

**FY2013 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. Do we need to have a HUD-approved Transformation Plan or have been a prior Choice Neighborhoods Planning Grant recipient to apply for an Implementation Grant?**

No, other planning projects that have not previously received a HUD Planning Grant are eligible for Implementation Grants (provided they meet the eligibility criteria). Furthermore, recipients of a Choice Neighborhoods Planning Grant must compete for an Implementation Grant and do not receive a preference or bonus points in Implementation Grants competition.

**2. We are a local council of governments. Does that qualify as a “local government” and thus we are an eligible applicant under this NOFA?**

It depends on authority provided to the council in its charter from the state. This NOFA defines “local government” to have the same meaning as “unit of general government” from section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302). Consistent with HUD’s interpretation in other programs that use this same definition, to be considered a unit of general local government the entity should possess the powers of a unit of general local government such as the power to tax. Potential applicants should consider whether they are deemed “unit of general government” for other HUD programs that use the same definition (e.g. the Community Development Block Grant program).

**3. Are Co-applicants also required to have a Dun and Bradstreet Universal Numbering System (DUNS) Number and active registration in the SAM.gov? Or is that threshold requirement only for Lead Applicants?**

Yes, Co-Applicants are required to have a DUNS Number and active registration in the SAM.gov. As stated at the beginning of section III.C.2 (page 20) of the NOFA, “All Lead Applicants and Co-Applicants and applications must meet all threshold requirements of this NOFA in order to be rated and ranked.” Applicants should provide the DUNS Number for the Co-Applicant in the Key Eligibility Data Form (Attachment 1) on the same line as the Co-Applicant’s name is listed. HUD will then also use the DUNS Number to check for active registration of the Co-Applicant in the SAM.gov, as well as information about debarments/suspensions and outstanding delinquent federal debt.

**4. What is considered a neighborhood? How big of an area can it be? How close in proximity must a “community” or “neighborhood” be to the perspective HUD-funded property(ies) that qualify the area for the grant?**

The intention of Choice Neighborhoods grants is to provide funding for a single neighborhood. Please refer to the definition of “Neighborhood” included in section I.C of the NOFA, in particular the requirement that applicants must identify boundaries for the target neighborhood that are commonly understood by the community as a neighborhood. Please note that the target housing project must be located within the target neighborhood.

**5. Do the partners or co-applicants need to be competitively procured prior to submitting the application?**

While partners/co-applicants do not need to be procured for the purposes of assembling the team prior to submitting the application, the procurement regulations (in either 24 CFR part 84 or 24 CFR part 85, depending on which type of applicant you are) do apply to any goods or services that will be purchased using Choice Neighborhoods grant funding, including payments using Choice Neighborhoods grant funds to a partner organization. Refer to section III.C.3.dd of the NOFA (page 51) for details on the applicability of the procurement regulations in assembling a team for a Choice Neighborhoods application.

**6. The NOFA states that “A Lead Applicant, Co-Applicant, and/or Principal Team Member may participate in a maximum of three FY2013 Choice Neighborhoods applications, in accordance with the criteria of this NOFA.” What happens if an entity is fulfilling at least one of those roles in more than three applications?**

This is a threshold requirement (Section III.C.2.b.3) and the NOFA states that the applicant and application must meet each threshold requirement in order to be eligible for funding. Thus it would be considered a threshold failure for each application if an entity is any of these roles in more than three applications. So, for example, an entity cannot be the Lead Applicant in one application, the Co-Applicant in another, and the Housing Implementation Entity in two more applications.

**7. Our tribe would like to submit an application targeting housing that was built by the Bureau of Indian Affairs’ Housing Improvement program. For Tribes to meet the target housing threshold it sounds like the houses needed to be built by HUD or the Indian program for NAHASDA. Would this type of housing meet the “Eligible Target Housing” threshold?**

Regarding Indian housing, the NOFA does not require that the tribal entity used NAHASDA funding construct the units. It states that target units must be currently assisted with NAHASDA funding (e.g. operating subsidy and/or funding for capital improvements) in order to be eligible. And as also stated in the NOFA, the target housing must be a multifamily rental project and at least half of the units must be receiving the NAHASDA assistance. Please refer to section I.C.3 for the definition of “assisted housing.”

