

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. 5700-N-18]

### HUD's Fiscal Year (FY) 2013 NOFA for the Choice Neighborhoods Initiative – Planning Grants

**AGENCY:** Department of Housing and Urban Development, Office of Public and Indian Housing and Office of Multifamily Housing Programs.

**ACTION:** Notice of HUD's Fiscal Year (FY) 2013 Notice of Funding Availability for HUD's Choice Neighborhoods Initiative Planning Grants.

**SUMMARY:** Today's publication provides information and instructions found for the FY2013 Choice Neighborhoods Planning Grants program and is subject to Congress appropriating funding for this program. This Notice is comprised of both Notice of HUD's Fiscal Year 2013 Notice of Funding Availability (NOFA) Policy Requirements and General Section (General Section) to HUD's FY2013 NOFAs for Discretionary Programs, published on August 8, 2012, and this program section of the NOFA. For FY2013, HUD will award two types of grants through the Choice Neighborhoods Initiative: Planning Grants and Implementation Grants.

1. Planning Grants assist communities in developing a successful neighborhood transformation plan and building support necessary for that plan to be successfully implemented.
2. Implementation Grants support those communities that have undergone a comprehensive local planning process and are ready to implement their "Transformation Plan" to redevelop the neighborhood.

Through today's publication, HUD is making available approximately **XXX** million in assistance through the FY2013 Choice Neighborhoods Initiative for Planning Grants. The FY2013 NOFA for Choice Neighborhoods Implementation Grants will be issued under separate cover. ***Because FY2013 full-year funding has not been appropriated for this program, the availability of any such funding for this program is contingent upon future Congressional action. HUD will issue a technical correction to this Notice that will identify the amount of funds available and provide any additional requirements that the FY2013 appropriations bill may require. This technical correction may extend the NOFA application deadline date.***

**A. Choice Neighborhoods Initiative – Summary:** Choice Neighborhoods is HUD's signature place-based initiative and is a central element of the Neighborhood Revitalization Initiative (NRI), an interagency partnership between HUD, the Department of Education, the Department of Health and Human Services, the Department of Justice, and Treasury. This federal partnership supports locally driven solutions for transforming distressed neighborhoods using place-based strategies to address the interconnected challenges of poor quality housing, inadequate schools, poor health, high crime and lack of capital. Choice Neighborhoods is

designed to address struggling neighborhoods with distressed public housing or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create a plan that transforms distressed HUD housing and addresses the challenges in the surrounding neighborhood. The program helps communities transform neighborhoods by revitalizing severely distressed public and/or assisted housing and investing and leveraging investments in well-functioning services, high quality public schools and education programs, high quality early learning programs and services, crime prevention strategies, public assets, public transportation, and improved access to jobs. Choice Neighborhoods will ensure that current public and assisted housing residents will be able to benefit from this transformation, by preserving affordable housing or providing residents with the choice to move to affordable and accessible housing in another existing neighborhood of opportunity. Choice Neighborhoods is focused on three core goals:

1. **Housing:** Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;
2. **People:** Improve educational outcomes and intergenerational mobility for youth and supports delivered directly to youth and their families; and
3. **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community.

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

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

In addition, as part of the Neighborhood Revitalization Initiative, HUD is working with other Federal agencies to align programs so that place-based solutions can be more readily implemented. This interagency collaboration will assist Choice Neighborhoods applicants in identifying strategies for building upon, and leveraging, high-quality housing, academic, family and community programs and anticipated investments in neighborhood revitalization efforts funded by other Federal agencies. Examples of these efforts include the Department of Justice's Byrne Criminal Justice Innovation program, the Department of Education's Promise Neighborhoods program, the Department of Health and Human Services' Community Health Center program, and the Building Neighborhood Capacity Program. In addition, HUD is a core

member of the Partnership for Sustainable Communities, which supports communities that provide affordable housing, robust transportation choices, and greater economic competitiveness, by helping them to align federal investments in housing, transportation, economic development, infrastructure and the environment. Through these programs, the Departments intend to create incentives for communities to focus on the same geographic area and apply for funding from more than one source.

By focusing resources in targeted places, and by drawing on the compounding effect of well-coordinated actions, HUD believes Choice Neighborhoods will support local organizations building neighborhoods of opportunity.

**B. Objectives and Metrics to Measure Long Term Success:** Each Choice Neighborhoods grantee is expected to develop metrics based on the objectives listed below in order to measure performance. Applicants awarded Planning Grants are encouraged to develop neighborhood revitalization plans with these objectives in mind.

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

a. ***Energy Efficient, Sustainable, Accessible, and Free from Discrimination.*** Housing that is well-designed, embracing not only the requirements of accessible design but also concepts of visitability and universal design, with low per unit energy consumption, healthy indoor air quality, built to be resistant to local disaster risk, with affordable broadband Internet access and free from discrimination.

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

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

**2. People Objectives:** People that live in the neighborhood benefit from:

a. ***Effective Education.*** A high level of resident access to high quality early learning programs and services so children enter kindergarten ready to learn; significant improvement in the quality of schools nearest to the target development that prepare students to graduate from high school college- and career-ready; and significant growth in existing individual resident educational outcomes over time relative to the state average.

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

c. ***Quality Health Care.*** Health for residents over time is as good as or better than that of other households with similar economic and demographic conditions.

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

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

- a. ***Private and Public Investment into the Neighborhood.*** The neighboring housing has a very low vacancy/abandonment rate, that the housing inventory is of high quality, and that the neighborhood is mixed income and maintains a mixture of incomes over time.
- b. ***Amenities.*** The distance traveled from the neighborhood to basic services is equal to or less than the distance traveled from the median neighborhood in the metropolitan area. Those basic services include grocery stores, banks, health clinics and doctors' offices, dentist offices, and high quality early learning programs and services.
- c. ***Effective Public Schools:*** Public schools in the target neighborhood are safe and welcoming places for children and their families. In addition, schools have test scores that are as good as or better than the state average or are implementing school reforms that raise student achievement over time and graduate students from high school prepared for college and a career.
- d. ***Safety:*** Residents are living in a safer environment as evidenced by the revitalized neighborhood having dramatically lower crime rates than the neighborhood had prior to redevelopment and maintaining a lower crime rate over time.

**FOR FURTHER INFORMATION CONTACT:** Questions regarding specific program requirements should be directed to the agency contact identified in this program NOFA. Questions regarding the General Section should be directed to the Grants Management Office at (202) 708-0667 (this is not a toll-free number). 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:** The NOFA published today provides the statutory and regulatory requirements, threshold requirements, and rating factors applicable to funding being made available today (through the Choice Neighborhoods Planning Grants NOFA). Applicants for this NOFA must also refer to the FY2013 General Section for important application information and requirements, including submission requirements, which have changed this year.

Applications must be submitted electronically through Grants.gov (<http://www.grants.gov>). If applicants have questions concerning the registration process, registration renewal, assigning an Authorized Organization Representative, or have a question about a NOFA requirement, please contact HUD staff identified in this program NOFA. HUD staff cannot help you write your application, but can clarify requirements that are contained in the General Section, this Notice, and in the Grants.gov registration materials. New applicants should note that they are required to complete a five-step registration process in order to submit their applications electronically. HUD's General Section provides step-by-step instructions for applicants who must register with Grants.gov and also provides renewal/update instructions for those who have previously registered.

Application materials and instructions are posted to Grants.gov as soon as HUD finalizes them. HUD encourages applicants to subscribe to the Grants.gov free notification service at [http://www.grants.gov/applicants/email\\_subscription.jsp](http://www.grants.gov/applicants/email_subscription.jsp). By doing so, applicants will receive an email notification as soon as items are posted to the website. By joining the notification service, if a modification is made to the NOFA, applicants will receive notification that a change has been made.

HUD encourages applicants to carefully read the General Section and all parts of this Choice Neighborhoods NOFA. Carefully following the directions provided can make the difference in a successful application submission.

All applicants must have a Dun and Bradstreet Universal Numbering System (DUNS) number and an active registration in the Central Contractor Registration (CCR) system, now part of the System for Award Management (SAM), found at <https://www.sam.gov/portal/public/SAM/>. Failure to meet the requirements will prohibit you from receive a grant award.

In FY2013, HUD is posting the full NOFA on the Grants.gov website rather than the Federal Register. The Federal Register publication is merely a notice of where to find the NOFA and application forms. The NOFA posted to Grants.gov is the official version of the Notice and supersedes all other sources. If there is a discrepancy between information posted to Grants.gov and other websites, the Grants.gov information prevails.

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## **OVERVIEW INFORMATION:**

**A. Federal Agency Name.** Department of Housing and Urban Development, Office of Public and Indian Housing and Office of Multifamily Housing Programs.

**B. Funding Opportunity Title.** Choice Neighborhoods Planning Grants Fiscal Year 2013.

**C. Announcement Type.** Initial announcement.

**D. Funding Opportunity Number.** FR-5700-N-18. The OMB approval number for this program is 2577-0269.

**E. Catalog of Federal Domestic Assistance (CFDA) Number.** The CFDA number for this NOFA is 14.892, "Choice Neighborhoods Planning Grants."

**F. Dates.** The application deadline date is **May 28, 2013**. Electronic applications must be received by 11:59:59 p.m. eastern time on the deadline date. See HUD's 2013 General Section for application submission, faxing instructions, and timely receipt requirements, unless otherwise noted in this NOFA. Note: Grants.gov now uses Adobe Reader 10.0.1. Applicants must use the latest version of Adobe reader that is compatible and available from the Grants.gov website. Information on the latest version of Adobe Reader can be found on the Grants.gov website at [www.grants.gov](http://www.grants.gov). HUD recommends that applicants download this reader to prepare and transmit the application to Grants.gov.

### **G. Additional Overview Content Information**

**1. Available Funds.** This NOFA announces the availability of approximately **\$XXX** million in FY2013 funds for Choice Neighborhoods Planning Grants. HUD anticipates awarding **XXX** Planning grants of up to \$500,000 each. At its discretion, HUD may use remaining FY2012 and additional FY2013 Choice Neighborhoods funding to make Planning Grant awards under this NOFA.

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

**3. Eligible Target Housing.** Each application must focus on the revitalization of at least one severely distressed public and/or HUD-assisted housing project. The application may target more than one project so long as they are all in the same neighborhood. See I.C, III.A.2, and III.C.2 for additional information related to Eligible Target Housing.

**4. Eligible Neighborhoods.** The neighborhood in which the eligible target housing project(s) is/are located must be distressed. See I.C, III.A.3, and III.C.2 for additional information related to Eligible Neighborhoods.

**5. Matching Requirement.** A match of at least 5 percent of the grant amount is required. See III.B for additional information related to the match requirement.

**6. Application** materials may be obtained from Grants.gov. Notification of any technical corrections will be published in the Federal Register and posted to Grants.gov. Responses to frequently asked questions will be posted on the Choice Neighborhoods website at [www.hud.gov/cn/](http://www.hud.gov/cn/).

**7. Rental Assistance Demonstration.** Choice Neighborhoods applicants may be eligible to apply for HUD's new Rental Assistance Demonstration (RAD). RAD provides for public housing capital and operating subsidies or certain expiring subsidies provided to other eligible properties to be converted to long-term section 8 contracts in order to facilitate additional debt and equity financing. More information can be found at [www.hud.gov/rad](http://www.hud.gov/rad).

## **FULL TEXT OF ANNOUNCEMENT**

### **I. FUNDING OPPORTUNITY DESCRIPTION**

#### **A. Program Description.**

Choice Neighborhoods Planning Grants will support the development of comprehensive neighborhood revitalization plans which, when implemented, are expected to achieve the following three core goals:

1. **Housing:** Transform distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term;
2. **People:** Support positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to residents' health, safety, employment, mobility, and education; and
3. **Neighborhood:** Transform distressed, high-poverty neighborhoods into viable, mixed-income neighborhoods with access to well-functioning services, high quality public schools and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

To achieve these core goals, communities must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan. This Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

#### **B. Authority**

1. The funding authority for Choice Neighborhoods grants under this NOFA is provided by the **XX**).



2. The program authority for the Choice Neighborhoods Initiative is Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) (1937 Act), as amended by XX.

### **C. Definitions.**

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

**1. Affordable Housing.** The term “affordable housing” includes assisted housing as defined below or, in the context of a Choice Neighborhoods Transformation Plan, housing for which the owner or purchaser of the project has recorded a HUD-approved affordability use restriction for households earning up to 120 percent of Area Median Income (AMI) for no fewer than 20 years. Such housing is not considered replacement housing for the purposes of the one-for-one replacement requirement. The affordability restrictions shall be contained in a legally enforceable document recorded in the appropriate recorder’s office or registry of deeds and consistent with the long-term viability of the project as rental or homeownership housing.

**2. Anchor Institutions.** Anchor institutions are place-based entities that have regional significance and are permanently rooted, economic 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, performing arts and other major cultural facilities (like museums and central libraries) and some very large places of worship and corporations.

**3. Assisted Housing.** In this NOFA, the term “assisted housing” (used interchangeably with “HUD-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 fewer than 50 percent of the units in a housing development receive project-based voucher assistance), section 221(d)(3) or section 236 of the National Housing Act (12 U.S.C. 1715 and 12 U.S.C 1715z-1), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), section 811 of the National Affordable Housing Act of 1990 (42 U.S.C 8013), and the Native American Housing Assistance and Self-Determination Act of 1996, 25 U.S.C. § 4101, et seq (Indian Housing). In the case of Indian Housing, this includes only multifamily rental housing projects in which at least 50 percent of the units are assisted.

**4. Co-Applicant.** Co-Applicant means any entity with which the Lead Applicant chooses to apply for funding under this NOFA. A Co-Applicant must also be an Eligible Applicant. The Co-Applicant will also sign the Planning Grant Agreement and be responsible for implementing the activities identified in the Transformation Plan, but will not directly receive access to funding through HUD’s Line of Credit Control System (LOCCS). A Co-Applicant is only required when a for-profit developer is the Lead Applicant).

**5. Critical Community Improvements.** The term “critical community improvements” means:

- a. Development or improvement of community facilities to promote upward mobility, self-sufficiency, or improved quality of life for residents of the neighborhood, such as

construction or rehabilitation of parks and community gardens, or environmental improvements; or

- b. Activities to promote economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources.

