



PRO HOUSING
Pathways to Removing Obstacles



FY24 PRO Housing

**Notice of Funding Opportunity
(NOFO) Walkthrough**

August 21, 2024

Agenda

- Welcome / introduction from PDAS McFadden
- FY24 PRO Housing overview
- FY24 NOFO walkthrough
- Additional resources and closeout





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FY24 PRO Housing program overview



PRO Housing basics

- Pathways to Removing Obstacles to Housing, or PRO Housing, is a competitive grant for identifying and removing barriers to affordable housing production and preservation
- PRO Housing provides grant funding to communities that have been actively taking steps and demonstrating progress in addressing local housing barriers
- PRO Housing utilizes the Community Development Block Grant (CDBG) regulations
- On August 13, 2024, HUD published the FY24 PRO Housing NOFO, launching Round 2 of the competition



What kind of barriers does PRO Housing seek to remove?



Barriers look different in every community. They can take the form of:

- Restrictive zoning designations, land use policies, or regulations
- Discretionary, costly or prolonged procedures
- Deteriorating or inadequate infrastructure
- Lack of neighborhood amenities
- Neighborhood opposition to new or affordable housing
- Challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment that reduces the number of affordable units, displacement pressures, or expiration of affordability requirements
- Other barriers unique to your community



PRO Housing Core Goals

- 1) Fairly and effectively award the PRO Housing grant funding
- 2) Elevate and enable promising practices dedicated to identifying and removing barriers to affordable housing production and preservation while preventing displacement, including through rewarding jurisdictions that have enacted laws and regulations that will lead to more affordable housing production and preservation
- 3) Institutionalize state and local analysis and implementation of effective, equitable, and resilient approaches to affordable housing production and preservation



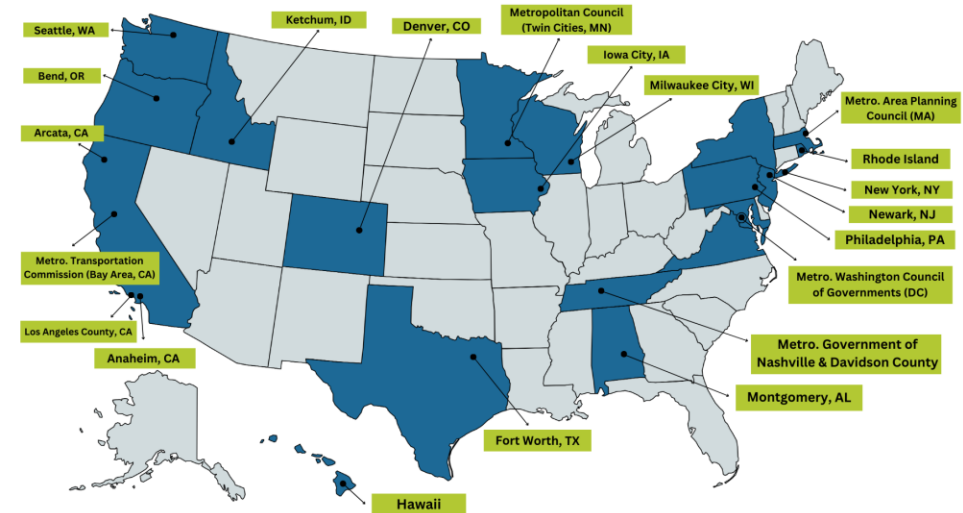
PRO Housing Core Goals

- 4) 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
- 5) 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
- 6) Facilitate collaboration and harness innovative approaches from jurisdictions, researchers, advocates, and stakeholders



FY23 PRO Housing awards

- On June 26, 2024, HUD announced 21 awards totaling nearly \$85,000,000 under the FY23 PRO Housing NOFO
- Winners of the inaugural PRO Housing competition will update state and local housing plans, revise land use policies, streamline the permitting process, provide construction funds, and take other actions to create more housing-forward communities
- FY23 (Round 1) PRO Housing was greatly oversubscribed
 - HUD received more than 175 applications from applicants across 47 States and territories.
 - For every \$1 available in funding, \$13 was requested from applicants.



