

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**[Docket No. FR-5473-N-01]**  
**HUD's Fiscal Year (FY) 2010 NOFA for the Choice Neighborhoods Initiative –**  
**Round 2 NOFA (for Implementation Grant Finalists Only)**

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

**ACTION:** Notice of HUD's Fiscal Year (FY) 2010 Notice of Funding Availability for HUD's Choice Neighborhoods Initiative, Round 2 for Implementation Grant Finalists.

**SUMMARY:** Today's publication is governed by the information and instructions found in the: (1) Notice of HUD's Fiscal Year 2010 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY 2010 NOFAs for Discretionary Programs, published on June 7, 2010 (General Section) and (2) Notice of HUD's Fiscal Year (FY) 2010 Notice of Funding Availability for HUD's Choice Neighborhoods Initiative for Round 1 (i.e., the Round 1 NOFA), unless otherwise indicated. HUD stated in the Round 1 NOFA that upon conclusion of its review of Implementation Grant applications submitted in response to the Round 1 NOFA, it would select Implementation Grant finalists. It also stated that HUD would then publish a second NOFA (i.e., the Round 2 NOFA) and that the Round 2 NOFA would give the Implementation Grant finalists an opportunity to assemble and submit a more detailed application. Today's publication is the Round 2 NOFA. Upon conclusion of its review of Implementation Grant applications submitted in response to this Round 2 NOFA, HUD will announce approximately 2-4 Implementation Grant awards. Through the Round 2 NOFA, HUD is making available only to Choice Neighborhoods Implementation Grant finalists approximately \$61 million for FY 2010 Choice Neighborhoods Implementation Grants. The selected finalists are:

<b>Lead Applicant (and Co-Applicant, if applicable)</b>	<b>Project Location</b>	<b>Target Public/Assisted Housing Development</b>	<b>Neighborhood</b>
City of Boston	Boston, MA	Woodledge/Morrant Bay	Dorchester
Housing Authority of New Orleans and City of New Orleans	New Orleans, LA	Iberville	Iberville/Treme
Housing Authority of the City of Seattle	Seattle, WA	Yesler Terrace	Yesler
Housing Authority of the City of Tampa	Tampa, FL	Central Park Village	Central Park
McCormack Baron Salazar, Inc. and San Francisco Housing Authority	San Francisco, CA	Alice Griffith	Eastern Bayview
Preservation of Affordable Housing, Inc. and City of Chicago	Chicago, IL	Grove Parc Apartments	Woodlawn

**FOR FURTHER INFORMATION CONTACT:** Questions regarding specific program requirements should be directed to the agency contact identified in this NOFA. Questions regarding the 2010 General Section should be directed to the Office of Departmental Grants Management and Oversight at (202) 708-0667 (this is not a toll-free number) or the NOFA Information Center at (800) HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at (800) 877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

**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 Round 2 NOFA). Applicants for the Choice Neighborhoods Round 2 NOFA must also refer to the 2010 General Section for important application information and requirements. Unless otherwise noted, citations refer to this Round 2 NOFA.

HUD is posting this NOFA on the Choice Neighborhoods website ([www.hud.gov/cn](http://www.hud.gov/cn)). The Federal Register publication is merely a notice of where to find the NOFA and application forms.

## TABLE OF CONTENTS

OVERVIEW INFORMATION	4
I. Funding Opportunity Description	4
A. Program Description	4
B. Authority	5
C. Definitions	5
II. Award Information	6
A. Availability of Choice Neighborhoods Funds	6
III. Eligibility Information	7
A. Eligible Applicants	7
B. Match Requirements	7
C. Other	8
IV. Application, Submission, and Timely Receipt Information	17
A. Application Package	17
B. Content and Form of Application Submission	18
V. Application Review Information	23
A. Criteria.	23
B. Review and Selection Process	47
VI. Award Administration Information	48
VII. Agency Contacts	48
VIII. Other Information	49
IX. Paperwork Reduction Act Statement	50
APPENDIX A	51

## OVERVIEW INFORMATION:

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

**B. Funding Opportunity Title.** Choice Neighborhoods Initiative Grants Fiscal Year 2010, Round 2 for Implementation Grant finalists.

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

**D. Funding Opportunity Number.** The Federal Register number for this NOFA is FR-5473-N-01. 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 14.889, "Choice Neighborhoods."

**F. Dates.** Application Deadline Date: The application deadline date is **June 1, 2011**. Applications must be received at HUD Headquarters by 5:15 p.m. eastern time on the deadline date.

### G. Additional Overview Content Information

**1. Available Funds.** Through the Round 2 NOFA, HUD is making available approximately \$61 million for FY 2010 Choice Neighborhoods Implementation Grants. HUD anticipates awarding two to four grants not to exceed \$30,500,000 each, or the sum of the amounts in Section IV.E.3 of the Round 1 NOFA, whichever is lower. At its discretion, HUD may use FY 2011 Choice Neighborhoods funding to make additional Implementation Grant awards to FY 2010 finalists under this NOFA. It is anticipated that up to 4 more grants could be awarded.

**2. Eligible Applicants.** The only eligible applicants are the entities that have been selected as Implementation Grant finalists following the FY 2010 Round 1 NOFA. If HUD did not notify you in writing that you were selected as a Choice Neighborhoods Implementation Grant finalist, then you are not eligible to apply for funds under this NOFA.

**3. Application** materials may be obtained from the Choice Neighborhoods website. Notification of any technical corrections will be published in the Federal Register and posted to the Choice Neighborhoods website. Responses to frequently asked questions will be posted on the FY 2010 NOFA page of the Choice Neighborhoods.

## FULL TEXT OF ANNOUNCEMENT

### I. Funding Opportunity Description

**A. Program Description.** The purpose of the Choice Neighborhoods grants is to:

1. Transform neighborhoods of concentrated poverty into mixed-income neighborhoods of long-term viability by revitalizing severely distressed housing; improving access to economic opportunities; and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs;
2. Grow communities and metropolitan areas by concentrating, leveraging, and coordinating Federal, State, regional, local, and private funding for public transportation, education, housing, energy, health and mental health services, supportive services, public safety; and environmental programs and initiatives;

3. Support positive outcomes for all residents, including improvements in educational achievements and economic self-sufficiency; and
4. Ensure that current residents benefit from transformation by preserving affordable housing in the neighborhood or providing residents the choice to move to affordable housing in another neighborhood of opportunity.

## **B. Authority**

1. The funding authority for Choice Neighborhoods grants under this NOFA is provided by the HUD Appropriations Act as part of the Consolidated Appropriations Act, 2010 (Public Law 111-117, approved December 16, 2009).
2. The program authority for Choice Neighborhoods is Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) (1937 Act), as amended by the Consolidated Appropriations Act, 2010 (Public Law 111-117, approved December 16, 2009).

**C. Definitions.** The definitions included in the Round 1 NOFA carry forward to this Round 2 NOFA. The following are new definitions used for terms included in some of the new rating factors. For purposes of the Choice Neighborhoods program, these definitions of key terms apply.

1. **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 cultural facilities (like museums and libraries) public utilities and some large churches and corporations.
2. **Case Management.** Case Management is an individual- or family-centered approach to assisting people of all ages with accessing the services they want and need. It includes screening/assessment/risk management, individualized service planning based on resident needs and choices, provision of options and information, linkage/referral to formal and informal services and supports, service coordination at the client-level, crisis intervention, follow-up, advocacy, monitoring/evaluation of resident progress as well as timeliness and effectiveness of service delivery, and maintenance of records. Case management contributes to and benefits from well-coordinated services at the community level. The intensity and frequency of case management services should be tailored to the level of an individual's or family's needs.
3. **Hard to house.** Hard to house refers to a special population of residents who face multiple, persistent barriers to move toward self-sufficiency or maintain stable housing for reasons that go beyond affordability, such as long-term unemployment, substance use or mental health problems, and/or a criminal record. These vulnerable households may have trouble finding a unit in the private market and may face significant challenges meeting the screening requirements to return to a new mixed-income development.
4. **Positive youth development.** Positive youth development is an intentional, pro-social approach that: engages youth within their communities, schools, organizations, peer groups, and families in a manner that is productive and constructive; recognizes, utilizes, and enhances youths' strengths; and promotes positive outcomes for young people, including social skills, emotional competence, positive relationships with peers and adults, and civic and school engagement.

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

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

## II. Award Information

### A. Availability of Choice Neighborhoods Funds

**1. Implementation Grants.** Of the \$65 million total authorized for Choice Neighborhoods in FY 2010, approximately \$61 million is allocated to fund Choice Neighborhoods Implementation Grants and will be awarded in accordance with this NOFA. The table below indicates the amount of funds allocated between the two grant types, the maximum amount of funds that could be requested for each grant type, and the anticipated number of awards. Voucher assistance needed for relocation purposes in association with the Implementation Grants will be in addition to the amounts below.

Grant Type	Allocation of Funds (Approximate)	Maximum Grant Request	Anticipated Number of Grant Awards
Planning Grants	\$4,000,000	\$250,000	17 (completed in Round 1)
Implementation Grants	\$61,000,000	\$30,500,000 or the calculated amount described in Sections II.A.2, whichever is lower.	2 – 4
TOTAL	\$65,000,000		

**2. Grant Sizing.** For the purposes of establishing the maximum amount of Choice Neighborhoods Implementation Grant funding that you may request, you will calculate a development cost for the replacement housing units to be developed in the Transformation Plan and allow for additional funding to cover non-housing activities. See Section IV.E.3 of the Round 1 NOFA for detailed instructions on how to calculate this amount. You may request the lesser of this calculated amount or \$30,500,000. HUD will provide a grant sizing limitations worksheet which you must complete in order to determine the maximum amount you may request. This worksheet must be provided in the attachments section of your application.

**3. Grant term.** Grantees must proceed in a timely manner, as indicated by the timeframes established in this NOFA and Grant Agreement. See Section IV.E.1 of the Round 1 NOFA for statutory time limits related to the grant and expenditure of funds, including the requirement that all FY 2010 Choice Neighborhoods funds must be expended by September 30, 2016.

**4. FY 2011 Funding.** At its discretion, HUD may use FY 2011 Choice Neighborhoods funding to make additional Implementation Grant awards to FY 2010 finalists under this NOFA. It is anticipated that up to 4 more grants could be awarded.

### III. Eligibility Information

#### A. Eligible Applicants

1. The only eligible applicants are the entities that have been selected as Implementation Grant finalists following the Round 1 NOFA. The selected finalists are:

Lead Applicant (and Co-Applicant, if applicable)	Project Location	Target Public/Assisted Housing Development	Neighborhood
City of Boston	Boston, MA	Woodledge/Morrant Bay	Dorchester
Housing Authority of New Orleans and City of New Orleans	New Orleans, LA	Iberville	Iberville/Treme
Housing Authority of the City of Seattle	Seattle, WA	Yesler Terrace	Yesler
Housing Authority of the City of Tampa	Tampa, FL	Central Park Village	Central Park
McCormack Baron Salazar, Inc. and San Francisco Housing Authority	San Francisco, CA	Alice Griffith	Eastern Bayview
Preservation of Affordable Housing, Inc. and City of Chicago	Chicago, IL	Grove Parc Apartments	Woodlawn

#### B. Match Requirements

**1. Grant Match.** HUD is required by 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 in place a match in the amount of 5 percent of the requested grant amount in cash or in-kind donations. Applications that do not demonstrate the minimum 5 percent match will not be considered for funding. In Round 1, applicants submitted a certification that such match was in place.

**2. Additional Supportive Services Match.** In accordance with the 1937 Act (42 U.S.C. 1437v(c)(1)(B)), in addition to the 5 percent overall grant match in III.B.1 above, you may be required to have in place a match for supportive services. Funds used for the overall grant match cannot be used for the supportive services match. If you are selected for funding through this NOFA, you may use up to 15 percent of your grant for supportive services activities. However, if you propose to use more than 5 percent of your grant for supportive services activities, you must have in place funds (cash or in-kind donations) from sources other than Choice Neighborhoods that match the amount between 5 and 15 percent of the grant that you will use for

supportive services activities. These resources must be NEW commitments in order to be counted for match.

### C. Other

**1. Program Activities.** The Program Activities identified in the Round 1 NOFA, section III.C.1 are hereby incorporated.

**2. Threshold Requirements.** The application, and the Transformation Plan proposed in it, 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, 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 5 business days of the date of receipt of the HUD notification. If an applicant does not cure all its technical deficiencies related 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. **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.**

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

**(1) Site Control for All Replacement Housing Sites.** You must provide evidence in your application that you (as the Lead Applicant) or your Co-Applicant (if any) has site control as of the application deadline date for **all** parcels proposed for replacement housing under the Transformation Plan. This includes the target public and/or assisted housing property(ies) and any other parcel of land proposed to be part of the Transformation Plan for replacement housing, regardless of how it will be financed (i.e., whether with Choice Neighborhoods grant funds or leveraged funds). Site control held by a Principal Team Member (who is not also the Lead Applicant or a Co-Applicant) is not sufficient in Round 2. If you do not provide acceptable evidence of site control, your **entire** application will be disqualified from further consideration for funding. Evidence may include, but is not limited to a deed, title, binding contract of sale or option agreement, ground lease, or title opinion. If you demonstrate site control through a contract of sale or an option agreement, such contract or agreement must remain in effect for at least 180 days after the application deadline date and may include only commercially standard early termination clauses and conditions to closing. Site control may NOT be evidenced through a letter from the mayor or local government other official, letters of support from members of the

relevant municipal entities, a resolution evidencing the intent to exercise its power of eminent domain, or a memorandum of understanding (MOU).

