

# HUD Pathways to Removing Obstacles to Housing

Notice of Funding

City of Ann Arbor Application Plan

# HUD Goals

- Enable promising practices dedicated to identifying and removing barriers to affordable housing production and preservation, while preventing displacement
- Institutionalize state and local analysis and implementation of effective, equitable, and resilient approaches to affordable housing production and preservation
- Provide technical assistance to help communities better identify barriers to affordable housing and implement solutions to address those barriers
- Affirmatively further fair housing by addressing and removing barriers that perpetuate segregation, barriers that inhibit access to well-resourced areas of opportunity for protected class groups and vulnerable populations, and barriers that concentrate affordable housing in under-resourced areas.
- Facilitate collaboration and harness innovative approaches from jurisdictions, researchers, advocates, and stakeholders.

# HUD will prioritize applicants that demonstrate:

- Progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation
- An acute demand for housing affordable to households with incomes below 100 % Area Median Income
- How the funds would be used to identify and remove barriers to affordable housing in a manner that affirmatively furthers fair housing by expanding access to housing opportunities in well-resourced areas for protected class groups.

# Identify & Remove Barriers continued

- The Fair Housing Act prohibits discrimination in housing because of:
  - Race
  - Color
  - National Origin
  - Religion
  - Sex (including gender identity and sexual orientation)
  - Familial Status
  - Disability
- Deconcentrating affordable housing and increasing housing choice

# 2023 Ann Arbor Area Median Income

Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person
30%	\$26,040	\$29,760	\$33,480	\$37,200	\$40,200
50%	\$43,400	\$49,600	\$55,800	\$62,000	\$67,000
<b>60%</b>	<b>\$52,080</b>	<b>\$59,520</b>	<b>\$66,960</b>	<b>\$74,400</b>	<b>\$80,400</b>
80%	\$69,440	\$79,360	\$89,280	\$99,200	\$107,200
100%	\$86,800	\$99,200	\$111,600	<b>\$124,000</b>	\$134,000
120%	\$104,160	\$119,040	\$133,920	\$148,800	\$160,800

Ann Arbor Primary Metropolitan Statistical Area includes all of Washtenaw County – Median Family Income = \$124,000

HUD places the Area Median Income into the 100% AMI 4-person household slot, and all other incomes are a formula based off that number

# 2023 Affordable Monthly Housing Costs Based on AMI

Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person
30%	\$651	\$744	\$837	\$930	\$1,005
50%	\$1,085	\$1,240	\$1,395	\$1,550	\$1,675
<b>60%</b>	<b>\$1,302</b>	<b>\$1,488</b>	<b>\$1,674</b>	<b>\$1,860</b>	<b>\$2,010</b>
80%	\$1,736	\$1,984	\$2,232	\$2,480	\$2,680
100%	\$2,170	\$2,480	\$2,790	<b>\$3,100</b>	\$3,350
120%	\$2,604	\$2,976	\$3,348	\$3,720	\$4,020

# Federal Poverty Level

Family Size	2023 Poverty Threshold Income
1 person	\$14,580
2 people	\$19,720
3 people	\$24,860
4 people	\$30,000

Approximately 20 – 25% of AMI  
for Washtenaw County, i.e. Ann Arbor Primary Statistical Area

# Poverty by Census Tract

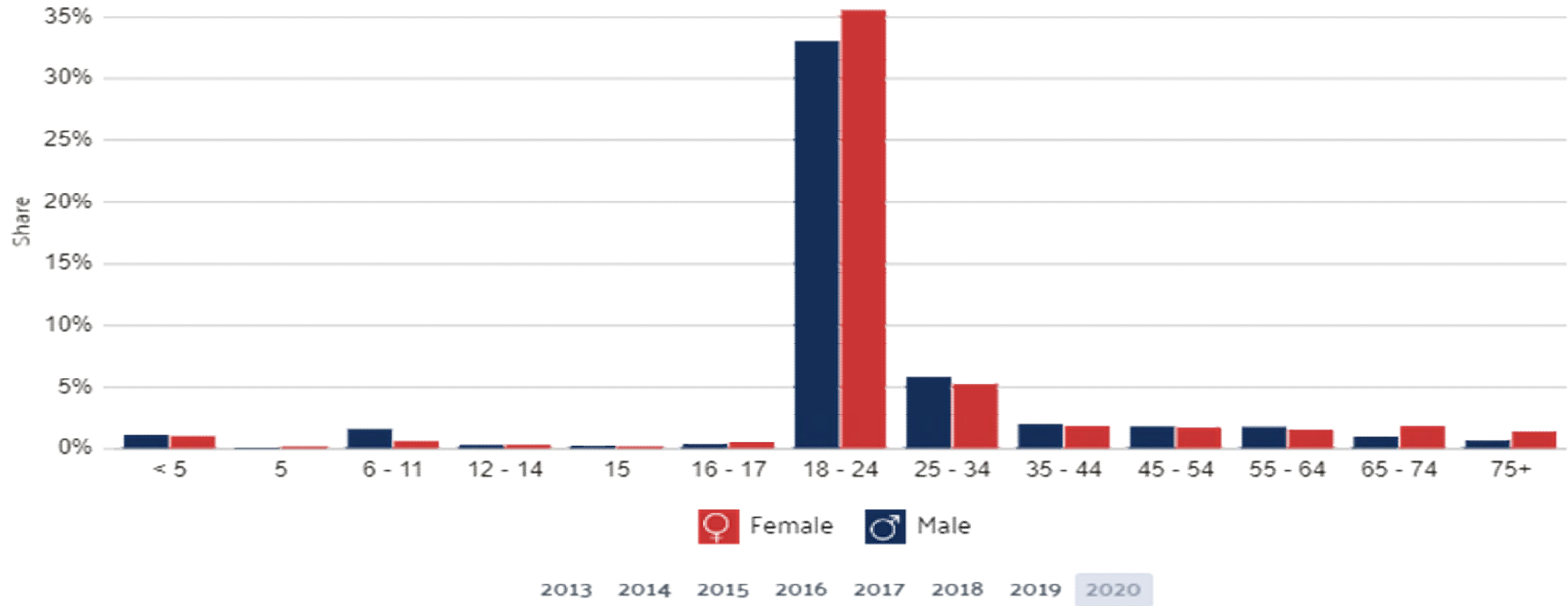
Qualified Census Tract: 50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more.

Source: 2023 HUD Office of Policy Development & Research, Qualified Census Tracts

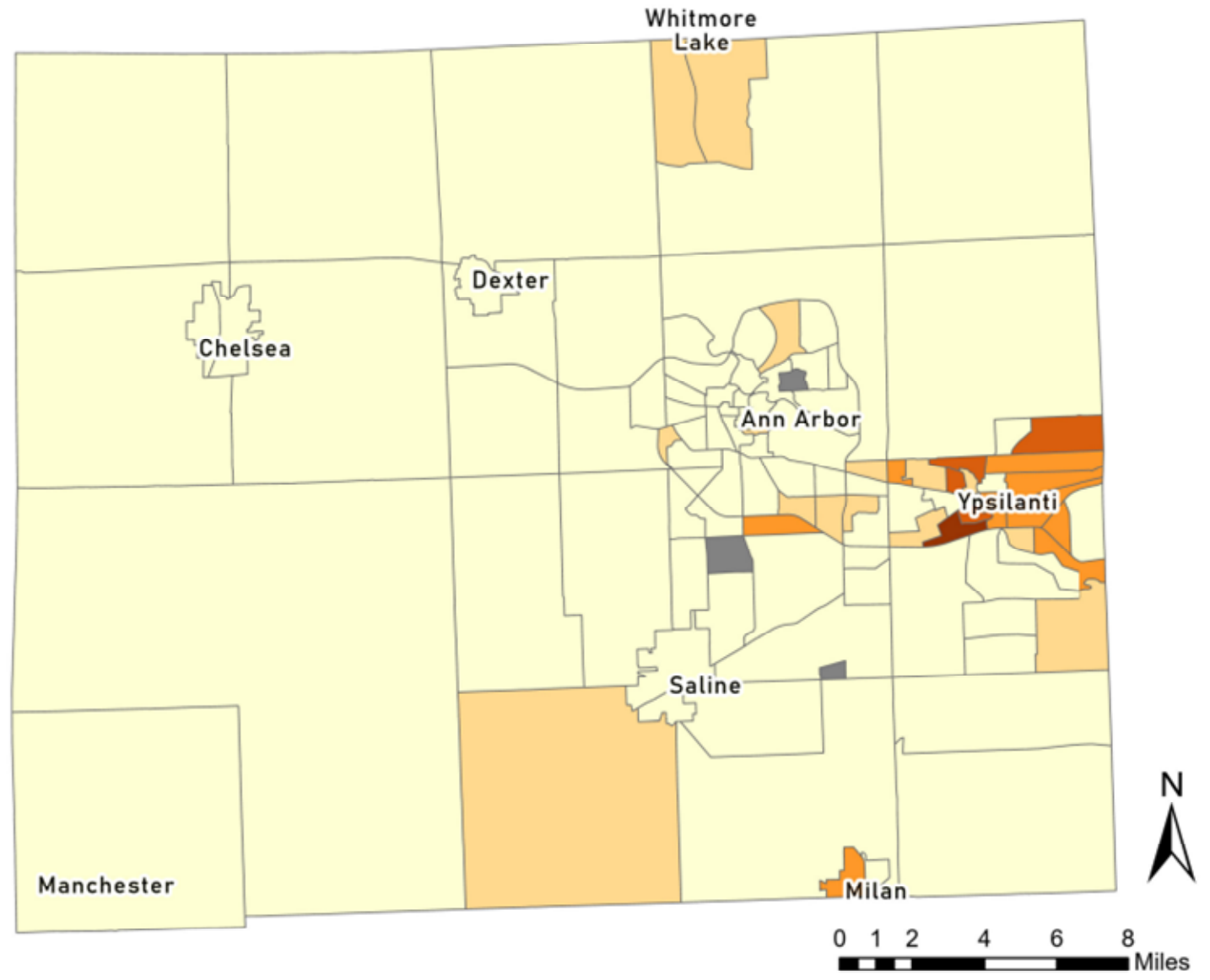
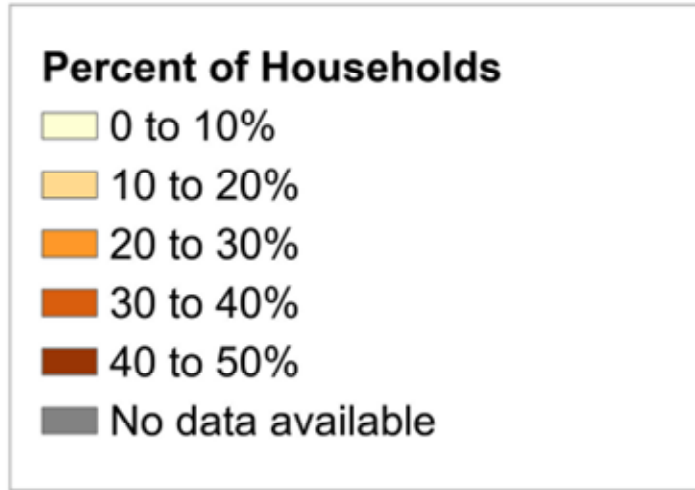




# Ann Arbor 2020 Poverty by Age and Gender



# Percent of Households on Public Assistance by Census Tract Washtenaw County, 2020



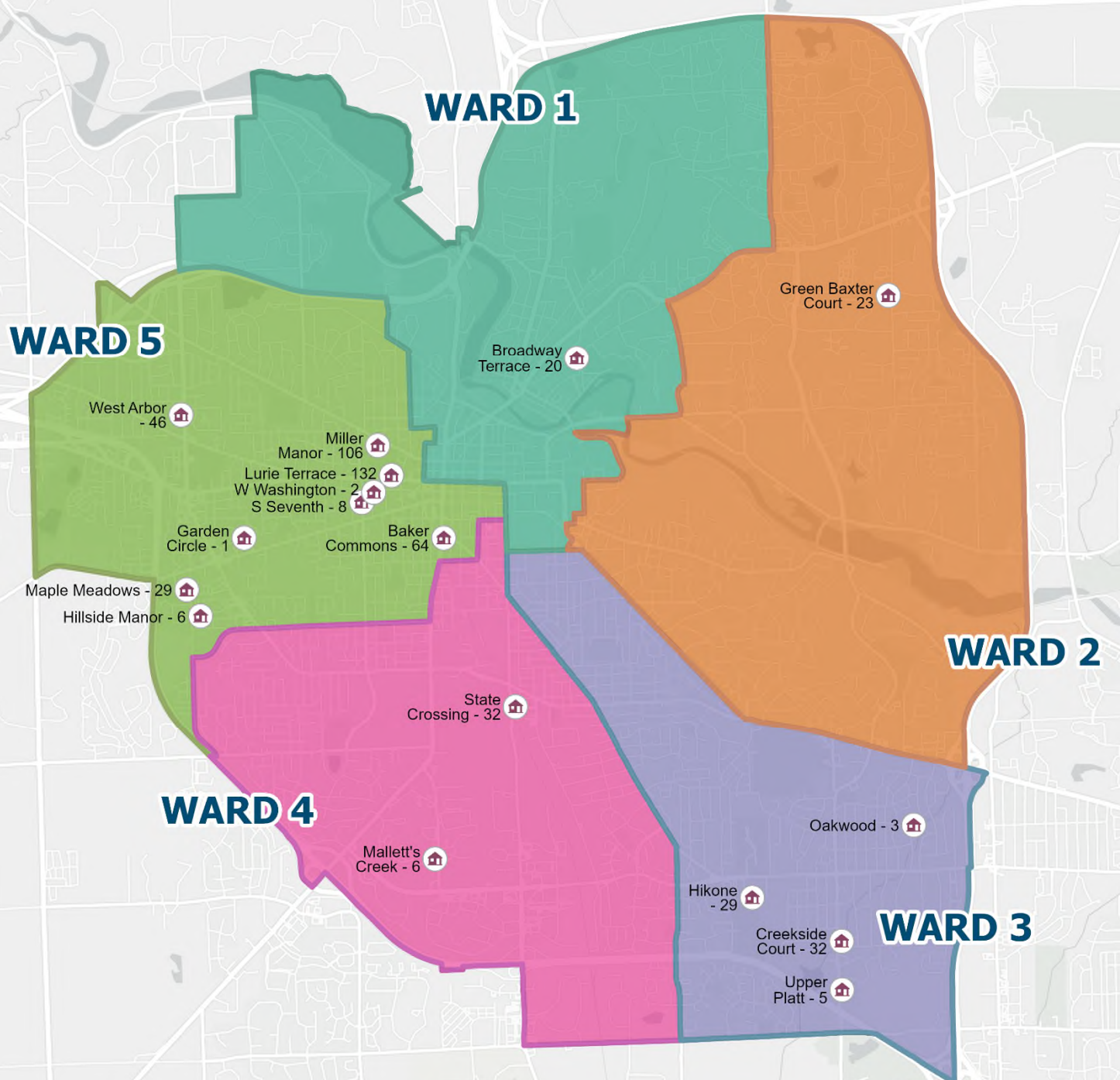
Data Sources: City of Ann Arbor, U.S. Census Bureau 2016-2020 American Community Survey 5-Year Estimates, Table B19058

Map Prepared: September 2022

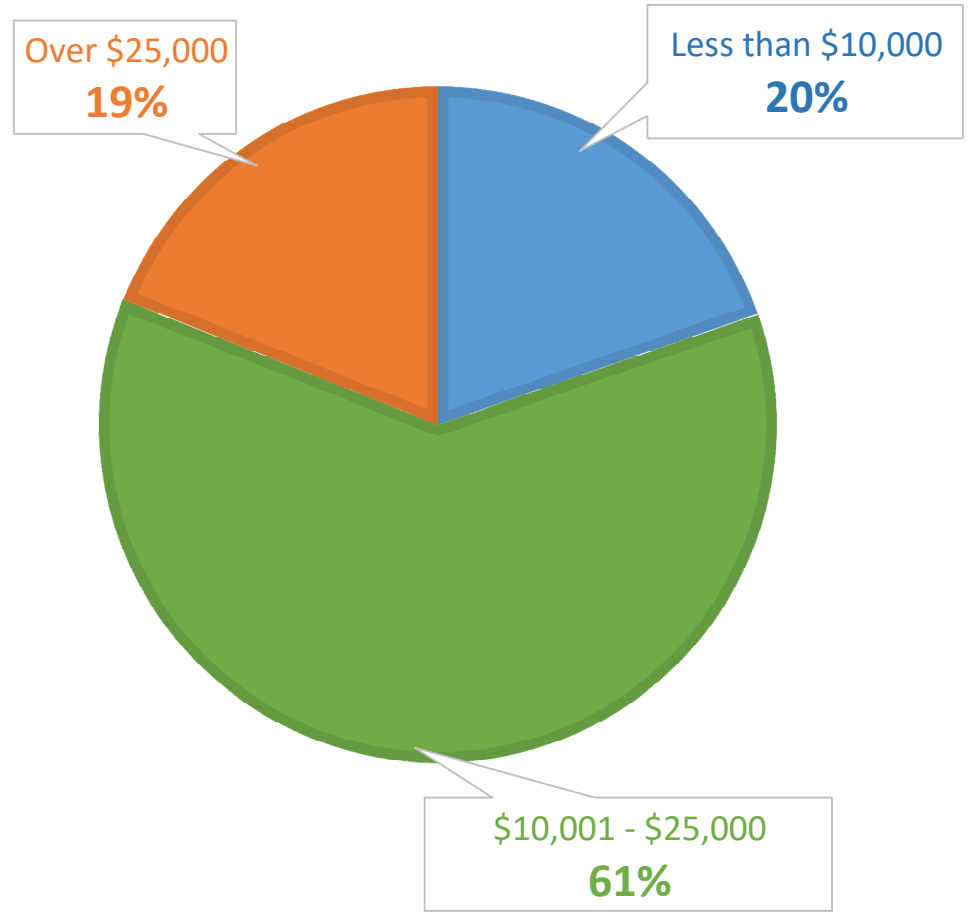
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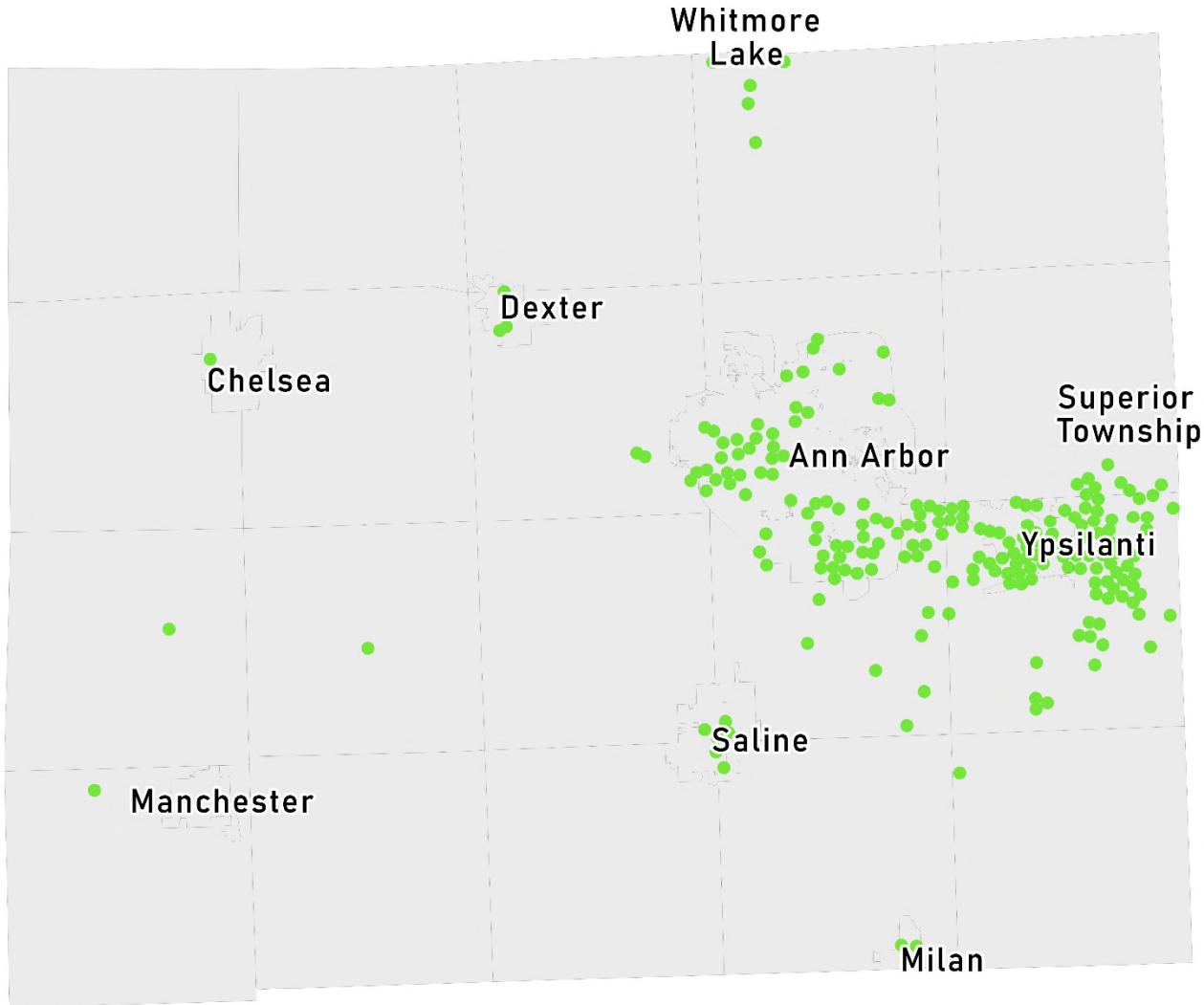
# AAHC Resident Income



# Voucher Programs

## AAHC Administers

- 1,249 Housing Choice Vouchers
- 237 Veterans Affairs Supportive Housing (VASH) for Homeless Veterans
- 351 Non-Elderly Disabled Vouchers
- 32 Family Unification Vouchers
- 29 Emergency Housing Vouchers
- 336 RAD Project-Based Vouchers on AAHC properties



Distribution of All AAHC Vouchers in Washtenaw County

**Rent  
Subsidy  
Private  
Sector**

**30% of  
Income  
as Rent**

**50% Area  
Median  
Income  
Eligibility**

# Ann Arbor Housing Commission (AAHC) Housing Choice Voucher (Section 8) Participants Tenant Based Vouchers (TBV) - Washtenaw County, 2022

Total Number of Vouchers Leased Up  
in All Programs - 2,074

Total Number of TBVs Leased Up in  
Washtenaw County - 1,319\*

\*23 TBVs leased up outside Washtenaw County



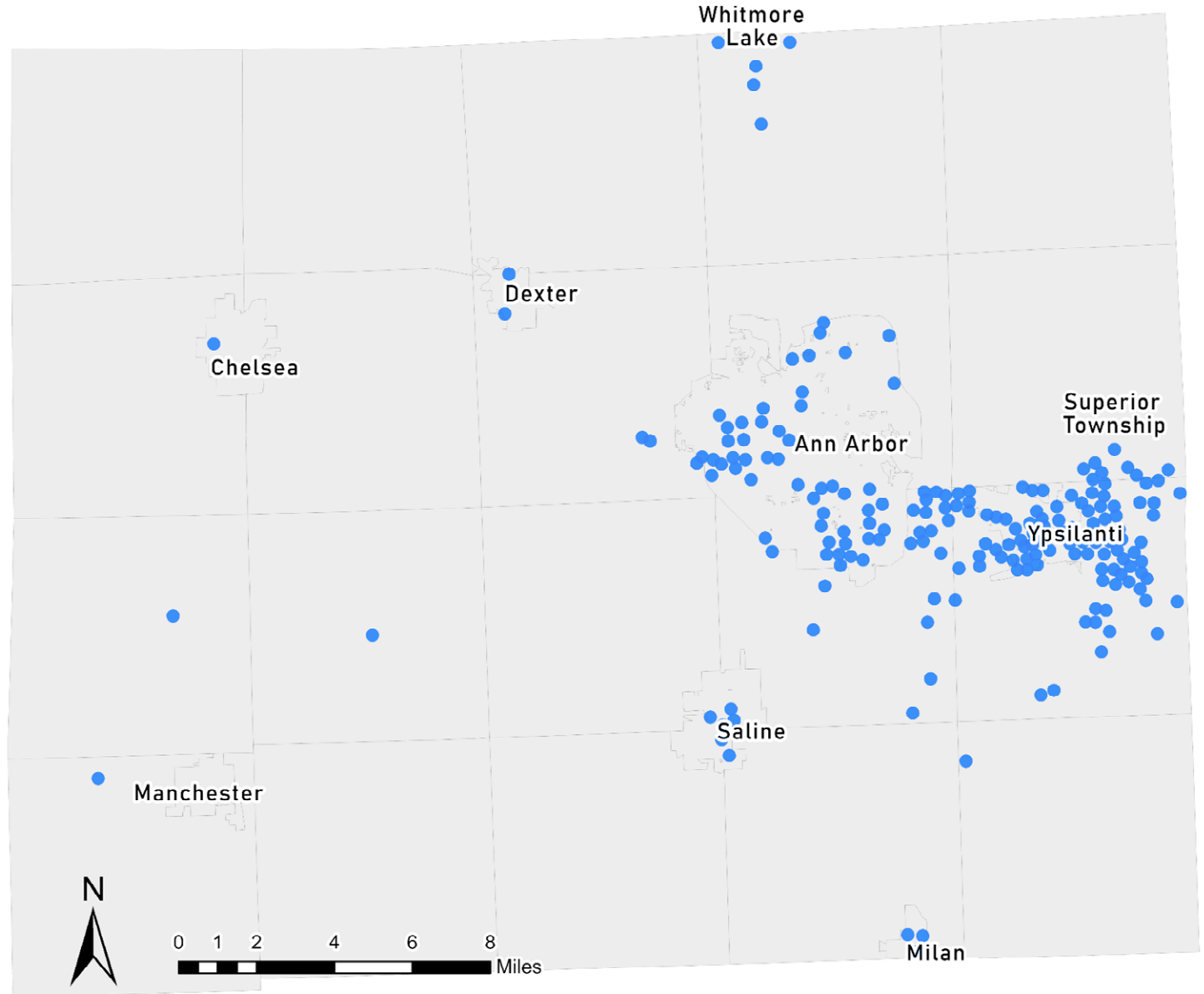
Note: This map is a point in time of areas where voucher program participants are located as of June 2022. Data points may represent multiple vouchers leased up at the same location (i.e. an apartment complex) rather than individual units.

Data Sources: Ann Arbor Housing Commission, City of Ann Arbor

Map Prepared: September 2022

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# Award Details

- Due Oct 30, 2023
- \$85 million
- 20 awards
- Minimum of \$1 million and max of \$10 million
- Primarily for planning activities and for other CDBG activities like infrastructure and preservation but also includes new construction
- 6 years to expend ending 9/30/2029
- No matching funds required but get points for leveraged funds

# Eligible Activities

- **Planning and policy activities supporting affordable housing.**
- **Development activities**
- **Infrastructure activities**
- **Preservation activities**
- Competitive proposals will seek to remove the most significant barriers to unlocking affordable housing production and pursue area-wide benefits across a neighborhood, zoning district, station area, city, region, State, or similar geographic area, rather than smaller reforms or changes that may be limited in scope or geography.
- HUD encourages applications that will demonstrate scope of impact through incorporating a focus on barrier elimination related to land-use regulations, permitting, or related procedural issues.