What's new for FY24?

These are some of the changes to PRO Housing in the new FY24 NOFO:

- Total funding increased to \$100m
- Maximum award amount decreased to \$7m
- Number of expected awards increased to 30
- Overlapping jurisdictions are encouraged to partner, rather than submitting competing applications
- Updated prompt language to emphasize focus on barrier removal

For more, visit Section I.A.3 of the FY24 NOFO.



What is HUD prioritizing in FY24?

HUD will prioritize applicants who can demonstrate:

- 1) progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation, primarily by having enacted improved laws and regulations that HUD reasonably expects to preserve or produce new housing units; and
- 2) an acute need for housing affordable to households with incomes below 100 percent of the area median income



How to apply

- Eligible applicants include:
 - State and local governments
 - Metropolitan Planning Organizations
 - Multijurisdictional entities
- Application deadline is **October 15, 2024** at 11:59:59pm EDT
- Application materials can be found on [Grants.gov](https://www.grants.gov).
 - <https://www.grants.gov/search-results-detail/356013>
- Please consult Section IV of the FY24 PRO Housing NOFO for more information



FY24 PRO Housing NOFO walkthrough



NOFO Structure

- **I: Funding Opportunity Description**

- A: Program Description (Purpose, Goals, Changes from FY23, Definitions)
- B: Authority

- **II: Award Information**

- Available funds, Number of Awards, Min/Max Award Info, Period of Performance

- **III: Eligibility Information**

- A: Eligible Applicants
- B: Ineligible Applicants
- C: Cost Sharing or Matching
- D: Threshold Eligibility Requirements
- E: Statutory and Regulatory Requirements Affecting Eligibility
- F: Program Specific Requirements (National Objectives, Eligible Activities, Ineligible Activities, Waivers, Amendments)
- G: Criteria for Beneficiaries (Applicability of CDBG regulations)



NOFO Structure, cont.

- **IV: Application and Submission Information**

- A: Obtain an Application Package
- B: Content and Form of Application
- C: SAM and UEI
- D: Application Submission Dates and Times
- E: Intergovernmental Review
- F: Funding Restrictions

- **V: Application Review Information**

- A: Rating Criteria (Need, Soundness of Approach, Capacity, Leverage, Long-term effect)
- B: Review and Selection Process

- **VI: Award Administration Information**

- A: Award Notices
- B: Administrative Requirements
- C: Reporting
- D: Debriefing
- E: Post-award and Other Requirements (Public Participation)



NOFO Structure, cont.

- **VII: Agency Contacts**
- **VIII: Other Information**
- **Appendices**
 - Appendix A: Waiver Requests
 - Appendix B: PRO Housing Certifications
 - There is a different PRO Housing certification form for each type of eligible applicant. Please be sure to sign and attach the version applicable to you.
 - PRO Housing Certifications for Entitlement Local Government Applicants
 - PRO Housing Certifications for State Applicants
 - PRO Housing Certifications for MPO Applicants and Non-entitlement Local Government Applicants
 - PRO Housing Certifications for Multijurisdictional Entity Applicants
 - Optional PRO Housing Urgent Need Certification



Award information



Award information

- Approximately \$100,064,100 is available
- HUD expects to make approximately 30 awards
- Minimum award amount is \$1,000,000
- Maximum award amount is \$7,000,000
- PRO Housing has a six-year period of performance
- Estimated project start date is the first quarter of 2025, or after the expected issuance of awards
- Expenditure deadline is 9/30/2030



Eligibility



Who is eligible to apply?

- Eligible applicants include:
 - State governments
 - Local governments (e.g., cities and counties)
 - Metropolitan Planning Organizations
 - Multijurisdictional entities



What is a multijurisdictional entity?

- The FY24 NOFO defines a multijurisdictional entity as:
 - *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).*
- Multijurisdictional entities must demonstrate partnership among all parties by attaching relevant documentation, such as a MOU or another foundational document



Who is ineligible to apply?

