

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5415-C-25A]

HUD's Fiscal Year (FY) NOFA for the Choice Neighborhoods Initiative -- Round 1 NOFA Grant Program; Second Technical Correction and Extension of Deadline Date

AGENCY: Office of the Assistant Secretary for Public and Indian Housing and Office of Multifamily Programs, HUD.

ACTION: Notice of second technical correction, and extension of deadline.

SUMMARY: On October 22, 2010 HUD posted a technical correction and extended the application deadline date for the Notice of Funding Availability (NOFA) for HUD's FY2010 Choice Neighborhoods Initiative -- Round 1. In the October 22 notice, HUD extended the deadline for applications in order to make changes to the Mapping Tool used to determine neighborhood eligibility and stated that a subsequent notice would be posted once the Mapping Tool had been revamped and a new deadline date would be established. This notice describes changes to the NOFA and sets December 9, 2010 as the new deadline date.

DATE: The new deadline is December 9, 2010.

FOR MORE INFORMATION CONTACT: For questions concerning Choice Neighborhoods, please contact Ms. Caroline Clayton, Office of Public Housing Investments, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 Seventh Street SW, Washington DC, 20410-5000; telephone: (202) 402-5461 (this is not a toll-free number); email: Caroline.C.Clayton@hud.gov. Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION:

On August 26, 2010, HUD posted on www.Grants.gov its Notice of Funding Availability (NOFA) for HUD's FY2010 Choice Neighborhoods Initiative -- Round 1. The NOFA made available approximately \$65 million in assistance for Planning and Implementation Grants through HUD's Choice Neighborhoods Initiative, an initiative funded through the Consolidated Appropriations Act, 2010 (Pub. L. No. 111-117, approved December 16, 2009). Today's publication corrects certain sections of that NOFA.

Among other requirements, the FY 2010 Choice Neighborhoods Initiative NOFA required that applicants respond to a threshold requirement and rating factors using the mapping tool provided at www.hud.gov/cn. The original mapping tool only used data at the census tract level to determine the percentage of households in poverty and earning extremely low incomes for the target neighborhood. Such data is also published at the block group level and this smaller geographic area provides more precise measurements. In order to ensure that no applicants have been unnecessarily disqualified or penalized, HUD has added a second version of the mapping tool which will use block group level data. Applicants will be able to choose whether to map their neighborhoods using tract level or block group level data and can submit either set of results as part of their application.

This notice also makes other changes to the NOFA. It provides clarifying information to the definitions for affordable housing, assisted housing, and replacement housing to affirm the original intent of the NOFA. Further, it clarifies where Planning Grant applicants should include the Planning Implementation Schedule and documentation for the Category Preferences. Lastly, the requirement that grantees also submit a printed copy of the application to HUD is removed.

In addition, HUD issued a “Notice of Voluntary Request to Indicate Intent to Apply for the Fiscal Year (FY) 2010 Choice Neighborhoods Grant” on September 16, 2010. That notice asked eligible entities intending to submit either a Planning Grant or Implementation Grant application to notify HUD of their intent to apply. In conjunction with this extension, eligible applicants are still encouraged to notify HUD, by calling the NOFA Information Center as described in the September 16 notice which is posted at www.hud.gov/cn and www.Grants.gov, of their intent to apply. Applicants that have already called the NOFA Information Center do **not** need to call again.

This notice also serves to advise applicants that HUD, after the selection process, may post on-line certain summary and contact information from their applications (e.g., the Executive Summary, neighborhood map, Lead Applicant contact information, etc.) in order to facilitate connections between applicants (both those selected for grant funding and those who are not) and other community entities (e.g., foundations, philanthropies, etc.) related to the project proposed in the application.

Potential applicants should review carefully this second technical correction notice and determine how this impacts the application they had prepared before issuance of this notice and, thus, whether they choose to submit an updated application which incorporates these corrections and clarifications related to this notice. Applicants who submitted their applications prior to this second technical correction notice can choose to submit an updated application that reflects the corrections and clarifications, but are not required to if they determine no changes are needed for their application. Applicants are reminded that if they submitted any portion of their application by fax with their initial application submission and choose to submit a revised application, then they will have to refax the materials after they submit the revised application to HUD. Please refer to the General Section for instructions regarding materials that are faxed and how HUD matches faxes to applications. The last version of the application received by Grants.gov by the deadline date, in accordance with the timely receipt requirements, will be the application that is reviewed and rated.

