) of the 1937 Act allows for a Transformation Plan to target only a portion of an existing housing project for redevelopment, that is not consistent with the objectives of the Choice Neighborhoods program. An application must present a plan that addresses the entire target housing site for redevelopment. However, this does not mean that all public housing units listed in an Asset Management Project (AMP) in PIC must be included as the target housing in this grant application. If multiple public housing projects are combined into the same AMP, it can be appropriate for a Choice Neighborhoods application to only target one of the projects. Provide an explanation if that is the case in this grant application in the narrative exhibit to help HUD understand the context. The program still allows for a project timeline that extends beyond the term of the Implementation Grant. In such cases, HUD recognizes that some of the housing units (including replacement units) will be developed after the grant term and without CN grant funds. However, all units are still included in the Transformation Plan. An application must account for all units in the narrative and attachments (e.g., Attachment 1 – Implementation Grants Key Eligibility Threshold Data Form; Attachment 2 – Existing Units; Attachment 3 – Planned Units; Attachment 13 – One-for-One Replacement Certification; Exhibit G – Housing Plan, etc.).

12. Number of Applications and Public and/or Assisted Housing Projects.

(a) A local government, as Lead Applicant or Co-Applicant, may only submit one application under this NOFO. Other Principal Team Members may participate in a maximum of two FY 2022 Choice Neighborhoods Implementation Grant applications, either as an individual entity or as a joint venture member, in accordance with the criteria of this NOFO. An application by a previously funded Implementation Grantee applying for a Supplemental Grant does not count toward this limit.

(b) There is no limit to the number of public housing and/or assisted housing projects per application, so long as all are within the boundary of the neighborhood.

(c) 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.

13. Choice Neighborhoods Planning Grants. While HUD encourages current Planning Grantees to complete their grant term before applying for an Implementation Grant, the target

housing and the target neighborhood of a previously funded Choice Neighborhoods Planning Grant are eligible to be the target housing and neighborhood in a Choice Neighborhoods Implementation Grant application under this NOFO. You may not apply for both a FY 2022 Planning Grant and a FY 2022 Implementation Grant for the same target housing and neighborhood. A prior Planning Grant award is not required to apply for an Implementation Grant.

14. Relation to prior HOPE VI Revitalization Grants. Public housing units/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.

15. Relation to prior Choice Neighborhoods Implementation Grants. The target housing of a previously funded Choice Neighborhoods Implementation Grant may not be the target housing of a subsequent Choice Neighborhoods Grant application. An Implementation Grant application that has a different eligible target housing project located in the same neighborhood is eligible. An application for a Supplemental Grant is also permitted as detailed in the Appendix.

16. 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 NOFO. In the case where there is a Multiphase award, only units at the target public housing site that are not included in an RCC can still be eligible. The Office of Recapitalization will offer flexibility with regard to the RAD milestones so that PHAs and their partners may take advantage of the Implementation Grants.

E. Statutory and Regulatory Requirements Affecting Eligibility.

Eligibility Requirements for Applicants of HUD's Grants Programs

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

- Active Prime and Sub Recipient registration with SAM.gov
- Outstanding Delinquent Federal Debts
- Debarments or Suspensions, or both
- Pre-selection Review of Performance
- Sufficiency of Financial Management System
- False Statements
- Mandatory Disclosure Requirement
- Prohibition Against Lobbying Activities
- In addition, each applicant under this NOFO must have the necessary processes and systems in place to comply with the Award Term in Appendix A of [24 CFR part 170](#) if the applicant receives an award, unless an exception applies as provided in [2 CFR 170.110](#).

F. 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, by the Choice Neighborhoods Appropriations, and the requirements of this NOFO. 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 and climate resiliency;

(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 that will increase residents' economic and housing stability, improve outcomes for children and youth, increase residents' income and employment, improve residents' health, and help elderly persons and persons with disabilities 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 this NOFO;

(h) Supportive Services Endowment. Consistent with section 24(d)(2) of the 1937 Act and the FY 2022 Appropriations Act, grantees may deposit a portion of the Choice Neighborhoods grant into an endowment trust to provide supportive services activities.

(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. Right to Return for Tenants. Grantees must provide each tenant who occupies a unit at the target housing under a valid lease or occupancy on the date the of grant award the opportunity to

return to a replacement unit 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 the highest-level preference for occupancy of replacement units (either on-site or off-site) before such units are made available to any other eligible households. Accordingly, the Housing Plan must provide an adequate number of replacement housing units that can be occupied by households with incomes up to 80 percent AMI (e.g., units that are not limited by another funding source such as LIHTC equity that has a lower income limit) and provides a sufficient number of bedrooms and accessible units per unit to ensure families are not displaced. 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 NOFO. 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 replacement 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 the original heads of household 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 units. The number of bedrooms replaced may be greater or fewer than those still physically standing, provided that the overall unit mix first meets the needs of the existing residents, then considers the needs of households on the waiting list and is aligned with the results of a recent housing market study.

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

(3) **Location.** Replacement housing units may be located:

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

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

i. offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal

services and facilities that are comparable to those that will be provided in the target neighborhood;

- ii. be located in a census tract with a poverty rate below 30 percent; and
- iii. NOT be located in an area of minority concentration. For the purposes of this funding opportunity, an area of minority concentration is defined as one where either of the following statistical conditions exists: the census tract's percentage of persons of a particular racial or ethnic minority is at least 20 points higher than the minority's percentage in the housing market area as a whole or the census tract's total percentage of minority persons is at least 20 points higher than the total percentage of minority persons in the housing market area as a whole; and
- iv. meet the site and neighborhood standards listed in 24 CFR 905.602(d) and must also comply with all applicable civil rights authorities, including Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Fair Housing Act.

(4) **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 this NOFO.

(5) **Section 8 Project Based Voucher Replacement Housing Development.** Section 8 project-based vouchers may be developed as replacement housing provided that the PHA with jurisdiction over the geographic area where the project will be located has an established PBV program 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 the Housing Implementation Entity and other entities. Replacement units that are PBVs in projects developed by another entity (referred to as 'PBVs by Others') must be in mixed-income developments and, if located outside the target neighborhood, must satisfy the location requirements listed above. PBVs by Others can only account for up to one-third of the replacement units. If an application qualifies for the exception that allows tenant-based vouchers to count as replacement housing and the plan proposes to exercise that option, the sum of tenant-based vouchers and PBVs by Other may not exceed one-half of the replacement units. If awarded a grant, information will be provided to the Choice Neighborhoods office as projects are identified for review and approval to count as replacement units. In the event the proposed PBVs are not developed, the Lead Applicant and Housing Implementation Entity will still be responsible for meeting the one-for-one requirements established above.

(6) **Tenant-based Vouchers as Replacement Housing.** The following is an exception to the hard-unit one-for-one replacement criteria described above. A grantee may replace up to one-third 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 program requirements/funding sources (e.g., the Rental Assistance Demonstration, Section 104(d) of the Housing and Community Development Act, etc.).

(a) To be eligible for this exception to the hard-unit one-for-one replacement criteria, the target neighborhood of the Choice Neighborhoods application must meet both 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)) 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.

| Annual Population Growth | Vacancy Rate of Loose Rental Market |
|--------------------------|-------------------------------------|
| 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.

(b) Determining Eligibility. As part of the Choice Neighborhoods mapping tool, HUD has included the counties that meet the standards in (i) Vacancy and (ii) Voucher Dispersion above. This information will be included in the pdf report sent via email after you draw the neighborhood’s boundary on the mapping tool that you must include as an attachment in your application. If the report indicates those criteria are met, then Choice Neighborhoods applicants working in an eligible community may submit a grant application based on qualifying for this exception.

c. Project Milestones. In order to ensure grant funds are expended prior to the expenditure deadline, grantees must proceed in a timely fashion. Early milestones that must be met include:

- (1) Key Supportive Services programs and activities must be made available to residents within 60 days of grant award.
- (2) An updated budget and program schedule must be submitted within 120 days after grant award.
- (3) A copy of the executed development services agreement with the Housing Implementation Entity must be submitted within 120 days after grant award.

- (4) A detailed/updated People Plan must be submitted within 9 months of grant award.
- (5) A detailed/updated Neighborhood Plan must be submitted within 12 months of grant award.
- (6) The closing of the first phase of housing using grant funds must occur within 15 months of grant award. The construction Notice to Proceed or equivalent must start within 90 days after the closing date.

d. Long-term Affordability for Grant-funded Units. Grantees must ensure that replacement units developed with Choice Neighborhoods funds will remain affordable to low-income households for a period of at least 40 years. Grantees must ensure that non-replacement rental units and homeownership units developed with Choice Neighborhoods funds will remain affordable to households earning up to 120 percent of AMI for at least 20 years.

e. Relocation and Mobility Counseling. A key goal of the Choice Neighborhoods program is to support the successful relocation of households; the successful return of households who choose to occupy a replacement unit; and the stability of households who choose not to occupy a replacement unit.

(1) 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 (except for displacement resulting from demolition or disposition activities subject to section 18 of the 1937 Act). As required by the URA, residents must be provided with certain notices prior to relocation. In the context of a Choice Neighborhoods Implementation Grant, applicants should provide the General Information Notice (GIN) that meets the requirements of the URA as soon as feasible after the date of submission of the grant application. The date of Initiation of Negotiations (ION) establishes a person's eligibility for relocation assistance and payments under the URA. Therefore, a Notice of Eligibility for Relocation Assistance or a Notice of Non-displacement should be issued to each resident at the time of ION. The ION date for Choice Neighborhoods Implementation Grants is the execution date of the Grant Agreement. As of the Grant Agreement execution date, all residents of the project to be displaced generally become 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.

(2) A grantee should offer housing mobility counseling beyond what is required by the URA. Grantees have a responsibility to ensure that voucher holders have a real opportunity to use vouchers in high opportunity areas. Part of this counseling must ensure that families who receive a tenant-based voucher are made aware of, have access to, and can locate high-quality rental housing in areas of integrated opportunity, such as those that include access to educational opportunities, transportation, and lack of environmental health concerns. Elements of your strategy should include recruiting landlords, encouraging landlords to adopt expedited lease-up processes, identifying available units, briefing residents about these neighborhoods and available units, providing transportation to visit units, providing assistance with completing leasing paperwork, providing information about fair housing protections, and providing information about the portability of vouchers. Further, grantees are required to (a) integrate comprehensive relocation and re-occupancy counseling and supports with the People Plan and case management services, 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; (b) regularly communicate and collaborate with property management to establish an early warning system to flag residents at risk of eviction and ensure that case management and any available property management supports are offered to households at risk of eviction; (c) fully inform families of their relocation options, including the availability of tenant-based vouchers; and (d) assist families transitioning into new housing, neighborhoods, and (when applicable) schools to ensure their continued stability.

(3) Grantees must also (a) inform residents of the target housing of their right to return, and the specific counseling and supports that 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, to make a successful transition back to the revitalized neighborhood, (b) track 100 percent of the relocated residents for at least five years after their initial move; (c) conduct outreach to residents before each phase with replacement units becomes available for lease; (d) provide relocation assistance for residents who choose to occupy a replacement unit; and (e) report to HUD on relocation and re-occupancy metrics. For additional information, please refer to the "CN Relocation and Return Best Practices" posted to the program's website at www.hud.gov/cn.

f. Capital Fund Financing Program (CFFP). If the target housing is from the inventory of a PHA with an outstanding, approved CFFP proposal, 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.

g. 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 33 Required Conversion Plan, in compliance with regulations at 24 CFR part 972 and other applicable HUD requirements, if the project is subject to Required Conversion (section 33 of United States Housing Act of 1937 as amended by section 537 of the Quality Housing and Work Responsibility Act of 1998). A Required Conversion Plan concerns the removal of a public housing project from a PHA's inventory.

h. 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 Notice PIH 2019-23 REV-4, in a development seeking RAD conversion.

i. Replacement Housing Development Activities.

(1) All replacement units must be developed in mixed-income projects. For phases using grant funds, HUD will review the development proposal in accordance with the regulations at 24 CFR part 905.606 and the Cost Controls and Safe Harbor Standards for Rental Mixed-Finance Development, dated April 2003, or subsequent guidance.

(2) Any RAD conversion must be done in accordance with the protocol for reviewing RAD/Choice Neighborhoods projects or subsequent guidance (available on the Choice

Neighborhoods website at

https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/p/h/cn/grants).

(3) For Replacement Units to be provided as PBVs in projects developed by an entity other than the Housing Implementation Entity, the PHA that administers the vouchers must comply with 24 CFR part 983. In addition, the Choice Neighborhoods office must review project information in advance of the AHAP or HAP contract to confirm the project satisfies the CN program objectives (e.g., is in a mixed-income development and, if located outside the target neighborhood, meets the location requirements set forth in this NOFO).

(4) The content of a Transformation Plan can impact the calculation of annual Public Housing Capital Funds. To the extent that PHAs use Choice Neighborhoods grant funding to produce public housing units, HUD is required to reduce Demolition Disposition Transition Funding (DDTF) to the units removed from the PHA's inventory that the Choice Neighborhoods funded units are replacing. (Note that units that will convert to subsidy under the Section 8 program pursuant to RAD authority have to be developed as public housing units prior to conversion and so are subject to the potential DDTF reduction previously noted.) In calculating annual Capital Fund formula allocations HUD shall base its DDTF calculation on the Housing Plan in the Transformation Plan that is in effect at the time of when the Choice Neighborhoods grant agreement is executed. For example, the Transformation Plan in effect at the time of grant agreement execution includes using Choice Neighborhoods funding to develop 100 replacement units as Public Housing for an immediate RAD conversion. In this case, as units were removed from inventory in the target housing project, they would be excluded from all five years of DDTF funding, up to the replacement count of 100 units. This exclusion from DDTF would be applied even if the PHA subsequently reduced the number of replacement units planned as Public Housing or RAD units, and even if the PHA later decided not to develop new Public Housing or RAD replacement units at all.

j. Affordable Housing Development Activities. Affordable housing units (non-replacement rental units, as defined in the NOFO) developed with Choice Neighborhoods funds must be done in accordance with a proposal approved by HUD. Such units must be available to families earning 81-120 percent of AMI and grantees shall commit to an affordability period of at least 20 years. Affordable housing units must be in the same building with replacement units, except for buildings with one to four units total. Further, affordable housing units cannot include other funding that restricts incomes below 120 percent AMI (e.g., and are not limited by another funding source such as LIHTC equity that has a lower income limit). 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. HUD will review the development proposal in accordance with the regulations at 24 CFR part 905.606 and the Cost Controls and Safe Harbor Standards for Rental Mixed-Finance Development, dated April 2003, or subsequent guidance.

k. Homeownership Development Activities. Homeownership units developed with Choice Neighborhoods funds must be developed in accordance with a homeownership proposal, which must be consistent with fair housing and civil rights requirements, approved by HUD. Such

units must be sold to families earning up to 120 percent of AMI and grantees shall commit to an affordability period of at least 20 years.

l. Acquisition.

(1) **Acquisition Proposal. Site Acquisition Proposal.** If a Grantee proposes to use Grant Funds to acquire vacant land (or land with existing dilapidated structures to be torn down prior to redevelopment) for the future development of new replacement housing units but is not yet prepared to submit a Development Proposal, the Grantee must submit a site acquisition proposal to HUD for review and approval prior to acquisition in accordance with 24 CFR 905.608. Once the Grantee finalizes its plan for development of the site, the Grantee must submit a Development Proposal to HUD for review and approval in accordance with 24 CFR 905.606.

(2) **Land for Replacement Units outside the target neighborhood.** For acquisition of land for replacement housing outside the target neighborhood, grantees must comply with 24 CFR part 905.602(d) (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.

(4) Acquisition of land for Federally funded projects is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and its implementing regulations at 49 CFR part 24.

m. Building Standards. 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 that the buildings we invest in are energy efficient, healthy, and affordable for the long term. HUD encourages federally funded housing development 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 in accordance with an action or remediation plan approved by the appropriate State or other jurisdiction; and structures can survive in the event of severe weather events. HUD encourages activities that actively promote sustainability through energy-efficient, environmentally friendly, climate-resilient, healthy design, including elements of visitability and universal design.

