



CHOICE NEIGHBORHOODS FY 2010 ROUND 1 NOFA

FREQUENTLY ASKED QUESTIONS

Updated 11/10/10

Q1. What applicants are eligible for Choice Neighborhoods grants?

A1. As stated in the FY 2010 HUD Appropriations law, applicants are:

- local governments,
- public housing authorities,
- nonprofits, and
- for-profit developers that apply jointly with a public entity.

Q2. Are Tribal entities eligible for Choice Neighborhoods grants?

A2. Unfortunately, Tribal entities do not meet the definitions outlined for eligible applicants under the FY2010 HUD Appropriations law and are therefore not eligible to apply for Choice Neighborhoods.

Q3. Are PHAs that only administer section 8 housing assistance eligible to apply for Choice Neighborhoods? They have not been eligible for HOPE VI in the past.

A3. Yes, any public housing agency is eligible to apply for Choice Neighborhoods. PHAs that only operate section 8 are not eligible for HOPE VI because they do not operate public housing, which is the only type of housing eligible under that program. 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.

Q4. What neighborhoods does the program target?

A4. The program targets neighborhoods with 1) a concentration of poverty and other characteristics of neighborhood distress (high crime rates, high rates of vacancy, or low-performing schools) and 2) severely distressed public and/or assisted housing. Each application must demonstrate both that the target public and/or assisted housing meets the statutory definition of severe physical distress and, through the mapping tool provided, that the neighborhood meets the thresholds for indicators of neighborhood distress. The Eligible Neighborhoods threshold is discussed in more detail on pages 15 and 20 of the NOFA.

Q5. Is there a minimum or maximum size of a neighborhood for this program?

A5. As described in the definition section of the NOFA on page 11, HUD will rely on applicants to identify boundaries for the target neighborhood that are generally accepted as a neighborhood. The neighborhood must be larger than just the footprint of the distressed public or HUD-assisted housing targeted in the application.

Q6. What is the difference between a Planning and Implementation grant?

A6. Planning grants will enable those communities that are not yet able to fully undertake a successful neighborhood transformation to start down that path, with the federal government supporting their endeavors and incentivizing local support. The Planning grants will enable communities to create a rigorously-developed comprehensive neighborhood plan with the local commitment necessary for implementation to be successful. Implementation grants will provide a significant amount of Federal support to those communities to carry out a Transformation Plan to redevelop the neighborhood.

Q7. What is the timeline and process for Choice Neighborhoods grant awards?

A7. HUD published the Round 1 Notice of Funding Availability (NOFA) on August 25, 2010 and applications are due December 9. In Round 1, applicants may submit either a Planning grant or an Implementation grant application. HUD will announce Planning grant awards upon conclusion of its first round review. The Implementation Grants competition will be conducted through a two-stage process. From the pool of Implementation grant applicants in the Round 1, HUD will select approximately 10 finalists who will be eligible apply under a Round 2 NOFA. The selected finalists will be given an opportunity to put together a more detailed application under the Round 2 NOFA. HUD will award 2-4 Implementation grants.

Q8. What can Choice Neighborhoods grant funds be used for?

A8. Eligible activities include the demolition, rehabilitation and reconstruction of public and/or assisted housing. In addition, up to 15 percent of the grants may be used for supportive services and up to 15 percent may be used for community improvements. These activities might include helping connect the neighborhood to transit with a bus stop or providing gap financing for a fresh food grocer, but exclude costs associated with construction or rehabilitation of schools.

Q9. Is it mandatory that the proposal explicitly includes a housing improvement plan for revitalizing severely distressed public or assisted housing in order to be deemed responsive to the grant application mandates?

A9. Yes, the “transformation of housing” is one of the required program activities. Please also note the Eligible Neighborhoods threshold requires the application to target severely distressed public and/or assisted housing.

Q10. What activities are categorized as “community improvements” that may account for up to 15 percent of the funds?

A10. As defined in section I.C of the NOFA, the term “critical community improvements” has two parts. The 15 percent limit applies to activities listed in part b of the definition: activities to promote economic development, such as the development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources.

Q11. Can non-profit and for-profit applicants apply to redevelop public housing without the involvement of the public housing authority?