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

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

**8. Lead Applicant.** Lead Applicant means the primary entity responsible for implementing the activities identified in the application. The Lead Applicant must meet the qualifications of an Eligible Applicant. The Lead Applicant will sign the Planning Grant Agreement and is the sole entity that will have access to HUD’s Line of Credit Control System (LOCCS) in order to drawdown Choice Neighborhoods funding.

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

**10. 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).

**11. Long-Term Viability.** The term “long-term viability” refers to a community that has in place all five Neighborhood Assets sufficient to provide for resident well-being and community quality of life.

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

**13. Neighborhood.** The neighborhood is the geographic area within which the activities of the Transformation Plan shall focus. HUD understands that neighborhood boundaries are not fixed like municipal or county boundaries. The Department also recognizes that neighborhoods do not necessarily follow statistical boundaries, such as Census Tracts. For Choice Neighborhoods,

HUD will rely on applicants to identify boundaries for the target neighborhood that are generally accepted as a neighborhood. In many communities, those typical neighborhood boundaries are delineated by major streets or physical topography. The neighborhood must be larger than just the footprint of the distressed public or HUD-assisted housing targeted in the application, but cannot encompass more than one municipal jurisdiction and is typically an area less than two miles wide.

**14. Neighborhood Assets.** Neighborhood assets means:

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

**15. Nonprofit Organization.** Nonprofits eligible to be an applicant under this NOFA are entities that are classified as such in accordance with section 501(c) of the Federal Tax Code or have been designated as such by their state government. A nonprofit organization can be organized for the following purposes: charitable, religious, educational, scientific, or other similar purposes in the public interest. To obtain tax-exempt status, qualified organizations must file an application with the Internal Revenue Service (IRS) and receive designation as such by the IRS. For more information, go to [www.irs.gov](http://www.irs.gov). Entities that are in the process of applying for tax-exempt status, but have not yet received nonprofit designation from the IRS by the application deadline date, will not be considered an eligible applicant. All nonprofit applicants must submit either their IRS determination letter to prove their 501(c) status or the letter from the state government to prove their nonprofit status.

**16. 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.

**17. Persistently lowest-achieving school.** The term persistently lowest-achieving school means, as determined by the State:

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

- 1) Is among the lowest-achieving five percent of Title I schools in improvement, corrective action, or restructuring or the lowest-achieving five Title I schools in improvement, corrective action, or restructuring in the State, whichever number of schools is greater; or
- 2) Is a high school that has had a graduation rate that is less than 60 percent over a number of years; and

- b. Any secondary school that is eligible for, but does not receive, Title I funds that –
- 1) Is among the lowest-achieving five percent of secondary schools or the lowest-achieving five secondary schools in the State that are eligible for, but do not receive, Title I funds, whichever number of schools is greater; or
  - 2) Is a high school that has had a graduation rate that is less than 60 percent over a number of years?

**18. Physical Needs Assessment.** A Physical Needs Assessment (PNA) should be prepared by an independent registered engineer or architect that conducts a physical inspection of at least 10 percent of the dwelling units and 50 percent of the non-dwelling space. Generally, it identifies all of the work needed to bring the housing project up to the applicable modernization and energy conservation standards. Typically, a PNA takes into account the life cycle replacement costs of all building systems for a period of 20 years, however for purposes of the rating factors in this NOFA HUD will only consider the costs of the current rehabilitation needs.

**19. Planning Coordinator.** A Planning Coordinator is a person or entity separate from the Lead Applicant or Co-Applicant selected to coordinate the planning process. The Planning Coordinator should have extensive professional experience in leading comprehensive neighborhood planning processes that lead to implementation activities and improved outcomes. The Planning Coordinator is not just a local partner/stakeholder, but rather a single person/entity selected to assist the grantee in carrying out the grant activities. Having a Planning Coordinator is optional.

**20. Public Entity.** The term “public entity” means any department, agency, special purpose district, or an instrumentality of a State or local government.

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

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

**23. Replacement Housing.** Replacement housing is housing that will replace demolished, disposed of, or otherwise reduced public or assisted housing. It 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. To satisfy the one-for-one replacement requirement through acquisition, the replacement unit must not have been receiving assistance prior to submitting the application under the sections listed above in this paragraph. For example, you cannot acquire a Section 202 funded property that is near the public or assisted housing site targeted in the application for the purposes of deeming that replacement housing.

#### **24. 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) (a) Is occupied predominantly by families who are very low-income families with children, have unemployed members, and are dependent on various forms of public assistance; (b) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area; or (c) is lacking in sufficient appropriate transportation, supportive services, economic opportunity, schools, civic and religious institutions, and public services, resulting in severe social distress in the project;

4) Cannot be revitalized through assistance under other programs, such as the Capital Fund and Operating Fund programs for public housing under the 1937 Act, or the programs under sections 9 or 14 of the 1937 Act (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, approved October 21, 1998)), because of cost constraints and inadequacy of available amounts; and

5) In the case of an individual building that currently forms a portion of the public and/or assisted housing project targeted by the application to this NOFA: (a) Is sufficiently separable from the remainder of the project of which the building is part, such that the revitalization of the building is feasible; or (b) Was part of the targeted public and/or assisted housing project that has been legally vacated or demolished, but for which HUD has not yet provided replacement housing assistance (other than tenant-based assistance). "Replacement housing assistance" is defined as funds that have been furnished by HUD to perform major rehabilitation on, or reconstruction of, the public and/or assisted housing units that have been legally vacated or demolished.

b. A severely distressed project that has been legally vacated or demolished (but for which HUD has not yet provided replacement housing assistance, other than tenant-based assistance) must have met the definition of physical distress not later than the day the demolition application approval letter was dated by HUD.

**25. Supportive Services.** The term "supportive services" includes all activities that will promote upward mobility, self-sufficiency, or improved quality of life, including such activities

as literacy training, activities that promote early learning and the continuum of educational supports, remedial and continuing education, job training, financial literacy instruction, day care, youth services, aging-in-place, public transportation, physical and mental health services, economic development activities, and other programs for which the community demonstrates need.

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

**27. Tribal Entities.** Tribal entities includes Indian tribes and Tribally Designated Housing Entities, as defined in section 4(22) of the Native American Housing Assistance and Self-Determination Act of 1996, 25 U.S.C. § 4103(22).

## II. AWARD INFORMATION

### A. Availability of Choice Neighborhoods Funds

**1. Choice Neighborhoods Grants.** A total of \$XXX million has been appropriated for Choice Neighborhoods in FY2013. This NOFA provides approximately \$XXX million for Planning Grants. The table below indicates the amount of funds allocated for Implementation and Planning Grants.

Grant Type	Allocation of Funds (Approximate)	Maximum Grant Request	Anticipated Number of Grant Awards
Planning Grants	\$XXX	\$500,000	XXX
Implementation Grants (to be awarded under a separate NOFA)	\$XXX	\$XXX	XXX
TOTAL	\$XXX		

**2. Grant Sizing.** Applicants may request up to \$500,000 for a Planning Grant.

**3. Grant term.** Grantees must proceed in a timely manner, as indicated by the timeframes established in this NOFA and Planning Grant Agreement. The term of a Planning Grant is two years from the date of Planning Grant Agreement execution.

## III. ELIGIBILITY INFORMATION

### A. Key Eligibility Criteria

**1. Eligible Applicants.** Eligible applicants for Choice Neighborhoods grants are Public Housing Authorities (PHAs), tribal entities, local governments, nonprofits, and for-profit developers that apply jointly with a public entity. Also see the Eligible Applicants threshold requirement in Section III.C.2 of this NOFA and the Definitions in Section I.C for definitions of related terms.

**a. Ineligible to Apply.** Private Citizens are not eligible to apply.

**b. Troubled Status for PHAs.** This applies to PHA applicants and is considered a threshold requirement under Section III.C.2 of this NOFA. If PHA was designated as troubled by HUD pursuant to section 6(j)(2) of the 1937 Act on the most recently released Operational Troubled List, HUD will use documents and information available to it to determine whether you qualify as an eligible applicant. However, PHAs designated as troubled are strongly encouraged to consider partnering with another entity (such as a local government, a nonprofit, or a for-profit developer) to serve as the lead applicant for purposes of the Choice Neighborhoods grant. In accordance with section 24(j) of the 1937 Act, a troubled PHA may still be eligible to apply if it:

- 1) Is designated as troubled principally for reasons that will not affect its capacity to carry out a revitalization program;
- 2) Is making substantial progress toward eliminating the deficiencies of the agency that resulted in its troubled status;
- 3) Has not been found to be in noncompliance with fair housing or other civil rights requirements; or
- 4) Is otherwise determined by HUD to be capable of carrying out a revitalization program.

**c. Previous Participation Certification for Multifamily Assisted Property Owners.** If the Lead Applicant or Co-Applicant is the owner of the assisted property that is the subject of the Choice Neighborhoods activity grant, you are required to submit form HUD-2530, Previous Participation Certification. If the property listed has defaulted on a mortgage loan or has less than satisfactory review ratings (physical inspections, management and financial reviews), HUD will use documents and information available to it to determine whether you qualify as an eligible applicant. Approvals of entities that have defaulted or received unsatisfactory review rating 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. However, multifamily assisted property owners with defaults or less than satisfactory review ratings are strongly encouraged to consider partnering with another entity (such as a local government, a nonprofit, or a for-profit developer) to serve as the Lead Applicant for purposes of the Choice Neighborhoods grant.

**2. Eligible Target Housing.** Each application must focus on the revitalization of at least one severely distressed public and/or HUD-assisted housing project. The definition of severely distressed housing from section 24(j)(2) of the 1937 Act is included in section I.C along with definitions of public housing and assisted housing.

### **3. Eligible Neighborhoods.**

- a. Eligible neighborhoods for Choice Neighborhoods grant funds include neighborhoods with**
- 1) at least 20 percent of the households estimated to be in poverty or have extremely low incomes and
  - 2) that are experiencing distress related to one or more of the following:
    - (a) high crime; defined as where either the Part I violent crime rate (measured as Part I violent crimes per 1000 persons) over the three years (2009-2011) is at least 1.5 times the per capita Part I violent crime rate (measured as Part I violent crimes per 1000 persons) of the city or, where no city data is available, county/parish in which the neighborhood is located over the same time frame; or the rate is greater than 18 crimes per 1000 persons; OR

(b) high vacancy or substandard homes; defined as where either the most current rate within the last year of long-term vacant or substandard homes is at least 1.5 times higher than that of the city or, where no city data is available, county/parish as a whole; or the rate is greater than 4 percent; OR

(c) inadequate schools; defined as where either a low-performing public school or a persistently lowest-achieving public school is in the neighborhood or at least 20 percent of the children from the target public and/or HUD-assisted housing attend such a school.

**b.** HUD recognizes that some of the eligible neighborhoods may be impacted areas and/or areas of minority concentration. Since a goal of this program is to transform such areas into neighborhoods of choice, these neighborhoods are still eligible for funding under this NOFA.

## **B. Match Requirements**

**1. Choice Neighborhoods Grant Match.** HUD is required by section 24(c)(1)(A) of the 1937 Act (42 U.S.C. 1437v(c)(1)(A)) to include the requirement for matching funds for all HOPE VI-related grants, which includes Choice Neighborhoods. You are required to have matching funds in the amount of five percent of the requested grant amount in cash or in-kind donations. This is considered a threshold requirement under Section III.C.2 of this NOFA.

**2. No HOPE VI or Choice Neighborhoods Funding in Match.** In accordance with section 24(c) of the 1937 Act, for purposes of calculating the amount of matching funds required by Section 1 above, you **may NOT** include amounts from HOPE VI program funding, including HOPE VI Revitalization, HOPE VI Demolition, HOPE VI Neighborhood Networks, HOPE VI Main Street grants, Choice Neighborhoods Implementation, or Choice Neighborhoods Planning grants.

**3. Evidence of Use.** Grantees will be required to show evidence that matching resources were actually received and used for their intended purposes through quarterly reports as the project proceeds. Sources of matching funds may be substituted after grant award, as long as the dollar requirement is met.

**4. Grantee Enforcement.** Grantees must pursue and enforce any commitment (including commitments for services) obtained from any public or private entity for any contribution or commitment to the project or surrounding area that was part of the match amount.

**5. OMB Circulars and Ability to Use Funds for Match.** Refer to section III.B of the General Section for OMB Circulars that are applicable for matching requirements.

## **C. Other**

**1. Program Activities.** Program activities include tasks necessary to develop a Transformation Plan that includes strategies to achieve the objectives identified in the NOFA, align investments with this plan, and develop the relevant planning and evaluation capacity of the applicant and its partners.



a. **Required Grant Activities.** The following activities are required:

(1) Conduct a household-level needs assessment for public and/or assisted housing residents living in the target development(s) to better design solutions for the children and families of HUD housing within the first 12 months of the Planning Grant. In addition, evaluate existing administrative data to determine whether an assessment of households is required at the neighborhood level.

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

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

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

(5) In order for a grantee to determine a feasible timeline and budget for the realization of redevelopment efforts, a Phase I environmental assessment should be performed at the redevelopment site to determine the potential and extent of any needed environmental remediation.

(6) If the redevelopment plan includes the rehabilitation or demolition of any buildings 50 years of age or older, the grantee should contact the State Historic Preservation Officer (SHPO) to determine the potential for negative effects of demolition on historic properties.

b. **Other Eligible Activities.** The following activities should be included as appropriate to the local context and based on the current status of the local planning process.

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

(a) Current patterns of disinvestment with the neighborhood, including vacant/abandoned homes and businesses, the quality of the existing housing stock, foreclosures, and current home values and rents. Discuss other subsidized housing (for example Housing Choice Vouchers, LIHTC units, local affordable housing units, etc.) in the neighborhood not part of the target public and/or assisted housing project(s), the current mix of incomes, and any long-term economic drivers for continued disinvestment that may be expected to continue, absent a publicly funded intervention;

(b) The neighborhood's access to key assets, such as quality grocery stores, banks, health clinics and doctors' offices, local schools, child care facilities, parks and recreational facilities, and public transit. Identify key neighborhood anchor institutions, such as major employers, universities, or hospitals that can reliably be expected to continue to provide significant economic activity;

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

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

**2. Undertake a comprehensive and integrated planning process** that addresses the challenges and gaps in services and assets identified through the needs assessments and leads to a plan for implementation that has broad community support.

