

**FY2017 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. For the Exceptions to the Page Limits on page 53 of the NOFA, some of the Attachment numbers do not match the list provided starting on page 48. Which is correct?**

The list of the attachment names excluded is correct. The Leverage Documentation (Attachments 43, 44, 45 & 46), Previous Participation Certification (Attachment 47), Housing Choice Voucher Application (Attachment 49), and Standard Forms (Attachment 50) are exceptions to the page limit.

- 2. The city in which our neighborhood is located cannot meet threshold requirements of HUD's Choice Neighborhoods Implementation Grant at this time. Can our county serve as our Co-Applicant in lieu of the city? The city would be a partner in the application, just not the co-applicant.**

No, HUD interprets the requirement that the "local government of jurisdiction" be the Lead Applicant or Co-Applicant to mean that the smallest unit of local government with the authority to meet the threshold requirements should apply. Generally, if the neighborhood is in a city/county that is an entitlement CDBG locality, then that is the local jurisdiction that must be the Lead or Co-Applicant.

- 3. Please clarify the eligibility of a nonprofit or for-profit organization to be the Co-Applicant. In the Eligible Applicants section on page 16, it states that the Co-Applicant must be a PHA, local government, a tribal entity, or the owner of the target HUD assisted housing (e.g. a non-profit or for-profit developer). However, in the Program Definitions section on page 8 for Co-Applicant, it states that the co-applicant can be a local government, PHA, non-profit, for-profit developer, or tribal entity. Do they have to be the owner of the target HUD assisted housing to be a co-applicant?**

Yes, to be the Co-Applicant, a nonprofit for for-profit entity must be the owner of the target housing. Such entities do not need to be the owner to serve in other roles (e.g. as the Housing Implementation Entity).

- 4. Is a Principal Educational Partner required under this NOFA? This entity was not included in the program definitions, but there are references in the NOFA, including on page 20 describing the Partnership and Joint Venture Certifications threshold, and on**

page 80 in Education Strategy rating factor. Please provide clarification as to what is expected/required.

Yes, applicants are still expected to have identified a Principal Education Partner. However, that entity is no longer considered a “Principal Team Member” (as defined in the NOFA) and HUD no longer will evaluate that entity’s capacity in the Capacity rating factors.

- 5. Regarding the Mixed-Income Development by Total Units rating factor, does this calculation only look at rental units, or does it also include the homeownership units to be developed by the Housing Implementation Entity?**

Homeownership units that will be developed by the Housing Implementation Entity can be included in this rating factor.

- 6. Can you provide clarity as to how the use of Project-based Vouchers (PBVs) as replacement housing figure into the Mixed-Income Development by Total Units calculation?**

All units assisted with PBVs are considered replacement units and are part of the Housing Plan under this NOFA. Thus, all PBV units would be included in the calculation for this rating factor.

- 7. Regarding the Site Control Threshold, if we will be using PBVs for replacement housing and they will be developed outside of the neighborhood in a location that meets the criteria identified, do we need to provide evidence of site control of where the PBVs will be used? Or is just having the letter from the PHA sufficient noting the number of PBVs to be provided and that they will be developed in an eligible CN replacement location?**

If the PBVs will be in projects developed by the Housing Implementation Entity, then those properties would need to be included in the required certification. The letter from the PHA is sufficient where another entity will be developing the units based on responding to an RFP solicitation in accordance with 24 CFR Part 983. HUD understands that with such plans, the RFP may not have been issued yet and thus not all sites will be known now.

- 8. Along the same lines of using PBVs as replacement housing, for the Design rating factor, do we need to provide site plans, schematic drawings, building sections and elevations and pictures of the adjoining neighborhood of where the PBVs will be developed?**

If the PBVs will be in projects developed by the Housing Implementation Entity, then the application should include the design elements required under this rating factor.

- 9. We understand that Choice Neighborhoods grant funds may not be used for construction or rehabilitation of a K-12 school building or a higher educational institution. What about soft costs like desks/chairs, computers, or other maybe programs/services related to the school?**

Generally, grant funds should not be used for the regular operation of a school, including desks and computers. However, in the context of the Supportive Services, grant funds may be used to support improved educational outcomes such as for early learning, afterschool or other education programs along the continuum from birth to college and career. Please refer to the Implementation Grant Budget Guidance posted on the Choice Neighborhoods website for additional information on eligible uses of grant funds:

<https://portal.hud.gov/hudportal/documents/huddoc?id=cn-budget-guidance.pdf>.

- 10. 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.

- 11. Based on the data provided from the 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. What additional documentation, if any, needs to be provided in the application regarding our intent to do this? The One-for-One Replacement Certification form says that we need to provide a copy of HUD’s approval. What form should that take?**

No additional documents are required. HUD will review the pdf generated from the Mapping Tool (Attachment 6) to confirm eligibility for the exception. Applicants should describe their plans in the housing strategy section of the application, especially in the Overall Housing Strategy rating factor where applicants are expected to “discuss the appropriateness of the plan in the context of the local housing market” and to include the “rationale for overall unit mix and bedroom mix”.

- 12. If we qualify for the exception that allows Tenant-based Vouchers to count toward our one-for-one replacement requirement, can we apply for new vouchers (that will be used as replacement housing) as part of our HCV application in Attachment 49?**

Yes, grantees may request vouchers as part of the submission in Attachment 49 and in accordance with the applicable annual PIH Notice regarding Tenant Protection Vouchers.

- 13. For the CDBG Leverage rating factor, the City must make a minimum commitment of \$1,500,000 or 10 percent of its annual CDBG allocation to earn two points. Does HUD mean just \$1,500,000 in total over the life of the Choice Neighborhoods Implementation Grant or \$1,500,000 per year over the life of the grant?**

The City's commitment can be invested over the life of the Choice Neighborhoods Implementation Grant.

