

**FY2014 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. Please see page 21 of the NOFA for more information regarding relation to prior Choice Neighborhoods Planning Grants.

**2. Is the target neighborhood required to have a Promise Zones designation in order to apply for a Choice Neighborhoods Implementation Grant?**

No, a Promise Zones designation is not an eligibility requirement for a Choice Neighborhoods Implementation Grant. A Promise Zones neighborhood is eligible for bonus points during the rating and review stage.

**3. Will an application be considered if it does not have “severely distressed public or HUD-assisted housing” in the neighborhood revitalization plan but meets other eligibility criteria?**

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 18 of the NOFA, as well as the definitions of Assisted Housing, Public Housing, and Severely Distressed Housing starting on page 6.

**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. Is a “unit of local government” required to be either the Lead Applicant or Co-Applicant?**

Yes, as stated in sections III.A.1 and III.C.2.a, in order to meet the Eligible Applicants threshold, a unit of local government must be either the Lead Applicant or the Co-Applicant in all applications. For example, if the Lead Applicant is a Public Housing Authority, then the local government entity must be the Co-Applicant. Please see information regarding Eligible Applicants on pages 13 and 18 of the NOFA, as well as the definitions for Lead Applicant, Co-Applicant, and local government.

**6. If the local redevelopment authority has a separate board of directors, does it qualify as a “unit of local government”?**

This consideration depends on authority provided to the Redevelopment Authority 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). Generally, a local redevelopment authority is not considered a unit of local government for the purposes of Choice Neighborhoods Implementation Grants. However, a local redevelopment authority can serve as the Neighborhood Implementation Entity, as defined on page 9 of the NOFA.

**7. We are a local council of governments. Does that qualify as a “unit of local government,” and thus we can serve as the Lead or Co-Applicant as a local government.**

Similar to Q&A #6 above, this consideration depends on the charter from the state.

**8. The NOFA clearly sets a total limit to the number of pages for the narrative exhibits (105 pages). However, beginning on page 47 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 105?**

Yes, HUD will review up to 105 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 the HUD General Section.

**9. Grants.gov only provides 15 slots for attachments, but the application requires more than 15 narratives 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 Implementation 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 Implementation 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.

**10. In regard to the Site Control for Target and Replacement Housing Sites Threshold in III.C.2.e, the NOFA states applicants should provide a letter or other documentation certifying site control by the Lead Applicant, Co-Applicant, or Housing Implementation Entity. Do I have to submit any additional documentation, such as a deed, title, or purchase agreement?**

No, applicants need only provide the certification letter or documentation, which is a change from past NOFAs that required specific evidence (such as a deed, title, or purchase agreement). Applicants should only provide the documentation required by the current FY2014 NOFA. As stated on page 19 of the NOFA, if a grant award is made and HUD determines that the Applicant or Housing Implementation Entity does not have the site control claimed in the certification, HUD reserves the right to rescind the grant award.

**11. How long do I have to maintain site control for the target and replacement housing sites?**

If awarded a Choice Neighborhoods Implementation Grant, the Grantee must maintain site control from the application due date until the later of the end of the grant term or until all housing is replaced for the target site/property(ies).

**12. Page 24 of the NOFA, regarding one-for-one replacement housing, indicates that replacement housing units shall be developed “On-site (i.e., on the target housing site and/or in the target neighborhood being revitalized); and off-site (i.e. outside of the**

**target neighborhood but within the metropolitan area up to 25 miles from the target housing site). Am I required to develop off-site replacement housing units?**

No, it is not a program requirement to build off-site units. However, if an applicant chooses to build off-site units, they must follow the location requirements outlined on pages 24-25 of the NOFA.

**13. The Instructions on Application Organization and Content state on page 47 that Exhibit B should include a Partnership Narrative in response to section III.C.2.a. Is this the proper citation?**

This is an error in the NOFA. Applicants should respond to the Partnership and Joint Venture Certification threshold requirement. The proper citation should read III.C.2.d.