**(2) Other Sites for Transformation Plan Activities.** Your application must also identify all other parcels of land that are proposed to be used in the Transformation Plan (whether for non-replacement housing, commercial, recreational, community, educational, or other uses) and provide documentation they are available for use consistent with the Plan. If you or a Co-Applicant (if any) has site control, you must provide appropriate site control evidence in your application. HUD will presume land under your control is available for use consistent with the Plan. For sites for which you or a Co-Applicant do not have site control, you must provide a letter of intent (LOI) from each owner of such land affirming its intended use consistent with the Plan (e.g. if the Plan includes retail development, the owner of the land on which it will be developed must provide an LOI indicating his/her commitment to that use). General letters of support are not acceptable for purposes of meeting this threshold. The owner(s) do not need to be a Principal Team Member; nor will they be required to transfer ownership at any time. The letter must be signed by the title-holder of the land. If the property is owned by an entity (rather than an individual), then it must be signed by an authorized executive of that entity. You must include this information in your attachments.

**(3) Capital Fund Financing Program (CFFP).** This threshold applies to applications that target severely distressed public housing from the inventory of any PHA with an approved CFFP proposal or CFFP proposal submitted and under review by HUD before the announcement of FY 2010 Choice Neighborhoods Implementation grant awards. As the pledges of public housing Capital Funds are general in nature and not project-specific, this threshold applies to **all** CFFP proposals approved or submitted and under review by HUD for the PHA's public housing portfolio, not just the public housing site targeted by this Choice Neighborhoods application. Choice Neighborhoods applications may not target public housing from PHAs that have CFFPs approved or in process, **unless**:

(a) You include in the application an opinion from (and signed by) the PHA's legal counsel that the activities proposed under the Choice Neighborhoods application are permitted under the financing documents (as approved or, if under review, as currently drafted), or to the extent required, any approvals required under the financing documents have been obtained; and

(b) You include in the application a certification from (and signed by) the PHA's Executive Director that, to the extent HUD determines that the Capital Fund projections in its CFFP Proposal did not accurately or completely incorporate the reduction in public housing units that would be caused by the Choice Neighborhoods activity, if you receive the Choice Neighborhoods grant, and prior to undertaking the Choice Neighborhoods activity, the PHA will use Capital Funds, or other eligible funds to defease, redeem, or otherwise prepay the CFFP financing. You **must** provide this certification even if the proposal has already been approved, or the PHA does not think they will have the need to defease, redeem, or otherwise prepay the CFFP financing, in the event HUD makes such a determination at a later time. This prepayment must be sufficient to maintain the same debt coverage ratio in the year immediately following any reduction in Annual Contribution Contract (ACC) Units related to the Choice Neighborhoods grant (based on the then-current year's capital fund allocation, but giving effect to the change in ACC Units in a manner acceptable to HUD) as existed prior to any reductions occurring as a result of the Choice Neighborhoods grant.

(c) HUD will consult internal CFFP records to verify which applicants have pending or approved CFFP proposals.

**(4) Eligible Applicants – For-Profit Developer Applicant – Legal Contract.** This Round 2 threshold requirement replaces the Round 1 threshold requirement Eligible Applicants – For-Profit Developer Applicant (Section III.C.2.b.(1)(a) in the Round 1 NOFA), which required an MOU to demonstrate the Co-Applicant partnership that is required between a for-profit developer and a public entity. A response to this Round 2 threshold requirement, “Eligible Applicants – For-Profit Developer Applicant – Legal Contract,” is required only when a for-profit developer is Lead Applicant. In order to meet this Round 2 threshold requirement, you must provide in your application a contractually binding agreement executed between the Co-Applicants detailing specific roles and responsibilities. The legal contract must be signed by the executive officers of each entity and demonstrate a commitment to work collaboratively throughout the entirety of the grant and identify which party will serve as the Lead Applicant.

**(5) Partnership Legal Contract.** This replaces the Round 1 threshold requirement Partnership MOU (Section III.C.2.b.(7) in the Round 1 NOFA), which required an MOU to demonstrate the partnership amongst the Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (if any). In order to meet this Round 2 threshold requirement, you must provide in your application a legal contract or contracts, such as a developer services and asset management agreement, joint venture agreement, or performance contract, between the parties that affirms the roles and responsibilities identified in the MOU from Round 1. The legal contract(s) must be signed by the executive officers of each entity, demonstrate a commitment to work collaboratively throughout the entirety of the grant, and identify which party will serve in which role(s) (including indicating who will implement the Housing, People and Neighborhood components of your proposed Transformation Plan). Concerning the roles, the MOU must indicate that the Housing Implementation Entity will be responsible for implementing day-to-day development and asset management activities associated with the Transformation Plan. If a Lead Applicant proposes to rely on a Principal Team Member for rating purposes under the NOFA, the applicant will be required to secure HUD’s approval, if funded, prior to effecting any material change to that contract or replacing the Principal Team Member.

**(6) Location of Housing.** You must provide a site map indicating both the original housing location and all proposed housing location(s). If housing is proposed outside the target neighborhood, it must be done in accordance with the one-for-one replacement requirements stated in section III.C.3.b of the Round 1 NOFA (i.e. within the metropolitan area up to 25 miles from the original project site as necessary to comply with fair housing requirements, deconcentrate poverty, or redevelop onsite with appropriate densities). Your application must include a justification of why it is necessary to locate this housing outside the target neighborhood and how doing so supports and enables the Transformation Plan. You must include this information in your attachments.

**3. Program Requirements.** The Program Requirements from Section III.C.3 of the Round 1 NOFA are hereby incorporated, which includes program requirements, administrative and national policy requirements, and other program priorities, except that the requirements in section III.C.3.n, Federal Labor Standards, paragraphs (1) and (2) are applicable to Choice Neighborhoods grants only where a public housing agency acquires the project involved under this NOFA or the U.S. Housing Act of 1937 (1937 Act), or provides assistance under this NOFA for the 1937 Act for its development or operation. Additionally the following program

requirements are added to those carried forward from the Round 1 NOFA. Applicants MUST review this section and ensure they comply with the requirements, as relevant.

**a. Bedroom Mix.** One element of the one-for-one replacement requirement (section III.C.3.b of the Round 1 NOFA) requires that units that will serve as replacement housing for public and/or assisted families of the targeted site(s), as of the date of the application for the grant, must be developed with the number of bedrooms that will meet the need to adequately house returning tenants, households currently on the waiting list, and those needed based on other market data. If you are designing the bedroom mix of the replacement housing based on the waiting list or other market data, you will need to explain why you have made this determination and how you will ensure there are viable housing options with the appropriate bedroom configurations to meet the needs of existing tenants. HUD will request this justification post-award.

**b. Broadband Access.** All FY 2010 grantees will be required, as part of their Transformation Plan, to include infrastructure that permits unit-based access to broadband Internet connectivity in all new units. Grantees may use Choice Neighborhoods funds to provide unit-based broadband Internet connectivity. Regular and informed Internet adoption can increase access to the job market, as well as health, education, financial and other services. Further, in-home broadband Internet access is an attractive, and in most cases, standard amenity that can be used to market the mixed-income community created through the Transformation Plan.

**c. Relocation Requirements.** You must carry out relocation activities in compliance with planning requirements in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). If the project also utilizes Community Development Block Grant (CDBG) or HOME funds, section 104(d) of the Housing and Community Development Act of 1974 may also apply. Please refer to the Tenant Assistance Relocation and Real Property Acquisition Handbook (HUD Handbook 1378) for detailed information on these requirements, including applicable statutory and regulatory references. These relocation requirements cover any person who moves permanently or temporarily from real property or moves personal property from real property directly because of acquisition, rehabilitation, or demolition for a project undertaken with HUD assistance. Handbook 1378 is available on line at: [www.hud.gov/relocation](http://www.hud.gov/relocation) under Policy and Guidance.

**d. Match Donations and Leverage Resources – Post Award.** After award, during review of grantee mixed-finance, development, or homeownership proposals, HUD will evaluate the nature of Match and Leverage resources to assess whether the conditions precedent to the availability of the funds to the grantee are commercially reasonable or whether these preconditions provide the lender with too much unquantifiable discretion to withhold or withdraw the match. HUD will assess the availability of the participating party(ies)'s financing, the amount and source of financing committed to the proposal by the participating party(ies), and the firm commitment of those funds. HUD may require an opinion of the grantee's and the owner entity's counsel (or other party designated by HUD) attesting that counsel has examined the availability of the participating party's financing, and the amount and source of financing committed to the proposal by the participating party(ies), and has determined that such financing has been firmly committed by the participating party(ies) for use in carrying out the proposal, and that such commitment is in the amount required under the terms of the proposal and contains only commercially reasonable conditions precedents for release of the Match.

**e. Program Requirements that Apply to Match and Leverage.** Applicants must follow these requirements in compiling and documenting their match and leverage resources for

purposes of the NOFA. Otherwise, it may not be possible for HUD to count the commitment at the level claimed.

(1) HUD seeks to fund Choice Neighborhoods projects that leverage the maximum amount of other funds in support of the proposed Transformation Plan. You must actively enlist other stakeholders who are committed to improving the community and who can provide significant financial assistance to your transformation effort, both for match and leverage. Leveraged resources will be scored in five rating factors: Housing Development, Supportive Services, Neighborhood-Community Development Block Grant, Neighborhood-Anticipatory, and Neighborhood-New.

(2) **General Requirements.**

(a) **Firmly Committed.**

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

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

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

(b) **Endorsements or general letters of support** from organizations or vendors alone **will not** count as resources and should not be included in the application or on a resources summary form in the attachments section of your application.

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

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

ii. Letters must indicate that the committed leverage funding is clearly dedicated to this Transformation Plan.

iii. For Supportive Services, letters must indicate whether the resource commitment is new, existing, or a combination of new and existing (i.e. an existing service that is also being increased to reach a larger number of targeted public and/or assisted housing residents). They must also commit the new or existing resource for the duration of the grant and explain how the resource commitment will be directly tied to and coordinated with the People component of your Transformation Plan, including how the resource

commitment will directly contribute to the impact of the People component of your Transformation Plan.

iv. Examples of good physical development commitments are: “X Agency commits to providing \$1,000,000 in funds for infrastructure over the life of the FY 2010 Choice Neighborhoods Implementation grant for ABC Transformation Plan” or “X Agency has committed to providing \$2,000,000 in funds toward the construction of units to replace the XYZ assisted housing development.”

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

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

(f) If the commitment document for any leverage funds/in-kind services is not included in the application and provided before the NOFA deadline date, the related leverage will not be considered.

(g) The staff time and benefits of the applicant(s) is not an eligible leverage resource.

(h) Resource commitments may only be counted once.

(i) **In-kind contributions.**

i. In-kind contributions will only be evaluated for the Supportive Services leverage rating factor. They may be in the form of staff time, donated materials, or services. All assistance provided to meet this requirement must be identified by their dollar equivalent based upon accepted salary or regional dollar values. In-kind contributions can include physical items such as office supplies, computer equipment and supplies, materials for projects, and flyers and other marketing materials. They can also be in the form of office and meeting space, including allowed use of computers, phones, fax and copy machine, or the use of a vehicle, construction equipment and other project related items. In-kind contribution can also be contribution of professional time. When an individual donates his/her time in a professional capacity to supervise members, train or engage in member development, provide technical assistance on a project, evaluate a project, oversee project quality, or provide pro bono work as a member of the non-profit organization on a permanent or temporary basis, the time involved is an in-kind contribution.

ii. The commitment letter must indicate how the dollar amount of the in-kind resource commitment was **derived/calculated** (e.g., the cost of the service multiplied by the quantity/frequency of the service multiplied by the number of residents to receive that service). Resource commitment documents that simply give a dollar figure for proposed services will not be counted. An example of a good Supportive Services commitment: “X Agency commits to providing a total of \$4,500 to the residents of ABC public housing development for its FY 2010 Choice Neighborhoods Transformation Plan. This total amount covers 15 job readiness workshops over five years, at a cost of \$300 per workshop, benefiting an estimated 200 residents total.” Another example is: “W Agency will provide after school programming to X number of youth from the ABC neighborhood. The cost of this service is \$Y per day per youth, multiplied by the number of youth, multiplied by the number of days per year the service will be provided, multiplied by the number of years. This calculation results in a total commitment of \$W.” If an agency commits in the same letter to providing, for example, both a job readiness workshop and an afterschool program, both derivations/calculations should be present in the letter or detailed in your application.

(j) It is important to note that certain OMB circulars are applicable, and particular attention should be given to the provisions concerning the use of federal funds for matching requirements. See section III.B.1 of the Round 1 NOFA for information on these OMB circulars and administrative requirements.

(k) **Resource Commitments and HOPE VI Applications.** If you are applying for both a FY 2010 HOPE VI Revitalization grant and a FY 2010 Choice Neighborhoods grant (Planning or Implementation), you cannot use the same resource commitment(s) for both applications.

(3) **Physical Development Resources.**

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

i. **Permanent Phase Loans and Debt.** This includes private mortgage-secured loans, insured loans and other debt that can remain in place throughout the permanent phase of the project. HUD will not accept loan commitments that require take-out sources or have balloon payments which jeopardize the project's long-term financial feasibility, unless there is a permanent take-out loan that will replace a construction/bridge loan. If this is the case, you must provide documentation of both loans, but only the value of the permanent loan will be counted. Your application or commitment letters must include each loan's interest rate and term. Without this information, HUD will not be able to count the full amount of the commitment. For privately financed homeownership, acceptable documentation of construction loans only will be considered. Projected sales prices will not be counted as a development resource.

ii. **Bonds.** This includes tax-exempt bonds and private activity revenue bonds. Your application should include the dollar amount, a description of the use and term, and how the bonds will be repaid. Otherwise, it may not be possible for HUD to count the commitment at the level claimed. HUD will NOT accept a bond commitment where you plan to pay that bond off with Choice Neighborhoods or other public housing or other HUD funds. If you have documentation of funding that will repay the bond, this will be counted instead of the bond.