A11. No, redevelopment of public housing must be done in partnership with a public housing authority. The owner of the site will need to be involved in the application in order to be considered.

Q12. Can Choice Neighborhoods applications include only public housing or only HUD-assisted housing, or do they have to include both public housing AND HUD-assisted housing?

A12. An application can include only either public housing or assisted housing. Choice Neighborhoods applications should be tailored to the needs in the target neighborhood and therefore can include a combination of severely distressed public and/or HUD-assisted housing.

Q13. Choice Neighborhoods funding is primarily targeted to distressed public housing or HUD-assisted housing. Does this include rental projects that have received HOME or CDBG funding in the past? What about section 202 or 811 funded projects?

A13. In order to be eligible for a grant, the target neighborhood must include distressed public housing and/or assisted housing, such as section 202 or 811 properties. Rental projects that have received Community Development Block Grant or HOME funds are not considered “assisted housing” under this NOFA.

Q14. Is a property or group of properties with no form of federal assistance other than Low Income Housing Tax Credits eligible for Choice Neighborhoods assuming the property(ies) meet the neighborhood eligibility criteria?

A14. No. While HUD does see tax credit properties as being a part of this grant process, severely distressed public and/or assisted housing has to be at the core of the application. The grant amount will be sized based on the number of public and/or assisted housing units to be replaced or rehabilitated, even if the applicant intends to address tax credit units in the target neighborhood as well.

Q15. Can a relatively small asset (e.g. a small assisted housing project) serve as the catalyst to bring a planning or implementation grant to a larger neighborhood area? Is there a quantitative threshold or a preference for the number of units or the amount of public or assisted housing that must be present in the area?

A15. Yes, smaller sized HUD-assisted properties may serve as catalysts in communities of need. While there is not a threshold for the number of public or assisted units in the target neighborhood, applicants should note that the size of the Choice Neighborhoods grant amount is partially determined by the number of housing units in the project. HUD looks forward to seeing proposals where the Choice Neighborhoods funds are used beyond the assisted asset to include the assets around it.

Q16. Does the assisted or public housing included as a part of the Choice Neighborhoods application need to be replaced following demolition or disposition?

A16. Yes, if the housing is to be demolished or disposed after the date of application. And, in most cases grantees will need to replace units on a one-for-one basis with a hard unit. The replacement housing can be public housing, multifamily-assisted housing, or assisted housing with project-based vouchers. In limited circumstances, applicants will be permitted to replace up to half of the demolished units with tenant-based vouchers. Those limited circumstances will exist only where the following three criteria are met: (1) the neighborhood is in a soft market, where there is an oversupply of affordable housing; (2) existing voucher holders are widely dispersed geographically, including in areas of low poverty; and (3) families comparable to those in the properties being redeveloped have had success in finding housing with their vouchers. All newly constructed or rehabilitated housing assisted with Choice Neighborhoods funds remain affordable for a period of at least twenty years regardless of whether it is public housing or assisted housing. Applicants should note that demolition of the target severely distressed public and/or assisted housing is not required; rehabilitation is also permitted.

Q17. We are in an area that may be eligible for an exception to the one-for-one replacement requirement. When should we submit our request to HUD?

A17. Applicants are encouraged to submit the exception request as soon as possible so that there is time to devise the appropriate Transformation Plan. Additional details on the criteria and process for being granted an exception are posted at <http://www.hud.gov/utilities/intercept.cfm?/offices/pih/programs/ph/cn/docs/one-for-one.pdf>.

Q18. Does the one-for-one replacement requirement apply to sites that have already been demolished?

A18. No, the requirement only applies to units still standing as of the application submission. However, the Department encourages applicants to replace as many units as possible. Thus, one of the rating factors in the Vision-Housing section rewards applicants that do satisfy this criterion and it will be rated again in Round 2.

Q19. Do Low-Income Housing Tax Credit (LIHTC) units count as replacement units to satisfy the one-for-one replacement requirement?

A19. No. As defined on page 12 in the NOFA, replacement housing only includes housing assisted under sections 8 or 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C. 1437g) (excluding tenant-based vouchers, except as permitted), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), and section 811 of the National Affordable Housing Act of 1990 (42 U.S.C. 8013).