(1) **Building Codes.** All activities that include construction, rehabilitation, 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>, design and construction requirements under 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. The number of designated accessible mobility and sensory units is calculated by following the requirements at 24 CFR 8.22(b), and are required to be distributed across the range of bedroom sizes and configurations pursuant to 24 CFR 8.26, and otherwise meets the needs of existing residents, including reasonable accommodations following persons with disabilities. All applicable laws must be read together and followed. 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 designed and constructed for first occupancy after March 13, 1991. In buildings with four or more dwelling units and at least one elevator, all dwelling units and all public and common use areas are subject to the Fair Housing Act’s design and construction requirements. In buildings with four or more dwelling units and no elevator, all ground floor units and public and common use areas are subject to the Act’s design and construction requirements. The relevant accessibility requirements are provided on HUD’s Fair Housing and Equal Opportunity (FHEO) website at https://www.hud.gov/program_offices/fair_housing_equal_opp. Additional resources are provided at: Department of Justice and HUD Joint Statement on Accessibility (Design and Construction) Requirements for Covered Multifamily Dwellings (https://www.justice.gov/sites/default/files/crt/legacy/2013/05/03/jointstatement_accessibility_4-30-13.pdf), PIH Notice 2010-26 (https://www.hud.gov/sites/documents/DOC_8993.PDF), <https://www.ada.gov/regs2010/2010ADASTandards/2010ADASTandards.htm#pgfld-1007054>, <https://www.fairhousingfirst.org/fairhousing/requirements.html>, and <https://www.federalregister.gov/documents/2007/07/18/E7-13885/report-of-hud-review-of-the-fair-housing-accessibility-requirements-in-the-2006-international>.

(3) **Deconstruction.** Projects should 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 Deconstruction with a Focus on Community Development Opportunities” can be found at <https://www.huduser.gov/portal/publications/pdf/decon.pdf>.

(4) **Energy Efficiency and Green Building Standards.**

(a) Owners of new construction and substantial rehabilitation must meet the requirements of EPA’s ENERGY STAR Multifamily New Construction (MFNC) or Single Family New Homes (SFNH), as applicable. Any state energy code requirements will take precedence over ENERGY STAR specifications when the state code approximates or exceeds that standard. For information on the MFNC, please visit https://www.energystar.gov/partner_resources/residential_new/homes_prog_reqs/multifamily_national_page. For information concerning SFNH, please

visit https://www.energystar.gov/partner_resources/residential_new/homes_prog_reqs/national_page.

(b) Grantees must achieve certification by one of the recognized green rating programs for new construction or substantial rehabilitation, including such programs as Enterprise Green Communities, the National Green Building Standards, LEED for Building Design and Construction (BD+C) Residential, Earthcraft, Earth Advantage New Homes, or other HUD-approved standard.

(c) For all new construction or rehabilitation, new or replacement appliances must be ENERGY STAR or WaterSense certified appliances. Grantees providing housing assistance or counseling services are encouraged to promote adoption of ENERGY STAR appliances by homebuyers and renters. Program activities can include making available ENERGY STAR promotional and information materials, and outreach to low- and moderate-income renters and buyers on the benefits and savings when using ENERGY STAR products and appliances. For further information about ENERGY STAR, see <http://www.energystar.gov> or call 888-STAR-YES (888-782-7937), or, for the hearing or speech-impaired, call 888-588-9920 TTY.

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

(e) All new construction and substantially improved structures (as defined in 24 CFR part 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.

(5) **Climate Resiliency.** Grantees are encouraged to implement their Housing Plan in ways that mitigate the impacts of natural related hazards. HUD's Office of Community Planning and Development (CPD) developed a Community Resiliency toolkit that provides suggestions for different mitigation techniques for six natural hazards. Please note that the toolkit is focused on techniques that are an eligible use of CPD grant funding and not all suggestions may be an eligible use of Choice Neighborhoods grant funding. Nevertheless, the overall structure and identification of resilient design components and actions are useful for CN grantees. The toolkit may be accessed at: <https://www.hudexchange.info/resource/5981/community-resilience-toolkit/>.

(6) **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, Title II of the Americans with Disabilities Act, and state or local accessibility codes, as applicable, 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&ionid=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>.

n. Environmental Justice. Executive Order 14008 (January 27, 2021) requires agencies such as HUD to make achieving environmental justice part of their missions by developing programs, policies, and activities to address the disproportionately high and adverse human health, environmental, climate-related and other cumulative impacts on disadvantaged communities, as well as the accompanying economic challenges of such impacts. With respect to Choice Neighborhoods Transformation Plans, environmental justice means ensuring equal protection from environmental and health hazards and providing equal and meaningful opportunity to participate in the decision-making process to achieve a healthy environment. Strategies may include investing in the creation of green jobs to compliment Section 3 efforts, deploying resources to improve equity in community planning and community engagement, undertaking healthy housing initiatives, and coordination on environmental remediation with local, state, and federal programs. More information on environmental justice can be found at: <https://www.epa.gov/environmentaljustice> and <https://www.hudexchange.info/programs/environmental-review/environmental-justice/>.

o. Design. HUD is seeking excellence in design. Applicants must carefully select architects and planners, and enlist local affiliates of national architectural and planning organizations such as the American Institute of Architects, the American Society of Landscape Architects, the American Planning Association, the Congress for the New Urbanism, and the department of architecture at a local college or university to assist in assessing qualifications of design professionals or in participating on a selection panel that results in the procurement of excellent design services. Applicants should select a design team that is committed to a process in which all residents, including young people, seniors, individuals with disabilities, the broader community, and other stakeholders participate in designing the new community. The 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. Site and building design must also incorporate accessibility standards. Housing, community facilities, and commercial space must be well integrated.

p. 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 located in rural areas, this program requirement can be met by providing internet access

q. 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 to laborers and mechanics, 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 Implementation 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 that portion of the project which is not subject to Section 12 of the 1937 Act.

r. People Plan and Supportive Services.

(1) **Term Period.** Key Supportive Services programs and activities must be made available to 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. Additionally, outreach and engagement to residents should start as soon as possible after the grant award.

(2) Allowed Funding Mechanisms:

(a) **Maximum Supportive Services Amount.** Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act and the FY22 Appropriations, grantees may use up to 20 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). After award, successful applicants must provide a detailed plan, for HUD's review and approval, for how Choice Neighborhoods funds will be used in combination with other resources to achieve improvements in income, employment, health, and education outcomes and metrics. Grantees must ensure a sufficient amount of funds are allocated to Supportive Services activities to achieve effective outcomes and support strategies that will meet the program requirements, which can also include establishing an endowment.

(b) **Supportive Services Endowment Trust.** Each grantee may elect to establish an endowment with some Supportive Services funding under this grant. 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 not met these performance benchmarks, then it may forfeit this portion of the total grant, unless otherwise approved by HUD. To establish an endowment trust, grantees must first execute with HUD an Endowment Trust addendum to the grant agreement. Grantees must submit this addendum as part of an Endowment Trust proposal. When reviewing the Endowment Trust proposal, 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. If established, the endowment trust should be part of a broader sustainability plan and should consider the full scope of services, including leveraged services, that are needed to support effective strategies.

(3) **Dedicated Project Manager.** The People Implementation Entity must dedicate a full-time project manager to oversee the People Plan. This person should have the skills and experience necessary to effectively oversee case management and service coordination efforts and outcomes.

(4) **Data Sharing.** The Lead Applicant, People Implementation Entity, and current property management entity must develop a data sharing agreement among all parties to ensure resident data can be shared on an 'as needed' basis to achieve the goals of the People Plan. At a minimum, the data sharing agreement should cover resident contact information, eviction risk status, and other basic information to facilitate case management outreach and housing stability supports. Grantees are reminded that all medical and reasonable accommodation information shall be maintained, kept confidential, and disclosed consistent with the requirements of and the authorized purposes under Section 504 of the Rehabilitation Act and the Americans with Disabilities Act.

(5) **People Plan.** Grantees must submit a detailed People Plan within nine months of grant award. The People Plan should be developed based on the needs of the residents of the targeted housing site(s) and should be responsive to the results of the household assets and needs assessment. After grant award, new household-level assets and needs assessments should be

conducted with at least 65 percent of households prior to the development of the People Plan so that strategies are informed by updated results. If the target housing was demolished five or more years ago, the grantee must explain and justify the target population for the proposed People Plan. HUD reserves the right to negotiate and must approve the final overall plan as well as each specific strategy, including defining the target population for services funded by the grant

(6) Case Management and Service Coordination. Case Management must be available throughout the grant period to all original residents of the target housing as well as residents who occupy the revitalized public and/or HUD-assisted housing units. When households include multiple family members, case management services must be offered to the entire family. Case Management must aim to improve resident outcomes in income, employment, health, and education, as well as ensure residents' housing stability and successful relocation. In-depth individual (if individual household) or family (if family household) assessments must be conducted at least once a year to identify needs, strengths, and goals of residents and to tailor supportive services coordination, programming, and referrals. Case Management should employ a coaching approach that is trauma-informed, in which case managers work one-on-one to help residents achieve the goals they identify for themselves in the areas listed above. This approach should include 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. The intensity and frequency of case management services should be tailored to the level of an individual's or family's needs. Active case management requires a minimum of quarterly client contact. To effectively serve residents, HUD recommends a case manager ratio of no more than 1:50 households. This ratio may vary based on the needs of your population and may include specialists, such as education or workforce specialists if they are helping reduce the workload of case managers. If your budget does not reflect an adequate level of services based on your individual population's needs, HUD reserves the right to require additional staffing. In addition to Case Management, Service Coordination must be provided to improve target residents' access to high-quality services that meet their needs.

(7) Income & Employment. Grantees must coordinate and undertake a set of activities with partners that will result in increased income and employment for target housing residents, especially employment in living wage jobs. As part of this effort, Grantees may consider hiring a dedicated workforce specialist to help coordinate the following activities. Grantees and their partners must:

(a) create/coordinate a career pathway pipeline available to work-able adults (including those who are unemployed, underemployed, or fully employed but seeking career advancement) that is tailored to resident needs and goals. Such a pipeline may include: intentional career exploration that identifies and exposes residents to positions and fields with living wages and/or opportunities for career advancement; evidence-based coaching to strengthen socio-emotional skills, such as problem solving and resiliency; and training, especially on the job training that is directly connected to an employer, high demand industry, or resident-desired career and is integrated with socio-emotional skills development;

(b) develop direct connections to employers with living wage positions and/or opportunities for career advancement. These efforts may include cultivating relationships with employers,

developing direct hiring opportunities, working with employers to review policies and practices that may hinder residents' success, and establishing ongoing communications to operate as a liaison between the employer and resident to ensure they maintain employment and help support their career advancement; and

(c) implement a retention strategy that supports residents in retaining new jobs for at least the first 90 days.

(8) **Health.** Grantees must coordinate and undertake a set of activities with partners that will result in improved physical and mental health outcomes and regular health care access for individuals and families living in the target housing. Health strategies should consider individual family needs and goals, as well as structural barriers that impede routine healthcare use, such as long wait times, out-of-pocket costs, stigmas, location, or scheduling difficulties. Grantees and their partners must offer services to:

(a) support and connect uninsured adults and children to health insurance;

(b) ensure adults and children have a place of healthcare where they regularly go, other than an emergency room, when they are sick or need advice about their health;

(c) ensure adults and children receive ongoing care and appropriate treatment for chronic conditions as well as preventative healthcare; and

(d) as applicable, connect children and adults to trauma-informed care and mental health services.

(9) **Early Learning.** Grantees must coordinate a set of activities that you and your partners will undertake to ensure all children living in the target HUD-assisted housing will enter kindergarten ready to learn. Grantees and their partners must offer services to:

(a) enroll, track and support the attendance of children from birth to kindergarten in high-quality, evidence-based early education programs, which may include center-based or formal home-based programs. Any identified early education program 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 State's licensing system. Programs should also actively engage parents as partners in early learning;

(b) support the attendance of families with children from birth through Kindergarten (especially children who are not yet enrolled in early education) in evidence-based programs for caregivers, such as home visiting or educational parent/play groups; and

(c) ensure all young children receive regular developmental screenings (e.g., Ages and Stages) and, if a delay is identified, are connected with appropriate early behavioral health services.

(10) **School-Aged Education.** Grantees must coordinate a set of activities that you and your partners will undertake to ensure all school-aged children living in the target housing are proficient in core academic subjects, attending school consistently, and are graduating from high school college- and career-ready. As part of this effort, Grantees may consider hiring a dedicated education specialist to help coordinate the following activities. Grantees and their partners must offer services to:

(a) work one-on-one with school-aged children and their families to identify and support their individual education needs and goals;

(b) enroll, track and support the attendance of school-aged children in high-quality School-Based or Out-of-School Education programs. High-quality programs include evidence-based programs that increase learning time, which include but are not limited to school-based, after school, summer, and other expanded-learning-time programs designed to improve student

outcomes; programs to improve socio-emotional outcomes, such as high-quality mentoring; and evidence-based programs that prepare students for college and career success; and

(c) provide individualized wrap-around services to school-aged children and their families as needed to support their educational outcomes and participation in high quality programming. Wrap around supports may include but are not limited to addressing nutrition, health, mental health, and basic needs of the family and child, as well as building children's social support network and empowering families' role in their child's education.

In order to facilitate these activities, grantees must collect education data for the youth living in the target housing. Specifically, grantees must:

- Create data sharing agreements with the schools/school districts that the youth living in the target housing attend to obtain aggregate and/or student-level proficiency scores, school readiness scores, chronic absenteeism rates, and graduation rates for the youth living in the target housing including those who attend schools outside of the neighborhood.

- Engage with and offer all target housing families the opportunity to complete Family Educational Rights and Privacy Act (FERPA) consent forms so that education strategies can be informed by individual-level student data, including data collected by schools on grades, attendance, and behavior. The completion of Family Educational Rights and Privacy Act (FERPA) consent forms are strictly voluntary for families

s. Neighborhood Development Activities and Critical Community Improvements (CCIs).

(1) **Overall Neighborhood Transformation Strategy.** All grantees must undertake a set of interconnected strategies and activities that directly address the Neighborhood Objectives of the Choice Neighborhoods program. The Overall Neighborhood Transformation Strategy should serve as a framework for the Transformation Plan, and as such is the "glue" that holds together the housing and people strategies. Accordingly, the neighborhood strategies should be results oriented, strengths based, and tailored to the needs of the neighborhood. The strategies directly relate to the key findings of your planning process, relevant data, and the strengths and challenges of the neighborhood. The strategy is based on input from a broad set of partners, community residents, and target housing residents.

(2) **Neighborhood Plan.** Successful applicants are required to submit an updated plan for the Neighborhood component of the Transformation Plan (Neighborhood Plan) to HUD within 12 months of grant award. The Neighborhood Plan is based on the Overall Neighborhood Transformation Strategy presented in the application, with a primary focus on your intended CCIs. Accordingly, the updated Neighborhood Plan must describe each CCI activity in full. HUD reserves the right to negotiate changes to the plan as it relates to CCI activities. All CCI activities and use of grant funds are subject to HUD approval.

(3) Critical Community Improvements.

(a) **Purpose.** CCIs are community and economic development projects funded through Choice Neighborhoods. CCI activities are a subset of strategies within your larger overall Neighborhood Plan, intended to enhance and accelerate the transformation of the neighborhood and the target housing being redeveloped.

(b) **Funding.** Grantees may use up to 15 percent of the Choice Neighborhoods grant award to support CCI activities. CCI funding may only be spent on visible, physical improvements to enhance the target neighborhood and promote economic development. These funds should be used for innovative solutions to neighborhood challenges identified in the neighborhood narrative, in areas near the replacement housing or other strategic locations. CCI activities must

leverage additional public and private dollars. No more than five CCI projects should be proposed.