**14. If the Neighborhood Implementation Entity partners with a local organization that works primarily in the target neighborhood, can the application include an example of their work to demonstrate capacity towards the Capacity of Neighborhood Implementation Entity rating factor?**

As stated in section V.A.1.b, in order to demonstrate the capacity of the Neighborhood Implementation Entity, an application should provide two examples of neighborhood-level planning, coordination, and implementation activities comparable in scope to what is proposed. While an applicant can partner with a local organization that works primarily in the target neighborhood, the NOFA states that this rating factor looks only at the capacity of the Neighborhood Implementation Entity. Applicants should also see the definition of Neighborhood Implementation Entity on page 9 of the NOFA.

*Note: This information was updated as of 1/12/2015.*

**15. The Neighborhood Investment rating factor allows applicants to capture leverage that has been committed up to 36 months prior to the date of application submission. Attachment 53 (HUD Form 53239) indicates the use of funds must be consistent with the Sources and Uses Attachment. Do I have to include this past leverage in the Sources and Uses Attachment?**

HUD uses the Form 53239 as a standard form to document all leverage resources. The Sources and Uses form should likewise reflect any applicable leverage relevant to implementing the Choice Neighborhoods Transformation Plan. **Instructions for Attachment 19 on page 50 of the NOFA indicate that this documentation should respond to the rating factor in section V.3.b(2), however there is no section V.3. What does this attachment correspond to?**

Attachment 19 corresponds to the Critical Community Improvements (CCI) Plan rating factor on page 68. Applicants should submit a chart that reflects the budget for each CCI activity, which includes the amount of Choice Neighborhoods funding proposed, committed leverage, and partners. Applicants should submit commitment letters for CCI leverage in Attachment 52.

**16. The directions for Attachment 24 on Page 51 of the NOFA indicate a Neighborhood Investment Map should be provided in response to neighborhood investments described in section V.A.3.b(7)(b). What is this attachment in reference to?**

This Neighborhood Investment Map is a companion to the Critical Community Improvements Leverage and Neighborhood Investment and rating factors. HUD is using a new software system to publish the NOFAs, which has impacted several citations and section references throughout the NOFA.

**17. The instructions for Attachment 28 on page 51 of the NOFA indicate that applicants should provide a list of recent housing projects and most recent operating statements in response to the Capacity of the Housing Implementation Entity rating factor (section V.A.1.c). However, the rating factor does not specifically ask for this documentation. Is it required?**

Applicants are not required to submit a list of recent housing projects and operating statements. However, an applicant can use this attachment, if needed, to provide this information or any additional information to support the narrative in response to Section V.A.1.c. Applicants should keep page limits in mind if providing additional information.

**18. 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.k that 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 factors can also be considered as match.

**19. The NOFA states that at least one meeting must be held after the NOFA is published as a requirement under the Resident and Community Involvement threshold. Does this meeting have to be a meeting with only the target housing residents, or a larger**

**community meeting? How many resident and community meetings were required before the NOFA was published?**

section III.C.2.s, beginning on page 22 of the NOFA, simply states that one meeting must be held after the NOFA is published. It is at the discretion of the applicant to determine if this meeting should be a resident meeting or a broader community meeting. Further, the NOFA states that at least one public meeting, which includes housing residents and the broader community, must have taken place at the beginning of the transformation planning process. This meeting can have occurred prior to the publication of this NOFA in anticipation of the project proposed in the application. In total, all applicants must certify that four total meetings were held – of which two were intended for target housing residents and two were intended for the broader community.

**20. Per the NOFA, in order to demonstrate compliance with the Resident and Community Involvement threshold, an applicant must certify that two resident meetings and two public meetings have occurred. However, the HUD Form 53231 (Attachment 15) indicates that only one resident meeting is required. Am I required to hold one or two resident meetings?**

All applicants should follow sections III.C.2.s(b) and III.C.2.s(c) on page 22 of the NOFA, which indicates that all applicants must conduct at least two meetings with the residents of the target housing, and two public meetings with the target housing residents and broader community.

**21. Regarding the one-for-one replacement requirement, can I reduce the number of replacement units with 3 or more bedrooms so long as I demonstrate there is no demand?**

Page 24 of the NOFA indicates that the number of dwelling units replaced may be greater or less than those still physically standing only if the overall bedroom and unit mix meets the needs of the existing residents, takes into account needs of the residents on the waiting list, and is aligned with the results of a recent housing market study.

