

FY 2022 Choice Neighborhoods Implementation Grants NOFO Questions and Answers

Note: In accordance with the HUD Reform Act, HUD cannot answer 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 NOFO language.

- 1. My organization would like to apply for grant funding to redevelop distressed and blighted properties in my neighborhood. Can we 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 that there be 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 19 of the NOFO. The terms “assisted housing,” “public housing,” and “severely distressed housing” are defined in the Program Definitions section starting on page 10.

- 2. Our PHA went through an extensive community engagement process with residents, local government, and other stakeholders and developed a master plan for a public housing site and the surrounding community. To apply for a Choice Neighborhoods Implementation Grant, would we be required to do another ‘Transformation Plan’ or can we continue with the one that we have already?**

You may continue with the community-driven plan that you have developed. Having received a CN Planning Grant is not one of the eligibility requirements for a CN Implementation Grant.

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

HUD recognizes that a community may slightly alter the boundary of their neighborhood during the planning process. The target neighborhood for a FY22 Implementation Grant application will be considered the same neighborhood previously funded through a CN 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. If you are now proposing to add a new target housing project that was not identified as a target housing site in the Planning Grant, the preferences given to prior planning grantees would not be provided, as there is no assurance that the residents of the proposed new target housing have been engaged. However, you may still apply for an Implementation Grant with the additional target housing project by meeting the NOFO requirements.

- 4. For the new threshold requirement regarding ‘Affirmatively Furthering Fair Housing (AFFH),’ it says ‘the application must discuss how the applicant will carry out the proposed activities in a manner that affirmatively furthers fair housing...’ While we see that the Table of Contents lists a section of Exhibit B – Threshold Requirements for AFFH, it seems like our response to many of the rating factors in the strategy section addresses this. Do we need to include a separate discussion in Exhibit B or is it acceptable to refer to our responses in the rating factors?**

It is most helpful for HUD’s review of the application if the information is provided in the format stated in the NOFO. In this case, the discussion of how your proposed plan will meet the AFFH requirements should be included in Exhibit B. However, if in Exhibit B, the application lists specific citations to other sections of the application that contain the required information, the application may still ‘pass’ this threshold.

- 5. Does the Separability threshold requirement apply to a site where all the public housing units have already been demolished?**

No. The language in the section 24 statute says, “in the case of individual buildings....” If all the public housing units have been demolished and there are no buildings, then this threshold requirement does not apply.

- 6. For a public housing site where all the units have already been demolished, we understand that the one-for-one replacement requirement does not apply. Is there a minimum number of replacement units we must provide?**

No. While applicants are encouraged to build back as many of the original units as possible, there is no specific number required. The maximum grant award would be up to \$40 million since there are currently fewer than 250 units.

- 7. Our target housing site only has a few children and a few non-disabled working age adults. Given this small population, what should we do regarding the Income and Employment and Education elements of the People strategy?**

Each plan must include each element of the People strategy rating factors. It should also be responsive to the demographics and size of the target population. Strong applications focus on developing a robust set of strategies even for a small population. HUD also realizes that the People plan will evolve over time as new households may occupy the new replacement units.

- 8. We noticed for FY22 Implementation Grants, the expenditure deadline/grant term is longer than in past years (now September 30, 2031, or approximately 8 years from grant award). Given the extended expenditure deadline, should we assume the delivery of Supportive Services under the People Plan for the duration of that time period?**

Yes, as stated on page 41 of the NOFO, “Case Management must be available throughout the grant period to all original residents of the target housing as well as residents who occupy the revitalized public and/or HUD-assisted housing units.” Please also note that the amount of CN funding that can be allocated to supportive services is now up to 20 percent.

- 9. If a PHA acquires a property for replacement housing prior to being awarded a CN Implementation Grant, would it be able to use CN funds to reimburse itself for that acquisition if awarded the CN Implementation Grant?**

No. As stated in the NOFO, “Choice Neighborhoods funds cannot be used to pay for any activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods grant.”

- 10. If we have already purchased land on which we plan to develop some replacement housing units and we purchased that land at a price below market value, can we count that ‘discount’ as housing leverage?**

No, the NOFO only allows the value of land and/or buildings which will be donated to the project to count as a leverage resource.

- 11. The NOFO (pp. 85-86) 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 a broker’s opinion of value be acceptable documentation instead certified appraisal?**

Generally, this does not sound acceptable since a broker opinion of value is considered less accurate than an appraisal, which is a formal evaluation conducted by a licensed or certified party pursuant to enforceable requirements.

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

As discussed on page 56 of the NOFO, Grants.gov is a system used by the entire Federal government and its structure does not necessarily reflect the Choice Neighborhoods NOFO.

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 NOFO and plug them into the slots provided by Grants.gov. Please be reminded that, as instructed in the NOFO, each narrative exhibit and attachment must be its own file. Do not simply create a single file that includes multiple exhibits or attachments.