- HUD will not award grants to individuals or any entity that does not meet the eligibility criteria for PRO Housing.
- Tribes, non-profits, public housing authorities, and other entities that are not listed are not eligible to apply for PRO Housing funds on their own. However, they may partner with eligible applicants.
- HUD will not evaluate applications from ineligible applicants.



Can FY23 applicants apply?

- Yes!
- Any applicants who meet the eligibility criteria found in the FY24 PRO Housing NOFO, including unsuccessful applicants to FY23 PRO Housing, are invited to apply
- FY23 PRO Housing awardees are eligible to apply for FY24 PRO Housing, too.



What is a national objective?

- Each proposed PRO Housing assisted activity, other than general administration and planning, must meet a CDBG national objective pursuant to section 101(c) of the Housing and Community Development Act of 1974:
 - Benefiting low- and moderate-income persons
 - Preventing or eliminating slums or blight, or
 - 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



What activities are eligible?

- Each proposed activity must be an eligible CDBG activity
- 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 modified by this NOFO, or
 - Receive an eligibility waiver for the activity, requested in the application



What activities are eligible?

- Eligible activities include:
 - Planning and policy activities
 - Development activities
 - Infrastructure activities, and
 - Preservation activities
- For specific examples, please see Section III.F.2.c of the FY24 PRO Housing NOFO





Can I request an activity eligibility waiver?



- Yes, an applicant may request an activity eligibility waiver.
- For information about waivers and how to request them, please see Section VI.E and Appendix A of the PRO Housing NOFO.





Can PRO Housing funds be used to construct new 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)





Can PRO Housing funds be used for the general conduct of government?



- No. Any activity to carry out the regular responsibilities of the government is ineligible and unallowable.
- 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.





Can PRO Housing funds be used for downzoning?



- No. Any activity that results in a net decrease in allowable or actual housing construction is ineligible.
- Rezoning efforts and development activities must ensure a net increase in zoned capacity or number of homes, respectively, to be considered for funding.





What if I want to amend my application after submitting it?



- 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.





Which regulations apply to me?



- 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 the NOFO waives the requirement for states to distribute funds through a method of distribution as is required for annual State CDBG funds.
 - In other words, states may act directly with PRO Housing funds.



Application submission



Where can I find application materials?

- All application materials, including the Application Instructions and Application Package, are available through Grants.gov.
- <https://www.grants.gov/search-results-detail/356013>



What forms will I need?

- Application for Federal Assistance (SF-424)
- Applicant and Recipient Assurances and Certifications (HUD 424-B)
- Applicant/Recipient Update/Disclosure Report (HUD 2880)
- Disclosure of Lobbying Activities, if applicable (SF-LLL)
- Certification Regarding Lobbying
- Federal Assistance Representations and Certifications (via SAM.gov)
- Grant Application Detailed Budget Worksheet (424-CBW)
- PRO Housing Certifications (NOFO Appendix B, or on PRO Housing webpage)

See Section IV.B.1 of the FY24 PRO Housing NOFO for more information.



What is the standard application format?

- Applications have a maximum of 40 pages of narratives.
- These pages must use 12-point (minimum) Times New Roman font on letter sized paper (8 1/2 x 11 inches) with at least 1-inch margins on all sides.
- For more information about format and form, including the list of exceptions to the page limit, see Section IV.B.3 of the NOFO





What are the required attachments?



PRO HOUSING
Pathways to Removing Obstacles

- **Attachment A** Summary of comments received on published Application and list of commenters by name/organization.
- **Attachment B** Certification of compliance with NOFO public participation requirements.
 - Provide evidence of the reasonable notice of your public hearing and the publication of the application for public comment, consistent with Section VI.E of the NOFO.
- **Attachment C** Advancing Racial Equity Narrative
- **Attachment D** Affirmative Marketing and Outreach Narrative
- **Attachment E** Experience Promoting Racial Equity Narrative

Information about Attachments C, D, and E can be found at Section III.F of the FY24 NOFO. All five attachments are exceptions to the page limit.