(c) **Eligible Uses.** HUD does not explicitly define every possible use of CCI funds as the use of these funds should be locally driven to solve challenges identified by the community. Critical Community Improvements must be tied to at least one Neighborhood Objective of the Choice Neighborhoods program. Accordingly, possible uses of funds include, but are not limited to:

- **Housing Quality and Variety:** Programs to improve housing in the neighborhood surrounding the HUD-assisted housing redevelopment or other strategic areas. Such programs could include façade, exterior and property improvements to enhance curb appeal; housing rehabilitation; and land acquisition for housing development (Note: using CN grant funds for more than exterior facade improvements triggers additional long-term affordability requirements).
- **Economic Opportunity:** Development or rehabilitation of commercial and retail space; tenant build-out within mixed-use projects; business façade improvement programs; or kitchen and food incubators.
- **Community Assets and Amenities:** Funding for commercial and retail development; neighborhood amenities such as grocery stores, parks, green space, neighborhood markets, farmers' markets, urban gardens, food incubators, and the re-use of vacant buildings into food hubs and other community assets and amenities. Development of additional neighborhood amenities, such as early childhood education centers, may be considered on a case-by-case basis.
- **Community Confidence:** Enhanced corridor improvements; placemaking or place-keeping projects; public art; vacant lot reuse/improvements; blight elimination; and community gardens.
- **Public Safety:** HUD recognizes many CCI activities generally contribute to public safety. HUD will consider additional public safety activities on a case-by-case basis.

(d) **Ineligible Uses.** Ineligible uses of CCI funds include but are not limited to providing programs, services and development of social services facilities (e.g., “one stop shops,” community centers, citywide or regional social service facilities); the commission of plans and studies; water and sewer line repair or infrastructure; bike share stations; standard street, sidewalk and lighting installation or repair. CCI funds are not intended to be used for infrastructure or substitute for basic municipal services.

t. 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 precedent 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.

u. Non-Fungibility for Moving To Work (MTW) PHAs. Funds awarded under this NOFO are not fungible under MTW 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).

v. OMB Administrative Requirements and Cost Principles. For additional information on OMB Administrative Requirements and Cost Principles, see section VI.B.

(1) Administrative Requirements, Cost Principles and Audit Requirements. Any Grantee must comply with 2 CFR part 200, as may be amended from time to time. Where any previous or future amendments to 2 CFR part 200 replace or renumber sections of part 200 that are cited specifically in this NOFO, program regulations, etc. as appropriate, activities carried out under the grant after the effective date of the part 200 amendments will be governed by the part 200 requirements as replaced or renumbered by the part 200 amendments.

(2) Procurement criteria to assemble the Choice Neighborhoods Grant Application. All grantees must comply with applicable procurement regulations, including 2 CFR 200. If partners identified in this grant application to submit an application in response to this NOFO (i.e., Principal Team Members) were not selected through a procurement process, then the grantee must take steps necessary to ensure compliance with the applicable procurement requirements for all expenditure of grant funds. The Housing Implementation Entity may be selected in accordance with 24 CFR 905.604(h).

(3) Subrecipient Agreements for Supportive Services. If awarded a Choice Neighborhoods grant, the grantee may enter into subrecipient 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 subrecipient.

This program requires a certification of Consistency with the Consolidated Plan under [24 CFR 91.2](#). This certification means the proposed activities in the application 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.

G. Criteria for Beneficiaries.

n/a

IV. Application and Submission Information.

A. Obtaining an Application Package.

Instructions for Applicants.

You must download both the Application Instructions and the Application Package from Grants.gov. You must verify that the Assistance Listing Number and Assistance Listing Description on the first page of the Application Package, and the Funding Opportunity Title and the Funding Opportunity Number match the Program and NOFO to which you are applying. The Application Package contains the portable document forms (PDFs) available on Grants.gov, such as the SF-424 Family. The Instruction Download contains official copies of the NOFO and forms necessary for a complete application. The Instruction Download may include Microsoft Word files, Microsoft Excel files, and additional documents.

An applicant demonstrating good cause may request a waiver from the requirement for electronic submission, for example, a lack of available Internet access in the geographic area in which your business offices are located. Lack of SAM registration or valid DUNS/UEI is not good cause. If you cannot submit your application electronically, you must ask in writing for a waiver of the electronic grant submission requirements. HUD will not grant a waiver if the Applicant fails to submit to HUD in writing or via email a request for a waiver at least 15 calendar days before the application deadline. If HUD grants a waiver, a paper application must be received before the deadline for this NOFO. To request a waiver, you must contact:

Name:

Choice Neighborhoods

Email:

ChoiceNeighborhoods@hud.gov

HUD Organization:

HUD

Street:

City:

State:

Zip:

B. Content and Form of Application Submission.

You must verify that boxes 11, 12, and 13 on the SF-424 match the NOFO for which you are applying. If they do not match, you have downloaded the wrong Application Instruction and Application Package.

Submission of an application that is otherwise sufficient, under the wrong Assistance Listing and Funding Opportunity Number is Non-Curable unless otherwise stated under the Threshold requirements section.

1. Content.

| Forms/Assurances/Certifications | Submission Requirement | Notes/Description |
|---|---|---|
| HUD Applicant Recipient Disclosure Report (HUD) 2880 Applicant/Recipient Disclosure/Update Report | Submission is required for all applicants by the application due date. | |
| Application for Federal Assistance (SF424) | Submission is required for all applicants by the application due date. | Required for all applications. |
| Disclosure of Lobbying Activities (SFLLL), if applicable | HUD will provide instructions to grantees on how the form is to be submitted. | If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the applicant shall complete and submit the SF-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Applicants must furnish an executed copy of the Certification Regarding Lobbying prior to award. |
| SF-424B Assurances for Non-Construction Programs | | |
| SF-424D (Assurances for Construction Programs) | | |

| Forms/Assurances/Certifications | Submission Requirement | Notes/Description |
|--|--|--|
| FY 2022 Implementation Grant Application Table of Contents (HUD-53230) | All applicants should provide the table of contents. | As this form is updated annually, make sure to use the FY 2022 version provided in the Grants.gov application package download. |
| CN Certification of Severe Physical Distress (HUD-53232) | All applicants must submit this form. | |
| CN Application Information "Key Eligibility Data" form (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. | Applicant must submit both the "TDC Limit Calculation" and "Maximum Grant Calculation" tabs. As this form is updated annually, make sure to use the FY 2022 version provided in the Grants.gov application package download. |
| CN Implementation Grants Budget (HUD-53236) | All applicants must submit this form. | Please note there are multiple tabs in the Excel workbook. |
| CN Implementation One-for-One Replacement Certification (HUD-53238) | | |
| Consistency with Consolidated Plan (HUD-2991) | | |
| CN Implementation Leverage Resource Cover Sheets (HUD-53239) | All applicants must submit each | Please note there are multiple tabs in the Excel workbook. |

| Forms/Assurances/Certifications | Submission Requirement | Notes/Description |
|---|--|-------------------|
| | cover sheet with the applicable leverage commitment documents. | |
| CN Resident & Community Involvement Certification (HUD-53231) | | |
| Previous Participation (HUD-2530) | Submit this form as applicable for Co-Applicant | |

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

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 NOFO, 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 NOFO will be made available as part of the application package downloaded 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, and the neighborhood.

(b) **Exhibit B - Threshold Requirements.** Some of the Threshold Requirements require a narrative response. Review and provide narrative responses for the following Threshold Requirements:

B.1 Affirmatively Furthering Fair Housing. Review and provide a narrative response to section III.D.2.

B.2 Partnership Narrative - Lead Applicant, Co-Applicant (if any), and Principal Team Members. Review and provide a narrative response to section III.D.4.

B.3 Separability. Review and provide a narrative response to section III.D.11.

(c) **Exhibit C - Capacity.**

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

(d) **Exhibit D - Need.**

D.1 Structural and Environmental Deficiencies. Review and provide a narrative response to section V.A.1.B.1.b.

D.2 Design Deficiencies. Review and provide a narrative response to section V.A.1.B.1.c.

(e) **Exhibit E - Neighborhood Narrative.** Provide the narrative required in section V.A.1.C.

(f) **Exhibit F - Neighborhood Strategy.**

F.1 Overall Neighborhood Transformation Strategy. Review and provide a narrative response to section V.A.1.D.1.

F.2 Economic Development. Review and provide a narrative response to section V.A.1.D.2.

F.3 Neighborhood Improvement. Review and provide a narrative response to section V.A.1.D.3.

F.4 Public Safety. Review and provide a narrative response to section V.A.1.D.4.

(g) **Exhibit G - Housing Strategy.**

G.1 Overall Housing Strategy. Review and provide a narrative response to section V.A.1.E.1.

G.2 Relocation and Mobility. Review and provide a narrative response to section V.A.1.E.2.

G.3 Phasing and Mixed-Income Development by Building. Review and provide a narrative response to section V.A.1.E.3.

G.4 Mixed-Income Development by Total Rental Units. Review and provide a narrative response to section V.A.1.E.4.

G.5 Design. Review and provide a narrative response to section V.A.1.E.5.

(h) Exhibit H - People Strategy.

H.1 Resident Needs Assessment. Review and provide a narrative response to section V.A.1.F.1.

H.2 Case Management. Review and provide a narrative response to section V.A.1.F.2.

H.3 Income and Employment Strategy. Review and provide a narrative response to section V.A.1.F.3.

H.4 Health Strategy. Review and provide a narrative response to section V.A.1.F.4.

H.5 Education Strategy. Review and provide a narrative response to section V.A.1.F.5 and V.A.1.F.6.

(i) Exhibit I - Soundness of Approach.

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

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

I.3 Organizational Framework for Implementation. Review and provide a narrative response to section V.A.1.H.3.

(j) Exhibit J - Other Factors.

J.1 Section 3 Plan. Review and provide a narrative response to section V.A.2.

J.2 Climate Change. Review and provide a narrative response to section V.A.2.

J.3 Environmental Justice. Review and provide a narrative response to section V.A.2.

(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 Documentation.** If you are proposing to carry out the Housing Plan in conjunction with a RAD conversion, provide documentation identifying the target public housing project(s) and the status of your RAD application (e.g., waiting list, CHAP approved, etc.).

Attachment 5: **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 6: **Eligible Neighborhood Documentation - Eligible Neighborhood Data.** Review and respond to the Threshold Requirement in Section III.A.3 by providing

the pdf received via email from using the mapping tool provided on the FY 2021 NOFO and Funding Information page of the Choice Neighborhoods website (www.hud.gov/cn).

Attachment 7: **Eligible Neighborhood Documentation - Substandard Housing**, if applicable. If you are demonstrating compliance with the Eligible Neighborhood Threshold Requirement in Section III.A.3 through the substandard housing criterion, provide the required documentation in this attachment.

Attachment 8: **Partnership Certifications**. Review and respond to the Threshold Requirement in Section III.D.4 by providing the documentation required in that section.

Attachment 9: **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.D.5 by providing the documentation required by that section.

Attachment 10: **Location of Housing Map and Documentation**. Review and respond to the Threshold Requirement in Section III.D.6 by providing the documentation required by that section. If any housing is proposed outside the neighborhood, provide all required documentation in this attachment.

Attachment 11: **Consistency with PHA/MTW Plan**. Review and respond to Threshold Requirement in Section III.D.7 by providing the documentation required under that section, if applicable.

Attachment 12: **Consistency with Consolidated Plan or Indian Housing Plan**. Review and respond to the Threshold Requirement in Section III.D.8 by including form HUD-2991 or tribal resolution.

Attachment 13: **One-for-One Replacement Certification**. Review and respond to the Threshold Requirement in Section III.D.9 by including the certification form provided (form HUD-53238).

Attachment 14: **Resident and Community Involvement Certification**. Review and respond to the Threshold Requirement in Section III.D.10 by including the assurance form provided (form HUD-53231).

Attachment 15: **Grant Sizing Worksheet**. Review the Program Requirements in Section III.F and Funding Restrictions in Section IV.F. Complete and provide the entire form (form HUD-53235).

Attachment 16: **Choice Neighborhoods Budget Form**. Complete the form provided (form HUD-53236) and only include Choice Neighborhoods funds.

Attachment 17: **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 18: **City and Neighborhood Maps**. Provide to-scale city and neighborhood maps that clearly label the items listed below 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 6. 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) Opportunity Zone, 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 19: **Photographs.** Please provide photographs of the target housing development, any off-site parcels for housing, and the neighborhood, especially photos of the areas immediately surrounding the development and proposed CCI projects.

Attachment 20: **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 21: **Capacity - Lead Applicant Documentation.** Provide any additional support for the narrative response, including recent photos, to Section V.A.1.A.1.

Attachment 22: **Capacity - Neighborhood Implementation Entity Documentation.** Provide any additional support for your narrative response, including recent photos, to Section V.A.1.A.2.

Attachment 23: **Capacity - Housing Implementation Entity Documentation.** Provide any additional support for your narrative response, including recent photos, to Section V.A.1.A.3.

Attachment 24: **Capacity - People Implementation Entity Documentation.** Provide any additional support for your narrative response to Section V.A.1.A.4.

Attachment 25: **Capacity - References.** Review and respond to the rating factor in Section V.A.1.A.5.

Attachment 26: **Need - Immediate Project Capital Needs.** Review and respond to the rating factor in Section V.A.1.B.1.a.

Attachment 27: **Need - Structural Deficiencies Documentation.** Review and respond to the rating factor in Section V.A.1.B.1.b by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

Attachment 28: **Need - Design Deficiencies Documentation.** Review and respond to the rating factor in Section V.A.1.B.1.c by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

Attachment 29: **Need - Part I Violent Crimes Documentation.** Review and respond to the rating factor in Section V.A.1.B.2.c by providing the documentation identified in that section.

Attachment 30: **Need - Brownfields Cleanup.** Review and respond to the rating factor in Section V.A.1.B.2.d by providing the documentation identified in that section.

Attachment 31: **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.

Attachment 32: **Letter regarding proposed PBVs from PHA.** If applicable, provide the letter as required in Section V.A.1.E.

Attachment 33: **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 34: **Conceptual Site Plan Design.** Review and respond to the rating factor in Section V.A.1.E.5 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 35: **Building Elevations.** Provide elevation drawings for proposed new construction or rehabilitation in response to Rating Factor V.A.1.E.5.

Attachment 36: **Schematic Drawings.** Provide sample schematic drawings for proposed new construction or rehabilitation in response to Rating Factor V.A.1.E.5.

Attachment 37: **Land Use Approvals.** Review and respond to Rating Factor in Section V.A.1.E.6.

Attachment 38: **Community Development Block Grant Leverage Documentation.** Review and respond to Rating Factor in Section V.A.1.G.4.a.

Attachment 39: **Neighborhood Investment Documentation.** Review and respond to Rating Factor in Section V.A.1.G.4.b. Include cover sheet provided in form HUD-53239.

Attachment 40: **Housing Leverage Documentation.** Review and respond to Rating Factor in Section V.A.1.G.4.c. Include cover sheet provided in form HUD-53239.

Attachment 41: **People Leverage Documentation.** Review and respond to Rating Factor in Section V.A.1.G.4.d. Include cover sheet provided in form HUD-53239

Attachment 42: **Organizational Chart.** Provide an organizational chart(s) in relation to Rating Factor in Section V.A.1.H.3.

Attachment 43: **Program Schedule.** Provide a schedule indicating key milestones for the each of the Housing, People, and Neighborhood components of the proposed Transformation Plan.

Attachment 44: **Preference Points.** Review and respond to Rating Factor in Section V.A.2 by including required documentation for Opportunity Zones or Promise Zones, as applicable.

Attachment 45: **Previous Participation Certification (HUD-2530).** Provide the HUD-2530 for the Co-Applicant, as applicable.

Attachment 46: **Standard Forms.** The Lead Applicant must be the signatory for these forms.

(a) Application for Federal Assistance (SF-424), including Assurances for Non-

Construction Programs (SF-424B) and Assurances for Construction Programs (SF-424D).

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

(c) Applicant/Recipient Disclosure/Update Report (form HUD-2880)
(HUD Applicant Recipient Disclosure Report).

