

FY2018 Choice Neighborhoods Implementation Grants NOFA Questions and Answers

Note: In accordance with the HUD Reform Act, HUD cannot provide a determination to questions that ask about a specific situation (e.g. whether something would be eligible or how it would be rated) outside of reviewing a submitted grant application during its formal review process. This Q&A is meant to provide general clarification to the NOFA language.

- 1. Our neighborhood has a lot of distressed housing, but it is neither “public housing” or “assisted housing.” Can we still apply for a Choice Neighborhoods grant if our application meets the other eligibility criteria, but does not have “severely distressed public or HUD-assisted housing”?**

No, the “Eligible Target Housing” threshold requires a severely distressed public or HUD-assisted housing project at the center of the planning process. Please see the Eligible Target Housing threshold on page 15 of the NOFA. The terms “assisted housing,” “public housing,” and “severely distressed housing” are defined in the Program Definitions section starting on page 6.

- 2. We received a HOPE VI Revitalization Grant for part of a public housing project. Can the remaining units now be the “target public housing development” for a Choice Neighborhoods grant?**

The NOFA states, “Public housing projects previously funded through a HOPE VI Revitalization grant may not be the target public housing project of a Choice Neighborhoods grant application. However, they may be located within the Transformation Plan neighborhood.” The prohibition applies to the entire public housing project that was the subject of the HOPE VI Revitalization Plan and does not differentiate among which funding source paid for the rehabilitation or redevelopment of specific units. An exception would be if the PHA demonstrated that, in accordance with 24(j)(2)(A)(v) of the 1937 Act, the target units were “sufficiently separable from the remainder of the project, of which the building is a part, to make use of the building feasible for transformation.”

- 3. To receive the preferences provided to previous Choice Neighborhoods Planning Grantees, do we have to use the same target neighborhood boundaries and same target housing sites in our Implementation Grant application?**

HUD recognizes that it is not uncommon for the community to slightly alter the boundaries of their neighborhood during the planning process. The target neighborhood for a FY18 Implementation Grant application will be considered the same neighborhood previously funded through a Neighborhoods Planning Grant if the neighborhood boundary changes were included in the final Transformation Plan that has been accepted by HUD as reflected in our internal records. With regard to the target housing site, if there were multiple sites in the Planning Grant, at least one needs to be target housing in the Implementation Grant application.

- 4. In the Planning Process rating factor (section V.1.E.1), the NOFA indicates that prior CN Planning Grantees will automatically receive five points for the rating factor if HUD has accepted the final Transformation Plan by the NOFA’s publication date. If we meet this requirement, are we required to submit the narrative described in the NOFA?**

Yes, such applicants should still submit a brief narrative.

- 5. We have completed a Rental Assistance Demonstration (RAD) conversion and the property now has a PBRA contract. The “Relation to RAD Applicants” threshold states that after the receipt of a RAD Conversion Commitment (RCC), units are ineligible to apply. Does this prohibition continue to apply to our RAD converted property that is now under a PBRA contract?**

Yes, units that have received the RAD RCC are not eligible to be included in an application for a Choice Neighborhoods grant. In addition, given the requirements of the RAD program to ensure stability of a project post-conversion, a unit that has undergone a RAD conversion would not meet the statutory definition of “severely distressed.”

- 6. We are contemplating developing some replacement housing outside the target neighborhood and know that off-site locations need to meet specific criteria, especially regarding poverty and minority concentration. Is there an official website with the data to determine eligibility that we must use, like the HUD Mapping Tool used to determine neighborhood eligibility?**

No, the NOFA does not require use of a specific website to determine eligibility. As described on page 24-25 of the NOFA, applicants must use census data to demonstrate compliance with the off-site requirements. Applicants should provide this data and justification in Attachment 10 (Location of Housing Map and Documentation).