# Evaluate Proposed Activities

- High, Moderate or Low Impact
  - Removing Barriers
  - Increasing Affordable Housing Production
  - Wide Geographical Area
- High, Moderate or Low Resource Requirement
  - Staffing
  - Cost
  - Time



# Plans, Zoning, Land Use #1

## HUD Example

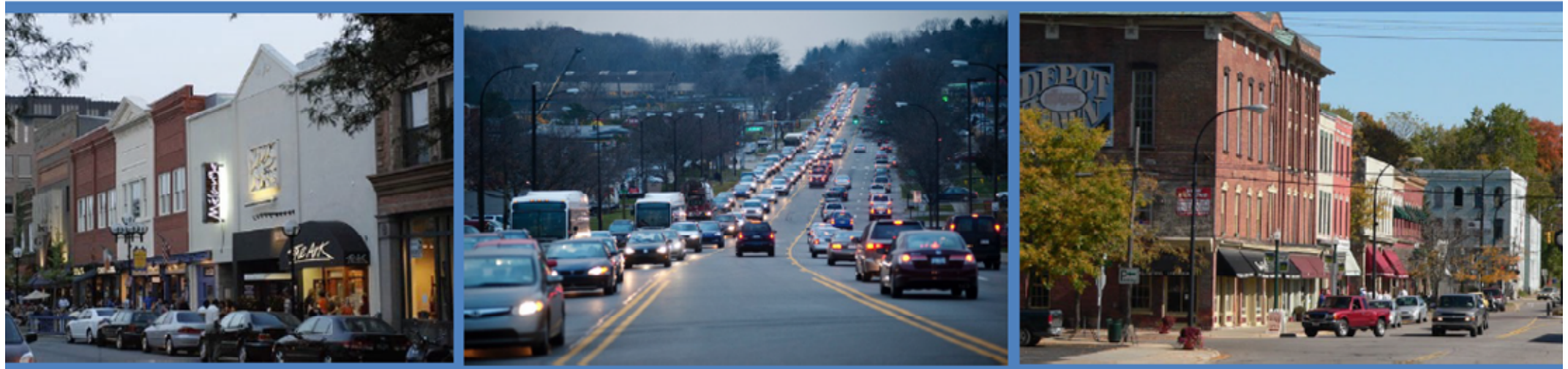
- Developing or updating housing plans, community development strategies, and zoning and land use policies such as overlays to encourage multifamily and mixed-use development or access to affordable housing, floating zones (such as redevelopment, workforce housing, or live/work zones in high opportunity areas), incentive zoning, transit-oriented development zones, or ordinances to encourage housing development or preservation.

## Ann Arbor Proposal

- Update 2015 County-Wide Housing Affordability and Economic Equity Analysis
- Conduct Housing Needs Assessment in City of Ann Arbor
- Support Comprehensive Plan work that has been initiated by Council to seek increased density across the City; to realize both additional housing supply in the City (Challenge is how to limit benefit to low-income households when zoning is the tool)
- Further analysis and modification of the TC1 zoning district to enable more housing development.

## Housing Affordability and Economic Equity - Analysis

Washtenaw County, Michigan



# HOUSING NEEDS ASSESSMENT Downtown Ann Arbor


- There is a significant need for affordable housing as shown by the demand break-down:
  - Demand for 1,346-1,407 units at < 30% AMI
  - Demand for 782-856 units at 31% to 60% AMI
  - Demand for 371-491 units at 61% to 100% AMI
- Without the city getting involved and building affordable housing at or below 60% AMI, private developers will continue to build downtown residential at market rate. Therefore, the market will drive growth in higher-income households.
- While most downtown renter household growth is projected to occur among higher income households, low-income households comprise the largest share of renter households.
- One way to close the gap is for the city to take an active role in building affordable housing downtown.
- Based on this analysis, all seven sites are marketable for affordable residential development.

*Housing Affordability Remains a Challenge for Many Area Renters*

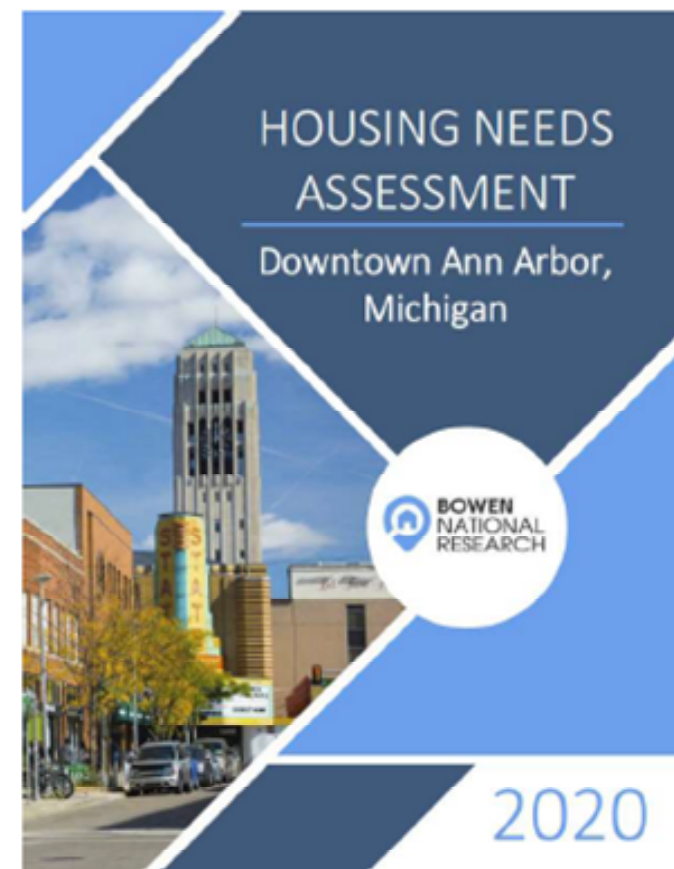
A total of 1,893 (55.5%) of all Downtown renters are considered “housing cost burdened,” meaning they pay over 30% of their income toward housing.

HOUSING NEEDS ASSESSMENT

Downtown Ann Arbor, Michigan



2020



# Plans, Zoning, Land Use #2

## HUD Example

- Developing or updating housing plans, community development strategies, and zoning and land use policies to simplify, streamline, or change overlays that create a barrier to affordable housing development or preservation, such as architectural review or historic preservation overlays

## City of Ann Arbor Proposal

- Explore elimination of the Design Review Board process for downtown development projects.

# Plans, Zoning, Land Use #3

## **HUD Example**

- Developing proposals for new by-right permitting procedures to streamline affordable housing development and reduce discretionary approvals
- Developing proposals to streamline and modernize local permit processing, such as by enabling one-stop or parallel-process permitting
- Developing proposals to expedite approvals for affordable housing development that meets certain criteria

## **City of Ann Arbor Proposal**

- Explore modifications to the UDC to provide streamlined affordable housing development.
- Explore modifications to the UDC to differentiate between affordable housing and market-rate housing for distinct process improvements.
  - Why not do this for all developments?

# Plans, Zoning, Land Use #4

## **HUD Example**

- Expanding existing affordable housing incentive programs to wider geographies, including high-opportunity neighborhoods

## **City of Ann Arbor Proposal**

- In depth analysis of high opportunity neighborhoods to develop targeted strategies to diversify housing and provide access for low-income households

# Plans, Zoning, Land Use #5

## **HUD Example**

- Developing proposals to reduce or eliminate requirements related to parking, building height, lot coverage, setbacks, minimum unit size, minimum lot size, floor area ratio, and other common land use controls

## **City of Ann Arbor Proposal**

- Support Comprehensive Plan in process to explore elimination/revision to minimum lot size requirements in residential districts throughout the City.
- Project to “unzone” aka in-depth analysis of Uniform Development Code to determine requirements/provisions that no longer meet highest priority of City for affordable housing development; identify/develop amendments to remove requirements.
- Create zoning to allow a campground. I.e. centralized bathrooms and kitchen areas with individual living areas, whether fixed or mobile hook-ups

# Plans, Zoning, Land Use #6

## **HUD Example**

- Developing proposals to streamline or eliminate requirements that unduly delay the permitting process or establish unreasonable thresholds for approvals, such as duplicative and burdensome hearings and documentation for variances, rezonings, or similar planning approvals

## **City of Ann Arbor Proposal**

- Consider streamlined process review for all affordable housing developments:
- explore modifications to public hearing requirements/ citizen participation requirements, etc.



# Plans, Zoning, Land Use #7

## **HUD Example**

- Developing proposals for higher-density zoning for current single-family and multi-family zones, including rezones to allow duplexes, triplexes, or fourplexes by-right in all areas zoned primarily for single-family homes and encourage property owners to ensure that any infill development improves or maintains walkability

## **City of Ann Arbor Proposal**

- This strategy is currently identified in the Comprehensive Plan revision
- Support this work on Comprehensive Plan
- Support implementation of recommendations.

# Plans, Zoning, Land Use #8

## **HUD Example**

- Establishing incentive programs, designing pre-approved floorplans, or introducing more flexible zoning to enable and promote accessory dwelling units

## **City of Ann Arbor Proposal**

- Explore barriers and ordinance modifications to support additional development of ADUs; Share with other communities
- Develop pre-approved building permit-detailed plans for public use/submission for ADUs.

# Plans, Zoning, Land Use #9

## **HUD Example**

- Developing proposals to eliminate restrictions on lower-cost housing types such as prefabricated or manufactured homes

## **City of Ann Arbor Proposal**

- Develop a Tiny House Ordinance?
- Review Building Code for potential modifications?

# Plans, Zoning, Land Use #10

## **HUD Example**

- Developing proposals to update zoning or incentives to facilitate affordable housing on land owned by faith-based organizations

## **City of Ann Arbor Proposal**

- Explore implementation through Comprehensive Plan review

# Plans, Zoning, Land Use #11

## **HUD Example**

- Developing proposals to restructure fee schedules to eliminate burdensome costs for affordable housing development

## **City of Ann Arbor Proposal**

- Explore and evaluate how City fees impact affordability, including review fees, permit fees, connection/capital improvement fees etc;
- Explore which fees have flexibility; which could be supported by other means

# Plans, Zoning, Land Use #12

## **HUD Example**

- Providing affordable housing developers a first look at tax sale properties and other government properties

## **City of Ann Arbor Proposal**

- City currently working with AAHC to develop 8-10 city-owned properties
- Develop policy for tax sale properties

# Plans, Zoning, Land Use #13

## **HUD Example**

- Developing proposals to reform building codes, including through adopting or modifying model codes or consensus standards, to facilitate more affordable housing or otherwise reduce construction costs

## **City of Ann Arbor Proposal**

- Review City Codes that are in addition to State of Michigan adopted building codes
- Advocate for changes at State level. (Example is 60 feet triggers high-rise code in State of Michigan)

# Plans, Zoning, Land Use #14

## **HUD Example**

- Developing proposals to streamline or eliminate requirements that unduly delay the permitting process or establish unreasonable thresholds for approvals, such as duplicative and burdensome hearings and documentation for variances, rezonings, or similar planning approvals

## **City of Ann Arbor Proposal**

- Review processes



# Development #1

## **HUD Example**

- Financing the construction or rehabilitation of affordable housing

## **City of Ann Arbor Proposal**

- Yes

# Development #2

## **HUD Example**

- Facilitating the conversion of commercial or other properties to new housing

## **City of Ann Arbor Proposal**

- Review barriers in building code and Uniform Development Code

# Infrastructure #1

## **HUD Example**

- Installing new utilities and/or infrastructure improvements necessary for the development or preservation of affordable housing

## **City of Ann Arbor Proposal**

- Install geothermal systems
- Regional geothermal

# Infrastructure #2

## **HUD Example**

- Upgrading existing utilities or improvements to increase an area's overall capacity for new housing

## **City of Ann Arbor Proposal**

- For known affordable housing projects
- Area upgrades to incentivize future development

# Infrastructure #3

## **HUD Example**

- Increasing community resilience by investing in infrastructure improvements and nature-based solutions to mitigate the impacts of disasters, natural hazards, and extreme weather (such as flood walls, green stormwater management systems, landscaping to reduce heat islands, and elevating existing structures), for the preservation of affordable housing and to make areas suitable for new affordable housing investment.

## **City of Ann Arbor Proposal**

- Analysis of existing affordable housing in the City to identify those sites at risk
- Prioritize infrastructure & public capital improvements to minimize long term risk of those properties.

# Infrastructure #4

## HUD Example

- Investing in neighborhood amenities that benefit low-and-moderate income residents such as parks, community centers, bike lanes and improvements to the physical environment that increase public safety such as streetlights or sidewalks

## City of Ann Arbor Proposal

- City planning in low-mod areas to bring infrastructure improvements to neighborhood
  - Whenever a neighborhood improves, the values go up and low-income folks are priced out. How can we do improvements without displacement?
  - Could we sign purchase agreements with single family owners, right of first refusal at appraised value. They avoid cost and stress of selling home. Keeps investors from acquiring

# Preservation #1

## **HUD Example**

- Acquisition or subsidization of at-risk housing for the purpose of preserving affordability

## **City of Ann Arbor Proposal**

- Funding for renovations
- Funding to acquire properties that are affordable to low-mod households

# Preservation #2

## **HUD Example**

- Supporting shared housing through actions such as revising local occupancy regulations, rehabilitating units, establishing resident-matching programs, or similar activities

## **City of Ann Arbor Proposal**

- ICC currently treated like a Fraternity or Sorority, would expand if able to
- Provide financial support to an organization to re-create the home sharing program that was administered by the Housing Bureau for Seniors for many years.



# Preservation #4

## **HUD Example**

- Providing homebuyer education, assistance, appraisal programs, and other educational programs for LMI residents

## **City of Ann Arbor Proposal**

- County just opened Financial Empowerment Center
- AAHC has a homeownership program

Any Other Ideas?



**U.S. Department of Housing and Urban Development**

Community Planning and Development

Pathways to Removing Obstacles to Housing (PRO Housing)

FR-6700-N-98

10/30/2023

# Table of Contents

OVERVIEW .....	3
I. FUNDING OPPORTUNITY DESCRIPTION.....	3
A. Program Description .....	3
B. Authority .....	11
II. AWARD INFORMATION .....	12
A. Available Funds .....	12
B. Number of Awards .....	12
C. Minimum/Maximum Award Information .....	12
D. Period of Performance.....	12
E. Type of Funding Instrument .....	12
III. ELIGIBILITY INFORMATION .....	12
A. Eligible Applicants.....	12
B. Ineligible Applicants .....	13
C. Cost Sharing or Matching.....	13
D. Threshold Eligibility Requirements .....	13
E. Statutory and Regulatory Requirements Affecting Eligibility .....	15
F. Program-Specific Requirements .....	15
G. Criteria for Beneficiaries.....	20
IV. APPLICATION AND SUBMISSION INFORMATION .....	21
A. Obtain an Application Package.....	21
B. Content and Form of Application Submission .....	21
C. System for Award Management (SAM) and Unique Entity Identifier (UEI).....	25
D. Application Submission Dates and Times .....	25
E. Intergovernmental Review .....	28
F. Funding Restrictions .....	29
G. Other Submission Requirements.....	30
V. APPLICATION REVIEW INFORMATION .....	33
A. Review Criteria .....	33
B. Review and Selection Process.....	43
VI. AWARD ADMINISTRATION INFORMATION.....	45
A. Award Notices.....	45
B. Administrative, National and Departmental Policy Requirements and Terms for HUD Applicants and Recipients of Financial Assistance Awards.....	46

C. Reporting .....48  
D. Debriefing .....49  
VII. AGENCY CONTACT(S).....66  
VIII. OTHER INFORMATION .....67  
APPENDIX.....68

Community Planning and Development

**Funding Opportunity Title:**

Pathways to Removing Obstacles to Housing (PRO Housing)

**Funding Opportunity Number:**

FR-6700-N-98

**Assistance Listing Number (formerly CFDA Number):**

14.023

**Due Date for Applications:**

10/30/2023

**OVERVIEW**

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

In accordance with [Title 24 part 4, subpart B](#) of the Code of Federal Regulations (CFR), during the selection process (which includes HUD’s NOFO development and publication and concludes with the award of assistance), HUD is prohibited from disclosing covered selection information. Examples of impermissible disclosures include: 1) information regarding any applicant’s relative standing; 2) the amount of assistance requested by any applicant; and 3) any information contained in the application. Prior to the application deadline, HUD may not disclose the identity of any applicant or the number of applicants that have applied for assistance.

For further information regarding this NOFO, direct questions regarding the specific requirements of this NOFO to the agency contact identified in section VII.

**Paperwork Reduction Act Statement.** In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501- 3520) (PRA), the Office of Management and Budget (OMB) approved the information collection requirements in this NOFO. HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless the collection displays a valid OMB control number. This NOFO identifies its applicable OMB control number, unless its collection of information is excluded from these requirements under [5 CFR part 1320](#).

**OMB Approval Number(s):**

2506-0220

**I. FUNDING OPPORTUNITY DESCRIPTION**

**A. Program Description**

**1. Purpose**

Communities nationwide are suffering from a lack of affordable housing, and housing production is not meeting the increasing demand for accessible and available units in many urban and rural areas, particularly areas of high opportunity. Pathways to Removing Obstacles to Housing (PRO Housing) empowers communities that are actively taking steps to remove barriers

to affordable housing and seeking to increase housing production and lower housing costs for families over the long term.

Barriers to affordable housing can be caused by zoning decisions, land use policies, or regulations; inefficient procedures; gaps in available resources for development; deteriorating or inadequate infrastructure; lack of neighborhood amenities; or challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment that reduces the number of affordable units, or expiration of affordability requirements.

Across the United States, regulatory and other barriers have made it difficult to produce, preserve, and access affordable housing. Constrained supply drives up housing costs and this reduces affordability over the long term. According to American Community Survey estimates in 2021, 39.3 million households (20.9 million renters and 18.4 million homeowners) have been classified as “cost-burdened,” spending more than 30 percent of their income on housing. When broken down by race, Black families face affordability challenges as homeowners and renters more than any other race/ethnic group, spending between 30 to 50 percent of their income on housing. In Puerto Rico, cost-burdened households face severe affordability challenges, spending between 50 to 90 percent of their income on housing. Limited access to housing has long-term effects on access to opportunity and ability to build generational wealth, especially for underserved communities of color and low-income people. Affordability challenges and the lack of affordable housing supply further increase eviction pressures and likelihood of homelessness for low-income people.

HUD is issuing this NOFO under the authority of the Consolidated Appropriations Act, 2023 (Public Law 117-328, approved December 29, 2022) (Appropriations Act), which appropriates \$85 million for competitive grant funding for the identification and removal of barriers to affordable housing production and preservation. Congress has directed HUD to undertake a competition using the Community Development Block Grant (CDBG) statutory and regulatory framework. Under this NOFO, HUD will provide PRO Housing grants to identify and remove barriers to affordable housing production and preservation. Grantees may use awards to further develop, evaluate, and implement housing policy plans, improve housing strategies, and facilitate affordable housing production and preservation. Eligible applicants are local and state governments, metropolitan planning organizations (MPOs), and multijurisdictional entities.

HUD has six goals for this competition:

- Fairly and effectively award the PRO Housing grant funding
- Elevate and enable promising practices dedicated to identifying and removing barriers to affordable housing production and preservation, while preventing displacement
- Institutionalize state and local analysis and implementation of effective, equitable, and resilient approaches to affordable housing production and preservation
- Provide technical assistance to help communities better fulfill the Consolidated Plan’s requirement of identifying barriers to affordable housing and implementing solutions to address those barriers
- Affirmatively further fair housing by addressing and removing barriers that perpetuate segregation, barriers that inhibit access to well-resourced areas of opportunity for protected class groups and vulnerable populations, and barriers that concentrate affordable housing in under-resourced areas.

- Facilitate collaboration and harness innovative approaches from jurisdictions, researchers, advocates, and stakeholders.

HUD will prioritize applicants that demonstrate: (1) progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation; and (2) an acute demand for housing affordable to households with incomes below 100 percent of the area median income. If applicable, proposals should also explain how the funds would be used to identify and remove barriers to affordable housing in a manner that affirmatively furthers fair housing by expanding access to housing opportunities in well-resourced areas for protected class groups. HUD will also prioritize applicants that demonstrate a commitment and ability to identify and remove barriers to (1) expanding affordable housing in a manner that would promote desegregation; (2) expanding affordable housing in well-resourced areas of opportunity for protected class groups that have systematically been denied equitable access to such areas; or (3) deconcentrating affordable housing and increasing housing choice. HUD encourages applications that incorporate a discussion of key barriers related to land-use regulations, permitting, or related procedural issues. HUD further encourages applicants to outline and discuss how their proposed activities will advance equity, locate affordable accessible housing near transit and bolster access to services and opportunities, increase community resilience and mitigate the effects of natural and environmental hazards, and develop and preserve affordable housing in accordance with input from community members and other stakeholders.

As with all CDBG assistance, the priority is to serve low- and moderate-income people.

PRO Housing grantees must administer the PRO Housing grant in a manner that affirmatively furthers fair housing, which means taking meaningful actions, in addition to combating discrimination, to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunities, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

## **2. HUD and Program-Specific Goals and Objectives**

This NOFO supports [HUD's Strategic Plan for Fiscal Years \(FY\) 2022-2026](#) to accomplish HUD's mission and vision. Each of the five goals in the [Strategic Plan](#) include what HUD hopes to accomplish, the strategies to accomplish those objectives, and the indicators of success. However, of the five goals only those applicable to this NOFO are identified below.

You are expected to align your application to the applicable strategic goals and objectives below. Use the information in this section to describe in your application the specific goals, objectives, and measures that your project is expected to help accomplish. If your project is selected for funding, you are also expected to establish a plan to track progress related to those goals, objectives, and measures. HUD will monitor compliance with the goals, objectives, and measures in your project.

### **Applicable Goals and Objectives from HUD's Strategic Plan**

#### **1. Strategic Goal 1: Support Underserved Communities**

Fortify support for underserved communities and support equitable community development for



all people.

**2. 1A: Advance Housing Justice**

Fortify support for vulnerable populations, underserved communities, and Fair Housing enforcement.

**3. 1B: Reduce Homelessness**

Strengthen Federal, State, Tribal, and community implementation of the Housing First approach to reducing the prevalence of homelessness, with the ultimate goal of ending homelessness.

**4. 1C: Invest in the Success of Communities**

Promote equitable community development that generates wealth-building for underserved communities, particularly for communities of color.

**5. Strategic Goal 2: Ensure Access to and Increase the Production of Affordable Housing**

Ensure housing demand is matched by adequate production of new homes and equitable access to housing opportunities for all people.

**6. 2A: Increase the Supply of Housing**

Enhance HUD's programs that increase the production and supply of housing across the country.

**7. Strategic Goal 3: Promote Homeownership**

Promote homeownership opportunities, equitable access to credit for purchase and improvements, and wealth-building in underserved communities.

**8. 3A: Advance Sustainable Homeownership**

Advance the deployment of tools and capital that put sustainable homeownership within reach.

**9. Strategic Goal 4: Advance Sustainable Communities**

Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and recognizing housing's role as essential to health.

**10. 4A: Guide Investment in Climate Resilience**

Invest in climate resilience, energy efficiency, and renewable energy across HUD programs.

**11. 4B: Strengthen Environmental Justice**

Reduce exposure to health risks, environmental hazards, and substandard housing, especially for low-income households and communities of color.

**3. Changes from Previous NOFO**

Not applicable

**4. Definitions**

a. Standard Definitions

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

**Assistance Listing number** refers to the unique number assigned to each Federal assistance program publicly available in the Assistance Listing, which is managed and administered by the General Services Administration. The Assistance Listing number was formerly known as the Catalog of Federal Domestic Assistance (CFDA) number.

**Authorized Organization Representative (AOR)** is a person authorized to legally bind your organization and submit applications via Grants.gov. The AOR is authorized by the E-Business Point of Contact (E-Biz POC) in the System for Award Management (see E-Biz POC definition). An AOR may include an Expanded AOR and/or a Standard AOR.

*Expanded Authorized Organization Representative* is a user in Grants.gov who is authorized by the E-Biz POC to perform the functions of a Standard AOR, initiate and submit applications on behalf of your organization, and is allowed to modify organization-level settings and certifications in Grants.gov.

*Standard Authorized Organization Representative* is a user in Grants.gov who is authorized by the E-Biz POC to initiate and submit applications in Grants.gov. A Grants.gov user with the Standard AOR role can only submit applications when they are a Participant for that workspace.

**Consolidated Plan** is the document submitted to HUD that serves as the comprehensive housing affordability strategy, community development plan, and submission for funding under any of the Community Planning and Development formula grant programs (e.g., CDBG, ESG, HOME, and HOPWA). This Plan is prepared in accordance with the process described in [24 CFR part 91](#). This plan is completed by engaging in a participatory process to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions with funding from formula grant programs. (See [24 CFR part 91](#) for HUD's requirements regarding the Consolidated Plan and related Action Plan).

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

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

**Cooperative agreement** has the same meaning defined at [2 CFR 200.1](#).

**Deficiency**, with respect to the making of an application for funding, is information missing or omitted within a submitted application. Examples of deficiencies include missing documents, missing or incomplete information on a form, or some other type of unsatisfied information requirement. Depending on specific criteria, a deficiency may be either Curable or Non-Curable.

*A Curable Deficiency* is missing or incomplete application information that may be corrected by the applicant with timely action. To be curable, the deficiency must:

- Not be a threshold requirement, except for documentation of applicant eligibility;
- Not influence how an applicant is ranked or scored versus other applicants; and
- Be remedied within the time frame specified in the notice of deficiency.

*A Non-Curable Deficiency* is missing or incomplete application information that cannot be corrected by an applicant after the submission deadline. A non-curable deficiency is a

deficiency that is a threshold requirement, or a deficiency that, if corrected, would change an applicant's score or rank versus other applicants. If an application includes a non-curable deficiency, the application may receive an ineligible determination, or the non-curable deficiency may otherwise adversely affect the application's score and final funding determination.

**E-Business Point of Contact (E-Biz POC)** is an organization applicant who is responsible for the administration and management of grant activities for his or her organization. The E-Biz POC is likely to be an organization's chief financial officer or authorizing official. The E-Biz POC authorizes representatives of their organization to apply on behalf of the organization (see Authorized Organization Representative definition). There can only be one E-Biz POC per unique entity identifier (see definition of Unique Entity Identifier below).

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

**Environmental Justice** means investing in environmental improvements, remedying past environmental inequities, and otherwise developing, implementing, and enforcing laws and policies in a manner that advances environmental equity and provides meaningful involvement for people and communities that have been environmentally underserved or overburdened, such as Black and Brown communities, indigenous groups, and individuals with disabilities. This definition does not alter the requirements under HUD's regulations at [24 CFR 58.5\(j\)](#) and [24 CFR 50.4\(l\)](#) implementing [Executive Order 12898](#). E.O. 12898 requires a consideration of how federally assisted projects may have disproportionately high and adverse human health or environmental effects on minority and/or low-income populations. For additional information on environmental review compliance, refer to:

[https://www.hud.gov/program\\_offices/comm\\_planning/environment\\_energy/regulations](https://www.hud.gov/program_offices/comm_planning/environment_energy/regulations).

**Equity** has the meaning given to that term in Section 2(a) of Executive Order [13985](#) and means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

**Federal Award**, has the meaning, depending on the context, in either paragraphs (1) or (2) of this definition:

(1)

(a) The Federal financial assistance that a recipient receives directly from a Federal awarding agency or a subrecipient receives indirectly from a pass-through entity, as described in [2 CFR 200.101](#); or

(b) The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in [2 CFR 200.101](#).

(2) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (2)

of the definitions of Federal financial assistance in [2 CFR 200.1](#), and this NOFO, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(3) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).

(4) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement in [2 CFR 200.1](#).