**8. We, as a PHA lead applicant, have a legal opinion re: the CFFP dated last year. Our CFFP situation has not changed since then. May we use the same legal opinion or do we have to get a new opinion with a current date?**

Yes, since the NOFA does not specify that the opinion must be prepared to reference the FY2013 grant application, then the same opinion could be submitted again if the facts are still accurate.

- 9. We (a PHA-applicant) have competitively awarded Project-Based Vouchers (PBV) to another developer in the neighborhood who owns the property where the units will be built. We would like to count these units as replacement units in our application. Neither we nor the Housing Implementation Entity control the land or intend to directly develop the units. Is there a way to reconcile this with the site control threshold?**

The site control language between the target housing and replacement housing does not preclude the demonstration of site control for privately-owned PBV units. One possible way that applicants can demonstrate site control for privately-owned PBV units by entering into an AHAP contract with the Owner. Please also note that, as indicated in the Housing Strategy rating factors (Section V.3.c, starting on page 80) the only housing that is included in the Housing component of the Transformation Plan is the housing that will be developed/rehabilitated by the Housing Implementation Entity.

- 10. Can homeownership units count as replacement housing?**

No, the definition of replacement housing in the NOFA only includes rental housing.

- 11. In demonstrating Lead Applicant capacity, is it acceptable to use the proposed Transformation Plan that is the subject of the grant application as the “project that is still underway”?**

No, that provision, which was in last year’s NOFA, was intentionally removed for this FY13 NOFA.

- 12. Can there be more than one Housing Implementation Entity?**

While HUD understands that there are many partners involved with the transformation effort, there can only be one entity designated as the Housing Implementation Entity, People Implementation Entity, and Neighborhood Implementation Entity for purposes of this grant application.

- 13. For Attachment 26 (Capacity: Neighborhood Implementation Entity Documentation), the NOFA states that a list of recent housing projects and the most recent operating statements should be attached in accordance with criteria at Section V.A.1.b. However the housing list and operating statements are criteria under Section V.A.1.c which relates to the capacity of the Housing Implementation Entity. Can you please confirm that these criteria should be addressed in Attachment 27 (Capacity – Housing Implementation Entity Documentation) instead?**

Yes, the list of recent housing projects and most recent operating statements should be provided with the Housing Implementation Entity capacity in Attachment 27. Attachment 26 is just for documentation related to the Neighborhood Implementation Entity.

*Note: HUD posted a technical correction addressing this on 7/23/13. It is available through Grants.gov as well as the Choice Neighborhoods website.*

- 14. For the Current Rehabilitation Costs rating factor, the NOFA allows for points in this category based on the results of a Physical Needs Assessment (PNA) or with HUD's demolition approval. For our public housing target site there are multiple original buildings. We have demolition approval for some of the buildings, but not for all. Do we need to submit both the HUD demolition approval letters and information about rehab costs from a PNA for the other buildings in order to achieve full points?**

Yes, you should submit the applicable, relevant information for all buildings. For example, if there are 5 buildings and HUD has already approved the demolition of 3 buildings, then you should include HUD's demolition approval letters for those 3 buildings and PNA data for the other 2 buildings in your application.

- 15. When calculating the Part I violent crime rate, is there a standard population year that should be used? Should we use the 2010 Census population to determine the rate for all three years' worth of data?**

It is acceptable to use the 2010 Census population data for all three years' worth of data. It is also acceptable to use each year's actual population if that is known for the police service area and the city/county/parish (or state, if the application is targeting a neighborhood in a non-metropolitan area).