- 7. We would like to include a property located less than a mile from the boundary of our target neighborhood as a site for replacement housing. This location has a lower poverty rate than the target neighborhood but is still above HUD’s 40 percent threshold for building replacement housing outside the target neighborhood. The new site provides great access to shopping and services. What is the best way to help justify the fact that this is an area of higher opportunity for residents?**

To meet the program requirements for locating replacement housing outside the target neighborhood, the location must meet all the criteria listed in the NOFA. A site that is located in a Census tract with a poverty rate that exceeds 40 percent would not pass the “Location of Housing” threshold in the NOFA.

- 8. We notice that the language for the “Separability” threshold has changed in this year’s NOFA. Would HUD approve a plan that only targets a portion of our public housing site because of a steep slope within the site?**

While HUD cannot provide a definite determination until we review the documentation submitted in a grant application, this sounds like it could be problematic. The revised NOFA language is intended to highlight HUD's position that a plan targeting only a portion of a public housing or assisted housing site does not generally support the comprehensive objectives of the Choice Neighborhoods program.

- 9. For the People leverage rating factor, the NOFA states that only leverage committed for services provided to the target housing residents will be counted. If we have invoked the “separability” option and only target a portion of the target public housing site, will HUD count People leverage toward the remainder of the target public housing site that is not part of this application?**

No, only leverage supporting residents of the target housing should be included in the grant application.

- 10. Our target housing is a public housing site that was demolished several years ago, but has not been rebuilt. For the People rating factors, must we reach out to the former residents to conduct a needs assessment?**

HUD recognizes that identifying the residents who were relocated more than seven years ago would be difficult and thus does not expect you to conduct the needs assessment for those specific households. Basing the People strategies on a representative sample of your public housing residents overall and/or your waiting list would be acceptable.

- 11. Preservation of affordability is a paramount issue in our neighborhood/city. Will HUD permit applicants to provide more replacement units/bedrooms than what is in the original target housing site? If so, will HUD count People leverage that serves this larger number of households?**

An application may provide more replacement housing/bedrooms than the current totals. If public housing as replacement housing, the PHA's Faircloth limit still applies. However, regarding People leverage, for the purposes of the NOFA, this only focuses on the residents of the target housing.

- 12. The NOFA (p.76) indicates that donations of land and buildings may be counted as physical development resources for housing and neighborhood leverage, and that “The dollar amount attributed to the donated land...must be verified through an appraisal...or other appropriate means...” In lieu of appraisals, will HUD accept documentation provided by the City on the assessed values of these parcels accompanied by information on the methodology used to determine assessed values?**

Generally, this sounds like it would be acceptable, though HUD cannot provide a definite determination until we review the documentation submitted in a grant application.

- 13. Based on the data from the HUD Mapping Tool, our target neighborhood is eligible for the exception that permits us to count Tenant-based Vouchers for up to half of the**

public housing one-for-one replacement requirement. Do we need to provide any additional justification to HUD?

Additional documentation is not required in terms of establishing eligibility. However, in the Housing strategy section of the rating factors, applicants should discuss the basis for deciding how many units/bedrooms to replace with Tenant-based vouchers in the context of the overall housing strategy. In particular, the narrative should include this in the discussion of how the plan addresses the needs of the residents of the target housing and the relocation strategy for rehousing residents. Further, the People strategy section of the rating factors should also discuss the plan to offer supportive services to these residents.

14. We are a prior Choice Neighborhoods Planning Grantee. The Transformation plan has been accepted and our close out documents are being reviewed. Since we are still in the close out process with our planning grant, will that have any effect on our Implementation Application?

Regarding the threshold requirements and rating factors that give a preference to prior Planning Grantees, it will be based only on what the NOFA says – that HUD has accepted the final Transformation Plan. In addition, in accordance with section V.B.1 of the NOFA, HUD will consider the past performance in managing grant funds.

15. In Grants.gov, there are not enough slots for us to upload all the exhibits and attachments listed in the Choice Neighborhoods NOFA. How am I supposed to submit the application?