(a) **Housing.** Adopt effective strategies to achieve the Housing goal. Such activities include but are not limited to:

- i. Studies of the different options for revitalization, including the feasibility, costs and neighborhood impact of such options;
- ii. Assessment of the need for affordable housing;
- iii. Site planning and conceptual architectural design work that includes accessible design in accordance with applicable accessibility requirements, including but not limited to Section 504 of the Rehabilitation Act of 1973 (24 CFR Part 8), the Fair Housing Act (24 CFR Part 100) and the Americans with Disabilities Act;
- iv. Designing a suitable replacement housing plan, in situations where partial or total demolition is considered;
- v. Designing a suitable mobility strategy and relocation assistance;
- vi. Conducting environmental or geotechnical studies to assess the suitability of a site for developmental activities; and
- vii. Developing a viable financing plan to implement the Housing component of the plan. The plan should consider a range of viable financing plans which is not dependent on a Choice Neighborhoods Implementation Grant in particular.

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

- i. Planning for supportive services, particularly education, economic development, job training, self-sufficiency, and asset building activities for families that help neighborhood youth improve educational outcomes and increase intergenerational economic mobility;
- ii. Planning for improving access to high quality education programs and improved academic and developmental outcomes for children in the neighborhood along the continuum of cradle-through-college-to-career solutions, including:

(a) High quality early learning programs and services that are comprehensive, inclusive, evidence-based and that result in significantly improved outcomes in physical well-being and motor development, social-emotional development, language and literacy development, and cognition and general knowledge, including early numeracy for children.

(b) High quality education programs, which may include: (A) evidence-based programs that increase learning time which may include high quality after-school, summer school, and other expanded learning-time programs designed to improve student outcomes and (B) evidence-based programs that prepare student for college and career success.

(c) Ensuring access to existing high-quality schools or undertaking school improvements, which may include (A) significant improvements to the programs, policies and personnel of an elementary, middle/junior high and/or high school that are linked to improved academic outcomes or (B) establishing a new high-quality school.

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

(c) **Neighborhood.** Adopt effective strategies to achieve the Neighborhood goal. Such activities include but are not limited to:

- i. Planning for neighborhood-level improvements across the range of Neighborhood Assets;
- ii. Aligning with existing planning processes and activities in the local jurisdiction and/or metropolitan area or county/parish;
- iii. Planning for neighborhood economic development activities; and

iv. Partnering with the necessary agencies and organizations and developing a viable financing plan to implement the Neighborhood component of the plan.

**3. Conduct technical planning studies** concerning local development issues, priorities, or suggested appropriate approaches in the context of the local housing market relative to other alternatives. This could include new approaches to housing, economic development, capital improvement programming or community relations. However, any such studies should directly further the integration of strategies to develop a comprehensive neighborhood-level Transformation Plan.

**4. Work with public and private agencies, organizations (including philanthropic organizations) and individuals** to:

(a) Develop the Transformation Plan which includes a governance strategy that will provide long-term accountability and secure commitments to collaborate long-term to ensure it will be implemented successfully;

(b) Gather and leverage resources needed to support the financial sustainability of the Transformation Plan; and

(c) Identify strategies for building upon and leveraging existing neighborhood efforts and anticipated Federal, state, regional and local investments.

(d) Strengthen management and decision-making capacities of participating organizations.

**5. Ensure meaningful resident, community and stakeholder participation** throughout the development of the Transformation Plan, including but not limited to public hearings, meetings, websites, forums, charrettes, and other communication that will provide all aspects of the policy and development plans and alternative options to neighborhood residents, local business owners and employees, and civic and community organization representatives in sufficient time for them to review, react, and make informed decisions on how proposed plans and policies will impact their daily lives. Activities should prioritize ways to engage communities traditionally marginalized from planning processes, such as low-income individuals and families, limited English speakers, persons with disabilities, and the elderly. For assistance in ensuring meaningful access for persons with limited English proficiency, applicants should consult HUD's Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (HUD's LEP Guidance) published in the Federal Register on January 22, 2007 (72 Fed. Reg. 2732). Additional information is also available at [www.hud.gov/fheo/promotingfh/lep.cfm](http://www.hud.gov/fheo/promotingfh/lep.cfm). Pursuant to Section 508 of the Rehabilitation Act, recipients must employ accessible means of technology to ensure that persons with disabilities can access information on the planning process, plans, and other information.

**6. Plan for the collection and strategic use of relevant data** by identifying data to track future community impacts once the Transformation Plan is implemented by employing statistical and qualitative analysis of specific metrics (see Summary section B) developed in partnership with the appropriate local, state, regional and federal agencies/organizations. Such planning should focus on integrating data systems across agencies and using this data for intervention targeting and improvement.

**7. Identify and secure the involvement of effective practices and actors** based on the best available evidence. Such activities may include conducting site visits, research, or participating in a community of practice, which is a group of grantees that agrees to interact regularly to solve a persistent problem or improve practice in an area that is important to them and the success of their project, enabling grantees to meet, discuss and collaborate with each other regarding grantee projects.

**c. Ineligible Activities.**

(1) Planning Grant funds may not be used for acquisition, relocation, demolition and remediation, construction or other physical improvements.

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

(3) You may not use Choice Neighborhoods funds for the cost of Choice Neighborhoods grant application preparation.

**2. Threshold Requirements.**

All Lead Applicants and Co-Applicants and applications must meet all threshold requirements of this NOFA in order to be rated and ranked. Applicants must demonstrate compliance with the threshold requirements through the information provided in their application, unless instructed otherwise in this NOFA. The threshold requirements of this NOFA include certain threshold requirements of section III.C.2 of the General Section and threshold requirements specific to the Choice Neighborhoods program. If an application does not meet all threshold requirements, HUD will not consider the application as eligible for funding and will not rate and rank it. HUD will screen for technical (not substantive) deficiencies and administer a cure period. Examples of curable (correctable) technical deficiencies include, but are not limited to, inconsistencies in the funding request, failure to submit the proper certifications (e.g., form HUD-2880), and failure to submit a signature and/or date of signature on a certification. The subsection entitled, “Corrections to Deficient Applications,” in section V.B. of the General Section is incorporated by reference and applies to this NOFA unless otherwise stated. Clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within five business days (i.e. excluding Saturdays, Sundays and federal holidays) of the date of receipt of the HUD notification. If an applicant does not cure all its technical deficiencies that relate to threshold requirements within the cure period, HUD will consider the threshold(s) in question to be failed, will not consider the application as eligible for funding, and will not rate and rank it. All technical deficiency cure items must be submitted by facsimile using the Facsimile transmittal form HUD-96011 and inserting in the box for name of the document, Technical Deficiency or TC, plus the name of the document being faxed. HUD will match the item to the electronic application so HUD’s official records are complete including all cure items. See the General Section. **Applicants must review and follow documentation requirements provided in this Thresholds Requirements Section and the instructions on application organization, content and submission provided in Section IV.B.8.** Required forms, certifications and assurances must be included in the Choice Neighborhoods application and will be available on the Internet at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp).

**a. Curable Thresholds.** The following thresholds may be cured in accordance with the criteria above.

(1) **Standard Forms.** The last part of your application will be comprised of standard forms common to many HUD programs. For the Choice Neighborhoods application, the required standard forms are listed in Section IV.B.6.e of this NOFA.

(2) **Choice Neighborhoods Applicant Certifications.** You must include in your application a certification from the Lead Applicant and Co-Applicant (if any) (and the Chairman of the PHA Board of Commissioners if the Lead Applicant or Co-Applicant is a PHA) to the requirements listed in the Choice Neighborhoods Applicant Certifications. You must include this certification in your attachments. By providing this certification, you also attest that you will meet the Match Requirement from III.B of this NOFA.

(3) **Eligible Applicants.** This section incorporates as a threshold requirement the Eligible Applicants requirement from III.A.1 of the NOFA. You must identify which type of applicant you and your Co-Applicant (if any) are on the Key Eligibility Data form included in the attachments section of your application. Additionally, the following criteria must be met, as relevant, in order to comply with this threshold:

(a) **Co-Applicants.** To demonstrate a Co-Applicant partnership, a Memorandum of Understanding (MOU) must be provided signed by the executive of each entity. The MOU must demonstrate a commitment to work collaboratively throughout the entirety of the grant and identify which party will serve as the Lead Applicant. Only for profit developers are required to have a Co-Applicant (and that Co-Applicant must be a public entity).

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

(c) **Applicants** that are not the owner of the target housing project. If the owner of the target housing project is not the Lead Applicant or Co-Applicant for a Planning Grant, a letter from the owner indicating its support for your organization to submit this grant application and work collaboratively throughout the planning process must be included in this application.

**b. Non-Curable Thresholds.** The following thresholds may **NOT** be cured in accordance with the criteria referenced in III.C.2 above.

(1) **Eligible Target Housing.** This section incorporates as a threshold requirement the Eligible Target Housing requirement from III.A.2 of the NOFA. You must demonstrate in your application that the targeted housing is eligible under this NOFA (i.e. public and/or HUD-assisted housing) and meets the definition of severely distressed. See section I.C for the definitions of "public housing," "assisted housing," and "severely distressed housing." If the targeted project(s) is/are not eligible housing and is/are not severely distressed, your application will not be considered for funding. You must identify the housing project(s) you

are targeting on the Key Eligibility Data form included in the attachments section of your application. You must also use the severe distress certification form provided and include it in the attachments section of your application. The certification must be signed by an engineer or architect licensed by a state licensing board. The license does not need to have been issued in the same state as the severely distressed project. The engineer or architect must include his or her license number and state of registration on the certification. The engineer or architect may not be an employee of the Lead Applicant, Co-Applicant (if any), Planning Coordinator (if any), the project's owner, the public housing authority (if applicable), or a unit of local government in which the housing is located. If this application targets more than one public and/or assisted housing project, each project must meet this definition and be listed on the severe distress certification form.

- (2) **Eligible Neighborhoods.** This section incorporates as a threshold requirement the Eligible Neighborhoods requirement from III.A.3 of the NOFA. You must demonstrate in your application that the targeted neighborhood meets the Eligible Neighborhoods requirement criteria from III.A.3. The following criteria apply, as relevant, in order to demonstrate compliance with this threshold:
- (a) The definition of “neighborhood” from I.C applies. Note: HUD reserves the right to ask applicants to provide evidence that the target neighborhood boundary is generally accepted. Such evidence might include planning, community development or zoning maps which have been adopted by a public jurisdiction.
  - (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:  $(80\% \times 40\%) + (20\% \times 10\%) = 34\%$ . You must draw the boundaries of the target neighborhood using the mapping tool posted on the FY2013 NOFA and Funding Information page at [www.hud.gov/cn](http://www.hud.gov/cn) and provide a .PDF copy of your eligible neighborhood, as produced and emailed to the user by the mapping tool, in the attachments section of your application. HUD will not accept additional documentation and will make the final determination on compliance with the threshold.
  - (c) Also in order to demonstrate compliance with the Eligible Neighborhoods criteria in III.A.3.a(2), you must provide in your application data on crime, or vacant or substandard housing, or inadequate schools. The mapping tool also contains data on vacant housing that can be used to satisfy the Eligible Neighborhoods criteria. If you are

relying on data on crime, substandard housing, or inadequate schools in order to demonstrate compliance with the Eligible Neighborhoods criteria, you must provide it in the attachments section of your application as instructed in section IV.B.8. Crime data must be for the precinct/Police Service Area (PSA) in which the target housing is located (data requirements are described in the rating factor in V.A.2.b(3)). Substandard housing data must be for the neighborhood and the city or county/parish as a whole. Information provided on rates of substandard housing must be data published by a local jurisdiction or unrelated third party, such as code enforcement data from the housing office of the applicable city or county/parish. The requirements for school data is described in Attachment 7.

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

- (a) A Lead Applicant or Co-Applicant may participate in a maximum of three applications under this NOFA, in accordance with the criteria of this NOFA.
- (b) You may only submit one application per neighborhood. There is no limit to the number of public and/or assisted housing projects per application, so long as all are within the boundaries of the neighborhood. Additionally, you apply ONLY for a FY2013 Implementation Grant or a FY2013 Planning Grant for the same public and/or assisted housing site and neighborhood, not both.
- (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.
- (d) HUD will not consider applications sent entirely by facsimile.
- (e) HUD will not consider any application that does not meet the timely receipt requirements for electronic applications, in accordance with the criteria of the General Section "Receipt Dates and Times."

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

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

Neighborhoods grant application. However, such projects may be located within the Transformation Plan neighborhood.

- (6) Relation to prior Choice Neighborhoods Grants.** Public and/or assisted housing projects and the neighborhoods in which they are located previously funded through a Choice Neighborhoods grant may not be the target housing and neighborhood of a Choice Neighborhoods Planning Grant application.
- (7) Resident Involvement.** In accordance with section 24(e)(2)(D) of the 1937 Act, applicants must involve affected residents at the beginning and during the planning process for the transformation program, prior to the submission of an application. You are required to involve the affected public and/or assisted housing residents in the planning process and implementation of your Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant, if awarded. As of the application deadline date, you must have conducted one meeting with residents of the targeted public and/or assisted housing. That meeting **must** have covered the planning process anticipated to be funded by Choice Neighborhoods Planning Grant. This meeting can have occurred prior to the publication of this NOFA, but must have anticipated the planning process proposed in this application. You must demonstrate compliance with this threshold by using the certification form provided and include the form in the attachments section of your application. The certification form must include name of the target public and/or assisted housing site, the date of the resident meeting, and be signed and dated by the Lead Applicant Executive Officer.

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

*Limited English Proficiency.* All 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 as a result of their nationality. 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 assist recipients of HUD assistance in identifying language assistance needs and developing language assistance plans.