2. Format and Form.

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

110 Pages maximum length of narratives

Double spaced 12-point (minimum) Times Roman font on letter sized paper (8 1/2 x 11 inches) with at least 1-inch margins on all sides

a. 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 NOFO, 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 NOFO, as well as threshold and mandatory documentation requirements. They will include documents such as maps, photographs, application data forms, and various certifications.

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

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

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

(6) 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.

(7) Do not use endnotes or footnotes.

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

(9) 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).

b. Format and Title Instructions. Each narrative exhibit and attachment should be uploaded as its own separate file, with a title page based on the organization instruction in the section

above. Do NOT upload application that has multiple exhibits or attachments in the same file. HUD will use title pages as tabs when it downloads the application. Each title page should only contain the name of the narrative exhibit or attachment (e.g., “Exhibit A Executive Summary”) and the name of the Lead Applicant. WARNING: The file name should be fewer than 50 characters and not include spaces or special characters. Also, please note that Grants.gov is a system used by the entire Federal government and its structure does not necessarily reflect the Choice Neighborhoods NOFO (i.e., its attachment 1 does not explicitly mean the Choice Neighborhoods Attachment 1). Applicants should zip together the multiple attachment files (in one or more zip files, depending on the size) they have prepared in accordance with this NOFO and plug them into the slots provided by Grants.gov.

c. 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 scoring.

(1) **Narrative Exhibits.** Each Choice Neighborhoods application must contain no more than 110 pages of narrative exhibits.

(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 above. Extraneous information not required by the NOFO that is provided in these attachments will be counted toward the page limit:

- (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, and 7)
- (c) Maps of the city and neighborhood (Attachment 18)
- (d) Brownfields Cleanup documentation (Attachment 30)
- (e) Leverage documentation (Attachments 38-41)
- (f) Previous Participation Certification (Attachment 45)
- (g) Standard Forms (Attachment 46)
- (h) Blank/extra pages generated as part of standard forms
- (i) Tabs/title pages that are blank or display only a title/header/"n/a" indication

C. System for Award Management (SAM) and Unique Entity Identifier (UEI).

1. SAM Registration Requirement.

Applicants must be registered with <https://www.sam.gov/> before submitting their application. Applicants must maintain current information in SAM on immediate and highest-level owner and subsidiaries, as well as on all predecessors that have been awarded a federal contract or grant within the last three years, if applicable. Information in SAM must be current for all times during which the applicant has an active Federal award or an application or plan under consideration by HUD.

2. UEI Requirement.

Applicants must provide a valid UEI, registered and active at [/www.sam.gov/](https://www.sam.gov/) in the application. For more information, see: <https://www.gsa.gov/about-us/organization/federal-acquisition-service/office-of-systems-management/integrated-award-environment-iae/iae-systems-information-kit/unique-entity-identifier-update>.

The DUNS number remained the official identifier for doing business with the U.S. Government only until April 4, 2022. As of April 4, 2022, entities doing business with the federal government must use the Unique Entity Identifier created in SAM.gov.

3. Requirement to Register with Grants.gov.

Anyone planning to submit applications on behalf of an organization must register at grants.gov and be approved by the E-Biz POC in SAM to submit applications for the organization. Registration for SAM and grants.gov is a multi-step process and can take four (4) weeks or longer to complete if data issues arise. Applicants without a valid registration cannot apply through grants.gov. Complete registration instructions and guidance are provided on grants.gov.

D. Application Submission Dates and Times.

Application Due Date Explanation

The application deadline is 11:59:59 PM Eastern Standard time on
02/06/2023

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit a paper application. Instructions for submitting your paper application will be contained in the waiver of electronic submission.

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

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

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

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

Grants.gov Customer Support. Grants.gov provides customer support information on its website at <https://www.grants.gov/web/grants/support.html>. Applicants having difficulty accessing the application and instructions or having technical problems can receive customer support from Grants.gov by calling (800) 518-GRANTS (this is a toll-free number) or by sending an email to support@grants.gov. The customer support center is open 24 hours a day, seven days per week, except Federal holidays. 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 (800)-877-8339.

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

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

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

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

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

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

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

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

1. Amending or resubmitting an application.

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

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

2. Grace Period for Grants.gov Submissions.

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

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

3. Late Applications.

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

4. Corrections to Deficient Applications.

HUD will not consider information from applicants after the application deadline except for curable deficiencies.

HUD will uniformly notify applicants of each curable deficiency. See curable deficiency in the definitions section (Section I.A). Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to submit required certifications. These examples are non-exhaustive.

When HUD identifies a curable deficiency, HUD will notify the authorized organization representative identified on the SF-424 Application for Federal Assistance via email. This email is the official notification of a curable deficiency.

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

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

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

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

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

E. Intergovernmental Review.

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

F. Funding Restrictions.

1. Statutory Time Limits.

a. **Required Obligation Date.** FY 2021 Choice Neighborhoods funds must be obligated by HUD on or before September 30, 2023 and FY 2022 Choice Neighborhoods funds must be obligated by September 30, 2026. HUD must also comply with obligation deadlines for any other funding (such as FY 2023) that is to be included in the grant award. Any funds that are not obligated by HUD within their respective periods of availability will not be available for obligation for any purpose.

b. **Required Expenditure Date.** In accordance with 31 U.S.C. § 1552, FY 2021 Choice Neighborhoods funds expire on September 30, 2028 and FY 2022 Choice Neighborhoods funds expire on September 30, 2031. Grantees must also comply with expenditure dates established for any other funding (such as FY 2023) 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. Ineligible activities include, but are not limited to:

a. Choice Neighborhoods funds cannot be used to pay for any activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods grant.

b. Choice Neighborhoods funds cannot be used to pay 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.

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. An applicant may request the lesser of \$40,000,000 for applications targeting a housing project with fewer than 250 public housing/assisted housing units or \$50,000,000 for applications targeting a housing project with 250 or more public housing/assisted housing units 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 with grant funds and allows for additional funding for non-housing 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 NOFO is published (2022 TDC limits are dated May 24, 2022) 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 grantee may exceed the TDC limit using non-public

housing funds such as CDBG, low-income housing tax credit equity, etc. The total cost of development, which includes relocation costs, is limited to the sum of (a) up to 100 percent of HUD's published TDC limits for the costs of demolition and new construction, multiplied by the number of target housing replacement units and (b) 90 percent of the TDC limits, multiplied by the number of target housing units after substantial rehabilitation and reconfiguration. Extraordinary Site Costs are not considered in the calculation of the maximum grant award. If selected for funding, HUD will evaluate such costs will in conjunction with reviewing the housing development proposal for each phase.

b. Funding for Non-Housing Activities.

(a) Supportive Services. Up to 20 percent of the total Choice Neighborhoods grant may pay the costs of Supportive Services activities, as defined in this NOFO. These costs are in addition to, i.e., excluded from, the TDC/cost cap calculation above.

(b) Critical Community Improvements. Up to 15 percent of the total Choice Neighborhoods grant may pay the costs of Critical Community Improvements (CCI), as defined in this NOFO. These costs are in addition to, i.e., excluded from, the TDC/cost cap calculation above.

4. Cost Control Standards

a. Hard development costs must be realistically developed using 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. 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. 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 NOFO sufficient to provide for effective transformation programs. Refer to the Choice Neighborhoods Implementation Grant budget guidance and other guidance posted on the Implementation Grants page of the program website (www.hud.gov/cn).

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 – ONLY if a statute or regulation imposes restrictions that are different from the indirect cost rate requirements in [2 CFR 200](#).

Funding under this NOFO may only be used for direct costs. Therefore, indirect costs are not permitted.

G. Other Submission Requirements.

Application, Assurances, Certifications and Disclosures.

Standard Form 424 (SF-424) Application for Federal Assistance is the government-wide form required to apply for Federal assistance programs, discretionary Federal grants, and other forms of financial assistance programs. Applicants for this Federal assistance program must submit all required forms in the SF-424 Family of forms, including SF-424B (Assurances of Non construction Programs) or SF-424D (Assurances for Construction Programs). Applications receiving funds for both non-construction programs and construction programs must submit both the SF-424B and SF-424D.

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

Assurances.

By submitting your application, you provide assurances that, if selected to receive an award, you will comply with U.S. statutory and other requirements, including, but not limited to civil rights requirements. Upon receipt of an award, you, and any recipients and subrecipients of the award are also required to submit assurances of compliance with federal civil rights requirements. *See, e.g.,* Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments Act of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975; *see also* [24 C.F.R. §§ 1.5; 3.115; 8.50](#); and [146.25](#). HUD accepts these assurances in the form of the SF-424B and SF-424D, which also require compliance with all general federal nondiscrimination requirements in the administration of the grant.

Applicant Disclosure Report form 2880.

Required for each applicant applying for assistance within the jurisdiction of HUD to any housing project subject to Section 102(d). Assistance is provided directly by HUD to any person

| | | |
|--------------------------------|--|-----------|
| | Long-term Vacancy or Substandard Homes | 1 |
| | Part I Violent Crime | 2 |
| | Brownfields Cleanup | 2 |
| | Need for Affordable Housing in the Community | 1 |
| | subtotal | 14 |
| | | |
| Strategy - Neighborhood | Overall Neighborhood Transformation Strategy | 3 |
| | Economic Development | 3 |
| | Neighborhood Improvement | 2 |
| | Public Safety | 2 |
| | subtotal | 10 |
| | | |
| Strategy - Housing | Overall Housing Strategy | 6 |
| | Relocation and Mobility Counseling | 2 |
| | Phasing and Mixed-income Development by Building | 2 |
| | Mixed-Income Development by Total Rental Units | 4 |
| | Design | 2 |
| | Land Use Approvals | 1 |
| | subtotal | 17 |
| | | |
| Strategy - People | Resident Assets & Needs Assessment | 1 |
| | Case Management | 4 |
| | Income and Employment Strategy | 3 |
| | Health Strategy | 2 |
| | Education Strategy - Early Learning | 2 |
| | Education Strategy - Schools | 2 |
| | subtotal | 14 |
| | | |
| Leverage | Neighborhood - CDBG | 2 |
| | Neighborhood Investment | 1 |

| | | |
|------------------------------|--|------------|
| | Housing Leverage | 3 |
| | People Leverage | 3 |
| | subtotal | 9 |
| | | |
| Soundness of Approach | Planning Process | 5 |
| | Community Engagement | 2 |
| | Organizational Framework for Implementation | 2 |
| | Impact of the Transformation Plan | 6 |
| | subtotal | 15 |
| | | |
| Other Factors | Section 3 | 3 |
| | Climate Change, Environmental Justice, or Promise Zone | 4 |
| | subtotal | 7 |
| | | |
| | TOTAL | 107 |

A. Capacity

Maximum Points: 21

1. Overall Project Leadership Capacity of the Lead Applicant (6 points). You, the Lead Applicant, must articulate and demonstrate that you have the capacity, qualifications, and experience to lead the implementation of a comprehensive neighborhood transformation plan which includes strategies to improve outcomes for Neighborhood, People and Housing, and is similar in scope and complexity to the Transformation Plan proposed in this grant application. This rating factor looks at the capacity of only the Lead Applicant. Describe the work your organization is engaged in and how this work relates to and makes you qualified to lead implementation of the proposed Transformation Plan. Articulate how your specific roles and responsibilities demonstrate successful experience as they relate to your role as Lead Applicant. Provide at least one specific, recent example of a comprehensive neighborhood transformation project which demonstrates how the past experience of senior leadership or key staff that will be dedicated to overseeing this project led the implementation led. The example project must be at least substantially complete and have achieved measurable outcomes. The planning process leading up to this grant application is not an acceptable demonstration of capacity in this rating factor. Demonstrate this through narrative description, charts, and other documentation. Include relevant dates for the project in the description. Points will be awarded based on the extent of the relevant qualification, as well as the extent to which the example demonstrates how well you led implementation of a comprehensive neighborhood transformation plan, engaged residents and community members, worked with other stakeholders, coordinated public and private funding sources, and how those efforts led to

positive, measurable outcomes. (Note this narrative can be based on the experience of senior leadership/key staff while working for a different organization than the Lead Applicant entity.) In accordance with section V.B.1 Past Performance, HUD will also consider the past performance of the Lead Applicant.

2. Capacity of Neighborhood Implementation Entity (4 points). You must articulate and demonstrate why the Neighborhood Implementation Entity is qualified to implement the neighborhood component of the proposed Transformation Plan. This rating factor looks only at the capacity of the Neighborhood Implementation Entity. Describe the organization, the work it is engaged in, and how this work relates to and makes them qualified to be the Neighborhood Implementation Entity. In addition, you must provide one recent example 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 which was empowered through a substantive community process to affect neighborhood transformation and revitalization. Include relevant dates for the project in the description and describe what has been accomplished to date. Points will be awarded based on the extent of the Neighborhood Implementation Entity's qualifications, role, and relevant experience, as well as the extent to which the application demonstrates that the Neighborhood Implementation Entity led the implementation of a neighborhood transformation plan which 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 residents, community members, and other participating parties, and the improvement of a range of neighborhood assets that sustained these improvements over time. In addition to providing a description in the narrative exhibits, provide recent photographs of the project and other documentation in the attachments section of the application. In accordance with section V.B.1 Past Performance, HUD will also consider the past performance of the Neighborhood Implementation Entity.

3. Capacity of Housing Implementation Entity (6 points). Demonstrate that the Housing Implementation Entity has effectively implemented mixed-income housing development, including affordable and market rate housing, comparable in scope and complexity to the Housing component of the 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. Provide background on the organization articulating why it is best suited to be a Housing Implementation Entity. Demonstrate their track record with the development of affordable housing, mixed-income housing, and other large-scale redevelopments with programs such as HOPE VI and Choice Neighborhoods. Also, provide a detailed example of a recently completed, comparable housing development project 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. Identify the Housing Implementation Entity's role, list funding sources, include the project's start and end dates and provide recent photographs of the housing. If the Housing Implementation Entity is a joint venture, articulate the role of each member and

provide 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 demonstrating that entity's capacity will carry more weight in assigning points under this rating factor). Points will be awarded based on relevant experience and the extent to which the application demonstrates that the Housing Implementation Entity 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. If the project described in an example is still underway, zero points will be awarded. In accordance with section V.B.1 Past Performance, HUD will also consider the past performance of the Housing Implementation Entity.

4. Capacity of People Implementation Entity (5 points). Demonstrate that the People Implementation Entity has effectively implemented supportive service initiatives comparable in scope to the People component of the proposed Transformation Plan that have resulted in positive outcomes aligned with the People goals of the Choice Neighborhoods program. This rating factor looks only at the capacity of the People Implementation Entity. Note: The People Implementation Entity must have the primary responsibility for implementing day-to-day case management. Describe the organization, the work it is engaged in, and how this work makes the organization qualified to implement the People plan. Provide one recent example of a comparable supportive services coordination initiative in which the People Implementation Entity had primary responsibility for implementing day-to-day case management, service coordination, and program design. The example project must be substantially complete and have achieved measurable outcomes. Points will be awarded based on the People Implementation Entity's relevant experience and the extent to which the application demonstrates that they have effectively provided case management; coordinated supportive services from a diverse set of partner organizations and with different sources of funding; engaged residents; designed programs tailored to the needs of specific populations; and improved outcomes among program participants. Please identify the populations served and measurable outcomes achieved related to health, income and employment, and education. In accordance with section V.B.1 Past Performance, HUD will also consider the past performance of the People Implementation Entity.

5. References. Provide one reference for each example identified throughout this Capacity section. You must, therefore, provide one reference for the Lead Applicant's experience leading comprehensive neighborhood revitalization efforts and one reference for 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.

Maximum Points: 0

Maximum Points: 14

B. Need

1. Severe Physical Distress of Target 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. An application that has the same target housing as a previously funded Choice Neighborhoods Planning Grant automatically earns full points for these three rating factors focused on unit distress.