Grants.gov is a system used by the entire Federal government and its structure does not necessarily reflect the Choice Neighborhoods NOFA. Its attachment 1 does not explicitly mean the Choice Neighborhoods 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 the Choice Neighborhoods NOFA and plug them into the slots provided by Grants.gov. Please be reminded that, as instructed in the NOFA, each narrative exhibit and attachment must be its own file. Do not simply create files that include multiple exhibits or attachments.

16. Can a resident organization be a Co-Applicant?

All applicants must be one of the types of “eligible applicant” listed in the NOFA (e.g. PHA, local government, tribal entity, or owner of the target HUD-assisted housing project). If such an organization is an eligible applicant, the specific roles and responsibilities would need to be listed in the documentation for the Partnership and Joint Venture Certifications threshold.

- 17. Our target housing development is a high-rise with public housing units. The target neighborhood also includes some of our scattered-site public housing units, which are in need of rehabilitation. Can we use Choice Neighborhoods funds to rehab these scattered-site public housing units? Also, if some of these off-site public housing units were built using HOPE VI funds, does that affect eligibility?**

In order to use CN grant funds for rehabilitation of any public housing units (or any units receiving one of the other types eligible assistance), they would need to be identified and qualify as “target housing” and thus fully be part of the Housing and People components of the plan (e.g. be severely distressed, count as part of the one-for-one replacement requirement, residents have right to return and must be offered case management and supportive services, etc.) However, units constructed or rehabilitated with HOPE VI funds cannot be the “target housing” in a Choice Neighborhoods grant application.

- 18. With the elimination of the General Section, we are unclear about whether the “Resolution of Civil Rights Matters” requirement still affect applicant eligibility. Can you please clarify?**

Yes, as stated in section III.D “Statutory and Regulatory Requirements Affecting Eligibility” (page 22 of the NOFA) this, among others, still applies. A potential applicant should know if they are on the list and if so, they should work with HUD FHEO and OGC to resolve any issues before the grant application deadline.

- 19. Can Extraordinary Site Costs apply to off-site parcels containing replacement units and if so, should those costs be factored into the Grant Sizing Worksheet in addition to on-site ESC?**

The provision of allowing Extraordinary Site Costs (ESC) to be considered as part of the grant sizing calculation does not include off-site parcels. Further, HUD would urge an applicant to consider the impact on the project’s budget and overall feasibility in acquiring parcels that have extraordinary site costs.

- 20. The NOFA requires submittal of the Previous Participation Certification form (HUD-2530), for Housing Implementation Lead, Property Manager, and possibly Lead or Co-Lead, if applicable. With the advent of the HUD Active Partners Performance System (APPs), many parties who would previous use the paper form 2530 no longer submit them on that form. For Attachment 46, can we simply indicate that these parties have all submitted their required documents in HUD's APPs system?**

No, simply stating that the relevant parties have submitted documents online is not sufficient. The CN grant application must contain a print out of the online submission or the paper form of the HUD-2530. Applicants are reminded that Attachment 46 is listed in the “Exceptions to Page Limits” on page 47 of the NOFA.

- 21. We noticed that some of the forms included in the grants.gov download package have expired and are awaiting OMB approval. Are these the correct forms to use or will updated forms be provided?**

Applicants should use the forms provided in the grants.gov download package.

- 22. The one-for-one replacement requirements in Section III.E.2.b states that “For all Assisted Housing units still physically standing as of the application due date which are to be demolished or disposed, the Transformation Plan must provide for one-for-one replacement in accordance with all HUD policies, procedures and requirements for project-based section 8 Housing Assistance Payments (HAP) contract.” Does this mean that if all the Assisted Housing units have been demolished as of the application date, that there is no longer a requirement for one-for-one replacement of those units covered under the HAP Contract applicable to the subject housing site?**

No, in conjunction with the requirements of the HAP contract, the Transformation Plan would need to provide for one-for-one replacement of all units under HAP contract as of application deadline.