**(8) Dun and Bradstreet Data Universal Numbering System (DUNS) Number Requirement.** This threshold is hereby incorporated from the General Section (III.C.2.b). Co-Applicants must provide their DUNS number in the Threshold Requirements Exhibit (Lead Applicants provide their DUNS number on the SF-424).

**(9) Active Registration in SAM.gov.** This threshold is hereby incorporated from the General Section (III.C.2.c).

**(10) Resolution of Outstanding Civil Rights Matters.** This threshold is hereby incorporated from the General Section (III.C.2.d).

**(11) Debarment and Suspension.** This threshold is hereby incorporated from the General Section (III.C.2.e).

**(12) Delinquent Federal Debts.** This threshold is hereby incorporated from the General Section (III.C.2.g).

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

This section contains Choice Neighborhoods program requirements, administrative and national policy requirements, and other program priorities that Planning Grantees should consider as they develop their Transformation Plans. Applicants MUST review this section and ensure they comply with the requirements, as relevant.

**a. Housing Choice Opportunities for Returning Tenants.** An approved Transformation Plan shall demonstrate that each tenant who wishes to return to the on-site or off-site replacement housing may return if the tenant was lease-compliant at the time of departure from the housing prior to relocation and continued to remain lease-compliant during the relocation period. A returning tenant shall be provided a preference for occupancy of on-site or off-site replacement units before such units are made available to any other eligible households, or the tenant may choose to retain tenant-based voucher assistance provided under section 8(o) of the United States Housing Act of 1937 for relocation from the properties revitalized under this NOFA. These preferences are retained even if the resident has already received permanent relocation benefits. This preference remains available until the initial lease-up of the new units.

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

(1) Number of Units. For one hundred percent of all such dwelling units in existence, as of the date the application for the grant is submitted, that are to be demolished or disposed, the Transformation Plan must provide for replacement of the dwelling unit;

(2) Number of Bedrooms. Replacement housing for demolished or disposed properties shall reflect the number of bedrooms per unit that are needed to adequately serve returning tenants, households currently on the waiting list and that are needed based on other market data, except that in instances where the tenants of the original properties need a different number of bedrooms than households on the waiting list, the plan may enable displaced tenants to exercise their opportunity under program requirement, "Housing Choice Opportunities for Returning Tenants,"

in section III.C.3.c using a tenant-based voucher in the original neighborhood or other neighborhood of the tenants' choice.

(3) Location.

(a) Replacement housing units shall be developed:

- i. On-site (i.e., on the target housing site and/or in the target neighborhood being revitalized); and
- ii. Off-site (i.e., outside of the target neighborhood but within the metropolitan area up to 25 miles from the original project site, as necessary to:
  - a. overcome the effects of impediments to fair housing choice consistent with actions identified in an applicable Analysis of Impediments to fair housing choice (AI) (24 CFR 91.225 or 91.325); address other affirmatively furthering fair housing objectives as described in the grant application; or comply with a voluntary agreement, settlement, or order to resolve a finding or charge of violating a nondiscrimination or equal opportunity requirement;
  - b. deconcentrate poverty; or
  - c. redevelop onsite with appropriate densities.

(b) Replacement housing outside the target neighborhood must

- (i) offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services and facilities that are comparable to those that will be provided in the target neighborhood; and
- (ii) be located neither in areas of minority concentration nor in areas with a poverty rate above 40 percent. A neighborhood of minority concentration is a Census tract or other defined geographic area in which the percentage of residents who are racial or ethnic minorities is at least 20 percentage points higher than the percentage of minority residents in the MSA (or jurisdiction not in a MSA) as a whole. In MSAs (or jurisdictions not in MSAs) in which the majority of residents are racial or ethnic minorities, HUD will consider and rely on all relevant information to determine whether the neighborhood proposed for replacement housing will lead to the creation of more inclusive and integrated housing in opportunity-rich neighborhoods.

(4) Types of Units. 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, as amended) are included in this definition, but tenant-based vouchers are excluded except as permitted by HUD. HUD encourages Planning Grantees targeting public housing projects to utilize project-based rental assistance in order to meet the one-for-one replacement requirement. To satisfy the one-for-one replacement requirement, the replacement unit must not have been receiving assistance, prior to submitting the application, under the sections listed above in this paragraph. For example, you cannot acquire a section 202 property that is nearby the public or assisted housing site targeted in the application for the purposes of deeming that replacement housing.

(5) Tenant-based Vouchers as Replacement Housing. The following is an exception to the hard-unit one-for-one replacement criteria described above. HUD must provide written approval to grant this exception. A grantee may replace up to half of the public housing and/or assisted

housing dwelling units that are demolished or disposed of under the Transformation Plan with tenant-based vouchers in housing markets where there is an adequate supply of affordable rental housing in areas of low poverty. Please note that this exception does not supersede an entity's obligation to comply with other one-for-one replacement requirements associated with other funding sources (e.g. Section 104(d) of the Housing and Community Development Act).

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

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

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

(iii) High voucher success rate. The applicant will be required to provide data to HUD that shows that the agency that would administer the replacement vouchers has a high success rate.

(b) HUD will approve this exception in conjunction with submission a Choice Neighborhoods Implementation Grant application.

**c. Sustainable Development.** You must incorporate sustainable development practices in your Transformation Plan. Your Plan must address key Livability Principles adopted by HUD and its federal partners, including but not limited to supporting compact development and proximity to and increased availability of transportation choices, amenities, services and employment opportunities. You must include key stakeholders, agencies and experts in addressing these principles during your planning process, and identify how you plan to apply the Livability Principles to your project, and how you will measure their outcomes. Your plan should also maximize energy efficiency techniques and practices and improve the health of residents by adopting green building practices or standards to the extent feasible and affordable, including but not limited to incorporating renewable energy systems.

**d. Physical Accessibility Requirements.** All new construction and alterations of existing buildings and facilities must be in compliance with the section 504 accessibility requirements described in 24 CFR part 8. HUD applies the Uniform Federal Accessibility Standards (UFAS) through its regulations under part 8. In addition, under the Fair Housing Act, all new construction of covered multifamily dwellings must contain certain features of accessible or adaptable design in the covered dwelling units and in the public and common use areas. "Covered multifamily dwellings" means all buildings consisting of four or more dwelling units if such buildings have one or more elevators, and ground floor units in other buildings consisting of four or more dwelling units. Recipients must also comply with the accessibility requirements of Titles II and III of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, as applicable, with respect to facilities (e.g. parks, playgrounds, pedestrian access, bus stops, etc.).

**e. Affirmatively furthering fair housing.** All activities under this NOFA shall be carried out in a manner that affirmatively furthers fair housing, as required by section 808(e)(5) of the Fair Housing Act, as amended (42 U.S.C. 3608(e)(5)). In lieu of an affirmatively furthering fair housing (AFFH) submission requirement, HUD has established specific AFFH requirements for successful applicants. Grantees must adopt affirmative marketing procedures, and require affirmative marketing activities of project owners and managers. "Affirmative marketing" is

defined as outreach efforts targeted to persons who are least likely to apply for the housing, to ensure that all persons regardless of their race, color, national origin, religion, sex, disability or familial status are aware of the housing opportunities in each project funded under this NOFA. Such efforts must be consistent with the fair housing needs and strategies in the applicable jurisdiction's Analysis of Impediments and Comprehensive Plan.

**f. Energy Efficiency and Green Building Standards.** As indicated in HUD's FY 2010-2015 Strategic Plan (i.e., Goal 3 and Goal 4) and the General Section, sustainability is a policy priority of the Department. Recognizing the fundamental role that HUD's investments play in defining the physical form of communities and quality of life for residents, HUD encourages its grantees to help communities embrace a more sustainable future. To HUD, sustainability means, among other things (as indicated in the General Section), that the land that we build on is clean or will be clean and the buildings we invest in are energy efficient and healthy. HUD encourages activities that actively promote sustainability through energy-efficient, environmentally-friendly, healthy design, including elements of visitability and universal design. All activities that include construction, rehabilitation, and related activities are required to take specific energy-saving actions in furtherance of HUD's Strategic Plan (Goal 4B). HUD's wide-ranging Energy Action Plan for improving energy efficiency in all program areas can be found at <http://www.hud.gov/energy/energyactionplan.pdf>. In addition, Planning Grant recipients must become eligible to secure Stage 1 Conditional Approval of all or a portion of the neighborhood targeted in their Transformation Plan for LEED for Neighborhood Development from the United States Green Building Council. .

**g. Non-Fungibility for Moving To Work (MTW) PHAs.** Funds awarded under this NOFA are not fungible under MTW agreements and must be accounted for separately, in accordance with the Choice Neighborhoods Planning Grant Agreement, the requirements in OMB Circulars A-87 (2 CFR 225), "Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments;" A-133, "Audits of States, Local Governments, and Non-Profit Organizations;" the regulations 24 CFR part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Government" and generally accepted accounting principles (GAAP).

**h. Design.** HUD is seeking excellence in design. You must carefully select your architects and planners, and enlist local affiliates of national architectural and planning organizations such as the American Institute of Architects, the American Society of Landscape Architects, the American Planning Association, the Congress for the New Urbanism, and the department of architecture at a local college or university to assist you in assessing qualifications of design professionals or in participating on a selection panel that results in the procurement of excellent design services. You should select a design team that is committed to a process in which all residents, including young people and seniors, the broader community, and other stakeholders participate in designing the new community. Your proposed site plan, new units, and other buildings must be designed to be compatible with and enrich the surrounding neighborhood. Local architecture and design elements and amenities should be incorporated into the new or rehabilitated homes so that the revitalized sites and structures will blend into the broader community and appeal to the market segments for which they are intended. Housing,

community facilities, and economic development space must be well integrated. You must select members of your team who have the ability to meet these requirements.

**i. Environmental Requirements.** In accordance with 24 CFR 50.19(b)(1), activities assisted under this NOFA are categorically excluded from the requirements of the National Environmental Policy Act and are not subject to environmental review under the related laws and authorities.

**j. Lead-Based Paint Requirements.** The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 *et seq.*), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 *et seq.*) and implementing regulations at 24 CFR part 35 shall apply, including but not limited to housing acquired, demolished, converted, leased, repaired, or rehabilitated.

**k. Evidence of Use.** Grantees will be required to show evidence that matching resources were actually received and used for their intended purposes through quarterly reports as the project proceeds. Sources of matching funds may be substituted after grant award, as long as the dollar requirement is met.

**l. Grantee Enforcement.** Grantees must pursue and enforce any commitment (including commitments for services) obtained from any public or private entity for any contribution or commitment to the project or surrounding area that was part of the match amount.

**m. Program Requirements from the General Section.** The following subsections of the General Section are hereby incorporated by reference:

- a. Pre-Award Accounting System Surveys. (III.C.2.h);
- b. Name Check Review. (III.C.2.i);
- c. False Statements. (III.C.2.j);
- d. Compliance with Fair Housing and Civil Rights Laws. (III.C.4.a).
- e. Affirmatively Furthering Fair Housing (III.C.4.b);
- f. Executive Order 13166, “Improving Access to Services for Persons With Limited English Proficiency (LEP)” (III.C.4.c);
- g. Economic Opportunities for Low- and Very Low-Income Persons (section 3) (III.C.4.d);
- h. Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses (III.C.4.e);
- i. Accessible Technology (III.C.4.f);
- j. Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity (III.C.4.g)
- k. Executive Order 13279, “Equal Protection of the Laws for Faith-Based and Community Organizations” and Executive Order 13559 (III.C.4.h);
- l. Real Property Acquisition and Relocation (III.C.4.i);
- m. Conducting Business in Accordance with Core Values and Ethical Standards/Code of Conduct (III.C.4.j);
- n. Prohibition Against Lobbying Activities. (Section III.C.4.k);
- o. Procurement of Recovered Materials (III.C.4.l);
- p. Participation in HUD-Sponsored Program Evaluation (III.C.4.m);

- q. Salary Limitation for Consultants (III.C.4.n);
- r. Environmental Requirements (III.C.4.o);
- s. OMB Administrative Requirements and Cost Principles (III.C.4.q)
- t. Drug-Free Workplace (III.C.4.r);
- u. Conflicts of Interest (III.C.4.s);
- v. Safeguarding Resident/Client Files (III.C.4.t);
- w. Executive Order 12372, “Intergovernmental Review of Federal Programs” (III.C.4.u).  
This program is not covered by E.O. 12372.
- x. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub.L. 109-282) (Transparency Act) (III.C.4.v); and
- y. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), hereafter referred to as “Section 872.” (III.C.4.w).

**n. Conflict of Interest in Grant Activities and Waivers**

(1) Prohibition. As required by the applicable administrative requirements stated in Section III.C.3.o of this NOFA, no person who is an employee, agent, consultant, officer, or elected or appointed official of a grantee and who exercises or has exercised any functions or responsibilities with respect to activities assisted under a Choice Neighborhoods grant, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

(2) HUD-Approved Exception.

(a) Standard. HUD may grant an exception to the prohibition above on a case-by-case basis when it determines that such an exception will serve to further the purposes of Choice Neighborhoods and its effective and efficient administration.

(b) Procedure. HUD will consider granting an exception only after the grantee has provided a written disclosure of the nature of the conflict, accompanied by:

- (i) An assurance that there has been public disclosure of the conflict;
- (ii) A description of how the public disclosure was made; and
- (iii) An opinion of the grantee’s attorney that the interest for which the exception is sought does not violate state or local laws.

(c) Consideration of Relevant Factors. In determining whether to grant a requested exception as discussed, HUD will consider the cumulative effect of the following factors, where applicable:

- (i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the Choice Neighborhoods plan and demolition activities that would otherwise not be available;
- (ii) Whether an opportunity was provided for open competitive bidding or negotiation;
- (iii) Whether the person affected is a member of a group or class intended to be the beneficiaries of the Choice Neighborhoods plan, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or from the decision-making process, with respect to the specific activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in section (iii) above;

(vi) Whether undue hardship will result either to the grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

**o. OMB Circulars and Administrative Requirements.** You must comply with the following administrative requirements related to the expenditure of federal funds. OMB circulars can be found at [www.whitehouse.gov/omb/circulars/index.html](http://www.whitehouse.gov/omb/circulars/index.html). Copies of the OMB circulars may be obtained from EOP Publications, Room 2200, New Executive Office Building, Washington, DC 20503; telephone (202) 395-7332 (this is not a toll-free number). The Code of Federal Regulations can be found at [www.gpoaccess.gov/cfr/index.html](http://www.gpoaccess.gov/cfr/index.html).

