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June 13, 2014

# PROGRAM GUIDANCE

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**PROGRAM:** Indian Community Development Block Grant (ICDBG)

**FOR:** All Tribal Government Leaders and Tribally Designated Housing Entities

**FROM:**   
For Rodger J. Boyd, Deputy Assistant Secretary for Native American Programs, PN

**TOPIC:** Posting of Fiscal Year 2014 Notice of Funding Availability for the Indian Community Development Block Grant Program

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**Purpose:** The purpose of this guidance is to provide potential applicants with a summary of the Department's Fiscal Year (FY) 2014 Notice of Funding Availability (NOFA) for the Community Development Block Grant Program for Indian Tribes and Alaska Native Villages, also known as the Indian Community Development Block Grant (ICDBG) program, posted late on June 12, 2014. The General Section of the NOFA was posted on February 19, 2014, and describes HUD's FY 2014 policy and submission requirements. Both documents and the technical correction to the General Section can be downloaded from [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail)

**Program Description:** The purpose of the ICDBG program is the development of viable American Indian and Alaska Native communities, including the creation of decent housing, suitable living environments, and economic opportunities primarily for persons with low and moderate incomes.

**Eligibility Information:** All federally recognized Indian tribes and Alaska Native Villages are eligible to participate in the ICDBG program. Tribal organizations, as described in 24 CFR 1003.5, are also eligible applicants. To apply for funding, an applicant must meet the eligibility criterion by the application submission date. Eligible categories of funding include housing rehabilitation, land acquisition to support new housing, homeownership assistance, public facilities and improvements, economic development, and microenterprise programs. For a complete description of eligible activities, please refer to 24 CFR 1003, subpart C.

**FY 2014 Funding Availability:** The total approximate amount of funding available for the ICDBG program for FY 2014 is \$70,000,000, less up to \$3,960,000 retained to fund Imminent Threat grants. There is also \$179,222 in carryover from FY 2013. In addition, approximately \$10,000,000 is set aside for mold remediation and prevention.

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In FY 2014 for the first time, applicants can apply for two categories of ICDBG funds in the same application. Category One funds may be used to fund any ICDBG-eligible activity. Category Two funds can only be used for mold remediation and prevention in tribally owned or operated housing. Applicants will be permitted to apply for both categories of funding within the same application.

**Application Due Date:** The application deadline is 11:59:59 p.m. eastern time July 29, 2014, and as in past years must be submitted through Grants.gov unless a waiver of the electronic submission requirement has been requested and granted.

**Changes in the FY 2014 NOFA:** There are several changes in the FY 2014 ICDBG NOFA. This Program Guidance provides only a summary; interested applicants should read the entire NOFA carefully to be aware of each and every change.

### ***Section I – Funding Opportunity Description***

#### ***A Program Description and Requirements***

The NOFA includes a definition of “*Mold Remediation and Prevention*” for Category Two funds:

- a. Mold is visible growth of fungi on surfaces of units/residential buildings or their exterior;
- b. Mold remediation includes long-term solutions to a mold problem within units/residential buildings or on their exterior, including for example, eliminating mold that has grown on such surfaces and addressing the source of the moisture entering or being dispersed within the units/residential buildings; and
- c. Mold prevention includes action taken when mold within or on the exterior of units/residential buildings is present in minute amounts, to significantly reduce the likelihood of mold occurring or significantly growing, including for example, adjustments to building components, occupant sources, or operations that reduce the production of moisture that is dispersed within the units/residential buildings, that reduce the likelihood and amount of condensation, or that reduce the trapping of moisture within building cavities of the units/residential buildings.

The NOFA also includes a definition of “*tribally owned or operated housing*” for Category Two funds. “Tribally owned or operated housing” means housing that is currently owned or operated by an Indian tribe or by a tribally designated housing entity (TDHE), or was previously assisted with HUD funding.

### ***Section II – Award Information***

#### ***Available Funds***

In FY 2014, HUD is using data from the U.S. Census’ American Community Survey (ACS) to allocate funds to the Area Offices of Native American Programs (AONAPs). All but a few of the state-recognized tribes that are grandfathered into the ICDBG program have also been excluded from the formula. For a detailed explanation of this change, please refer to the HUD Policy and Development (PD&R) webpage: <http://www.huduser.org/portal/icdbg/home.html>.

Accordingly, the AONAP allocations in FY 2014 are:

Eastern Woodlands:	\$4,441,622
Southern Plains:	\$13,343,479
Northern Plains:	\$8,580,551
Southwest:	\$19,867,953
Northwest:	\$3,029,710
<u>Alaska:</u>	<u>\$6,955,906</u>
Total:	\$56,219,222

#### *Grant Ceilings*

Grant ceilings for Category One funds have not changed. The grant ceiling for Category Two projects for mold remediation and prevention is \$400,000 for all AONAPs.

### ***Section III – Eligibility Information***

#### *Eligible Applicants*

The NOFA now clarifies that applicants that already submitted evidence of their designation as a tribal organization need not submit such evidence again. It also now references the latest list of tribes eligible to receive assistance, which was published by the Bureau of Indian Affairs on January 29, 2014.

#### *Housing Rehabilitation Project Threshold*

The NOFA states that housing units rehabilitated or constructed with ICDBG must meet the housing codes defined in Section I.D.15 of the NOFA. It also clarifies that applications must contain information that demonstrates that each unit that receives ICDBG assistance must be occupied by a low- and moderate-income (LMI) family at the time the assistance is provided.

