Updated 5/24/16

FY2016 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. **It's clear in the NOFA that the local government of jurisdiction for my neighborhood has to be either the Lead Applicant or Co-Applicant. Must a local government have a Co-Applicant?**

   No, as long as the local government can meet all the threshold requirements on its own, a Co-Applicant is not required.

2. **The NOFA refers to a Transformation Plan that will guide the revitalization of the public housing and surrounding neighborhood. Does the eligible applicant need to have an existing Transformation Plan in place in order to apply for the Implementation Grant or can the applicant submit a proposed Transformation Plan with the overall Implementation Grant package?**

   While there does not need to be a formal Transformation Plan in place, extensive planning should have already taken place. This grant application itself can only be the narrative exhibits and attachments that are specifically listed in the NOFA to be responsive to the NOFA requirements. You would not submit a separate plan document.

3. **In the FY15/16 Choice Neighborhoods Planning Grants NOFA, properties that already had a RAD RCC were not eligible. Are Public Housing Authority properties that have received RAD Conversion Commitments eligible as target housing under this NOFA?**

   No, the same standard applies to applications under this NOFA. This was accidentally left out of the NOFA as published on March 31, 2016. HUD posted a technical correction to the NOFA on May 9, 2016. Please refer to the new paragraph on page 19.

4. **Under the Eligible Applicants description in section III.A.1, the NOFA states, "For-profit and non-profit entities that apply must own the target housing." Is "ownership" defined the same as "site control" on in the Site Control threshold on page 16?**

   No, in the case of applicant eligibility, the for-profit or non-profit entity must own the target housing. "Site control" can be demonstrated by ownership or other means (such as a legally binding agreement to purchase the property).

5. **The wording in the rating factor for Mixed-Income Development is confusing. Is the standard to earn any points just that at least 50 percent of the units must be non-replacement housing or must they also only be available to households earning above 60 percent of AMI?**

   The standard to earn points is that at least half of the total units will be non-replacement units. Then points are awarded based on how many are available to households earning more than 60 percent of AMI. HUD posted a technical correction to the NOFA on May 9, 2016 to clarify.

6. **If the Housing component of the Transformation Plan proposes the use of Section 8 project-based vouchers for replacement housing, must the Lead Applicant, Co-Applicant, or Housing Implementation Entity currently have site control?**

   No, as stated in the NOFA, the site control requirement for purposes of this NOFA for this form of replacement housing is met by certifying "this will be done in accordance with the applicable regulations at 24 CFR 983."

7. **In the paragraph about Section 8 Project-based vouchers as replacement housing (page 24), the NOFA refers to PBVs "to be built" in eligible CNI replacement locations. Must PBV replacement units be new construction, or is it permissible to purchase existing, unassisted units that otherwise meet all of the requirements for replacement housing?**

   The units are not required to be new construction; existing units are acceptable. HUD posted a technical correction on May 9, 2016 to clarify this.

8. **If the Lead Applicant and the Housing Implementation Entity are the same entity/organization, can the reference examples used be the same in the respective sections while responding to the section-specific criteria?**

   Yes. Applicants should be mindful to provide the information that is responsive to each rating factor and to present it clearly.

9. **I downloaded HUD form 53230 (Table of Contents) from the HUD website the order listed in it does not correspond to the CNI NOFA. Where do I find the version that matches with the FY16 NOFA?**

   You need to use the version of the Table of Contents (and all other forms listed in the NOFA) that are included in the application package on grants.gov (not the HUD forms website). The files included in the grants.gov download have all be updated to match with the FY16 NOFA.

10. Can the Lead Applicant partner with another entity to be co-principal education partners? If so, does this constitute a "joint venture" per III C.1 (c) 3?

No, the NOFA allows for a joint venture to be on the of the principal team members, which as defined in the NOFA, does not include the principal education partner. For the principal education partner, there should just be one entity identified. We realize that there are many partnerships involved.

11. Since the certification documentation related to partnerships for section III.C.1.c should be included in Attachment 6, what should be included in the narrative exhibit B.1?

The space in the narrative is reserved for applicants if they feel that something in the certification documents provided in Attachment 6 needs addition description to clarify or summarize key points.

12. With regard to the threshold requirement of Consistency with the Consolidated Plan, does the consolidated plan have to explicitly reference this Choice Neighborhoods grant application?