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

(a) Only LIHTC allocations that have been secured as of the application deadline date will be considered for leverage scoring under this NOFA. LIHTC allocations that are not secured (i.e., documentation in the application does not demonstrate they have been reserved by the state or local housing finance agency) will not be counted for leverage scoring. Only tax credits that have been reserved specifically for revitalization performed through this NOFA will be counted. HUD acknowledges that, depending on the housing finance agency, documentation for 4 percent tax credits may be included with a tax-exempt bond award letter.

(b) In addition, in order to have the tax credit amounts counted in leverage scoring, you must provide a commitment letter from a syndicator or equity investor indicating the pricing and general terms of their LIHTC equity investment. **This letter must constitute a firm commitment and have only commercially reasonable conditions to closing.**

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

iv. **Donations and contributions of funds.**

v. Sale of Land and Buildings. Cash proceeds realized as of the application deadline date from the sale of land and/or buildings may be included as a resource. Absent a completed sales transaction, the value of land will not be counted.

vi. Donations of Land and Buildings. Donations of land and/or buildings may be counted as a resource, only if the donating entity owns the land/buildings to be donated. Donating entities may include a city, county/parish, church, community organization, etc. The application must include documentation of this ownership, and the donation of land, signed by the appropriate authorizing official. The dollar amount attributed to the donated land and/or buildings should have been verified through an appraisal by an independent, state-certified appraiser, or other appropriate means, the documentation of which should be kept in the applicant's records. (Please note that acquisitions of real property via donation are subject to the URA's acquisition policies. See section III.C.5.h of the General Section (Real Property Acquisition).

vii. Housing trust funds.

viii. Program income from previous HOPE VI or other public housing must be already earned. Projected program income will not be counted.

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

x. Developer fees. Projected developer fees to be waived or put back into the project may be counted.

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

xii. Equity or permanent financing committed to build private sector housing in direct connection with the Choice Neighborhoods Transformation Plan may be counted.

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

xiv. Other Public Housing Funds. Other public housing funds will NOT be counted for points under the leverage rating factors.

xv. Other Federal Funds. Other federal sources (e.g. non-public housing funds provided by HUD as well as funds from other federal agencies) may be counted provided the funds are permitted to be used as for leverage by the statute or regulation governing the funds, in accordance with Section III.B.

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

(a) **General.** HUD seeks to fund mixed-finance developments that leverage other resources to ensure the successful transformation of the lives of residents and the sustainability of the neighborhood. Leveraging other funds and services is critical to the sustainability of Supportive Services activities so that they will continue after the Choice Neighborhoods grant funds have been expended. Commitments of funding or in-kind services related to the provision

of supportive service activities may be counted toward the calculation of Supportive Services leverage, in accordance with the requirements below. These resources must be for supportive services purposes and be **directly applicable** to the Transformation Plan proposed in the Choice Neighborhoods application. Resources that are committed to individuals other than those targeted in the application cannot be counted.

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

i. In order to count as a new commitment, the financial and in-kind resources must be newly generated for the FY 2010 Choice Neighborhoods grant. New commitments mean that commitments by service providers to continue services they already provide will not be counted. However, if an existing service provider increases the level of financial or in-kind commitment directed to the residents of the target public and/or assisted housing, the **increased amount commitment** may be counted, unless otherwise noted in this section [e.g., Temporary Assistance for Needy Families (TANF) cash benefits (for individuals)]. HUD will not count any commitments as “new” that have already been provided on a routine basis, such as in-kind services that have been supporting ongoing Supportive Services -type activities.

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

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

- i. Materials;
- ii. The value of a building or space in a building donated for Supportive Services purposes;
- iii. The value of a lease on a building or space in a building donated for Supportive Services purposes;
- iv. Other infrastructure for Supportive Services purposes;
- v. Time and services contributed by volunteers;
- vi. Staff salaries and benefits of service providers (PHA and/or applicant staff time may not be counted);
- vii. Supplies;
- viii. The value of supportive services provided by a partner agency, in accordance with the eligible Supportive Services activities described in section III.C.1.
- ix. TANF.

(a) Existing and newly generated TANF **cash benefits** (for individuals) will not be accepted as a resource for leverage.

(b) Existing and newly generated **non-cash services** provided by TANF agencies may be accepted as a resource for leverage.

x. Wages projected to be paid to residents through jobs or projected benefits (e.g., health/insurance/retirement benefits) related to projected resources to be provided by Supportive Services partners may not be counted.

xi. Even though an in-kind Supportive Services contribution may count as a resource, it may not be appropriate to include on the sources and uses attachment. Each source on the

sources and uses attachment must be matched by a specific and appropriate use. For example, donations of staff time may not be used to offset costs for infrastructure.

#### **IV. Application, Submission, and Timely Receipt Information.**

Applicants **MUST** follow the directions and guidance provided in this NOFA, which incorporates criteria from the Notice of HUD's Fiscal Year 2010 Notice of Funding Availability (NOFA), Policy Requirements and General Section (General Section) to HUD's FY 2010 NOFAs for Discretionary Programs, published on June 7, 2010. Relevant sections of Section IV of the General Section are incorporated into the FY 2010 Choice Neighborhoods NOFA, as indicated herein. **Applicants MUST follow the directions and guidance provided in these sections from Section IV of the General Section, unless otherwise noted in this Choice Neighborhoods NOFA.**

**A. Application Package.** The published NOFA and application forms are made available at the Choice Neighborhoods website.

##### **1. Technical Assistance and Resources for Grant Applications**

a. **HUD's NOFA Information Center.** Applicants that do not have Internet access and need to obtain a copy of a NOFA can contact HUD's NOFA Information Center toll-free at (800) HUD-8929. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

b. **HUD Staff.** HUD staff will be available to provide you with general guidance and technical assistance about this NOFA. However, HUD staff is not permitted to help prepare your application. Following selection of applicants, but before announcement of awards, HUD staff is available to assist in clarifying or confirming information that is a prerequisite to the offer of an award or Annual Contributions Contract (ACC) by HUD. If you have program-related questions, follow the instructions in Section VII of this NOFA entitled "Agency Contact(s)."

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

**1. 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) Double-space your narrative pages for the exhibits. **Single-spaced pages will be counted as two pages.**

(2) Use 8½ x 11-inch paper.

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

(4) Use 12-point, Times New Roman font.

(5) The applications (original and copies) should each be packaged in a three-ring binder.

(6) Mark each Exhibit and Attachment with the appropriate tab listed below in subsection c. No material on the tab will be considered for review purposes.

(7) Any pages marked as sub-pages (e.g., with numbers and letters such as 15A, 15B, 15C), 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 in columns. Pages with text in columns will be counted as two pages.

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

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

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

(1) Narrative Exhibits.

(a) 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.

(b) Each Choice Neighborhoods application must contain **no more than 65 pages** of narrative exhibits. Any pages beyond the page limit **will not be reviewed**. Although submitting pages in excess of the page limitations will not disqualify an application, **HUD will not consider the information on any excess pages, which may result in a lower score or failure of a threshold.**

(2) Attachments.

(a) 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.

(b) Each Choice Neighborhoods application must contain **no more than 60 pages** of attachments. Any pages after the first 60 pages of attachments **will not be considered**.

Although submitting pages in excess of the page limit will not disqualify an application, **HUD will not consider the information on any excess pages, which may result in a lower score or failure to meet a threshold.**

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

- (a) Additional pages submitted at the request of HUD in response to a technical deficiency.
- (b) Blank/extra pages generated as part of standard forms.
- (c) Tabs/title pages that are blank or display a title/header/“n/a” indication.
- (d) Documentation required for thresholds in Attachments 10, 11, 12, 14, 15, and 16.
- (e) Leverage documentation (including the cover sheet provided) required for Attachments 17, 18, 19, 20 and 21.

(f) Section 3 Report and Housing Choice Voucher application (Attachments 24, and 29).

- c. **Documentation Requirements.** Documentation requirements are provided throughout the “Threshold Requirements” section (III.C.2), “Program Requirements” section (III.C.3), and “Rating Factors” section (V.A) of this NOFA, as relevant. **Applicants must carefully review and follow documentation requirements.**
- d. **Instructions on Application Organization and Content.** The following provides instructions on the organization and content of your application. It lists the narrative exhibits, attachments, and instructions for each, that are required as part of the application. All narrative exhibits, 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.** HUD forms required by this NOFA will be made available on the Choice Neighborhoods website. The narrative exhibits, attachments, and instructions for each are as follows:
  - (1) **Table of Contents.** Use the form provided.
  - (2) **Narrative Exhibits.** The narrative exhibits required in your application are as follows:
    - (a) Exhibit A – Executive Summary. Provide an overall summary of the Transformation Plan proposed in your application, including summarizing the Housing, People, and Neighborhood components of your Transformation Plan. Identify the Lead Applicant, Co-Applicant(s) (if any), and Principal Team Members (specifying the Housing Implementation Entity, People Implementation Entity, Education Implementation Entity, and Neighborhood Implementation Entity) and indicate how they will work together. Identify the amount of Choice Neighborhoods grant funding you are requesting, the targeted public and/or assisted housing sites targeted and the neighborhood. (suggested 3 pages maximum).
    - (b) Exhibit B – Vision for Housing. Review and provide a narrative response to V.A.1.a (suggested 10 pages maximum)
      - B.1 Overall Vision
      - B.2 Access to Opportunity
      - B.3 Replacement Housing

- B.4 Mixed-Income Development
- B.5 Long-term Affordability
- B.6 Green Building

(c) Exhibit C – Vision for People. Review and provide a narrative response to V.A.1.b (suggested 32 pages maximum)

- C.1 Resident Needs Assessment and Results
- C.2 Supportive Services Strategy
- C.3 Education Strategy
- C.4 Relocation and Reoccupancy
- C.5 Economic Opportunities for Low- and Very Low-Income Persons

(d) Exhibit D – Vision for Neighborhood. Review and provide a narrative response to V.A.1.c (suggested 10 pages maximum)

- D.1 Goals and Outcomes
- D.2 Alignment with Existing Efforts
- D.3 Access to Amenities
- D.4 Anchor Institution Engagement
- D.5 Design

(e) Exhibit E – Soundness of Approach (suggested 10 pages maximum).

- E.1 Organizational Framework for Implementation. Review and provide a narrative response to V.A.2.a
- E.2 Resident and Community Involvement. Review and provide a narrative response to V.A.2.b
- E.3 Collection and Use of Data to Achieve Core Goals of the Transformation Plan. Review and provide a narrative response to V.A.2.e
- E.4 Affirmatively Furthering Fair Housing. Review and provide a narrative response to V.A.2.f.

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

- (a) Attachment 1: Application Data Form: Cover Sheet. Complete the form provided.
- (b) Attachment 2: Application Data Form: Existing Units, Occupancy, Vacancy.

Complete the form provided.

- (c) Attachment 3: Application Data Form: Planned Units. Complete the form provided.

(d) Attachment 4: Grant Sizing Worksheet. Review the Program Requirements in III.C.3 and Funding Restrictions in IV.E. Complete the form provided.

(e) Attachment 5: Extraordinary Site Costs Certification. Review III.C.3 and Funding Restrictions in IV.E to determine if this attachment applies to you. If applicable, complete the form provided.

- (f) Attachment 6: Choice Neighborhoods Budget form. Complete the form provided.

(g) Attachment 7: Sources and Uses. Include an overall Sources and Uses for the whole Transformation Plan as well as a phase-by-phase break out. If there is both construction period financing and permanent financing, submit the sources and uses for both. The chart should show the intended use for each source (e.g. have separate columns for each source). It should also indicate (e.g. by highlighting, underlining or putting in bold font) which funding is firmly committed (i.e. the funding for which you have included documentation for the leverage rating

factors). The budget should be based upon a construction cost estimate performed by a general contractor or professional cost estimator with itemized sources of funds to cover costs.

(h) Attachment 8: Operating Proforma. Include a 30-year operating proforma for the first housing development phase. It should clearly identify the expected sources of income (including by unit type) and detailed expenses.

(i) Attachment 9: City and Neighborhood Maps. You may either resubmit the maps provided in Round 1 or replace them with updated maps.

(j) Attachment 10: Location of Housing documentation/map. Review and respond to the threshold requirement in III.C.2.a.6 by providing the documentation required by that section. The map required can either be a map provided in Attachment 9 (if it clearly labels each housing site) or a separate map that only highlights the target neighborhood boundaries and housing location(s).

(k) Attachment 11: Site Control for All Replacement Housing documentation. Review and respond to the threshold requirement in III.C.2.a.1 by providing the documentation required by that section. You must include a cover sheet with your documented evidence of site control. This cover sheet must provide a list that matches the replacement housing site(s) targeted in your application. Specifically, this table should provide in one column the name of each project, as identified in your application. A second column should contain the name of the documented evidence corresponding to each parcel. A third column should provide the location of the documented evidence in the attachment (page number, etc.) and any other necessary detail about the evidence documenting site control.

