Office of Native American Programs
Office of Public & Indian Housing

No. 2009-

PROGRAM GUIDANCE

PROGRAM: Native American Housing Block Grant (NAHBG) Recovery Act Program

FOR: Tribes and Tribally Designated Housing Entities

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

TOPIC: Notice of Funding Availability (NOFA) for the NAHBG Recovery Act Program

Purpose: The purpose of this guidance is to notify tribes and tribally designated housing entities (TDHE) of the NAHBG funding opportunity available pursuant to the American Recovery and Reinvestment Act of 2009 (Recovery Act). For purposes of this program, the terms NAHBG and Indian Housing Block Grant (IHBG) are used interchangeably.

The purposes of the Recovery Act are to: (1) preserve and create jobs and promote economic recovery; (2) assist those most impacted by the recession; (3) provide investments needed to increase economic efficiency by spurring technological advances in science and health; (4) invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and (5) stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

Eligible Applicants: Eligible applicants are Indian tribes or TDHEs eligible to receive funding under the Native American Housing Assistance and Self-Determination Act (NAHASDA).

Eligible Uses: Funds can be used for NAHASDA-eligible activities. These include: new construction, acquisition, rehabilitation of affordable housing, including energy efficiency and conservation, infrastructure development, site improvements, development and rehabilitation of utilities and infrastructure, utility services, mold remediation, and investments that leverage private sector funding or financing for renovations. Other activities could include conversion, demolition, and other financing. Priority will be given to projects that will spur construction and rehabilitation and will create employment opportunities for low-income and unemployed persons.

The Recovery Act specifically prohibits funding of any casino, or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

Funding Availability: The total amount of funding available for this NAHBG Recovery Act program is $242,250,000.

Grant Ceilings: The grant ceiling for each award is based on the amount of funds each tribe/TDHE received under the Recovery Act formula component. The formula allocation may be reviewed at http://www.hud.gov/recovery. The ceilings are listed below:

Recovery Act Formula	Grant Ceiling
Over $5 million	$5 million
More than $2 million but less than $5 million	$4 million
More than $750,000 but less than $2 million	$3 million
Less than $750,000	$2 million

Waivers: The Recovery Act gave HUD the authority to waive or specify alternative requirements for some of the IHBG statutory and regulatory provisions to facilitate the use of Recovery Act funds. The waivers that impact this program are Local Cooperation Agreements and Total Development Costs (TDC). The local cooperation agreement waiver is authorized if a good faith effort has been made to obtain the agreement. The second waiver permits a 20 percent increase in the current TDCs if the tribes maintains documentation that indicates that housing will be for low-income families and the housing is moderate and comparable to housing in the area.

Applicants are required to indicate in their applications, which of these two waivers they will use. Applicants seeking a waiver of any regulatory requirement not listed in the NOFA must submit a request to their Area ONAP, for approval by the Assistant Secretary.

Major NOFA Provisions:

- An applicant must include a DUNS number on the SF-424 and register with the Central Contractor Registry (CCR).

- Applications must be submitted on paper through either the United States Postal Service or via courier. Applications submitted via fax or delivered by hand will not be accepted.

- There are four rating factors for each application worth a total of 100 points. They are *Capacity of the Applicant, Soundness of Approach, Project Readiness, and Recovery Act Priorities*. An application must score at least 70 points out of 100 to be funded.

    - Rating Factor 1, *Capacity of the Applicant,* is worth 35 points. An applicant must score at least 20 points of the 35 in order for the application to receive further consideration.

    - Rating Factor 2, *Soundness of Approach*, examines the description of the project, its budget, and leveraging resources as well as how the tribe will sustain the project.

- Rating Factor 3, *Project Readiness*, requires an applicant to demonstrate that it has the ability to obligate and expend the IHBG competitive funds quickly. Points will be awarded based on actions already taken, as well as, timeframes for developing plans and specifications for new construction, contracting for rehabilitation, coordinating work on infrastructure, and conducting necessary environmental reviews. Applicants must receive at least 10 points of the 15 points in this factor to be funded.

- Rating Factor 4, *Project Readiness,* measures the applicant's ability to address the priorities for the Recovery Act's competitive IHBG program. Points will be awarded for projects that will spur construction and rehabilitation and that will create employment opportunities for low-income and unemployed persons. Applicants will also receive points for proposals that include energy efficiency and conservation measures.

- The Recovery Act mandates strict timeframes on the use of NAHBG funds. Tribes/TDHEs must: obligate 100 percent of the funds within one year of the date funds are available to them; expend at least 50 percent of such funds within two years of the date funds were available to them; and expend 100 percent of such funds within three years of this date. If a tribe/TDHE fails to comply with the two-year expenditure requirement, HUD will recapture the funds and reallocate them through the IHBG funding formula to tribes/TDHEs who are in compliance with these requirements. If a tribe/TDHE fails to comply with the 3-year requirement, HUD will recapture the balance of the funds originally awarded to the recipient and no further reallocation will be made.

Specific Recovery Act Requirements: The Recovery Act imposes several additional requirements on recipients. They are summarized below:

- *Buy American.* ICDBG grantees must follow the "Buy American" requirements of section 1605 of the Recovery Act and use only iron, steel and manufactured goods produced in the United States in their projects. Additional guidance may be found in the Office of Management and Budget's Interim Final Guidance published in the Federal Register on April 23, 2009 (74 Fed. Reg.18449). Further guidance on this issue will be forthcoming.

- *Wage Rate Requirements.* Under Section 1606 of the Recovery Act, contractors and subcontractors hired with Recovery Act funds are required to pay prevailing wages to laborers and mechanics in compliance with the Davis-Bacon Act. Grantees selected for funding under this program will receive additional guidance on compliance with these provisions.

- *Reporting Requirements.* In addition to the reports required by the IHBG program, grantees who receive Recovery Act funds will be required to report on the progress of awarded grants in a Recovery Act format. HUD will provide the format and additional guidance to grantees after grant award. Information on Recovery Act IHBG grants will be posted to http://www.hud.gov/recovery.

- *Environmental Reporting Requirements.* Each federal agency must report on the status of NEPA compliance for all projects under the Recovery Act. Reporting information will be provided to each recipient as soon as it is available.

Failure to submit Recovery Act reports on time will result in inability to draw down funds from LOCCs.

Application Submission Deadline: Applications will be accepted at any time after publication of this NOFA but will not be accepted after 5:00 p.m. Mountain Time on July 13, 2009. Applications will be date and time stamped and reviewed and rated for minimum requirements until all funds are obligated.

Tribes/TDHEs may submit more than one application. However, before the second application from any tribe/TDHE is reviewed and considered, all eligible applications from other tribes/TDHEs will be reviewed. If a tribe/TDHE submits more than one application at the same time, it must indicate which application should be considered first.

If two or more fundable applications are received on the same date and at the same time, the applications will be considered for funding based on the highest points received.

Funding Obligation: ONAP will announce awards as applications are approved. All funds must be obligated by September 30, 2009. HUD will post a notice on its website once all funds for this program have been obligated.

Technical Assistance: Contact staff at your Area ONAP for general guidance and technical assistance regarding the NOFA. ONAP staff is not, however, permitted to help you prepare your application.

Copies of this NOFA and application forms may be downloaded from the HUD website at http://www.hud.gov/recovery under the NAHBG program.

Applicants should not rely solely on information in this Guidance since it does not include all applicable NOFA requirements on the subjects addressed.

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