**22. If a resident needs assessment indicated that several households do not wish to return to the site, can the Transformation Plan adjust the bedroom mix required for one-for-one replacement accordingly?**

In accordance with section III.C.3 of the NOFA, the Transformation Plan must meet the needs of the existing residents and provide for resident right to return for all lease-compliant tenants. A returning tenant shall be provided a preference for occupancy before replacement units are made available to any other eligible household. This preference remains available until the

initial lease-up of the new units and residents may change their minds between the needs assessment and when the new units are completed. Thus, there cannot be a significant change to the bedroom mix based on responses to the needs assessment.

**23. If the target housing is demolished, does the proposed bedroom mix need to account for the residents that lived at the site prior to demolition in order to fulfill the one-for-one replacement housing requirement?**

Section III.C.3.b on page 24 of the NOFA indicates that the one-for-one replacement of public and/or assisted housing requirement is only in place for all dwelling units still physically standing as of the application due date. Thus, this requirement is not applicable.

**24. Our target housing site is already demolished and we have started redevelopment. To date, one phase has been completed and the second phase is under construction. Can any of these units be counted as ‘replacement units’ (e.g. be included in the overall housing plan, “Number of Replacement Units”, and other housing rating factors)?**

The NOFA states on page 71 that your Transformation Plan, as it relates to the Overall Housing Strategy, should describe the housing you plan to demolish, develop, rehabilitate, and or/acquire. As any housing development funding used in completed projects cannot be counted as leverage, any completed units cannot be counted as part of the overall housing plan. Likewise, since the NOFA permits housing development funding that is in the process of being used to count as leverage, the units that are under construction as of the application deadline may be considered part of the housing plan (and replacement housing if one of the eligible types of replacement housing).

**25. If granted an exception to use Tenant-based Vouchers as replacement housing, is our application/Transformation Plan still required to replace the same number of bedroom units?**

No, the exception to use Tenant-based Vouchers is based on the number of dwelling units, not the number of bedrooms.

**26. Our public housing development includes units that have been converted to non-dwelling units, as approved by HUD. When determining the number of bedrooms needed to satisfy one-for-one replacement requirements, are we required to include the bedrooms of these non-dwelling units?**

The NOFA indicates that one-for-one replacement is required for all public housing dwelling units still physically standing as of the application due date. Therefore, non-dwelling units are excluded from this count.

**27. Our Transformation Plan includes an off-site housing component that will not be developed by the Housing Implementation Entity. How will this be evaluated in regard to the Housing Strategy rating factors in section V.A.3c of the NOFA?**

HUD considers only housing to be developed/rehabilitated by the Housing Implementation Entity to be included in the Housing component of the Plan. Therefore, any housing proposed for development or rehabilitation in which the Housing Implementation Entity does not have material control should be included in the Neighborhood component of your Plan. This does not preclude using Section 8 Project Based Vouchers for replacement housing development. Applicants should read III.C.3.b(6) on Section 8 Project Based Voucher Replacement Housing Development (page 25 of the NOFA) and III.C.2.e on Site Control for Target and Replacement Housing Sites to be Developed by the Housing Implementation Entity (page 19 of the NOFA).

**28. For the Section 3 Compliance rating factor (page 80 of the NOFA), applicants are required to submit the most recent Section 3 Annual Summary Report in Attachment 46. However, it appears that the online system for Section 3 reporting is unavailable. What am I required to submit to demonstrate compliance?**

HUD is aware that the system for Section 3 reporting is currently unavailable due to unanticipated technical problems. Therefore, HUD will not consider the Section 3 Compliance rating factor (V.A.3.d(4)(b)) during the application review process. Applicants are not required to submit the Section 3 Annual Summary Report (HUD Form 60002). Applicants should still respond to the Section 3 Plan rating factor (V.A.3.d(4)(a)).

**29. Is the Lead Applicant responsible for completing the required standard forms? Is the Lead Applicant also responsible for submitting the application utilizing their DUNS number and/or Grants.gov account?**

All applications must include the Application for Federal Assistance (SF-424), Disclosure of Lobbying Activities (SF-LLL) (if applicable), Applicant/Recipient Disclosure/Update Report (HUD-2880), and the Facsimile Transmittal Form (HUD-96011) (if applicable). The Lead Applicant must be the signatory for these forms. Finally, the Lead Applicant must also submit the application via grants.gov.