I. Technical Corrections

A. Deadline date.

1. On page 8, in the Overview Information, paragraph F entitled Dates, the first sentence is revised to read, “The application deadline date is **December 9, 2010.**”
2. On page 45, section IV.C, entitled Receipt Dates and Times, replace October 26, 2010 with **December 9, 2010.**

B. Mapping Tool.

1. On page 20, section III.C.2.b(2)(b) is replaced in its entirety with the following: 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: $(80\% \times 40\%) + (20\% \times 10\%) = 34\%$. Data for the poverty rate (for purposes of this NOFA, limited to persons in poverty that are not enrolled full-time in college) and extremely low-income rate are available at both the census tract and block group level. As such there are two separate modules of the mapping tool. Data for the vacancy rate and other measures of distress is only available at the census tract level and is incorporated in each module. You must draw the boundaries of the target neighborhood using either of the mapping tool modules posted at www.hud.gov/cn and provide a pdf of your eligible neighborhood, as produced and emailed to the user by the mapping tool, in the attachments section of your application. You should submit only one pdf produced by the mapping tool, either the one based on census tract level data or the one based on block group level data. HUD will not accept additional documentation and will make the final determination on compliance with the threshold.

2. The requirement to submit the email pdf generated from the Mapping Tool as Attachment 9 to an Implementation Grant application [p 43, section IV.B.8.e(3)(i)] or Attachment 6 to a Planning Grant application [pp74-75, section IV.B.8.e(3)(f)] remains unchanged. You should submit only one email pdf. It can be the one based either on census tract level data or on block group level data.

C. Definitions.

1. On page 10, section I.C.1, in the definition of Affordable Housing, paragraph b is replaced with the following:
 - b. In the context of a Choice Neighborhoods Transformation Plan, housing for which HUD requires the owner or purchaser of the project to maintain affordability for households earning up to 120 percent of Area Median Income (AMI) for no fewer than 20 years. Such housing is not considered replacement housing for the purposes of the one-for-one replacement requirement. The affordability restrictions shall be:
 - (1) Contained in a legally enforceable document recorded in the appropriate records; and
 - (2) Consistent with the long-term viability of the project as rental or homeownership housing.
2. On page 10, section I.C.2, in the definition of Assisted Housing, 3rd line, add “and where less than 100 percent of the units in a housing development receive project-based voucher assistance” after tenant-based vouchers. The full definition now reads: The term “assisted housing” means housing assisted under sections 8 or 9 of the United

States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C 1437g) (excluding tenant-based vouchers and where less than 100 percent of the units in a housing development receive project-based voucher assistance), section 221(d)(3) or section 236 of the National Housing Act (12 U.S.C. 1715 and 12 U.S.C 1715z-1), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), and section 811 of the National Affordable Housing Act of 1990 (42 U.S.C 8013).

3. On page 12, section I.C.2, in the definition of Replacement Housing, the first sentence is revised to read as follows: Replacement housing includes housing assisted under sections 8 or 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C 1437g), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), and section 811 of the National Affordable Housing Act of 1990 (42 U.S.C 8013). With regard to section 8 housing, project-based vouchers (section 8o(13) of the US Housing Act of 1937) are included in this definition, but tenant-based vouchers are excluded except as permitted by HUD.

D. Planning Grant Schedule.

1. On page 74, in section IV.B.8.e(2)(e), entitled “(e) Exhibit E. Plan,” add “E.6. Plan – Planning Implementation Schedule. Review and provide a response to V.A.3.d.”

E. Documentation for Planning Grant Category Preferences.

1. On page 76, section IV.B.8.e(3), add paragraph “(s) Attachment 22. Category Preferences Documentation, if applicable. As described in section V.B.3.a(4)(a), entitled Category Preferences, three types of applicants will receive priority funding. If you qualify for the preference described in (ii) (Collaboration among housing providers) or (iii) (Promise Neighborhoods grantees), provide the required documentation in Attachment 22.”
2. On page 73, section IV.B.8.b(3), entitled Exceptions to page limits, paragraph (d) is revised to read as follows: Memorandums of Understanding (MOUs), binding agreement for the planning coordinator, leverage documentation, and documentation related to establishing eligibility for one of the category preferences.

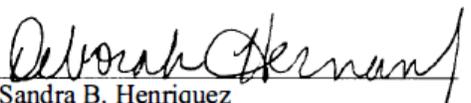
F. Printed Copy Submission. Applicants are no longer required to submit a printed copy of the application. Applications may only be submitted through grants.gov. Accordingly,

1. On page 37, in section IV, the second sentence (which begins, “In addition to submitting the application electronically...”) is deleted.
2. On page 45, section IV.B.9, entitled “Printed Copy of Application,” is deleted in its entirety.

G. Posting Application Information.

1. On page 67, in section VIII, add a new paragraph D: D. Posting Application Information. After the selection process, HUD may post on its website certain summary and contact information from Choice Neighborhoods applications (e.g., the Executive Summary, neighborhood map, Lead Applicant contact information, etc.) in order to facilitate connections between eligible applicants (both those selected for grant funding and those who are not) and other community entities (e.g., foundations, philanthropies, etc.) related to the project proposed in the application.

Date: 11/5/10

For 
Sandra B. Henriquez
Assistant Secretary for Public and Indian
Housing

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