#### *Economic Development Project Threshold*

The NOFA now states the financial analysis that must be provided with this type of project must be prepared by an independent entity not affiliated with the applicant.

### ***Section IV – Application and Submission Information***

#### *Waiver of Electronic Application Requirement*

Requests for waivers of the electronic application submission process must be submitted no later than 7 days prior to the application deadline. In FY 2013, waivers had to be submitted 15 days prior to the deadline.

#### *Application Checklist*

In the introduction to the application checklist, the NOFA informs applicants that they must submit two narratives if they are submitting applications for both Category One and Category Two funds. The checklist spells out what how many copies of which forms are required if two applications are submitted. The NOFA reaffirms that in accordance with the ICDBG regulation, the tribe must ensure that comments from the entire community were gathered and considered prior to the submission of the application. The checklist also reminds applicants for Category Two funds that they must submit evidence of mold in the housing units that they wish to remediate, and that a person qualified to make the assessment did so.

## ***Section V – Application Review Information***

### *Rating Factors*

The NOFA revises the scoring for Category One projects and includes a new breakdown of points for Category Two projects. This is spelled out in a table before the description of the rating factors themselves. Some of the changes to the scoring are summarized below.

- To receive full points in the Project Implementation Plan subfactor, the NOFA now requires applicants to demonstrate that contracts can and will be awarded within 180 days from the date the funds are available to the applicant.
- More points are provided for successful past performance. The points will be increased from 15 to 19 points for current applicants.
- The rate of expenditures on current grants will also be factored into the points provided in the past performance subfactor. Applicants with large balances in their LOCCS accounts on open ICDBG grants will receive fewer points than applicants with smaller remaining balances in such accounts.
- Monitoring and controlled audit findings in the IHBG program will be included in the review of past performance of ICDBG applicants.
- Points are provided to applicants who have not, for a variety of reasons, received an ICDBG grant within the last 3 years. Applicants who have not received a grant within the last three funding cycles will receive three points; within the last two cycles will receive two points; and within the last year will receive one point.
- Rating Factor 2 (Need and Viability) is broken down in subfactor #1 into the two categories of funding. Category One grants will continue to be rated as they have been in this subfactor. Applicants submitting requests for Category Two funds will be required to show evidence of mold in their units. The NOFA spells out how this can be demonstrated and how it will be measured.
- Applicants that propose to construct public facility projects that will serve a limited clientele in programs with known income eligibility criteria do not have to submit demographic information to receive full 12 points in this rating factor.

For public facilities and economic development projects, ICDBG applicants may use data provided from the standard CDBG program or from special tabulations of the ACS that designate LMI qualifying census tracts with households that are AIAN alone or AIAN in-combination with other races. See explanation at <http://www.huduser.org/portal/icdbg/home.html>.

- The NOFA now indicates that the 2014 IHBG formula information will be used to calculate the Needs Table for this rating factor subfactor. The number of points for this factor has been reduced from 36 to 33.

- The NOFA revises the first subfactor in Factor 3. It asks for applicants for Category Two projects to show how they will be remediating the mold and educating and training those doing the remediating as well as educating residents on preventing mold.
- The number of points for the HUD policy priorities are reduced from three to two (based on language in the FY 2014 General Section). The two priorities applicable to this program are: (1) promoting economic development and resilient communities; and (2) increasing energy efficiency and the health and safety of home. One point is provided for each.
- The NOFA provides for an additional two points for Category Two applicants who leverage up to 30% of the total project cost.
- The points for subfactor #1 of the Rating Factor on Comprehensiveness and Coordination in rating factor #5 have been reduced from three to two. Language has been revised slightly and the intent of this subfactor clarified.
- The NOFA now states that outputs and outcomes must be quantifiable and informs applicants that they will be required to report on these if they are funded. Grantees will be required to report on outputs and outcomes related to mold.

The NOFA spells out how applications for Category Two funds will be rated and ranked (by a team of reviewers at HUD headquarters).

The NOFA now says that for screening purposes HUD will use the most recent data compiled by the U.S. Census Bureau if the data the applicant submitted does not meet the primary purpose of the ICDBG program in 1003.208.

#### ***VI – Award Administration Information***

The NOFA requires grantees who receive a Category Two grant to participate in webinars/and or live meetings about mold remediation and prevention prior to implementing the work.

The NOFA requires grantees who receive Category Two funds to fully cooperate with any research and evaluation sponsored by HUD on their mold remediation efforts.

The NOFA informs applicants of the new Guidance for Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

#### ***Award Notices***

HUD expects to announce awards by the end of FY 2014.

**Technical Assistance:** Contact staff at your Area ONAP for general guidance and technical assistance regarding the NOFA. ONAP staff is not permitted to help you prepare your application. Contact the Grants.gov Support Center for assistance with electronic submission requirements.

**Training on ICDBG NOFA Requirements:** Training on the requirements of the FY 2014 ICDBG NOFA will be provided shortly after the NOFA is posted.

- HUD will offer a broadcast training for the ICDBG NOFA at <http://portal.hud.gov/hudportal/HUD?src=/press/multimedia/videos>. The webcast will also be archived at this website.
- The Area ONAP in your jurisdiction will also conduct training specific to the ICDBG NOFA and electronic submission requirements. Contact your Area ONAP for training dates.

**Applicants should not rely solely on information in this Guidance because it does not include all applicable NOFA requirements on the subjects addressed.** Contact your Area ONAP Grants Management Specialist if you have any questions.