(1) Administrative requirements applicable to PHAs and local governments are:

(a) 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments), as modified by 24 CFR 941 or successor part, subpart F, relating to the procurement of partners in mixed-finance developments. Note: The procurement criteria of this regulation are not required to be followed for purposes of assembling a team of entities in response to this NOFA (i.e., Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any)). However, you may choose to follow the procurement criteria of this regulation for purposes of assembling a team of entities in response to this NOFA. If the procurement criteria are not followed for purposes of assembling the team, then all future procurements by the team may be subject to these requirements;

(b) OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments, 2 CFR Part 225); and

(c) 24 CFR 85.26 (audit requirements).

(2) Administrative requirements applicable to nonprofit organizations are:

(a) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, 2 CFR Part 215). Note: The procurement criteria of this regulation are not required to be followed for purposes of assembling a team of entities in response to this NOFA (i.e., Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any)). However, you may choose to follow the procurement criteria of this regulation for purposes of assembling a team of entities in response to this NOFA. If the procurement criteria are not followed for purposes of assembling the team, then all future procurements by the team may be subject to these requirements;

(b) OMB Circular A-122 (2 CFR Part 230, Cost Principles for Nonprofit Organizations); and

(c) 24 CFR 84.26 (audit requirements).

(3) Administrative requirements applicable to for profit organizations are:

(a) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations). Note: The procurement criteria of this regulation are not required to be followed for purposes of assembling a team of entities in response to this

NOFA (i.e., Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any)). However, you may choose to follow the procurement criteria of this regulation for purposes of assembling a team of entities in response to this NOFA. If the procurement criteria are not followed for purposes of assembling the team, then all future procurements by the team may be subject to these requirements;

- (b) 48 CFR part 31 (contract cost principles and procedures); and
- (c) 24 CFR 84.26 (audit requirements).

#### **IV. APPLICATION, SUBMISSION AND TIMELY RECEIPT INFORMATION**

This section describes how applicants may obtain application forms and request technical assistance. The published NOFA and application forms are made available at Grants.gov.

**A. Address to Request Application Package.** The published NOFA and application can be retrieved from [www.grants.gov](http://www.grants.gov).

**Grants.gov.** HUD's NOFA process requires applicants to submit applications electronically through Grants.gov. The general process for downloading, completing, submitting, and tracking grant application packages is described at: [http://www07.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www07.grants.gov/applicants/apply_for_grants.jsp).

**B. Content and Form of Application Submission.** The following sections from IV.B of the General Section are hereby incorporated, as indicated by their title.

1. Electronic Grant Application Forms and Instructions.
2. Technical Assistance Resources.. Grants.gov provides customer support information on its website at: <http://www.grants.gov/contactus/contactus.jsp>. 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](mailto:support@grants.gov). The customer support center is open 24 hours a day, seven days per week, except federal holidays.
3. Waiver of Electronic Submission Requirements. Applicants requesting a waiver should submit their waiver requests in writing using e-mail or fax. Waiver requests must contain in the subject line, the name of the applicant and the subject Request for Waiver to Electronic Application for Choice Neighborhoods.
4. Registering with Grants.gov. In order to submit applications electronically through Grants.gov, applicants must register with Grants.gov to provide and obtain certain identifying information. Registration protects both HUD and the applicant. Registration confirms that the applicant organization has designated and authorized an individual or entity to submit an application on its behalf. Registration also assures HUD that it is interacting with the designated representative of the applicant who has been authorized to submit the application. The registration process also requires the applicant to provide information at websites other than Grants.gov.
5. Instructions Key Terms Used as Part of the Registration Process.



**6. Choice Neighborhoods-specific Application and Submission Information.** Applicants must follow the instructions below on content and form of the application submission. These criteria apply to all Choice Neighborhoods grant applicants and applications, unless otherwise noted.

**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 NOFA, as indicated below.

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

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

(4) Use 8½ x 11-inch paper.

(5) All margins should be approximately one inch. If any margin is smaller than ½ inch, the page will be counted as two pages;

(6) Use 12-point, Times New Roman font;

(7) Any pages marked as sub-pages (e.g., with numbers and letters such as 25A, 25B, 25C), will be treated as separate pages;

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

(9) Mark each Exhibit and Attachment with the appropriate tab/title page, as listed below. No material on the tab/title page will be considered for review purposes;

(10) No more than one page of text may be placed on one sheet of paper; i.e., you may not shrink pages to get two or more on a page. Shrunken pages, or pages where a minimized/reduced font are used, will be counted as multiple pages;

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

(12) Any tables included in the narrative exhibits of the application must also be double spaced or they will be counted twice.

(13) All pages should be numbered. HUD recommends that applicants consecutively number the pages of the Attachments section to ensure proper assembly of their application if printed.

**b. Application Page Count. These criteria apply to all applicants.**

(1) Each Choice Neighborhoods application must contain **no more than 65 pages**. Any pages beyond this limit **will not be reviewed**. HUD will not consider the information on any excess pages, which may result in a lower score or failure of a threshold.

(2) Exceptions to page limits. The documents listed below constitute the **only** exceptions and are not counted in the page limit listed above. Extraneous information not related to the content of 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) Table of Contents

(c) Eligible Applicants documentation (Attachment 2)

- (d) Documentation for the Planning Coordinator contract (Attachment 3)
- (e) The pdf generated from the mapping tool that you received via email (Attachment 5)
- (f) Documentation to support Consistency with other planning documents (Attachment 16)
- (g) Evidence of Local Partnerships (Attachment 17)
- (h) Leverage documentation (Attachment 19)
- (i) Documentation related to establishing eligibility for one of the category preferences (Attachment 24)
- (j) Application Certifications and Standard forms (Attachments 26-29).
- (k) Blank/extra pages generated as part of standard forms.
- (l) Tabs/title pages that are blank or display a title/header/ “n/a” indication.

**c. Choice Neighborhoods-Specific Electronic Submission Requirements: Format and Title Instructions in Addition to Those in the General Section**

(1) Exhibits and Exhibit Title Pages. Exhibits are as listed below in IV.B.6.e of this NOFA. Each Exhibit should be contained in its own separate file in the application. Each file should contain one title page. Do NOT create title pages separately from the document it goes with. HUD will use title pages as tabs when it downloads and prints the application. Provided the information on the title page is limited to the list in this section, the title pages will not be counted. Each title page should only contain, in the following order:

(a) The name of the Exhibit, as described below in IV.B.6.e of this NOFA, e.g., “ExhibitASummaryInfo.” **WARNING:** Applications that contain file names which are longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a “VirusDetect” message.

(b) The name of the applicant; and

(c) The name of the file that contains the Exhibit.

(2) Attachments and Attachment Title Pages. Attachments are as listed below in IV.B.6.e of this NOFA. Each Attachment should be contained in its own separate file in the application. Each Attachment that is not a HUD form should contain one title page. HUD will use title pages as tabs if it downloads and prints the application. Provided the information on the title page is limited to the list in this section, the title pages will not be counted. HUD forms do not require title pages. Each title page should only contain:

(a) The name of the Attachment, as described below in IV.B.6.e of this NOFA, e.g., “Att4SevereDistressCert.” **WARNING:** Applications that contain file names which are longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a “VirusDetect” message.

(b) The name of the applicant; and

(c) The name of the file that contains the Attachment.

**d. Documentation Requirements.** Documentation requirements are provided throughout the “Threshold Requirements” section (III.C.2) and “Rating Factors” section (V.A) of this NOFA, as relevant. **Applicants must carefully review and follow documentation requirements.**

e. **Instructions on Application Organization and Content.** The following provides instructions on the organization and content of your application. It lists the narrative exhibits and attachments, and instructions for each, that are required as part of the application. All narrative exhibits, attachments, and forms are required to be submitted in your application unless otherwise indicated. Non-submission of any of the items below may lower your rating score or make you ineligible for award under this NOFA. Review the threshold requirements in III.C.2 and the Rating Factors of V.A for the criteria and to ascertain the effects of non-submission. **Please be advised that not providing information clearly and consistently, and/or not providing exhibits and attachments in accordance with the instructions and documentation requirements in this NOFA, may negatively impact HUD's ability to determine if your application meets threshold requirements or to score your application. This could result in a determination of threshold non-compliance or a lower score.** Please also only submit documents that are required to respond to a threshold requirement and/or rating factor. HUD forms required by this NOFA will be made available at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). The list of narrative exhibits and attachments, and instructions for each, are as follows:

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

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

(a) **Exhibit A – Executive Summary.** Please explain the target neighborhood's need for this Planning Grant, the Neighborhood Assets you plan to build on through the planning process, and what you plan to use this grant to achieve. Include a profile of the neighborhood demographics and city (or county/parish for applications from non-metropolitan areas). Describe your vision for the neighborhood and identify key partner organizations with which you will be working. Include preliminary observations on its market potential. (suggested 3 pages maximum)

(b) **Exhibit B – Threshold Requirements.** Review and provide a narrative response to the threshold requirements, as applicable, in III.C.2. (suggested 1 page maximum)

(c) **Exhibit C – Capacity.** Review and provide a narrative response to V.A.1. (suggested 4 pages maximum)

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

(e) **Exhibit E – Plan.** Review and provide a narrative response to V.A.3. (suggested 10 pages maximum)

(f) **Exhibit F – Likelihood of Implementation.** Review and provide a narrative response to V.A.4.a. (suggested 2 pages maximum)

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

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

(b) Attachment 2. **Eligible Applicants Documentation**

i. MOU for Co-Applicants, if applicable. Review and respond to the threshold requirement in III.C.2.a(3)(a) by providing the MOU required by that section.

ii. Nonprofits, if applicable. Review and respond to the threshold requirement in III.C.2.a(3)(b) by providing the documentation required by that section.

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

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

(c) Attachment 3. **Documentation for Planning Coordinator** (if applicable). Review and respond to the rating factors in V.A.1 by providing the documentation required.

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

(e) Attachment 5. **Eligible Neighborhoods Documentation – Eligible Neighborhoods Data**. Review and respond to the threshold requirement in III.C.2.b(2) by providing the pdf received via email that contains data generated from the mapping tool provided on [www.hud.gov/cn](http://www.hud.gov/cn).

(f) Attachment 6. **Eligible Neighborhoods Documentation – Substandard Housing Documentation**, as applicable. If you are demonstrating compliance with the Eligible Neighborhoods threshold requirement in III.C.2.b(2) through the substandard housing criterion, documentation demonstrating substandard housing must be provided in this attachment.

(g) Attachment 7. **Eligible Neighborhoods Documentation- Inadequate School Documentation**, as applicable. If you are demonstrating compliance with the Eligible Neighborhoods threshold requirement in III.C.2.b(2) through the inadequate school criterion, provide the school form (form HUD-53153) and supporting documentation from the local school district or state education agency. Supporting documentation may be either a letter from the entity or published data. If providing the latter, the source must be identifiable.

(h) Attachment 8. **Resident Involvement Certification**. Review and respond to the threshold requirement in III.C.2.b(7) by providing the certification form provided (form HUD-53151).

(i) Attachment 9. **Need- Rehabilitation Cost Estimate from PNA**. Review and respond to the rating factor in V.A.2.a(1).

(j) Attachment 10. **Need- Structural Deficiencies Documentation**. Review and respond to the rating factor in V.A.2.a(2) by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

(k) Attachment 11. **Need- Design Deficiencies Documentation**. Review and respond to the rating factor in V.A.2.a(3) by providing the documentation identified in that section, as relevant. Include photographs as part of the documentation.

(l) Attachment 12. **Need - Part I Violent Crimes Documentation**. Review and respond to the rating factor in V.A.2.b(3) by providing the documentation identified in that section. This documentation may also be used by HUD in order to assess compliance with the Eligible Neighborhood threshold requirement in Section III.C.2.b(2).

(m) Attachment 13. **Staffing Plan**. Review and respond to V.A.3.e.

(n) Attachment 14. **Planning Schedule**. Review and respond to V.A.3.f.

(o) Attachment 15. **Budget.** Review and respond to V.A.3.g.

(p) Attachment 16. **Documentation to Support Consistency with Other Planning Documents.** Review and respond to the rating factor in V.A.3.h by providing the documentation required under that section.

(q) Attachment 17. **Evidence of Local Partnerships.** Review and respond to the rating factor in V.A.4.b by providing the documentation required under that section.

(r) Attachment 18. **Evidence of Local Government Support.** Review and respond to the rating factor in V.A.4.c by providing the documentation required under that section.

(s) Attachment 19. **Leverage documentation.** Review and respond to rating factor V.A.5. Include the cover sheet provided (form HUD-53154).

(t) Attachment 20. **Preferred Sustainable Status Certification,** if applicable. Review and respond to rating factor V.A.6.b by providing a completed form HUD-2995 as instructed in section V.A.1.b of the General Section.

(u) Attachment 21. **City and Neighborhood Maps.** Provide city and neighborhood maps to-scale that clearly identify and label the items below in the context of existing city streets, the central business district, other key city and neighborhood sites, and census tracts. Because the City and Neighborhood Maps provide essential context for HUD reviewers, it is essential that applicants provide a map that is readable, at a reasonable scale, and clearly labels the target public and/or HUD-assisted housing project(s) and eligible neighborhood and other useful information to place the project in the context of the city, county/parish, or municipality, neighborhood assets, and other revitalization activity underway or planned. The neighborhood map must show the same boundaries used to draw the neighborhood through the mapping tool that generated the eligible neighborhoods data required in Attachment 5.

(v) Attachment 22. **Current Site Plan.** Provide a Current Site Plan that shows and clearly labels the target housing site's various buildings. Demolished buildings should be shown and labeled as such. Label all uses and buildings that adjoin the existing development.

(w) Attachment 23. **Photographs of the Target Housing and Neighborhood.** Submit photographs of the targeted severely distressed housing and neighborhood that illustrate the extent of distress as well as reflect the existing assets.