- 16. The NOFA is clear that in-kind leverage can be used for Supportive Services / People (page 36). It also says that anchor institutions can show their support through cash or in-kind support (page 94). Can in-kind support (for economic development activities like small business support programs, for example) also be used as Critical Community Improvements Leverage or Neighborhood Leverage?**

No, the NOFA only provides for in-kind leverage to be considered for Supportive Services.

- 17. Over the past few years we have been working on the transformation of a neighborhood that includes the redevelopment of a public housing complex. We have been successful in obtaining other funding for our transformation effort and have begun implementing**

**the transformation plan using this other funding. Can we count these funds as leverage even though they may already have been spent by the time we submit our Choice Neighborhoods Implementation grant application? Specifically, for capital funding, can we count as leveraged funds that were raised in the last two years for the transformation plan implementation even though construction began before we submit our Choice Neighborhoods application? What if construction has been completed? For supportive services funding, can we count as a new leverage commitment funds raised to support an increased level of service if the increased services started after we began implementation (in the last two years), but before our Choice Neighborhoods grant application is submitted and/or approved?**

With regard to the housing leverage, please refer to page 84 of the NOFA which discusses what can be counted. With regard to the supportive services leverage, services that are already being provided would be considered “existing resources.”

**18. Section V.3.b.5(b) gives the option of demonstrating Neighborhood Access through Housing and Transportation Cost Burden. Do you have a tool/website you would like us to use to demonstrate cost burden?**

Yes, you must use the data from the Housing and Transportation Affordability Index from <http://htaindex.cnt.org>. HUD will be issuing a Technical Correction to the NOFA to clarify the data that will be used to evaluate applications for this rating factor. In order to obtain the transportation cost burden, make sure to select the “Transportation Costs % Income” option and the “Regional Typical” profile. Then, zoom in close enough on the map to a level that shows the street names. Click on the map where the target housing is located and a pop-up box will display the percent of income spent on transportation costs for the selected block group, as well as the metropolitan area, county, and city that the block is located within. A print out/screen shot with this pop-up box should be submitted in your application.

*Note: HUD posted a technical correction addressing this on 7/23/13. It is available through Grants.gov as well as the Choice Neighborhoods website.*

**19. In the Critical Community Improvements Leverage rating factor, it looks like the point chart skips an interval. Is this an error or was it intentional?**

It was an error. HUD will be publishing a Technical Correction to the NOFA correcting the table with the allocation of points.

*Note: HUD posted a technical correction addressing this on 7/23/13. It is available through Grants.gov as well as the Choice Neighborhoods website.*

- 20. For the CDBG Leverage rating factor, in order to earn 2 points the City must make a minimum commitment of \$750,000 or 7.5 percent of their annual CDBG allocation. Does HUD mean just \$750,000 in total over the life of the Choice Neighborhoods Implementation Grant or \$750,000 per year over the life of the grant?**

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

- 21. The NOFA clearly sets a total limit to the number of pages for the narrative exhibits (100 pages). However, beginning on page 55 under each Exhibit the term used is "suggested \_\_\_ pages maximum." Can we exceed the suggested page limit for one exhibit if we use correspondingly less pages for another exhibit so the total pages do not exceed 100?**

Yes, HUD will review up to 100 pages of narrative exhibits- regardless of the length of each individual exhibit. Applicants are further reminded that each exhibit should be its own separate file, named in accordance with the instructions provided in the NOFA and General Section NOFA.

- 22. If the [project-based] section 8 contract on a property has expired, is it still considered "assisted housing" and could be eligible for a Choice Neighborhoods grant?**

If there is not a current project-based section 8 or public housing assistance contract with HUD on the property, it is no longer considered assisted housing and thus not eligible.