(a) Immediate Project Capital Needs (2 points). An application will be evaluated based on the estimated cost of immediate project capital needs as determined by a Physical Needs Assessment (PNA, as defined in this NOFO) that has been conducted within the last five years for the target public and/or assisted housing project(s). Provide a copy of the PNA's executive summary, immediate capital needs replacement schedule, and relevant excerpts. The executive summary must be dated and on the letterhead of the entity that conducted it. It should provide an explanation of the immediate replacement needs and costs noted in Year 1 of the housing project's PNA replacement schedule. These applicable PNA excerpts must show the Project's total estimated current costs of immediate capital needs (not a multi-year lifecycle projection) for the entirety of the target housing project(s). If the PNA was completed more than one year prior to the publication date of this NOFO, you must also include an update by the project's owner indicating which improvements identified in the PNA have been completed. HUD will then calculate the per unit cost as a percentage of the applicable Total Development Cost limit (TDC Limit), as defined at 24 CFR 905.314, in effect at the time this NOFO is published (dated May 24, 2022), for a two-bedroom walkup unit. If this application is for more than one public and/or assisted housing project, a PNA excerpt must be submitted for each site and HUD will calculate a weighted average in order to award points. If the targeted units are public housing and HUD has already approved a Section 18 demolition of the targeted units, provide a copy of HUD's letter approving the demolition to receive full points. If the targeted units are Indian Housing that have been demolished, provide a copy of the written notification of demolition provided to HUD in accordance with 24 CFR 1000.134 to receive full points. Note: A submission that provides an estimate of the costs to demolish and rebuild/replace the entire project is not a PNA and will earn zero points for this rating factor. Points will be awarded based on the following table:

| Estimated Rehabilitation Needs as Percent of TDC | Points Awarded |
|--|----------------|
| At least 60.00 percent | 2 |
| Between 35.00 and 59.99 percent | 1 |
| Less than 35 percent | 0 |

(b) Structural and Environmental Deficiencies (2 points). An application will be evaluated based on the extent to which it demonstrates significant deficiencies in the structural elements, building systems, on-site infrastructure, and environmental conditions related to 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. Environmental hazards include internal hazards such as lead-based paint, radon, and mold, and external hazards such as air pollution, water or soil contamination, or other conditions impacting the target housing site(s).

This may be demonstrated in an application through narrative description, additional physical inspection information, letters from relevant oversight agencies, and/or pictures in the attachment section. 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. Fewer points may be awarded for descriptions that are inadequate and/or demonstrate less severe distress. Zero points will be awarded if the documentation does not demonstrate severe distress, evidences that the deficiencies are cosmetic or require routine repair/maintenance, or does not provide adequate information to make HUD's rating of this factor possible. If the targeted units are public housing and HUD has already approved a Section 18 demolition application, provide a copy of HUD's letter approving the demolition to receive full points.

(c) Design Deficiencies (2 points). Points will be awarded based on the extent to which the application demonstrates that there are fundamental design deficiencies, of a type and character that require substantial rehabilitation or reconstruction to fully address, related to:

- (1) substantially inappropriate building design or site layout when compared to the surrounding neighborhood which may include inappropriate density;
- (2) inadequate room size and/or unit configurations to meet the needs of existing residents;
- (3) lack of defensible space related to building layout and orientation;
- (4) disproportionately high and adverse environmental health effects associated with ongoing residency; and
- (5) physical inaccessibility for persons with disabilities with regard to individual dwelling units (e.g., fewer than the minimum requirement of five percent designated accessible mobility units and an additional two percent designated accessible sensory units), entrances/entryways, and public and common areas.

This may be demonstrated this in an application through narrative description, additional physical inspection information, letters from relevant oversight agencies, and/or pictures in the attachments section. If this application is for more than one public and/or assisted housing project, descriptions should be submitted for each site and HUD will consider documentation provided for all properties.

The application will receive full points if it 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. One point will be awarded to applications that address fewer than 3 items, demonstrate less severe distress, and/or for responses that are inadequate. Zero points will be awarded to applications that do not address any of these items, do not demonstrate

distress, or do not address this subfactor to an extent that makes HUD’s rating of this subfactor possible.

If the targeted units are public housing and HUD has already approved a Section 18 demolition application, submit a copy of HUD's letter approving the demolition to receive full points. If the targeted units are Indian Housing that have been demolished, the application will receive full points if it contains a copy of the written notification of demolition provided to HUD in accordance with 24 CFR 1000.134.

2. Severe Distress of the Target 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.

(a) Poverty/ELI Rate (2 points). Points will be awarded 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 | 2 |
| Between 30.00 and 39.99 percent | 1 |
| Below 30.00 percent | 0 |

(b) Long-term Vacancy or Substandard Homes (1 point). An application will be evaluated based on the current rate of long-term vacant properties or substandard homes within the target neighborhood. Only applicants targeting Indian housing may be evaluated based on substandard homes.

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

| Current Long-term Vacancy Rate in the Target Neighborhood | Current Long-term Vacancy Rate in the Target Neighborhood is X times the County/Parish | Points Awarded |
|---|--|----------------|
| 14.00 percent and above | 4.00 and above | 1 |
| Below 14.00 percent | Below 4.00 | 0 |

(2) Substandard Homes: Alternatively, applications targeting Indian housing can be evaluated based on the percentage of occupied housing units lacking complete plumbing facilities, as indicated by the most recent data from the American Community Survey (ACS) for your neighborhood. If the rate is 8.00 percent or above, the application will earn 1 point. If the rate less than 8.00 percent, the application will earn 0 points. ACS data from census tracts that cover the majority of the neighborhood can be used to approximate neighborhood-level data (please indicate tracts). In your attachments you must include a photocopy/printout of published data including the relevant full page or pages from the original source, such as a printed publication or website, and the source must be identifiable on the photocopy/printout itself, for example through a header or footer identifying the publication or a website link.

(c) Part I Violent Crime Rate (2 points). An application will be evaluated based on the average rate of Part I violent crimes for the precinct/police service area (PSA) in which the target housing is located for the three years 2019-2021 (measured as Part I violent crimes per 1,000 persons). You must submit data for each of the three years, and preferably break out the number of incidences for each of the four classifications of Part I violent crimes, in the attachments as a certification signed by the local law enforcement agency. Points will be awarded for the higher of the 3-year average for either the rate compared to the city/county/parish or the rate in accordance with the applicable table below. This rating factor does not apply to applicants who are tribal entities. Applications targeting Indian housing will automatically be awarded full points and do not need to submit the crime documentation listed above.

| Part I Violent Crime Rate: Crimes per 1,000 Residents in Precinct/PSA of Target Housing | Part I Violent Crime Rate of Precinct/PSA is X times the rate of City/County/Parish* | Points Awarded |
|---|--|----------------|
| 24.00 and above | 2.25 and above | 2 |
| Between 19.00 and 23.99 | Between 1.75 and 2.24 | 1 |
| Less than 19.00 | 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, 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.

(d) Brownfields Cleanup (2 points). An application will earn points if there is a brownfields site in the target neighborhood and if the applicant or another entity has received a Federal or State government program to address contamination at that site. Such programs may include EPA Brownfields Grants (Revolving Loan Fund Grant, Cleanup Grant, Multipurpose Grant, or State and Tribal Response Program Grant) or programs awarded by State governments that offer grants, loans, tax incentives, or other assistance and are designated for brownfields cleanup. You must provide documentation showing the receipt of the program

assistance. Documentation may include a copy of the award letter or agreement for the grant, loan, tax credits, or other assistance. You must also describe how the brownfields cleanup activities support the proposed Transformation Plan. Documentation must clearly identify the target brownfield site to allow confirmation that the site is located within the target neighborhood. More information about EPA Brownfields Grants is available at: <https://www.epa.gov/brownfields>.

3. Need for Affordable Housing in the Community (1 point). An application will earn 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. 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. Neighborhood Narrative

Maximum Points: 0

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 NOFO, 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, demographic composition and changes over time, 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, patterns of concentration or integration of persons with disabilities, 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. If there is an elementary, middle/junior high or high school in the neighborhood, describe the performance of the school. If the school is low-performing, explain whether the school is making significant improvements to programs, policies or personnel, such as one of the four rigorous interventions identified by the Department of Education’s Title 1 School Improvement grant program. (Note: It is not anticipated that the applicant will undertake new studies or generate new data upon which to base the Neighborhood Description. The housing needs and geographic targeting provisions of the Consolidated Plan and data provided by HUD, the Census Bureau, and other sources available to the jurisdiction should provide most of the information.)

Housing Description and Relationship to Neighborhood. Please describe the target housing development(s) 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 (population, age, income, race, employment, etc.) of the residents of the target housing development as well as the surrounding neighborhood. From other city or community documents or your own planning process, what human services and assets are in the neighborhood? What human services have been identified as needed by the community?

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

D. Neighborhood Strategy

Maximum Points: 10

Applicants must discuss and provide details about the Neighborhood component of the Transformation Plan (Neighborhood Plan). HUD will evaluate the application based on the extent to which 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. 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, the data provided, the market analysis and the planning process as well as the extent to which you demonstrate that the plan will improve key measurable outcomes. The application must identify the specific outcomes your plan will improve.

The Neighborhood Plan should also serve as the basis for the use of the Critical Community Improvements (CCI) funds available through this grant. Please see Section III.F.2.s regarding the requirements and use of CCI funds. HUD reserves the right to negotiate changes to the CCI plan and must approve each specific project using CCI funds.

1. Overall Neighborhood Transformation Strategy (3 points). Please describe the neighborhood improvement strategies and activities planned as part of this Transformation Plan. What are the primary objectives that will be pursued as part of the neighborhood investment? How do these align with existing efforts or official designations (e.g., Promise Zone, Neighborhood Revitalization Strategy Area (NRSA), Opportunity Zones, or Tax Increment Finance district)? Describe how these strategies and activities leverage other stakeholders and funding. How will this strategy significantly promote environmental justice, by confronting past environmental inequities and mitigating environmental hazards often found in disadvantaged communities? How do these strategies and activities avoid and/or reduce the concentration of racial or ethnic minorities, reduce the concentration of poverty? How do they address disinvestment and other indicators of neighborhood disadvantage, such as lack of transportation or other services and amenities? How does your plan improve the availability of healthy food options in the neighborhood? How does your plan build upon neighborhood assets?

2. Economic Development (3 points). Please describe the plan for improving commercial activity in the neighborhood, both by partners and using the CCI funds available through this grant. What are the plans for supporting existing neighborhood-serving businesses and attracting new ones? How will the proposed activities provide needed amenities and retail services to neighborhood residents to address long-term disinvestment? How will these activities promote economic development and create jobs and new economic opportunities for residents?

3. Neighborhood Improvement (2 points). Please describe the plan for enhancing the built and natural environment of the target neighborhood through placemaking/placekeeping, neighborhood beautification, façade improvements and other similar projects, both by partners and using CCI funds available through this grant. Explain how each project builds neighborhood confidence and how it relates to and reinforces the Housing component of your Transformation Plan. How does each project relate to the needs and challenges identified in the neighborhood narrative? How will these projects enhance the neighborhood, especially the area immediately surrounding the target housing site, and serve as a catalyst for continued investment in the community?

4. Public Safety (2 points). The public safety strategy should ensure that a comprehensive, community-based strategy will bring together public safety entities with other community groups and institutions to coordinate activities that improve key measurable outcomes for community safety. Applicants are encouraged to consider evidence-based approaches with a demonstrated record of success of increasing public safety and decreasing Part I Violent Crimes, gang activity, and illegal drugs, including Community Violence Intervention (CVI) strategies which reduce gun violence through tools other than incarceration. Describe specific activities that will be undertaken to address and prevent high rates of Part I Violent Crimes, gang, and illegal drug activity in the target neighborhood through CVI initiatives (such as deploying "street outreach workers," hosting group interventions, crime prevention through design, or victim support through hospital-based interventions), law enforcement, community policing practices, re-entry initiatives, prosecution, adjudication, parole and probation, courts, and corrections. Describe how this plan aligns with and builds on existing public safety efforts in the community in a way that is aligned with fair housing and civil rights requirements and describe the criminal justice and other community-based partnerships/resource commitments that have been established. Points will be awarded based on the extent to which the application demonstrates a well-defined, sound, community-based, and results-oriented public safety strategy as indicated by the evidence base and responsiveness to your residents' needs to achieve the priority outcomes.

E. Housing Strategy

Maximum Points: 17

Applicants must provide a detailed description of the Housing component of the Transformation Plan (Housing Plan). HUD anticipates that grant funds will serve as a catalyst to neighborhood revitalization, including rebuilding the neighborhood housing market, while at the same time assisting long-term residents to remain in the community. Grantees must develop mixed-income housing that serves families with a broad range of incomes within each building, to the maximum extent possible. Housing should be well-designed, energy efficient, sustainable and accessible. Housing must be financially viable and well-managed.

When rating the application, HUD will only consider housing that is to be rehabilitated or constructed by the Housing Implementation Entity and units to be replaced through the use of project-based vouchers awarded by the PHA through a competitive RFP to other developments. Describe each phase of the Housing Plan, including the number and type of each unit (e.g., public housing, RAD, LIHTC, PBV, affordable, unrestricted, etc.), bedrooms per unit, number of mobility-accessible and sensory-accessible units, funding sources, building type (e.g., elevator, walk-up, row house, etc.), location for each phase, start and end dates for each phase, the property management company, and, if the Housing Implementation Entity is a joint venture, which partner will lead each phase. All replacement housing must be included in this section of the application. All other proposed housing development in which the Housing Implementation Entity does not have material control is excluded from consideration for the rating factors this section (though it may be included in the Neighborhood Plan). Units that have been completed as of the date of NOFO publication are not included.

1. Overall Housing Strategy (6 points). Explain how the Housing Plan addresses the housing needs of residents of the target housing (including replacement units for households earning up

to 80% AMI). Discuss how the plan serves current neighborhood residents and attracts renters across a broad range of incomes groups. Demonstrate the appropriateness of the plan in the context of the local housing market relative to the alternatives for the target housing that were considered and discuss why those options were not pursued. In the discussion, include the reasoning for determining such factors as:

- Demolition and new construction versus rehabilitation of the target housing. If proposing rehabilitation, how does the plan address the structural and design deficiencies identified in the Need rating factors?
- Overall unit mix and bedroom mix. If proposing to alter the bedroom mix of the current target housing project, how does this plan address the needs of current families first, and then households on the waiting list?
- If eligible for the exception to the hard unit one-for-one replacement requirement, the strategy for using tenant-based vouchers as replacement housing and how the plan for the utilization of the vouchers will not result in the perpetuation of segregation, but will instead seek to affirmatively further fair housing.
- If applicable, creating a joint venture and the division of responsibility among members.
- If applicable, the use of Section 8 Project-based Vouchers (PBVs) developed by another entity without grant funding for replacement housing. Please also include a letter signed by the Executive Director of the PHA that will administer the vouchers indicating that the PHA has an existing PBV program and its commitment to dedicate PBVs as replacement housing for this project.
- Locating replacement housing on the current site, elsewhere within the target neighborhood, and, if applicable, outside of the target neighborhood. If replacement housing is located outside of the target neighborhood, the discussion should establish the plan is consistent with the obligation to affirmatively further fair housing.
- Mix of rental and homeownership units.
- Financing plan for both rental and homeownership units at all income levels.

HUD will evaluate the application based on the extent to which the proposal demonstrates a well-defined, high-quality, sound plan to achieve the Housing goals defined in this NOFO and the Neighborhood Narrative. HUD will also review both the development 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. Applications that do not leverage any “at risk funding or debt financing” will receive fewer points for this factor.

2. Relocation and Mobility (2 points). As all CN Implementation Grantees are eligible to receive Tenant Protection Vouchers (TPVs) to facilitate implementation of the Transformation Plan, grantees must have a relocation strategy to ensure that all original residents benefit from the revitalization, whether they choose to return to a replacement unit or retain a tenant-based voucher and permanently relocate. Moreover, this component advances HUD's goal to increase the proportion of HUD-assisted families in low-poverty and racially diverse communities. See section III.F.2.e of this NOFO for relocation requirements. This strategy may draw information from HUD's AFFH Tool (<https://egis.hud.gov/affht/>) using the jurisdiction's geography.