(x) Attachment 24. **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 or Byrne Criminal Justice Innovation grantees), provide the required documentation.

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

(z) **Standard Forms.** Respond to the threshold requirement in III.C.2.a by completing and providing the forms listed in (i)-(iv) below. The Lead Applicant must be the signatory for these forms.

i. Attachment 26. **Application for Federal Assistance** (SF-424). Applicants must include the nine digit zip code (zip code plus four digits) associated to the applicant address in box 8d of the SF424. The DUNS number used must have an active registration in SAM.

ii. Attachment 27. **Disclosure of Lobbying Activities** (SF-LLL), if applicable. If this form does not apply, indicate that (e.g., writing "N/A") on the form and submit it with your application.

- iii. Attachment 28. **Applicant/Recipient Disclosure/Update Report** (form HUD-2880) (“HUD Applicant Recipient Disclosure Report”);
- iv. Attachment 29. **Third Party Documentation Facsimile Transmittal** (Facsimile Transmittal Form on Grants.gov, form HUD-96011), if applicable.

**C. Receipt Dates and Times.** Section IV.C of the General Section is hereby incorporated. *Your complete application must be received Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date of **May 28, 2013**.* Following receipt the application will go through a validation process. If the application fails the Grants.gov validation process, it will be rejected. Please see the FY2013 General Section for instructions for timely receipt, including actions to take if the application is rejected. Applicants should carefully read the section titled “INSTRUCTIONS ON HOW TO DOWNLOAD AND APPLICATION PACKAGE AND APPLICATION INSTRUCTIONS” in the FY2013 General Section. This section contains information on using Adobe Reader, HUD’s timely receipt policies, and other application information. **Note: depending on the size of the attachment and the speed of your computer's internet connection, this process can take several hours. The system will shut down promptly at the deadline. Any incomplete application will not be accepted and no exceptions will be granted.** As in the past, HUD encourages applicants to submit their applications early and with sufficient time to address any issues that might affect the applicant’s ability to have an application successfully uploaded and received by Grants.gov.

#### **D. Funding Restrictions.**

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

a. **Required Obligation Date.** Funds appropriated for the Choice Neighborhoods program for FY2013 must be obligated by HUD on or before **September 30, XXX**. Any funds that are not obligated by that date will be recaptured by the Treasury, and thereafter will not be available for obligation for any purpose.

b. **Required Expenditure Date.** In accordance with **31 U.S.C. § 1552, all FY2013 Choice Neighborhoods funds expire on September 30, XXX**. 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 to require an earlier expenditure deadline under a Planning Grant Agreement.

**2. Grant Sizing.** The maximum grant award will be \$500,000.

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

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

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

**4. Budget Deductions.** HUD may delete any unallowable items from your budget and may reduce your grant amount accordingly. HUD will not fund any portion of an application that: (a) is not eligible for funding under specific HUD program statutory or regulatory requirements; (b) does not meet the requirements of this notice; or (c) is duplicative of other funded programs or activities from prior year awards or other selected applicants. Only the eligible portions of an application (excluding duplicative portions) may be funded.

**5. Grant Reduction or Recapture.** If 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.

**7. Ineligible Activities.** See Section IV.C.1.b. regarding ineligible uses of program funds.

#### **E. Other Submission Requirements.**

**1.** Applications under this NOFA must be received electronically through the Federal website Grants.gov, unless a waiver of this requirement is granted in accordance with the instructions below. Regarding electronic submission of the application, applicants must follow the instructions in this NOFA and in the FY2013 General Section (as incorporated in this NOFA), unless a waiver for good cause (e.g., the applicant does not have internet access) in accordance with HUD's waiver policy of 24 CFR 5.1005, to the electronic application requirements is approved by HUD. Applicants requesting a waiver should submit their waiver requests in writing using e-mail or fax. Waiver requests must contain in the subject line, the name of the applicant and the subject Request for Waiver to Electronic Application for Choice Neighborhoods. The request must be submitted no later than 15 days prior to the application deadline date and must be submitted to: Choice Neighborhoods Request for Waiver to Electronic Application, at ChoiceNeighborhoods@hud.gov or fax (202) 401-2370 (this is not a toll-free number). The mailing address is: Office of Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410-5000. If an applicant is granted a waiver of the electronic submission, the approval notice will provide instructions for submission.

**2.** Application Certifications and Assurances, from IV.E.2 of the General Section is hereby incorporated.

## V. APPLICATION REVIEW INFORMATION

Choice Neighborhoods Planning Grant Scoring Summary			
	Rating Factor	Points	Totals
Capacity			
	Capacity to lead planning	10	
	Resident and community engagement	4	
			14
Need			
	Unit distress		
	Rehabilitation Costs	3	
	Structural deficiencies	5	
	Design deficiencies	4	
	Neighborhood distress		
	Poverty/ELI	5	
	Vacancy	2	
	Crime	5	
	Need for affordable housing in the community	1	
			25
Plan			
	Resident and Neighborhood Needs Assessments	4	
	Plan for planning activities	8	
	Resident Engagement	3	
	Community Engagement	3	
	Use of Data	3	
	Capacity building (policy priority)	3	
	Educational opportunities planning (policy priority)	4	
	Staffing Plan	2	
	Planning Schedule	2	
	Budget	2	
	Consistency with PHA/MTW Plan and Consolidated Plan	1	
	Consistency with Regional Plan	1	
			36
Likelihood of Implementation			
	Creating “lasting momentum”	3	
	Local Partnerships	2	
	Local Government support	2	
			7



Leverage	Local Government/Philanthropic Leverage	1	
	Overall Leverage	4	
			5
Bonus Points	Preferred Sustainable Communities Status	2	2
		TOTAL	89

**A. Criteria.** Applications, and the Transformation Plan proposed in it, must respond to the rating factor criteria of the NOFA as the basis to be rated and ranked. **Applicants must review and follow any documentation requirements provided in this Rating Factor Section and the instructions on application organization, content and submission provided in IV.B.8.**

### 1. RATING FACTOR – CAPACITY (14 Points Total).

a. **Capacity to Lead the Planning Process.** These rating factors evaluate the extent to which you or your Co-Applicant (if applicable), plus your Planning Coordinator (as defined in section I.C, if applicable), hereafter referred to as the planning leader(s), have the organizational capacity to effectively lead a planning process to develop a vision and strategy for a comprehensive neighborhood Transformation Plan. [The Planning Coordinator’s capacity will only be evaluated for these rating factors if you include documentation in your attachments that demonstrates either a binding contractual agreement is in place or you have selected the Planning Coordinator and will enter into a binding contractual agreement. If the contract between you and the Planning Coordinator has been executed, submit a copy of the contract. If you have not executed the contract, submit a copy of the selection letter from you to the Planning Coordinator. The documentation must identify duties/tasks for which the Planning Coordinator will be responsible related to this grant and make clear that the agreement will last for the term of the grant. You must include the documentation in your attachments and describe the relationship created by this binding contractual agreement in the narrative. Where you have a Planning Coordinator, you must also discuss how the Planning Coordinator helped build the capacity of its prior clients to carryout implementation. You will receive full points for describing in detail specific examples that demonstrate the planning leader(s) have extensive, recent, and successful experience undertaking planning activities that support **each** of the three core goals of Housing, People, and Neighborhood. Fewer points will be awarded if the planning leader(s) have less extensive experience, you do not address all the criteria, and/or you provide a response that lacks specificity.

You may receive up to **14** points by demonstrating that the planning leader(s) effectively led the development of a comprehensive neighborhood revitalization plan in partnership with other participating parties, including governmental agencies and key community stakeholders, such as businesses and civic organization representatives, and especially the residents of the target housing and neighborhood and held these parties accountable for implementation and sustained commitments. Ten of these points will be awarded based on the overall leadership demonstrated

by the planning leader(s). Four of the points will be awarded based on the extent to which this narrative demonstrates the planning process effectively involved and was substantially informed by the community, including the residents of the targeted public and/or assisted housing developments, neighborhood residents, business and civic organizations, other local community members . To earn full points, your application must evidence that this past planning experience involved activities at least as comprehensive as the neighborhood transformation planning activities you are proposing to undertake with this grant.

## 2. RATING FACTOR – NEED (25 Points Total)

a. **Severe Physical Distress of Public and/or Assisted Housing – 12 points.** HUD will evaluate the extent of the severe physical distress of the public and/or assisted housing project(s) that are proposed for redevelopment as part of the Choice Neighborhoods grant. You will receive points for the following subfactors, as indicated.

(1) **Current Rehabilitation Costs.** You may receive up to **3** points based on the estimated cost to rehabilitate the units as determined by a Physical Needs Assessment (PNA, as defined in section I.C) that has been conducted within the last three years for the target public and/or assisted housing project(s) as a share of the Total Development Cost limit (TDC Limit), as defined at 24 CFR 941.306, in effect at the time this NOFA is published (currently posted on November 15, 2011\* in accordance with PIH Notice 2011-38\*), for a two-bedroom walkup unit. You must provide an excerpt from the PNA report, which is dated and identifies the author, showing the total estimated current rehabilitation costs (not a multi-year lifecycle projection) per unit and HUD will calculate that as a percentage of the applicable TDC limit. If the PNA was completed more than one year prior to the publication date of this NOFA, an update by the project's owner indicating which improvements identified in the PNA have been completed. If this application is for more than one public and/or assisted housing project, HUD will calculate a weighted average of the rehab costs relative to the applicable TDC limit in order to award points. If HUD has already approved demolition of the targeted units you will receive full points if you submit a copy of HUD's letter approving the demolition. If 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. Points will be awarded based on the following table:

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

(2) **Structural Deficiencies.** You may receive up to **5** points if your application demonstrates significant deficiencies in the structural elements, building systems, and on-site infrastructure of the targeted public and/or assisted housing units such that significant rehabilitation or demolition is required. Examples of structural elements include roofs, foundations, and structural walls. Building systems include electrical, plumbing, heating and cooling, and mechanical systems. On-site infrastructure includes site work, sewer and storm drain laterals, or other on-site utilities.

If HUD has already approved demolition of the targeted units you will receive full points if you submit a copy of HUD's letter approving the demolition. If 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.

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

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

(3) **Design Deficiencies.** You may receive up to **4** points if your application demonstrates that there are fundamental design deficiencies, of a type and character that require substantial rehabilitation or reconstruction to fully address, related to: (a) substantially inappropriate building design or site layout and street connectivity when compared to the surrounding neighborhood which may include inappropriate density; (b) inadequate room size and/or unit configurations to meet the needs of existing residents; (c) lack of defensible space related to building layout and orientation; (d) disproportionately high and adverse environmental health effects associated with ongoing residency; (e) inaccessibility for persons with disabilities with regard to individual units (i.e. less than 5 percent of units are accessible), entranceways, and common areas; and (f) significant utility expenses (at least 30 percent higher than similar properties) caused by energy conservation deficiencies that may be documented by an energy audit. You may demonstrate this in your application through narrative description, additional physical inspection information, letters from relevant oversight agencies, and/or pictures in the attachments section. If this application is for more than one public and/or assisted housing project, descriptions should be submitted for each site and HUD will consider documentation provided for all properties.

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

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

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

**b. Severe Distress of the Targeted Neighborhood – 12 points.** Choice Neighborhoods is intended to be a tool to help communities turn around the most distressed neighborhoods. HUD will evaluate the level of this neighborhood-wide distress by examining several factors: poverty, crime rates and vacancy rates. You will receive points by addressing the following separate factors, as indicated.

(1) You may receive up to **5** points based on the concentration of households in poverty or with extremely low incomes (whichever is greater) residing within the target neighborhood. HUD will use the same data from the mapping tool as used for the Eligible Neighborhood threshold to assign points for this factor.

Concentration of Households in Poverty or with Extremely Low Incomes	Points Awarded
40.00 percent and above	5
Between 36.25 and 39.99 percent	4
Between 32.50 and 36.24 percent	3
Between 28.75 and 32.49 percent	2
Between 25.00 and 28.74 percent	1
24.99 percent and below	0

(2) You may receive up to **2** points based on the current rate of long-term vacant properties within the target neighborhood. 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 threshold.

Current Long-term Vacancy Rate in the Target Neighborhood	Current Long-Term Vacancy Rate in the Target Neighborhood is X times the County/Parish	Points Awarded
14.00 percent and above	More than 4.00	2
Between 7.00 and 13.99 percent	Between 2.00 and 3.99	1
Less than 7 percent	Less than 2.00	0

(3) You may receive up to **5** points based on the rate of Part I violent crimes for the precinct/PSA in which the target housing is located for the three years 2009-2011 (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 your attachments as a letter of certification from the local law enforcement agency or by providing a copy/print out of published local law enforcement data. If providing the latter, the source must be identifiable. You will earn points for the higher of the 3-year average for either the rate compared to the city/county/parish or the rate in accordance with the applicable table below.

Part I Violent Crime Rate- crimes per 1000 residents in precinct/PSA of Target Housing	Part I Violent Crime Rate of precinct/PSA is X times the City/County/Parish*	Points Awarded
27.00 or more	More than 2.51	5
Between 25.00 and 26.99	Between 2.32 and 2.50	4
Between 23.00 and 24.99	Between 2.13 and 2.31	3
Between 21.00 and 22.99	Between 1.94 and 2.12	2
Between 19.00 and 20.99	Between 1.75 and 1.93	1
18.99 or less	Less than 1.75	0

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

You will also receive 0 points if the data is not for the time-period specified (calendar years 2009-2011), in the format required (i.e. shows each of the three years individually, indicates the number of incidents per 1,000 residents), or otherwise inadequate to make HUD's rating of this factor possible.

c. **Need for Affordable Housing in the Community – 1 point.** You will receive 1 point if the Choice Neighborhoods project is in a county/parish where the shortage of housing affordable to very low-income (VLI) renter households (0 to 50 percent AMI) is greater than the national rate using the most currently available Census Data. HUD will use data included mapping tool for this rating factor. The shortage rate is calculated as the number of VLI renter households divided by the number of rental units affordable and available to VLI households, where affordable and available equals units that: (1) have rents not exceeding 30 percent of 50 percent of AMI; and (2) are vacant or occupied by a VLI renter household.