- 23. The school within the neighborhood boundaries and where most children from the public housing project(s) attend closed at the end of the 2012-2013 school year. Does this prevent the applicant from including this school for the 'inadequate school' criterion of the "Eligible Neighborhoods" threshold?**

If the school is no longer an open, active school as of the grant application due date, then it no longer complies with the criterion to be considered for the "Eligible Neighborhoods" threshold. Please note that this criterion of the threshold also permits an applicant to include documentation for a school that "at least 20 percent of the children from the target public and/or HUD-assisted housing attend."

- 24. Our public housing site has demolition approval and demolition is underway (though may not be complete by application submission). Is the site eligible to apply for an exception to the "hard unit" one-for-one replacement requirement?**

Yes, an applicant that is targeting a site in the process of being demolished may still request HUD's approval to include tenant-based vouchers as replacement units if it meets the criteria stated in the NOFA. Please note that in such cases HUD may not approve a request that would allow the tenant-based vouchers to be half of the replacement units. Applicants are reminded that requests for exceptions should be submitted to HUD in advance of submitting the grant application. Please refer to section III.C.3.b(5) for details.

**25. Our target public housing site has already been demolished. How will points be awarded for the “Type of Replacement Housing Units” rating factor?**

This rating factor is based on the number of replacement units proposed in your application, not the number units that have been demolished.

**26. Does the Neighborhood Leverage include leverage documented in Critical Community Improvements leverage the application, or is it separate, additional leverage?**

As stated in the “Program Requirements that Apply to Match and Leverage” (section III.C.3.c), resource commitments may only be counted once. Thus, leverage commitments to support the critical community improvements for which some of the Choice Neighborhoods funding would be used cannot be counted again in the “Neighborhood Leverage” rating factor.

**27. For the Organizational Framework rating factor (page 93), there is a conflict in the section on the regarding the number of points. The heading says 2 points are available but in the body it says 3. Please confirm which is correct.**

The maximum points that will can be earned for this rating factor is 2.

**28. We are a Project-based Section 8/Multifamily owner applicant without a Public Housing Authority partner. If we receive HUD’s approval to use tenant-based vouchers to fulfill the one-for-one requirement, are we required to obtain a completed HUD form 52515 from the Housing Authority that administers the tenant based voucher program in our city and submit as Attachment 56 or will another entity administer the vouchers for the replacement units?**

Yes, the grant application must include the application for tenant-based vouchers (HUD-52515) signed by the entity that will administer the vouchers. It is the responsibility of the applicant to partner with an agency that has authority to administer vouchers in your jurisdiction and is willing to administer the tenant-based vouchers.

**29. In addition to Federal Public Housing funds, are there any other Federal dollars that cannot count as leverage?**

It is incumbent upon the entity that is providing the leverage commitment to confirm that the funding can be committed as leverage for a Choice Neighborhoods grant. With regard to funding that can be considered to satisfy the match requirement, there needs to be specific statutory authority permitting federal funds to be used as federal or nonfederal matching funds.

**30. Can a joint venture or partnership between multiple entities serve in the role of Lead Applicant or lead for Neighborhood, Housing, People, or Education? If so, could one capacity example be provided by one entity of the partnership and the second example by another entity of the partnership?**

Yes, the NOFA does provide for joint ventures (since ‘joint venture agreement’ is included in the types of documents that may be submitted in response to the “Partnership Legal Contract” threshold in section III.C.2.a(2) of the NOFA). If your application includes a joint venture, then the experience of each entity that is a member of it could be included in the applicable Capacity rating factors (e.g. if there is a joint venture between two developers for the Housing Implementation Entity, then in the responses to the Capacity of the Housing Implementation Entity rating factor, you could include examples that demonstrate the capacity of both developers). The partnership demonstrated in the application would need to be a fully executed joint venture in order to comply with the NOFA requirements since an MOU-type partnership or contract agreement does not create a new, single entity with shared control of the enterprise. Please note that for purposes of evaluating an application with regard to the “Number of Applications” threshold (section III.C.2.b(3)), each entity of the joint venture is what will be considered (i.e. if a developer is a member of a joint venture, then this “counts” toward the limit that the developer cannot be the Lead Applicant, Co-Applicant, or Principal Team Member in more than three FY13 Choice Neighborhoods Implementation Grant applications).