**Federal Financial Assistance** has the same meaning defined at [2 CFR 200.1](#).

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

**Historically Black Colleges and Universities (HBCUs)** are any historically Black college or university that was established prior to 1964, whose principal mission was, and is, the education of Black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation. [A list of accredited HBCUs can be found at the U.S. Department of Education's website.](#)

**Minority-Serving Institutions (MSIs)** are

- (1) a part B institution (as defined in [20 U.S.C. 1061](#));
- (2) a Hispanic-serving institution (as defined in [20 U.S.C. 1101\(a\)\(5\)](#));
- (3) a Tribal College or University (as defined in [20 U.S.C. 1059c](#));
- (4) an Alaska Native-serving institution or a Native Hawaiian-serving institution (as defined in [20 U.S.C. 1059d\(b\)](#));
- (5) a Predominantly Black Institution (as defined in [20 U.S.C. 1059e](#));
- (6) an Asian American and Native American Pacific Islander-serving institution (as defined in [20 U.S.C. 1059g](#)); or
- (7) a Native American-serving nontribal institution (as defined in [20 U.S.C. 1059f](#)).

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

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

**Racial Equity** is the elimination of racial disparities, and is achieved when race can no longer predict opportunities, distribution of resources, or outcomes – particularly for Black and Brown persons, which includes Black, Latino, indigenous, Native American, Asian, Pacific Islander, and other persons of color.

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

**Resilience** is a community's ability to minimize damage and recover quickly from extreme events and changing conditions.

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

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

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

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

**Threshold Requirements** are eligibility requirements that must be met for an application to be reviewed, rated, and ranked. Threshold requirements are not curable, except for documentation of applicant eligibility, which are listed in Section III.D., Threshold Eligibility Requirements. Similarly, there are eligibility requirements under Section III.E., Statutory and Regulatory Requirements Affecting Eligibility.

**Underserved Communities** has the meaning given to that term in Section 2(b) of Executive Order [13985](#) and refers to populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of "equity" above.

**Unique Entity Identifier (UEI)** means the identifier assigned by SAM to uniquely identify business entities. As of April 4, 2022, the Federal government has transitioned from the use of the DUNS Number to the use of UEI, as the primary means of entity identification for Federal awards government-wide.

#### b. Program Definitions.

For the purposes of the PRO Housing program, the following definitions of key terms apply. As needed, other definitions related to specific thresholds and rating factors will be provided in those sections of the NOFO. All definitions in Section 102 of the Housing and Community

Development Act of 1974 (42 U.S.C. 5302) and in 24 CFR 570.3 apply except as indicated below.

**Affordable Housing.** HUD recognizes that Federal, state, local, and nonprofit housing financial assistance programs apply a range of specific affordable housing definitions. Further, the CDBG program regulations and the Consolidated Plan regulations do not define affordable housing; grantees must meet affordability requirements applicable to specific programs. Also, CDBG-assisted housing activities must demonstrate benefit to income-qualified households to meet the CDBG low- and moderate-income national objective. However, for the purposes of this PRO Housing competition, consistent use of one definition may assist applicants and reviewers, so HUD will expect that any rating factor responses relying on a definition of affordable housing will apply, at a minimum, the HOME program standards to affordable housing as defined in 24 CFR 92.252(a), (e), and (f) for rental housing and 24 CFR 92.254 (a)(1)-(4) for homeownership.

**CDBG** means the annual Community Development Block Grant program as authorized by the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.), and its regulations as codified in 24 CFR Part 570.

**Local government** shall have the same meaning as “unit of general local government” in section 102(a)(1) of the Housing and Community Development Act of 1974: This term “local government” includes entitlement CDBG grantees and non-entitlement communities.

**Metropolitan Planning Organization (MPO)** shall have the same meaning as defined in Section 8 of the Federal Transit Act of 1991 at 23 U.S.C. 134(b).

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

**State government** shall have the same meaning as “State” in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

**Transit-oriented development (TOD)** creates dense, walkable, and mixed-use spaces near transit that support vibrant, sustainable, and equitable communities. TOD projects include a mix of commercial, residential, office, and entertainment land uses. Equitable TOD includes a strategy for both preserving existing affordable housing and ensuring an adequate supply of new affordable housing.

## **B. Authority**

The funding for PRO Housing under this NOFO is provided by the Consolidated Appropriations Act, 2023 (Public Law 117-328, approved December 29, 2022) (Appropriations Act). The program authority for PRO Housing is Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) and the Appropriations Act.

## **II. AWARD INFORMATION**

### **A. Available Funds**

Funding of approximately **\$85,000,000** is available through this NOFO.

Additional funds may become available for award under this NOFO consistent with Section VI.A.2.e., Adjustments to Funding. Use of these funds is subject to statutory constraints. All awards are subject to the funding restrictions contained in this NOFO.

### **B. Number of Awards**

HUD expects to make approximately 20 awards from the funds available under this NOFO.

### **C. Minimum/Maximum Award Information**

Estimated Total Funding:

\$85,000,000

Minimum Award Amount:

\$1,000,000

Per Project Period

Maximum Award Amount:

\$10,000,000

Per Project Period

### **D. Period of Performance**

Estimated Project Start Date:

01/31/2024

Estimated Project End Date:

09/30/2029

Length of Project Periods:

Other

Length of Periods Explanation of Other:

6 year period of performance

### **E. Type of Funding Instrument**

Funding Instrument Type:

G (Grant)

## **III. ELIGIBILITY INFORMATION**

### **A. Eligible Applicants**

00 (State governments)

01 (County governments)

02 (City or township governments)

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

### **Additional Information on Eligibility**

Other eligible applicants include Metropolitan Planning Organizations (MPOs) and Multijurisdictional Entities. Refer to the Program Definitions in Section I.A to review how these terms are defined in the PRO Housing program.

### **B. Ineligible Applicants**

HUD will not award grants to individuals or any entity that does not meet the criteria above.

HUD will not evaluate applications from ineligible applicants.

### **C. Cost Sharing or Matching**

This Program does not require cost sharing or matching, but provides points based on leverage as described below.

HUD will award points under Rating Factor d. (Leverage) for applications that propose qualified financial leverage and provide the required firm commitments and/or supporting documentation to support each source of financial leverage. Applicants must secure and use all financial leverage by the end of the period of performance. Grantees may use other Federal sources as financial leverage only if a program's authorizing statute permits such use. Recipients will also report on any leveraged funds received and used in association with this application.

### **D. Threshold Eligibility Requirements**

Applicants who fail to meet any of the following threshold eligibility requirements are deemed ineligible. Applications from ineligible applicants are not rated or ranked and will not receive HUD funding.

#### **1. Resolution of Civil Rights Matters**

Outstanding civil rights matters must be resolved before the application submission deadline. Applicants with unresolved civil rights matters at the application deadline are deemed ineligible. Applications from ineligible applicants are not rated or ranked and will not receive HUD funding.

a. An applicant is ineligible for funding if the applicant has any of the charges, cause determinations, lawsuits, or letters of findings referenced in subparagraphs (1) – (5) that are not resolved to HUD's satisfaction before or on the application deadline date for this NOFO.

(1) Charges from HUD concerning a systemic violation of the Fair Housing Act or receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex (including sexual orientation and gender identity), national origin, disability or familial status;

(2) Status as a defendant in a Fair Housing Act lawsuit filed by the United States alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance under 42 U.S.C. 3614(a);

(3) Status as a defendant in any other lawsuit filed or joined by the Department of Justice, or in which the Department of Justice has intervened, or filed an amicus brief or statement of interest, alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Americans with Disabilities



Act, Violence Against Women Act, or a claim under the False Claims Act related to fair housing, non-discrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;

(4) Receipt of a letter of findings identifying systemic non-compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974; Violence Against Women Act; or the Americans with Disabilities Act; or

(5) Receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law prohibiting discrimination in housing based on sexual orientation, gender identity, or lawful source of income.

b. HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline date will resolve the matter. Examples of actions that may be sufficient to resolve the matter include, but are not limited to:

(1) Current compliance with a voluntary compliance agreement signed by all the parties;

(2) Current compliance with a HUD-approved conciliation agreement signed by all the parties;

(3) Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;

(4) Current compliance with a consent order or consent decree;

(5) Current compliance with a final judicial ruling or administrative ruling or decision; or

(6) Dismissal of charges.

## **2. Timely Submission of Applications**

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

## **3. Eligible Applicant**

Applicants must be an eligible applicant in accordance with Section III.A of this NOFO and must identify which type of eligible applicant they are in their application.

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

## **4. Number of Applications**

a. An eligible applicant may submit only one application.

b. If HUD receives electronically multiple versions of an application, HUD will review the last version of the application received by Grants.gov that meets the timely receipt requirements. All other applications (i.e., prior versions) will not be considered eligible. If applicants find, after submitting an application, that they want to amend or adjust their

application and it is prior to the deadline date, applicants **must resubmit the entire application** to ensure that HUD gets a complete application.

## **E. Statutory and Regulatory Requirements Affecting Eligibility**

### **Eligibility Requirements for Applicants of HUD's Financial Assistance Programs**

The following requirements affect applicant eligibility. Detailed information on each requirement is found in the [“Eligibility Requirements for Applicants of HUD's Financial Assistance Programs” document on HUD's Funding Opportunities page.](#)

- Universal Identifier and System for Award Management (SAM.gov) Requirements
- Outstanding Delinquent Federal Debts
- Debarments or Suspensions, or both
- Mandatory Disclosure Requirement
- Pre-selection Review of Performance
- Sufficiency of Financial Management System
- False Statements
- Prohibition Against Lobbying Activities

In addition, each applicant under this NOFO must have the necessary processes and systems in place to comply with the Award Term in Appendix A of [24 CFR part 170](#) if the applicant receives an award, unless an exception applies as provided in [2 CFR170.110](#).

## **F. Program-Specific Requirements**

1. **National objectives.** Each activity, other than general administration and planning, proposed to be carried out with PRO Housing assistance must meet a CDBG national objective pursuant to section 101(c) of the Housing and Community Development Act of 1974:
  - a. Benefiting low- and moderate-income persons,
  - b. Preventing or eliminating slums or blight, or
  - c. Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs

2. **Eligible activities.**

- a. Each proposed activity must be eligible pursuant to section 105(a) of the Housing and Community Development Act of 1974 and applicable program regulations at 24 CFR part 570, as applied and modified by this NOFO, or receive an eligibility waiver for the activity, requested in the application. Applicants may submit a waiver request pursuant to Appendix A (Waiver Requests) of this NOFO. HUD does not guarantee that it will grant such waivers, but it will evaluate any request prior to determining whether to award funds for an application. Please note that PRO Housing funds can be used for new construction of affordable accessible housing. HUD is waiving 42 U.S.C. 5305(a) and 24 CFR 570.207(b)(3) and adopting alternative requirements to the extent necessary to permit new construction of housing, subject to the same requirements that apply to

rehabilitation activities under the provisions at section 105(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(4)) and 24 CFR 570.202(b).

b. Eligible activities must identify and seek to remove one or more barriers to affordable housing production and preservation. Additionally, each proposed activity must do one or more of the following:

- i. Further develop, evaluate, and implement housing policy plans
- ii. Improve housing strategies
- iii. Facilitate affordable housing production and preservation

c. Eligible activities may include, but are not limited to, the following:

**i. Planning and policy activities supporting affordable housing.** Grantees may use PRO Housing funds to develop proposals for planning and policy activities that support affordable housing production and preservation. Grantees may not fund the general conduct of government, as described in Section III.F.3.e. Examples include but are not limited to:

A. Developing or updating housing plans, community development strategies, and zoning and land use policies such as overlays to encourage multifamily and mixed-use development or access to affordable housing, floating zones (such as redevelopment, workforce housing, or live/work zones in high opportunity areas), incentive zoning, transit-oriented development zones, or ordinances to encourage housing development or preservation

B. Developing or updating housing plans, community development strategies, and zoning and land use policies to simplify, streamline, or change overlays that create a barrier to affordable housing development or preservation, such as architectural review or historic preservation overlays

C. Developing proposals for new by-right permitting procedures to streamline affordable housing development and reduce discretionary approvals

D. Developing new incentive programs for affordable housing development

E. Expanding existing affordable housing incentive programs to wider geographies, including high-opportunity neighborhoods

F. Developing proposals to reduce or eliminate requirements related to parking, building height, lot coverage, setbacks, minimum unit size, minimum lot size, floor area ratio, and other common land use controls

G. Establishing incentive programs or flexibilities to enable and promote the adaptive reuse of vacant or underutilized properties for housing or mixed-use development

H. Developing proposals to streamline and modernize local permit processing, such as by enabling one-stop or parallel-process permitting

I. Developing proposals to streamline or eliminate requirements that unduly delay the permitting process or establish unreasonable thresholds for approvals, such as duplicative and burdensome hearings and documentation for variances, rezonings, or similar planning approvals

J. Developing proposals to rezone to allow multifamily or mixed-use development including housing in office, commercial, and light industrial zones

K. Developing proposals to expedite approvals for affordable housing development that meets certain criteria

- L. Developing proposals for higher-density zoning for current single-family and multi-family zones, including rezones to allow duplexes, triplexes, or fourplexes by-right in all areas zoned primarily for single-family homes and encourage property owners to ensure that any infill development improves or maintains walkability
- M. Establishing incentive programs, designing pre-approved floorplans, or introducing more flexible zoning to enable and promote accessory dwelling units
- N. Developing proposals to replace discretionary design review procedures with objective design and development standards
- O. Developing proposals to eliminate restrictions on lower-cost housing types such as prefabricated or manufactured homes
- P. Developing proposals to update zoning or incentives to facilitate affordable housing on land owned by faith-based organizations
- Q. Developing proposals to restructure fee schedules to eliminate burdensome costs for affordable housing development
- R. Creating affordable housing planning resources for member jurisdictions
- S. Developing regional planning models that enhance location efficiency by focusing on connecting housing, transportation, and economic growth
- T. Providing affordable housing developers a first look at tax sale properties and other government properties
- U. Developing proposals to eliminate, subsidize, waive, or otherwise reduce fees or other costs of property subdivision that may discourage the construction of affordable housing
- V. Developing proposals for policies that incentivize mixed-income development, such as the inclusion of affordable units in market rate properties
- W. Developing proposals to reform building codes, including through adopting or modifying model codes or consensus standards, to facilitate more affordable housing or otherwise reduce construction costs
- X. Developing proposals to harmonize land-use policies or building codes among adjoining municipalities and facilitate consistent regional development standards that streamline housing development

**ii. Development activities.** Examples include:

- A. Financing the construction or rehabilitation of affordable housing
- B. Acquisition or disposition of land or real property for the development of affordable housing
- C. Facilitating the conversion of commercial or other properties to new housing
- D. Establishing or assisting a community development financial institution (CDFI) to carry out financing strategies
- E. Providing large-scale technical assistance to affordable or non-profit developers, community land trusts, or other entities which leads to the development of affordable housing

**iii. Infrastructure activities.** Examples include:

- A. Installing new utilities and/or infrastructure improvements necessary for the development or preservation of affordable housing
- B. Upgrading existing utilities or improvements to increase an area's overall capacity

for new housing

C. Establishing tax-increment financing districts to fund infrastructure improvements or affordable housing development, especially those that incentivize affordable housing development

D. Increasing community resilience by investing in infrastructure improvements and nature-based solutions to mitigate the impacts of disasters, natural hazards, and extreme weather (such as flood walls, green stormwater management systems, landscaping to reduce heat islands, and elevating existing structures), for the preservation of affordable housing and to make areas suitable for new affordable housing investment.

E. Investing in neighborhood amenities that benefit low-and-moderate income residents such as parks, community centers, bike lanes and improvements to the physical environment that increase public safety such as streetlights or sidewalks

**iv. Preservation activities.** Examples include:

A. Acquisition or subsidization of at-risk housing for the purpose of preserving affordability

B. Establishing loan or grant programs with affordability requirements or other mechanisms for rehabilitation of existing affordable housing units

C. Creating anti-displacement policies and prevention measures, such as limitations on property tax increases for low-income homeowners near new development, ensuring the affordability of new developments, and relocation assistance

D. Creating a right of first refusal and creating associated resources for tenants at risk of displacement

E. Incentivizing replacement of affordable units for new construction

F. Capacity building for non-profit entities seeking to pool resources, engage landlords regionally, work more cooperatively, undertake joint housing rehabilitation programs, or merge operations

G. Establishing an affordable housing preservation seed fund

H. Adaptive reuse of historic or commercial properties with minimum affordable housing requirements/set-asides.

I. Supporting shared housing through actions such as revising local occupancy regulations, rehabilitating units, establishing resident-matching programs, or similar activities

J. Creating an implementation plan to freeze property tax assessments for LMI homeowners (except that the grant may not be used to pay the balance)

K. Providing technical assistance to community land trusts or other entities which leads to the preservation of affordable housing

L. Providing homebuyer education, assistance, appraisal programs, and other educational programs for LMI residents

M. Preserving affordable housing in segregated, high poverty neighborhoods as part of a larger revitalization plan which improves conditions and eliminates disparities in access to opportunity between residents

d. Scope of impact. Competitive proposals will seek to remove the most significant barriers to unlocking affordable housing production and pursue area-wide benefits across a neighborhood, zoning district, station area, city, region, State, or similar geographic

area, rather than smaller reforms or changes that may be limited in scope or geography. HUD encourages applications that will demonstrate scope of impact through incorporating a focus on barrier elimination related to land-use regulations, permitting, or related procedural issues.

**3. Ineligible activities.** Activities that are ineligible for PRO Housing funding include:

- a. Any activity that does not meet a national objective, as applicable.
- b. Any activity that is not eligible under section 105(a) of the Housing and Community Development Act of 1974, applicable implementing regulations, and this NOFO unless a waiver is obtained from HUD.
- c. Any activity that is not in compliance with applicable fair housing, nondiscrimination, labor standards, and environmental review requirements.
- d. Any activity carried out on or before the date of the letter announcing the award of the grant, except that you may use grant funds, should you receive an award, to reimburse PRO Housing eligible costs of grant application preparation, including planning and public outreach activities. Note that a CDBG grantee may choose to use annual CDBG funds to assist in applying for other federal grant programs if the grantee certifies that the program would meet local community development objectives, including under this NOFO.
- e. Any activity to carry out the regular responsibilities of the unit of general local government or for buildings or portions thereof used for the general conduct of government. Applicants should plan their approaches accordingly to ensure that PRO Housing award funds are not used for such costs. Grantees may and are encouraged to use leverage funding for such unallowable costs.
- f. Any activity that results in a net decrease in allowable or actual housing construction. Rezoning efforts and development activities must ensure a net increase in zoned capacity or number of homes, respectively, to be considered for funding. HUD will not consider upzoning efforts which are accompanied by downzoning elsewhere, or managed retreat projects or development activities if they will not result in an increase in affordable housing units. HUD may make an exception to this requirement for a relocation or buyout program that is identified as a strategy for mitigation from an environmental or natural hazard (e.g., flood prevention, remediation from contaminants).

**4. Waivers.** For information about all waivers HUD is providing for the PRO Housing competition, applicants should refer to Section VI.E of this NOFO. For information about how to request additional waivers, refer to Appendix A of this NOFO.

**5. Amendments.** Post-award, all requests for amendments to the application must be submitted to HUD. HUD will review and approve or disapprove any requested amendment that is a substantial amendment. Substantial amendments are changes that affect the responses to the rating factors and include but are not limited to a change in program benefit, beneficiaries, or eligibility criteria; the allocation or re-allocation of more than ten percent of the award; or the addition or deletion of an activity. Subsequent to HUD's review and approval, a grantee may substantially amend the Application if it follows the same public participation requirements in this NOFO for the preparation and submission of an Application and HUD agrees in writing that the amended Application would still score in the fundable range for the competition. Prior to preparation and submission of any post-award

amendment, the grantee is encouraged to work with its HUD representative to ensure the proposed change is consistent with this NOFO, and all applicable regulations and Federal law.

### **Advancing Racial Equity**

In accordance with Executive Order [13985](#), *Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, and federal fair housing and civil rights laws, you must submit a narrative demonstrating the following:

- You analyzed the racial composition of the persons or households who are expected to benefit from your proposed grant activities;
- You identified any potential barriers to persons or communities of color equitably benefiting from your proposed grant activities;
- You detailed the steps you will take to prevent, reduce or eliminate these barriers; and
- You have measures in place to track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities.

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

Applicants should provide this narrative in the Soundness of Approach factor, section V.A.1.b.iv.

### **Affirmative Marketing**

You must submit a narrative demonstrating that the housing, services, or other benefits provided under this grant will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts. Such demographic groups may include, for example, Black and Brown persons or communities, individuals with limited English proficiency, individuals with disabilities, or families with children. Such activities may include outreach through community contacts or service providers or at community centers serving the target population; and marketing on websites, social media channels, television, radio, and print media serving local members of the targeted group. Documentation for this factor consists of a narrative describing the activities that will fulfill the factor requirements.

Applicants who propose to use PRO Housing grant resources to fund activities directly producing or preserving housing units should provide this narrative in the Soundness of Approach factor, section V.A.1.b.iv.

## **G. Criteria for Beneficiaries.**

Except as described in this NOFO and its appendices, statutory and regulatory provisions governing the CDBG program, including Title I of the Housing and Community Development Act of 1974 and 24 CFR part 570, shall apply to the use of these funds. For CDBG entitlement communities, multijurisdictional entities, and metropolitan planning organizations, regulatory provisions at 24 CFR part 570 subparts A, C, D, J, K, and O apply, as appropriate. For states, 24 CFR part 570 subpart I applies; however, Section VI.E of this NOFO waives the requirement for states to distribute funds through a method of distribution as is required for annual State CDBG funds.

## **IV. APPLICATION AND SUBMISSION INFORMATION**

### **A. Obtain an Application Package**

#### **Instructions for Applicants**

All application materials, including the Application Instructions and Application Package, are available through Grants.gov. You must access and review all available application materials. You must submit your application electronically via Grants.gov under the Funding Opportunity Number cited within this NOFO. Your application must list the applicable Funding Opportunity Number.

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

Name:

Jessie H. Kome

Email:

CDBG-PROHousing@hud.gov

HUD Organization:

CPD

Street:

451 7th Street SW, Room 7282

City:

Washington

State:

DC DISTRICT OF COLUMBIA

Zip:

20410

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

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

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

#### **1. Content**



<b>Forms/Assurances/Certifications</b>	<b>Submission Requirement</b>	<b>Notes/Description</b>
Application for Federal Assistance (SF-424)	Review section IV.G. of this NOFO for detailed submission requirements.	
Applicant and Recipient Assurances and Certifications (HUD 424-B)	Review section IV.G. of this NOFO for detailed submission requirements.	
Applicant/Recipient Disclosure/Update Report (HUD 2880)	Review section IV.G. of this NOFO for detailed submission requirements	
Disclosure of Lobbying Activities (SF-LLL)	Review section IV.G. of this NOFO for detailed submission requirements.	Federally recognized Indian tribes and tribally designated housing entities (TDHEs) established by federally recognized Indian tribes as a result of the exercise of the tribe’s sovereign power are excluded from coverage of the Byrd Amendment, but state-recognized Indian tribes and TDHEs established only under state law shall comply with this requirement.
Certification Regarding Lobbying (Lobbying Form)	Review section IV.G. of this NOFO for detailed submission requirements.	
Federal Assistance Assurances	Review section IV.G.	

Forms/Assurances/Certifications	Submission Requirement	Notes/Description
	of this NOFO for detailed submission requirements.	
Grant Application Detailed Budget Worksheet (424-CBW)	Review section IV.G. of this NOFO for detailed submission requirements.	
PRO Housing Certifications	Refer to Appendix B of this NOFO.	

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

**2. Format and Form**

Narratives and other attachments to your application must follow the following format guidelines. Do not submit password protected or encrypted files.

40 Pages maximum length of narratives

Other

The narrative shall be 12-point (minimum) Times New Roman font on letter sized paper (8 ½ x 11 inches) with at least 1-inch margins on all sides

**Instructions on Application Organization and Content.** The following provides instructions on the organization and content of your application. All narrative exhibits, attachments, and forms are required to be submitted in your application unless otherwise indicated. Review the Threshold Eligibility Requirements in Section III.D, Other Submission Requirements in Section IV.G, and the Review Criteria in Section V.A for details about what should be submitted. 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 NOFO, may negatively impact HUD's ability to determine if your application meets threshold requirements or to score your application. This could result in your application not being able to be scored and ranked or a lower score. Please also only submit documents that are required to respond to a threshold requirement and/or rating factor. HUD forms required by this NOFO are provided in the application package download at <http://www.grants.gov/>. The list of narrative exhibits and attachments is provided below, along with instructions for each.

(1) **Table of Contents.** Provide a table of contents matching the submission requirements of this section.

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

**Exhibit A Executive Summary.**

**Exhibit B Threshold Requirements and Other Submission Requirements.** Review and provide a narrative response, as necessary, to the Threshold Eligibility Requirements in Section III.D and Other Submission Requirements in Section IV.G

**Exhibit C Need.** Review and provide a narrative response to V.A.1.a

**Exhibit D Soundness of Approach.** Review and provide a narrative response to V.A.1.b

**Exhibit E Capacity.** Review and provide a narrative response to V.A.1.c

**Exhibit F Leverage.** Review and provide a narrative response to V.A.1.d

**Exhibit G Long-term Effect.** Review and provide a narrative response to V.A.1.e

(3) **Attachments.**

**Attachment A** Summary of comments received on published Application and list of commenters by name/organization

Narratives and other attachments to your application must follow the following format guidelines. Do not submit password protected or encrypted files.

**a. Application Layout.**

- i. The first part of an application is comprised of narrative exhibits. The narratives respond to requirements, rating factors, and other criteria in the NOFO, as indicated below.
- ii. Any pages marked as sub-pages (e.g., with numbers and letters such as 25A, 25B, 25C), will be treated as separate pages;
- iii. If a section is not applicable, indicate 'N/A' as a clear indication to HUD (do not leave the section blank);
- iv. 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 or reduced font are used, will be counted as multiple pages;
- v. Do not format the narrative exhibits in columns. Pages with text in columns will be counted as two pages;
- vi. All pages should be numbered.

**b. Format and Title Instructions.** Each narrative exhibit should be uploaded as its own separate file, with a title page based on the organization instruction in the section above. Do not upload an application that has multiple exhibits or attachments in the same file. HUD will use title pages as tabs when it downloads the application. Each title page should only contain the name of the narrative exhibit or attachment (e.g., “Exhibit A Executive Summary”) and the name of the Applicant. **WARNING:** The file name should be fewer than 50 characters and not include spaces or special characters. Also, please note that Grants.gov is a system used by the entire Federal government and its structure does not necessarily reflect this NOFO (i.e. its Attachment 1 does not refer to PRO Housing Attachment 1). Applicants should zip together the multiple attachment files (in one or more zip files,

depending on the size) they have prepared in accordance with this NOFO and enter them into the slots provided by Grants.gov.

**c. Application Page Count.**

- i. Each PRO Housing application must contain no more than 40 pages of narrative exhibits and attachments. Any pages beyond this limit will not be reviewed. HUD will not consider the information on any excess pages, potentially resulting in a lower score.
- ii. Exceptions to page limits. The documents listed below constitute the only exceptions and are not counted in the page limit listed above. Extraneous information not requested in the NOFO that is provided in these attachments will be counted toward the page limit.

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

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

**1. SAM Registration Requirement**

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

**2. UEI Requirement**

As of April 4, 2022, entities doing business with the federal government must use the UEI created in SAM.gov. Also, you must provide a valid UEI, registered and active at [www.sam.gov/](http://www.sam.gov/) in the application. For more information, see: <https://www.gsa.gov/about-us/organization/federal-acquisition-service/office-of-systems-management/integrated-award-environment-iae/iae-systems-information-kit/unique-entity-identifier-update>.

**3. Requirement to Register with Grants.gov**

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

**D. Application Submission Dates and Times**

**1. Application Due Date Explanation**

The application deadline is 11:59:59 PM Eastern time on

10/30/2023

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

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

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

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

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

## **2. Grants.gov Customer Support**

Grants.gov provides customer support information on its website at <https://www.grants.gov/web/grants/support.html>. If you have difficulty accessing the application and instructions or have technical problems, contact Grants.gov customer support center by calling (800) 518-GRANTS (this is a toll-free number) or by sending an email to [support@grants.gov](mailto:support@grants.gov). The customer support center is open 24 hours a day, seven days per week, except Federal holidays. Individuals who are deaf or hard of hearing, or who have speech and other communication disabilities may use a relay service to reach Grants.gov Customer Support. To learn more about how to make an accessible telephone call, visit the [webpage for Federal Communications Commission](#).

