

## **Q & A: Request for Applications under the Moving to Work Demonstration Program**

NOTICE PIH 2009-29 (HA)

### **Background**

This document contains a listing of questions regarding PIH notice 2009-29 (HA), issued on August 19, 2009. The contents of this document will be updated periodically, as questions arise that can be addressed by HUD. Additional questions and answers will be added sequentially to the end of the document as they become available. The footer will be updated to denote the updated version number and revision date. If you are applying under this notice, please check back for updates prior to the submission deadline of December 15, 2009.

For more information on the requirements for applying to the MTW Demonstration please review the full notice at:

<http://www.hud.gov/offices/pih/publications/notices/09/pih2009-29.pdf>

### **Q & A**

1. Section 236 of the 2009 Act provides three requirements for agencies applying for the MTW demonstration. Must applicants meet all three of these requirements? Is there any way to obtain an exception to one of the requirements?

Applicants must meet all three requirements laid out in Section 236 of the 2009 Act as of the date of the notice, August 19, 2009. Given that the three requirements are mandated by Congress in the 2009 Act, HUD cannot consider an application from an agency that did not meet these three requirements as of August 19, 2009.

2. Section 236 of the 2009 Act states that agencies eligible for consideration must be “a HOPE VI agency.” What is meant by this statement?

Page 4 of PIH Notice 2009-29 (HA) states that a HOPE VI agency is an agency that “as of the date that this notice is published” has “a current grant award under either the HOPE VI demonstration program appropriations acts or the HOPE VI program as authorized in Section 24 of the United States Housing Act of 1937.” Definitions of the terms “current HOPE VI grant” and “HOPE VI grant” can be found on page 5 of the notice. Please note that per these definitions, an agency for which all HOPE VI grants have been closed, audited, and had the final audit accepted by HUD are not eligible to apply.

3. Section 236 of the 2009 Act states that applicants must administer no more than 5,000 aggregate housing choice vouchers and public housing units. If an agency previously

had in excess of 5,000 units, but demolished or disposed units and no longer has more than 5,000 combined units, is the agency eligible to apply under this notice?

As noted on page 1 of the notice, agencies are “subject to the following requirements” ... “as of the effective date of this notice.” Applicants should calculate their combined number of housing choice vouchers under contract and public housing units as of August 19, 2009 (date of the notice), to determine whether or not they fall under the cap mandated in Section 236 of the 2009 Act. Potential applicants should review the definitions of public housing units and Housing Choice Vouchers provided on page 5 of the notice when calculating the number of combined units. Should an agency demolish or dispose units after the date of the notice that reduce the total combined units to 5,000 or less, that agency will not become eligible under the terms of this notice.

4. Section 4, item 6 of the notice requires that applicants prepare an MTW Plan for the PHA’s potential first year of operation under the MTW demonstration, based on the format of form HUD-50900. Upon reviewing HUD-50900, there are some sections of the form that are optional. Are these sections optional in applications submitted in response to this notice?

No, the optional Sections III (Non-MTW Related Housing Authority Information) and IV (Long-term MTW Plan) of form HUD-50900 are not optional in applications submitted in response to Sections 4(6)(d) and 4(6)(g) in this notice. All items in Section 4 of the Notice are required to be submitted in the Plan, regardless of whether they are optional in Form 50900.

5. Would an agency be disqualified or penalized for proposing an activity in their application that is not legal?

No, agencies will not be disqualified from the competition or penalized in the scoring system for proposing an activity in their application that is not legal. In responding to this notice, agencies must cite the Attachment C authorization needed for each proposed MTW activity, and the cited authorization should plausibly relate to the proposed activity. This should eliminate potentially illegal activities. Should HUD determine that a proposed activity is not legally permissible and the agency is selected for participation in the MTW demonstration, the agency will need to remove the activity prior to the approval of the Annual MTW Plan.

6. Section 4 of the notice requires agencies to list proposed MTW activities and provide a list of required elements for each (see item 6.h.). This section of the proposal will likely be quite long. Does HUD have any recommendations for how to best present this information?

Agencies should provide a written narrative that details each of the required elements for each activity proposed in Section 4, item 6.h. of the notice. Existing MTW agencies

have been provided with a sample matrix that can be used to summarize these required elements and to ensure that all elements are in fact provided. The sample matrix has been attached to this document.