No, the Consolidated Plan does not have to explicitly identify the application for a CN grant. The General Section states: "This certification means that the proposed activities, including the location(s), are consistent with the jurisdiction's Consolidated Plan."

13. New this year, HUD added language under the Housing Implementation Entity Capacity rating factor asking for the most recent filing of the Previous Participation Certification form (HUD-2530) from the Housing Implementation Entity. Previously, only multi-family assisted property owners needed to provide this form if they were a Lead or Co-Applicant to determine whether they were an eligible applicant. Is HUD expecting this year that any entity that will serve as the Housing Implementation Entity must complete the Previous Participation Certification?

This NOFA does not establish a new requirement regarding who must submit this form. If the Housing Implementation Entity does not have a history of participating HUD Multifamily Housing programs, then a HUD-2530 is not required.

14. If the Housing Implementation Entity (HIE) needs to provide the Previous Participation Certification (HUD-2530) and is not also the Lead or Co-Applicant, where in the application should it be included?

Since the requirement to provide the form is part of the Capacity of the Housing Implementation Entity rating factor, it should be included with Attachment 28.

15. We are considering using several scattered site properties as part of the submission. For the Physical Needs Assessment (PNA), do we only have to inspect 10% of the units?

The inspection should be representative of the target housing project. In the case of scattered site properties, that might require a higher number of units inspected.

16. Is there a preferred template for the Physical Needs Assessment (PNA)?

There is not a required template for the PNA excerpt. However, the excerpt should provide sufficient level of detail for HUD to understand the scope of costs included in it. Further, it should not simply be a summary that simply states the total costs and/or compares it to the TDC limit for a 2-bedroom walk up apartment (as will be used by HUD to calculate the ratio for the Current Rehabilitation Needs rating factor).

17. For our target public housing project, we have a RAD CHAP that includes some of the units and have section 18 demolition approval from the SAC for the rest of the units. For the Current Rehabilitation Costs and Structural Deficiencies rating factors, do we still need a PNA and inspection report, respectively, for the units not included in the demolition approval?

Yes, the NOFA only provides an exception to providing the PNA excerpt and inspection report for units that have received demolition approval under section 18.

18. If our target housing has already been demolished, are we still expected to explain the design flaws of the target housing under the Design Deficiencies rating factor?

If applicants wish to be considered for points under the Design Deficiencies rating factor, they must respond to the criteria as written in the NOFA. In cases of demolished sites, applications should provide narrative related to design deficiencies at the time of demolition.

19. In the Mixed-Income Development rating factor, are replacement units that will come in the form of Project-Based Vouchers developed by another entity included in this calculation?

Yes, all replacement units are included in the calculation for the mixed-income development rating factor.

20. In the definitions section, the NOFA states that the Neighborhood Implementation Entity (NIE) must be a local government, local redevelopment authority, or public/private partnership. It goes on further to state that the NIE may partner with a local organization that works primarily in the target neighborhood. If the local government intends to partner with a local non-profit that works in the target neighborhood, what documentation does HUD require to demonstrate this partnership? Then under capacity rating factor for the NIE should the examples of past experience be of work that the NIE has done or of the work that the local non-profit that the NIE is partnering with to carry out the neighborhood plan?

The Capacity rating factors are based solely on the entity designated as the NIE and the wording allows for that experience to be more of a coordinating/convening role than that of implementing (as in the Housing IE and People IE capacity rating factors). Thus, the application does not require a signed contract or MOU to indicate the partnerships the NIE has with other organizations. Their support/contribution would be reflected in the Neighborhood Strategy rating factors, leverage commitment letters, etc.

21. If a partner is committing resources across two or more buckets (e.g. housing and neighborhood investment) in a single letter, do we need to include that letter as many times as needed under the appropriate leverage attachment?

No, letters only need to be submitted once in the application. HUD asks that the letter writer be clear in the letter what the commitment is for and that applicants label clearly the cover sheets for each type of leverage. That being said, applicants may include the letter in each section if they choose.

22. Under the NOFA Priorities section, on page 82 of the corrected NOFA, paragraph 2.b discusses a proposed site's WalkScore and refers to the following URL: https://www.wallocore.com/. We assume the correct domain name is walkscore.com, but wanted to verify.

Yes, that's a typo in the NOFA. The correct URL is: https://www.walkscore.com/.