What are the environmental requirements?



- 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.
- 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.
- For more about environmental requirements, see Sections IV.G.3 and VI.E of the NOFO



Rating factors



What are the rating factors?

- Need (35 points)
- Soundness of Approach (35 points)
- Capacity (10 points)
- Leverage (10 points)
- Long-term effect (10 points)

Please note that these prompts are different from the prompts in the FY23 NOFO.

This presentation does not include all text for all prompts. Be sure to review the full language in Section V.A.1 of the FY24 PRO Housing NOFO.



Need (35 points)

a. Need		35 points
i.	Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations	15 points
ii.	Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know?	10 points
iii.	What key barriers still exist and need to be addressed to produce and preserve more affordable housing?	10 points



Need

- 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, primarily by having enacted improved laws and regulations to preserve or produce new housing units; and
 - (2) acute need 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 expects applications to discuss key barriers related to laws, regulations, land-use requirements and policies, permitting, or related procedural issues.
- HUD will rate applicants based on clear, well-supported, demonstrated need



Need: Factor a.i (15 points)

Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.

- a. Improved laws, regulations, or land use local policies (10 points)
- b. Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation (5 points)



Need: Factor a.ii (10 points)

Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know?

- You will be awarded eight (8) 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:
 - Affordable housing not keeping pace
 - Insufficient affordable housing
 - Widespread housing cost burden or substandard housing
 - HUD has provided a spreadsheet and mapping tool identifying each of these geographies on the PRO Housing webpage.
- You may also be awarded up to two (2) additional points for providing compelling information about your affordable housing needs.



Need: Factor a.iii (10 points)

What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

- Please describe in detail the leading barriers to affordable housing production and preservation in your jurisdiction(s).
- Applicants should discuss legal, regulatory, and land use policy barriers in this section, as well as related procedural issues.
- Your response should focus on the barrier(s) that you intend to address through this proposal. If your proposal targets only one barrier, explain why this individual barrier requires the resources and focus of the entire grant.



Soundness of Approach (35 points)

b. Soundness of Approach		35 points
i.	What is your vision?	15 points
ii.	What is your geographic scope?	5 points
iii.	Who are your key stakeholders? How are you engaging them?	5 points
iv.	How does your proposal align with requirements to affirmatively further fair housing?	5 points
v.	What are your budget and timeline proposals?	5 points



Soundness: Factor b.i (15 points)

What is your vision?

- A sound proposal will seek to enable increased production and preservation of affordable housing across a broad geographic scope over a sustained timeframe
- 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)].



Soundness: Factor b.i (15 points)

What is your vision? (Continued)

- Describe your proposed activities and why they are appropriate, given identified Need and applicant Capacity.
- Explain how your proposal addresses your key barriers to affordable housing production and preservation.
- Explain how your proposal compares to similar efforts and how lessons learned from those efforts have shaped your proposal
- Discuss how your proposal advances or complements existing planning initiatives, updates to local land use policies, services, other community assets
- Describe the community's most significant environmental risks and how the proposal is aligned with them to efficiently promote community resilience
- Describe what roadblocks might impede the implementation of your proposal





Soundness: Factor b.ii (5 points)

What is your geographic scope?

- 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 wider geographic scope.
- Maps, drawings, renderings, and other graphical representations are optional but encouraged.



Soundness: Factor b.iii (5 points)

Who are your key stakeholders? How are you engaging them?

- Describe your key stakeholders and how you conducted outreach in developing this proposal, including how you built support and engaged community members most likely to benefit from your proposed activity. 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



Soundness: Factor b.iv (5 points)

How does your proposal align with requirements to affirmatively further fair housing?

- Respond to each of the prompts. Topics include, but are not limited to:
 - Describe your plans to remove barriers to the development of affordable housing in well-resourced areas of opportunity
 - Describe your plans to remove barriers impeding the development of affordable housing that would promote desegregation.
 - 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 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 most recent fair housing plan?
 - Have you considered the risk of displacement associated with your proposal?