7. Section 4 of the notice asks for the planned sources of operating, capital and Housing Choice Voucher funds, as well as planned uses of the funds (see item 6.i.A). Should only these three funding streams be included in this application element? Or, should sources such as HOPE VI, ROSS grant funds, FSS grant funds, etc. be placed here as well?

The response to this application element should include only operating, capital, and HCV funds. Together, these three funding sources combine to create the MTW block grant. Other funding sources such as HOPE VI, ROSS grants, and FSS grants can be noted in element 6.i.C of the application.

8. Are applicants required to combine operating, capital and voucher funds (Section 8 and 9 funds) into a block grant?

No, but agencies applying to join the MTW demonstration must request the authority to combine funds. Section 204 (c)(1) of the 1996 Appropriations Act states that “An application to participate in the demonstration shall request authority to combine assistance under sections 8, 9 and 14 of the United States Housing Act of 1937.” However, Section 4, item 3 in the notice says that PHAs must request authority to combine funds, “to the extent necessary to implement the MTW plan.” If your agency does not need to combine funds in order to implement your MTW plan, you should still request the authority to do so, but note in the response to this item in the application that you do not intend to block grant funds and explain why.

9. Can agencies propose activities outside of Sections 8 and 9 of the United States Housing Act of 1937?

Yes. As of October 1, 2009, MTW agencies are permitted to use Section 8 and 9 funds for uses beyond those authorized in Sections 8 and 9, provided those activities continue to serve families at or below 80% area median income (AMI) and meet one of the three MTW statutory purposes. Activities that become permissible with Uses of Funds language include:

- Financing affordable housing units (particularly tax credit projects) that are neither ACC units nor project-based voucher units
- Purchasing property using operating or capital funds for non-public affordable housing, including tax credit properties
- Establishing and providing project level replacement reserves (currently prohibited in the Capital Fund)
- Establishing endowments (allowed in HOPE VI sites, but not explicitly allowed in Sections 8 or 9)
- Funding supportive housing programs and services

- Funding homeless/transitional housing programs and services
- Using funds to prevent foreclosure or provide mortgage assistance to low-income homeowners
- Financing state and local public housing programs

10. The notice references a public hearing and meaningful resident and community participation. Does this mean the agency has to post its draft application and, if so, for what time period?

The agency must make the proposed application available for public comment for at least thirty (30) days and hold at least one public hearing. There should be no less than fifteen (15) days between the public hearing and the approval of the application by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the application. The agency should include the required documentation as set forth in Section 4 of PIH Notice 2009-29.

11. If I am missing elements of the application, or if portions are not clear, will HUD contact my agency for additional information during the application review process?

No parts of this application are curable and thus HUD will not contact agencies to obtain follow-up information. Page 9 of the notice states that “applications will be deemed ineligible for failure to submit the above information.”

12. Do I need to submit a hard copy of the application?

PIH Notice 2009-29 states the following:

*Submission Information.*

*Applications in response to this notice must be received by 5:00 p.m., Eastern Time, on Tuesday, December 15, 2009.*

*Applications must be submitted to: Dominique Blom; Deputy Assistant Secretary for Public Housing Investments; Department of Housing and Urban Development; 451 Seventh St., SW; Room 4130; Washington, DC 20410.*

*For further information contact: Ivan Pour; Program Director, Moving to Work Demonstration Program, Office of Public Housing Investments; Department of Housing and Urban Development; 451 Seventh St., SW; Room 4130; Washington, DC 20410; telephone: (202) 402-2488, e-mail: Ivan.M.Pour@hud.gov .*

While the notice is not specific about the means of submission, since no e-mail address is provided for Ms. Blom, the assumption should be that a hard copy submission is required before December 15, 2009. The hard copy application should be sent to Ms.

Blom by FedEx or other overnight carrier to ensure delivery before 5 PM on 12/15/09. Note that U.S. Mail submissions are screened and sent through an irradiation process which significantly delays delivery, so please DO NOT use the regular mail service to make your submission..

13. Can I submit an electronic copy of my application in addition to a hard copy?

We strongly encourage applicants to send an electronic copy of the application. Please use the [mtw-info@hud.gov](mailto:mtw-info@hud.gov) address.

14. What if I have a question that is not addressed in this document?

For questions not addressed above, please email your question to: [mtw-info@hud.gov](mailto:mtw-info@hud.gov).