(l) Attachment 12: Other Sites for Transformation Plan Activities documentation. Review and respond to the threshold requirement in III.C.2.a.2 by providing the documentation required by that section. You must include a cover sheet with a list that matches the site(s) targeted in your application with its intended use. Specifically, this table should provide in one column the name of each property, as identified in your application. A second column should contain the name of the documented evidence corresponding to each parcel. A third column should provide the location of the documented evidence in the attachment (page number, etc.) and any other necessary detail about the evidence documenting site control.

(m) Attachment 13: Land Use Approvals. Review and respond to Rating Factor V.A.1.a.8.

(n) Attachment 14: Capital Fund Financing Program (CFFP) documentation. Review and respond to the threshold requirement in III.C.2.a.3 by providing the documentation required in that section.

(o) Attachment 15: Legal Contract for For-Profit Developer Applicant, if applicable. Review and respond to the threshold requirement in III.C.2.a.4 by providing the documentation required in that section.

(p) Attachment 16: Partnership Legal Contract. Review and respond to the threshold requirement in III.C.2.a.5 by providing the documentation required in that section.

(q) Attachment 17: Housing Leverage documentation. Review and respond to Rating Factor V.A.1.a.9.

(r) Attachment 18: People Leverage documentation. Review and respond to Rating Factor V.A.1.b.6.

(s) Attachment 19: Neighborhood Leverage – Community Development Block Grant Leverage documentation. Review and respond to Rating Factor V.A.1.c.8.a.

(t) Attachment 20: Neighborhood Leverage – Anticipatory Leverage documentation. Review and respond to Rating Factor V.A.1.c.8.b.

(u) Attachment 21: Neighborhood Leverage documentation. Review and respond to Rating Factor V.A.1.c.8.c.

(v) Attachment 22: Certification of Accessibility, Adaptability and Visitability. Review and respond to Rating Factor V.A.1.a.6 by providing a certification and description.

(w) Attachment 23: Documentation for Green Development and Energy Efficiency Strategies, if any. Provide any necessary documents in response to Rating Factor V.A.1.a.7.

(x) Attachment 24: If applicable, Section 3 Annual Summary Report (Form HUD 60002), in response to Rating Factor V.A.1.b.5.b.

(y) Attachment 25: Access to Amenities documentation. Review and respond to Rating Factors at V.A.1.c.3. You should include a list of the amenities that satisfy the criteria in the rating factors and provide a map indicating their location relative to the geographic center of the largest target housing project.

(z) Attachment 26: Design. Review and respond to Rating Factor V.A.1.c.5.

(aa) Attachment 27: Transit-Served Location documentation. Review and respond to Rating Factor V.A.1.c.6.

(bb) Attachment 28: Program Schedule. Review and respond to Rating Factor V.A.2.d.

(cc) Attachment 29: Housing Choice Voucher application. Housing Choice Voucher (HCV) assistance is available from the tenant protection voucher fund to successful applicants that receive the Revitalization grant awards. The dollar amount of HCV assistance is in addition to the \$30.5 million maximum award amount and will be based upon resident relocation needs. Applicants must prepare their HCV assistance applications for the targeted project in accordance with the requirements of Notice PIH 2007-10 (and any reinstatement of or successor to that Notice) and submit it in its entirety (not just form HUD- 52515) with this Choice Neighborhoods Application. HUD will process the HCV assistance applications for funded Choice Neighborhoods applicants. If you are not funded by this NOFA, the HCV application will not be processed. The notice can be found on the Internet at <http://www.hud.gov/offices/adm/hudclips/notices/pih/07-10PIH.doc>.

**C. Submission Information.** For this NOFA, HUD is not using the Grants.gov system. Applications must be submitted in hard copy directly to HUD Headquarters.

**1. Receipt Due Date and Time.** The deadline for HUD's receipt of applications is 5:15p.m. eastern time **June 1, 2011**.

**2. Delivery Information.**

a. The mailing address is: Ms. Caroline Clayton, Office of Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410-5000. Please make sure that you note the room number. The correct room number is important to ensure that your application is not misdirected. It is strongly recommended that you send your application by an overnight carrier at least two days before the application due date. You should use DHL, Falcon Carrier, FedEx, United Parcel Service (UPS) or the U.S. Postal Service, as they are the only carriers accepted into the HUD building without an escort. Due to security procedures HUD **will not** accept hand-carried applications.

b. Your application must arrive at HUD by 5:15 p.m. on the due date. If you mail or give your application to an overnight carrier on the due date and it does not arrive by 5:15 p.m. on the due date, your application will not be considered. Submit your application early to avoid missing the deadline and being disqualified by unanticipated delays or other related problems.

c. Send the original and two printed copies plus an electronic copy indexed on a CD. HUD will not accept for review and evaluation any applications sent by facsimile (fax). Also, do not submit resumes or videos.

**D. Intergovernmental Review/State Points of Contact (SPOC).** Section IV.D of the Round 1 NOFA is hereby incorporated.

**E. Funding Restrictions.** Section IV.E of the Round 1 NOFA is hereby incorporated.

**F. Other Submission Requirements.**

1. Section IV.F of the Round 1 NOFA is hereby incorporated.

## V. Application Review Information

### A. Criteria.

An application, 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.

<b>Choice Neighborhoods Implementation Round 2 Scoring</b>			
<b>Category</b>	<b>Rating Factor</b>	<b>Points</b>	<b>Totals</b>
<b>Vision</b>			
Housing	Access to Opportunity	4	
	Replacement Housing	2	
	Mixed-income development	6	
	Long-term affordability	2	
	Accessibility, adaptability, visitability	1	
	Green Building	3	
	Land Use Approvals	3	
	Leverage	10	
			31
<b>People</b>	Resident Needs Assessment and Results	3	
	Supportive Services Strategy	7	
	Education - early learning	3	
	Education - schools	3	
	Education - education programs	1	
	Relocation and Reoccupancy	3	
	Section 3 - Plan	1	
	Section 3 - Compliance	1	
	Leverage	5	
			27

Neighborhood	Goals and Outcomes	5	
	Alignment with Existing Efforts	2	
	Access to Amenities	4	
	Anchor Institution Engagement	3	
	Design	5	
	Transit-Served Location	5	
	LEED-ND	2	
	Leverage - CDBG	2	
	Leverage - Anticipatory	2	
	Leverage - Neighborhood	4	
			34
<b>Soundness of Approach</b>	Organizational Framework for Implementation	3	
	Resident and Community Involvement	3	
	Project Readiness	3	
	Program Schedule	1	
	Collection and Use of Data	4	
	Affirmatively Furthering Fair Housing	2	
	Impact of the Transformation Plan	12	
			28
		<b>ROUND 2</b>	
		<b>TOTAL</b>	<b>120</b>

## 1. RATING FACTOR – VISION

**a. HOUSING – 31 POINTS TOTAL.** The purpose of this rating factor is to provide detail about the Housing component of your Transformation Plan. You may receive up to 31 points if you demonstrate a well-defined, high quality, and sound plan to achieve the housing goals defined in the Round 1 NOFA. In its evaluation of how **well-defined** your housing plan is, HUD will consider the extent to which you thoroughly describe the key activities, staff, partnerships, and leverage required to achieve the goals of your plan. In its evaluation of the **quality** of your housing plan, HUD will consider the extent to which you demonstrate that your plan will improve key measurable outcomes. You must also identify the metrics you will use to measure and track these outcomes. In its evaluation of the **soundness** of your housing plan, HUD will consider the extent to which you demonstrate that your plan addresses the needs identified through your housing needs assessment, builds on relevant neighborhood assets and local efforts, and is informed by market need and sustainable design principles for revitalization.

**(1) Overall Vision.** Provide a detailed description of your vision for the Housing component of your Transformation Plan, both in the neighborhood (on- and/or off-site) and, if applicable to your Plan, outside the neighborhood (see one-for-one replacement requirements in section III.C.3 of the Round 1 NOFA for guidance). Your description should include or update information from your Round 1 application about the housing you plan to demolish, develop, rehabilitate, and/or acquire including the number of units, income mix, and type (such as public housing,

LIHTC, Project-based Section 8, market rate, homeownership etc.). Describe: (a) replacement units being funded with Choice Neighborhoods, (b) non-replacement units funded with Choice Neighborhoods, and (c) other units not funded with Choice Neighborhoods.

**(2) Access to Opportunity – 4 points.** For projects that propose to locate replacement housing outside the target neighborhood, the locations should provide access to opportunity, low poverty and low minority concentration. You must identify and discuss how the housing will offer residents access to economic opportunities and public transportation and be accessible (i.e. within one mile) to high-quality social, recreational, educational (including high-quality schools and early learning programs when family housing is proposed), commercial (including fresh food grocery retailers), and health facilities and services, and other high-quality municipal services and facilities. You must demonstrate using data from the U.S. Census that the housing will be in areas with low poverty and low minority concentration.

(a) You will receive 4 points if you plan to provide all replacement housing within the target neighborhood or demonstrate that replacement housing will

- i. provide residents with access to opportunities as described above and
- ii. be located in an area where the poverty rate is less than 15 percent and

(a) the neighborhood's total percentage of racial and ethnic minority persons is less than the total percentage of all minorities for the MSA as a whole, and

(b) the neighborhood's percentage of a particular racial or ethnic minority group with a history of de jure segregation in the MSA is less than the percentage of that particular racial or ethnic minority group in the MSA;

(b) You will receive 2 points if you demonstrate that the replacement housing will

- i. provide residents with access to opportunities as described above and
- ii. be located in an area where the poverty rate is less than 20 percent and
- iii. the neighborhood's total percentage of minority persons is less than 20 percentage points higher than the total percentage of all minorities for the MSA as a whole.

(c) Zero points will be awarded if your application does not address this factor to an extent that makes HUD's rating of this factor possible and/or replacement housing outside the target neighborhood is in areas that have a poverty rate between 20 percent and 40 percent. (Replacement housing outside the neighborhood in areas that have a poverty rate above 40 percent is not permitted in accordance with the Program Requirement identified in section III.C.3.b of the Round 1 NOFA.)

**(3) Replacement Housing – 2 points.** This rating factor only applies to applications that target public and/or assisted housing that was already demolished as of the Round 1 application due date (December 9, 2010). Applicants that are subject to the one-for-one replacement requirement will automatically receive 2 points.

(a) You will receive 2 points if you are proposing to replace 80 percent or more of the public housing and/or assisted units demolished or disposed with a replacement unit.

(b) You will receive 1 point if you are proposing to replace between 60 and 80 percent of the public housing and/or assisted units demolished or disposed with a hard unit.

(c) You will receive 0 points if you are proposing to replace less than 60 percent of the public housing and/or assisted units demolished or disposed with a replacement unit.

**(4) Mixed-Income Development – 6 points.** Given that the goal of Choice Neighborhoods is to go beyond the revitalized public and/or assisted properties to create communities of opportunity, this factor examines the extent to which you promote a mix of housing in the

targeted neighborhood. HUD’s expectation is that “choice neighborhoods” provide housing to households at a mix of incomes, including extremely and very low-income (i.e. 0-50% of AMI and/or rents determined in accordance with section 3 of the US Housing Act of 1937, as amended), low-income (i.e. 50-80% of AMI without rents determined in accordance with section 3 of the US Housing Act of 1937, as amended), and, as appropriate, middle income to market rate (i.e. above 80% AMI and/or no restrictions on rent and income). For purposes of this rating factor, HUD will compare the number of units serving households at 50% of AMI or higher (exclusive of public or assisted housing units) to the total number of units you are proposing to develop or rehabilitate as part of your Transformation Plan. This includes all units in the Transformation Plan, including those being developed without Choice Neighborhoods funds (i.e. other affordable, private, or market-rate units).

<b>Units serving households at 50% of AMI and above (exclusive of public or assisted housing units) as a percentage of total units acquired, developed or rehabilitated</b>	<b>Points</b>
More than 50 percent	6
Between 42 and 50 percent	5
Between 35 and 42 percent	4
Between 27 and 35 percent	3
Between 19 and 27 percent	2
Between 10 and 19 percent	1
Less than 10 percent	0

For example, an application proposes to develop a total of 200 units: 80 public housing/LIHTC units, 30 project-based section 8 units, 40 LITHC-only (no PBVs attached) units, and 50 market-rate units. In this case, 45 percent (90/200) of the units will serve households at 50% of AMI and above and are not public or assisted housing. Thus, this application earns 5 points.

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

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

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

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

**(6) Accessibility, Adaptability and Visitability – 1 point.**

(a) Over and above the accessibility and adaptability requirements listed in section III.C.3 of the Round 1 NOFA, you will receive 1 point if you certify to the following and describe how you will:

- i. If homeownership units are planned, provide accessibility in homeownership units by setting a goal of constructing a percentage of the homeownership units as accessible units for persons with mobility impairments;
- ii. Provide and/or pay for accessibility modifications, where necessary, to HCV-assisted units of residents who relocate from the targeted project to private housing due to revitalization activities;
- iii. Where playgrounds are planned, to make them accessible to children with disabilities, over and above statutory and regulatory requirements;
- iv. Comply with the adaptability standards adopted by HUD at 24 CFR 8.3 that apply to those units not otherwise covered by the accessibility requirements (e.g. homeownership units, market rate units, etc.); and
- v. Provide a percentage of newly constructed units that have the visitability features recommended by HUD that apply to units not otherwise covered by the accessibility requirements. The visitability features are: (a) at least one entrance at grade (no steps) approached by a sidewalk and (b) an entrance door and all interior passage doors on the entrance level are at least 2 feet, 10 inches wide, allowing 32 inches of clear passage space.