## **3. Grants.gov Application Submission**

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

- Log in to Grants.gov.
- Click the Check Application Status link, which appears under the Grant Applications heading in the Applicant Center page. This will take you to the Check Application Status page.
- Enter search criteria and a date range to narrow your search results.
- Click the Search button. To review your search results in Microsoft Excel, click the Export Data button.

- Review the Status column. To view more detailed submission information, click the Details link in the Actions column.
- To download the submitted application, click the Download link in the Actions column.

Take note of the Grants.gov tracking number, as it is needed by the Grants.gov customer support center should you seek their assistance.

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

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

If these events occur, HUD will post a notice on its website establishing the new, extended deadline for the affected applicants. HUD will also publish the extension on Grants.gov.

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

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

#### **4. Amending or Resubmitting an Application**

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

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

#### **5. Grace Period for Grants.gov Submissions**

If your application is received by Grants.gov before the deadline, but is rejected with errors, you have a grace period of 24 hours after the application deadline to submit a corrected, received, and validated application through Grants.gov. The date and time stamp on the Grants.gov system determines the application receipt time. Any application submitted during the grace period but not received and validated by Grants.gov will not be considered for funding. There is no grace period for paper applications.

#### **6. Late Applications**

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

## 7. Corrections to Deficient Applications

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

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

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

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

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

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

## 8. Authoritative Versions of HUD NOFOs

The version of this NOFO posted on Grants.gov includes the official documents HUD uses to solicit applications.

## 9. Exemptions

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

### E. Intergovernmental Review

This program is subject to [Executive Order 12372, Intergovernmental Review of Federal Programs](#). [Executive Order 12372](#) allows each state to designate an entity to perform a state review function. To determine if your state has designated a State Point of Contact (SPOC), please see the [SPOC List at OMB](#). States not listed on the website have chosen not to participate in the intergovernmental review process and, therefore, do not have a SPOC. If your state has a

SPOC, you should contact the SPOC to see if that person/office is interested in reviewing your application before you submit it to HUD.

## **F. Funding Restrictions**

1. **Statutory Time Limits.**
  - a. Required Obligation Date. HUD must obligate funds appropriated for the PRO Housing program for FY 2023 on or before September 30, 2026. Any funds not obligated by that date will not be available for obligation for any purpose.
  - b. Required Expenditure Date. Grantees must expend all PRO Housing funds by the end of FY 2029.
2. **Cost Control Standards.**
  - a. Cost estimates must represent an economically viable preliminary plan for designing, planning, and carrying out the proposed activities, in accordance with local costs of labor, materials, and services.
  - b. Projected costs must be reasonable and comparable to industry standards and in accordance with the applicable policy, statute and/or regulations.
  - c. Grantees must provide a budget identifying the specific use of all grant funds at the CDBG activity level.
3. **Budget Deductions.** HUD may delete any unallowable items from the proposed budget and may reduce the grant amount accordingly. HUD will not fund any portion of an application that: (a) is not eligible for funding under specific HUD program statutory or regulatory requirements; (b) does not meet the requirements of this NOFO; or (c) is duplicative of other funded programs or activities from prior awards or other selected applicants. Only the eligible portions of an application (excluding duplicative portions) may be funded.
4. **Grant Reduction, Recapture, or Withdrawal of Grant Amounts.** HUD reserves the right to amend an award and reduce the amount or recapture the grant. Additionally, HUD reserves the right to withdraw any grant funds a grantee has not obligated under its award, or any funds that a grantee has not accepted after being awarded. Prior to a reduction, withdrawal, or adjustment of a grant, the grantee shall be notified of such proposed action and given an opportunity within a prescribed time period for an informal consultation. HUD may redistribute any amounts to one or more other applicants eligible for PRO Housing funding.
5. **Ineligible Use of Grant Funds.** See Section III.F.3 of this NOFO regarding ineligible uses of program funds.

### **Indirect Cost Rate**

Normal indirect cost rules under [2 CFR part 200, subpart E](#) apply. If you intend to charge indirect costs to your award, your application must clearly state the rate and distribution base you intend to use. If you have a Federally negotiated indirect cost rate, your application must also include a letter or other documentation from the cognizant agency showing the approved rate. Successful applicants whose rate changes after the application deadline must submit the new rate and documentation to assure the award agreement incorporates the applicable rate.

Applicants other than state and local governments. If you have a Federally negotiated indirect cost rate, your application must clearly state the approved rate and distribution base and must include a letter or other documentation from the cognizant agency showing the approved rate. If



your organization does not have a current negotiated rate (including provisional rate) and elects to use the de minimis rate, your application must clearly state you intend to use the de minimis rate of 10% of Modified Total Direct Costs (MTDC), as defined at [2 CFR 200.1](#). Costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both, as described in [2 CFR 200.403](#). Once elected, the de minimis rate must be applied consistently for all Federal awards until the organization chooses to negotiate a rate, which the organization may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

## **G. Other Submission Requirements**

### **1. Standard Application, Assurances, Certifications and Disclosures**

#### **Standard Form 424 (SF-424) Application for Federal Assistance**

The SF-424 is the government-wide form required to apply for Federal assistance programs, discretionary Federal grants, and other forms of financial assistance programs. You must complete and submit the form with the other required forms and information as directed in this NOFO.

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

#### **Assurances (HUD 424-B)**

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

#### **Applicant Disclosure Report Form 2880 (HUD 2880)**

The form HUD 2880 is required if you are applying for assistance within the jurisdiction of HUD to any project subject to Section 102(d) of the [HUD Reform Act](#). Assistance is provided directly by HUD to any person or entity, but not to subrecipients. It includes assistance for the acquisition, rehabilitation, operation, conversion, modernization, renovation, or demolition of any property containing five or more dwelling units that is to be used primarily for residential purposes. It includes assistance to independent group residences, board and care facilities, group homes and transitional housing but does not include primarily nonresidential facilities such as intermediate care facilities, nursing homes and hospitals. It also includes any change requested by a recipient in the amount of assistance previously provided, except changes resulting from annual adjustments in Section 8 rents under Section 8(c)(2)(A) of the United States Housing Act of 1937 ([42 U.S.C. 1437f](#)). [See HUD Reform Act regulation for additional information.](#)

### **Code of Conduct**

Both you, as the award recipient, and all subrecipients must have a code of conduct (or written standards of conduct). The code of conduct must comply with the requirements included in the “Conducting Business in Accordance with Ethical Standards” section of the [Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards](#), as well as any program-specific requirements. These requirements include ethical standards related to conflicts of interest for procurements in [2 CFR 200.318\(c\)](#) and [2 CFR 200.317](#), as well as HUD-specific conflict of interest standards. HUD maintains a list of organizations that have previously submitted written standards of conduct on its [Code of Conduct for HUD Grant Programs webpage](#). But it is your responsibility to ensure that the standards are compliant with the noted requirements and that HUD has the latest version of the written standards. Updated written standards should be submitted with the application. Any updates to your written standards, after the application period, should be submitted as directed by the HUD program contact for this NOFO.

### **Affirmatively Furthering Fair Housing**

With some exceptions for Federally recognized Indian tribes and their instrumentalities, the application must discuss how the applicant will carry out the proposed activities in a manner that affirmatively furthers fair housing in compliance with the Fair Housing Act and its implementing regulations, and how applicants will meet the requirements of the definition of AFFH at 24 CFR 5.151. Applicants may propose activities that are consistent with their jurisdiction’s Analysis of Impediments (AI), an Assessment of Fair Housing (AFH), or other means of fair housing planning that meaningfully supports their AFFH certification.

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

An applicant will respond to this requirement (Affirmatively Furthering Fair Housing) under the Soundness of Approach Rating Factor, section V.A.1.b.iv.

If the applicant is a CDBG, HOME, ESG, and/or HOPWA grantee, it may note the date of its most recent certification and a summary of the actions reported in its most recent CAPER; however, applicants still need to describe how their proposed NOFO activities are aligned with AFFH requirements in response to Rating Factor, section V.A.1.b.iv (Soundness of Approach).

## **2. Other Program-Specific Requirements**

**a. Limited English Proficiency (LEP).** For assistance in ensuring that information regarding the planning process and this application is available to LEP populations, recipients should consult the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons published on January 22, 2007, in the Federal Register (72 FR 2732).

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

**c. Environmental review.** All PRO Housing grantees must comply with applicable environmental requirements related to any awarded funds. This includes complying with environmental justice requirements as set forth in HUD's regulations at 24 CFR parts 50 and 58, which implement the policies of the National Environmental Policy Act (NEPA) and other environmental requirements. Grantees who are States or units of general local government (UGLGs) are considered the Responsible Entity under 24 CFR part 58 and are responsible for completing their own environmental review. The Responsible Entity must conduct an environmental review to determine whether each activity funded under this NOFO is exempt or categorically excluded from NEPA and other environmental review requirements or requires further environmental review. For grantees who are not States or units of general local government (UGLGs) or are not recipients of funding under Title I of the Housing and Community Development Act of 1974 and HUD's regulations at 24 CFR 58.2(a)(5), HUD will perform the environmental review in accordance with 24 CFR part 50. The recipient, its project partners, and their contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this NOFO, or commit or expend HUD or non-HUD funds for such activities under this NOFO, until the responsible entity has completed the environmental review procedures required by 24 CFR part 58 and the environmental certification and Request for Release of Funds (RROF) have been approved or HUD has performed an environmental review under 24 CFR part 50 and the recipient has received HUD approval of the project. HUD will not release grant funds if the recipient or any other party takes choice limiting actions or commits grant funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the recipient submits and HUD approves its RROF (where such submission is required). For more information about environmental review requirements, please see Section VI.E of this NOFO.

**d. Federal Assistance Assurances.** To assure compliance with statutory requirements for non-construction grant programs, you must complete the Federal Assistance Representations and Certifications section of your sam.gov registration. HUD and OMB use information reported within sam.gov for general management of Federal assistance awards programs. For more information on how to update your sam.gov registration, visit SAM.gov or the Federal Service

Desk, FSD.gov. You can search for help at FSD any time or request help from an FSD agent Monday-Friday 8 a.m. to 8 p.m. ET.

**e. 424-CBW budget form.** Applicants must complete the 424-CBW budget form. Provide a breakdown of the aggregate numbers detailing the funding allocation to each activity. The form is accessible online at <https://www.hud.gov/sites/dfiles/OCHCO/documents/424-CBW.xls>. Instructions on how to complete the form are also available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/424-CBW-I.xlsx>. Both the form and instructions are also available in the grants.gov Application Package for this NOFO.

**f. Certification Regarding Lobbying.** All applicants except Federally recognized Indian tribes must submit this certification with their application. Download this form as part of the Application Package for this NOFO.

**g. Disclosure of Lobbying Activities (SF-LLL).** Download this form as part of the Application Package for this NOFO. If this form does not apply, indicate on the form (e.g., writing ‘N/A’) and submit it with your application.

## V. APPLICATION REVIEW INFORMATION

### A. Review Criteria

#### 1. Rating Factors

HUD will use the following rating factor criteria to evaluate applications under this NOFO. Applicants must respond to the rating factor criteria as the basis to be scored and ranked. Failure to respond to the rating factor criteria will result in an incomplete application.

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

i		What is your vision?	15
ii		What is your geographic scope?	5
iii		Who are your key stakeholders? How are you engaging them?	5
iv		How does your proposal align with requirements to affirmatively further fair housing?	5
v		What are your budget and timeline proposals?	5
<b>c.</b>	<b>Capacity</b>		<b>10</b>
i		What capacity do you and your Partner(s) have? What is your staffing plan?	10
<b>d.</b>	<b>Leverage</b>		<b>10</b>
i		Are you leveraging other funding or non-financial contributions?	10
<b>e.</b>	<b>Long-Term Effect</b>		<b>10</b>
i		What permanent, long-term effects will your proposal have? What outcomes do you expect?	10
<b>Total</b>			<b>100</b>

**a. NEED** (Maximum 35 points)

HUD is prioritizing applications that demonstrate: (1) progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation; and (2) acute demand for housing affordable to households with incomes below 100 percent of the area median income. A thorough response identifies a need for affordable housing, names barriers to affordable housing production and preservation in your jurisdiction(s) and describes the extent of such barriers. HUD encourages applications that will discuss key barriers related to land-use regulations, permitting, or related procedural issues. HUD will rate applicants based on clear, well supported, demonstrated need.

- i. **Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation. (12 points)** Please address the timeframe for these efforts; how these efforts were adopted, established, or otherwise made permanent; and the measurable impact thus far. Be sure to describe recent policy changes or community planning strategies that you have adopted to increase housing production for low- and moderate-income populations, as well as recent initiatives to preserve affordability, increase access to affordable accessible housing in high opportunity areas, and invest in underserved communities. HUD will rate applicants more highly if they demonstrate that they have successfully taken actions to remove local barriers to increasing affordable housing production and preservation.
- ii. **Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know? (13 points)**

HUD is prioritizing applicants with acute demand for housing affordable to households with incomes below 100 percent of the area median income and seeks to ensure that awards under this NOFO are directed to applicants with certain objective measures of acute demand for affordable housing.

You will be awarded ten (10) points if your application primarily serves a priority geography that has an affordable housing need greater than a threshold calculation for one of three measures. The threshold calculation is determined by the need of the 90th-percentile jurisdiction (top 10%) for each factor as computed comparing only jurisdictions with greater than 50,000 population. Threshold calculations are done at the county and place level and applied respectively to county and place applicants. An application can also qualify as a priority geography if it serves a geography that scores in the top 5% of its State for the same three measures. Applications that primarily serve locations outside these priority geographies will not be awarded any of these ten points.

The measures are as follows:

- **Affordable housing not keeping pace**, measured as (change in population 2019-2009 divided by 2009 population) – (change in number of units affordable and available to households at 80% HUD Area Median Family Income (HAMFI) 2019-2009 divided by units affordable and available at 80% HAMFI 2009).
- **Insufficient affordable housing**, measured as number of households at 80% HAMFI divided by number of affordable and available units for households at 80% HAMFI.
- **Widespread housing cost burden or substandard housing**, measured as number of households with housing problems at 100% HAMFI divided by number of households at 100% HAMFI. Housing problems is defined as: cost burden of at least 50%, overcrowding, or substandard housing.

HUD has provided a spreadsheet identifying each of these geographies on its website. To see whether you meet the criteria to receive points, visit the [PRO Housing website](#) and view the spreadsheet.

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

below 100 percent of the area median income. In your narrative, you are encouraged to provide local knowledge that is not already captured by the above measures. Topics that may indicate acute demand for affordable housing include displacement pressures, housing stock condition, age of housing stock, homelessness, ratio of median home price to area median income, and more.

**iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing? (10 points)** Please describe in detail the leading barriers to affordable housing production and preservation in your jurisdiction(s). A complete response will identify why the identified barriers are key barriers. You may wish to address topics such as the following:

- Permitting procedures and approval timing and predictability
- Fees and taxes (excluding impact and nexus fees for affordable housing)
- Zoning and land use controls
- Infrastructure constraints
- Prohibitive building codes
- Availability of financing and subsidies for affordable housing
- Capacity to conduct meaningful community engagement, procedural delays associated with soliciting engagement or community review, and/or opposition to new and or affordable housing
- Capacity of local affordable housing developers and managers
- Local laws that penalize individuals for reporting or seeking protection from violence
- Other relevant barriers unique to your community

If you are not aware of the extent of barriers to affordable housing production and preservation, please describe how the proposed activities will identify barriers and facilitate removal of such barriers.

**b. SOUNDNESS OF APPROACH (Maximum 35 points)**

i. **What is your vision? (15 points)** A sound proposal will seek to enable increased production and preservation of affordable housing across a broad geographic area over a sustained timeframe. While proposals generally must ensure that 51 percent of produced or preserved units directly benefit LMI individuals, except for certain new construction of housing activities wherein no less than 20 percent of the units must directly benefit LMI individuals, proposals may also wish to discuss the degree to which barrier reductions will also improve the production of market rate housing (and the potential indirect improvements in affordability generated through increased supply of market rate housing). HUD expects your response to be clear, complete, specific, and fully analyzed. HUD will rate more highly approaches that most directly address the barriers identified in Need [Factor (a)(iii)] and relieve the acute demand. A complete response should address the following:

- Describe your proposed activities and why they are appropriate, given identified Need and applicant Capacity. Show how each proposed activity meets a national objective and constitutes an eligible activity consistent with Sections III.F.1 & 2 of this NOFO. What is the timeframe of the expected benefit?
- Explain how your proposal addresses key barriers to affordable housing production

and preservation. What is the connection between your proposed activities and the key barrier(s) you seek to address? Is your proposed activity addressing barriers identified in your earlier response [Prompt (a)(iii)]? If your proposal targets only one barrier, justify this strategy and explain why this individual barrier requires the resources and focus of the entire grant. Provide evidence showing why the proposed approach is expected to succeed in removing the identified barrier(s) and will lead to significant increases in the production and preservation of affordable housing. If applicable, please describe how your proposal will create new housing opportunities without inviting displacement.

- Explain how your proposal compares to similar efforts and how lessons learned from those efforts have shaped your proposal. Describe the successes of previous efforts to undertake similar proposals, whether in your jurisdiction(s) or in another locality. What pieces of those previous efforts succeeded, and how will your proposal emulate them? What pieces of those efforts were not successful, and how will your proposal ensure success while avoiding those pitfalls? If you are proposing activities which have not been tested before, describe why you think the innovative nature of your proposed activity is appropriate.

- You may also wish to discuss how your proposal aligns with existing planning initiatives, services, other community assets (e.g., transportation planning, climate resilience and mitigation plans, public or supportive housing services, economic development opportunities, healthcare or school systems, etc.). For example, does your plan account for expected population change? How does the proposal align with local or regional transportation plans in your jurisdiction(s)? Does your plan improve simplification and harmonization of land-use regulations across multiple municipalities or entities? Do your proposals for transit-oriented development include anti-displacement strategies to ensure that the benefits of station-area investments accrue to all, especially long-time residents of the neighborhood? Does your proposal target new housing opportunities in areas that allow current and future residents to access public transit, jobs, public services, or other amenities? Does your plan support job creation and retention efforts, including consideration for individuals who may work in your jurisdiction(s) but live in another?

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

iii. **Who are your key stakeholders? How are you engaging them? (5 points)** Potential stakeholders may include, but are not limited to, persons with unmet housing needs; residents of public or other affordable housing units; persons from all protected class groups under the Fair Housing Act; local and regional public agencies that provide funding or technical assistance for housing, transportation, and social services; community organizations, especially those that represent protected classes; private and non-profit housing developers; community land trusts; advocacy organizations and legal groups; business and civic leaders; and others. Applicants subject to Consolidated Plan requirements (States and units of general



local government) can describe their actions as required by 24 CFR part 91 and as related to the prompts below. Applicants not subject to Consolidated Plan requirements (Metropolitan Planning Organizations and Multijurisdictional entities) can describe their actions as related to the prompts below.

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

**iv. How does your proposal align with requirements to affirmatively further fair housing? (5 points)** Please respond to each of the following:

- Describe your plans to remove barriers to the development of affordable housing in well-resourced areas of opportunity. How will your proposal increase access for underserved groups to these areas? What is the racial composition of the persons or households who are expected to benefit from your proposed grant activities?
- Describe your plans to remove barriers impeding the development of affordable housing that would promote desegregation. What policies or practices perpetuate segregation and how will your proposal address them?
- How will you ensure that your proposal will not cause affordable housing to be further concentrated in low-opportunity areas or in areas that already have ample affordable housing? How will your proposal increase housing choice by expanding the neighborhoods in which residents who need affordable housing can live?
- How does your approach address the unique housing needs of members of protected class groups, including persons with disabilities, families with children, and underserved communities of color?
- Does your plan address issues identified in your jurisdiction's most recent fair housing plan or plans?
- Have you considered the risk of displacement associated with your proposal? How will you ensure that your planned activities do not lead to the displacement of vulnerable residents in communities of color? Describe any anti-displacement measures included in your proposal (e.g., replacement of affordable units for new construction, or right of first refusal for tenants)?
- How will your proposal address the housing needs of people with disabilities and increase their access to accessible and affordable housing? How will it support independent living with access to supportive services and transportation in the community? Please also describe your plan to ensure compliance with the Americans

with Disabilities Act (ADA) and accessibility requirements under the Fair Housing Act.

- Describe the implementation and/or enforcement plan for your proposal. Describe how you will approach resistance (e.g. litigation, environmental review, design standards) to the elimination of your targeted barrier(s).
- Describe any equity-related educational resources, tools, or public input that have informed your proposal.
- Do you plan to engage and support minority-, women-, and veteran-owned businesses during your proposed housing production process? Do you have a diversity and equity plan in place or plan to create one?
- Other equity considerations informed by your local circumstances.
- Describe how you will evaluate the effect of your proposal on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing
- How will you track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities?
- If the applicant proposes to use PRO Housing funds to fund housing units, the applicant must discuss how those benefits will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts.

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

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

- Provide a budget for the proposed activities that documents all projected sources of funds and estimates all applicable costs. Describe how you determined the budget and how you will ensure that the project will be cost-effective, in line with industry standards, and appropriate for the scope of the project. HUD will evaluate your proposed project cost estimate on the extent to which projected sources, including PRO Housing funds and any leveraged funds, are sufficient for the scope of the proposed project as a whole.
- Please describe how you would budget for and manage a successful project if HUD awards a different dollar amount than you are requesting. What is the minimum funding amount that would allow you to carry out your proposal in some form, and what would that proposal achieve? If you were to receive only 50% of your request, what would you be able to achieve?
- Provide a schedule for completing all of the proposed activities in advance of the expenditure deadline at the end of FY 2029. The schedule should identify each significant activity and milestone required for completing the planning process as well as relevant sub-tasks and should list the planned start and completion dates of all items. The application may include additional description of the schedule in the narrative exhibits.

**c. CAPACITY (Maximum 10 points)**

- i. **What capacity do you and your Partner(s) have? What is your staffing plan? (10 points)** Describe your capacity for managing a Federal grant of this size and scope. In

evaluating this subfactor, HUD will consider the degree to which applicants demonstrate clear capacity, or a plan to develop capacity, in managing Federal funds; project management on the scale of the idea or proposal; and leadership capacity to coordinate among proposed partners. Rather than measuring general capacity, HUD will measure your specific capacity to carry out your proposal, and your responses should reflect this. A complete response should address the following:

- Which specific agency or entity will lead implementation of the proposed activities? What is its role and management capacity?
- Describe how the agency or entity has (or plans to obtain) the relevant project management, quality assurance, financial and procurement, and internal control capacity to quickly launch and implement a major project.
- Describe your jurisdiction's leadership capacity and legal authority to effectively implement your proposed reforms. If other government entities are necessary for implementation, describe how their support is secured.
- If your proposed approach includes partners, describe each partner's capacities and credentials related to its role in implementing the project. Is your capacity to design, plan, or remove a barrier dependent on partner capacity? If yes, describe the dependency. What is your plan to regain capacity if a partner drops out?
- Describe the agency's or entity's experience working with and coordinating partners (including contractors, funders, subrecipients, community stakeholders, and other government agencies) in previous projects similar in scope of scale to the proposed activities. If you do not have such experience, how will you obtain it?
- Who wrote this application: applicant staff, or a professional technical or grant writer in a consulting or contract capacity? Please provide name(s), title(s), and organization(s). If the application was drafted by someone external to the applicant's organization, describe how the applicant staff and decision makers were actively engaged in the development of this proposal and how this coordination may continue over time.
- Do you or any partner(s) have experience working with civil rights and fair housing issues including, for example, working with data to analyze racial or economic disparities? Do you or your partner(s) have experience designing or operating programs that have provided tangible reductions in racial disparities?

Provide an organizational chart that identifies names and positions of key management for proposed PRO Housing activities. In addition to key management, be sure to include a count of all full-time staff that will manage PRO Housing activities. Please also include a description of your existing management structure and staff roles, including any gaps, vacancies, or positions contingent on award. If you are applying with a partner or partners, provide this information for each organization.

**d. LEVERAGE** (Maximum 10 points)

- i. **Are you leveraging other funding or non-financial contributions? (10 points)** As noted in Section III.C, this program does not require leveraging. Nonetheless, HUD views leveraged commitments as an indicator of support and commitment in the community. Additional funds may also increase the effectiveness of the proposed activities. An application will earn points in accordance with Table 1 based on the percentage of leveraged commitments for the proposed activities. In addition to financial

contributions, applicants may credit the dollar amounts of any non-financial contributions (e.g., donations of land or property, community benefit agreements, etc.) towards their percentage of leveraged commitments. HUD may also award points for clear and compelling non-quantifiable contributions to the project that significantly advance the project’s goals, up to the maximum of ten (10) points.

**Table 1: Scoring for Leveraged Funding**

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

Applicants must follow the below requirements in compiling and documenting leverage for purposes of this NOFO. Otherwise, it may not be possible for HUD to count the commitment at the level claimed. These general requirements apply to all leverage resource commitments.

- Resources must be firmly committed as of the application deadline date. “Firmly committed” means that the amount of the resource and its dedication to PRO Housing Grant activities is explicit. Endorsements or general letters of support alone will not count as resources and should not be included in the application.
- Leverage documents must represent valid and accurate commitments of future support. They must detail the dollar amount and any terms of the commitment. They must also indicate that the funding is available to you for the specific activities proposed in your PRO Housing application.
- Resource commitments must be written and signed by a person authorized to make the commitment and dated.
- Commitment letters must be on letterhead or they will not be accepted.
- If the commitment document is not included in the application and submitted before the NOFO deadline, it will not be considered.
- Staff time of the Applicant and/or Partner(s) (if any) will be an eligible leverage resource if they are firmly committed and monetized.

**e. LONG-TERM EFFECT (Maximum 10 points)**

- i. **What permanent, long-term effects will your proposal have? What outcomes do you expect? (10 points)** HUD seeks to ensure that funded activities enable the production and preservation of affordable housing units long after the grant’s period of performance. Describe how your approach seeks to permanently remove key barriers to producing and

preserving affordable housing and the measurable outcomes you expect to achieve. Be sure to address how the removal of barriers will result in more resilient housing and sustained production. A complete, compelling response should include the following:

- Describe what you will have achieved upon completion of grant-funded activities, including the specific work product(s), deliverable(s), or completed projects you will produce and any implementation actions that follow. Be sure to address how these achievements will have a permanent, long-term effect.
- Describe what roadblocks your proposal might be facing (e.g., the reversal of a plan to streamline the permitting process). What are the most likely ways in which the barriers might persist despite your proposed activities, and how does the proposal account for and counteract this?
- Do you anticipate your proposal will result in reducing housing cost burden for residents without increasing other costs, such as transportation costs? Describe how you seek to achieve your goal of enabling the production and preservation of affordable housing while also considering the value of siting affordable housing near amenities, public services, jobs, transit, schools, and other important community assets and locations.
- Describe how your proposal represents a model for other communities, including the manner(s) in which your jurisdiction(s) or others may scale or replicate the proposal.
- Describe the community's most significant environmental risks and how the proposal is aligned with them to efficiently promote community resilience. For example, you may wish to describe how your infrastructure and development activities incorporate resilient and/or energy-efficient features, such as native vegetation, reclaimed water, and efforts to mitigate the effects of climate change, as appropriate for your community. Applicants can rely on HUD's Community Resilience Toolkit at <https://files.hudexchange.info/resources/documents/HUD-Community-Resilient-Toolkit.pdf>.
- What do you consider success to look like at the end of the period of performance or beyond? How would you anticipate the proposal to enable the production and preservation of affordable housing? Explain how the targeted outcomes will remedy the identified Need [prompt (a)]. If possible, propose metrics (the quantifiable topic area you will measure) and target outcomes (a quantified goal for each metric which you will strive to achieve) to explain how your proposed grant activities are expected to address the affordable housing needs and/or barriers identified in Need [prompt (a)] such as cost burden, overcrowding, displacement, median home prices, the median home price to AMI ratio, the number of residential parcels experiencing relief from a former land-use restriction, and/or other data in your jurisdiction(s). HUD will rate applicants more highly for metrics and outcomes that have an evidence-based connection to the proposed activities and the barriers being addressed. Please be aware that HUD will not score on the basis of high target outcomes, and HUD encourages applicants to set target outcomes that they believe to be realistically achievable.
- Describe the long-term effect of your proposal on removing barriers to affordable housing production that have perpetuated segregation, inhibited access to well-

resourced neighborhoods of opportunity for protected class groups and vulnerable populations and expanded access to housing opportunities for these populations.