### 3. RATING FACTOR – PLAN (37 Points Total).

This factor addresses the quality and feasibility of your proposed work plan and evaluates how well you have developed an achievable and thorough strategy for leading a collaborative planning process that will develop a comprehensive Transformation Plan aligned with the three core goals of Choice Neighborhoods – Housing, People and Neighborhoods. Points will be awarded based on the extent to which you demonstrate how your proposed activities will address the goals of the program. Fewer points will be awarded if your plan is less comprehensive and achievable, does not address all the criteria and/or lacks specificity.

a. **Planning Activities.** You may receive up to 18 points by providing a detailed and comprehensive description of the specific planning activities you will undertake during the Planning Grant period to create a Transformation Plan that encompasses the three core goals of Choice Neighborhoods. Describe your plan for conducting a household-level assessment of the residents living in the target housing site and, if existing administrative data is inadequate, surveying a representative sample of people residing in the overall neighborhood. You should discuss how you will devise a plan that catalogs neighborhood assets, builds on the strengths, and improves on weaknesses. Please also address how you will use your resident needs assessments to ensure that you focus on those resident populations with the highest needs. Describe your plan for conducting the necessary studies and analysis to devise a feasible housing

plan, which can include project-based rental assistance as replacement housing. Explain your approach to devise strategies to ensure residents have good health and live in a safe neighborhood. Please also discuss in detail your strategy for building the additional partnerships necessary for developing the Transformation Plan. Please identify partners you plan to work with, their role in the planning process and explain why their involvement is necessary. To demonstrate that your planning process embraces the concept of “doing while planning,” please describe a concrete improvement project community members and/or stakeholders will complete in the neighborhood during the grant term. Some examples could be arranging a food truck to visit the neighborhood frequently, installing new bus shelters with electronic arrival times, establishing a civic association that will support Transformation Plan activities, launching a new afterschool program, or starting a neighborhood watch program. Describe how your planning process will involve and be driven by the community, including the residents of the targeted public and/or assisted housing, other neighborhood residents, business and civic organizations, and local community members. Please describe how your planning will ensure that these groups will be major players in the planning process and how the Transformation Plan will be based on their input.

- (1) Up to 4 points will be awarded based on the plan for conducting resident and neighborhood assessments.
- (2) Up to 8 points will be awarded based on the proposed planning process.
- (3) Up to 3 points will be awarded based on the extent to which the application demonstrates residents of the target public and/or assisted housing will be engaged in the planning process.
- (4) Up to 3 points will be awarded based on the extent to which the application demonstrates the broader neighborhood community will be engaged in the planning process.

**b. Use of Data.** You may receive up to **3** points based on how you will use data to inform decision-making, develop a vision and engage stakeholders. Explain how you will document the planning process, including lessons learned and effective practices and then measure performance during implementation.

**c. Policy Priority: Using Housing as a Platform for Improving Other Outcomes – Educational Opportunities Planning.** In HUD’s Strategic Plan, this policy priority is addressed in all of Goal 3, “Utilize Housing as a Platform for Improving Quality of Life,” which seeks to use HUD assistance to improve outcomes in education, early learning and development, health, economic security and self-sufficiency, housing stability through supportive services for vulnerable populations, and public safety. You may receive up to **4** points by providing a detailed strategy for planning the education component of your Transformation Plan. Please describe the partners you intend to bring to the table and your plan to identify strategies based on the best available evidence that will improve the developmental and educational outcomes of children in the target neighborhood. This Policy Priority rating factor will consider the extent to which you describe your strategy to identify local educators to partner with and to develop an education strategy that (a) ensures resident children have access to high quality educational opportunities, including high quality early learning opportunities, and (b) increases access to programs that combine a continuum of effective community services, strong family supports, and comprehensive education reform to improve the educational and life outcomes for resident

children and youth. To earn full points for this Policy Priority, you must describe how you will develop a strategy to ensure children enter Kindergarten ready to learn; children are proficient in core academic subjects; and youth graduate from high school college- and career-ready. Applicants must detail a plan to improve a school located within or near the neighborhood in order to receive more than 2 points under this rating factor (unless you provide documentation that a plurality of neighborhood residents enrolled in grades K-12 already attend a high-performing school).

**d. Policy Priority: Capacity Building and Knowledge Sharing.** Capacity building is featured in HUD's Strategic Plan for FY 2010-2015, Goal 4 (See I.C). Specifically, Subgoal 4E reads, "Build the capacity of local, state, and regional public and private organizations." HUD seeks to fund grantees that undertake activities that build enduring capacity of partners. You may receive up to **3** points by providing a detailed plan for identifying and securing the training and technical assistance needed for the neighborhood stakeholders to create a comprehensive and feasible Transformation Plan. Explain how these efforts will strengthen the capacity of your partners, residents and other community members to participate in decision-making and planning processes and coordinate on cross-programmatic, place-based approaches in order to develop an effective Transformation Plan. Please explain how you will demonstrate the increased skills and expertise gained by you, your partners, and community stakeholders during the life of award and the means of measuring this increased capacity (e.g., needs assessments, evaluations, etc.).

**e. Staffing Plan.** You may receive up to **2** points by providing a detailed and feasible staffing plan for completing all of your proposed planning activities. The Staffing Plan shall consist of an organizational chart that identifies the various individuals and organizations participating in the planning effort and shows their relationship to each other in the governance structure (e.g., decision makers, advisors, stakeholders, working groups). Applicants should identify the principal staff who will support the three core goals of People, Neighborhood and Housing in the organizational chart and the percent of their time that will be dedicated to the planning process. Please provide the description of your staffing plan in the narrative exhibits and the organization chart in your attachments.

**f. Planning Program Schedule.** You may receive up to **2** points by providing a detailed and feasible schedule for completing all of your proposed planning activities within 24 months of the effective date of the Planning Grant Agreement. The schedule should identify each task and significant activity required for completing the planning process (including the Transformation Plan, critical path activities, task milestones, and related deliverables) and should list the planned start and completion dates of all tasks. You may provide additional description of your schedule in the narrative exhibits.

**g. Budget.** You may receive up to **2** points by providing a budget for the planning activities related to the grant that shows projected sources and thoroughly estimates all applicable costs in a clear and coherent format. Your budget will also be evaluated on the extent to which projected sources are sufficient for the scope of the proposed planning process. In your attachments, provide a detailed Sources and Uses statement that reflects all funding, including supporting commitments. The proposed uses for the Choice Neighborhoods funds must be identified in a separate column from other funds. You may provide additional description of your budget in the

narrative exhibits as needed to provide further detail on costs and/or detail restrictions associated with other sources.

**h. Consistency with Other Planning Documents.** These rating factors evaluate whether each applicant can provide evidence of consistency with other planning documents.

(1) You will receive **1** point if the proposed Transformation Plan is consistent with the Consolidated Plan for the jurisdiction in which the target neighborhood is located and PHA Plan or MTW Plan, as applicable. All applications must include the Certification of Consistency with the Consolidated Plan (form HUD-2991) in your attachments. If there is a public housing site targeted in the application, then you must also provide a copy of the relevant section from the PHA/MTW Plan in your attachments. The PHA/MTW Plan must specifically identify the intent to plan for the transformation of the target public housing project and its neighborhood. Zero points will be awarded if the required documentation is not provided.

(2) You will receive **1** point if the proposed Transformation Plan is consistent with a regional sustainability plan, which plan has been adopted by a consortium of local jurisdictions, which includes the target neighborhood of the Choice Neighborhoods application. You must provide a copy of the relevant section from the regional sustainability plan or letter from the appropriate regional planning official in your attachments. Zero points will be awarded if the required documentation is not provided.

#### **4. RATING FACTOR - LIKELIHOOD OF IMPLEMENTATION (7 points).**

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

a. You may receive up to **3** points by describing specific, actionable evidence that your Transformation Plan is likely to be implemented, even without a Choice Neighborhoods Implementation Grant award in the future. Explain the factors in the neighborhood that ensure momentum will continue past the term of this grant and make implementation likely. Possible examples of evidence are having the team that will implement the Housing, People and Neighborhood components of the plan assembled or the likelihood of having a significant amount of funding for implementing the plan secured, or highly likely to be shortly committed. Other examples include conformance with local or regional plans that indicate this neighborhood is intended to be subject for redevelopment and ongoing public investment, the presence of Anchor Institutions in or near to your neighborhood, and/or the presence of clear market interest and private sector investment already existing within your neighborhood. Fewer points will be awarded for providing less evidence that demonstrates the plan will likely be implemented.

b. You may receive up to **2** points by demonstrating you have already established local partnerships with organizations that will help you undertake the activities proposed in this grant application. In your attachments, please include letters from your partners that indicate their support of the proposed planning process and describe their role in it (e.g. commitment of staff and other in-kind resources). In its evaluation, HUD will consider the neighborhood characteristics and proposed plan as well as the quality and depth of the partnerships.



c. You will receive **2** points if your application contains a letter signed by the chief executive officer or highest ranking Housing/Community Development/Planning official of your local government indicating support for this planning process. You must include this in your attachments.

## 5. RATING FACTOR – LEVERAGE (5 Points).

HUD views leveraged commitments as an indicator of support in the community for this comprehensive neighborhood planning effort. These additional resources will also increase the effectiveness of the proposed grant activities. These rating factors evaluate the extent to which you demonstrate that you have secured financial and/or supporting commitments from other sources to implement the planning process proposed in this application, in accordance with the criteria below.

a. **Program Requirements that Apply to Leverage.** You must follow these requirements in compiling and documenting leverage for purposes of the NOFA. Otherwise, it may not be possible for HUD to count the commitment at the level claimed. These general requirements apply to all leverage resource commitments.

(1) **Firmly Committed.** Resources 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 Planning Grant activities is explicit. Endorsements or general letters of support from organizations or vendors alone **will not** count as resources and should not be included in the application.

(2) **Content.** Leverage documents must represent valid and accurate commitments of future support. They must detail the dollar amount and any terms of the commitment. They must also indicate that the funding is available to you for the activities directly related to developing the Transformation Plan (HUD will not accept letters committing funding for infrastructure work, supportive services and other implementation-related activities).

(a) If a commitment document is for more than one resource/amount, they should be indicated individually in the document rather than in one lump sum.

(b) An example of a good commitment: “X Agency commits to providing \$100,000 in funds for a geotechnical study to support the FY2013 Choice Neighborhoods Planning Grant for ABC housing development.”

(3) **Signature.** Resource commitments must be written and signed by a person authorized to make the commitment. For example, the PHA’s Executive Director cannot commit the funds of another agency, organization or government body (unless you can demonstrate otherwise in the application).

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

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

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

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

- (a) Public, private, and nonprofit entities;
- (b) State and local housing finance agencies;
- (c) Local governments;

- (d) Foundations;
- (e) Government Sponsored Enterprises such as the Federal Home Loan Bank, Fannie Mae, and Freddie Mac;
- (f) HUD and other federal agencies, provided the statutory language of the funding source allows the funds to be used for these purposes. Public Housing funds (e.g. Capital Funds and other funding provided under the U.S. Housing Act of 1937, as amended) may be not used as match or leverage. In the case of HUD's Community Development Block Grant (CDBG) funds, the work activity must be included in the CDBG recipient's annual action plan. Such plans may be amended to include the Choice Neighborhoods funded activity(ies);
- (g) Financial institutions, banks, or insurers; and
- (h) Other private funders.

(8) **Supporting Commitments.** A supporting commitment is funding that your partners have available for their use to carryout activities that directly support the proposed planning process. Examples of this type of commitment include a university professor who received grant funding to conduct a healthy environment study for the target neighborhood or a city that commits its own funding to conduct a traffic redesign study for an intersection or corridor in the target neighborhood. This does not include in-kind contributions, such as professional staff time or office and meeting space from your partners. .

**b. Rating.**

- (1) You will receive **1** point if you provide a commitment of direct financial assistance (e.g. cash leverage) in an amount not less than \$10,000 from either your local government or a philanthropic organization.
- (2) You will receive up to **4** points as described below based on the amount of leveraged commitments relative to the amount of Planning Grant funds requested. In calculating the ratio, HUD will only include supporting commitments in an amount up to 1.5 times the amount of cash leverage that has been firmly committed. For example, if \$200,000 of cash leverage is committed and \$400,000 of supporting commitments is acceptable, HUD will only include \$300,000 of the supporting commitments. Leverage from a local government or philanthropic organization considered above may also be counted in this rating factor.

Leveraged Commitments as Percent of Grant Funds Requested (Applications for a Metro Area)	Leveraged Commitments as Percent of Grant Funds Requested (Applications for a Non-metro Area or targeting only HUD-assisted Housing)	Points Awarded
100 percent and above	50 percent and above	4
Between 70.00 and 99.99 percent	Between 35.00 and 49.99 percent	3
Between 40.00 and 69.99 percent	Between 20.00 and 34.99 percent	2
Between 10.00 and 39.99 percent	Between 5.00 and 19.99 percent	1
Below 10 percent	Below 5 percent	0

**6. GENERAL SECTION BONUS POINTS (2 Points)**

a. **Preferred Sustainability Status.** In accordance with section V.A.1.b of the General Section, 2 points will be awarded for applications that are working with entities designated as having Preferred Sustainable Status. Please refer to the General Section for a description of the eligibility requirements to receive these bonus points.

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

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 may not, 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 sending a written request for clarification. Responses to such inquiries will be required within 2 business days.

### **1. Application Screening**

a. HUD will screen each application to determine if:

- (1) The three key eligibility criteria in section III.A are met;
- (2) It is deficient, i.e., contains any Technical Deficiencies; and
- (3) It meets the threshold criteria listed in III.C.2 of this NOFA

b. See III.C.2 of this NOFA for information regarding thresholds and technical deficiencies.

c. **Corrections to Deficient Applications – Cure Period.** The subsection entitled, “Corrections to Deficient Applications,” in V.B of the General Section is incorporated by reference and applies to this NOFA, except that clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within five business days (i.e. excluding Saturdays, Sundays and federal holidays) of the date of receipt of the HUD notification. For applications under this NOFA, HUD may contact you regarding the curable thresholds and/or to ensure proper completion of the Key Eligibility Data Form.

d. Applications that will not be rated or ranked. HUD will not rate or rank applications that do not meet the key eligibility thresholds, are deficient at the end of the cure period stated in V.B of the General Section, or that have not met the thresholds described in III.C.2 of this NOFA. Such applications will not be eligible for funding.