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

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

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

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

(a) You will receive 3 points if the certification includes the first phase of development and all phases that include replacement housing. This certification must cover the first phase of development regardless of the proposed use of the land (i.e., housing, commercial, etc.) and all phases that include replacement housing or how they will be financed (i.e., whether with Choice Neighborhoods grant funds or leveraged funds).

(b) You will receive 1 point if the certification only includes the first housing phase that has not yet started construction.

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

**(9) Housing Development Leveraging – 10 points.** An essential element of the Choice Neighborhoods program is that the Choice Neighborhoods grant dollars leverage other resources. In order to count as development leveraging for purposes of this NOFA, resource commitments must be firmly committed for the future or in the process of being used as of the application deadline. For this rating factor, the resource commitments must be for housing development included in the Transformation Plan. Resource commitments being used for activities completed in the past will not be counted as Housing Development Leveraging. **Applicants must follow the Program Requirements for Match and Leverage section of Section III.C.3.e when preparing their leverage documentation.** If leverage sources and amounts are not documented in accordance with these requirements, they will not be counted toward your leverage amounts. For each commitment document, HUD will evaluate the strength of commitment and add the amounts that are acceptably documented. HUD will calculate the ratio of 70 percent of the Choice Neighborhoods grant amount requested to the dollar value of documented, committed Housing resources leveraged from other sources. HUD will round figures to two decimal points, using standard rounding rules.

<b>Leverage Ratio</b> (70% of Choice Neighborhoods grant to other Housing resources)	<b>Points Awarded</b>
1:3.0 or higher	10
1:2.70 and 1:2.99	9
1:2.40 and 1:2.69	8
1:2.10 and 1:2.39	7
1:1.80 and 1:2.09	6
1:1.50 and 1:1.79	5
1:1.20 and 1:1.49	4
1:0.90 and 1:1.19	3
1:0.60 and 1:0.89	2
1:0.30 and 1:0.59	1
Less than 1:0.30	0

**b. PEOPLE – 27 POINTS TOTAL.** The purpose of this rating factor is to provide detail about the People component of your Transformation Plan, which aims to improve outcomes

related to education, employment, health, safety, and relocation and reoccupancy of households – including children, transition age youth, adults, and seniors – living in the target development(s) before and after revitalization. You may receive up to a total of 27 points if you demonstrate a well-defined, sound and results-oriented plan to achieve the People goals of your Transformation Plan. In its evaluation of the **definition** of each component of your People plan, HUD will consider the extent to which you thoroughly describe the key activities, partnerships, staffing and resources required to achieve the goals of your plan. In its evaluation of the **soundness** of each component of your People plan, HUD will consider the extent to which you demonstrate that your plan addresses the resident needs identified through your comprehensive resident needs assessment; builds on relevant, existing neighborhood assets; and is informed by at least one evidence-based practice (as defined in the Round 1 NOFA) or an existing intervention that may not yet have been studied but has produced significant and comparable improvements in the outcomes your plan aims to achieve. In its evaluation of the **results orientation** of each component of your people plan, HUD will consider the extent to which you demonstrate that your People plan will improve key measurable outcomes. You must identify the specific outcomes your plan will improve and the metrics you will use to measure and track these outcomes. Your plan will be evaluated in terms of how successful your strategies will be – as indicated by the evidence base and responsiveness to your residents’ needs – at improving priority outcomes identified by HUD and by you. These three key evaluation criteria– definition, soundness and results orientation of your People plan – apply to all of the People rating subfactors below, as indicated.

**(1) Resident Needs Assessment and Results – 3 points.** The results of a comprehensive needs assessment of residents in the target neighborhood, including the affected public and/or assisted housing site(s), must guide your People strategy. Your comprehensive resident needs assessment should analyze both neighborhood-wide data and survey data collected specifically from the current or most recent residents of the public and/or assisted housing targeted in this grant. The needs assessment should serve as the baseline from which the expected outcomes and associated metrics for each component of your People strategy are developed. As part of HUD’s evaluation of your responses to the People rating factors that follow, you will be expected to demonstrate that findings from your comprehensive resident needs assessment serve as the foundation for your proposed activities and the metrics you will use to measure progress towards key outcomes.

(a) You may receive up to 3 points if you demonstrate that you have conducted a comprehensive resident needs assessment that describes and quantifies (provide numbers and percentages): (1) demographics of affected residents in the target neighborhood, including the residents currently or most recently living in the target public and/or assisted housing site(s), across all age groups (young children ages 0-5, school-aged children, transition age youth ages 16-24, working-age adults, and seniors), including those with unique circumstances such as the elderly, disabled, and hard-to-house, as relevant to the target development(s) and neighborhood; (2) key data in the areas of health, education, employment, safety, and relocation and reoccupancy of affected residents across all age groups, including those with unique circumstances, as relevant to the target development(s) and neighborhood, and (3) resident satisfaction with the quality and accessibility of existing services and resident preferences for improved and new services. You may identify research and data (e.g. from reports, public meetings, partner organizations) that apply in general to residents in the target neighborhood, but you must also include administrative and survey data gathered specifically from public and/or

assisted households targeted for this grant. The resident survey does not need to have been conducted in response to this NOFA; it may have been done for other purposes as long as the information was gathered within the past 24 months of the publication of this NOFA and satisfies the criteria required for this NOFA. In order to achieve full points, you must include the number and percentage of public and/or assisted households that completed the survey and you must describe and quantify (provide numbers and percentages) key findings from the resident survey and overall resident needs assessment. The resident survey and overall needs assessment must be representative of the resident population and comprehensive, providing a thorough analysis of the demographics, current conditions, service participation, needs, and preferences of affected residents across age groups, including those with unique circumstances. You should include, to the extent practicable, data that shows risks relevant to children and youth in the targeted development(s) and neighborhood.

(b) You will receive fewer points if you demonstrate that a resident needs assessment, including a survey of affected public and/or assisted housing residents, has been completed as of the application deadline date, but fail to demonstrate that the needs assessment: (1) is comprehensive; (2) describes key results for all age groups and types of affected residents; and/or (3) describes and quantifies these results. Points may be deducted for failure to address all of the above criteria in a sufficient manner and for lack of specificity.

(c) You will receive zero points if you do not demonstrate any of the above criteria, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

**(2) Supportive Services Strategy – 7 points.** Stable housing is an important platform for delivering supportive services that improve resident health, education, employment and safety. Your Supportive Services strategy should use housing as a platform to coordinate and improve access to high-quality services to improve the quality of life of residents of all ages affected by your Transformation Plan. In turn, your Supportive Services strategy should incorporate comprehensive relocation and reoccupancy supports to ensure that residents who relocate as a result of revitalization are able to maintain stable housing and access high-quality services in their new locations. When possible, your strategy should leverage and build on high-quality services that are already provided to the neighborhood.

(a) You may receive up to 7 points if you demonstrate a well-defined, sound and results-oriented Supportive Services strategy to achieve the outcomes identified in the charts below, as well as additional outcomes and associated metrics (if any) you have identified through your resident needs assessment as a priority for affected residents. To receive full points, you must address all of the following criteria:

i. Supportive Services and Programs. You should (1) identify the priority services and programs based on successful models that will serve as the foundation of your Supportive Services strategy and that will be coordinated to meet the priority resident needs identified in your needs assessment, paying particular attention to the public and/or assisted households of the target development; (2) explain the evidence base supporting the use of these strategies; (3) describe how you are leveraging and building on high-quality services and programs that are already in the neighborhood; (4) explain how these services and programs will be made available to affected residents either prior to or within 30 days of grant award; (5) explain how you will integrate services and programs targeted at children and youth with your Education strategy; (6) demonstrate an understanding of positive youth development and an approach to incorporating positive youth development into your

Supportive Services strategy; and (7) identify and describe the metrics you will use to assess progress towards your priority outcomes. Your plan will be evaluated in part in terms of how successful your strategies will be – as indicated by the evidence base and responsiveness to your residents’ needs – at improving the following priority outcomes, as well as any additional outcomes and associated metrics (if any) in the areas of health, education, employment, safety, and relocation and reoccupancy you have identified in your needs assessment as a priority for affected residents:

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

<b>Outcome</b>	<b>Metrics</b>
Children, youth and adults are physically and mentally healthy	<ul style="list-style-type: none"> <li>• Number and percentage who have a place where they regularly go (often referred to as a medical home), other than an emergency room, when they are sick or in need of advice about their health</li> <li>• Number and percentage reporting good physical health</li> <li>• Number and percentage reporting low psychological distress</li> <li>• Number and percentage reporting healthy weight</li> </ul>
Children enter Kindergarten ready to learn	<ul style="list-style-type: none"> <li>• Number and percentage of children in kindergarten who are assessed as developmentally ready at the beginning of the school year</li> </ul>
Children are proficient in core academic subjects	<ul style="list-style-type: none"> <li>• Number and percentage of students at or above grade level according to state mathematics and English language arts assessments in 3<sup>rd</sup> through 8<sup>th</sup> grade</li> </ul>
Youth graduate from high school college- and career-ready	<ul style="list-style-type: none"> <li>• Number and percentage of youth who graduate from high school</li> </ul>
Households are economically stable and self-sufficient	<ul style="list-style-type: none"> <li>• Number and percentage of working-age adults meeting proficient literacy standards</li> <li>• Number and percentage of working-age adults working at least 30 hours per week</li> <li>• Average earned income of HUD-assisted households (excluding those who cannot work due to being elderly or disabled)</li> </ul>
Residents feel safe in their neighborhood	<ul style="list-style-type: none"> <li>• Part I violent crime rates (per 1,000 residents)</li> <li>• Number and percentage reporting feeling safe in their neighborhood</li> </ul>

ii. Service Coordination and Case Management. Service coordination (as defined in this notice) should be available to all original residents of the target public and/or assisted housing site(s) as well as to all residents who occupy the revitalized public and/or assisted housing units. You should (1) describe how your service coordination strategy will improve access to existing high-quality services for HUD- assisted as well as other low-

income residents in the neighborhood; (2) explain how service coordination will begin either prior to or within 30 days of grant award; (3) describe, per the results of your needs assessment, how your overall Supportive Services framework will support hard to house residents, as well as households with children ages 0-5, school-aged children, transition age youth, and elderly or disabled members. Case management (as defined in this notice) should be provided to individuals and families that are hard to house or high need throughout the grant period. These households will require sustained and intensive supportive services to successfully relocate to the revitalized housing or maintain stability in other housing of their choice, as well as to improve self-sufficiency; (4) explain how you are leveraging and building on high-quality service coordination and case management services that are already in the neighborhood. You will be evaluated in part in terms of how successful your strategies will be – as indicated by the evidence base and responsiveness to your residents’ needs – at effectively connecting residents to high-quality, results-oriented supportive services, as relevant to your needs assessment, and ensuring these services are delivered on a regular, ongoing, and satisfactory basis throughout the grant period.

(b) You will receive fewer points if you do not address all of the criteria above as well as all of the criteria for a well-defined, sound and results-oriented plan described at the beginning of the People rating factor and/or if you do not address these criteria in sufficient detail.

(c) You will receive zero points if you do not demonstrate any of the criteria, or if your application does not address this factor to an extent that makes HUD’s rating of this factor possible.

**(3) Education Strategy.** Your Education strategy should ensure that neighborhood residents between the ages of 0-18 will have access to high-quality early learning programs, schools, and education programs that will improve key measurable outcomes for HUD-assisted and other school-aged children and youth in the neighborhood. HUD encourages participation in these education opportunities by all children in the neighborhood, though the Choice Neighborhoods grant funds must be used for the primary benefit of the public and/or assisted housing residents.