**31. Can a Lead Applicant or implementation entity for Neighborhood, Housing, People, or Education use capacity examples provided by its third parties under contract for the assignment?**

No, as stated in the NOFA, each of the respective rating factors look only at the capacity of the respective entity (e.g. only the Housing Implementation Entity is considered for the rating factors related to capacity of the Housing Implementation Entity). Please note that joint ventures (which create a new, single entity) are permitted in the NOFA.

**32. If we have a joint venture designated as the Housing Implementation Entity, how would we have to demonstrate site control for an off-site parcel that will have some replacement housing?**

The “Site Control for Target and All Replacement Housing Sites” threshold can be satisfied by demonstrating that either the joint venture entity itself or a member (or members) of the joint venture has site control of the land.



**33. How does HUD define “material control” as used in the Housing strategy rating factors (section V.A.3.c) of the NOFA (in the context of the housing that can be included in the Housing component of the Plan, in which the Housing Implementation Entity must have “material control.”)?**

HUD will look to the Housing Implementation Entity for guarantees related to financing, construction, and completion. This should be included in the document(s) submitted in response to the “Partnership Legal Contract” threshold in section III.C.2.a(2) of the NOFA.

**34. Who is the target population is for the “People” component of the Transformation Plan? In the introduction to the People Strategy rating factor (page 85), the NOFA states, “The purpose of this rating factor is to provide detail about the People component of your Transformation Plan, which aims to improve outcomes related to education, employment and health of households – with a particular focus on children – living in the target development before and after revitalization.” The on page 88, it requires that the Supportive Services strategy must be coordinated to meet resident needs, “...paying particular attention to the public and/or assisted households of the target development(s), but also including neighborhood residents to the extent possible.” And the Education strategy rating factor states that we must, “...improve key measurable outcomes for HUD-assisted and other school-aged children in the neighborhood.” (*underscores added*)**

The primary focus on the People component of your Transformation Plan is the needs of residents of the target housing development. Choice Neighborhoods grant funds must be spent on activities that primarily benefit this population. However, it is important to also include the residents of the broader neighborhood. Further, HUD recognizes that for some aspects of the People component of the Plan, such as strategies to improve schools, it is impractical to devise programs that focus exclusively on the residents of the target housing.

**35. In discussing supportive services resources that can be counted towards leverage, page 35 states, “Only resources that are committed to individuals living in the housing targeted in the application will be counted.” However, in the language for the People Leverage rating factor (pages 91-92), the requested table includes a column that seems to indicate services provided to neighborhood residents are relevant to People leverage. Please clarify if HUD will count only those People Plan resource commitments that specifically are for services to the residents of the targeted public or assisted housing.**

The language from the Match and Leverage Requirements (section III.C.3.c) govern what can be considered for the Leverage rating factor. Accordingly, with regard to Supportive Services Resources, which are the focus of the People Leverage rating factor, “Only resources that are committed to individuals living in the housing targeted in the application will be counted.” Commitment letters must be specific about this commitment so that HUD can verify they meet the requirements of the NOFA.

**36. Please clarify whether leverage for Critical Community Improvements needs to be for new commitments. Can recently completed projects be counted in this category?**

This rating factor examines leverage that you have attracted to support the specific projects for which you are proposing to use the portion of your Choice Neighborhoods grant funding for critical community improvements. Thus, it can only be for projects that are “new.”

**37. Grants.gov only provides 15 slots for attachments, but the application requires more than 15 narrative exhibits and attachments. How am I supposed to submit the application?**

Grants.gov is a system used by the entire Federal government so 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 one file that includes multiple exhibits or attachments.