Q20. Will communities be required to have a school in their neighborhood in order to receive a Choice Neighborhoods grant?

A20. No, but research shows that high quality educational opportunities, including early learning and effective K-12 public schools, are a critical element in breaking the cycle of intergenerational poverty. Applications that do not address the need for resident children to have access to quality educational opportunities will likely not be competitive. This requirement can be satisfied through evidencing ongoing reform efforts underway to transform an underperforming school into a good school, or it can be evidenced through plans to facilitate access to quality educational opportunities outside of the immediate neighborhood or to bring new, high quality educational opportunities to the neighborhood.

Q21. Does Choice Neighborhoods require housing to be in a Promise Neighborhood?

A21. Communities will not be required to have a Department of Education's Promise Neighborhoods grant in order to receive a Choice Neighborhoods grant, nor vice versa. However, state and local school and social service systems serving children in a neighborhood are encouraged to coordinate efforts to participate in both grant programs. HUD and the Department of Education intend to use consistent results frameworks and outcomes, so that communities are not being asked to form inconsistent plans that don't mesh well together. In addition, both programs will emphasize similar traits which are necessary for successful neighborhood revitalization: strong, collaborative partnerships; full participation from community members in community planning; and a focus on the barriers that inhibit children from succeeding.

Q22. Why is the link to education so important in Choice Neighborhoods?

A22. Education is a means to improving the quality of life for neighborhood residents. Over and over again strong schools have proven to be vital not only in providing genuine opportunity to neighborhood children, but as the backbone for long-term, economically viable neighborhood transformation.

Q23. Given that HUD intends to geographically align four of the CN planning grants with Promise Neighborhoods planning grants, what is the timing for the Department of Education to announce those awards?

A23. Promise Neighborhoods grantees were announced on September 21, 2010. A list of the awards is posted at: <http://www.ed.gov/news/press-releases/us-department-education-awards-promise-neighborhoods-planning-grants>

Q24. What type of leverage is expected for each type of grant (Planning versus Implementation)?

A24. Leveraged commitments are an indicator of support in the community for this comprehensive neighborhood transformation effort. Additional resources will also increase the effectiveness of the proposed grant activities. Planning grants are expected to show that they have resources (financial and in-kind) firmly committed to implement the planning process (as described in the NOFA). Resources may come from a variety of sources. Leverage will not be calculated for Implementation grants until Round 2.

Q25. Can applicants apply for FY 2010 HOPE VI and Choice Neighborhoods funding?

A25. HUD issued a separate NOFA for the FY 2010 HOPE VI Revitalization grant program on August 25, 2010. PHAs may apply for both grants but not for the same targeted housing and may not use the same sources of leverage for their applications. Public housing project(s) included in a Choice Neighborhoods application may not be the subject of a FY 2010 HOPE VI Revitalization grant application. However, an applicant may apply for a Choice Neighborhoods Planning or Implementation grant for a housing project in the same neighborhood as a public housing project for which a public housing authority is applying for a FY 2010 HOPE VI Revitalization grant.

Furthermore, public housing projects previously funded through a HOPE VI Revitalization grant may not be the target public housing project of a FY 2010 Choice Neighborhoods grant application. However, they may be located within the Transformation Plan neighborhood. Public housing projects previously funded through an ARRA Capital Fund Recovery Competition (CFRC) grant under Category 2 (Public Housing Transformation), Category 3 (Gap Financing for Projects that are Stalled Due to Financing Issues), or Category 4 Option 1 (Creation of Energy Efficient, Green Communities, Substantial Rehabilitation or New Construction) may not be the target public housing project of a FY 2010 Choice Neighborhoods grant application. However, they may be located within the Transformation Plan neighborhood.

Q26. The Choice Neighborhoods NOFA allows 60 days while HOPE VI typically allows approximately 90 days for preparing and submitting applications. Given that Choice Neighborhoods is a new program, why is HUD allowing less time for applicants to pull their applications together?

A26. The Choice Neighborhoods Round 1 application is more streamlined than a HOPE VI Revitalization application. Part of the reason for creating a two-stage award process is to minimize the time and resource burden on applicants in preparing the Round 1 application. If selected as a finalist, Implementation Grant applicants will have additional time to pull together a more detailed Transformation Plan and application for Round 2.

