

## **FY2012 Choice Neighborhoods Planning Grants NOFA Questions and Answers**

- 1. We understand that there is a rule limiting the number of applications an entity may submit for both the Planning Grants and the Implementation Grant. Does that limit mean that we can submit 3 applications under each NOFA or does it mean that we can only submit 3 applications in total for either a Planning Grant or Implementation Grant?**

The NOFAs for Planning Grants and Implementation Grants are separate and the limit is per NOFA.

- 2. Will multiple applications be accepted from a single municipality? For example, if the municipality has already identified its priority neighborhood, will HUD recognize those neighborhoods that may not have the city's approval?**

Yes, HUD will accept applications from different organizations targeting different neighborhoods within the same city.

- 3. What is the chance of a small PHA getting a grant?**

HUD makes grant awards to those applications that earn the highest scores. Furthermore, for Planning Grants, HUD has created a category preference for applications that target a non-metropolitan area to further enhance the competitiveness for small communities.

- 4. What is the chance of a financially troubled PHA getting a grant? Can you please elaborate about how and when HUD will make decisions about a Troubled PHA's eligibility? The NOFA explains that HUD will make those decisions in individual cases, but is it possible to get a determination of eligibility prior to submitting the application? If a PHA is considered troubled, would they still be able to apply as a Co-Applicant?**

Troubled PHAs may still be eligible for a Choice Neighborhoods grant if the reasons it is designated as troubled are not for reasons that would impede its ability to carry out the grant activities. Such PHAs are encouraged to consult with their local Field Office to discuss their status. PHAs designated as troubled are strongly encouraged to consider partnering with another entity (such as a local government, a nonprofit, or a for-profit developer) to serve as the lead applicant for purposes of the Choice Neighborhoods grant.

- 5. We are a Section 8-only Housing Authority. Can we also apply for a Choice Neighborhoods grant to enhance our program in the community?**

Yes, any public housing agency is eligible to apply for Choice Neighborhoods. Please note that the Choice Neighborhoods application must target eligible public and/or assisted housing, which does not include tenant-based vouchers under section 8.

- 6. Eligibility Question regarding the “no previous funds” clause – does that relate to the agency or to the particular project? (i.e.: If an agency has previously successfully completed a HOPE VI grant in an entirely different neighborhood, would that disqualify them from applying for Choice Neighborhoods Planning Grant?)**

Yes, PHAs that previously received a HOPE VI grant are eligible for apply for a different housing project under this NOFA. The prohibition applies only to specific projects that previously received a HOPE VI grant or one of the specific types of ARRA grants listed in the NOFA or a specific neighborhood that has already received Choice Neighborhoods funding.

- 7. Who needs to complete the Previous Participation Certification (HUD-2530)?**

As stated in section III.A of the NOFA, “If the Lead Applicant is the owner of the assisted property that is the subject of the Choice Neighborhoods activity grant, the applicant is required to submit form HUD-2530, Previous Participation Certification.” That is the only circumstance in which the form must be submitted.

- 8. The definition of severely distressed housing includes five criteria. Do all five criteria need to be present or can one or two criteria qualify the property as severely distressed?**

Yes, the definition requires that all five criteria be met in order for a project to be considered “severely distressed.”

- 9. Does the public housing have to be designated by HUD as severely distressed public housing prior to submission of the CN planning grant application or does the applicant make this distinction through the provision of required documentation?**

HUD does not maintain a list of the properties that are severely distressed in accordance with this definition. It is incumbent upon the applicant to submit the documentation required in the NOFA, especially the Certification of Severe Physical Distress, to establish compliance with the Eligible Housing threshold.

- 10. If there is a concentration of scattered site, single family public housing in a neighborhood, would that be eligible (so long as it meets the other requirements)?**

Yes, scattered site public housing projects are eligible to target in a Choice Neighborhoods application.

**11. What is considered a neighborhood? How close in proximity must a “community” or “neighborhood” be to the perspective HUD-funded property/s that qualify the area for the grant?**

Please refer to the definition of “Neighborhood” included in section I.C of the NOFA and the Eligible Neighborhoods threshold described in sections III.A and III.C.2 of the NOFA. Please note that the target housing project must be located within the target neighborhood.

**12. Do single family and/or multi-family home foreclosures qualify a neighborhood as distressed? If so, is there a minimum number to qualify (i.e. more than one foreclosure per neighborhood)?**

While HUD understands that foreclosed properties can be indicators of distress in a neighborhood, that is not one of the criteria used to determine if a neighborhood meets the Eligible Neighborhoods threshold. In this NOFA, HUD looks at the rate of households living in poverty or earning extremely low incomes plus whether there is a high Part I violent crime rate, high rate of vacant or substandard housing, or inadequate schools in the neighborhood. Please refer to sections III.A and III.C.2 of the NOFA for details on this eligibility threshold.

**13. Regarding the Resident Involvement threshold, please clarify what is required. The NOFA and certification form state only that one resident meeting is required, but in one place it also references two public meetings.**

The Resident Involvement threshold only requires one meeting with the residents of the target housing project.