**38. Regarding the Inadequate School documentation, must only a school be used in the documentation or may an entire district be used if the district is designated by the state as low performing?**

The documentation should only be for a single school – either one located in the neighborhood or one that at least 20 percent of the children from the target public and/or HUD-assisted housing attend. Please note that it only needs to be provided if your application is trying to demonstrate it meets the Eligible Neighborhoods requirements through this criterion.

**39. Regarding the Rental Assistance Demonstration (RAD), the NOFA (page 8) states that submission of a Choice Neighborhoods Implementation Grant application, “...can therefore constitute application to RAD. PHAs wishing to participate in RAD must designate this as a joint RAD/Choice Neighborhoods Implementation Grant application in the Housing Strategy section and identify which public housing project that they are applying to convert under RAD.” Please confirm that there are no other unique RAD submission requirements other than the requirement to indicate the intention to convert to RAD and to identify the public housing project proposed for RAD in the Housing Strategy section.**

That is correct. If the grant application is funded, then HUD will work with the PHA to get any supplemental information that will be necessary to process the conversion.

**40. A PHA has already demolished the targeted public housing units and these units are no longer in PIC. If the PHA wants to rebuild these units and convert them to RAD, the PHA has to develop them as public housing first and then do the conversion. In the**

**Choice Neighborhoods Implementation Grants NOFA, the “Type of Replacement Housing Units” rating factor awards points if an applicant is planning to replace public housing with project-based assistance. If we can only convert to RAD after building the new units as public housing, would we earn the points associated with planning to build project-based assistance?**

No, because the units will first be built as public housing, they would not be eligible to earn points in this rating factor.

- 41. Attachment 20 requires a 30 year operating proforma for the first housing development phase. If the RAD Inventory Assessment Tool doesn’t give us the RAD Contract Rent because the units have previously been demolished and are no longer in PIC, should we just use the Contract Rent from an AMP that is listed?**

Since there are no standing units today, we have no established way to calculate RAD “current funding” rents. Applicants should use their best estimate of the operating costs for the proposed units.

- 42. On page 70 of the NOFA, for Capacity of the Principal Education Partner, it says “If the Principal Education Partner is not a Co-applicant or a Principal Team Member, then you must provide a Partnership Agreement that identifies the Principal Education Partner, is signed by the executive officers of each entity, and demonstrates a commitment to work collaboratively throughout the entirety of the grant.” Is appropriate to include the principal education partner as a party to the Partnership Legal Contract? If included there, is a separate Partnership Agreement still required? If a separate agreement is required, is it sufficient that it be between the lead, co-applicant and people entity?**

You can choose to have the Principal Education Partner be a party to the Partnership Legal Contract or not. If they are included Partnership Legal Contract and it has required assurances, then it does not seem like there would be a need for a separate agreement. If you choose to have a separate agreement, the only entities required to sign it would be the Lead Applicant and the Principal Education Partner (though you can certainly choose to have other partners sign it).

- 43. Prior to selection of a private developer to be the Housing Implementation Entity, a PHA with significant development experience applied for and received a 9% tax credit award for the first phase of housing under the Transformation Plan. This development has a target closing date of 1st quarter 2014. This is an integral component of the Housing Plan and contains a significant number of Replacement Units. Would a co-developer arrangement be sufficient to meet the NOFA requirement of “material control” by the Housing Implementation Entity?**

No, but the NOFA allows for joint ventures. It’s would be up to you to decide how to structure the joint venture. (Please refer to question 30 for additional information about joint ventures.)

- 44. The NOFA clearly states that any phase of housing in the neighborhood not completed by the Housing Implementation Entity should be included in neighborhood component of the Plan instead. Can units in that phase be used to meet the one-for-one replacement requirement under the NOFA?**

No, all replacement units must meet the Site Control for Target and All Replacement Housing Sites threshold requirement and be part of the Housing component of the Transformation Plan.