Soundness: Factor b.v (5 points)

What are your budget and timeline proposals?

- 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.
- Please describe how you would budget for and manage a successful project if HUD awards a different dollar amount than you are requesting.
- Provide a schedule for completing all of the proposed activities in advance of the period of performance end date at the end of FY 2030.



Capacity (10 points)

c. Capacity		10 points
i.	What capacity do you and your partner(s) have? What is your staffing plan?	10 points



Capacity: Factor c.i (10 points)

What capacity do you and your Partner(s) have? What is your staffing plan?

- 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 each of the bulleted prompts from Section V.A.1.c.i of the FY24 NOFO.



Leverage (10 points)

d. Leverage		10 points
i.	Are you leveraging other funding or non-financial contributions?	10 points

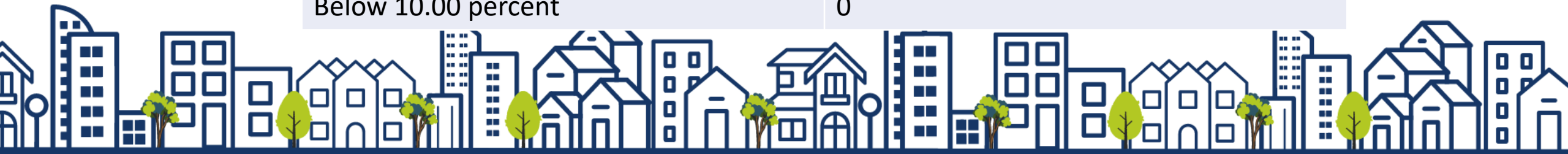


Leverage: Factor d.i (10 points)

Are you leveraging other funding or non-financial contributions?

- An application will earn points based on the percentage of leveraged commitments for the proposed activities.

Leverage commitments as a 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



Leverage: Factor d.i (10 points)



Are you leveraging other funding or non-financial contributions? (Continued)

- 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.
 - 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.
 - Funding from a prior PRO Housing award is not considered leverage.



Long-term effect (10 points)

e. Long-term effect		10 points
i.	What permanent, long-term effects will your proposal have? What outcomes do you expect?	10 points





Long-term effect: Factor e.i (10 points)

What permanent, long-term effects will your proposal have? What outcomes do you expect?

- 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 your key barriers to producing and preserving affordable housing and the measurable outcomes you expect to achieve.
- A successful response will demonstrate how the proposed activity will remove barriers in the long run and describe how production and preservation will be increased long after the period of performance.



Long-term effect: Factor e.i (10 points)

What permanent, long-term effects will your proposal have? What outcomes do you expect?

- A complete, compelling response should include the following:
 - Describe how the removal of your identified barrier(s) will result in sustained production.
 - Describe what you will have achieved upon completion of grant-funded activities
 - Describe how your proposal represents a model for other communities
 - 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?
 - 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





Requirements for Pass-through Entity

Are you proposing a pass-through program(s)?

- If so, responses to narrative prompts should include the following:
 - How your proposal addresses the NOFO criteria
 - How you will subsequently apply the NOFO criteria to your own subgrant program(s), including the application selection process
 - See the Need, Soundness of Approach, Capacity, and Long-term Effect sections for more details on the specific requirements for proposing a pass-through program(s)



Additional resources



Additional resources

- HUD PRO Housing webpage:
www.hud.gov/program_offices/comm_planning/pro_housing
 - Here you can find the FAQs, last year's (FY23) informational webinars, the list of priority geographies and mapping tool, and more
- Grants.gov link to access the NOFO and apply:
<https://www.grants.gov/search-results-detail/356013>
- For more information, please consult the FY24 NOFO and FAQs or email us at CDBG-PROHousing@hud.gov



Next FY24 PRO Housing webinar

Our next webinar on **Wednesday Sept. 4, 2024** will cover:

Lessons learned from PRO 23 - Leveling the playing field:

- Common application errors and omissions
- Where applicants lost points
- Suggested application best practices



Thank you!

Questions? Contact us at CDBG-PROHousing@hud.gov