### **2. Preliminary Rating and Ranking.**

a. **Rating.**

- (1) Reviewers will preliminarily rate each eligible application, SOLELY on the basis of the rating factors described in V.A of this NOFA.
- (2) HUD will assign a preliminary score for each rating factor and a preliminary total score for each eligible application.
- (3) The maximum number of points for each application is 91.

b. **Ranking.** After preliminary review, applications will be ranked in score order.

### **3. Final Panel Review.**

a. A Final Review Panel will:

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

(a) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and

(b) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

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

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

**(4) Selection Considerations.**

(a) **Category Preferences.** Three types of applications will receive priority funding, as described below. Please indicate in your application which category you intend to be considered for, if applicable. These categories are not mutually exclusive (i.e. if you meet more than one of these criteria, your application is eligible for each preference allocation). To qualify for any of these categories, you must score a minimum of 65 points or 75 percent of the highest scoring application. If no applicants earn this score or otherwise fulfill the category preference criteria below, the Planning Grant funding will be available to the rest of the Planning Grant applicant pool.

i. *Non-Metropolitan areas.* HUD will set aside two Planning Grants for proposals targeting non-metropolitan areas located outside a Metropolitan Core Based Statistical Area, as defined by the most current OMB definition. HUD will make the determination of eligibility under this category based on the data HUD has and the neighborhood map you provide through the mapping tool.

ii. *Collaboration among housing providers.* HUD will set aside two Planning Grants for proposals that demonstrate collaboration among multiple housing owners. To be eligible for this category preference, your application must identify at least two eligible target housing projects in the same neighborhood that are under different ownership. You must provide an MOU amongst the public and/or assisted housing owners in the target neighborhood that is signed by an executive officer of each entity. The MOU must indicate each entity's support of your leadership of the planning process, demonstrate a commitment to participate throughout the entirety of the grant performance period, and detail each entity's role.

iii. *Promise Neighborhoods and Byrne Criminal Justice Innovation (BCJI) grantees.* HUD will set aside four Choice Neighborhoods Planning Grants for applications that target the same neighborhood as those that received a grant under either the Department of Education's Promise Neighborhoods program or the Department of Justice's BCJI program. You are eligible for this category preference if either (1) you received either grant and provide a copy of your award letter or (2) you provide an MOU with the grant recipient that indicates your commitment to coordinate planning and align resources to the greatest extent practicable.

(b) **Minimum scoring.** To qualify for a Choice Neighborhoods Planning Grant, applicants must earn a minimum of 50 percent of the points for each overall Rating Factor category in Need, Capacity and Plan. Any applicant that does not reach these minimum scoring criteria will not be awarded a Planning Grant.

**4. 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 score for the

overall Need Rating Factor. If a tie remains, HUD will select for funding the application(s) with the highest score for the Need- Severe Distress of the Targeted Neighborhood Rating Factor. HUD will select further tied applications with the highest score for the Leverage Rating Factor, then overall Plan Rating Factor, then overall Capacity.

**5. Remaining Funds.** HUD reserves the right to reallocate remaining funds from this NOFA to other eligible activities under section 24 of the 1937 Act, including Choice Neighborhoods Implementation Grants.

a. If the total amount of funds requested by all applications found eligible for funding under this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded in rank order and those funds in excess of the total requested amount will be considered remaining funds.

b. If the total amount of funds requested by all applications found eligible for funding under this NOFA is greater than the amount of funds available from this NOFA, eligible applications will be funded until the amount of non-awarded funds is less than the amount required to feasibly fund the next eligible application. In this case, the funds that have not been awarded will be considered remaining funds.

**6. Review and Selection Process References from the General Section.** The following subsections of V.B of the General Section are hereby incorporated into this NOFA:

- a. Threshold Compliance (V.B.1);
- b. Corrections to Deficient Applications (V.B.2);
- c. Rating Panels (V.B.3);
- d. Rating (V.B.4); and
- e. Ranking (V.B.5).

**C. Anticipated Announcement and Award Date.** HUD anticipates announcing awards under this NOFA in October 2013.

## **VI. AWARD ADMINISTRATION INFORMATION.**

### **A. Award Notices**

**1. Initial Announcement.** The HUD Reform Act prohibits HUD from notifying you as to whether or not you have been selected to receive a grant until it has announced all grant recipients. If your application has been found to be ineligible or if it did not receive enough points to be funded, you will not be notified until the successful applicants have been notified. HUD will provide written notification to all applicants, whether or not they have been selected for funding.

**2. Award Letter.** The notice of award letter is signed by the Secretary or the Assistant Secretary for Public and Indian Housing and will be delivered by fax and the U.S. Postal Service.

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

**4. Fund Obligation.** The funds are considered obligated by HUD upon execution of the HUD-1044 form.

**5. Applicant Debriefing.** HUD will provide an applicant a copy of the total score received by their application and the score received for each rating factor.

**6. Adjustments to Funding.** The Adjustments to Funding sub-section of VI.A.2 of the General Section is hereby incorporated. Specifically, HUD may adjust the grant award amount for any or all applications in order to meet any statutory requirement that designate a portion of the FY2013 Choice Neighborhoods appropriations must be awarded to public housing authorities and to provide tenant protection vouchers to grantees (if funds are not available from the tenant protection voucher fund).

## **B. Administrative and National Policy Requirements.**

In addition to the list below, see III.C.3 of this NOFA for administrative and national policy requirements.

**1. LOCCS Requirements.** The grantee must record all obligations and expenditures in the Line of Credit Control System (LOCCS).

**2. Final Audit.** Grantees are required to obtain a complete final closeout audit of the grant's financial statements by a certified public accountant, in accordance with generally accepted government audit standards. A written report of the audit must be forwarded to HUD within 60 days of issuance. Grant recipients must comply with the requirements of 24 CFR part 84 or 24 CFR part 85, as stated in OMB Circulars A-110 (2 CFR 215), A-87 (2 CFR 225), and A-122 (2 CFR 230), as applicable.

**C. Reporting.** HUD shall require grantees under this NOFA to report the sources and uses of all amounts expended and other information about transformation plans for HUD's annual report to Congress or other purposes as determined by HUD.

### **1. Quarterly Report.**

a. If you are selected for funding, you must submit a quarterly report to HUD.

(1) HUD will provide training and technical assistance on the filing and submitting of quarterly reports.

(2) Filing of quarterly reports is mandatory for all grantees, and failure to do so within the required timeframe will result in suspension of grant funds until the report is filed and approved by HUD.

(3) Grantees will be held to the milestones in the program schedule, as approved by HUD.

(4) Grantees must also report obligations and expenditures in LOCCS, or its successor system, on a quarterly basis.

**2. Logic Model Reporting.** Logic Model reporting will be required of the Choice Neighborhoods Planning Grantees after grant award. As a condition of the receipt of financial assistance under this NOFA, all successful applicants will be required to cooperate with all HUD staff or contractors performing HUD-funded research and evaluation studies.

**3. Final Report.**

- a. The grantees shall submit a final report, which will include a financial report and a copy of its Choice Neighborhoods Transformation Plan. The financial report shall contain a summary of all expenditures made from the beginning of the grant agreement to the end of the grant agreement and shall include any unexpended balances.
- b. The final narrative and financial report shall be due to HUD 90 days after either the full expenditure of funds, or when the grant term expires, whichever comes first.

**4. Race and Ethnic Data Reporting.** The race and ethnic data reporting requirements of VI.C.3 of the General Section are hereby incorporated.

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

a. Recipient Reporting to Meet the Requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006, as amended.

(1) Prime Awardee Reporting. Prime recipients of HUD financial assistance are required to report subawards in the federal government-wide website [www.fsr.gov](http://www.fsr.gov) or its successor system. Starting with awards made October 1, 2010 prime financial assistance awardees receiving funds directly from HUD are required to report subawards and executive compensation information both for the prime award and subaward recipients, including awards made as pass-through awards or awards to vendors, where both the initial award is \$25,000 or greater or the cumulative award will be \$25,000 or greater if funded incrementally as directed by HUD in accordance with OMB guidance. If subaward recipients' executive compensation is reported through the Central Contractor Registration (CCR) system, the prime recipient is not required to report this information. The reporting of award and subaward information is in accordance with the requirements of Federal Financial Assistance Accountability and Transparency Act of 2006, as amended by section 6202 of Public Law 110-252, hereafter referred to as the "Transparency Act" and OMB Guidance issued to the Federal agencies on September 14, 2010 (75 FR 55669) and in OMB Policy guidance. The prime awardee will have until the end of the month plus one additional month after a subaward or pass-through award is obligated to fulfill the reporting requirement. Prime recipients are required to report the following information for applicable subawards. This information will be displayed on a public government website pursuant to the Transparency Act.

- (a) Name of entity receiving award;
- (b) Amount of award
- (c) Funding agency;
- (d) North American Industry Classification System (NAICS) code for contracts/CFDA program for financial assistance awards;
- (e) Program source;
- (f) Award title descriptive of the purpose of the funding action;

- (g) Location of the entity (including Congressional district);
- (h) Place of Performance (including Congressional district);
- (i) Unique identifier of the entity and its parent; and
- (j) Total compensation and names of top five executives.

For the purposes of reporting into the FFATA Sub-award Reporting System (FSRS) reporting site, the unique identifier is the DUN and Bradstreet Universal Numbering System (DUNS) number the entity has obtained from Dun and Bradstreet, and for Prime awardees the DUNS number registered in the Central Contractor Registration as required by HUD regulation 24 CFR 5.1004.

(2) Prime Grant Awardee Executive Compensation Reporting.. Prime awardees must also report in the government-wide website the total compensation and names of the top five executives in the prime awardee organization if:

- (a) More than 80 percent of the annual gross revenues are from the Federal government, and those revenues are greater than \$25 million annually; and
- (b) Compensation information is not readily available through reporting to the Securities Exchange Commission (SEC.)

(3) Subaward Executive Compensation Reporting. Prime awardees must also report in the government-wide website the total compensation and names of the top five executives in the subawardees if:

- (a) More than 80 percent of the annual gross revenues are from the Federal government, and those revenues are greater than \$25 million annually; and
- (b) This required compensation information is not readily available through reporting to the Securities Exchange Commission (SEC). If the subaward recipient's executive compensation is reported through the Central Contractor Registration (CCR), the prime recipient is not required to report the information again.

(4) Transparency Act Reporting Exemptions. The Transparency Act exempts any sub-awards less than \$25,000 made to individuals and any sub-awards less than \$25,000 made to an entity whose annual expenditures are less than \$300,000. Subawards with a cumulative total of \$25,000 or greater are subject to subaward reporting beginning the date the subaward total award amount reaches \$25,000. The Transparency Act also prohibits reporting of any classified information. Any other exemptions to the requirements must be approved by the Office of Management and Budget.

NOTE: For the purposes of FFATA reporting requirements, "prime grant awardee" includes awardees of capital advances for the Section 202 Housing for the Elderly and Section 811 Housing for Persons with Disabilities programs.

**6. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), hereafter referred to as "Section 872."** Section 872 requires the establishment of a government-wide data system – the Federal Awardee Performance and Integrity Information System (FAPIIS) - to contain information related to the integrity and performance of entities awarded federal financial assistance and making use of the information by federal officials in making awards. OMB is in the process of issuing regulations regarding federal agency implementation of section 872 requirements. A technical correction to this General section may be issued when such regulations are promulgated.



HUD anticipates that the terms and conditions to its FY2013 awards will contain requirements related to meeting FFATA and Section 872 requirements.

## VII. AGENCY CONTACTS

Before the application deadline date, HUD staff will be available to provide you with general guidance and technical assistance. However, HUD staff is not permitted to assist in preparing your application. If you have a question or need a clarification, you may send an e-mail message to [ChoiceNeighborhoods@hud.gov](mailto:ChoiceNeighborhoods@hud.gov). Before the application deadline date, frequently asked questions (FAQs) on the NOFA will be posted to the Choice Neighborhoods webpage at <http://www.hud.gov/cn/>. You may obtain general information about HUD's Choice Neighborhoods program from HUD's Choice Neighborhoods website at <http://www.hud.gov/cn/>.

## VIII. OTHER INFORMATION

**A. Paperwork Reduction Act Statement.** The information collection requirements contained in this document is pending approval by the OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2577-0269. 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 currently valid OMB control number. The public reporting burden for the collection of information is estimated to average 35.59 hours for Planning Grant applications per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, quarterly reports, and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

**B. Environmental Impact.** This NOFA does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

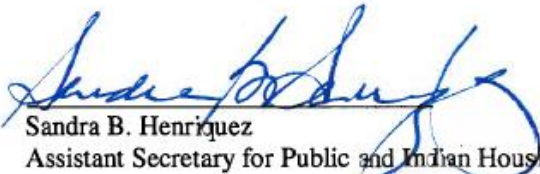
**C. Waivers.** Any Choice Neighborhoods-funded activities at public housing projects are subject to statutory requirements applicable to public housing projects under the 1937 Act, other statutes, and the Annual Contributions Contract (ACC). Within such restrictions, HUD seeks innovative solutions to the long-standing problems of severely distressed public housing projects. You may request, for the revitalized project, a waiver of HUD regulations, subject to statutory limitations and a finding of good cause under 24 CFR 5.110, if the waiver will permit you to undertake measures that enhance the long-term viability of a project revitalized under this program. HUD will assess each request to determine whether good cause is established to grant the waiver.


**D. General Section References.** The following sub-sections of VIII of the General Section are hereby incorporated by reference:

1. Executive Order 13132, Federalism;
2. Section 102 of the HUD Reform Act; and
3. Section 103 of the HUD Reform Act.

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

Dated: March 25, 2013

  
Sandra B. Henriquez  
Assistant Secretary for Public and Indian Housing

  
Carol J. Galante  
Acting Assistant Secretary for Housing –  
Federal Housing Commissioner

[FR-5700-N-18]