**14. Do the team members or co-applicants need to be competitively procured prior to submitting the application?**

Please refer to section III.C.3.q(1) (page 30 of the NOFA), for details on the applicability of the procurement regulations in assembling a team for a Choice Neighborhoods application.

**15. Regarding the documentation required for a Planning Coordinator’s capacity to be considered in the rating factor, the NOFA states, “If you have not executed the contract, submit a copy of the selection letter from you to the Planning Coordinator. The documentation must identify duties/tasks for which the Planning Coordinator will be responsible related to this grant and make clear that the agreement will last for the term of the grant. You must include the documentation in your attachments and describe the relationship created by this binding contractual agreement in the narrative [emphasis added].” What is HUD looking for here?**

The language is to provide applicants the opportunity to make clear to HUD the contractual relationship that has been established, or is being established, with the Planning Coordinator regarding its role in the proposed activities.

**16. Can we have a team of consultants serve as our Planning Coordinator?**

No, in accordance with definition stated in the NOFA, the Planning Coordinator must be a single person or entity. This is to ensure that there is a designated lead for the planning process. However, there is no limit to the number of partners you may assemble to contribute to the plan.

**17. The Part I violent crime data requested is from the three years 2008-2010. Is this correct? Just checking because the same documentation was requested last year and it is now a year later, I assumed the NOFA would request 2009-2011.**

Yes, 2008-2010 are the correct years for this NOFA. It is still too early in 2012 for all of the 2011 reporting to be compiled for use by applicants.

**18. This question concerns structural deficiencies documentation. On page 41 it states, “You may demonstrate the presence of these deficiencies at the target public and/or assisted housing project through either of the following two methods: Provide a letter in your attachments signed by a registered engineer or architect which includes...” On the following page (42) under (b) it states, “Fewer points may be awarded for descriptions that are inadequate and/or demonstrate distress that could be remedied through cosmetic rehabilitation or routine repair and maintenance. Zero points will be awarded if the documentation in your attachments is not in the format required (e.g. not a letter signed by a registered engineer or excerpts from a PNA)...” Can you please clarify?**

The documentation must be submitted either in the form of a letter signed by a registered engineer or architect OR excerpts from a PNA. If it is not submitted in either of these formats (e.g. only a narrative description prepared by the applicant is provided, the letter is signed by someone other than a registered engineer or architect, etc), zero points will be awarded. Further if the documentation provided does not demonstrate the presence of the structural deficiencies listed in the rating factor, then fewer or zero points will be awarded.

**19. As an alternate to demonstrating distress through a low REAC score, we understand that we can provide an excerpt from a Physical Needs Assessment (PNA) report. Are there HUD standards for the PNA?**

HUD has not established formal standards for PNAs. Generally it should be prepared by an independent registered engineer or architect that conducts a physical inspection of at least 10 percent of the dwelling units and 50 percent of the non-dwelling space. We would suggest that it take into account the life cycle replacement costs of all building systems for a period of 20 years, though for purposes of the rating factors in this NOFA HUD will only consider the current rehabilitation needs.

**20. Assuming one is requesting \$300,000 in grant funds, what is the minimum amount of leverage required in each category to receive maximum points? Housing leverage, People leverage, Neighborhood Leverage?**

For the Planning Grants NOFA, only funds that are committed to the planning process are counted for leverage. It is not broken out across the three core goals. Please refer to section V.A.5 for the program requirements that apply to leverage.

**21. If the applicant and its partners designate cash or in-kind commitments for the implementation of particular components of the transformation plan will that qualify as leverage for the CN planning grant and do those commitments need to be expended within the two year time frame of the CN planning grant?**

Funds committed to the implementation of a Transformation Plan are not counted in the Planning Grants leverage rating factor. As stated in the NOFA, this rating factor looks at leverage committed to carrying out the planning process and as such would be expected to be expended during the grant term. Funds committed to implementing components of the plan could be described in response to the “Likelihood of Implementation” rating factor.

**22. If a jurisdiction already has a neighborhood improvement plan, does it still need to apply for a Planning Grant or can it apply directly for an Implementation Grant?**

Planning grants are meant to assist applicants that do not yet have the capacity to carry out a successful transformation project. If applicants have a plan in place or the planning process is well underway, they should considering applying for an Implementation Grant. Planning Grants are not required before receiving an Implementation Grant.

**23. Is it necessary for the planning grant application to have already identified and hold letters of support from stakeholders that would be charged with leading the housing revitalization component of the Transformation Plan?**

No, Planning Grants are meant for neighborhoods that are early in the planning process. It is expected that the grantee will engage stakeholders and partners during the course of developing the Transformation Plan.

**24. We have been told that \$300,000 does not appear to come close to cover the cost of planning for implementing a transformation plan. Are there any other sources of funding for organizations to obtain additional funding?**

HUD understands that the cost to plan for comprehensive neighborhood redevelopment will often exceed the amount of a Choice Neighborhoods Planning Grant award. We also believe that leveraging other resources is a critical part of engaging other stakeholders in the community. Such sources of funding include state and local governments, nonprofits, universities and philanthropic foundations.