(a) You may receive up to 7 points if you demonstrate a well-defined, sound and results-oriented Education strategy to achieve the priority outcomes, which addresses all of the criteria in each of the following rating factors:

i. **Early Learning – 3 points.** You should (1) describe the specific activities that will be undertaken during the grant period and sustained after implementation of your Transformation Plan to ensure that HUD-assisted and other neighborhood children ages zero to five have access to high-quality early learning programs and services that are evidence-based and that lead to significant improvements in child health, social-emotional and educational outcomes; (2) describe how you and/or your partner(s) will continue to provide access to these consistently high-quality early learning programs and services to children of the community beyond the period of the grant; and (3) identify and describe the metrics you will use to assess progress towards your priority outcomes. You will be evaluated in part in terms of how successful your early learning strategy will be – as indicated by the evidence base and responsiveness to your residents’ needs – at improving the priority outcome that children enter Kindergarten ready to learn (see outcomes and metrics table above), as well as additional outcomes and associated metrics (if any) in the area of early learning you have identified in your needs assessment as a priority for affected residents. You are encouraged to consider accreditation by the National Association of

Education of Young Children (NAEYC) as an indicator of program quality. The targeted early learning program(s) may, but are not required to be, housed within or run by a local school. The identified early learning program(s) must include a parental involvement component; parental supports either on-site, through partners, or in the homes of participating families; and other learning supports, such as connections to health and nutrition programs, to address relevant needs identified in your resident needs assessment. The early learning program(s) must also include intensive community outreach and enrollment. You must commit to a goal of enrolling, tracking and supporting the attendance of the affected public and/or assisted housing families with children ages zero to five in high-quality early learning programs located either in the receiving neighborhoods and/or in the original neighborhood during the grant period. Arrangements must be made for appropriate transportation to ensure HUD-assisted families can access the program(s). You must commit to a post-revitalization goal of enrolling at least 65 percent of the families with children ages zero to five that will occupy the revitalized site in high-quality early learning programs. HUD encourages enrollment of all children across income levels in the revitalized community, though the Choice Neighborhoods grant funds must be used for the primary benefit of the public and assisted housing residents.

ii. **School – 3 points.** You should (1) describe specific activities that will be undertaken to ensure that young neighborhood residents have access to high-quality schools after the implementation of your Transformation Plan, by either providing them access to existing high-quality schools or making school improvements, which may include (A) significant improvements to the programs, policies and personnel of an elementary, middle/junior high and/or high school to improve academic outcomes; or (B) establishing a new high-quality school serving your target population; (2) explain the student outreach plan, enrollment policies, and parent involvement strategies for the school(s); (3) describe how you and/or your partner(s) will continue to provide access to consistently high-quality schools to children and youth of the community beyond the period of the grant; and (4) identify and describe the metrics you will use to assess progress towards your priority outcomes. You will be evaluated in part in terms of how successful your school strategy will be – as indicated by the evidence base and responsiveness to your residents’ needs – at improving the priority outcomes that children are achieving academically and children are graduating from high school college- and career-ready (see outcomes and metrics table above), as well as additional outcomes and associated metrics in the area of education you have identified in your needs assessment as a priority for affected residents. You are encouraged to consider one of the four rigorous interventions identified by the Department of Education’s Title 1 School Improvement grant program as an indicator of the quality of a school improvement strategy. You must commit to a goal of enrolling, tracking and supporting the attendance of the public and/or assisted households with school-aged children in high-quality and/or improving schools located either in the receiving neighborhoods and/or in the original neighborhood during the grant period. Arrangements must be made for appropriate transportation to ensure HUD-assisted families can access the school(s). You must commit to a post-revitalization goal of enrolling at least 65 percent of the families with school-aged children that will occupy the revitalized site in high-quality schools and schools that are undergoing significant improvements. HUD encourages enrollment of all children across income levels in the revitalized community, though the Choice

Neighborhoods grant funds must be used for the primary benefit of the public and assisted housing residents.

iii. **Education Programs – 1 point.** Describe specific activities that will be undertaken and coordinated to provide HUD-assisted and other children in the target neighborhood access to high-quality education programs based on successful models, which may include: (A) programs that increase learning time, which may include high-quality after-school, summer school, and expanded-learning-time programs designed to improve student outcomes; and (B) evidence-based programs that prepare students for college and career success. These programs may be connected to schools or provided outside of schools and should include elements of positive youth development.

(b) You will receive fewer points if you do not address all of the criteria above for each component of your Education strategy, as well as all of the criteria for a well-defined, sound and results-oriented plan described at the beginning of the People rating factor and/or if you do not address these criteria in sufficient detail.

(c) You will receive zero points if you do not demonstrate any of the above criteria, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

**(4) Relocation and Reoccupancy – 3 points.** See section III.C of this NOFA for relocation requirements. Your Relocation and Reoccupancy strategy must ensure that all residents benefit from revitalization, whether they choose to return to the revitalized neighborhood or permanently relocate. Moreover, this component advances HUD's Strategic Plan goal to increase the proportion of HUD-assisted families in low-poverty and racially diverse communities.

(a) You may receive up to 3 points if you demonstrate that you have a well-defined, high-quality and sound Relocation and Reoccupancy strategy, which addresses the following criteria:

i. You should (1) provide an overall description of your Relocation and Reoccupancy strategy based on resident relocation and reoccupancy preferences (provide numbers and percentages) identified through your needs assessment, including the specific activities that have or will be undertaken to inform residents of the target public and/or assisted housing of their right to return, and the specific counseling and supports that have been or will be provided prior to and up to 3 years after initial relocation to ensure that all residents can maintain lease compliance and eligibility for units in the new development(s), including effectively handling landlord disputes, in order to make a successful transition back to the revitalized neighborhood; (2) explain how you will integrate comprehensive relocation and reoccupancy counseling and supports with your Supportive Services strategy, so that residents of the target public and/or assisted housing receive the array of services they need to return to the revitalized housing or maintain stability in other housing of their choice; (3) describe how you are leveraging and building on high-quality service relocation and reoccupancy services that are already in the neighborhood; and (4) identify and describe the metrics you will use to assess progress towards your priority outcomes. You will be evaluated in part in terms of how successful your Relocation and Reoccupancy strategy will be – as indicated by the evidence base and responsiveness to your residents' needs – at improving the following priority outcomes and metrics, as well as additional outcomes and associated metrics (if any) in the area of relocation and reoccupancy you have identified in your needs assessment as a priority for affected residents:

#### **Relocation and Reoccupancy Outcomes and Metrics**

Outcome	Metrics
Residents have choices about where to live	<ul style="list-style-type: none"> <li>• Number and percentage who want to return to site and actually do return by household type (e.g., elderly, families with children)</li> <li>• Number and percentage living in a lower-poverty and higher-opportunity neighborhood than pre-transformation by household type</li> </ul>
Vulnerable populations are supported during relocation	<ul style="list-style-type: none"> <li>• Number and percentage of children and youth enrolled in a new school due to relocation</li> <li>• Number and percentage of school moves during the school year due to relocation</li> <li>• Quality of new schools</li> </ul>
Residents are stably housed during relocation	<ul style="list-style-type: none"> <li>• Number of moves between first move and site completion date by household type</li> <li>• Number and percentage of involuntary termination (evictions) during relocation/redevelopment period by household type</li> </ul>

ii. Describe specific activities that have minimized, or will minimize, disruption to and negative impacts on the education of school-aged children and negative impacts on the well-being of elderly, disabled or other vulnerable populations;

iii. Describe your strategy for a regional mobility counseling program for any tenant-based voucher assistance provided in connection with the Choice Neighborhoods grant. The regional mobility counseling program must have a regional focus (i.e., it must provide counseling to voucher holders seeking to live outside of neighborhoods of minority concentration and/or poverty concentration anywhere within the MSA of the revitalizing neighborhood; it must identify housing opportunities in neighborhoods that are not minority-concentrated or poverty-concentrated and that have high-quality schools and early learning programs; and provide transportation assistance for voucher holders to visit identified housing opportunities); and

iv. Explain your system for effectively tracking 100 percent of the original residents of the target public and/or assisted housing for at least five years after their initial move. Identify and describe specific, measurable relocation and mobility outcomes that will be tracked and analyzed. You must collect data for the metrics included in the table above. You may also choose to collect additional metrics for relocation and reoccupancy outcomes, as relevant to the findings of your needs assessment.

(b) You will earn fewer points for failure to address all of the criteria above, as well as all of the criteria for a well-defined, sound and results-oriented plan described at the beginning of the People rating factor, for failure to address these criteria in a sufficient manner, and for lack of specificity.

(c) You will receive zero points if you do not demonstrate any of the above criteria, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

**(5) Economic Opportunities for Low- and Very Low-Income Persons (Section 3).**

Choice Neighborhoods grantees must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and its implementing regulations at 24 CFR part 135. Specifically, Choice Neighborhoods grantees are required to ensure, to the greatest extent feasible, that training, employment, and other economic opportunities (including contracting) will be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business entities that provide economic opportunities to low- and very low-income persons in the area in which the project is located. Information about Section 3 can be found at HUD's Section 3 website at <http://www.hud.gov/section3>.

(a) **Section 3 Plan – 1 point.** You will receive 1 point if your application demonstrates that you have a feasible plan for directing training, employment and contracting opportunities generated by the expenditure of covered financial assistance (your grant award) to Section 3 residents and Section 3 business entities. To earn the point, your application must demonstrate that your Section 3 Plan addresses a majority of the items listed below in paragraphs (i)-(vii). You will receive zero points if your application does not adequately demonstrate that your Section 3 Plan addresses four or more of the items listed below in paragraphs (i)-(vii), or if your application does not address this factor to an extent that makes HUD's rating of this factor possible.

- i. Types and amounts of employment, training, and contracting opportunities to be generated as a result of proposed project activities;
- ii. Specific actions that will be taken to ensure that low- and very low-income persons and the business entities that substantially employ these persons will be given priority consideration for employment, training, and contracting opportunities in accordance with 24 CFR Part 135.34 and Part 135.36;
- iii. Criteria to be used for certifying the eligibility of Section 3 residents and business entities;
- iv. Process to be used for notifying Section 3 residents and business entities about the availability of training, employment, and contracting opportunities;
- v. Methodology to be used for monitoring developers/contractors and subcontractors that are awarded covered contracts to ensure their compliance with the requirements of Section 3;
- vi. Strategies for meeting the Section 3 minimum numerical goals for employment and contracting opportunities found at 24 CFR Part 135.30; and
- vii. Contact information and qualifications for staff persons that will be responsible for the day-to-day implementation of Section 3.

(b) **Section 3 Compliance – 1 point.** You will receive 1 point if your application demonstrates either the Lead Applicant's or the Co-Applicant's (if any) compliance with the requirements of Section 3 during the most recent fiscal or calendar year. You will receive zero points if your application does not demonstrate compliance with the requirements of Section 3 during the most recent fiscal or calendar year, or if your application does not address this factor to an extent that makes HUD's rating of this factor possible. Evidence that demonstrates the applicant's current compliance with the requirements of Section 3 may only include a copy of the applicant's most recent Section 3 Annual Summary Report (Form HUD 60002), to be provided in the attachments section. If neither you nor your Co-Applicant (if any) are subject to the requirements of Section 3, the Section 3 Plan rating factor (above) will be worth 2 points.

**(6) People Leverage – 5 points.** Leverage – both financial and in-kind – is an essential element of Choice Neighborhoods. Choice Neighborhoods grant dollars enable grantees to leverage other local, state and federal resources to catalyze comprehensive transformation of the neighborhood environment to benefit HUD-assisted and other neighborhood residents. HUD encourages applicants to create a comprehensive continuum of committed resources that support your People plan. To receive points under this rating factor, leveraged resource commitments must directly contribute to your People plan. See section III.C.3.e, Program Requirements, “Program Requirements that Apply to Match and Leverage” for eligible resources, ineligible resources, and leverage documentation requirements. These requirements **MUST** be followed in order to earn points under this rating factor. Both existing resources and new commitments will be counted, but new commitments must be at least half of the leveraged amount. HUD will calculate the ratio of the total allowable Choice Neighborhoods funds that can be requested for supportive services activities (15 percent of the total Choice Neighborhoods grant amount requested) to the dollar value of documented, committed People resources leveraged from other sources.

<b>Leverage Ratio</b> (15% of Choice Neighborhoods grant vs. non-Choice Neighborhoods funds)	<b>Points Awarded</b>
1:3.00 or higher	5
1:2.50 and 1:2.99	4
1:2.00 and 1:2.49	3
1:1.50 and 1:1.99	2
1:1.00 and 1:1.49	1
Less than 1:1.00	0

**c. NEIGHBORHOOD- 34 POINTS TOTAL.** The purpose of this rating factor is to provide greater detail about the Neighborhood component of your Transformation Plan, which aims to improve outcomes related to access to opportunity and amenities for neighborhood residents and ensure the impact and sustainability of your plan. You may receive up to **34** points if you demonstrate a well-defined, sound and results-oriented plan to achieve the Neighborhood goals. In its evaluation of the **definition** of your Neighborhood plan, HUD will consider the extent to which you thoroughly describe the key activities, partnerships, staffing and resources required to achieve the goals of your plan. In its evaluation of the **soundness** of your Neighborhood plan, HUD will consider the extent to which you demonstrate that your plan addresses the distress and deficiencies identified in the Round 1 Needs scoring criteria and builds on relevant, existing neighborhood assets. In its evaluation of the **results orientation** of your people plan, HUD will consider the extent to which you demonstrate that your plan will improve key measurable outcomes. You must identify the specific outcomes your plan will improve and the metrics you will use to measure and track these outcomes. These evaluation criteria apply to all of the Neighborhood rating subfactors below.

**(1) Goals and Outcomes - 5 points.** You will receive up to 5 points if you clearly identify the outcomes desired for the Neighborhood component of your Transformation Plan, the strategies chosen to achieve those outcomes, and the metrics you will be using to assess them. Short-term and long-term outcomes should be stated. Your description should also include an explanation of the evidence base supporting the use of these strategies. Fewer points will be awarded for failure to provide outcomes and metrics appropriate to your vision, and/or for

identifying outcomes that are not commensurate with the need identified. Zero points will be awarded if your narrative does not address this factor to an extent that makes HUD’s rating of this factor possible.

**(2) Alignment with Existing Efforts – 2 points.** Describe how the Neighborhood component of the Transformation Plan aligns with and builds on existing efforts to improve the neighborhood. Such efforts may be fully funded by private investments and initiated outside the context of the comprehensive neighborhood planning process that has taken place to establish the Transformation Plan, yet will address some of the challenges identified in the neighborhood. Any efforts described must currently be underway and not just in the planning stage. Fewer points will be awarded for failure to address the above criteria in a sufficient manner and/or for general lack of specificity. Zero points will be awarded if your narrative does not address this factor to an extent that makes HUD’s rating of this factor possible.