- Provide an overall description of the relocation strategy, based on resident relocation and re-occupancy preferences identified through the needs assessment, including specific counseling and supports that have been or will be provided and how these will be integrated with the People Plan and case management services.
- Explain how you will regularly communicate and collaborate with property management to establish an early warning system to flag residents at risk of eviction and ensure that case management and any available property management supports are offered to households at risk of eviction; and
- Describe the strategy for a regional housing mobility counseling program for any tenant-based voucher assistance provided in connection with the Choice Neighborhoods grant to assist residents in renting housing in integrated areas of opportunity, including elements described in section III.F.2.e.

3. Phasing and Mixed-Income Development by Building (2 points). Explain the rationale for the proposed phasing and unit mix by phase. (Note: HUD considers a phase to be the units included in a single financial closing. Homeownership and rental units are never in the same phase.) How is the Housing Plan informed by market analysis and other information you described in the neighborhood narrative and available financing? To what extent does each building provide housing for households with a broad range of incomes? HUD will also consider the extent to which it is consistent with the overall housing vision and the goals of this NOFO. If the plan proposes to provide any replacement housing through PBV units developed by another entity, discuss how you will ensure the units are in mixed-income developments and meet the program requirements for locating replacement housing outside the target neighborhood. If the application proposes any phase with solely replacement units, it will earn zero points for this rating factor. Note: If an application that proposes phases with no income mix is awarded a grant, the grantee must revise the Housing Plan in order to comply with the Choice Neighborhoods program requirements.

4. Mixed-Income Development by Total Rental Units (4 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 incomes as is needed to improve the housing market dynamics in the neighborhood as identified in your neighborhood narrative. HUD will evaluate your application based on the extent to which the Housing Plan contains rental units that are not replacement housing, and that will be available to households earning more than 80 percent of AMI. To earn points for this rating factor, at least 50 percent of the new or rehabbed rental units must be non-replacement housing. Points will be awarded in accordance with the table below based on the percentage of rental units that will be unrestricted market rate units. This calculation includes all replacement units, including PBVs developed by another entity (but does not include the other units potentially in such developments.) If the Housing Plan contains 50 percent or more of public and/or assisted-housing units, the application will earn zero points.

| Unrestricted, Market Rate Rental Units as a Percentage of Total Rental Units in the Housing Plan | Points Awarded |
|--|----------------|
| More than 20 percent | 4 |
| Between 16.00 and 19.99 percent | 3 |
| Between 13.00 and 15.99 percent | 2 |
| Between 10.00 and 12.99 percent | 1 |
| Less than 10.00 percent | 0 |

For example, the Housing Plan in an application includes 160 replacement units and a total of 350 rental units. The replacement units will be: 120 PBV/LIHTC units, 10 PBV-only units, and 30 replacement units as PBVs developed by another entity. The other units will be: 25 affordable units partially financed with Choice Neighborhoods funding, 90 LIHTC-only (no PBVs attached) units, and 75 unrestricted, market rate units. In this case, 45.71 percent (160/350) are replacement units and thus the application will earn points in accordance with the above table. It would earn full points since 21.43 percent (75/350) of the units will be unrestricted market rate rental units.

5. Design (2 points). HUD is seeking excellence in design. The 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 in appearance and amenities. HUD expects quality, energy-efficient amenities found in newly developed and renovated housing in the community. Housing, community facilities, recreation and economic development space must be well integrated and accessible to persons with disabilities and the elderly. Submit site plans, schematic drawings, building sections and elevations, and pictures of the adjoining neighborhood in the attachments to support the narrative to fully respond to all elements to receive full points. The application should demonstrate the following elements:

(a) The plan 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 including buildings to harmonize in scale with people, streets, outdoor spaces, and surrounding structures;

(b) Unit and room sizes should be adequate for and accommodate contemporary families, incorporating sufficient storage for family needs;

(c) A compact, pedestrian-friendly and mixed-use neighborhood through the use of an interconnected network of sidewalks, streets, and bike routes providing connections to public transportation, retail, parks and open space;

(d) Sidewalks should be buffered from adjacent streets through the use of a greenway with shade trees and crosswalks should be provided to alert drivers to pedestrian and bike activity;

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

(f) Defensible space and “eyes on the street” with building entrances fronting on the street and housing overlooking common areas and parks, including clearly defined public and private spaces that have appropriate lighting, helping the community watch over itself and providing a

sense of safety;

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

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

6. Land Use Approvals (1 point). You will receive 1 point if your application includes a certification that all required discretionary land use approvals (including zoning) for the Housing plan, 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.

F. People Strategy

Maximum Points: 14

Applicants must provide a detailed description of the People component of the Transformation Plan (People Plan). This component aims to improve the lives of the residents living in the target development(s). As presented in the "Health, Education, and Income and Employment Outcomes and Metrics" chart below, the plan must aim to improve these priority outcomes for target housing residents in the areas of health, education, and income and employment. Applicants should refer to this chart in rating factors 3-6 to identify related baseline metrics and priority outcomes in these areas.

In addition to being focused on these outcomes, the People Plan should be developed primarily based on the needs and goals of the residents of the targeted housing site(s) and should be responsive to the results of the resident assets and needs assessment. Applicants should use the "People Strategy and Expected Results by Final Year of the Grant" chart in rating factors 3-6 to describe their strategies and justify those strategies' effectiveness and responsiveness. If the target housing was demolished five or more years ago, please explain and justify the target population for your proposed People strategy as part of your responses to these rating factors. HUD will evaluate the People Plan based on the extent to which you demonstrate a well-defined, sound and results-oriented plan. Note: Grantees will be required to submit a detailed People Plan within nine months of grant award. HUD reserves the right to negotiate and must approve the final overall plan as well as each specific project, including defining the target population for services funded by the grant. The plan must address the following priority outcomes in the areas of health, education, and income and employment.

Health, Education, and Income and Employment Outcomes and Metrics

| Outcome | Metrics |
|---|--|
| 1. Children, youth, and adults that have increased access to healthcare and have improved physical and mental health outcomes | <ul style="list-style-type: none">• 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• Number and percentage of target residents who have health insurance |

| | |
|---|--|
| <p>2. Children enter kindergarten ready to learn</p> <p>3. Children are proficient in core academic subjects</p> <p>4. Youth, including youth with disabilities, graduate from high school college- and/or career-ready</p> | <ul style="list-style-type: none"> • Number and percentage of target resident children, from birth to kindergarten entry, participating in center-based or formal home-based early learning settings or programs • 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 • 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) • Number and percentage of target resident students who graduate from high school |
| <p>5. Households are economically stable</p> | <ul style="list-style-type: none"> • Number and percentage of target residents between the ages of 18-64 years with wage income. • Average annual income of target households (excluding those households who cannot work due to being elderly or disabled) |

1. Resident Assets & Needs Assessment (1 point). Applicants must have completed a comprehensive household-level assets and needs assessment for target housing residents as of the application deadline, which informs the People strategy proposed in the application. All households of the public and/or assisted housing must have had the opportunity to complete a written or oral survey as part of the resident assets and needs assessment. The survey should have assessed strengths and challenges in the areas of income and employment, health, and education, as well as resident satisfaction with the existing services and preferences for new services. State the percentage of completed assessments you have received out of all target housing residents. To earn the point, applicants must have achieved a response rate of at least 65 percent out of all target housing residents.

2. Case Management (4 points). Case management aims to improve resident outcomes in income, employment, health, and education, as well as ensure residents' housing stability and successful relocation. Case Management should employ a coaching approach that is trauma-informed, in which case managers work one-on-one to help residents achieve goals they identify for themselves in the areas listed above. See section III.F.2.r.6 for Case Management requirements. Describe the proposed case management approach and how it 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, including while they are relocated (if

relocation is anticipated). Finally, provide anticipated client-to-staff ratios among your case management provider(s).

People Strategy and Expected Results by Final Year of the Grant

Use this chart below to describe your key strategies to improve outcomes in income and employment, health, and education for rating factors 3-6.

| | |
|--|---|
| Impact Statement and Expected Outcome(s) | Provide the desired outcome (number and percentage) by the final year of the grant from the Health, Education, and Income and Employment Outcomes and Metrics table above. |
| Needs Assessment Baseline | State the baseline result (number and percentage) for each outcome metric as identified in the resident assets and needs assessment. |
| Strategy | Provide a brief description of the key strategies and services that will be used to achieve this end of grant outcome. Justify why you believe this particular set of strategies will be effective in achieving this outcome. In particular, discuss how your strategy is responsive to target housing residents' needs, goals, and perspectives, as identified in the resident assets and needs assessment. |
| Resource Commitment | Identify and explain the uses of Choice Neighborhoods funds and major leverage commitments dedicated to the strategies. For leverage commitments, include name of partner, specific commitment, total value of commitment, and number of "slots" dedicated to target housing residents (slots must be specific to target housing residents; numbers must not include slots for other neighborhood residents). |

3. Income and Employment Strategy (3 points). Use the "People Strategy and Expected Results by Final Year of the Grant" chart above to describe key strategies and services that you and your partners will undertake to achieve the priority income and employment outcomes identified in the outcomes table (see the "Households are economically stable section" in the "Health, Education and Income and Employment Outcomes and Metrics" table). As part of the strategy, describe how you will offer services to:

- create/coordinate a career pathway pipeline available to work-able adults (including those who are unemployed, underemployed, or fully employed but seek career advancement) that is tailored to resident needs and goals;
- develop direct connections to employers with living wage positions and/or opportunities for career advancement; and
- implement a retention strategy that supports residents in retaining new jobs for at least the first 90 days

HUD will evaluate the strategy based on the extent to which the application demonstrates a well-defined, sound, and results-oriented plan to achieve the priority income and employment outcomes, including elements listed in this rating factor (which are drawn from the income and employment requirements in section III.F.2.r.7).

4. Health Strategy (2 points). Use the "People Strategy and Expected Results by Final Year of the Grant" chart above to describe key strategies and services that you and your partners will undertake to achieve the priority health outcomes identified in the outcomes table above (see the "Health, Education and Income and Employment Outcomes and Metrics" table). As part of the strategy, describe how you will offer services to:

- support and connect uninsured adults and children to health insurance;
- ensure adults and children have a place of healthcare where they regularly go, other than an emergency room, when they are sick or need advice about their health;
- ensure adults and children receive ongoing care and appropriate treatment for chronic conditions as well as preventative healthcare; and
- as applicable, connect children and adults to trauma-informed care and mental health services.

HUD will evaluate the strategy based on the extent to which the application demonstrates a well-defined, sound, and results-oriented plan to achieve priority health outcomes, including elements listed in this rating factor (which are drawn from the health requirements in section III.F.2.r.8).

5. Education Strategy - Early Learning (2 points). Use the "People Strategy and Expected Results by Final Year of the Grant" chart above to describe key strategies and services that you and your partners will undertake to ensure that children living in the target HUD-assisted housing will enter kindergarten ready to learn (see related education metrics for early learning program participation and kindergarten readiness in the "Health, Education, and Economic Outcomes and Metrics" table above). As part of the strategy, describe how you will offer services to:

- enroll, track and support the attendance of children from birth to kindergarten in high-quality, evidence-based early education programs;
- support the attendance of families with children from birth through kindergarten in evidence-based programs for caregivers; and
- ensure all young children receive regular developmental screenings and, if a delay is identified, are connected with appropriate early behavioral health services.

HUD will evaluate the strategy based on the extent to which the application demonstrates a well-defined, sound, and results-oriented plan to achieve priority early learning outcomes, including elements listed in this rating factor (which are drawn from the early learning requirements section in III.F.2.r.9).

6. Education Strategy - School-Aged Children (2 points). Use the "People Strategy and Expected Results by Final Year of the Grant" chart above to describe key strategies and services that you and your partners will undertake to ensure all school-aged children living in the target housing are proficient in core academic subjects and are graduating from high school college- and career-ready (see related education metrics for academic assessments and graduation in the "Health, Education, and Economic Outcomes and Metrics" table above). As part of this strategy, describe how you will offer services to:

- work one-on-one with school-aged children and their families to identify and support their individual education needs and goals;
- enroll, track and support the attendance of school-aged children in high-quality School-Based or Out-of-School Education programs; and
- provide individualized wrap-around services to school-aged children and their families as needed to support their educational outcomes and participation in high quality programming.

HUD will evaluate the strategy based on the extent to which the application demonstrates a well-defined, sound, and results-oriented plan to achieve priority school-aged education outcomes, including elements listed in this rating factor (which are drawn from the school-aged education requirements listed in III.F.2.r.10).

G. Leverage

Maximum Points: 9

1. General Leverage Documentation Requirements.

(a) **Firmly Committed.** 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.

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

(ii) 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....”

(iii) 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) Examples of good physical development commitments are: “X Agency commits to providing \$1,000,000 in funds for infrastructure over the life of the FY 2022 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). The letters should be recent and specific to this grant 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, except that the CDBG funding commitment can be counted in both the CDBG Leverage and the Neighborhood Investment Leverage rating factors.

(i) 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 as leverage under this rating provided the funds are permitted to be used as match by the statute or regulation governing the funds. If a PHA provides a leverage commitment, the documentation must identify the specific source of funding. 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.

2. Physical Development Resources for Housing and Neighborhood Leverage. 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 tax 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 NOFO. 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 NOFO 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) Other Tax Credit equity commitments (i.e., 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 will 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 NOFO 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.

3. Supportive Services Resources for People Leverage.

(a) General. Commitments of funding or in-kind services for the provision of supportive services may be counted toward the calculation of People leverage, in accordance with the requirements below. Documents must state that the committed services/amount is specifically for the residents of the target housing site(s) and indicate the number of residents of the target

housing site(s) to be served (or if the target housing was demolished five or more years ago, you must indicate that the services are for your selected target population). These resources must be for supportive services purposes and must be directly applicable to the People Plan proposed in the Choice Neighborhoods application. If a direct connection cannot be made between a commitment and one of the proposed People strategies, the commitment will not be counted. No more than 20 documents may be submitted in support of the People Leverage Rating Factor. If more than 20 documents are submitted, the first 20 that appear in the attachment will be reviewed and additional pages will count toward the page limits established in section IV.

(b) **New Leverage for Supportive Services.** To count toward the People leverage rating factor, resources can be only for new commitments to serve target housing residents. To count as a new commitment for target housing residents, the financial and in-kind resources must be newly generated for this Choice Neighborhoods grant. Commitments by service providers to continue services they already provide will not be counted as "new leverage." However, if an existing service provider increases the level of financial or in-kind commitment directed to the residents of the target 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)]. An existing service that is being increased to reach a larger number of target housing residents may also be considered as new leverage. 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 resident services. Letters must clearly identify resource commitments as new.

(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 of the supportive services team, 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 or materials for projects. They can also be in the form of office and meeting space or the use of a vehicle.

(ii) **In-kind values.** For in-kind contributions, the commitment letter must indicate both the total value of the in-kind services and the number of residents of the target housing site(s) to be served over the course of the grant, also referred to as "slots dedicated" (if the target housing was demolished five or more years ago, you must indicate the number served of your target population). An example of a good Supportive Services commitment: "Q Agency will reserve 10 slots for new enrollees only in its Quality Stars Tutoring Program for residents of the targeted XYZ public housing development each year, for a total value of \$150,000 over five years." Another example: "Y Organization is committed to providing professional staff time

on-site for residents of the targeted ABC public housing development to conduct new intensive career exploration and coaching services to 80 residents. The total value of this new commitment is \$196,700." If an agency commits in the same letter to providing, for example, an elementary school reading program and a high school mentoring program, these details should be provided for both programs separately.

(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) Time and services contributed by volunteers;

(iv) Staff salaries and benefits of service providers (PHA and/or applicant staff time may not be counted);

(v) The value of supportive services provided by a partner agency, in accordance with the eligible Supportive Services activities.

(vi) TANF. 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.

(vii) 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 will not be counted.

(e) Commitments must be for services to be provided during the grant term. Funds committed to a Supportive Services Endowment will not be count toward the rating factor.