**PRO Housing**

**Maximum Points: 100**

**2. Other Factors**

**Preference Points**

This program does not offer any preference points.

**B. Review and Selection Process**

**1. Past Performance**

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

OMB-designated repositories of governmentwide data, as noted in [2 CFR 200.206\(a\)](#)

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

Meeting program requirements

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

Producing positive outcomes and results

Additional considerations are described in Section V.A.1.c of this NOFO.

HUD may reduce scores based on the past performance review, as specified under V.A. Review Criteria. Whenever possible, HUD will obtain and review past performance information. If this review results in an adverse finding related to integrity of performance, HUD reserves the right to take any of the remedies provided in the [Pre-Selection Review of Performance section of the Eligibility Requirements for Applicants of HUD Financial Assistance Programs](#).

**2. Assessing Applicant Risk**

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

- (1) Financial stability;
- (2) Quality of management systems and ability to meet the management standards prescribed in this part;
- (3) History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, failing to make significant progress in a timely manner, failing to meet planned activities in a timely manner, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
- (4) Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and

(5) The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

### **3. Experience Promoting Racial Equity**

In evaluating applications for funding, HUD will consider the extent to which the application demonstrates that the applicant has the experience and the resources to effectively address the needs of underserved communities, particularly Black and Brown communities. This may include experience successfully working directly with such groups, experience designing or operating programs that equitably benefit such groups, or experience successfully advancing racial equity in other ways. This may also include experience soliciting, obtaining, and applying input from such groups when designing, planning, or implementing programs and activities.

Applicants should describe their experience promoting racial equity in the Capacity factor, section V.A.1.c.i.

### **Additional information on Review and Selection Process**

HUD's selection process is designed to ensure that grants are awarded to eligible applicants that submit the most meritorious applications. HUD will consider the information you submit by the application deadline date. After the application deadline date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that you or any third party may want to provide. HUD may verify information provided in your application as needed by sending a written request for clarification. Responses to such inquiries will be required within 2 business days.

### **4. Application Screening.**

a. HUD will screen each application to determine if the Key Eligibility Criteria in Section III.A are met (including screening for technical deficiencies). If they are not met, the application will be deemed ineligible and will not receive further review. If they are met, HUD will screen the application to determine if it meets the other threshold criteria listed in Section III.D (including screening for technical deficiencies).

b. Corrections to Deficient Applications - Cure Period. In accordance with Section IV.D, corrections of technical deficiencies must be submitted within three business days of the date of the notification from HUD. Examples of curable (correctable) technical deficiencies include, but are not limited to, inconsistencies in the funding request and failure to submit a signature and/or date on a certification.

c. Applications that will not be rated or ranked. HUD will not rate or rank applications that are deficient at the end of the cure period or that have not met the Threshold Requirements described in Section III.D. Such applications will not be eligible for funding.

**5. Preliminary Rating and Ranking.** Reviewers will rate each eligible application based SOLELY on the rating factors described in Section V.A and assign a preliminary score for each rating factor and total score. HUD will then rank applications in score order.

**6. Final Panel Review.** A Final Review Panel will:

a. Review the Preliminary Rating and Ranking documentation to ensure any inconsistencies between preliminary reviewers are identified and rectified and to ensure the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

- b. Assign a final score to each application and rank them in score order; and
- c. Recommend for selection the most highly rated applications, subject to the amount of available funding.

**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 the application(s) with the highest score for the overall Need Rating Factors. If a tie remains, HUD will select the application(s) with the highest score for the overall Soundness of Approach Rating Factors, then overall Capacity Rating Factors.

**8. Remaining Funds.** Reservations not obligated by HUD by September 30, 2026 will expire. If the total amount of funds requested by all applications found eligible for funding under this NOFO is greater than the amount of funds available from this NOFO, 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.

## **VI. AWARD ADMINISTRATION INFORMATION**

### **A. Award Notices**

Following the evaluation process, HUD will notify successful applicants of their selection for funding. HUD will also notify other applicants, whose applications were received by the deadline but were not chosen for award. Notifications will be sent by email to the person listed as the AOR in item 21 of the SF-424.

#### **1. Final Grant**

After HUD has made selections, HUD will finalize specific terms of the award and budget in consultation with the selected applicant. If HUD and the selected applicant do not finalize the terms and conditions of the award in a timely manner, or the selected applicant fails to provide requested information, an award will not be made to that applicant. In this case, HUD may select another eligible applicant. HUD may also impose specific conditions on an award as provided under [2 CFR 200.208](#).

#### **2. Adjustments to Funding**

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

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

- (1) Is ineligible for funding under applicable statutory or regulatory requirements;
- (2) Fails, in whole or in part, to meet the requirements of this notice;
- (3) Duplicates activities funded by other federal awards; or
- (4) Duplicates activities funded in a prior year.

b. HUD may adjust the funding for an application to ensure funding diversity, geographic diversity, and alignment with HUD administrative priorities.



c. If an applicant turns down an award offer, or if HUD and an applicant do not finalize the terms and conditions of the award in a timely manner, HUD may withdraw the award offer and make an offer of funding to another eligible application.

d. If funds remain after all selections have been made, remaining funds may be made available within the current fiscal year for other competitions within the program area, or be held for future competitions (if allowable in accordance with the applicable appropriation or authorizing statute), or be used as otherwise provided by authorizing statute or appropriation.

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

### **3. Funding Errors**

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

#### **B. Administrative, National and Departmental Policy Requirements and Terms for HUD Applicants and Recipients of Financial Assistance Awards**

Unless otherwise specified, the following [Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards](#) apply. Failure to comply with these requirements may impact your ability to receive or retain a financial assistance award from HUD. Read the requirements carefully as the requirements are different among HUD's programs.

1. Compliance with The Fair Housing Act ([42 U.S.C. 3601-3619](#)) and implementing regulations at [24 CFR part 100 et seq](#)
2. Compliance with Title VI of the Civil Rights Act of 1964, [42 U.S.C. 2000d-2000d-4](#) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at [24 CFR part 1](#)
3. Compliance with the Age Discrimination Act of 1975 ([42 U.S.C. 6101-6107](#)) and implementing regulations at [24 CFR part 146](#)
4. Compliance with Section 504 of the Rehabilitation Act of 1973 ([29 U.S.C. 794](#)) and implementing regulations at [24 CFR part 8](#)
5. Compliance with the Americans with Disabilities Act, [42 U.S.C. 12101 et seq](#)
6. Compliance with Affirmatively Furthering Fair Housing (AFFH) requirements, including those listed on HUD's [Affirmatively Furthering Fair Housing](#) webpage
7. Compliance with Improving Access to Services for Persons with Limited English Proficiency (LEP) requirements, including those listed within [Federal Register Notice, FR-4878-N-02](#) (also see [HUD's webpage](#))
8. Compliance with Accessible Technology requirements, including those listed on in [HUD's Policy on Section 508 of the Rehabilitation Act and Accessible Technology](#)
9. Compliance with Equal Access Requirements (see [24 CFR 5.105\(a\)\(2\)](#) and [5.106](#))

10. Compliance with Energy Efficient, Sustainable, Accessible, and Free from Discrimination by Design
11. Compliance with Participation in HUD-Sponsored Program Evaluation (see [Federal Register Notice, FR-6278-N-01](#))
12. Compliance with Drug-Free Workplace requirements (see [2 CFR part 2429](#), which is HUD's implementation of [41 U.S.C. 701, et seq.](#))
13. Compliance with the requirements related to safeguarding resident/client files
14. Compliance with the Federal Funding Accountability and Transparency Act of 2006 ([2 CFR part 170](#)) (FFATA), as amended
15. Compliance with Eminent Domain
16. Compliance with Accessibility for Persons with Disabilities requirements on [HUD's Disability Overview](#) webpage
17. Compliance with the [Build America, Buy America \(BABA\) Act](#) procurement requirements and [implementing guidance available on HUD's dedicated webpage](#)
18. Compliance with System for Award Management and Universal Identifier Requirements at [2 CFR part 25](#)
19. Compliance with [section 106\(g\) of the Trafficking Victims Protection Act of 2000 \(TVPA\), as amended \(22 USC 7104\(g\)\)](#) and implementing regulations at [2 CFR part 175](#) (Award Term for Trafficking in Persons)
20. Compliance with Suspension and Debarment (see [2 CFR part 2424](#) and [2 CFR part 180](#))
21. Compliance with environmental justice requirements under Executive Orders [12898](#) and [14008](#), and OMB Memorandum [M-21-28](#), which implements the Justice40 Initiative, section 223 of Executive Order [14008](#).
22. Compliance with Eliminating Barriers That May Unnecessarily Prevent Individuals with Criminal Histories from Participation in HUD Programs (see [HUD Secretary Fudge's April 12, 2022 memorandum](#))
23. Compliance with equity requirements, which include compliance with racial equity and underserved communities and LGBTQ+ requirements under Executive Orders [13985](#) and [13988](#)
24. Compliance with waste, fraud, and abuse requirements, including whistleblower protections (see [HUD's webpage](#))

Compliance with 41 U.S.C. § 4712, which includes informing your employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a contractor, subcontractor, grantee, subgrantee, and personal services contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. (See [Federal Contractor or Grantee Protections | Office of Inspector General, Department of Housing and Urban Development \(hudoig.gov\)](#))

### **Environmental Review**

Compliance with environmental requirements, including regulations at [24 CFR part 50](#) or [58](#):

Environmental review requirements can be found under Section IV.G.2.c of this NOFO.

### **Prohibition on Surveillance**

Compliance with [2 CFR 200.216, Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment](#) is required.

### **Remedies for Noncompliance**

HUD may terminate a Federal award, in whole or in part, for any of the reasons specified in [2 CFR 200.340, Termination](#).

*Corrective and remedial actions.* To ensure compliance with the requirements of the Appropriations Act and to effectively administer the PRO Housing program, HUD is waiving 42 U.S.C. 5304(e) of the HCD Act to the extent necessary to impose the following alternative requirement: HUD may undertake corrective and remedial actions for States in accordance with the authorities applicable to entitlement grantees in subpart O (including corrective and remedial actions in 24 CFR 570.910, 570.911, and 570.913) or under subpart I of the CDBG regulations at 24 CFR part 570. Before determining appropriate corrective actions, HUD will notify the grantee of the procedures applicable to its review. As in the annual CDBG program, in accordance with 24 CFR 570.300, the policies and procedures set forth in subpart O will apply to local governments receiving direct grants from HUD.

*Reduction, withdrawal, or adjustment of a grant or other appropriate action.* Prior to a reduction, withdrawal, or adjustment of a grant or other appropriate action taken pursuant to this section, the recipient shall be notified of such proposed action and given an opportunity within a prescribed time period for an informal consultation. Consistent with the procedures described in this NOFO, the Secretary may adjust, reduce, or withdraw the grant or take other actions as appropriate, except that funds already expended on eligible approved activities shall not be recaptured.

### **Lead-Based Paint Requirements**

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

## **C. Reporting**

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

### **1. Recipient Integrity and Performance Matters**

You should be aware that if the total Federal share of your federal award includes more than \$500,000 over the period of performance, the award will be subject to post award reporting requirements reflected in [Appendix XII to 2 CFR part 200, Award Terms and Conditions for Recipient Integrity and Performance Matters](#).

### **2. Race, Ethnicity and Other Data Reporting**

HUD requires recipients that provide HUD-funded program benefits to individuals or families to

report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department's responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987. These authorities prohibit discrimination in housing and in programs receiving financial assistance from the Department and direct the Secretary to administer the Department's programs and activities in a manner affirmatively to further these policies and to collect certain data to assess the extent of compliance with these policies. Each recipient shall keep such records and submit to the Department timely, complete, and accurate compliance reports at such times, and in such form and containing such information, as the Department may determine to be necessary to enable it to ascertain whether the recipient has complied or is complying with 24 CFR parts 1 and 121. In general, recipients should have available for the Department data showing the demographics of beneficiaries of federally-assisted programs.

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

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

### **4. Program-Specific Reporting Requirements**

Grantees will be required to submit a progress report on an annual basis throughout the grant term through HUD-provided templates and HUD's Disaster Recovery Grant Reporting (DRGR) System.

#### **D. Debriefing**

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

#### **E. PRO Housing Post-Award Program Requirements**

This section contains the post-award requirements applicable to Community Development Block Grant (CDBG) funds made available by the Consolidated Appropriations Act, 2023 (Public Law

117-328, approved December 29, 2022) (Appropriations Act) and awarded as Pathways to Removing Obstacles to Housing (PRO Housing) grants.

The Appropriations Act provides that funds shall be awarded directly to State and local governments, metropolitan planning organizations, and multijurisdictional entities. A recipient of a PRO Housing grant is a “grantee.” Other capitalized terms in this Section are defined in the NOFO.

## **1. Use of Funds**

### **a. General**

The Appropriations Act made funds available for the identification and removal of barriers to affordable housing production and preservation. The Appropriations Act requires that eligible uses of such grants include activities to further develop, evaluate, and implement housing policy plans, improve housing strategies, and facilitate affordable housing production and preservation.

### **b. Applicable Statutory and Regulatory Requirements**

All recipients of PRO Housing grants are subject to: (1) the requirements of the Appropriations Act; (2) this Fiscal Year (FY) 2023 Notice of Funding Opportunity for the PRO Housing Grant Program (PRO Housing NOFO), including all appendices; and (3) applicable regulations governing the CDBG program at 24 CFR part 570, unless modified by waivers and alternative requirements published by HUD in this NOFO or other applicable Federal Register Notice.

Multijurisdictional entities and metropolitan planning organizations will be subject to CDBG regulations applicable to entitlement communities, unless otherwise noted. Additionally, references to entitlement communities within this Section also include multijurisdictional entities and metropolitan planning organizations.

The PRO Housing grant program is intended to address the problem of barriers to affordable housing. The Consolidated Appropriations Act, 2023, and the PRO Housing NOFO establish the purpose and define the eligible uses of PRO Housing funds. Because PRO Housing is a competitive program, HUD is treating a grantee’s use of its PRO Housing grant independently of the consolidated plan and annual action plan process. Treating PRO Housing independently from the regular CDBG submission requirements implements the Appropriations Act direction to award funds competitively and facilitates the distribution of PRO Housing funds, while ensuring public participation on the specific use of the funds. However, for any PRO Applicant that is a recipient of funding under Title I of the Housing and Community Development Act of 1974 (including any member(s) of a multijurisdictional entity), the entity(ies) shall certify that the housing activities to be undertaken with PRO Housing funds are consistent with the strategic plan in the State’s or local jurisdiction’s consolidated plan. In addition, HUD is waiving the consolidated plan regulations to the extent necessary to adjust reporting to fit the requirements of the Appropriations Act, the PRO Housing competition, and the use of the Disaster Recovery Grant Reporting (DRGR) system. For metropolitan planning organizations and multijurisdictional entities that are not recipients of other HUD funding, as identified above, the consolidated plan requirements at 24 CFR 91 are not applicable, including the certification of consistency with the consolidated plan.

The waivers and alternative requirements apply only to PRO Housing funds and not to the use of annual formula allocations of CDBG funds or other HUD Community Planning and

Development funds, even if they are used in conjunction with PRO Housing funds for a project. They provide expedited program implementation and implement statutory requirements unique to this appropriation.

### **c. PRO Housing Action Plan and Amendments**

Applicants will submit an application, as described in this NOFO, detailing the proposed use of funds and how the use of these funds will identify and remove barriers to affordable housing production and preservation. Once an Applicant receives a PRO Housing award, the grantee's application (or approved components of a grantee's application) will become the basis for its PRO Housing Action Plan. Once the grantee has received DRGR system access, the grantee will enter in DRGR the approved activities and narrative information and HUD will ensure that the information is consistent with the application and HUD's approval. This information is the grantee's PRO Housing Action Plan. The grantee shall publish the PRO Housing Action Plan on its official website(s). Such publications shall be in an accessible format and ensure access for individuals with disabilities.

A grantee may request to make substantial amendments to its PRO Housing Action Plan. Before making any request for a substantial amendment to the PRO Housing Action Plan, a grantee must follow the same public participation requirements required by this NOFO for the preparation and submission of an Application. HUD must review and approve any request for a substantial amendment for the amendment to take effect. HUD's review will confirm whether the substantially amended Application would still score in the fundable range for the competition.

The following modifications constitute a substantial amendment requiring HUD approval: any change to the Application that would result in a change of more than 5 points in the score for need or soundness of approach factors, any change in program benefit, beneficiaries, or eligibility criteria, the allocation or re-allocation of more than ten percent of the award, or the addition or deletion of an eligible activity. Amendments to the PRO Housing Action Plan that do not fall within the definition of a substantial amendment are "non-substantial amendments." These are discussed in section VI.E.5.a below.

HUD can help determine whether the amendment would constitute a substantial amendment and help ensure the proposed change complies with this NOFO and all applicable requirements. Questions regarding specific program requirements for this NOFO should be directed to the POC listed in this NOFO. As indicated in this NOFO, if a grantee makes or proposes to make a substantial amendment to its project, HUD reserves the right to amend the grantee's award and reduce the grant amount or recapture the grant consistent with section IV.F.4 of this NOFO. Additional information about substantial amendments can be found in section VI.E.5.a.3 below.

A grantee is required under this NOFO to show evidence that firmly committed leverage resources were actually received and used for their intended purposes through annual reports as the project proceeds. Sources of leverage funds may be substituted after grant award, as long as the dollar amount of leverage is equal to or greater than the total amount of leverage identified as firmly committed in the application submissions to HUD. Substitution of a leverage source in the same amount committed in the Application is not a substantial amendment. Section VI.E.5.a describes additional leverage reporting requirements in DRGR.

Applicants should note that some activities that can be carried out to identify and remove barriers to affordable housing production may contain unallowable costs pursuant to 2 CFR 200.444.

Any activity to carry out the regular responsibilities of the unit of general local government or for building or portions thereof used for the general conduct of government is unallowable. Applicants should plan their approaches accordingly to ensure that PRO Housing award funds are not used for such costs. However, grantees may use leverage funding for such unallowable costs.

## **2. Timely Expenditure of Funds**

The Appropriations Act requires that HUD obligate all funds on or before September 30, 2026. A grantee must expend funds in a manner that meets all PRO Housing program requirements, including reporting, by the end of the period of the performance of the PRO Housing grant, which is the end of FY 2029.

Grantees must comply with 2 CFR 200.305, as may be amended, and therefore may not draw down funds in advance of need.

Pursuant to 24 CFR 570.200(k) (entitlements, multijurisdictional entities, and metropolitan planning organizations) and 570.480(h) (states), any unexpended funds in a grantee's account will cancel on September 30, 2031.

## **3. Authority to Grant Waivers**

The Appropriations Act authorizes the Secretary to waive or specify alternative requirements for any provision of title I of the Housing and Community Development Act of 1974 (HCD Act), as amended, except for requirements related to fair housing, nondiscrimination, labor standards, the environment, and requirements that activities benefit persons of low- and moderate-income upon a finding that any such waivers or alternative requirements are necessary to expedite or facilitate the use of funds authorized for the identification and removal of barriers to affordable housing production and preservation. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

## **4. Overview of Grant Process**

To begin expenditure of PRO Housing funds, the following steps are necessary:

- Applicant conducts public participation in accordance with the requirements of this NOFO, including at least one public hearing and at least 15 days for public comment;
- Applicant responds to public comment and submits its application and certifications;
- HUD reviews applications in accordance with this NOFO and selects highest scoring Applicants for awards; and
- If the application is selected for award, HUD sends an award letter selection letter to awardee outlining next steps.

## **5. Applicable Rules, Statutes, Waivers, and Alternative Requirements**

This section describes requirements imposed by the Appropriations Act, applicable waivers, and alternative requirements. For each statutory waiver and alternative requirement described in the NOFO, the Secretary has determined that such waiver is necessary to expedite or facilitate the use of PRO Housing funds and for regulatory waivers, the Secretary has determined good cause exists, and/or the action is not inconsistent with the overall purpose of the HCD Act.

The waivers and alternative requirements provide additional flexibility in program design and implementation to identify and remove barriers to affordable housing production and preservation, while meeting the unique requirements of the Appropriations Act. The following requirements apply only to the PRO Housing funds awarded under this NOFO, and not to funds provided under any other component of the CDBG program, such as the annual formula Entitlement or State CDBG programs, Section 108 Loan Guarantee Program, the Neighborhood Stabilization Program, or any other award under the Appropriations Act.

Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their activities (for waiver request instructions, see Appendix A). Except where noted, waivers and alternative requirements described below apply to all grantees under this NOFO.

Except as described in this NOFO, statutory and regulatory provisions governing the State CDBG program shall apply to any State government receiving an award under this NOFO, while statutory and regulatory provisions governing the Entitlement CDBG program shall apply to local governments, multijurisdictional entities, and metropolitan planning organizations. Applicable statutory provisions can be found under title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.). Applicable State and Entitlement regulations can be found at 24 CFR part 570. Consolidated plan and public participation requirements are found at 24 CFR part 91.

All references in this NOFO pertaining to timelines and/or deadlines are in terms of calendar days unless otherwise noted. The “date of this NOFO” shall mean the publication date of the PRO Housing NOFO unless otherwise noted.

#### **a. Grant Administration.**

i. *PRO Housing Action Plan and general requirements.* The requirements for CDBG actions plans, located at 42 U.S.C. 5304(a)(1), 42 U.S.C. 5304(m), 42 U.S.C. 5306(d)(2)(C)(iii), 24 CFR 91.220, and 91.320, are waived for funds provided under this NOFO. Instead, each grantee must submit to HUD an application for PRO Housing. HUD will monitor the grantee’s activities and use of funds for consistency with its PRO Housing Action Plan and all other requirements, including performance and timeliness.

a. *Application-related requirements.* The Application must meet the criteria of this NOFO and must identify the proposed use(s) of the grantee’s award, including criteria for eligibility, and how the uses identify and remove barriers to affordable housing production and preservation. Because HUD may not obligate PRO Housing funds after September 30, 2026, the last date that grantees may submit an amendment that would involve obligation of awarded funds by HUD is June 1, 2026.

b. *Funds awarded to a State government.* For each program or activity that will be carried out by the State government, the application as entered into the PRO Housing Action Plan must describe: (1) the projected use of the PRO Housing funds, including the entity(ies) administering the program/activity, budget, and geographic area; (2) proposed start and end dates; and (3) how the projected use will meet CDBG eligibility criteria and a national objective; and (4) estimated performance outcomes (i.e., a performance measure) as identified in the Section V.A.1.e.i. of this NOFO or as otherwise determined and approved by HUD upon award of PRO Housing funds.



If a State government chooses to use a method of distribution to allocate funds to local governments, it must describe in its Application all criteria used to determine the distribution, including the relative importance of each criterion. Upon making awards, a State government must enter the information into the PRO Housing Action Plan as described above.

*c. Funds awarded directly to a local government, multijurisdictional entity, or metropolitan planning organization.* The local government, multijurisdictional entity, or metropolitan planning organization's Application, as entered into the PRO Housing Action Plan, shall describe: (1) the projected use of the PRO Housing funds, including the entity(ies) administering the program/activity, budget, and geographic area; (2) proposed start and end dates; (3) how the projected use will meet CDBG eligibility criteria and a national objective; and (4) estimated performance outcomes (i.e., a performance measure) as identified in the Section V.A.1.e.i. of this NOFO.

**d. General grant oversight**

1. The grantee must maintain adequate capacity of its administering agency(ies) or entity(ies), and the capacity of any local government or other organization or Partner expected to carry out PRO Housing projects or activities. The grantee will plan and provide for increasing the capacity of subrecipients as needed and where capacity deficiencies (e.g., outstanding Office of Inspector General audit findings) have been identified. Grantees are responsible for providing adequate technical assistance to Partners, subrecipients, or subgrantees to ensure the timely, compliant, and effective use of funds. Although local governments or other organizations may carry out programs and projects, each grantee under this NOFO remains legally and financially accountable for the use of all funds and may not delegate or contract to any other party any inherently governmental responsibilities related to management of the funds, such as oversight (also see paragraph a.ix under section 5), policy development, and financial management; and

2. The grantee will manage program income (e.g., including in agreements whether subrecipients may retain it), and the purpose(s) for which it may be used. Waivers and alternative requirements related to program income can be found in this NOFO at paragraphs a.ii and a.xvi of this section.

*e. Obligation and expenditure of funds.* HUD will issue a grant agreement obligating the funds to the grantee. Only the funds described by the grantee in its application and approved by HUD will be obligated. In addition, HUD will establish the line of credit and the grantee will receive DRGR system access (if it does not have access already). The grantee must also enter its approved application activities in the PRO Housing Action Plan before it may draw funds as described in paragraph A.2, below.

*f. Each activity must meet the applicable environmental requirements.* After the Responsible Entity completes an environmental review(s) pursuant to 24 CFR part 58, as applicable (and paragraph a.xviii, as applicable), and receives from HUD or the State an approved Request for Release of Funds and certification (as applicable), or HUD has performed an environmental review under 24 CFR part 50 and the recipient has received HUD approval of the project, the grantee may draw down funds from the line of credit for the activity.

g. *Anticipated outcomes and expenditure plan.* Each grantee must include in its PRO Housing Action Plan projected expenditures and anticipated outcomes. Additional information on compliance with this requirement is available in Section VI.E.1.c.

h. *PRO Housing Action Plan Amendments and Submission to HUD.* As the grantee proposes to amend its application, each proposed amendment must be highlighted, or otherwise identified, within the context of the entire application and be submitted to HUD. For substantial amendments, grantees must complete public participation requirements of this NOFO and section V.A.3. of this Section before HUD can approve the Amendment. HUD will only approve a substantial amendment if the new score is still within the competitive range. The beginning of every amendment must include a section that identifies exactly what content is being added, deleted, or changed. This section must also include a chart or table that clearly illustrates where funds are coming from and where they are moving. The amendment must include a revised budget allocation table that reflects the entirety of all funds, as amended. A grantee's most recent version of its application must be accessible for viewing as a single document at any given point in time, rather than the public or HUD having to view and cross-reference changes among multiple amendments. Every amendment to the application (substantial and non-substantial) must be numbered sequentially and posted on the grantee's website. HUD may seek additional information from the grantee to determine whether a proposed amendment is a substantial amendment.

ii. *HUD performance review authorities and grantee reporting requirements in the DRGR System.*

a. *Performance review authorities.* 42 U.S.C. 5304(e) requires that the Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner, whether the grantee's activities and certifications are carried out in accordance with the requirements and the primary objectives of the HCD Act and other applicable laws, and whether the grantee has the continuing capacity to carry out those activities in a timely manner. This NOFO waives the requirements for submission of a performance report, pursuant to 24 CFR 91.520. In the alternative, and to ensure consistency between grants awarded under the Appropriations Act, HUD is requiring that grantees enter information in the DRGR system in sufficient detail to permit the Department's review of grantee performance on an annual basis and to enable remote review of grantee data to allow HUD to assess compliance and risk.

b. *PRO Housing Action Plan.* Once an Applicant receives a PRO Housing award, the grantee's application (or approved components of a grantee's application) will become the basis for its PRO Housing Action Plan. Each grantee must enter its PRO Housing Action Plan into DRGR, including performance measures. As more detailed information about uses of funds is identified by the grantee, the grantee must enter this information into the DRGR system at a level of detail that is sufficient to serve as the basis for acceptable performance reports, permits HUD review of compliance requirements, and allows public understanding of progress. The information must also be entered into the DRGR system so that the grantee is able to draw its PRO Housing funds from the line of credit. To enter an activity into the DRGR system, the grantee must know the activity

type, national objective, activity budget, proposed performance outcomes, and the organization that will be responsible for the activity. In addition, a Universal Entity Identifier (UEI) number must be entered into the system for any entity carrying out a PRO Housing funded activity, including the grantee, recipient(s) and subrecipient(s), contractor(s), and developers.