**(3) Access to Amenities – 4 points total.** For these rating factors you will be evaluated on the neighborhood’s existing and planned access to a variety of amenities, which can be grouped as described in the table below:

<b>Amenity Groupings</b>	
<p><b>Fresh Food Retail</b></p> <ul style="list-style-type: none"> <li>• Supermarket</li> <li>• Other food store with produce</li> </ul>	<p><b>Civic and Community Facilities</b></p> <ul style="list-style-type: none"> <li>• Adult or senior care (licensed)</li> <li>• Child care (licensed)</li> <li>• Community or recreation center</li> <li>• Cultural arts facility (museum, performing arts)</li> <li>• Educational facility (including K–12 school, university, adult education center, vocational school, community college)</li> <li>• Family entertainment venue (theater, sports)</li> <li>• Government office that serves public on-site</li> <li>• Medical clinic or office that treats patients</li> <li>• Police or fire station</li> <li>• Post office</li> <li>• Public library</li> <li>• Public park</li> <li>• Social services center</li> </ul>
<p><b>Community-Serving Retail</b></p> <ul style="list-style-type: none"> <li>• Clothing store or department store selling clothes</li> <li>• Convenience store</li> <li>• Farmer’s market</li> <li>• Hardware store</li> <li>• Pharmacy</li> <li>• Other retail</li> </ul>	
<p><b>Services</b></p> <ul style="list-style-type: none"> <li>• Bank</li> <li>• Gym, health club, exercise studio</li> <li>• Hair care</li> <li>• Laundry, dry cleaner</li> <li>• Restaurant, café, diner (excluding establishments with only a drive-through)</li> </ul>	

(a) You will receive 2 points if there are at least five existing amenities in at least three groupings within one mile of the geographic center of the target housing project with the most units.

(b) You will receive 1 point for existing and/or planned access to at least seven amenities in at least three groupings within one mile of the geographic center of the target housing project with the most units.

(c) You will receive 1 point for existing and/or planned access to a fresh food retail establishment within one mile of the geographic center of the target housing project with the most units.

(d) You will receive 0 points for any of the above rating factors for which your application does not demonstrate it has met the stated criteria.

**(4) Anchor Institution Engagement – 3 points.** Effectively facilitating neighborhood change beyond the footprint of distressed public or HUD-assisted housing requires engaging anchor institutions noted in your Round 1 neighborhood asset assessment in which you catalogued institutions that contribute to the Neighborhood Assets. You will receive up to 3 points if your application describes how your strategy engages anchor institutions for the targeted neighborhood and will result in a revitalized neighborhood that builds on the existing strengths of the anchor institutions as cited above. Anchor institutions will not be counted for rating purposes unless evidence is provided that they meet the definition provided in section I.C. In order to receive full points the anchor institution must be located in the target neighborhood. You may receive 1 point if it is not physically located in the target neighborhood, but you have adequately described its relationship to and demonstrated its impact on the neighborhood. You will receive zero points for failure to address the mandatory criteria of this rating factor, for lack of specificity, or if justification for designation as an anchor institution is weak.

**(5) Design – 5 points.** HUD is seeking excellence in design. Your proposed site plan, new units, and other buildings must be designed to blend into and enrich the surrounding neighborhood and promote mixed-income, mixed-use communities. High-quality residential and mixed-use architecture should be incorporated into the new neighborhood so that the revitalized sites and structures 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. Site plans, building sections and elevations, and pictures of the adjoining neighborhood should be submitted in the attachments to support your narrative.

(a) Your application should demonstrate the following elements:

- i. You have proposed a plan that incorporates design elements and amenities into the revitalized homes that will enable them to blend into and enrich the neighborhood and appeal to intended market segments;
- ii. A compact, pedestrian-friendly and mixed-use neighborhood through the use of an interconnected network of sidewalks, streets and open space;
- iii. For applicable projects, regional- or metropolitan-level strategies are employed to increase location efficiency and disaster resiliency.
- iv. Opportunities for recreation and appropriate settings for community gathering spaces;
- v. Defensible space and “eyes on the street” with building entrances fronting on the street and housing overlooking common areas, including clearly defined public and private spaces, helping the community watch over itself and providing a sense of safety; and
- vi. Landscape elements that are appropriate to each site’s soils and microclimate and provide shade trees for streets and parking.

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

**(6) Transit-Served Location – 5 points.** You will receive up to 5 points if your target neighborhood is currently well-served by public transit. To receive points, you must demonstrate that the location of at least 50 percent of the newly constructed or rehabilitated dwelling units in the target neighborhood is within a 1/4-mile of bus or streetcar stops and/or within a 1/2-mile of bus rapid transit stops, light or heavy rail stations, or ferry terminals, and that the transit service at those stops in aggregate meets the minimum daily service for both weekdays and weekends listed in the table below. Trips may be counted in both directions (i.e. the northbound leg and southbound leg of a route count as 2 trips). Weekend daily trips must include service on both Saturday and Sunday; if there is a different number of trips per day, the lesser number will be considered. Projects where existing transit service is temporarily rerouted outside the required distances for less than two years may meet the requirements if the local transit agency has committed, as evidenced by a letter or published document, to restoring the compliant routes with service at or above the prior level.

<b>Minimum daily transit service serving proposed housing</b>		
<b>Weekday trips</b>	<b>Weekend Trips</b>	<b>Points</b>
Less than 30	Less than 15	0
30	15	1
60	30	2
90	45	3
120	60	4
150+	75+	5

For example, a neighborhood has three bus lines that serve the neighborhood and among them there are a total of 175 trips each weekday, 75 trips on Saturday and 65 trips on Sunday. In this case, the number of daily weekday trips and Saturday trips meet the minimum to score 5 points and the number of Sunday trips meets the minimum number to score 4 points. Thus, the application would earn 4 points.

To demonstrate that at least 50 percent of the newly constructed or rehabilitated units are located near transit, your application must include a scaled map clearly showing the location of the housing and the transit stops. To document the frequency of the transit service, you must identify each bus route/transit line that qualifies and state the number of trips per day each route provides to your neighborhood. As backup documentation, include one photo of a stop from each bus route/transit line and the timetable. All of this information should be provided in your attachments.

**(7) HUD Policy Priority: Sustainability through LEED for Neighborhood Development (LEED-ND) – 2 points.** You will receive 2 points for developing a project that satisfies all the basic prerequisites and point requirements consistent with achieving at least the Certified level of the LEED-ND rating system, or similar neighborhood sustainability standard. Your intention to achieve this goal must be demonstrated by a letter of Conditional Approval (Stage 1 certification) of your LEED-ND Plan from the United States Green Building Council (USGBC) or an attestation from an appropriately licensed or accredited member of the development and design team that your project has been designed to comply with the goal of achieving at a minimum, LEED-ND Certification. Appropriate accreditations include a Civil Professional

Engineer (PE), Planner (AICP), or Architect (AIA) experienced in LEED-ND or similar neighborhood sustainability standards.

**(8) Leverage.** Leverage is a critical element of Choice Neighborhoods, enabling grantees to leverage other local, state and federal resources to catalyze comprehensive transformation of the neighborhood environment to benefit residents. Leveraged resource commitments for these rating factors must be for your Neighborhood purposes only. See section III.C.3.e, Program Requirements, “Program Requirements that Apply to Match and Leverage” for eligible resources and leverage documentation requirements. These requirements **MUST** be followed in order to earn points under these rating factors.

**(a) Community Development Block Grant Leverage – 2 points.** You will receive 2 points if the local jurisdiction in which the target neighborhood is located commits at least \$500,000 or 5 percent of its annual CDBG allocation, whichever is greater, to the activities in the Transformation Plan. You will receive 1 point if one or both of the following are committed by the local jurisdiction in which the target neighborhood is located: (1) a minimum of \$100,000 or 3 percent of the CDBG grantee’s annual allocation, whichever is greater, committed to activities in the Transformation Plan (projects in non-entitlement areas only must meet the \$100,000 commitment) or (2) Section 108 financing committed by the local jurisdiction to support an economic development project in the Transformation Plan. Provide the commitment letter from the local jurisdiction in your attachments.

**(b) Anticipatory Leverage – 2 points.** These resources are pre-existing physical redevelopment activities that have taken place in the neighborhood in the past or which are currently underway and that were conducted in **direct relation to** your proposed Transformation Plan. This relationship must be demonstrated in your application. These must be funds for projects that have been completed within the past 5 years or are currently underway and will be completed within the next 2 years. HUD will award points based on the ratio of the total amount of Choice Neighborhoods funds requested to the total documented, committed resources leveraged from other sources for Neighborhood purposes.

<b>Leverage Ratio (Choice Neighborhoods grant vs. Neighborhood Anticipatory funds)</b>	<b>Points Awarded</b>
1:0.50 or higher	2
1:0.25 and 1:0.49	1
Less than 1:0.25	0

**(c) Neighborhood Leverage – 4 points.** This rating factor includes all funding sources of leverage with documented commitment to the neighborhood transformation activities included in the Transformation Plan relative to the Choice Neighborhoods funding award requested. These must be funds for projects that are new commitments leveraged by Choice Neighborhoods funding. HUD will award points based on the ratio of Choice Neighborhoods that can be requested for part b critical community improvements (15 percent of the total Choice Neighborhoods grant amount requested) to the dollar value of documented, committed resources leveraged from other sources.

<b>Leverage Ratio (15% of Choice Neighborhoods grant vs. non-Choice Neighborhoods funds)</b>	<b>Points Awarded</b>
1:0.70 or higher	4
1:0.55 and 1:0.69	3
1:0.40 and 1:0.54	2
1:0.25 and 1:0.39	1
less than 1:0.25	0

## **2. RATING FACTOR – SOUNDNESS OF APPROACH – 28 POINTS TOTAL**

**a. Organizational Framework for Implementation – 3 points.** This description should address how you, the Lead Applicant, plans to coordinate the implementation process across any Co-Applicants and Principal Team Members. HUD will evaluate the legal contracts provided, such as a developer services and asset management agreement, joint venture agreement, or performance contract submitted as a threshold for this application (see Thresholds 4 and 5 of this NOFA). You may also provide a supplemental narrative description.

(1) You will receive up to 2 points if the contracts provide for clear assignment of specific roles and responsibilities for the proposed activities in your Transformation Plan and include information about the process for decision-making and settling disputes.

(2) Fewer points will be awarded if the accountability structure and roles and responsibilities are not clearly defined for each member within the contracts themselves. Fewer points will also be awarded for failure to address all of the above criteria in a sufficient manner, and general lack of specificity.

(3) Zero points will be awarded if your response does not address this factor to an extent that makes HUD's rating of this factor possible.

**b. Resident and Community Engagement– 3 points.** For this rating factor, you will be evaluated based on the extent to which you demonstrate that you have involved and will continue to involve neighborhood residents (including residents of the targeted public and/or assisted housing), local businesses, and community organizations in a sustained, informed and substantive way in the development and implementation of the Transformation Plan. Your application should demonstrate the impact of their involvement in shaping the vision for the neighborhood.

(1) Points will be awarded to the extent that your application:

(a) Describes how residents of all ages as well as community-based organizations and local businesses are, and will continue to be, well informed and substantively engaged in the neighborhood transformation planning and implementation process. Explains key roles these interested parties have played in shaping the development of the Transformation Plan, and how you will ensure that local stakeholders' concerns remain at the forefront of decision-making moving forward;

(b) Includes a summary of representative resident and community recommendations and concerns from meetings and other forms of communication and an explanation of how this resident and community input has been addressed through the components of your proposed Transformation Plan;

(c) Describes the capacity building, training, and other supports that have been and/or will be provided to residents and the community in order to increase informed, substantive, and

sustained participation in the development and implementation of the Transformation Plan and ensure long-term accountability to the proposed vision; and

(d) Describes your system for tracking and monitoring local stakeholder satisfaction and how this has aided and will aid you in assessing and adapting your ongoing Resident and Community Engagement strategy.

(2) You will receive up to 3 points if you demonstrate that you have a feasible, well- defined, and high-quality Resident and Community Engagement strategy, which addresses all of the above criteria.

(3) You will receive fewer points for failure to address all of the above criteria, failure to address the criteria in a sufficient manner, and for lack of specificity.

(4) You will receive zero points for failure to demonstrate that your Resident and Community Engagement strategy addresses any of the above criteria or your application does not address this factor to an extent that makes HUD's rating of this factor possible.

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

(1) You will receive 3 points if the funding for the first housing phase of development is firmly committed. You should provide a detailed budget identifying sources and uses which indicates that all the construction and permanent period sources necessary to cover the cost of the phase (including any required infrastructure costs) have been committed (other than Choice Neighborhoods funding, if applicable).

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

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

**d. Program Schedule – 1 point.** Grantees must proceed in a timely manner, as indicated by the timeframes below. Grantees should also refer to section IV.E, Funding Restrictions, for the required expenditure date for FY 2010 Choice Neighborhoods grant funds, which is **September 30, 2016**. The timeframes below apply to applicant's ENTIRE Transformation Plan, including ALL phases, unit types, and activities whether or not they are funded by Choice Neighborhoods grant dollars.

- The closing of the first housing phase of development must take place within 15 months of the date the grant agreement is executed. For this purpose, "closing" means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to commence.
- Grantees must start housing rehabilitation/construction within 18 months of the date the grant agreement is executed.
- Grantees must complete housing rehabilitation/construction within 54 months of the date the grant agreement is executed.
- If awarded grant funds, all other required components of the Transformation Plan and any other submissions not identified above must be submitted in accordance with requirements HUD identifies.

(1) You will receive 1 point if the program schedule provided in your application incorporates the timelines/milestones.

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

**e. Collection and Use of Data to Achieve Core Goals of the Transformation Plan - 4 points.** To ensure the maximum impact in transforming the neighborhood with Choice Neighborhoods funds, your application must demonstrate a clear connection between the needs identified in your neighborhood, desired improvements, expected measurable outcomes, the strategy proposed to achieve those outcomes through the Transformation Plan and the metrics you will be using to assess those outcomes. You have been asked to demonstrate this results-focused connection in the Vision section of this application. For this rating factor, HUD will evaluate your plan to collect, use, and share quantitative and qualitative data to affect sustainable improvements in the core goals of your Transformation Plan.