**30. The Neighborhood Implementation Entity is partnering with a local organization that works primarily in the target neighborhood. What should I submit to demonstrate this partnership?**

For purposes of determining capacity, HUD will only consider the capacity of the Neighborhood Implementation Entity. For the purposes of evaluating the neighborhood component of your plan, HUD understands that applicants will work with a variety of partners. Your narrative should describe your partners and their roles. Submitted attachments should also indicate leverage this agency has committed, as applicable. Please also read Question and Answer #14 of this document.

**31. The NOFA indicates that HUD is making available approximately \$76 million in assistance for Implementation Grants, which is subject to increase if there is an FY2015 appropriation. The NOFA also indicates that HUD publishes a General Section each fiscal year that contains mandatory requirements for all applicants for HUD's**



**competitive grant programs, including this NOFA. Should I follow the FY2014 or FY2015 HUD General Section for purposes of this application?**

Applicants should follow the HUD General Section for Fiscal Year 2014 Discretionary Programs. Applicants must meet all of the requirements of this General Section in addition to the requirements of the FY2014 Choice Neighborhoods Implementation Grant NOFA.

- 32. The Exceptions to Page Limits on page 46 of the NOFA indicate that the Housing Choice Voucher Application (Attachment 61) is excluded from the application page count. However, the Instructions for Application Organization and Content indicate Attachment 61 is the Choice Neighborhoods Application Certifications. Similarly, the references for Capital Fund Financing Program Documentation and the Choice Neighborhoods Application Certifications are listed incorrectly under the Exceptions to the Page Limits. Are these documents are excluded from the page count, and what is the proper attachment order?**

HUD is using a new software system to publish the NOFAs, which has impacted several citations and section references throughout the NOFA. Applicants should follow the instructions provided in the Table of Contents in section IV.B.6.e(1), beginning on page 47 of the NOFA. To clarify, the Housing Choice Voucher Application, CFFP Documentation, and Choice Neighborhoods Application Certification are excluded when determining page count.

- 33. Am I required to demonstrate the capacity of the Co-Applicant?**

The NOFA only requires narrative exhibits regarding the Lead Applicant, the Neighborhood, Housing, and People Implementation Entities, as well as the Principal Education Partner. If your Co-Applicant is an Implementation Entity or Principal Education Partner, you should provide narrative in the applicable section.

- 34. Our target housing site is already demolished. Should the application include the HUD demolition approval letter to satisfy the Design Deficiencies rating factor?**

Applications should provide narrative related to fundamental design deficiencies at the time of demolition. Please review Section V.A.2.a(3) on pages 64-65 of the NOFA for the rating review criteria related to Design Deficiencies.

- 35. In order to demonstrate site control for target and replacement housing sites, can the City do a public taking of a property in which replacement housing will be developed?**

Page 19 of the NOFA indicates that site control may be established through multiple methods, so long as the applicant has site control as of the application due date by demonstrating that the applicant legally owns the property or that the applicant has a legal right to purchase the property(ies). The NOFA does not impose requirements related to how an applicant should exercise its eminent domain authority to take property for the purpose of satisfying the site control requirement. It is incumbent on the applicant to determine if property acquisition

results in site control via legal ownership or right to own the property based on applicable state eminent domain laws.

**36. For the CDBG Leverage rating factor, in order to earn 2 points the City must make a minimum commitment of \$1,000,000 or 10 percent of their annual CDBG allocation, whichever is greater. Does HUD mean just \$1,000,000 in total over the life of the Choice Neighborhoods Implementation Grant or \$1,000,000 per year over the life of the grant?**

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

**37. 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. Please see section III.C.3.c of the NOFA, beginning on page 26, for Match and Leverage Documentation Requirements.

**38. Can Federal dollars contingent on future appropriations count as leverage?**

Section III.C.3.c on page 27 of the NOFA indicates that HUD will only consider commitments contingent on future fiscal year Federal appropriations from the Community Development Block Grant, HOME Investment Partnerships, and Community Services Block Grant programs.

**39. Our organization intends to submit an application as the Lead Applicant and the Neighborhood Implementation Entity. In demonstrating capacity, can we use the same example for the Overall Project Leadership of the Lead Applicant and the Capacity of Neighborhood Implementation Entity rating factors?**

While the NOFA does not prohibit cross-referencing among the examples provided to demonstrate capacity, applications should specifically address the NOFA criteria established for each individual rating factor.