*c. Tracking oversight activities in the DRGR system; use of DRGR data for HUD review and dissemination.* HUD will use data entered into the DRGR PRO Housing Action Plan and the Annual Performance Report (APR), transactional data from the DRGR system, and other information provided by the grantee to provide reports to Congress and the public, as well as to (1) monitor for anomalies or performance problems; (2) reconcile budgets, obligations, funding draws, and expenditures; (3) calculate expenditures to determine compliance with program caps and the overall percentage of funds that benefit low- and moderate-income persons; and (4) analyze the risk of grantee programs to determine priorities for the Department's monitoring.

*d. Tracking program income in the DRGR system.* Grantees must use the DRGR system to draw grant funds for each activity. Grantees must also use the DRGR system to track program income receipts, disbursements, and revolving loan funds. If a grantee permits local governments or subrecipients to retain program income, the grantee must establish program income accounts in the DRGR system. The DRGR system requires grantees to use program income before drawing additional grant funds and ensures that program income retained by one organization will not affect grant draw requests for other organizations.

*e. DRGR System Annual Performance Report (APR).* Each grantee must submit an APR through the DRGR system no later than 30 days following the end of the fiscal year. Within 3 days of submission to HUD, each APR must be posted on the grantee's official website. HUD will also post the reports via the DRGR Public website. The grantee's first APR is due no later than 30 days following the end of the fiscal year in which the grant award is made. For example, a grant award made in April requires an APR to be submitted by October 30. APRs must be submitted on an annual basis until the grant program is completed and meets the criteria for closeout. During the grant closeout process, a final APR will be required to ensure complete reporting.

Each APR will include information about the uses of funds in activities identified in the DRGR system PRO Housing Action Plan during the applicable year. This includes, but is not limited to, the: project name, activity, location, and national objective; funds budgeted, obligated, drawn down, and expended; the funding source and total amount of any non-CDBG funds to be expended on each activity; beginning and actual completion dates of completed activities; achieved performance outcomes, such as number of housing units complete or number of low-and moderate-income persons benefiting; and the race and ethnicity of persons assisted under direct-benefit activities. The DRGR system will automatically display the amount of program income receipted, the amount of program income reported as disbursed, and the amount of grant funds disbursed. In addition, leveraged funds shall be identified for each activity, as applicable, in the DRGR system, and use of leverage funds committed in the grantee's PRO Housing Action Plan shall be included in the grantee's APR.

iii. *Public participation waiver and alternative requirement.* To permit a more streamlined process and to ensure PRO Housing grants are awarded in a timely manner, provisions of 42 U.S.C. 5304(a)(2) and (3), 24 CFR 570.486, 91.105(b) and (c), and 91.115(b) and (c), with respect to public participation requirements, are waived and replaced by the requirements below.

Note that the public participation process is distinct from stakeholder engagement scoring criterion found in this NOFO. The streamlined requirements mandate at least one public hearing at the Applicant's level of government for the application and for each substantial amendment and require providing a reasonable notice (at least 15 days) and opportunity for public comment and ongoing public access to information about the use of grant funds.

The streamlined public participation requirements for the PRO Housing program are:

a. *Publication of the PRO Housing application and Action Plan:* Before the Applicant submits the Application submissions for this NOFO, or a substantial amendment to the PRO Housing Action Plan, the Applicant must publish the PRO Housing application or Action Plan amendment in its entirety for public comment.

The manner of publication must include prominent posting on the Applicant's official Website(s) and must afford the public, affected local governments, and other interested parties a reasonable opportunity to examine the plan or amendment's contents. The topic of PRO Housing must be navigable by the public from the Applicant's homepage. Applicants are required to hold at least one public hearing to solicit public comments on the Application submission and one hearing before submitting a substantial amendment request.

Applicants are also encouraged to notify affected parties through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or contacts with organizations located in or serving the target area or neighborhood.

Applicants are responsible for ensuring that the public has equal access to information about the programs, including persons with disabilities and limited English proficiency (LEP). Each Applicant must ensure that program information is available in the appropriate languages for the geographic area served by the jurisdiction and in accessible formats for persons with disabilities.

For assistance in ensuring that this information is available to LEP populations, recipients should consult the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons published on January 22, 2007, in the Federal Register (72 FR 2732).

Subsequent to publication of any Application submission, the Applicant must provide a reasonable time frame and method(s) (including electronic submission) for receiving comments on the submission. A summary by topic of all comments or views received on the Application or substantial amendment to the PRO Housing Action Plan, a list of commenters by name or organization, and a summary of any comments or views not accepted and the reasons why must be submitted to HUD along with the submission. Such a summary submitted with the submission will not count against the application page limits specified in this NOFO.

Substantial amendments are changes that affect the responses to the rating factors and include but are not limited to a change in program benefit, beneficiaries, or eligibility criteria; the allocation or re-allocation of more than ten percent of the award; or the addition or deletion of an activity. Subsequent to award, a grantee may substantially amend the Application if it follows the same public participation requirements in this NOFO for the preparation and submission of an Application, and HUD agrees in writing that the amended Application would still score in the fundable range for the competition.

b. *Non-substantial amendment.* The grantee is not required to undertake public comment when it makes any plan amendment that is not substantial. Similar to substantial amendments, non-substantial amendments require HUD acceptance in the DRGR system prior to taking effect.

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

d. *Post-award requirements.* A CDBG grantee must update its public participation plan to reflect the requirements of this NOFO. The purpose of this plan is to serve as a notice of the public complaint process and the grantee's response policy, the methods through which the public can learn about the grant and activity status, and the process the grantee will use to amend the PRO Housing Action Plan. The plan must satisfy the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in this NOFO and in notices providing waivers and alternative requirements for this grant).

1. *Website.* The PRO Housing application and grant award information must be navigable by communities on the grantee (or relevant agency) homepage. Grantees are also encouraged to notify affected communities through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or contacts with neighborhood organizations.

2. *Availability and accessibility of the Application.* The grantee must make the Application, any amendments, and all performance reports available to the public on its website(s) and on request. In addition, the grantee must make these documents available on its website in a form accessible to persons with disabilities and non-English-speaking persons. During the term of the grant, the grantee will provide the public, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the Application and to the grantee's use of grant funds.

3. *Public complaints.* The grantee will provide a timely written response to every

public complaint. As required by law, the grantee will provide a response within 15 working days of the receipt of the complaint, where practicable.

iv. *Direct grant administration and means of carrying out eligible activities.*

a. *Requirements applicable to State grantees.* Requirements at 42 U.S.C. 5306 are waived, to the extent necessary, to allow a State to directly carry out PRO Housing activities eligible under this NOFO, rather than distribute all funds to local governments. Pursuant to this waiver, the standard at section 570.480(c) and the provisions at 42 U.S.C. 5304(e)(2) will also include activities that the State carries out directly. In addition, activities eligible under this NOFO may be carried out, subject to State law, by the State through its employees, through procurement contracts, or through assistance provided under agreements with subrecipients or recipients in all geographic areas within its jurisdiction, including entitlement areas and tribal areas, so long as the State is consistent with its PRO Housing Action Plan, including description of capacity and commitments to work with partners. Notwithstanding this waiver, State grantees continue to be responsible for civil rights, labor standards, and environmental protection requirements contained in the HCD Act and 24 CFR part 570, as well as ensuring such compliance by subgrantees.

b. *Requirements for all grantees – direct administration and assistance to neighborhood organizations described in 42 U.S.C 5305(a)(15) of the HCD Act.* Activities made eligible at 42 U.S.C. 5305(a)(15) may only be undertaken by the eligible entities described in that section, whether the assistance is provided to such an entity from the State or from a local government.

v. *Requirement for stakeholder engagement during plan preparation.* Currently, the HCDA and regulations require States to consult with affected units of local government in non-entitlement areas of the State in determining the State’s proposed method of distribution. HUD is waiving 42 U.S.C. 5306(d)(2)(C)(iv), 42 U.S.C. 5306(d)(2)(D), 24 CFR 91.325(b), and 91.110, to the extent necessary to comply with the stakeholder engagement requirements in this NOFO.

vi. *Use of the “upper quartile” or “exception criteria” for low- and moderate-income area benefit activities.* Per the requirements at 42 U.S.C. 5305(c)(2)(A), certain communities are allowed to use a percentage less than 51 percent to qualify activities under the low- and moderate-income area benefit category. This exception is referred to as the “exception criteria” or the “upper quartile.” For entitlement communities that meet the regulatory exception criteria, the community may apply the criteria if it receives funds from a State PRO Housing grantee and the State grantee permits the use.

vii. *Use of “uncapped” income limits.* The Quality Housing and Work Responsibility Act of 1998 (Title V of Public Law 105-276) enacted a provision that directed the Department to grant exceptions to at least 10 jurisdictions that are currently “capped” under HUD’s low and moderate-income limits. Under this exception, a number of CDBG entitlement grantees may use “uncapped” income limits that reflect 80 percent of the actual median income for the area. Each year, HUD publishes guidance on its website identifying which grantees may use uncapped limits. The uncapped limits apply to activities funded pursuant to this NOFO in jurisdictions covered by the uncapped limits.

viii. *Grant administration responsibilities and general administration cap.*

a. *Grantee responsibilities.* Per the Appropriations Act, each grantee shall administer its award in compliance with all applicable laws and regulations. Each grantee shall be financially accountable for the use of all funds provided in this NOFO and may contract for administrative support, but grantees may not delegate or contract to any other party any inherently governmental responsibilities related to management of the funds, such as oversight, policy approval or adoption, and financial management.

b. *General administration cap.* Since HUD expects many grantees intend to use PRO Housing funding entirely for planning activities that identify and remove barriers to affordable housing productions and preservation, HUD is waiving caps for general administration, planning, and technical assistance that apply to CDBG grantees. HUD reminds grantees that these waivers and alternative requirements do not relieve grantees from expending funds for such activities as they identified in their applications.

1. *For State CDBG grantees under this NOFO*, the provisions of 42 U.S.C. 5306(d) of the HCD Act and the regulation at 24 CFR 570.489(a)(1)(i), (ii), and (iii), and (3)(ii) and (iii) are waived to the extent that they cap administrative and technical assistance costs at three percent of an award, limit a State's ability to charge a nominal application fee for grant applications for activities the State carries out directly, and require a dollar-for-dollar match of State funds for administrative costs exceeding \$100,000. 42 U.S.C. 5306(d)(5) and (6) are waived and replaced with the alternative requirement that grantees may use up to ten percent of the award for general administrative costs and technical assistance. Additionally, a nonfederal match for administrative costs is not required.

2. *For Entitlement CDBG grantees under this NOFO*, the provisions of 24 CFR 570.200(g)(1) and (2) and 570.509(a)(5) are waived to the extent that they place a limit on planning and administrative costs of no greater than 20 percent of the PRO Housing grant and are replaced with the alternative requirement that grantees may use up to ten percent of the award for general administrative costs and technical assistance. There is no limit on the amount of PRO Housing funds non-state grantees may use for planning activities.

ix. *Planning-only activities – applicable to State grantees only.* The annual State CDBG program requires that local government grant recipients for planning-only grants must document that the use of funds meets a national objective. In the State CDBG program, these planning grants are typically used for individual project plans. By contrast, planning activities carried out by entitlement communities are more likely to include non-project specific plans such as functional land-use plans, master plans, historic preservation plans, comprehensive plans, community recovery plans, development of housing codes, zoning ordinances, and neighborhood plans. These plans may guide long-term community development efforts comprising multiple activities funded by multiple sources. In the entitlement program, these general planning activities are presumed to meet a national objective under the requirements at 24 CFR 570.208(d)(4). Therefore, for State grantees receiving an award under this NOFO, the Department is removing the eligibility requirements at 24 CFR 570.483(b)(5) or (c)(3). Instead, States must comply with 570.208(d)(4) when funding PRO Housing planning-only activities, or directly administering planning activities in accordance with the Appropriations Act. In addition, the types of planning activities that States may fund or administer are expanded to be consistent with those of

entitlement communities identified at 24 CFR 570.205. There is no restriction on the percentage of a PRO Housing award that grantees may spend on eligible planning activities.

x. *Waiver and alternative requirement for distribution to CDBG metropolitan cities and urban counties – applicable to State grantees only.* Section 5302(a)(7) of title 42, U.S.C. (definition of “nonentitlement area”) and provisions of 24 CFR part 570 that would prohibit or restrict a State from distributing CDBG funds to entitlement communities and Indian tribes under the CDBG program, are waived, including 24 CFR 570.480(a) and 570.486(c). Instead, the State may distribute funds to local governments, including entitlement communities, and Indian tribes.

xi. *Waiver and alternative requirement for activities located in entitlement jurisdictions – applicable to State grantees only.* Pursuant to 24 CFR part 570.486(c), any activity carried out in entitlement jurisdictions must significantly benefit residents of the non-entitlement UGLG carrying out the activity, and the state must determine that activity is meeting its needs in accordance with 42 U.S.C. 5306(d)(2)(D). The provisions of 24 CFR 570.486(c) are waived to the extent necessary to allow states, either directly or through units of general local government, to use funds for activities located in entitlement areas without contribution from the entitlement jurisdiction, consistent with the waiver and alternative requirements in Section V.A.4.a. of this Section. HUD is granting this waiver to facilitate and expedite the use of PRO Housing funds.

xii. *Use of subrecipients—applicable to State grantees only.* The State CDBG program rule does not make specific provision for the treatment of entities that the CDBG Entitlement program calls “subrecipients.” The waiver allowing the State to directly carry out activities creates a situation in which the State may use subrecipients to carry out activities in a manner similar to an entitlement community. Therefore, for States taking advantage of the waiver to carry out activities directly, the requirements at 24 CFR 570.502, 570.503, and 570.500(c) apply, except the requirements that specific references to 24 CFR part 200 must be included in subrecipient agreements. Pursuant to 24 CFR 570.489(n) and 570.502, State grantees must ensure that its costs and those of its state recipients and subrecipients are in conformance with 2 CFR 200 subpart E, as may be amended and incorporated in HUD regulations, whether carrying out activities directly or through the use of a subrecipient.

xiii. *Recordkeeping*

a. *State governments.* When a State carries out activities directly, the requirements at 24 CFR 570.490(b) are waived and the following alternative provision shall apply: the State shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of the State’s administration of PRO Housing funds under 24 CFR 570.493. Consistent with applicable statutes, regulations, waivers and alternative requirements, and other Federal requirements, the content of records maintained by the State shall be sufficient to: enable HUD to make the applicable determinations described at 24 CFR 570.493; make compliance determinations for activities carried out directly by the State; compliance with requirements of this NOFO and any other Notice governing the use of PRO Housing grants; and show how activities funded are consistent with the descriptions of activities proposed for funding in the PRO Housing Action Plan and DRGR system. For fair housing and equal opportunity purposes, and as applicable, such records shall include data on the racial, ethnic, and gender characteristics of persons who are Applicants for, participants in, or beneficiaries of the program.



b. *Local government, MPO, and multijurisdictional entities.* Non-state grantees are subject to the recordkeeping requirements of 24 CFR 570.506.

xiv. *Change of use of real property – applicable to State grantees only.* This waiver conforms to the change of use of real property requirement for States carrying out activities directly. For purposes of this program, all references to “unit of general local government” in 24 CFR 570.489(j), shall be read as “unit of general local government or State.”

xv. *Responsibility for review and handling of noncompliance – applicable to State grantees only.* This change is in conformance with the waiver allowing the State to carry out activities directly. 24 CFR 570.492 is waived and the following alternative requirement applies for any State receiving a direct award under this NOFO: the State shall make reviews and audits, including onsite reviews of any subrecipients, designated public agencies, and local governments, as may be necessary or appropriate to meet the requirements of 42 U.S.C. 5304(e)(2), as amended, and as modified by this NOFO. In the case of noncompliance with these requirements, the State shall take such actions as may be appropriate to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. The State shall establish remedies for noncompliance by any designated subrecipients, public agencies, or local governments.

xvi. *Program income alternative requirement.* The Department is waiving applicable program income rules at 42 U.S.C. 5304(j), 24 CFR 570.500(a) and (b), 570.504, and 570.489(e) to the extent necessary to provide additional flexibility as described under this NOFO. The alternative requirements provide guidance regarding the use of program income received before and after grant closeout and address revolving loan funds.

a. *Definition of program income.*

For the purposes of this subpart, “program income” is defined as gross income generated from the use of PRO Housing funds and received by a State, local government, or tribe, or a subrecipient of a State, local government, or tribe, unless excluded from the definition as described in paragraph 17.a.(2) and paragraph 17.d. below. When income is generated by an activity that is only partially assisted with PRO Housing funds, the program income to the PRO Housing grant shall be prorated to reflect the percentage of PRO Housing funds used (e.g., a single loan supported by PRO Housing funds and other funds; a single parcel of land purchased with PRO Housing funds and other funds).

Program income includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with PRO Housing funds;
2. Proceeds from the disposition of equipment purchased with PRO Housing funds;
3. Gross income from the use or rental of real or personal property acquired with PRO Housing funds by a State, local government, or tribe, or subrecipient of a State, local government, or tribe, less costs incidental to generation of the income (i.e., net income);
4. Net income from the use or rental of real property owned by a State, local government, or tribe or subrecipient of a State, local government, or tribe, that was constructed or improved with PRO Housing funds;
5. Payments of principal and interest on loans made using PRO Housing funds;
6. Proceeds from the sale of loans made with PRO Housing funds;

7. Proceeds from the sale of obligations secured by loans made with PRO Housing funds;
8. Interest earned on program income pending disposition of the income, but excluding interest earned on funds held in a revolving fund account;
9. Funds collected through special assessments made against properties owned and occupied by households not of low- and moderate-income, where the special assessments are used to recover all or part of the PRO Housing portion of a public improvement; and
10. Gross income paid to a State, local government, tribe, or paid to a subrecipient thereof from the ownership interest in a for-profit entity in which the income is in return for the provision of PRO Housing assistance.

“Program income” does not include the following:

1. The total amount of funds which is less than \$25,000 received in a single year and retained by a State, local government, tribe, or retained by a subrecipient thereof; or
2. Amounts generated by activities both eligible and carried out by an entity under the authority of section 105(a)(15) of the HCD Act.

b. *Retention of program income.* Per 24 CFR 570.504(c), a local government receiving a direct award under this NOFO may permit a subrecipient to retain program income. State grantees may permit a local government or tribe, which receives or will receive program income, to retain the program income, but are not required to do so.

c. *Program income – use, closeout, and transfer.*

1. Program income received (and retained, if applicable) before or after closeout of the grant that generated the program income, and used to continue activities, is treated as additional PRO Housing grant funds subject to the requirements of this NOFO and must be used in accordance with the grantee’s PRO Housing Action Plan. To the maximum extent feasible, program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made, except as provided in subparagraph d of this paragraph.
2. In addition to the regulations dealing with program income found at 24 CFR 570.489(e) and 570.504, except as modified by this NOFO, the following rules apply: A grantee may transfer program income before closeout of the PRO Housing grant that generated the program income to its annual CDBG program. In addition, a State grantee may transfer program income before closeout to any annual CDBG-funded activities carried out by a local government or Indian tribe within the State, including a local government that is an Entitlement CDBG grantee if that Entitlement grantee received PRO Housing funding from the State or from HUD.

Program income received by a grantee, or received and retained by a subgrantee, after closeout of the grant that generated the program income, may also be transferred to a grantee’s annual CDBG award. In all cases, any program income received, and not used to continue PRO Housing activities, will not be subject to the waivers and alternative requirements of this NOFO. Rather, those funds will be subject to the applicable formula CDBG program rules.

d. *Revolving loan funds.* Local government grantees, State grantees, and local governments or tribes (as permitted by a State grantee) may establish revolving funds to carry out specific, identified activities. A revolving fund, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities. These activities generate payments, which will be used to support similar activities going forward. These payments to the revolving fund are program income and must be substantially disbursed from the revolving fund before additional grant funds are drawn from the U.S. Treasury for payments which could be funded from the revolving fund. Such program income is not required to be disbursed for non-revolving fund activities.

State grantees may also establish a revolving fund to distribute funds to local governments or tribes to carry out specific, identified activities. The same requirements, outlined above, apply to this type of revolving loan fund. Last, note that no revolving fund, established per this NOFO, shall be directly funded or capitalized with an advance of PRO Housing grant funds.

xvii. *Reimbursement of expenses.* The provisions of 24 CFR 570.489(b) are applied to permit a State to reimburse itself for otherwise allowable application-related costs incurred by itself or its subrecipients on or after the NOFO preview publication on HUD.gov. An entitlement grantee is subject to the provisions of 24 CFR 570.200(h) but may reimburse itself or its subrecipients for otherwise allowable costs incurred on or after the NOFO preview publication date. 24 CFR 570.200(h)(1)(i) will not apply to the extent that it requires pre-agreement activities to be included in a consolidated plan. The Department expects all grantees to include all pre-agreement activities in their applications. The provisions at 24 CFR 570.200(h) and 570.489(b) apply to grantees reimbursing costs incurred by itself or its recipients or subrecipients prior to the execution of a grant agreement with HUD.

xviii. *Environmental requirements.*

a. Clarifying note on the process for environmental release of funds when a State carries out activities directly. In the CDBG program, a State distributes CDBG funds to local governments and takes on HUD's role in receiving environmental certifications from the grant recipients and approving releases of funds. For State grantees under this PRO Housing NOFO, HUD allows the State to carry out activities directly, in addition to distributing funds to subrecipients and/or subgrantees. Thus, per 24 CFR 58.4, when a State carries out activities directly, the State must submit the certification and request for release of funds to HUD for approval.

b. Historic preservation reviews. To facilitate expedited historic preservation reviews under Section 106 of the of the National Historic Preservation Act of 1966 (54 U.S.C. § 306108), HUD strongly encourages grantees to allocate general administration funds to support the capacity of the State Historic Preservation Officer (SHPO)/Tribal Historic Preservation Officer (THPO) to review PRO Housing projects.

xix. *Procurement.*

a. State grantees. Per 24 CFR 570.489(d), a State must have fiscal and administrative requirements for expending and accounting for all funds. Furthermore, per 570.489(g), a State shall establish requirements for procurement policies and procedures for local

governments based on full and open competition. All local governments receiving funds from a State through a method of distribution (also called state recipients, subgrantees, or local governments) are subject to the procurement policies and procedures required by the State.

A State may meet the above requirements by electing to follow 2 CFR part 200, as may be amended. If a State has adopted part 200 in full, it must follow the same policies and procedures it uses when procuring property and services with its non-Federal funds. However, the State must ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations per 2 CFR 200.317.

b. Direct grants to local governments. Local governments receiving a direct grant from HUD will be subject to the procurement requirements of 4 CFR 200.318 through 200.327, as may be amended.

xx. *Public website.* A grantee shall maintain a public website which provides information accounting for how all grant funds are used and managed/administered, including details of all contracts and ongoing procurement policies. To meet this requirement, each grantee must make the PRO Housing Action Plan (including all amendments) and each APR (as created using the DRGR system) available on its website(s).

xxi. *Timely distribution of funds.* The provisions at 24 CFR 570.494 and 24 CFR 570.902 regarding timely distribution of funds are waived under this NOFO. HUD expects each grantee to expeditiously obligate and expend all funds, including any recaptured funds or program income, and to carry out activities in a timely manner.

To track grantees' progress, HUD will evaluate timeliness in relation to each grantee's established expenditure plan. The Department will, absent substantial evidence to the contrary, deem a grantee to be carrying out its programs and activities in a timely manner if the schedule for carrying out its activities is substantially met. In determining the appropriate corrective action pursuant to this section, HUD will take into account the extent to which unexpended funds have been obligated by the grantee and its subrecipients for specific activities at the time the finding is made and other relevant information.

xxii. *Review of continuing capacity to carry out CDBG-funded activities in a timely manner.* If HUD determines at any time that the grantee has not carried out its PRO Housing activities and certifications in accordance with the requirements and criteria described in this NOFO, HUD will undertake a further review to determine whether the grantee has the continuing capacity to carry out its activities in a timely manner. In making the determination, the Department will consider the following alternative requirements to provisions under 42 U.S.C. 5304(e): the nature and extent of the grantee's performance deficiencies, types of corrective actions the grantee has undertaken, and the success or likely success of such actions.

xxiii. *Corrective and remedial actions.* To ensure compliance with the requirements of the Appropriations Act and to effectively administer the PRO Housing program, HUD is waiving 42 U.S.C. 5304(e) of the HCD Act to the extent necessary to impose the following alternative requirement: HUD may undertake corrective and remedial actions for States in accordance with the authorities applicable to entitlement grantees in subpart O (including corrective and remedial actions in 24 CFR 570.910, 570.911, and 570.913) or under subpart I of the CDBG regulations at

24 CFR part 570. Before determining appropriate corrective actions, HUD will notify the grantee of the procedures applicable to its review. As in the annual CDBG program, in accordance with 24 CFR 570.300, the policies and procedures set forth in subpart O will apply to local governments receiving direct grants from HUD.

xxiv. *Reduction, withdrawal, or adjustment of a grant or other appropriate action.* Prior to a reduction, withdrawal, or adjustment of a grant or other appropriate action taken pursuant to this section, the recipient shall be notified of such proposed action and given an opportunity within a prescribed time period for an informal consultation. Consistent with the procedures described in this NOFO, the Secretary may adjust, reduce, or withdraw the grant or take other actions as appropriate, except that funds already expended on eligible approved activities shall not be recaptured.

xxv. *Use of CDBG PRO-Housing funds as Match.* As provided by the HCD Act, PRO Housing funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible PRO Housing activity.

xxxvi. *URA and section 104(d) Requirements.* As a reminder to all applicants, in addition to the URA requirements detailed elsewhere in this NOFO, PRO housing funds are subject to section 104(d) of the Housing and Community Development Act of 1974, as amended, and its implementing regulations at 24 CFR part 42, Displacement, Relocation Assistance and Real Property Acquisition for HUD and HUD-Assisted Programs. Section 104(d) applies to the demolition or conversion of lower-income dwelling units in connection with Community Development Block Grant (CDBG) program assisted activities. In addition, should HOME Investment Partnerships (HOME) funding comprise a funding source for a PRO Housing project activity, HOME funding is also subject to section 104(d) requirements.

**b. Certifications waiver and alternative requirement.** Sections 91.325 and 91.225 of title 24 of the Code of Federal Regulations are waived. Each State or local government applying for an award under this NOFO must make the certifications required by Appendix B and submit the certifications with its Application.

## **6. Duration of Funding**

The Appropriations Act requires that HUD obligate all funds provided under the Community Development Fund heading not later than September 30, 2026. All PRO Housing funds must be expended before September 30, 2029.

## **7. Catalog of Federal Domestic Assistance**

The primary Catalog of Federal Domestic Assistance (CFDA) number for the grants under this NOFO is 14.023. Additional supporting CFDA numbers are: 14.218; 14.228.

## **VII. AGENCY CONTACT(S)**

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

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

Name:

Jessie Handforth Kome

Phone:

202-708-3587

Email:

CDBG-PROHousing@hud.gov

Individuals who are deaf or hard of hearing, or who have speech and other communication disabilities may use a relay service to reach the agency contact. To learn more about how to make an accessible telephone call, visit the webpage for the [Federal Communications Commission](#). Note that HUD staff cannot assist applicants in preparing their applications.