(1) You will earn 4 points if you describe a comprehensive plan for collecting, analyzing, and sharing data to evaluate and improve your Transformation Plan strategies and programs. You must describe the processes that will be established in order to integrate data analysis into the development and updating of your Transformation Plan. Explain and provide specific examples of how you will collect data relevant to the Housing, People and Neighborhood components of your Transformation Plan, maximizing collaboration with partners and minimizing redundant surveying of participants; how this data will be shared across agencies/actors in the Transformation Plan; and how data will be discussed within your organization and with partners to continuously improve ongoing operations by identifying measurable progress, needed improvements or new program components or partners, and necessary adjustments in actions, outcomes, or milestones.

(2) Fewer points will be awarded for lacking a well-defined and comprehensive plan for collecting, analyzing and sharing data; for failure to address the above criteria in a sufficient manner; and general lack of specificity.

(3) Zero points will be awarded if you do not include measurable indicators or a clear plan for collecting and tracking the data for measurement. No points will be awarded if your narrative does not address this factor to an extent that makes HUD rating of this factor possible.

**f. Affirmatively Furthering Fair Housing – 2 points.** Pursuant to section 808(e)(5) of the Fair Housing Act, HUD requires applicants to affirmatively further fair housing. Your application must discuss how you are going to carry out your proposed activities in a manner that affirmatively furthers fair housing. You will receive up to 2 points based on the substance and specificity of your proposal to do this, including by at least two of the following means:

- (1) Increasing economic and racial and ethnic diversity within the neighborhood;
- (2) Providing existing residents with the choice to pursue housing choices in areas of greater racial, ethnic and income or diversity;
- (3) Ensuring that replacement housing is sited in a manner to enhance racial and ethnic diversity;
- (4) Ensuring that buildings and housing units are accessible and visitable by persons with disabilities.

**g. Impact of the Transformation Plan - 12 points.** To ensure the maximum impact in transforming the neighborhood with Choice Neighborhoods funds, your plan must demonstrate a clear connection between the needs identified in your neighborhood, desired improvements, and the strategy proposed to achieve those outcomes. As described throughout the rating factors,

your application should provide adequate reasoning and justification for the proposed transformational activities to affect sustainable improvements in the core goals and how progress will be measured. A strong explanation will also include an evidence base for the strategy being used, such as a proven industry practice. It should also demonstrate that the plan is financially feasible, as reflected in the budgets and operating pro forma. Successful Transformation Plans will spur outside investment into the surrounding community, enhance economic and education opportunities for residents, remove impediments to continued redevelopment, and sustain the revitalization effort for the long-term. The application itself must be well organized, well written and internally consistent. For this rating factor, HUD will evaluate your overall Transformation Plan and rate it based on the extent to which the approach described in the Vision section of your application achieves the core goals of the program and addresses the key needs of the targeted neighborhood; the degree of impact your Plan will have on the neighborhood; and the likelihood of success (including sustainability and financial feasibility).

(1) You will receive full points if your application demonstrates that you have devised a Transformation Plan that will accomplish the core goals of the program, have significant impact on the neighborhood, and is likely to succeed.

(2) Fewer points will be awarded if your application demonstrates that your Transformation Plan will accomplish some of the core goals of the program, have a less significant impact on the neighborhood, and/or is less likely to succeed.

**3. SITE VISITS.** As a part of HUD's application review process for Round 2, site visits may be conducted so that HUD may gain a better understanding of the Transformation Plan. Information gained during these visits will be taken into consideration while assigning scores in response to the rating factors. HUD expects to meet with the Lead Applicant, Co-Applicant (if any), Principal Team Members and other key partners that HUD will identify to ensure that they are committed to and able to implement the Transformation Plan described in the Choice Neighborhoods grant application. These meetings are being conducted as part of a competition covered by the HUD Reform Act and thus will not be open to the public. HUD anticipates that all site visits will be conducted June 13 – July 1, 2011. HUD encourages you to ensure that all of the key members of the team are available during these dates and to avoid scheduling conflicts. Given the short time frame for conducting these visits, HUD will determine the schedule of site visits and notify you in advance. Please do not indicate to HUD your scheduling preferences.

**4. RATING FACTORS CARRIED FORWARD FROM ROUND 1.** The points assigned by HUD from the Round 1 application will be carried forward for the following rating factors. You should not submit additional information pertaining to these rating factors in Round 2 and scores will not be adjusted.

- a. Capacity. All rating factors in section V.A.1 of the Round 1 NOFA (maximum 51 points).
- b. Need. All rating factors in section V.A.2 of the Round 1 NOFA (maximum 25 points).
- c. Consistency with Other Planning Documents. Rating Factor V.A.3.e of the Round 1 NOFA (maximum 2 points).

<b>Rating Factors Carried Forward from Round 1</b>			
<b>Need</b>			
Unit distress	REAC physical inspection	3	
	infrastructure and site deficiencies	5	
	design deficiencies	4	
Neighborhood distress	poverty/ELI	5	
	vacancy	1	
	crime	3	
	schools	3	
Need for affordable housing in the community		1	
			<b>25</b>
<b>Capacity</b>			
Overall Project Leadership Capacity	manage contracts/partnerships	4	
	secured leverage	4	
	achieved outcomes	7	
Housing	housing experience	10	
	leverage	3	
People	supportive services experience and leverage	5	
	results oriented	2	
	educational outcomes	3	
Neighborhood	neighborhood transformation experience	7	
	leverage	3	
		3	
Community Involvement			
			<b>51</b>
<b>Consistency w/ Planning documents</b>	PHA/Consolidated Plan	1	
	regional sustainability plan	1	
			<b>2</b>
		<b>Total</b>	<b>78</b>

## **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.

### **1. Application Screening.**

a. HUD will screen each application to determine if:

- (1) It is deficient, i.e., contains any Technical Deficiencies; and
- (2) 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 5 business days of the date of receipt of the HUD notification.

d. **Applications that will not be rated or ranked.** HUD will not rate or rank applications that are deficient at the end of the cure period stated in V.B of the General Section or that have not met the thresholds described in III.C 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 is 198. This includes 78 points carried forward from the Round 1 NOFA rating factors and 120 points associated with the rating factors in this Round 2 NOFA.

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 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. **Grant Sizing.** HUD will only fund grant awards that are in accordance with the Grant Sizing criteria of II.A and IV.E.

5. **Reductions to Amount Requested.** If you are selected for funding, 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: (1) is not eligible for funding under specific HUD program statutory or regulatory requirements; (2) does not meet the requirements of this notice;

or (3) 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.

6. In accordance with the FY 2010 HOPE VI appropriation, HUD may not use HOPE VI funds, which includes Choice Neighborhoods, to grant competitive advantage in awards to settle litigation or pay judgments.

7. **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 with the highest score for the overall Capacity Rating Factor. If a tie remains, HUD will select for funding the application with the highest score for the Vision Rating Factor. HUD will select further tied applications with the highest score for the Soundness of Approach Rating Factor.

8. **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 FY 2010 Choice Neighborhoods Planning Grant applications that were not selected under the Round 1 NOFA.

a. If the total amount of funds requested by all applications found eligible for funding under V.B of this NOFA is less than the amount of funds available from this NOFA, all eligible applications will be funded 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.

9. **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).

**VI. Award Administration Information.** Section VI of the Round 1 NOFA is hereby incorporated.

## **VII. Agency Contacts.**

### **A. Technical Assistance.**

1. 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 call or send an e-mail message to the Office of Public Housing Investments, Attention: Ms. Caroline Clayton, at Caroline.C.Clayton@hud.gov or at (202) 402-5461 (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; telephone

numbers (202) 401-8812; fax (202) 401-2370 (these are not toll-free numbers). Persons with hearing or speech impairments may access these telephone numbers through a text telephone (TTY) by calling the toll-free Federal Information Relay Service at (800) 877-8339.

**2. Frequently Asked Questions and General Choice Neighborhoods Information.** Before the application deadline date, frequently asked questions (FAQs) on the NOFA will be posted to the FY 2010 NOFA page of the Choice Neighborhoods website at <http://www.hud.gov/cn/>.

**3.** You may obtain general information about HUD's Choice Neighborhoods program from HUD's Choice Neighborhoods website at <http://www.hud.gov/cn/>.

## **B. Technical Corrections to the NOFA.**

**1.** Technical corrections to this NOFA will be posted to the Choice Neighborhoods webpage at <http://www.hud.gov/cn/>. You are responsible for monitoring the website during the application preparation period.

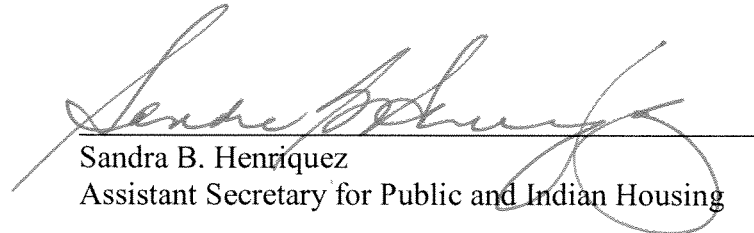
## **VIII. Other Information.**

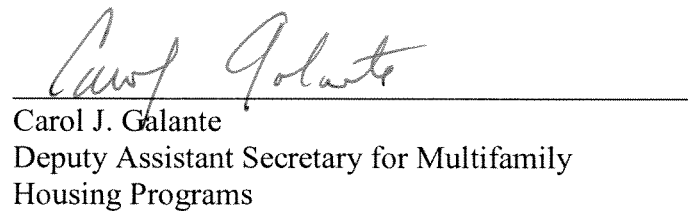
**A. Waivers.** Any Choice Neighborhoods-funded activities at public housing projects are subject to statutory requirements applicable to public housing projects under the 1937 Act, other statutes, and the Annual Contributions Contract (ACC). Within such restrictions, HUD seeks innovative solutions to 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.

**B. Environmental Impact.** A Finding of No Significant Impact with respect to the environment has been made for this notice, in accordance with HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding of No Significant Impact is available for public inspection between 8:00 a.m. and 5:00 p.m. eastern time, Monday through Friday, except federal holidays, in the Office of General Counsel, Regulations Division, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the finding by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number).

**IX. Paperwork Reduction Act Statement.** The information collected in this document is not subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) since there are fewer than nine respondents.

Dated: 3/22/11

  
Sandra B. Henriquez  
Assistant Secretary for Public and Indian Housing

  
Carol J. Galante  
Deputy Assistant Secretary for Multifamily  
Housing Programs

[FR-5473-N-01]

## VI. APPENDIX A

### Supportive Services Partnerships and Resources

The following are examples of the kinds of organizations and agencies (local, state, and federal) that can collaborate with you and offer resources necessary to carry out and sustain your Supportive Services activities.

- (1) Local Boards of Education, K-12 schools, early learning programs, public libraries, local community colleges, institutions of higher learning, nonprofit or for-profit educational institutions, and public/private mentoring programs that will lead to new or improved educational facilities and improved educational achievement of young people in the revitalized neighborhood, from birth through higher education.
- (2) Health care providers, such as Community Health Centers, dental clinics, hospitals, and other organizations promoting health, including access to fresh foods, and addressing health disparities.
- (3) Temporary Assistance for Needy Families (TANF) agencies/welfare departments for TANF and non-TANF in-kind services, and non-TANF cash donations, e.g., donation of TANF agency staff time for case management.
- (4) Job development organizations that link private sector or nonprofit employers with low-income prospective employees.
- (5) Workforce Investment Boards (WIBs) and Workforce Development Agencies.
- (6) Organizations that provide residents with job readiness and retention training and support.
- (7) Economic development agencies such as the Small Business Administration, which provide entrepreneurial training and small business development centers, and organizations that promote asset-building and financial literacy.
- (8) National corporations, local businesses, and other large institutions such as hospitals that can commit to provide entry-level jobs. Employers may agree to train residents or commit to hire residents after they complete jobs preparedness or training programs that are provided by you, other partners, or the employer itself.
- (9) Programs that integrate employment training, education, and counseling, and where creative partnerships with local boards of education, state charter schools, TANF agencies, foundations, and private funding sources have been or could be established.
- (10) Sources of capital such as foundations, banks, credit unions, Community Development Financial Institutions (CDFIs), and charitable, fraternal, and business organizations.
- (11) Nonprofit organizations.
- (12) Civil rights and fair housing organizations.
- (13) Local area agencies on aging.
- (14) Local agencies and organizations serving persons with disabilities.
- (15) Community- and faith-based organizations.
- (16) Federal agencies and their community and supportive service-related programs, including youth-related programs and health-related programs. For example, many federal agencies have youth-related programs such as the Department of Justice's Weed and Seed program; the Department of Education's Promise Neighborhoods program; the Department of Agriculture's 4-H program; the Department of Labor's Youthbuild program; and programs within the Department of Health and Human Services, such as Head Start. [findyouthinfo.gov](http://findyouthinfo.gov) is a federal website that provides interactive tools and other resources to help organizations plan,

implement, and participate in effective programs for youth, including information on the positive youth development approach, transition age youth, afterschool programs, etc. Applicants are also encouraged to engage children, youth and adults in the National Heart, Lung, and Blood Institute (NHLBI) program “With Every Heartbeat is Life (WEHL)” as the foundation for their health strategy. WEHL grew out of NHLBI’s mandate to address health disparities between whites and blacks, Hispanics and Native Americans (<http://www.nhlbi.nih.gov/health/healthdisp/index.htm>). Some housing providers have found that WEHL is also an effective workforce development tool.