- 25. For the ‘Collaboration among housing providers for Planning Grant’ Category Preference, do the entities signing the MOU required to demonstrate the collaboration need to be the owners of properties to be addressed with Choice Neighborhoods funding or can they also be owners of significant HUD-assisted properties in the neighborhood, and other key stakeholders, who will be involved but are not severely distressed?**

For purposes of the category preference for collaboration among housing providers, the MOU should only be signed by the respective owners of distressed public and/or assisted housing in the neighborhood that will be the target of the Transformation Plan. These owners will need to commit to work together to devise a Plan which will include the redevelopment of their distressed assets.

- 26. The program has consistently requested demonstration of the ability to perform planning tasks similar in size and scope to those required if awarded a Choice Neighborhoods Planning Grant. How can a community with little capacity to do this stand a chance to acquire Choice Neighborhoods funding?**

It is important that HUD award grants to organizations that have experience developing a comprehensive neighborhood transformation plan that can be implemented to ensure that the program’s objectives are attained. However, we recognize that not every community has this experience. As such, the NOFA provides potential applicants the option of bringing on board a Co-Applicant or Planning Coordinator with that expertise to help lead the planning process.

- 27. Is it possible to view copy of previous applications submitted by others? If so, how do I go about doing that?**

The Department posts the highest scoring application from each NOFA competition to the Freedom of Information Act (FOIA) section of HUD’s website ([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/foia](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/foia)). To request a copy of a specific application, you would need to submit a request through the FOIA office. You may also want to reach out directly to grantees as some have posted a copy of their application to their website for community engagement purposes. Please note that each year’s NOFA and competition is separate and stands alone from other NOFAs.

- 28. We are a Local Workforce Investment Act Board, incorporated as non profit and with 501c3 IRS tax exemption. Our expertise is in workforce development. In which way we can participate in this grant?**

Such an organization could play an important role in developing a neighborhood transformation plan and then helping to implement it. With the Planning Grants, HUD is looking for the Lead Applicant to be the organization best suited to bring partners together to create a plan that focuses on the three core goals of the program- Housing, People and Neighborhood. If your organization does not have experience in leading a planning process of similar scope and scale, we would encourage you to partner with other organizations in your neighborhood that are looking to plan for the area’s transformation.

**29. Many cities are using the same planning firms and they are expensive. But these firms are credited with successfully helping cities win grants like HOPE VI. A firm that understands the community seems more desirable than a national firm that has simply gotten the funding in the past. Is there a preference towards certain planning firms? Are any additional points awarded for well designed local teams?**

There is no preference toward any specific planning firms. There is a wide range of firms that have the capacity to help lead the planning process and applicants are encouraged to select the one that best fits with their needs. It is important to assemble a team that has both the expertise necessary to undertake such a process as well as one that has a good understanding of the neighborhood.

**30. If a public housing project was approved for demolition by HUD through the Section 18 process do we still need to complete a severe distress certification?**

Yes, all applications must provide the certification of severe physical distress completed by the appropriate entity. If an application does not include a Certification of Severe Physical Distress (HUD-53232) that has been filled out completely, the application will fail the “Eligible Housing” threshold and not be considered for funding. The demolition approval process under section 18 of the U.S. Housing Act of 1937, as amended, and the criteria used to review such applications, is independent of the definition of “severely distressed housing” that applies to the Choice Neighborhoods program.

**31. On the Choice Neighborhoods website, there is a budget form for the Planning Grantees to use (HUD-53421). Is it necessary to submit this budget form in our grant application or can we submit our own budget spreadsheet?**

Applicants should submit a Sources and Uses in the format that meets the requirements identified in the NOFA. The NOFA does not require use of the Choice Neighborhoods Planning Grant Budget form.

**32. Is there a site control requirement for Planning Grant applications?**

No, the Lead Applicant or Co-Applicant does not have to be the owner or have site control of the eligible target housing project for a Planning Grant application. However, it is expected that the owner is involved with the proposed planning process.

**33. After reading the NOFA, it states we can only apply for one neighborhood, but there is no limit to the number of housing development we can add. How do we include two housing developments in our community from separate neighborhoods?**

A Choice Neighborhoods grant application can only target one neighborhood. It can target multiple eligible housing projects if they are all located within that neighborhood. One requirement of a Choice Neighborhoods application is that it targets an eligible housing project that meets certain criteria (the “Eligible Housing” threshold). A separate requirement is that it targets a single neighborhood with established boundaries that meets certain criteria (the “Eligible Neighborhood” threshold). An application needs to meet both of these requirements [and all the other threshold requirements listed in the NOFA] in order to be eligible for funding. So, unless the two sites are located in what is generally accepted to be the same neighborhood, an applicant could only submit an application for one site/neighborhood or the other.