Q27. 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?

A27. Planning grants are meant to assist applicants that do not yet have the capacity to undertake a successful transformation project. If applicants have a plan in place and are ready to implement, they should consider applying for an Implementation grant. Planning grants are not required before receiving an Implementation Grant.

Q28. Is it possible for multiple small and medium sized agencies to combine and submit a single application?

A28. Applicants are encouraged to create strong teams with other entities that have the experience and capacity necessary to carry out the implementation process for the Housing, People and Neighborhood components of a Transformation Plan in one target neighborhood. There can

only be one Lead Applicant, but Co-Applicants and other Principal Team Members can join the Lead Applicant in the application process. These additional entities should be clearly identified in the MOU agreement and in the narratives provided for the Implementation Grants. For Planning Grants, HUD will set aside two grants for proposals that demonstrate collaboration among multiple owners of public and/or assisted housing projects in a single neighborhood via a signed MOU amongst the owners.

Q29. Will any preference be given to cities and applicants that do not have HOPE VI experience?

A29. There is no preference for applications that have or do not have HOPE VI experience. Applicant capacity and experience are heavily weighted in the competition process but there is no preference for experience or lack of experience with the HOPE VI Revitalization Program.

Q30. For Implementation Grants, is the Applicant Team required to have site control of housing that is off-site for Round 1?

A30. No, site control for off-site parcels is not required for the Round 1 submission. However, in Round 2, it will be necessary to demonstrate that the **Lead Applicant** or a **Co-Applicant** has site control for **all** parcels proposed to be part of the Transformation Plan.

Q31. Does the supportive tracking for resident lease compliance begin well before tenant relocation/right of return?

A31. It starts at the time the application is submitted and, if funded, continues through relocation until new developments are built/rehabbed and are ready for occupancy.

Q32. What does lease compliance during relocation require? Does the definition include additional criteria related to employment status or education?

A32. As described in section III.C.3(a) of the NOFA (page 24), each tenant who wishes to return to the on-site or off-site replacement housing may return if the tenant was lease-compliant at the time of departure from the housing prior to relocation and continued to remain lease-compliant during the relocation period. Lease compliance typically includes paying rent, not engaging in certain kinds of criminal activity and compliance any other criteria associated with the lease. Criteria will not include employment status or education, unless it is already part of the lease.

Q33. Can the supportive services funded by Choice Neighborhoods be used to support residents in the neighborhood beyond those that reside in the public and/or assisted housing?

A33. Yes. Services funded with Choice Neighborhoods should primarily benefit the residents in the target housing but the services provided can be available to all residents in the neighborhood. Building the capacity of existing service providers or providing services that are open to all neighborhood residents can often be beneficial to both assisted residents and the community as a whole.

Q34. It is clear that both public and assisted housing is eligible for programming with these funds. Is private non-assisted housing owned or rented by low income households also eligible? For

example, if our program area included public housing units, assisted housing units, and other residential units that do not fall into the preceding categories, could we provide rehabilitation assistance to all three types of housing?