## VIII. OTHER INFORMATION

### 1. Compliance of this NOFO with the National Environmental Policy Act (NEPA)

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

### 2. Web Resources.

- [Affirmatively Furthering Fair Housing](#)
- [Assistance Listing \(formerly CFDA\)](#)
- [Climate Action Plan](#)
- [Climate and Economic Justice Screening Tool \(CEJST\)](#)
- [Code of Conduct Requirements and E-Library](#)
- [Environmental Review](#)
- [Equal Participation of Faith-Based Organizations](#)
- [Fair Housing Rights and Obligations](#)
- [Federal Awardee Performance and Integrity Information System](#)
- [Federal Funding Accountability and Transparency Act \(FFATA\) Subaward Reporting System](#)
- [Grants.gov](#)
- [Healthy Homes Strategic Plan](#)
- [Healthy Housing Reference Manual](#)
- [Historically Black Colleges and Universities \(HBCUs\)](#)
- [HUD's Strategic Plan](#)
- [HUD Grants](#)
- [HUD Reform Act](#)
- [HUD Reform Act: HUD Implementing Regulations](#)
- [Limited English Proficiency \(LEP\)](#)
- [NOFO Webcasts](#)
- [Procurement of Recovered Materials](#)
- [Promise Zones](#)
- [Section 3 Business Registry](#)
- [State Point of Contact List](#)
- [System for Award Management \(SAM\)](#)

- [Real Estate Acquisition and Relocation](#)
- [Unique Entity Identifier](#)
- [USA Spending](#)

### 3. Program Relevant Web Resources

[https://www.hud.gov/program\\_offices/comm\\_planning/pro\\_housing](https://www.hud.gov/program_offices/comm_planning/pro_housing)

## APPENDIX

### Appendix A: Waiver Requests

#### Introduction

This attachment provides instructions for seeking waivers of the program requirements applicable to funds under Public Law 117-328 and described in the Notice of Funding Opportunity (NOFO) for HUD's Pathways to Removing Obstacles to Affordable Housing (PRO Housing).

Waiver requests necessary to carry out an activity described in an application must be submitted with that application. When submitting an application, applicants should submit requests for any waivers anticipated to be necessary at the time of submission for any activity referenced in the application. However, HUD understands that actions needed to identify and remove barriers to affordable housing productions and preservation can be addressed through more than one CDBG eligible activity. Changes to a project's funding structure or design may require a change in the proposed CDBG-eligible activity or a modification to a waiver or alternative requirement previously requested. Therefore, applicants may submit waiver requests, and if necessary, requests to modify previous waiver requests.

HUD may, during review of an application or during the post-review negotiation process, determine that the Applicant would require an additional waiver for the proposed project, or find that additional information is needed to make a determination regarding a submitted waiver request. In these cases, HUD may contact any Applicant at any time prior to award announcement to explain the issue and request that the Applicant submit a waiver request for consideration or additional information to support a previous request.

#### Waiver and Alternative Requirement Categories

Public Law 117-328 authorizes the Secretary of HUD to "waive or specify alternative requirements for any provision of such title I of the [Housing and Community Development Act of 1974, as amended] except for requirements related to fair housing, nondiscrimination, labor standards, the environment, and requirements that activities benefit persons of low- and moderate-income" if the Secretary finds that such waivers or alternative requirements "are necessary to expedite or facilitate the use" of PRO Housing funds.

Grantees are cautioned that all waiver requests may not be approved, and that HUD may impose additional alternative requirements when granting a waiver. Additional instructions for submitting waivers are included below. Waiver requests shall be submitted to HUD at the following e-mail address: CDBG-PROHousing@hud.gov, with Waiver Request on the subject line of the email.

#### Eligibility and Administrative Waivers

All applicants must demonstrate that PRO Housing funds will be used for a CDBG-eligible activity (for States, the activities described at 42 U.S.C. § 5305(a); for entitlement CDBG grantees, multijurisdictional entities, and metropolitan planning organizations, the activities described in 24 CFR part 570, subpart C) or an activity eligible under a waiver and alternative requirement. When necessary to expedite or facilitate the use of funds, the Secretary may grant waivers to add a new eligible activity or to modify existing eligible activities. Waivers to add new eligible activities are rare, generally because the list of existing eligible activities is extensive and able to accommodate proposals to identify and remove barriers to affordable housing productions and preservation.

Grantees may also request a waiver of other regulations that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for statutory requirements related to fair housing, nondiscrimination, labor standards, the environment, and the low- and moderate-income national objective). For example, a grantee may request a modification of the definition of subrecipient.

To request a waiver of eligibility or administrative requirements, applicants must submit a written request that includes: the requirement to be waived, and if applicable, alternative requirement to be added (meaning how the current requirement should be altered); a detailed statement of how the request is necessary to identify and remove barriers to affordable housing production and preservation; the demographics of the population to be assisted; and a statement of alternative approaches considered to eliminate the need for a waiver.

### **National Objective Waivers**

All PRO Housing activities are required to meet a national objective. HUD will not consider waiver requests that seek to waive a national objective entirely. Although exceedingly rare, HUD may consider a regulatory waiver request to impose an alternative requirement modifying an existing national objective requirement.

For example, 24 CFR 570.208(a)(1)(i) requires that for activities that serve all the residents in a particular area, at least 51 percent of whom are low- and moderate-income persons, an area that is not primarily residential in character shall not qualify. Most activities that meet this requirement are smaller activities with focused geographic service areas that are easy to document as “primarily residential.” However, HUD anticipates that many applications for PRO Housing activities will include or consist entirely of planning activities that may affect all areas of an applicant’s jurisdiction. For large cities, urban counties, and states, documenting that the entire jurisdiction is “primarily residential” is difficult or impossible. Therefore, applicants may request that HUD waive the requirement that the service area be “primarily residential” in order for the applicant to carry out an activity that benefits its entire jurisdiction. Note that such a waiver would not remove the requirement that the jurisdiction contain at least 51 percent low- and moderate-income persons.

To request a national objective waiver, applicants must submit a written request that includes: the requirement to be waived, and if applicable, alternative requirement to be added; a detailed statement of how the existing requirement is necessary to identify and remove barriers to affordable housing production and preservation; the demographics of population to be assisted; and a statement of alternatives approaches considered to eliminate the need for a waiver.



**Appendix B -- Certifications**

Applicants to the PRO Housing program must use this Appendix to certify their compliance with various requirements. Applicants should complete the certifications relevant to them and submit them with their application. Please note that all applicants must complete the lobbying certification.

**PRO HOUSING CERTIFICATIONS FOR ENTITLEMENT LOCAL GOVERNMENT APPLICANTS**

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

**Affirmatively Further Fair Housing** --The jurisdiction will affirmatively further fair housing.

**Uniform Relocation Act and Anti-displacement and Relocation Plan** -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

**Anti-Lobbying** --To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of Jurisdiction** -- The submission of the PRO Housing application is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** --The housing activities to be undertaken with PRO Housing funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.

**Build America, Buy America (BABA)** – It will comply with Title IX, Subpart A of the Infrastructure Investment and Jobs Act of 2021 (41 U.S.C. 8301 et seq.).

**Public Participation** – It is in full compliance with the PRO Housing streamlined public participation requirements found in Section VI.E of the PRO Housing NOFO.

**Community Development Plan** -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR parts 91 and 570.

**Following a Plan** -- It is following a current consolidated plan that has been approved by HUD.

**Use of Funds** -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with PRO Housing funds, it has developed its proposal so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The proposal may also include activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional PRO Housing Certification).
2. Overall Benefit. The aggregate use of PRO Housing funds shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons.
3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with PRO Housing funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if PRO Housing funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with PRO Housing funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than PRO Housing funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than PRO Housing funds if the jurisdiction certifies that it lacks PRO Housing funds to cover the assessment.

**Excessive Force** -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

**Compliance with Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

**Lead-Based Paint** -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K and R; and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

**Compliance with RFRA** -- The grant will be conducted and administered in conformity with the requirements of the Religious Freedom Restoration Act (42 U.S.C. 2000bb) and 24 CFR 5.109, allowing the full and fair participation of faith-based entities.

**Environmental Review** -- It will comply with environmental review procedures and requirements at 24 CFR parts 50 and 58.

**Compliance with Laws** -- It will comply with applicable laws.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**PRO HOUSING CERTIFICATIONS FOR STATE APPLICANTS**

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

**Affirmatively Further Fair Housing** -- The State will affirmatively further fair housing.

**The Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended (URA), and Residential Anti-displacement and Relocation Assistance Plan (RARAP)** -- It will comply with the acquisition and relocation requirements of the URA (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a RARAP as required under 24 CFR Part 42 in connection with any activity assisted with funding under either the Community Development Block Grant or HOME programs..

**Anti-Lobbying** --To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a

Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of State** -- The submission of the PRO Housing application is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** -- The housing activities to be undertaken PRO Housing funds are consistent with the strategic plan in the State's consolidated plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.

**Build America, Buy America (BABA)** – It will comply with Title IX, Subpart A of the Infrastructure Investment and Jobs Act of 2021 (41 U.S.C. 8301 et seq.).

**Public Participation** -- It is in full compliance with the PRO Housing streamlined public participation requirements found in Section VI.E of the PRO Housing NOFO and each unit of general local government that receives assistance from the State is in full compliance with the same.

**Consultation with Local Governments** --

1. It has consulted with affected units of local government in the non-entitlement area of the State in determining the method of distribution of funding, if applicable;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Local Needs Identification** – It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

**Community Development Plan** -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR parts 91 and 570.

**Use of Funds** -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with PRO Housing funds, it has developed its proposal so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The proposal may also include activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional PRO Housing Certification).
2. Overall Benefit. The aggregate use of PRO Housing funds shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons.
3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with PRO Housing funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if PRO Housing funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with PRO Housing funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than PRO Housing funds. In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than PRO Housing funds if the jurisdiction certifies that it lacks PRO Housing funds to cover the assessment.

**Excessive Force** -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

**Compliance with Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

**Lead-Based Paint** -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K and R; and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

**Compliance with RFRA** -- The grant will be conducted and administered in conformity with the requirements of the Religious Freedom Restoration Act (42 U.S.C. 2000bb) and 24 CFR 5.109, allowing the full and fair participation of faith-based entities.

**Environmental Review** -- It will comply with environmental review procedures and requirements at 24 CFR parts 50 and 58.

**Compliance with Laws** -- It will comply with applicable laws.

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Signature of Authorized Official

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Date

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Title

**PRO HOUSING CERTIFICATIONS FOR METROPOLITAN PLANNING ORGANIZATION (MPO) APPLICANTS AND NON-ENTITLEMENT LOCAL GOVERNMENT APPLICANTS**

The applicant certifies that:

**Affirmatively Further Fair Housing** -- The MPO will affirmatively further fair housing.

**The Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended (URA)** -- It will comply with the acquisition and relocation requirements of the URA (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24.

**Anti-Lobbying** --To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of MPO** – The submission of the PRO Housing application is authorized under State and local law (as applicable) and the MPO possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.

**Build America, Buy America (BABA)** – It will comply with Title IX, Subpart A of the Infrastructure Investment and Jobs Act of 2021 (41 U.S.C. 8301 et seq.).

**Public Participation** -- It is in full compliance with the PRO Housing streamlined public participation requirements found in Section VI.E of the PRO Housing NOFO.

**Use of Funds** -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with PRO Housing funds, it has developed its PRO Housing proposal so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The PRO Housing proposal may also include PRO Housing-assisted activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional PRO Housing Certification).
2. Overall Benefit. PRO Housing funds shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons.
3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with PRO Housing funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if PRO Housing funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with PRO Housing funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than PRO Housing funds. In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than PRO Housing funds if the jurisdiction certifies that it lacks PRO Housing funds to cover the assessment.

**Excessive Force** – Each member State or local government has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

**Compliance with Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

**Lead-Based Paint** -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K and R; and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

**Compliance with RFRA** -- The grant will be conducted and administered in conformity with the requirements of the Religious Freedom Restoration Act (42 U.S.C. 2000bb) and 24 CFR 5.109, allowing the full and fair participation of faith-based entities.

**Compliance with Laws** -- It will comply with applicable laws.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**PRO HOUSING CERTIFICATIONS FOR MULTIJURISDICTIONAL ENTITY APPLICANTS**

The multijurisdictional entity applicant(s) certifies that:

**Affirmatively Further Fair Housing** -- The jurisdiction(s) will affirmatively further fair housing.

**The Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended (URA)** -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24.

**Anti-Lobbying** --To the best of the jurisdictions' knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;



2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of Jurisdiction(s)** -- The submission of the PRO Housing application is authorized under State and local law (as applicable) and the jurisdiction(s) possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** – If any member(s) of the multijurisdictional entity applicant is a recipient of funding under Title I of the Housing and Community Development Act of 1974, the entity certifies that the housing activities to be undertaken with PRO Housing funds are consistent with the strategic plan in the jurisdictions' consolidated plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.

**Build America, Buy America (BABA)** – It will comply with Title IX, Subpart A of the Infrastructure Investment and Jobs Act of 2021 (41 U.S.C. 8301 et seq.).

**Public Participation** – It is in full compliance with the PRO Housing streamlined public participation requirements found in Section VI.E of the PRO Housing NOFO.

**Community Development Plan** -- If any member(s) of the multijurisdictional entity applicant is a recipient of funding under Title I of the Housing and Community Development Act of 1974, the entity certifies that its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR parts 91 and 570.

**Use of Funds** -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with PRO Housing funds, it has developed its proposal so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The proposal may also include activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional PRO Housing Certification).

2. Overall Benefit. The aggregate use of PRO Housing funds shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons.
3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with PRO Housing funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if PRO Housing funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with PRO Housing funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than PRO Housing funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than PRO Housing funds if the jurisdiction certifies that it lacks PRO Housing funds to cover the assessment.

**Excessive Force** -- Each member State or local government has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

**Compliance with Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

**Lead-Based Paint** -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K and R; and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

**Compliance with RFRA** -- The grant will be conducted and administered in conformity with the requirements of the Religious Freedom Restoration Act (42 U.S.C. 2000bb) and 24 CFR 5.109, allowing the full and fair participation of faith-based entities.

**Compliance with Laws** -- It will comply with applicable laws.

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Signature of Authorized Official

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Date

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Title

**OPTIONAL PRO HOUSING URGENT NEED CERTIFICATION**

Submit the following certification only when one or more of the activities in the PRO Housing proposal are designed to meet other community development needs having particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the PRO Housing proposal includes one or more specifically identified PRO Housing-assisted activities which are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

# HUD Pathways to Removing Obstacles to Housing

Notice of Funding

City of Ann Arbor Application Plan

# HUD Goals

- Enable promising practices dedicated to identifying and removing barriers to affordable housing production and preservation, while preventing displacement
- Institutionalize state and local analysis and implementation of effective, equitable, and resilient approaches to affordable housing production and preservation
- Provide technical assistance to help communities better identify barriers to housing and implement solutions to address those barriers
- Affirmatively further fair housing by addressing and removing barriers that segregation, barriers that inhibit access to well-resourced areas of protected class groups and vulnerable populations, and barriers that affordable housing in under-resourced areas.
- Facilitate collaboration and harness innovative approaches from researchers, advocates, and stakeholders.

# HUD will prioritize applicants that demonstrate:

- Progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation
- An acute demand for housing affordable to households with incomes below 100 % Area Median Income
- How the funds would be used to identify and remove barriers to affordable housing in a manner that affirmatively furthers fair housing by expanding access to housing opportunities in well-resourced areas for protected class groups.

# Identify & Remove Barriers continued

- The Fair Housing Act prohibits discrimination in housing because of:
  - Race
  - Color
  - National Origin
  - Religion
  - Sex (including gender identity and sexual orientation)
  - Familial Status
  - Disability
- Deconcentrating affordable housing and increasing housing choice

# 2023 Ann Arbor Area Median Income

Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person
30%	\$26,040	\$29,760	\$33,480	\$37,200	\$40,200
50%	\$43,400	\$49,600	\$55,800	\$62,000	\$67,000
<b>60%</b>	<b>\$52,080</b>	<b>\$59,520</b>	<b>\$66,960</b>	<b>\$74,400</b>	<b>\$80,400</b>
80%	\$69,440	\$79,360	\$89,280	\$99,200	\$107,200
100%	\$86,800	\$99,200	\$111,600	<b>\$124,000</b>	\$134,000
120%	\$104,160	\$119,040	\$133,920	\$148,800	\$160,800

Ann Arbor Primary Metropolitan Statistical Area includes all of Washtenaw County – Median Family Income = \$124,000

HUD places the Area Median Income into the 100% AMI 4-person household slot, and all other incomes are a formula based off that number



# 2023 Affordable Monthly Housing Costs Based on AMI

Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person
30%	\$651	\$744	\$837	\$930	\$1,005
50%	\$1,085	\$1,240	\$1,395	\$1,550	\$1,675
<b>60%</b>	<b>\$1,302</b>	<b>\$1,488</b>	<b>\$1,674</b>	<b>\$1,860</b>	<b>\$2,010</b>
80%	\$1,736	\$1,984	\$2,232	\$2,480	\$2,680
100%	\$2,170	\$2,480	\$2,790	<b>\$3,100</b>	\$3,350
120%	\$2,604	\$2,976	\$3,348	\$3,720	\$4,020

# Federal Poverty Level

Family Size	2023 Poverty Threshold Income
1 person	\$14,580
2 people	\$19,720
3 people	\$24,860
4 people	\$30,000

Approximately 20 – 25% of AMI  
for Washtenaw County, i.e. Ann Arbor Primary Statistical Area

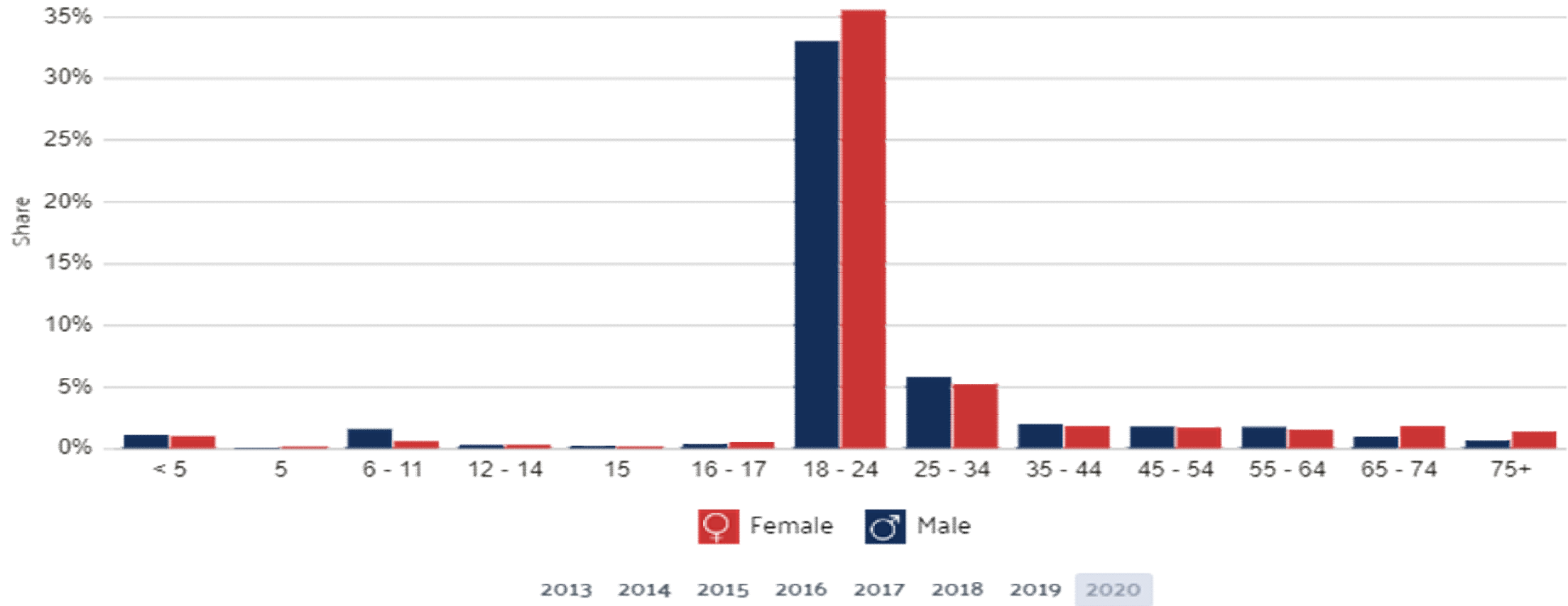
# Poverty by Census Tract

Qualified Census Tract: 50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more.

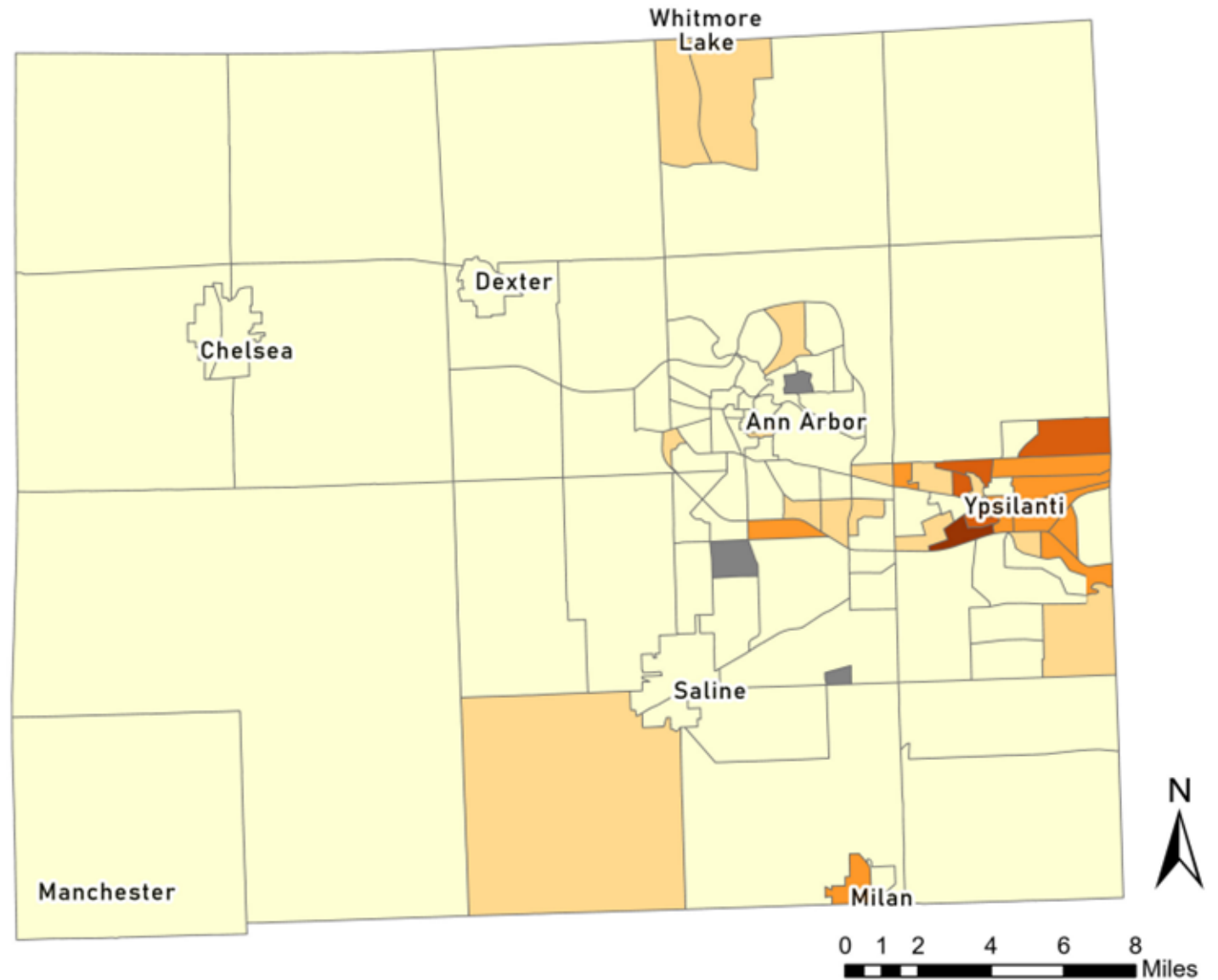
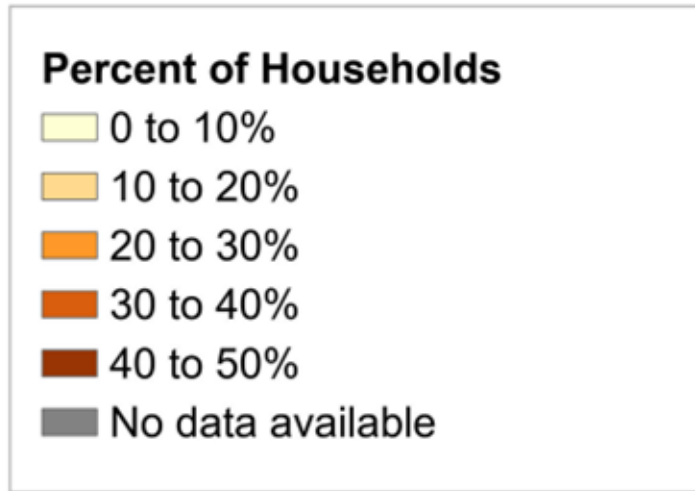
Source: 2023 HUD Office of Policy Development & Research, Qualified Census Tracts



# Ann Arbor 2020 Poverty by Age and Gender



# Percent of Households on Public Assistance by Census Tract Washtenaw County, 2020



Data Sources: City of Ann Arbor, U.S. Census Bureau 2016-2020 American Community Survey 5-Year Estimates, Table B19058

