

## **FY 2023 Choice Neighborhoods Implementation Grants NOFO Questions and Answers**

*Note: In accordance with the HUD Reform Act, HUD cannot answer 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 NOFO language.*

- 1. Can we apply for a Choice Neighborhoods grant if our application meets the other eligibility criteria, but does not have “severely distressed public or HUD-assisted housing”? My organization would like to apply for grant funding to redevelop distressed and blighted properties in my neighborhood.**

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 20 of the NOFO. The terms “assisted housing,” “public housing,” and “severely distressed housing” are defined in the Program Definitions section starting on page 12.

- 2. We see that the “local government of jurisdiction” must be either the Lead Applicant or Co-Applicant. Can you clarify whether the county can satisfy that requirement or whether it must be the city government within that county?**

The smallest unit of local government with the authority to meet the threshold requirement should apply. In most cases, that is the city government rather than a county government. HUD recognizes that in some states, cities and counties are separate entities with no overlapping jurisdiction. In such cases, the county may be the appropriate “local government of jurisdiction.”

- 3. To receive the preferences provided to prior Choice Neighborhoods Planning Grantees, do we have to use the same target neighborhood boundary and same target housing sites in our Implementation Grant application?**

The target neighborhood for a FY23 Implementation Grant application will be considered the same neighborhood previously funded through a CN Planning Grant if the neighborhood boundary changes were included in the final Transformation Plan that has been accepted by HUD as reflected in our internal records. With regard to the target housing site, if there were multiple sites in the Planning Grant, at least one needs to be target housing in the Implementation Grant application. If you are now proposing to change the neighborhood boundary and/or add a new target housing project, the preferences given to prior planning grantees would not be provided, as there is no assurance that the residents of the proposed new target housing have been engaged. However, you may still apply for an Implementation Grant with the different boundary and/or additional target housing project by meeting the NOFO requirements.

- 4. For Exhibit D – Need, the NOFO states (page 71) that “An application that has the same target housing as a previously funded Choice Neighborhoods Planning Grant automatically earns full points for these two rating factors focused on unit distress.” For such applications, do we need to provide any narrative in Exhibit D or documentation for Attachments 26 and 27?**

No.

- 5. Does an applicant for an Implementation Grant that had the same target housing for a CN Planning Grant need to submit a new Certification of Severe Physical Distress (form HUD-53232)?**

As stated on page 20-21 of the NOFO, if the form HUD-53232 “was signed more than 12 months prior to the NOFO publication date, the property’s owner must submit a certification that it has not undertaken rehabilitation activities that would make the certification invalid.”

- 6. Our target housing site is a large public housing project and our Housing Plan proposes more than 1,500 total mixed-income units. Given the large number of units and timing of funding rounds for other financing sources, our project schedule includes housing phases that will contain replacement units starting after the CN grant term. These replacement units will not have any CN funding in them. (a) Can you please confirm that this is acceptable? (b) If so, is there a minimum number or percentage of replacement units that must be completed during the CN grant term? (c) Would our People Plan need to include original residents of the target housing as well as all of the new replacement units? (d) In filling out the Grant Sizing Worksheet, do we put all of the replacement units or just the replacement units to be built with CN funds during the grant term?**

(a) Yes, it is acceptable for the Housing Plan timeline to extend beyond the CN grant term. As stated in the Separability section on page 24 of the NOFO, “An application must present a plan that addresses the entire target housing site for redevelopment....The program still allows for a project timeline that extends beyond the term of the Implementation Grant.”

(b) The NOFO does not specify a minimum number or percentage of replacement units that must be completed during the grant term. HUD will evaluate the quality of the plan through the rating factors.

(c) Yes, as stated on page 39 the NOFO, grantees are required to provide supportive services to all original residents and new residents of the replacement housing.

(d) You should put all the replacement units on the Grant Sizing Worksheet.

- 7. We noticed the language in the rating factor for Capacity of Housing Implementation Entity now requires an example of a “recent” comparable housing development project (rather than a “recently completed” project in last year’s NOFO). Can you provide guidance on what qualifies as “recent”?**

The NOFO does not set a specific timeframe to qualify as “recent.” The main consideration is that the project provided as an example is comparable in scope and complexity, substantially complete, and has achieved measurable outcomes.

- 8. Are electronic signatures, including DocuSign, acceptable forms of signature for all required forms, certifications, leverage letters, etc. to be submitted with the grant application?**

Yes, electronic signatures are acceptable. Just make sure that when the files are uploaded to grants.gov, the signatures are still visible/present. In the past there have been issues with applicants modifying the files in a way that removes the digital signature from the pdf file.

- 9. If a PHA acquires a property for replacement housing prior to being awarded a CN Implementation Grant, would it be able to use CN funds to reimburse itself for that acquisition if awarded the CN Implementation Grant?**

No. As stated in the NOFO, “Choice Neighborhoods funds cannot be used to pay for any activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods grant.”

- 10. In Grants.gov, there are not enough slots for us to upload all the exhibits and attachments listed in the Choice Neighborhoods NOFO. How am I supposed to submit the application?**

As discussed on page 55 of the NOFO, Grants.gov is a system used by the entire Federal government and its structure does not necessarily reflect the Choice Neighborhoods NOFO. 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 NOFO and plug them into the slots provided by Grants.gov. Please be reminded that, as instructed in the NOFO, each narrative exhibit and attachment must be its own file. Do not simply create a single file that includes multiple exhibits or attachments.

**11. Can the number of replacement units provided exceed the number of existing assisted units at the target housing? If so, should we include those additional units in the Grant Sizing Worksheet?**

An application may provide more replacement housing units than the current totals as long as you have the ability to develop and/or operate such units. For example, if the additional replacement units will be public housing, the PHA's Faircloth limit still applies. If the target housing is currently through a Project-based section 8 HAP contract, the Choice Neighborhoods program does not have the authority to increase the number of units included in that contract. If the additional replacement units will be Project Based Vouchers, the PHA would need to provide those additional vouchers from their current inventory as Tenant Protection Vouchers (TPVs) awarded in conjunction with the CN Implementation Grant are based on the number of units demolished. Regarding the Grant Sizing Worksheet, all replacement units to be constructed or rehabilitated by the Housing Implementation Entity should be included.