

FREQUENTLY ASKED QUESTIONS #1

Question 1: Can fees or construction supplies be included as an in-kind Match donation?

Answer 1: A&E, Developer, General Contractor and other allowable fees may be donated toward Match as in-kind services.

The Definition of match on page 11 of the NOFA and the more detailed description on page 14 of the NOFA state:

“14. Match is cash or in-kind donations that will be expended on allowable activities under the grant, i.e., must be expended for low-income housing purposes on the HOPE VI Main Street affordable housing project. The match must:

- a. Total at least five percent of the requested HOPE VI Main Street grant amount; and
- b. Be from private-sector sources or government sources other than HOPE VI funding, including Community Development Block Grant (CDBG) funds, which by statute are considered local Money.”

“B. Cost Sharing or match.

1. Match. HUD is required by the Quality Housing and Work Responsibility Act (42 U.S.C. 1437v(c)(1)(A)) to include the requirement for matching funds for all HOPE VI-related grants. Applicants must provide matching funds or in-kind services in the amount of five percent of the requested grant amount from sources other than HUD HOPE VI funds. Match sources may include other federal sources, CDBG funds (which are statutorily considered state funds), any state or local government sources, any private contributions, the value of any donated material or building, the value of any long-term lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services provided. **MATCH FUNDS MUST BE USED ONLY FOR CARRYING OUT ELIGIBLE AFFORDABLE HOUSING ACTIVITIES THAT RELATE TO THE HOPE VI MAIN STREET AFFORDABLE HOUSING PROJECT PRESENTED IN THIS APPLICATION.** The match may include funds that have already been spent or funds that are “firmly committed” for future use.

2. Match donations must be firmly committed to the HOPE VI Main Street affordable housing project presented in the application. See the definition of “firmly committed” in “Definitions,” Section I.D. of this program NOFA.

3. The applicant may propose to use the applicant’s own funds to meet the match requirement, provided that the match funds do not originate from HOPE VI funds.

4. See Section IV.B. of this NOFA, including the General Section, for documentation requirements of match resources.”

Therefore, the donation of in-kind services to the HOPE VI Main Street housing project can be included in the match. However, the match donations must be “firmly committed” and not be reimbursed by grant funds. As an example, if A&E services are donated by a University, the

University cannot benefit at a later date from the grant. If there is reimbursement from the grant, the services are not being donated.

Fees for the a Developer, Construction Manager, or Construction Contractor may also be included as in-kind services to an extent. There are “Cost Controls and Safe Harbors” starting on page 65 of the NOFA. These lay out reasonable and maximum development and construction fee amounts that may be charged to the project. Fees within these Safe Harbors can be delineated in the Sources and Uses of form HUD-52861 and contributed to the project.

The donation of construction supplies is more complex. There must be a way to measure the value of the contribution. The contractor cannot provide a hard-side estimate of \$850,000, then build the project for \$800,000 and simply say that there was a \$50,000 in-kind contribution of supplies. The in-kind donation would have to be delineated to the extent that it can be recorded by the grantee in the type of detail that an Invoice would include, e.g., a dollar amount and description of supplies. Basically, there must be enough detail to avoid the appearance of fraud on the part of the applicant (the City) in the application, e.g., a party donating supplies then charging for them out of grant funds.

Question 2: My project is made up of 8 single-family detached housing units that will be rehabilitated. Each has a unique floor plan. Page 44 of the NOFA states:

“(d) The representative affordable housing unit layout may be limited to one page that contains between one to four unit styles”

And Page 62 of the NOFA states:

If there are several unit layouts, e.g., different size apartments, up to four (4) drawings may be shrunk to fit on one page, provided that the drawings are in PDF format.

How do I show all 8 unit layouts?

Answer 2: You may use more than one page to show all of your unit layouts. The page 44 citation in your question is Section IV.C.3.c.(3)(d). Section IV.C.3.c.(3) on page 43 of the NOFA states:

“(3) Suggested page limits for certain Section responses are as follows:”

The one page limitation is only a suggestion made in order to assist the applicant in determining the priorities for the allotted 30 page maximum. More than one page may be used to show unit layout.