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.

4. Rating Factors.

(a) **Community Development Block Grant Leverage (2 points).** In the 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, which can be spread over the grant term.

(i) An application will receive 2 points if the local jurisdiction commits an amount that is a minimum of \$1,500,000 or 10 percent of one-year's CDBG allocation, whichever is greater, to the activities in the Transformation Plan.

(ii) An application will receive 1 point if the local jurisdiction commits at least one of the following: (1) an amount that is a minimum of \$500,000 or 5 percent of one-year's CDBG 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) Neighborhood Investment (1 point). HUD recognizes that neighborhood transformation is an evolving, locally-driven process that requires more than just federal funds to truly succeed. Please provide a list of planned projects (including proposed CCI projects) supported by documented commitments along with the dollar value of each investment in the target neighborhood that will directly contribute to the Neighborhood strategies described in the application. This rating factor only includes committed public and private investments for future projects that are not yet underway. Applicants may submit up to five commitment letters for this rating factor. Points will be awarded based on the table below:

| Leverage Ratio (maximum allowed request for CCI CN grant funds vs. non-Choice Neighborhoods funds) | | Points Awarded |
|---|---|----------------|
| MSA greater than 500,000 | MSA less than 500,000 or application targeting Indian Housing | |
| \$15,000,000 or more | \$10,000,000 or more | 1 |
| Less than \$15,000,000 | Less than \$10,000,000 | 0 |

(c) Housing Development Leverage (3 points). For this rating factor, the resource commitments must be for the development included in the Housing component of the Transformation Plan. Resource commitments being used for housing already completed or by an entity other than the Housing Implementation Entity will not be counted as Housing Development Leverage. HUD will calculate the ratio of 65 percent of the Choice Neighborhoods grant amount requested (i.e., excluding Supportive Services and CCIs) 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 (65% of Choice Neighborhoods grant request vs. non-Choice Neighborhoods grant funds) | | Points Awarded |
|--|---|----------------|
| MSA greater than 500,000 | MSA less than 500,000 or application targeting Indian Housing | |
| 1:2.50 or higher | 1:2.00 or higher | 3 |
| 1:2.00 and 1:2.49 | 1:1.50 and 1:1.99 | 2 |
| 1:1.00 and 1:1.99 | 1:0.51 and 1:1.49 | 1 |
| Below 1:1.00 | Below 1:0.50 | 0 |

(d) People Leverage (3 points). For the purposes of the People Leverage Rating Factor, up to 20 commitment letters for new services to the residents of the target housing project(s) will be

counted. Any additional Supportive Services commitment letters included in your application beyond the first 20 documents will not count toward this rating factor. To receive points under this rating factor, leveraged resource commitments must directly contribute to the People Plan and must indicate which People Plan strategy they are supporting. HUD will calculate the ratio of the total allowable Choice Neighborhoods funds that can be requested for supportive services activities (20 percent of the total Choice Neighborhoods grant amount requested) to the dollar value of documented, committed People resources leveraged from other sources. HUD will round figures to two decimal points, using standard rounding rules.

| Leverage Ratio (20% of Choice Neighborhoods grant request vs. non-Choice Neighborhoods funds) | | Points Awarded |
|---|---|-------------------|
| MSA greater than 500,000 | MSA 500,000 or less or application targeting Indian Housing | |
| 1:2.00 or higher | 1:1.00 or higher | 3 |
| 1:1.25 and 1:1.99 | 1:0.60 and 1:0.99 | 2 |
| 1:0.75 and 1:1.24 | 1:0.40 and 1:0.59 | 1 |
| Less than 1:0.75 | Less than 1:0.40 | 0 |

H. Soundness of Approach

Maximum Points: 15

1. Planning Process (5 points). Previously awarded Choice Neighborhoods Planning Grantees will automatically receive five points for this rating factor if HUD has accepted the final Transformation Plan by this NOFO's publication date. For all other applicants, up to three points may be earned based on the extent to which the application demonstrates 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. Demonstrate 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 (2 points). Keeping residents of the target housing as well as other neighborhood residents, including those who are historically uninvolved or excluded, 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 the process ensure target housing residents, neighborhood residents, and community-based partners can make meaningful contributions to the implementation process? Identify specific key stakeholders (philanthropic, civic, business and political groups, social service and advocacy organizations, etc.) and explain how they will be engaged throughout the transformation process.

3. Organizational Framework for Implementation (2 points). Please provide a chart identifying the organizational structure of the implementation team, including the Lead Applicant and Co-Applicant (if applicable), 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 conflicts will be addressed. HUD will evaluate 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. Impact of the Transformation Plan (6 points). To ensure the maximum impact of Choice Neighborhoods funds, the Transformation Plan must demonstrate a clear connection between the needs identified in Housing, People, and Neighborhood; the improvements the 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. The 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). Full points will be awarded if the 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 the 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. Other Factors.

Section 3.

In accordance with HUD's Section 3 regulations at [24 CFR 75.7](#), your application will receive up to 3 points based the quality of Section 3 plans.*

* The inclusion of Section 3 points will be determined “as appropriate for the specific NOFO.” HUD anticipates that program offices/areas will include scoring for Section 3 plans where relevant and exclude Section 3 scoring where the nature of the grant being awarded is incompatible with Section 3 endeavors. If points are included, the applicable program office/area

will be responsible for determining how the “quality of Section 3 plans” will be evaluated.

HUD will evaluate the quality of the section 3 plan based on the following:

- types and amounts of employment, training, and contracting opportunities to be generated as a result of proposed grant activities;
- specific actions to be taken to give Section 3 workers and Section 3 business concerns priority consideration for employment, training, contracting, and other economic opportunities in accordance with HUD’s Section 3 regulations;
- written procedures to be used for notifying Section 3 workers and business concerns about the availability of training, employment, and contracting opportunities;
- methodology to be used for monitoring developers, contractors and subcontractors that are awarded covered contracts to ensure compliance with Section 3 requirements; and
- strategies for meeting the Section 3 benchmarks for employment and contracting opportunities.

Preference Points

HUD encourages activities in support of the interdepartmental initiatives. HUD may award no more than four total preference points for a combination of any of the four (4) preferences (Climate Change, Environmental Justice, Promise Zones (PZ) or Historically Black Colleges and Universities (HBCU)). Each preference is worth up to two (2) points. For example, points may be awarded for Climate Change and Environmental Justice, or for Promise Zones and HBCUs.

Climate Change

In accordance with Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, HUD prioritizes activities that achieve the goal of bolstering adaptation and increasing resilience to the effects of climate change. HUD will award up to two (2) points for applications that identify measures that will be incorporated in the project and will advance carbon reduction and reduce vulnerability of the project to threats identified in the U.S. Global Change Research Program National Climate Assessment (NCA) and related analyses, including threats from hydrological and precipitation changes, extreme weather events, temperature shifts, and sea level rise.

Applicants may receive one point for demonstrating via application materials one of the following, with a maximum of two points awarded for this priority overall:

- A. Climate Mitigation (1 point):** To receive 1 point under this objective, applicants must show how their proposed grant activities will increase energy or water efficiency or reduce carbon emissions in the target community through one or a combination of the following: (1) Achievement of certification through Energy Star or other green rating system; (2) incorporation of low-carbon energy sources such as solar power; (3) participation in voluntary Federal, State, Local or tribal energy efficiency initiatives; or (4) use of materials and construction techniques that reduce carbon emissions. Applications must clearly describe how identified actions measurably reduce the carbon emissions or energy or water consumption of the project below the established baseline for the target community based on facility size and type.

B. Climate Adaptation and Resilience (1 point): To receive one point under this objective, applicants must show how their proposed grant activities will reduce vulnerabilities to one or more of the impacts of the climate change identified in the NCA and related analyses in the target community as defined below:

B.1. Hydrological and Precipitation Change including Flood Risk: The application demonstrates one of the following: (1) The project site (including developed or undeveloped areas) is located at least two feet above the Federal Emergency Management Agency 100-year base flood elevation (BFE), or, for critical actions, at least three feet above BFE or above the 500-year floodplain where mapped; or (2) the project purpose includes restoration of the beneficial function of the floodplain in accordance with the criteria at [24 CFR 55.12\(c\)\(3\)](#).

B.2. Extreme Weather Events: The application demonstrates that project design is informed by consideration of the potential for extreme weather events at the project location based on the NCA and related analyses (including regional and local assessments) and based on extreme weather threats endemic to the geographic location and incorporates measures to reduce the risk to residents and property through construction techniques, site selection, emergency planning, resilient systems that reduce the potential for service interruption, or other measures.

B.3. Temperature Shifts: The application demonstrates that the project design includes specific measures to reduce vulnerability to extreme heat events, heat-related illness affecting children, elderly, persons with disabilities, and functional needs populations, to reduce risk to asthmatic individuals in locations with higher ground-level ozone concentrations, or to assist communities impacted by thawing permafrost.

B.4. Sea-Level Rise: The application demonstrates that the project design includes measures to protect buildings and infrastructure in coastal areas from inundation and wave action or permit relocation of residents from locations impacted by these effects.

B.5. Wildfires: In a location with elevated wildfire risk, the application demonstrates that the project design includes protective measures such as defensible space and separation from tree lines, fire-resistant construction techniques and participation in emergency planning efforts.

Environmental Justice: In accordance with Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, and EO 14008, HUD will award up to two (2) points for applications proposing projects that advance environmental justice in communities that have been historically marginalized and overburdened by pollution and underinvestment in housing, transportation, water and wastewater infrastructure, and health care, as delineated by the Climate and Economic Justice Screening Tool (CJEST) or other HUD-approved definition.

*HUD anticipates that program offices will revise the criteria listed in this section according to program scope and based on program actions identified in HUD's Climate Action Plan and Justice40 Initiative.

HBCU.

This program does not offer HCBU preference points.

Promise Zones

HUD encourages activities in Promise Zones (PZ). To receive Promise Zones Preference 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 preference points. To view the list of designated Promise Zones and persons authorized to certify, please see the [Promise Zone](#) pages on HUD's website.

B. Review and Selection Process.

1. Past Performance

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

The ability to account for funds in compliance with applicable reporting and recordkeeping requirements;

Timely use of funds received from HUD;

Timely submission and quality of reports submitted to HUD;

Meeting program requirements;

Meeting performance targets as established in the grant agreement;

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

Timely completion of activities and receipt and expenditure of promised matching or leveraged funds;

The number of persons served or targeted for assistance;

Promoting self-sufficiency and economic independence

Producing positive outcomes and results.

HUD may reduce scores based on the past performance review, as specified under V.A. Review Criteria. Whenever possible, HUD will obtain past performance information. If this review results in an adverse finding related to integrity of performance, HUD reserves the right to take any of the remedies provided in Section III E., Statutory and Regulatory Requirements Affecting Eligibility, "[Pre-selection Review of Performance](#)".

2. Assessing Applicant Risk.

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

- Financial stability;
- Quality of management systems and ability to meet the management standards prescribed in this part;
- History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, failing to make significant progress in a timely manner, failing to meet planned activities in a timely manner, conformance to the terms and conditions of

previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;

- Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and
- The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

HUD's selection process is designed to ensure 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.) and/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 (including screening for technical deficiencies). If it does not, the application will be deemed ineligible and will not receive further review. If yes, then HUD will screen the application to determine if it meets the other threshold criteria listed in Section III.D (including screening for technical deficiencies).

(2) Corrections to Deficient Applications – Cure Period. In accordance with Section IV.D.4 of this NOFO, corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within three business days 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.

(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 or that have not met the Threshold Requirements described in Section III.D of this NOFO. Such applications will not be eligible for funding.

b. Preliminary Rating and Ranking.

(1) Reviewers will preliminarily rate each eligible application, based solely on the rating factors described in Section V.A of this NOFO.

(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. 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 a site visit or virtual meeting with each Finalist 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 in April-May 2023. HUD encourages you to ensure that all 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 ensure any inconsistencies between preliminary reviewers are identified and rectified and to ensure the Preliminary Rating and Ranking documentation accurately reflects the contents of the application;

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

(3) Recommend for selection the most highly rated applications, subject to the amount of available funding, in accordance with the allocation of funds described in section II of this NOFO. At least \$175 million of the FY 2022 appropriations must be awarded to applications with a public housing authority as the Lead or Co-Applicant and 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).

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, then 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.

VI. Award Administration Information.

A. Award Notices.

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

listed as the AOR in item 21 of the SF-424.

Final Grant. After HUD has made selections, HUD will finalize specific terms of the award and budget in consultation with the selected applicant. If HUD and the selected applicant do not finalize the terms and conditions of the award in a timely manner, or the selected applicant fails to provide requested information, an award will not be made to that applicant. In this case, HUD may select another eligible applicant.

HUD may impose specific conditions on an award as provided under [2 CFR 200.208](#):

- Based on HUD's review of the applicant's risk under [2 CFR 200.206](#);
- When the applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;
- When the applicant or recipient fails to meet expected performance goals contained in a federal award; or
- When the applicant or recipient is not otherwise responsible.

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

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

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

b. If funds are available after funding the highest-ranking application, HUD may fund all or part of another eligible fundable application. If an applicant turns down an award offer, or if HUD and an applicant do not finalize the terms and conditions of the award in a timely manner, HUD may withdraw the award offer and make an offer of funding to another eligible application.

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

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

Funding Errors. If HUD commits an error that when corrected would cause selection of an applicant during the funding round of a Program NOFO, HUD may select that applicant for funding, subject to the availability of funds. If funding is not available to award in the current fiscal year, HUD may make an award to this applicant during the next fiscal year, if funding is available.

B. Administrative, National and Department Policy Requirements and Terms for HUD Recipients Financial Assistance Awards

For this NOFO, the following [Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards](#) apply.

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

- Compliance with Fair Housing and Civil Rights Laws, Which Encompass the Fair Housing Act and Related Authorities (see cf. [24 CFR 5.105\(a\)](#)).
- Affirmatively Furthering Fair Housing ([Click Here](#)).
- Economic Opportunities for Low-and Very Low-income Persons (Section 3). See [24 CFR part 75](#).

• Improving Access to Services for Persons with Limited English Proficiency (LEP) See https://www.hud.gov/program_offices/fair_housing_equal_opp/limited_english_proficiency.

• Accessible Technology. See <https://www.hud.gov/sites/dfiles/OCIO/documents/s508103017.pdf>

2. Ensuring the Participation of Small Disadvantaged Business, and Women-Owned Business.

3. Equal Participation of Faith-Based Organizations in HUD Programs and Activities.

4. Energy Efficient, Sustainable, Accessible, and Free from Discrimination by Design.

5. Real Property Acquisition and Relocation. See [49 CFR part 24](#).

6. Participation in HUD-Sponsored Program Evaluation.

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

8. Drug-Free Workplace.

9. Safeguarding Resident/Client Files.

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

11. Eminent Domain.

12. Accessibility for Persons with Disabilities. See

https://www.hud.gov/program_offices/fair_housing_equal_opp/disability_overview

13. Violence Against Women Act. See [24 CFR part 5](#), subpart L and applicable program regulations.

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

15. Buy American Build American

16. System for Award Management and Universal Identifier Requirements

17. Environmental Requirements, which include compliance with environmental justice requirements under Executive Order [12898](#) and [14008](#).

The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, if applicable to the Grantee's project. Pursuant to HUD's Notice, "General Applicability Waiver of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (87 FR 26219), any funds obligated by HUD to the Grantee on or after November 14, 2022, are subject to BABA requirements, unless excepted by a waiver. For Tribal recipients/Grantees, including Tribes and TDHEs, HUD's Notice, "General Applicability Waiver of Build America, Buy America Provisions as Applied to

Tribal Recipients of HUD Federal Financial Assistance” (87 FR 26221), establishes that any funds obligated by HUD to the Grantee on or after May 14, 2023, are subject to BABA requirements, unless excepted by a waiver. Additional information on BABA will be available at https://www.hud.gov/program_offices/general_counsel/BABA.