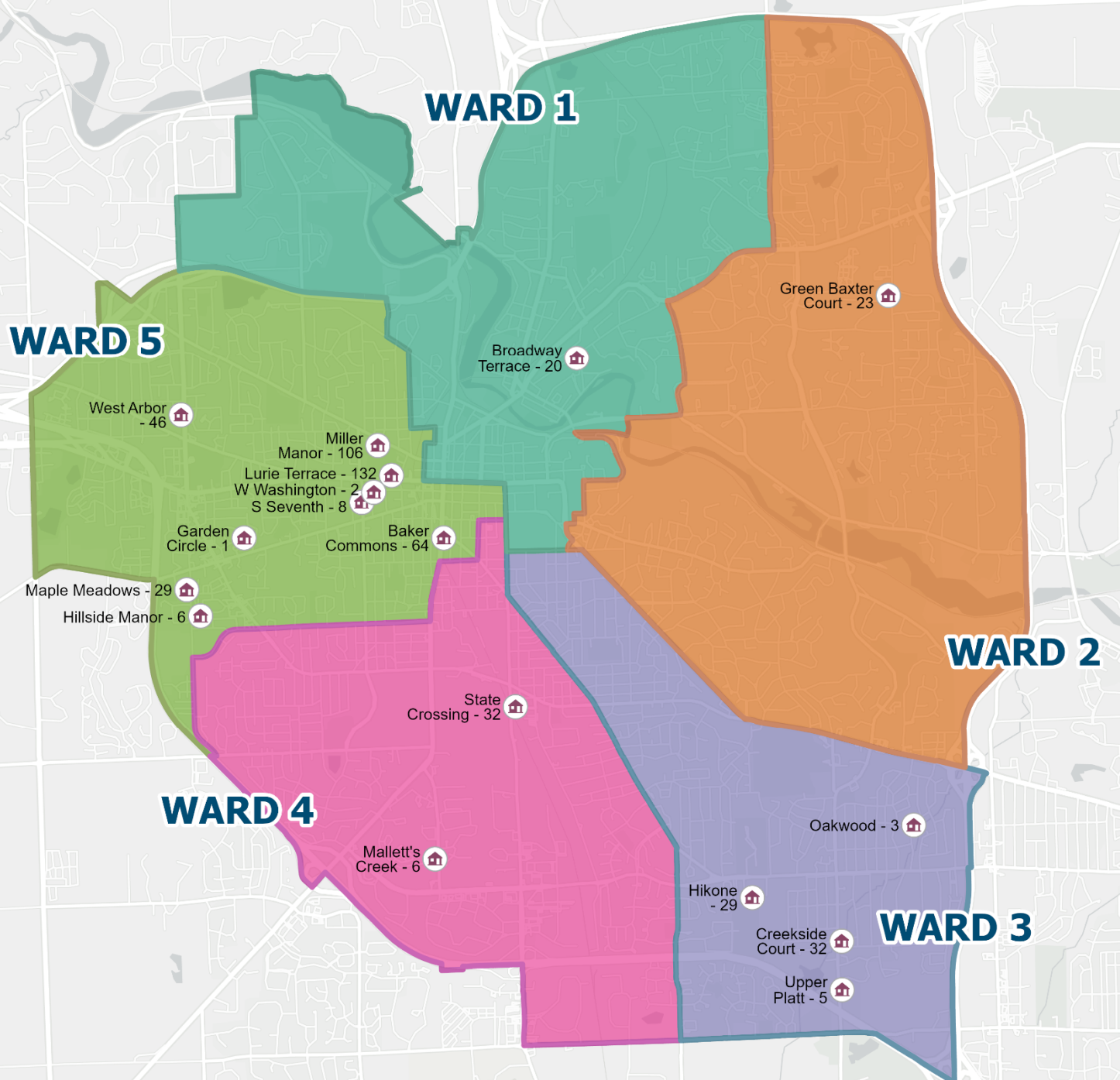
Map Prepared: September 2022

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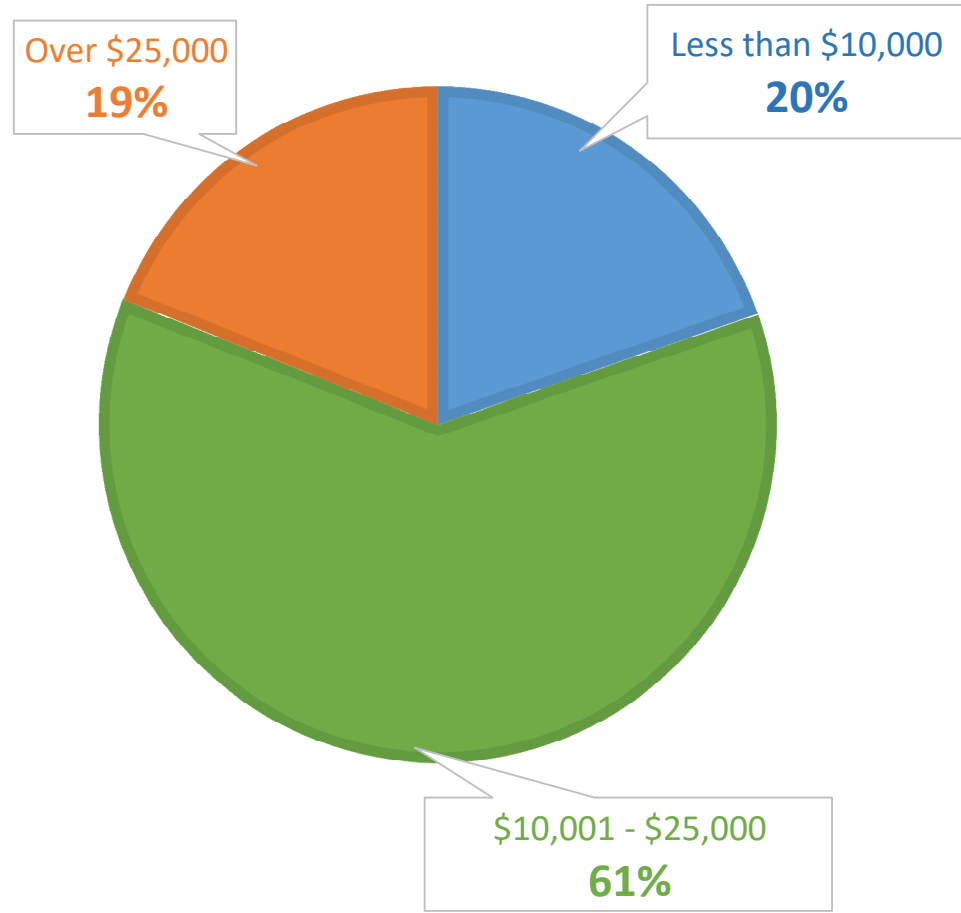
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0 1 2 4 6 8 Miles



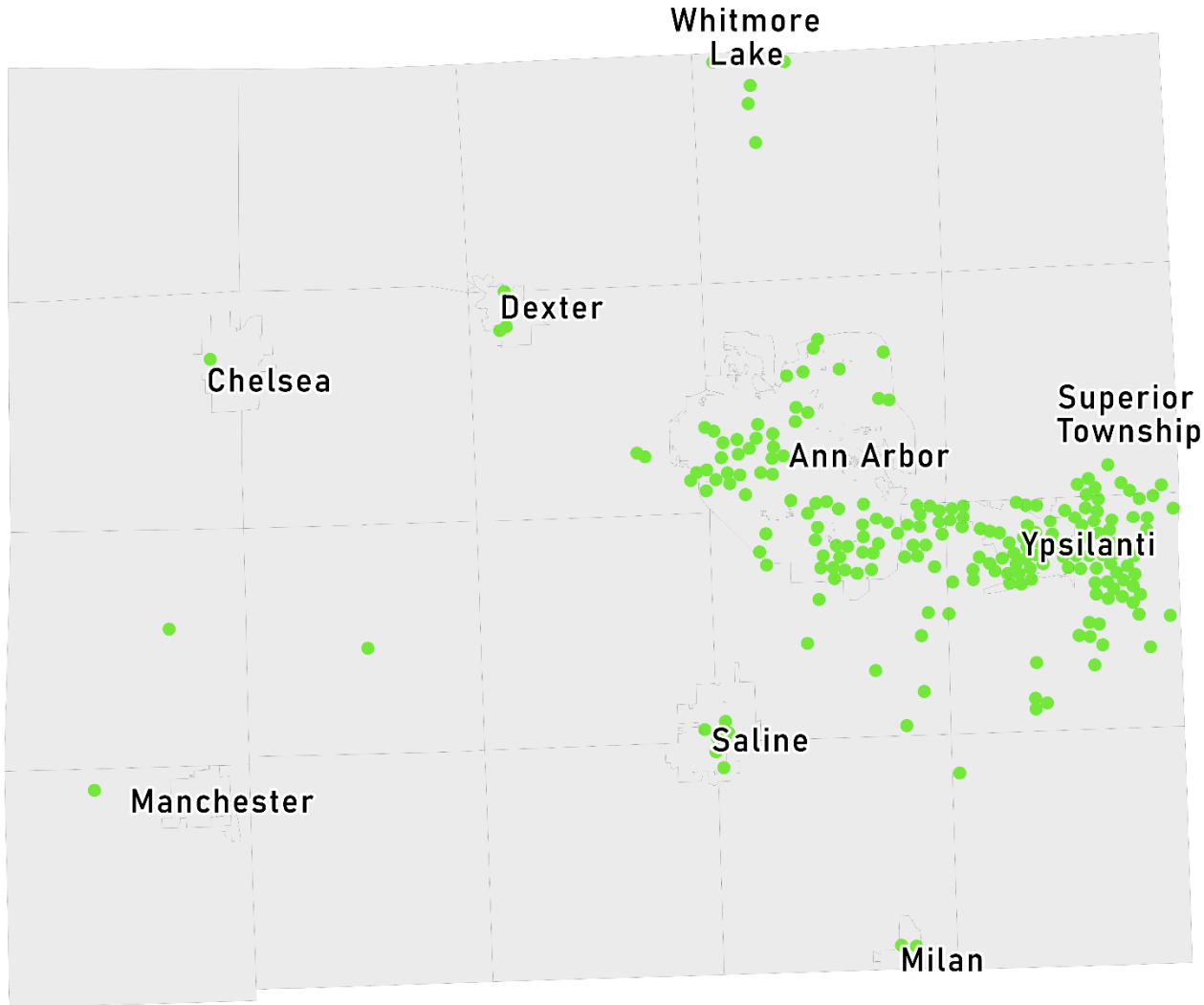
# AAHC Resident Income



# Voucher Programs

## AAHC Administers

- 1,249 Housing Choice Vouchers
- 237 Veterans Affairs Supportive Housing (VASH) for Homeless Veterans
- 351 Non-Elderly Disabled Vouchers
- 32 Family Unification Vouchers
- 29 Emergency Housing Vouchers
- 336 RAD Project-Based Vouchers on AAHC properties



Distribution of All AAHC Vouchers in Washtenaw County

**Rent  
Subsidy  
Private  
Sector**

**30% of  
Income  
as Rent**

**50% Area  
Median  
Income  
Eligibility**



# Ann Arbor Housing Commission (AAHC) Housing Choice Voucher (Section 8) Participants Tenant Based Vouchers (TBV) - Washtenaw County, 2022

Total Number of Vouchers Leased Up  
in All Programs - 2,074

Total Number of TBVs Leased Up in  
Washtenaw County - 1,319\*

\*23 TBVs leased up outside Washtenaw County

- TBV - Washtenaw County
- Washtenaw County Townships

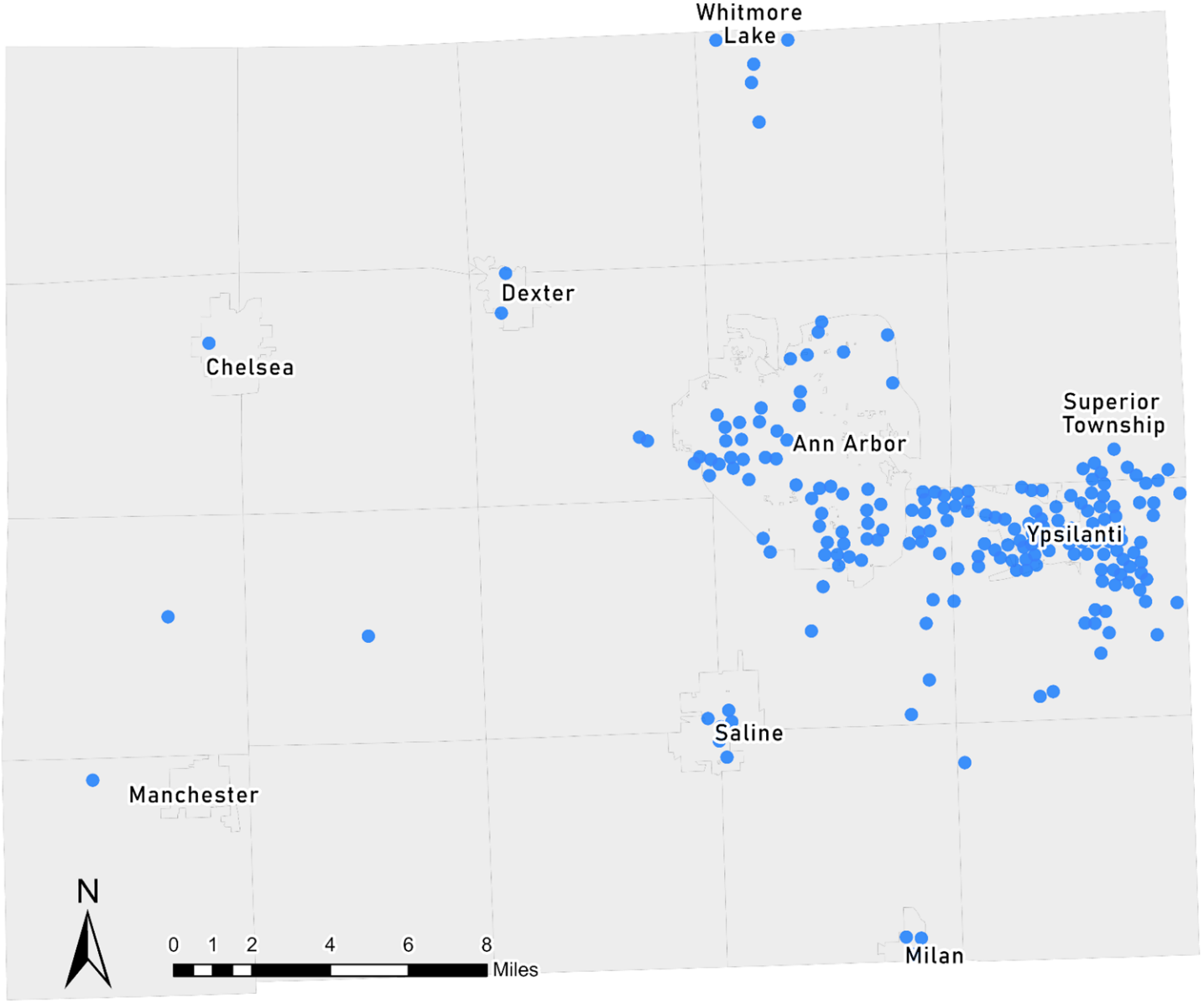
Note: This map is a point in time of areas where voucher program participants are located as of June 2022. Data points may represent multiple vouchers leased up at the same location (i.e. an apartment complex) rather than individual units.

Data Sources: Ann Arbor Housing Commission, City of Ann Arbor

Map Prepared: September 2022

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# Award Details

- Due Oct 30, 2023
- \$85 million
- 20 awards
- Minimum of \$1 million and max of \$10 million
- Primarily for planning activities and for other CDBG activities like infrastructure and preservation but also includes new construction
- 6 years to expend ending 9/30/2029
- No matching funds required but get points for leveraged funds

# Eligible Activities

- **Planning and policy activities supporting affordable housing.**
- **Development activities**
- **Infrastructure activities**
- **Preservation activities**
- Competitive proposals will seek to remove the most significant barriers to unlocking affordable housing production and pursue area-wide benefits across a neighborhood, zoning district, station area, city, region, State, or similar geographic area, rather than smaller reforms or changes that may be limited in scope or geography.
- HUD encourages applications that will demonstrate scope of impact through incorporating a focus on barrier elimination related to land-use regulations, permitting, or related procedural issues.

# Evaluate Proposed Activities

- High, Moderate or Low Impact
  - Removing Barriers
  - Increasing Affordable Housing Production
  - Wide Geographical Area
- High, Moderate or Low Resource Requirement
  - Staffing
  - Cost
  - Time

# Plans, Zoning, Land Use #1

## **HUD Example**

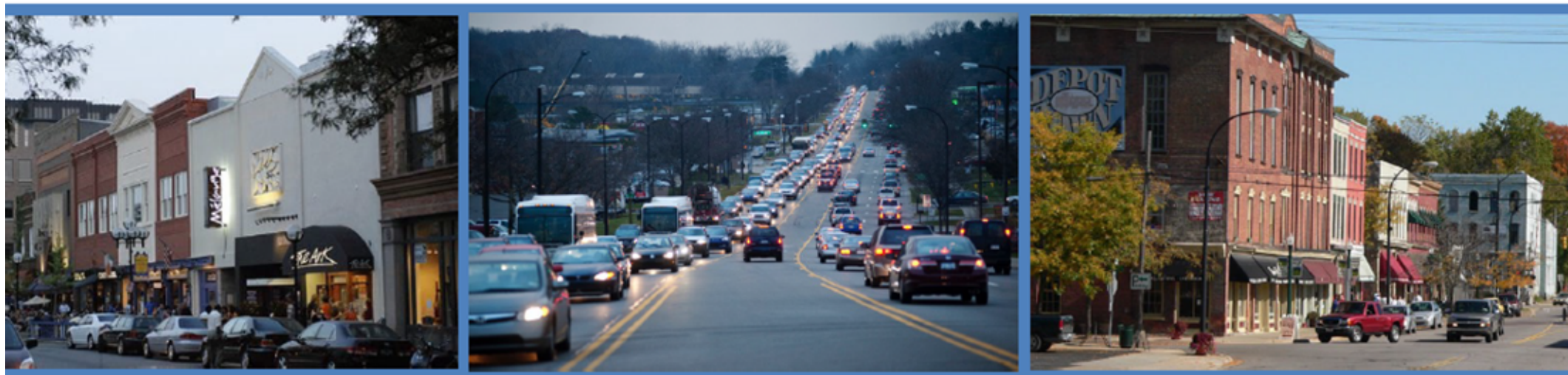
- Developing or updating housing plans, community development strategies, and zoning and land use policies such as overlays to encourage multifamily and mixed-use development or access to affordable housing, floating zones (such as redevelopment, workforce housing, or live/work zones in high opportunity areas), incentive zoning, transit-oriented development zones, or ordinances to encourage housing development or preservation.

## **Ann Arbor Proposal**

- Update 2015 County-Wide Housing Affordability and Economic Equity Analysis
- Conduct Housing Needs Assessment in City of Ann Arbor
- Support Comprehensive Plan work that has been initiated by Council to seek increased density across the City; to realize both additional housing supply in the City (Challenge is how to limit benefit to low-income households when zoning is the tool)
- Further analysis and modification of the TC1 zoning district to enable more housing development.

## Housing Affordability and Economic Equity - Analysis

Washtenaw County, Michigan

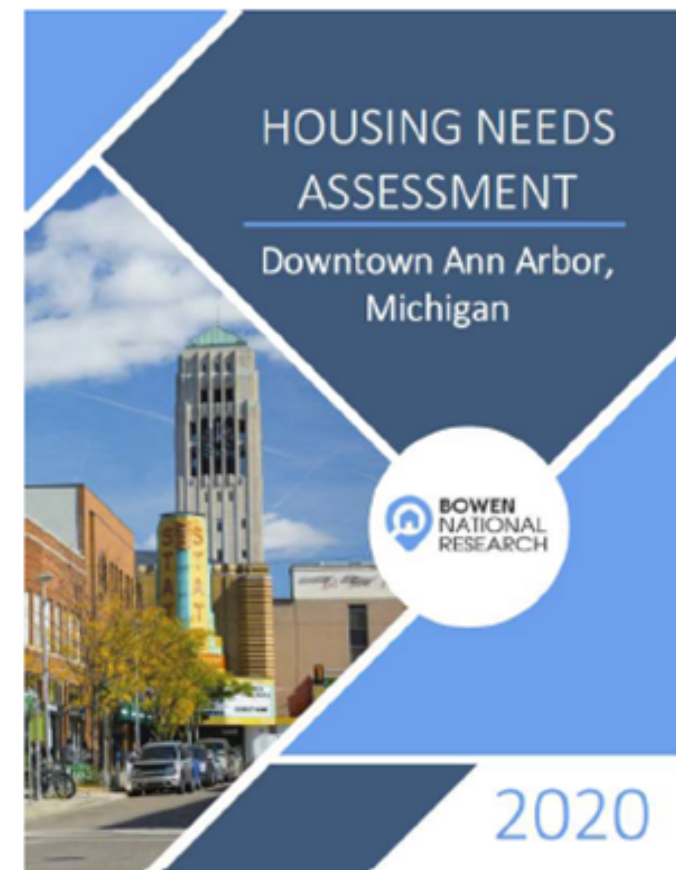


# HOUSING NEEDS ASSESSMENT Downtown Ann Arbor

- There is a significant need for affordable housing as shown by the demand break-down:
  - Demand for 1,346-1,407 units at < 30% AMI
  - Demand for 782-856 units at 31% to 60% AMI
  - Demand for 371-491 units at 61% to 100% AMI
- Without the city getting involved and building affordable housing at or below 60% AMI, private developers will continue to build downtown residential at market rate. Therefore, the market will drive growth in higher-income households.
- While most downtown renter household growth is projected to occur among higher income households, low-income households comprise the largest share of renter households.
- One way to close the gap is for the city to take an active role in building affordable housing downtown.
- Based on this analysis, all seven sites are marketable for affordable residential development.

## *Housing Affordability Remains a Challenge for Many Area Renters*

A total of 1,893 (55.5%) of all Downtown renters are considered “housing cost burdened,” meaning they pay over 30% of their income toward housing.



# Plans, Zoning, Land Use #2

## HUD Example

- Developing or updating housing plans, community development strategies, and zoning and land use policies to simplify, streamline, or change overlays that create a barrier to affordable housing development or preservation, such as architectural review or historic preservation overlays

## City of Ann Arbor Proposal

- Explore elimination of the Design Review Board process for downtown development projects.

# Plans, Zoning, Land Use #3

## **HUD Example**

- Developing proposals for new by-right permitting procedures to streamline affordable housing development and reduce discretionary approvals
- Developing proposals to streamline and modernize local permit processing, such as by enabling one-stop or parallel-process permitting
- Developing proposals to expedite approvals for affordable housing development that meets certain criteria

## **City of Ann Arbor Proposal**

- Explore modifications to the UDC to provide streamlined affordable housing development.
- Explore modifications to the UDC to differentiate between affordable housing and market-rate housing for distinct process improvements.
  - Why not do this for all developments?



# Plans, Zoning, Land Use #4

## **HUD Example**

- Expanding existing affordable housing incentive programs to wider geographies, including high-opportunity neighborhoods

## **City of Ann Arbor Proposal**

- In depth analysis of high opportunity neighborhoods to develop targeted strategies to diversify housing and provide access for low-income households

# Plans, Zoning, Land Use #5

## **HUD Example**

- Developing proposals to reduce or eliminate requirements related to parking, building height, lot coverage, setbacks, minimum unit size, minimum lot size, floor area ratio, and other common land use controls

## **City of Ann Arbor Proposal**

- Support Comprehensive Plan in process to explore elimination/revision to minimum lot size requirements in residential districts throughout the City.
- Project to “unzone” aka in-depth analysis of Uniform Development Code to determine requirements/provisions that no longer meet highest priority of City for affordable housing development; identify/develop amendments to remove requirements.
- Create zoning to allow a campground. I.e. centralized bathrooms and kitchen areas with individual living areas, whether fixed or mobile hook-ups

# Plans, Zoning, Land Use #6

## **HUD Example**

- Developing proposals to streamline or eliminate requirements that unduly delay the permitting process or establish unreasonable thresholds for approvals, such as duplicative and burdensome hearings and documentation for variances, rezonings, or similar planning approvals

## **City of Ann Arbor Proposal**

- Consider streamlined process review for all affordable housing developments:
- explore modifications to public hearing requirements/ citizen participation requirements, etc.

# Plans, Zoning, Land Use #7

## **HUD Example**

- Developing proposals for higher-density zoning for current single-family and multi-family zones, including rezones to allow duplexes, triplexes, or fourplexes by-right in all areas zoned primarily for single-family homes and encourage property owners to ensure that any infill development improves or maintains walkability

## **City of Ann Arbor Proposal**

- This strategy is currently identified in the Comprehensive Plan revision
- Support this work on Comprehensive Plan
- Support implementation of recommendations.

# Plans, Zoning, Land Use #8

## **HUD Example**

- Establishing incentive programs, designing pre-approved floorplans, or introducing more flexible zoning to enable and promote accessory dwelling units

## **City of Ann Arbor Proposal**

- Explore barriers and ordinance modifications to support additional development of ADUs; Share with other communities
- Develop pre-approved building permit-detailed plans for public use/submission for ADUs.

# Plans, Zoning, Land Use #9

## **HUD Example**

- Developing proposals to eliminate restrictions on lower-cost housing types such as prefabricated or manufactured homes

## **City of Ann Arbor Proposal**

- Develop a Tiny House Ordinance?
- Review Building Code for potential modifications?

# Plans, Zoning, Land Use #10

## **HUD Example**

- Developing proposals to update zoning or incentives to facilitate affordable housing on land owned by faith-based organizations

## **City of Ann Arbor Proposal**

- Explore implementation through Comprehensive Plan review

# Plans, Zoning, Land Use #11

## **HUD Example**

- Developing proposals to restructure fee schedules to eliminate burdensome costs for affordable housing development

## **City of Ann Arbor Proposal**

- Explore and evaluate how City fees impact affordability, including review fees, permit fees, connection/capital improvement fees etc;
- Explore which fees have flexibility; which could be supported by other means



# Plans, Zoning, Land Use #12

## **HUD Example**

- Providing affordable housing developers a first look at tax sale properties and other government properties

## **City of Ann Arbor Proposal**

- City currently working with AAHC to develop 8-10 city-owned properties
- Develop policy for tax sale properties

# Plans, Zoning, Land Use #13

## **HUD Example**

- Developing proposals to reform building codes, including through adopting or modifying model codes or consensus standards, to facilitate more affordable housing or otherwise reduce construction costs

## **City of Ann Arbor Proposal**

- Review City Codes that are in addition to State of Michigan adopted building codes
- Advocate for changes at State level. (Example is 60 feet triggers high-rise code in State of Michigan)

# Plans, Zoning, Land Use #14

## **HUD Example**

- Developing proposals to streamline or eliminate requirements that unduly delay the permitting process or establish unreasonable thresholds for approvals, such as duplicative and burdensome hearings and documentation for variances, rezonings, or similar planning approvals

## **City of Ann Arbor Proposal**

- Review processes

# Development #1

## **HUD Example**

- Financing the construction or rehabilitation of affordable housing

## **City of Ann Arbor Proposal**

- Yes

# Development #2

## **HUD Example**

- Facilitating the conversion of commercial or other properties to new housing

## **City of Ann Arbor Proposal**

- Review barriers in building code and Uniform Development Code

# Infrastructure #1

## **HUD Example**

- Installing new utilities and/or infrastructure improvements necessary for the development or preservation of affordable housing

## **City of Ann Arbor Proposal**

- Install geothermal systems
- Regional geothermal

# Infrastructure #2

## **HUD Example**

- Upgrading existing utilities or improvements to increase an area's overall capacity for new housing

## **City of Ann Arbor Proposal**

- For known affordable housing projects
- Area upgrades to incentivize future development

# Infrastructure #3

## **HUD Example**

- Increasing community resilience by investing in infrastructure improvements and nature-based solutions to mitigate the impacts of disasters, natural hazards, and extreme weather (such as flood walls, green stormwater management systems, landscaping to reduce heat islands, and elevating existing structures), for the preservation of affordable housing and to make areas suitable for new affordable housing investment.

## **City of Ann Arbor Proposal**

- Analysis of existing affordable housing in the City to identify those sites at risk
- Prioritize infrastructure & public capital improvements to minimize long term risk of those properties.



# Infrastructure #4

## HUD Example

- Investing in neighborhood amenities that benefit low-and-moderate income residents such as parks, community centers, bike lanes and improvements to the physical environment that increase public safety such as streetlights or sidewalks

## City of Ann Arbor Proposal

- City planning in low-mod areas to bring infrastructure improvements to neighborhood
  - Whenever a neighborhood improves, the values go up and low-income folks are priced out. How can we do improvements without displacement?
  - Could we sign purchase agreements with single family owners, right of first refusal at appraised value. They avoid cost and stress of selling home. Keeps investors from acquiring

# Preservation #1

## **HUD Example**

- Acquisition or subsidization of at-risk housing for the purpose of preserving affordability

## **City of Ann Arbor Proposal**

- Funding for renovations
- Funding to acquire properties that are affordable to low-mod households

# Preservation #2

## **HUD Example**

- Supporting shared housing through actions such as revising local occupancy regulations, rehabilitating units, establishing resident-matching programs, or similar activities

## **City of Ann Arbor Proposal**

- ICC currently treated like a Fraternity or Sorority, would expand if able to
- Provide financial support to an organization to re-create the home sharing program that was administered by the Housing Bureau for Seniors for many years.

# Preservation #4

## **HUD Example**

- Providing homebuyer education, assistance, appraisal programs, and other educational programs for LMI residents

## **City of Ann Arbor Proposal**

- County just opened Financial Empowerment Center
- AAHC has a homeownership program

Any Other Ideas?