U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-5000



OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:

Administrators, Offices of Native American Programs; Tribes; Tribally Designated Housing Entities (TDHEs)

Notice PIH 2025-09

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This Notice remains in effect until amended, rescinded, or superseded.

Cross References:

Program Guidance: No. 2018-04 Notices: FR-6301-N-02, FR-6431-N-01 Regulations: 2 CFR 200, 24 CFR Part 1003

Statute: 42 U.S.C. 5301 et seq.

Subject: Application Instructions for the Indian Community Development Block Grant (ICDBG) Imminent Threat (IT) Program

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1 Basic Information.

1.1 Executive Summary and Program Description.

This Notice provides Tribes with program requirements and instructions on how to apply for Indian Community Development Block Grant (ICDBG) Imminent Threat (IT) funding. This Notice also increases ceilings for ICDBG-IT grants. This Notice supersedes Program Guidance 2018-04, Imminent Threat Grants. The statutory authority for this program is Title 1 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.) and program regulations are 24 CFR Part 1003.

ICDBG-IT grants must alleviate or remove imminent threats to public health or safety. Imminent threats are issues that if unresolved or not addressed will have an immediate negative impact on public health or safety. Imminent threats must be independently verified, must be of a non-recurring nature, must represent a unique and unusual circumstance, and must impact an entire service area. See 24 CFR §1003.400.

Eligible applicants are Tribes and Tribal organizations as described in the ICDBG regulations at 24 CFR §1003.5.

ICDBG-IT grants are provided on a first-come, first-served basis until all funds have been awarded. The U.S. Department of Housing and Urban Development (HUD) reserves the right to modify application requirements at any time. HUD reserves the right to adjust how funding is awarded to ensure the needs of Tribes are met, including possibly setting aside a portion of funding to assist Tribes with the greatest need.

HUD will use your application submissions as a baseline to measure the performance of your grant, if you are ultimately awarded, in meeting the requirement to alleviate or remove imminent threats to public health and safety. Reporting requirements are detailed in <u>Section 9.2</u>.

The Funding Assistance Number for this award is 14.862.

Contact your <u>Area Office of Native American Programs</u> or <u>ONAP-ICDBG@hud.gov</u> for more information about this program.

1.2 Key Dates.

Applications are accepted and reviewed on a rolling basis. HUD estimates it will take three months to review your application and make an award determination.

1.3 Funding Details.

Pursuant to annual appropriations and program regulations at 24 CFR Part 1003, Subpart E, HUD reserves a portion of ICDBG funds for ICDBG-IT grants. The amount available for award under this Notice is subject to annual Appropriations. Five million dollars has been made available for this program in previous years, which should fund approximately five awards if the program continues to be funded at that level.

This Notice increases the grant ceilings based on feedback from Tribal consultations and to adjust for inflation and the cost of construction. The updated ICDBG-IT grant ceilings are \$750,000 for disasters that are not Presidentially Declared Disasters (PDDs) and \$1,500,000 for PDDs. PDDs are referred to as Major Disaster Declarations by the Federal Emergency Management Agency (FEMA).

2 Eligibility.

2.1 Eligible Activities.

Activities funded under this Notice must alleviate or remove imminent threats to health or safety. Imminent threats are issues that if unresolved or not addressed will have an immediate negative impact on public health or safety. Imminent threats must be independently verified, must be of a non-recurring nature, must represent a unique and unusual circumstance, and must impact an entire service area. See 24 CFR §1003.400.

ICDBG-IT grant funds may only be used for the eligible activities listed at 24 CFR \$1003, Subpart C. Activities that are ineligible for funding under a competitive Single Purpose ICDBG grant are also ineligible for funding under ICDBG-IT (see 24 CFR \$1003.207).

Waivers and flexibilities are available for certain activities in areas affected by a PDD (see Section 4 of this Notice).

ICDBG-IT grants are not subject to the primary program objective to principally serve persons of low- and moderate-income (see 24 CFR §1003.208 and 24 CFR §1003.200).