- A34.** In order to be eligible to apply for a Choice Neighborhoods grants, the application must target public and/or assisted housing. The FY 2010 appropriations law allows for Choice Neighborhoods funding to be used “for the conversion of vacant or foreclosed properties to affordable housing.” Thus, it is an eligible use of grant funds to rehabilitate existing vacant or foreclosed privately-owned housing or construct new housing in the neighborhood on vacant lots. Such housing is then subject to an affordability period of at least 20 years.
- Q35. If we build new residential units on currently vacant lots, do the new units have to be public or assisted housing, or can they be private housing for low income households?**
- A35.** This new housing does not have to be public or assisted if the site was already vacant. The housing may be privately owned, but must be affordable for at least 20 years. These affordable units do not count toward the replacement requirement.
- Q36. We are partnering with a city to assemble an application for a privately owned, HUD-assisted development. The city will be the Lead Applicant. For the rating factors related to the capacity of the Lead Applicant, is it appropriate for the city to cite the HOPE VI achievements of the local housing authority (which has a board appointed by the Mayor, but which is otherwise technically an independent municipal agency)?**
- A36.** Since the PHA is a separate agency from the city, its experience is not applicable to the Choice Neighborhoods application if the city is the Lead Applicant. The city’s direct experience in leading neighborhood redevelopment efforts is what should be described in that section.
- Q37. 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?**
- A37.** 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.
- Q38. One of the thresholds states: “Number of applications and public and/or assisted housing projects. Lead/Co-applicant and/or principal team member may participate in a maximum of three CNI applications....” Does this limitation apply to the “planning coordinator” under the Planning application section?**
- A38.** The definition of “Principal Team Member” does not include the “planning coordinator” role envisioned in a Planning Grant, thus the limitation does not apply.
- Q39. If we convert a donated building to a community center, an outreach center to troubled teens, a day care center, afternoon school, or a technical adult education school, would this be a permitted use of funds?**
- A39.** The costs to rehabilitate the building could be an eligible use of Choice Neighborhoods funding, though the Transformation Plan should demonstrate the nexus between the intended use of the

funds and an appropriate service or public asset. Please note the NOFA states that funds may not be used for construction or rehabilitation of a K-12 school building or a higher educational institution. Other funding sources would need to cover the costs to furnish and operate these uses.

Q40. Would a procurement process/selection of a planning coordinator only be necessary if that planning coordinator would be receiving compensation (through grant funds)? Or would a procurement process and binding contractual agreement be necessary for a planning coordinator who is not included in the budget? If they're not included in the budget, can their experience still be counted towards the rating factors?

A40. It depends on the procurement rules governing the Lead Applicant. If the applicant would like the planning coordinator's experience to count under the capacity rating factors, then there still needs to be a binding contractual agreement in order to meet the application threshold. If another funding source is paying the Planning Coordinator's salary, it still needs to be reflected on the budget and may qualify as an in-kind donation. The budget is not just for Choice Neighborhoods funding.

Q41. If a Lead Applicant for a Planning Grant wants a partner's or Co-Applicant's capacity to be considered in the rating factors, would an MOU or a binding contractual agreement have to be in place between them?

A41. For Planning Grants, only the Lead Applicant's and Planning Coordinator's (if any and properly documented) experience will be considered.

Q42. *Collaboration among housing providers for Planning Grant Category Preference (P.82 of the NOFA (4)(a)(ii)).* 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 will not receive any capital funding through the grant?

A42. For purposes of the category preference for collaboration among housing providers, the MOU should only be signed by the various 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.

Q43. Is it required that the owners of all the properties where Choice Neighborhoods funds are requested for physical transformation be Co-Applicants? That is, if we apply as Lead Applicant for a public housing site and also request funding for another HUD-assisted site, does the owner of the latter site need to be listed as a Co-Applicant, or alternatively can it be listed as a Principal Team Member?

A43. It is not required for all owners to be Co-Applicants or Principal Team Members. The applicant chooses how to structure the team. One factor to consider (among several) is how the site control requirements will be met if there are multiple housing projects that will be addressed in the Transformation Plan.