- 45. What is the exact time frame for leverage commitments? The end of the grant period is September 2020 (roughly 6+ years from the anticipated grant award date), but in the People strategy rating factors the NOFA refers to “5 years” and “outcomes after 5 years.”**

There is no exact time frame for leverage commitments, though generally HUD will consider leverage commitments throughout the duration of the grant term or anticipated program schedule, whichever is less (e.g. some applicants may propose a Transformation Plan that only requires three years to implement and thus not need the entire term of the grant).

- 46. We have conducted multiple surveys within our population over the past two years. Some of the surveys have repeated questions but individual surveys generally reflect specific substantive concerns, such as parenting, education, and supportive services. We do record names and addresses of our respondents but only for purposes of tracking responses. When we calculate our response rate for our target population, may we aggregate the households across surveys or must we only use the response rate from individual surveys?**

The NOFA uses the term “comprehensive resident needs survey” (section V.A.3.d(1), page 86). Accordingly, the intent of the NOFA is that there be one needs assessment (either new or existing) for the residents targeted by the current FY13 Choice Neighborhoods Implementation grant application and that it be comprehensive. It must be comprehensive because, as stated in the NOFA, it is “the basis for the People strategy proposed in your application, including case management activities” and it serves as “the baseline from which the expected outcomes and associated metrics for each component of your People strategy are developed.”

- 47. Regarding the Market Analysis referenced in the Neighborhood Narrative and as Attachment 36, should we conduct a “Market Study” by an independent firm or utilize “Neighborhood Data” as listed on page 75 of the NOFA to meet this requirement?**

HUD would expect a market analysis to include information from both a market study and other data available about the neighborhood.

- 48. This question applies if we may aggregate our response rates. Since we have surveyed over time, we have surveyed multiple households in a single unit where one household moves out and a new one moves in. Questions: May we count both households in our response rate? And if so, do we change our total units figure (the response denominator) by adding one unit for each time two households are surveyed from a single unit? Or do we keep the total units figure (denominator) as the actual number of occupied units at a single point in time regardless of how many households were surveyed in that unit?**

In accordance with the response provided above, aggregating response rates is not the intent of the NOFA.

- 49. Regarding the table "Supportive Services Strategy and Expected Results by Year 5," on page 87-88. For Expected Results and Residents Served, is the table requiring statistics for metrics in Year 5 only or is the table requiring cumulative figures from Years 1-5? And if it is requiring statistics only for Year 5 for those items, is it correct to show cumulative figures of Resource Commitment?**

The table is requiring cumulative figures from years 1-5, not just the fifth year. Accordingly, cumulative figures from years 1-5 for Resource Commitments should be shown.

- 50. A housing authority we are working with has off-site replacement units in their plan that will not be receiving any Choice Neighborhoods funds. Are those units to be included in the Grant Sizing Worksheet despite not having CN funding?**

No, only replacement units that would be funded with a Choice Neighborhoods Implementation Grant should be included in the Grant Sizing Worksheet (Attachment 16). The overall unit information should be provided in Attachments 1, 2, and 3.

- 51. The FY13 CN Implementation grant NOFA, Exhibit C, requires the Lead Applicant and Housing Implementation Entity to detail that they have “effectively secured and leverage significant funding streams from a range of public and private sources” by identifying all major sources and amounts of financing. Can HUD please explain more clearly what is meant by “public” and “private” for this question? Does “public” funding mean public *housing* funding sources (e.g., HOPE VI and other PHA funds) and “private” mean other sources (including sources such as HOME)? Or does “public” include all funds from a Public Entity and “private” funds from other (private) sources? The question is how narrowly the term “public” should be construed.**

The terms “public” and “public housing” are not synonymous. HUD considers any funding from a government entity to be “public” funding. This includes HOME, CDBG, funding a state, county, or city, etc. Public housing funding only includes funding that originates from the U.S. Housing Act of 1937, as amended.