- 13. On page 92 of the NOFO, in the introductory paragraph under “Preference Points,” it states that HBCUs are one of the four preference point options. However, on page 93 under the HBCU subheading, it clearly states that “This program does not offer HCBU (sic) preference points.” Can you clarify?**

This NOFO does not award the HBCU preference points.

- 14. On page 51, under Exhibit H - People Strategy, section H.5 Education Strategy references the rating factor in section V.A.1.F.5. However, V.A.1.F.5 is only the Early Education strategy. The School-Aged Children strategy is V.A.1.F.6, and there is no corresponding exhibit listed on p. 51 for that section. Should narrative section H.5 respond to both V.A.1.F.5 and V.A.1.F.6, or should we add a narrative section H.6 for School-Aged Children education strategy?**

Either way is fine as long as the narrative itself in the application is clear which subject each section addresses.

- 15. On page 55, Attachment 42: Organization Chart references section V.A.1.H.4, which does not exist (p. 91). Should Attachment 42: Organization Chart reference section V.A.1.H.3, Organizational Framework for Implementation?**

Yes.

- 16. On page 71, the Part 1 Violent Crime Rate scoring table appears to have a typo in the ratio column for 1 point. The range is listed as "Between 1.75 and 2.29", but the threshold for 2 points is a ratio of 2.25 and above. Is the correct range for 1 point actually "Between 1.75 and 2.24"?**

Yes.

- 17. On page 74 (second paragraph), the description of Critical Community Improvements refers to section III.F.2.t. Should this be III.F.2.s, based on p. 43?**

Yes.

- 18. In 2020, two hurricanes hit our area, and one of our public housing developments was badly damaged. Most residents had to be relocated and only about 60 remain onsite today. For purposes of the Asset and Needs Assessment rating factor, which population size will be considered in determining the response rate?**

The response rate is based on current occupancy.

- 19. In the Lead Applicant capacity rating factor this year, HUD added language around past experience of senior leadership or key staff dedicated to overseeing this project in this rating factor. Does this mean that you want the narrative to focus on the experience of the people who work at the Lead Applicant organization instead of the work of the organization itself?**

The new language is intended to be another option for applicants to demonstrate capacity. HUD recognizes that some organizations do not have comparable experience, but that they have hired new staff with this expertise in order to engage in this type of work. Applications may still also include the experience of the organization itself.

- 20. In the Capacity of the Housing Implementation Entity rating factor, how does HUD define “housing development project” in the context of the requirement to “provide a detailed example of a recently completed, comparable housing development project”? In view of the need to provide a “comparable” example, can an applicant provide an example consisting of multiple related development project phases (each with distinct funding sources and start/end dates) that have been completed by the HIE and together are comparable in scope and complexity to the housing plan in the application, even if one or more phases in the overall multi-phase plan are still underway? For example, a multi-phase project has 4 out of 5 phases complete and the 4 complete phases are comparable to the proposed Choice housing plan.**

In the context of this rating factor in the NOFO, a ‘housing development project’ means the total housing plan. It includes all phases of a multiphase development project. In the suggested example, a project that has completed 4 of 5 phases would not be considered a completed housing project.

- 21. There are two public housing sites in our target neighborhood. Redevelopment of one of them is already underway, but it will not be the ‘target housing site’ in our CN Implementation Grant application. Can funds committed for the redevelopment of that other project be counted in the Housing Leverage rating factor?**

As stated in the housing leverage rating factor, only phases of the Housing Plan as identified in the application can potentially be counted there. Redevelopment of a different public housing site that is not the target housing in the application would not be considered part of the Housing Plan.

- 22. For Exhibit D – Need, the NOFO states (page 68) that “*An application that has the same target housing as a previously funded Choice Neighborhoods Planning Grant automatically earns full points for these three rating factors focused on unit distress.*” Our interpretation is that for a prior CN Planning Grant recipient that has an accepted transformation plan, no narrative is needed for this exhibit. Could you please clarify?**

That’s correct.

- 23. For Brownfields documentation, I know the pages in this attachment are excluded from the page limit, but do you really want a 100-page document for our Brownfields Revolving Loan Fund award? Is it okay to just include the EPA Funding information and key attachments that describe the project? The rest of the document is boiler plate language (Administrative Conditions, Programmatic Conditions).**

It is acceptable just to submit the key documentation evidencing the existence of the Brownfields assistance.

- 24. Are electronic signatures, including DocuSign, acceptable forms of signature for all required forms, certifications, leverage letters, etc. to be submitted with the FY 2022 CN Implementation Grant Application?**

Yes, electronic signatures are acceptable. Just make sure that when the files are uploaded to grants.gov, the signatures are still visible/present. In the past there have been issues with applicants modifying the files in a way that removes the digital signature from the pdf file.

- 25. Where can I find the most up-to-date forms? The most recent version I can find on the HUD forms website expired in 2018.**

The most recent forms are available in the application package download from www.grants.gov. Please note that for forms created by the Choice Neighborhoods office, the current expiration date is 3/31/2025.