- Q44. Is it acceptable to apply for a Planning Grant for one property in a particular neighborhood and an Implementation Grant for another property in the same neighborhood, where the Principal Team Members and/or Lead Applicant and Co-Applicant(s) may be the same entities for both the Implementation and Planning Grant applications?**
- A44.** While this construct is not prohibited under this NOFA, each application would need to clearly demonstrate that each effort was separate so as to avoid potential double funding. Resources such as match and leverage would need to be different for each application. Applicants should also consider the impact on how dividing the neighborhood transformation effort would affect scoring in terms of the responses to the rating factors.
- Q45. We intend to contract with a Master Planning entity that will carry out the physical master planning of the entire community to be transformed. Is this the type of entity you would envision as a “Planning Coordinator?” Or is the “Planning Coordinator” the person or entity who will coordinate the overall physical/social/educational planning effort, and to whom the Master Planner would report.**
- A45.** It is up to the Lead Applicant to decide how to structure the team. The Planning Coordinator can either be responsible for the planning process or the lead applicant, coordinating the overall effort, so long as the roles and responsibilities are clearly defined in the application.
- Q46. For purposes of the Planning Grant, we will have defined a geography. If, during the planning process, it makes sense to reshape somewhat the Neighborhood, and we can justify that change, will this be permitted, or will our initial boundary be "cast in concrete"?**
- A46.** Neighborhood boundaries should be established and clear to local parties. Thus it is not expected that boundaries would change after a grant has been awarded. Since a change the neighborhood boundaries could impact the application's eligibility and rating, HUD would need to review on a case-by-case basis.
- Q47. Can our “neighborhood” actually contain two officially-designated neighborhoods as per the City that are adjacent and both have public housing units in them? We are looking at neighborhood change over an area that is in two neighborhoods.**
- A47.** There should be one neighborhood at the core of the Transformation Plan and the basis for determining neighborhood eligibility. As stated in the NOFA, HUD understands that neighborhood boundaries are not fixed like municipal or county boundaries. Thus, HUD will rely on applicants to identify boundaries for the target neighborhood that are generally accepted as a neighborhood. This does not limit applicants to only using city-defined boundaries if other methods are in use. In addition, HUD recognizes that the Transformation Plan could incorporate the assets and residents of adjacent neighborhoods.
- Q48. We have already started the planning process. If we receive a Choice Neighborhoods grant, can it cover costs incurred now?**
- A48.** No, as stated in the Funding Restrictions section of the NOFA (page 46):
 “a. You may not use Choice Neighborhoods grant funds to pay for any activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods grant.
 b. You may not use Choice Neighborhoods funds for the cost of Choice Neighborhoods application preparation.”

- Q49. Can costs incurred before a potential Choice Neighborhoods award (e.g. fees paid to architects, recent community improvements, costs to prepare the grant application) be considered as match and/or leverage?**
- A49.** No, the statutory match requirement and the Planning Grants rating factor for leverage are only for future funding to implement the planning process.
- Q50. We are working with a Promise Neighborhood Initiative applicant that will be a key stakeholder in the Choice Neighborhoods planning process for which we are applying for funding. Many of the key stakeholders included in the Promise Neighborhoods application will be the same for the CN application. Can we show the relevant financial commitments made by these stakeholders to the Promise Planning effort also as financial commitments to the CN planning effort (assuming the parties agree), since the work to be undertaken by these stakeholders and their financial commitments will be equally relevant to the CN planning effort as to the Promise planning effort?**
- A50.** As described on page 79 in the NOFA, the leverage rating factor is for “demonstrating that you have secured financial and/or in-kind commitments from other sources to implement the planning process proposed in this application.” Therefore, only financial commitments made for the Promise Neighborhoods planning effort that directly relate to the creation of a Transformation Plan should be included in the Choice Neighborhoods application.
- Q51. We are considering a neighborhood which has both a public housing and an assisted housing project. In order to meet the neighborhood eligibility through the low-performing school sub-criterion, could the application meet threshold by combining the number of children attending a low-performing school living at both housing sites? Similarly, could the neighborhood be eligible if, for example, 12 children attend a low-performing middle school and 9 children attend a low-performing high school, so that combined 20+ children attended low-performing schools?**
- A51.** Yes to both methods. The application can consider all targeted severely distressed public and/or assisted housing project(s) and all the schools which the children who live in those projects attend in order to meet the threshold. Please note that if any low-performing school is simply located within the target neighborhood boundary, the 20 children/20% of the children attending a low-performing school threshold is not necessary.
- Q52. Regarding the specific requirements of reporting crime statistics for meeting the “Eligible Neighborhoods” threshold: When applicants are reporting neighborhood and citywide crime data, do you have any further requirements (or preferences) as to whether the statistics are given for the entire 3-year period combined, rather than an average or aggregate number derived from combining each individual year’s results?**
- A52.** Since the NOFA is not specific, either approach is acceptable. HUD’s preference is for showing each year.
- Q53. How much are we allowed to budget for Administration and what expenses are allowed under this line item in a Planning Grant application?**
- A53.** There is not a specific limit on the amount of the grant that is allowed for administration, though all costs must be reasonable.