**52. We are preparing a Choice Neighborhoods Implementation Grant application and we have the opportunity to obtain a parcel of land that was a part of a former HOPE VI project, but was never used. The HOPE VI project has been closed out. Can we use that property as a part of our Choice Transformation Plan and develop replacement housing on that site?**

While that site cannot be the “eligible target housing” site (as per the Relation to prior HOPE VI Revitalization Grants threshold), it can be used for housing development in the Transformation Plan. Please note that if it is located outside the neighborhood, your application must demonstrate that it meets the applicable NOFA requirements.

**53. If an entity participates as a consultant to the applicant for the submission of the Choice Neighborhoods Implementation Grant, are they precluded from participating in the procurement to become housing developer partner if the grant is awarded?**

This question specifically relates to the regulatory procurement requirements, not the Choice Neighborhoods NOFA. In general, it would be acceptable. However, the procuring entity (e.g. PHA) must make every effort to provide all potential respondents with equal access to information. One source for additional information on procurement requirements is the Mixed-Finance Procurement Commonly Asked Questions posted to HUD’s website: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/hope6/mfph](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/hope6/mfph). However, please note that the Housing Implementation Entity must have already been selected before the Implementation Grant is submitted in order for an application to pass the Partnership Legal Contract threshold and then to earn points under many of the rating factors in the Choice Neighborhoods Implementation Grant NOFA.

**54. What is the difference between Match Requirement and Leverage Funds?**

The match requirement is based on the program’s statute [section 24(c)(1)(A) of the 1937 Act (42 U.S.C. 1437v(c)(1)(A))] which requires that by the end of the grant term, the grantee will have secured a match of at least 5 percent. As a threshold requirement in this NOFA, the applicant certifies [as part of the form provided under the “Choice Neighborhoods Applicant Certifications” threshold in section III.C.2.a(9)] it will meet this requirement. It is not a threshold requirement that match be in place at the time of the grant application. The leverage rating factors are meant to reward applicants that have secured funding at the time of the application and will be available for the term of the grant. Generally, funding considered in the leverage rating factor can also be considered as match.

**55. Regarding Attachment 19: Project Sources and Uses, are we correct assume that “Project” means the improvements to the Target Housing Project, and that the chart in Attachment 19 should not show sources and uses, etc. for all the other projects proposed in our plan?**

No, as stated in the description of Attachment 19, it should include “an overall Sources and Uses for the whole Transformation Plan...” As such, it should include all funding sources that will be used in implementation of the Transformation Plan and all activities (i.e. uses).

**56. Page 33, (g) states that applicant staff time is not allowable as leverage. Does this prohibition include situations where the applicant hires an entirely new position which is entirely devoted to the Choice Neighborhoods grant?**

Yes, the staff time of any employee of the Lead Applicant is not eligible to be considered as leverage.

**57. The “Anchor Institution Engagement” rating factor indicates that our application should include letters from Anchor Institutions committing significant in-kind and financial contributions. Will the anchor institutions' financial and in-kind resources be counted as leverage for the People, Housing, or Neighborhood section?**

This rating factor is separate from the leverage rating factors. If an Anchor Institution is providing a financial commitment that does meet the NOFA requirements regarding leverage, it can be counted for whichever leverage rating factor is applicable and should be submitted in the respective attachment for leverage (e.g. if the commitment is for a supportive services activity, it could be counted in the People leverage rating factor and submitted in Attachment 52). You do not have to submit such letters twice (i.e. in the applicable attachment for leverage and again in Attachment 45) as long as your application clearly indicates in either narrative exhibit I.5 or in Attachment 45 the names of your Anchor Institutions and where the letter is located in your application.

**58. Regarding the definition of an “Anchor Institution,” are United Ways considered anchor institutions?**

Generally, HUD would not consider United Way to be an Anchor Institution, unless your application demonstrates that they meet the NOFA definition.