- 14. Must the People Implementation Entity personally provide Case Management Services?**

No. The People Implementation Entity may they coordinate case management with another entity.

- 15. Does a school district with a locally elected board qualify as a local government entity?**

No, the definition of "unit of local government" from section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302) does not include a school board.

- 16. On Page 45 in the list of forms, there is a reference to the form CN Inadequate Schools (HUD-53153) but the language regarding school performance as a neighborhood need has been removed. Do we need to include this form and, if so, where should the form be included in the application?**

This form is no longer used for this NOFA. Applicants should not submit this form with their application.

- 17. There are now 2 HUD 53231 forms contained in the Grants.gov Instructions download. Which one should I submit with my application?**

The Correct version to be completed and submitted is entitled: "HUD 53231 CN Implementation Resident Comm Involv Cert". The incorrect version: HUD 53231 Resident and Community Involvement Certification can be deleted. To confirm you are using the right form, make sure that it provides space for you to list the dates of two resident meetings and two community meetings.

- 18. Where can I find the FY17 Grant Sizing Worksheet? The one on HUD's website is from FY14.**

The FY17 Grant Sizing workbook was inadvertently left out of the application package available for download from the Grants.gov website when the NOFA was first posted. It was added, along with other forms that were left out, on September 7. If you downloaded the package before September 7, you must download it again.

- 19. We are requesting clarification of what constitutes “replacement housing assistance” as used in the definition of “severely distressed housing” on page 13 of the NOFA. This provision indicates that a severely distressed project that has been legally vacated or demolished and that has been provided with replacement housing assistance (other than tenant-based assistance) by HUD is not eligible for a Choice Neighborhoods Implementation Grant. We are working with a public housing project that has been demolished pursuant to a Section 18 approval. HUD subsequently provided tenant protection vouchers and has also provided Demolition/Disposition Transition Funding (DDTF) from the Capital Fund. Does receipt of either of these funds constitute “replacement housing assistance” under the NOFA and thus render us ineligible?**

No. Tenant Protection Vouchers are tenant-based assistance that is specifically excluded in the section 24 statute. DDTF funding from the Capital Fund is not of an amount large enough to constitute “replacement housing assistance” on scale with what a grantee may receive through a Choice Neighborhoods grant.

- 20. On page 24, the NOFA clearly states that sites that received funding under certain CFRC (Capital Fund Recovery Competition Grants) categories may not be the targeted housing. Our site received funding under the Capital Fund Recovery Grant Formula program (CFRG) program for moderate rehabilitation. We would just like to clarify that we are still eligible to apply with this targeted housing site.**

CFRG funding is not included in the threshold related to CFRC grants. Only sites that received a grant awarded with the competitive funding with ARRA funding, and only the specific categories listed in the NOFA, are prohibited from applying for a Choice Neighborhoods Implementation Grant.

- 21. We are working through a RAD conversion for a portion of our target public housing site. We have received two RAD Conversion Commitments (RCC) for the units that have or will be converted. The rest of the units in this project are not proposed for a RAD conversion and there is no CHAP associated with them. Are we still eligible to apply for a Choice Neighborhoods Implementation Grant for the remaining, non-RAD units despite the two RCCs for other units in this project?**

If the units targeted in the grant application were not included in the CHAP(s) that led to the RCCs and will not be converted through RAD, then the units are not considered to be part of a RAD proposal and would still be eligible to be considered the target housing under this NOFA.

- 22. 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 in the course of the planning process. The target neighborhood for a

FY17 Implementation Grant application will be considered to be 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.

- 23. We have drawn our neighborhood boundary down the middle of a major commercial corridor. Would HUD consider activity on the other side of the street (e.g. a development that includes replacement units or streetscape improvements down the boundary street) to be inside or outside of the neighborhood?**

HUD generally considers both sides of the street to be “within the neighborhood.”

- 24. We understand that PBVs developed by entities other than the Housing Implementation Entity can be counted as Replacement Housing inasmuch as they meet other NOFA requirements. Can the costs associated with these developments count as Housing Leverage?**

Generally, the Housing Leverage only includes housing to be developed/rehabilitated by the Housing Implementation Entity.

- 25. Must an applicant request the full 15 percent of grant amount for People and Neighborhood activities, respectively? If not and we do request less, will the leverage calculation for People and Neighborhood be based on the amount requested or 15 percent of the grant amount? For example, if we request a \$20 million grant, then we could use up to \$3 million for both People and Neighborhood activities. However, due to the size of the target public housing population, we would only request \$1.5 million for our People program.**

There is no requirement that applicants request and/or grantees use a full 15 percent of the grant for both People and Neighborhood activities. However, as stated in the NOFA, the leverage rating factor calculation is based on 15 percent of the total grant requested – regardless of the actual budget proposed.

- 26. If we indicate in our grant application that we proposing a joint Rental Assistance Demonstration (RAD) application, can the Housing plan assume use of RAD as a replacement housing vehicle, or do we need to include an alternative financing scenario that does not include RAD conversion?**

Yes, applicants may presume that RAD will be available as the replacement housing platform.

- 27. If we are proposing off-site replacement housing outside of our target neighborhood which would include both replacement units and stand-alone homeownership single-family units, are the homeownership units included in the Housing Plan (e.g. the mixed-income development rating factors and housing leverage)?**

HUD generally only considers replacement housing in the context of “outside of the neighborhood” activities. In addition, given the NOFA requirements related to locating replacement housing outside the target neighborhood in areas of opportunity, HUD would expect there to already be housing for a range of incomes.