- Q54. We purchased Section 8 assisted development from HUD as a result of a foreclosure. The tenants were relocated, the property is now vacant and the HAP contract has been terminated. Would this project qualify?**
- A54.** If there is not a current assistance contract with HUD on the property, it is no longer considered assisted housing and thus not eligible.
- Q55. Grants.gov only provides 15 slots for attachments. But the application calls for more than 15 exhibit and attachments. How am I supposed to submit the application?**
- A55.** Grants.gov is a system used by the entire Federal government so its structure does not necessarily reflect the Choice Neighborhoods 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 NOFA and plug them into the slots provided by Grants.gov.
- Q56. In addition to the electronic submission through grants.gov, the NOFA requires submission of a hard/paper copy of the application. Is that due on October 26, too?**
- A56.** Yes, HUD should also receive the hard copy application by October 26. However, as the NOFA states, the electronic submission via grants.gov is the official application of record. HUD will not disqualify an application if the hard copy does not arrive by October 26.
Note: the 2nd Technical Correction and Extension notice removed the requirement to submit a printed copy of the application.
- Q57. For Planning Grant applications, where should we put the Planning Schedule that is required for rating factor V.A.3.d?**
- A57.** It should be included with the Exhibit E narrative.
- Q58. Which are the “standard forms” that are excluded from the page limits for attachments?**
- A58.** For Implementation Grants, the standard forms are those listed in paragraph (hh) on page 45. For Planning Grants, they are listed in paragraph (r) on page 76.
- Q58. Is a property with project-based vouchers (PBVs) eligible assisted housing to serve as the target housing of a Choice Neighborhoods application?**
- A58.** Yes, if 100% of the units in the project receive PBV assistance. The definition of “assisted housing” provided in the NOFA was clarified in the 2nd Technical Correction and Extension notice to state that projects in which all housing units receive PBVs are eligible. Generally, section 8(o)(13) allows a public housing agency that administers tenant-based vouchers is permitted to “project-base” up to 20 percent of its vouchers.
- Q59. Can project-based vouchers (PBVs) serve as replacement housing to meet the one-for-one replacement requirement?**
- A59.** Yes. The definition of “replacement housing” provided in the NOFA allows housing assisted under section 8 of the U.S. Housing Act of 1937, as amended, to count as replacement housing as permitted by HUD. As such, PBVs can count toward the hard unit one-for-one replacement requirement if the owner commits to an affordability period of at least 20 years. Note: Section 8(o)(13) generally provides for a contract term for PBV units for only up to 10 years; an award of Choice Neighborhoods funds does not alter the contract term length. To satisfy the 20-year affordability requirement, an owner must have a long-term affordability restriction on title and

have identified funds as necessary to ensure long-term financial viability of the housing should the contract expire prior to affordability period.

- Q60. The FY 2010 appropriations law allows Choice Neighborhood funding to be used for the conversion of vacant or foreclosed properties to affordable housing. The definition of “affordable housing” provided in the NOFA only states that the owner must maintain affordability for at least 20 years, be contained in legally enforceable documents, and be consistent with the long-term viability of the project as rental or homeownership housing. Up to what income level is HUD defining as “affordable” under this program?**
- A60.** For the Choice Neighborhoods program, “affordable housing” may serve households that earn up to 120 percent of Area Median Income. The definition of “affordable housing” provided in the NOFA was clarified in the 2nd Technical Correction and Extension notice to include this information.
- Q61. Our proposal contains several scattered-site public/assisted housing units in one neighborhood. While we understand that site control documentation is excluded from the page limits, we’re still talking about a lot of paper. Is a title opinion acceptable as evidence of site control?**
- A61.** Yes, HUD will accept a title opinion so long as we can still confirm the addresses match up to the housing identified as the target project(s). Title opinions must identify all matters of record and include copies of all of underlying limitations, restrictions, or reverter clauses. Any legal opinions not supported by documentation will be considered insufficient evidence.
- Q62. We are applying for a public housing site that has already been demolished. How would the threshold and rating factor related to having a portion of the children that live in the target site apply in this case? Or is the only scoring option would be to have a low-performing school within the neighborhood boundary?**
- A62.** An applicant may meet the standard by considering where the children that formerly lived at the site currently attend or if the school is located within the target neighborhood.