Environmental Review

Compliance with [24 CFR part 50](#) or [58](#) procedures is explained below:

Limitations on activities pending clearance. The grantee, and any participant in the development process, may neither undertake any actions with respect to the project that limit the choice of reasonable alternatives 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 NOFO, nor commit or expend HUD or non-HUD funds for these activities, until (i) HUD has approved a Request for Release of Funds following a responsible entity's environmental review under 24 CFR part 58, or (ii) if HUD has determined to perform the environmental review under paragraph "Responsibility" below, HUD has completed the 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.

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 and HUD has approved a Request for Release of Funds (RROF) or HUD has completed and signed off on its environmental review, as documented in the HUD Environmental Review Online System (HEROS) or the form HUD-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.

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, based on performance, timing, or compatibility of objectives, HUD will review the facts and determine who will perform the environmental review. At any time, HUD may reject the use of a responsible entity to conduct the environmental review in a particular case based on performance, timing, or compatibility of objectives, or in accordance with 24 CFR 58.77(d)(1). If a responsible entity objects to performing an environmental review, or if HUD determines that the responsible entity should not perform the environmental review, HUD may designate another responsible entity to conduct the review or may itself conduct the environmental review in accordance with the provisions of 24 CFR part 50.

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 grantee. 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.

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). Depending on the funding source, applicants should follow the documentation guidance as discussed in PIH Notice 2016-22 (Environmental Review Requirements for Public Housing Agencies, <https://www.hud.gov/sites/documents/PIH2016-22.PDF>) or Chapter 9 of the MAP Guide. Guidance on environmental review is available on HUD's environmental website: <https://www.hudexchange.info/environmental-review/>.

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. However, where the Choice Neighborhoods project includes on-site and off-site housing and the off-site housing is not clearly identified when the on-site housing development must begin, separate environmental reviews for the off-site and on-site housing may be performed. In addition, CCI activities may be addressed in a separate environmental review which must commence immediately upon HUD's written approval of the CCI Plan.

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 impact on the environment that results from the incremental impact of the project when added to other past, present, and reasonably foreseeable future actions regardless of what agency or person undertakes such other actions. The project when added to such other actions can result in collectively significant actions taking place over a period of time. An Environmental Impact Statement must be prepared for projects that are determined to have a significant impact on the environment.

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.

Radon. Any new construction projects must be built with radon-resistant construction techniques. Radon testing is required for new construction and rehabilitation projects, in compliance with HUD's contamination requirements at 24 CFR 50.3(i) and 58.5(i)(2). Testing of existing structures at projects funded for activities other than new construction or rehabilitation is strongly encouraged, as well as mitigation of any structures with elevated radon.

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.

Reference: HUD's environmental website is <https://www.hudexchange.info/environmental-review/>.

Prohibition on Surveillance

[2 CFR 200.216](#) Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment

Remedies for Noncompliance

Lead Based Paint Requirements.

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

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

C. Reporting.

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

1. Recipient Integrity and Performance Matters. Applicants should be aware that if the total Federal share of your federal award includes more than \$ 500,000 over the period of performance, the award will be subject to post award reporting requirements reflected in Appendix XII to Part 200 Award Terms and Conditions for Recipient Integrity and Performance Matters.

2. Race, Ethnicity and Other Data Reporting. HUD requires recipients that provide HUD- funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department's responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987.

3. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) as amended (FFATA). FFATA requires information on federal awards be made available to the public via a single, searchable website, which is www.USASpending.gov. Accordingly, each award HUD makes under this NOFO will be subject to the requirements provided by the Award Term in Appendix A to [2 CFR Part 170](#), “REPORTINGSUBAWARD AND EXECUTIVE COMPENSATION INFORMATION,” unless the Federal funding for the award (including funding that may be added through amendments) is not expected to equal or exceed \$30,000. Requirements under this Award Term include filing subaward information in the Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS.gov) by the end of the month following the month in which the recipient awards any sub-grant equal to or greater than \$30,000.

4. Program-Specific Reporting Requirements

A. Quarterly Report. Grantees must submit a quarterly report to HUD. HUD will provide training and technical assistance on the filing of quarterly reports in the prescribed format. Filing of quarterly reports is mandatory for all grantees, and failure to do so within the required timeframes will result in suspension of grant funds until the report is filed and approved by HUD. Grantees will be held to 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.

B. Final Report. Grantees shall submit a final report, which will include a financial report and narrative evaluating the overall performance of its Choice Neighborhoods Transformation Plan. Grantees shall use quantifiable data to measure performance against goals and objectives outline in its Transformation Plan.

D. Debriefing.

For a period of at least 120 days, beginning 30 days after the public announcement of awards under this NOFO, HUD will provide a debriefing related to their application to requesting applicants. A request for debriefing must be made in writing or by email by the authorized organization representative whose signature appears on the SF-424 or by his or her successor in office and be submitted to the POC in Section VII Agency Contact(s), below. Information provided during a debriefing may include the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which funding was approved or denied.

VII. Agency Contact(s).

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

Questions regarding specific program requirements for this NOFO should be directed to the POC listed below.

Name:

Choice Neighborhoods

Phone:

Email:

ChoiceNeighborhoods@hud.gov

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

VIII. Other Information.

1. National Environmental Policy Act.

A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFO in accordance with HUD regulations at [24 CFR part 50](#), which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

The FONSI is available for inspection at [HUD's Funding Opportunities](#) web page.

2. Posting Application Information. After the selection process, HUD may post on-line certain summary and contact information from Choice Neighborhoods applications (e.g., the Executive Summary, neighborhood map, Lead Applicant contact information, etc.) 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.

2. Web Resources.

- [Affirmatively Furthering Fair Housing](#)
- [Code of Conduct list](#)
- [Assistance Listing \(formerly CFDA\)](#)
- [Unique Entity Identifier](#)
- [Equal Participation of Faith-Based Organizations](#)
- [Federal Awardee Performance and Integrity Information System](#)
- [FFATA Subaward Reporting System](#)
- [Grants.gov](#)
- [HBCUs](#)
- [Healthy Homes Strategic Plan](#)
- [Healthy Housing Reference Manual](#)
- [HUD's Strategic Plan](#)
- [HUD Grants](#)
- [Limited English Proficiency](#)
- [NOFO Webcasts](#)
- [Procurement of Recovered Materials](#)
- [Promise Zones](#)
- [Section 3 Business Registry](#)
- [State Point of Contact List](#)
- [System for Award Management \(SAM\)](#)
- [Uniform Relocation Assistance and Real Property Acquisition Act of 1970 \(URA\)](#)

- [USA Spending](#)

3. Program Relevant Web Resources

www.hud.gov/cn

APPENDIX

Supplemental Grants to Previously Awarded Choice Neighborhoods Implementation Grantees

HUD recognizes that many of the current CN Implementation Grantees are struggling to absorb significant cost increases resulting from the COVID-19 pandemic and related supply chain disruptions, without making significant changes to their Housing Plan, while still meeting the one-for-one replacement requirement. This NOFO provides the opportunity for previously awarded Implementation Grantees to apply for competitive supplemental grants to help address such financing gaps, provided they meet the eligibility criteria below. This NOFO makes approximately \$100 million available for such Supplemental Grants. HUD views these grants as atypical and nonroutine. The Department is opening this funding opportunity only to address contemporaneous challenges. While HUD anticipates awarding approximately \$100 million through these grants, the actual amount awarded will be determined after applications are received.

I. ELIGIBILITY CRITERIA

1. Implementation Grant was awarded under the **FY 2016 - FY 2020 NOFA/NOFO**.
2. Grantee did not receive a Choice Neighborhoods Supplemental Grant awarded through the FY 2019 NOFA.
3. Grantee has at least one more phase with replacement housing currently scheduled to begin after May 1, 2023.
4. Grantee is making adequate progress in implementing the Housing Plan.
5. The Lead Applicant and Co-Applicant must be the same for the Supplemental Grant application as for the previously funded Implementation Grant.

II. GRANT AWARD AMOUNT

The maximum amount for this grant award is either up to \$5 million for grants targeting a housing project with fewer than 450 units or up to \$10 million for grants targeting a housing project with 450 or more units. HUD reserves the right to award less than the maximum amount. Submit the Grant Sizing Worksheet (HUD-53235) as described in section IV.F.3 with the following modifications:

1. In Step 6, only include replacement units for the phases that HUD's approval of the development proposal is expected after May 1, 2023. Example: the Housing Plan includes 250 replacement units and you have already received approval for phases that contain 70 replacement units and another phase with 30 replacement units is scheduled to close in December 2022. You would enter the remaining 150 replacement units, broken out by building type, number of bedrooms, and new construction or rehabilitation, on the worksheet.
2. Enter zero for Supportive Services in Step 7 and Critical Community Improvements in

Step 8.

3. In Step 10, in addition to other PH capital assistance, include the amount of the prior CN Implementation Grant, excluding the amount that is currently budgeted (as of the Supplemental Grant application due date) for Supportive Services and CCI, as well as any funds that have already been included in the TDC for a closed phase. Example: the original CN Implementation Grant is \$30 million, \$4.5 million is budgeted for Supportive Services, \$4 million is budgeted for CCI, \$6 million of CN funding was included in the TDC for the first housing phase, and no additional HUD Public Housing funding is budgeted for the Housing Plan. You would enter \$15.5 million on the form.

4. In Step 11, enter the lesser of the calculation in Step 10(c) or the maximum award established in this Appendix (i.e., up to \$5 million or up to \$10 million).

III. ELIGIBLE USE OF FUNDS

These Supplemental Grant funds may only be used for the construction of replacement housing in mixed-income developments. All funding will be put in the Dwelling Structures Budget Line Item (BLI 1460) in LOCCS. These grant funds may not be used for any other activity that is typically eligible with Choice Neighborhoods funding. In addition, this Supplemental Grant must not supplant the planned uses of the original Implementation Grant funding. Accordingly, recipients of a Supplemental Grant will not be able to revise the budget of the original Implementation Grant to reduce the amount of funding budgeted for unit development (BLI 1460) nor increase the budget for other activities such as Administration (BLI 1410) and Fees & Costs (BLI 1430).

IV. GRANT TERM

The grant term for a Supplemental Grant will be either three years from the date of the Grant Agreement execution (approximately May 1, 2026) or one year after the expiration date of the current Implementation Grant, whichever is later. For example, the expiration date of the FY 2019 funding is September 30, 2026. Thus if a FY19 Implementation Grantee receives a Supplemental Grant, these funds must be expended by September 30, 2027.

V. THRESHOLD REQUIREMENTS

Applications for a Supplemental Grant must demonstrate that they meet the following Threshold Eligibility Requirements from section III.D:

1. Resolution of Civil Rights Matters,
2. Affirmatively Furthering Fair Housing, and
3. Timely Submission of Applications.

VI. RATING FACTORS (50 points total)

1. Original size of Target Housing Project (10 points). An application will earn full points if the target housing site contained 300 or more project units at the time the initial Implementation

Grant application was submitted. For sites where the target housing contained 175-299 units, the application will earn five points. If the target housing contained less than 175 units, the application will earn zero points. Applicants do not need to submit any documentation for this rating factor as HUD will review its records to assign points.

2. Financial Need (20 points). An application will earn up to 20 points based on financial need. Provide an explanation of how the current financial projections changed from what was included in the original Implementation Grant application. Applicants should demonstrate that they have been adversely affected by changes/fluctuations in the market. What has the grantee and Housing Implementation Entity done to try and fill the financing gap? What would this Supplemental Grant funding enable the grantee/housing developer to accomplish? What funds has the locality committed to help fund the financing gap (e.g., CDBG funds, ARPA funds, etc.)? Applicants must demonstrate that they have or are able to secure substantial funds from local sources, including sources funded by the federal grants noted above, to reduce their financing gap. In conjunction the budgets provided below, HUD will award points based on the demonstrated financial need and the applicant’s efforts to close the financing gap.

3. Financing Plan for Remaining Phases (7 points). Provide a development budget, including all sources and uses, for each remaining housing phase (including those without replacement units and/or those without Choice Neighborhoods funding). Also, indicate the anticipated date for financial closing, construction start and construction completion. Clearly identify which funding sources are already secured, presumed available (as may be the case of sources like 4% Low-Income Housing Tax Credits), or not yet secured. The application does not require the submission of commitment letters. How will this Supplemental Grant enable the financing plan for remaining phases? HUD will also evaluate based on the extent to which the application demonstrates the Housing Plan is sound and financially feasible.

4. Mixed-Income Housing Plan (5 points). Grantees must develop mixed-income housing that serves families with a broad range of incomes within each building, to the maximum extent possible. In this application, include an updated description of the overall Housing Plan by phase and discuss how it has changed since the original grant award. The description should address all phases of the Housing Plan, even if they do not have any CN funds currently budgeted to them. This includes replacement units that will be provided through PBV units developed by an entity other than the Housing Implementation Entity. HUD will award points based on the extent to which the current plan Housing Plan is consistent with the original plan and achieves the program’s goal of developing mixed-income housing.

5. Leverage in Prior Phases (7 points). HUD will review phases using CN grant funds that have closed as of the application deadline for this grant and award points based on how much leverage the phase included relative to CN and other public housing funding sources. HUD will use the Permanent Sources & Uses budget included with the development proposal approval letter at closing to evaluate grantees on this rating factor.

| Leverage ratio of total public housing funds (CN Implementation Grant, Capital Fund, MTW, etc.) to non-public housing funds | Points Awarded |
|---|----------------|
| 1:6.00 or higher | 5 |
| 1:5:00 to 1:5.99 | 4 |
| 1:4:00 to 1:4.99 | 3 |

| | |
|------------------|---|
| 1:3:00 to 1:3.99 | 2 |
| 1:2:00 to 1:2.99 | 1 |
| Less than 1:2.00 | 0 |

6. Section 3 Plan (1 point). Application should demonstrate ongoing plan to comply with HUD's Section 3 regulations. The application will receive one point based the following:

- types and amounts of employment, training, and contracting opportunities to be generated as a result of proposed grant activities;
- specific actions to be taken to give Section 3 workers and Section 3 business concerns priority consideration for employment, training, contracting, and other economic opportunities in accordance with HUD’s Section 3 regulations;
- written procedures to be used for notifying Section 3 workers and business concerns about the availability of training, employment, and contracting opportunities;
- methodology to be used for monitoring developers, contractors and subcontractors that are awarded covered contracts to ensure compliance with Section 3 requirements; and
- strategies for meeting the Section 3 benchmarks for employment and contracting opportunities

VII. APPLICATION CONTENT, FORMAT, AND SUBMISSION

1. The Supplemental Grant application must be submitted through Grants.gov in the same announcement portal as applications for new FY22 Implementation Grants. The due date for a Supplemental Grant application is 11:59:59 PM Eastern Standard time on February 6, 2023. HUD will sort the submissions accordingly upon receipt.
2. Applicants must fill out the standard forms that are embedded within the Grants.gov system (e.g., the SF-424) and the Grant Sizing Worksheet, but not the other forms included in the application package download as those only pertain to an application for a new Implementation Grant.
3. There is no page limit. Applicants should only submit the information requested by the NOFO in this Appendix. This application is streamlined given HUD's familiarity with the project through the existing Implementation Grant. Applicants do not need to provide a response for the Original Size of the Target Housing Project or Leverage in Prior Phases rating factors since the CN office will rely on its records.
4. There is no Table of Contents form. Please label the sections of your submission as follows:
 - A. Threshold requirements
 - B. Financial Need
 - C. Financing Plan for Remaining Phases
 - D. Mixed-Income Housing Plan
 - E. Section 3 Plan
 - F. Grant Sizing Worksheet

VIII. REVIEW AND SELECTION

HUD will rate each application based solely on the rating factors listed above. Once a final score has been assigned to each application, they will be ranked in score order. HUD will recommend for selection the most highly rated applications. If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select the application with the most public housing/assisted units to replace. HUD anticipates announcing Supplemental Grant awards in April 2023. HUD will send a new grant agreement specific to this Supplemental Grant to each selected applicant, which constitutes the agreement between you and HUD to carry out and fund Choice Neighborhoods Implementation Grant activities.