Some examples of eligible imminent threat activities are as follows.

Acquisition of real property:

Purchasing land or buildings if necessary to alleviate or remove an imminent threat to health or safety, for example as part of an improvement (rehabilitation or construction) or clearance (demolition) activity.

Public facilities and improvements:

Construction or improvement of public facilities buildings or infrastructure. For example, rehabilitation or replacement of public facilities or infrastructure that was damaged by a natural disaster.

Clearance activities:

Demolition or removal of hazardous structures, debris, or materials that pose an immediate risk to health and safety.

Public services:

Provision of public services (including labor, supplies, materials, and the purchase of personal property and furnishings) directed toward improving the community's public services and facilities to address the immediate needs of affected individuals or communities in response to an imminent threat. Note that proposed public services need to be a new service or a quantifiable increase in the level of an existing service. The amount of ICDBG funds used for public services are limited to 15% of the grant.

Interim assistance:

To alleviate emergency conditions threatening public health and safety, ICDBG funds may be used for repair of streets, sidewalks, publicly owned utilities, and public buildings; clearance of streets, including snow removal and similar activities; and improvement of private properties.

Relocation assistance:

Providing financial assistance and services to individuals or businesses who must be permanently or temporarily relocated as a result of an imminent threat.

Housing services:

Providing housing counseling, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance and other services in connection with addressing an imminent threat.

Privately owned utilities:

Funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities in connection with an imminent threat.

Homeownership assistance:

Providing financing, downpayment assistance, or closing costs to homeowners who need assistance as a result of an imminent threat.

Housing rehabilitation:

Repairing housing that has been damaged or is at risk due to an imminent threat. This includes privately or publicly owned residential buildings and manufactured housing.

New housing construction:

New housing construction to address an imminent threat is eligible. New housing construction can only be undertaken by a Community-Based Development Organization (CBDO), as

described in 24 CFR §1003.204, unless an applicable waiver has been granted. Section 122 of the Housing and Community Development Act of 1974 authorizes HUD to suspend certain statutory requirements to assist grantees in addressing damage in Presidentially Declared Disaster areas. See Section 4.

2.2 Eligible Applicants.

Eligible applicants are Tribes and Tribal organizations as described in the ICDBG regulations at 24 CFR §1003.5. Tribal organizations must submit a copy of their eligibility determination with the application unless they have already submitted such documentation to HUD previously. There is no limit on the number of applications an eligible applicant can make under this announcement.

2.3 Cost Sharing.

Cost sharing or matching is not required.

3 Program Costs.

3.1 Allowable Costs.

Costs must fund eligible activities as described in the ICDBG regulations to be allowable costs.

3.2 Indirect Costs.

Note that indirect costs count towards the administration and planning cap. If your application includes funds for indirect costs, you must include the following documentation, in accordance with 2 CFR 200 Subpart E:

- 1. If you are using a federally negotiated indirect cost rate (IDC), then your application must clearly state the approved rate and distribution base in the Budget Detail and amount budgeted in the Cost Summary. You must also include a letter stating the approved IDC rate and distribution base or other documentation from the cognizant agency showing the approved rate; or
- 2. If you do not have a negotiated IDC but intend to use an IDC rate at or lower than the de minimis 15 percent of Modified Total Direct Costs (MTDC) in accordance with 2 CFR 200.414(f), you must clearly identify this rate in your budget, budget detail, and cost summary; or
- 3. If you are awaiting approval of the rate and base by the cognizant agency, then you must clearly state that a rate and base by the cognizant agency is requested and that no indirect costs will be charged to the grant unless and until the rate and base is approved and a letter provided to HUD from the cognizant agency showing approval.

3.3 Unallowable Costs.

Costs for ineligible activities as described above and in 24 CFR Part 1003 are unallowable costs.

4 Waivers and Flexibilities Available to ICDBG Grantees Affected by PDDs.

Waivers and flexibilities are available to provide relief and emergency assistance for Tribal communities covered by PDDs. For calendar years 2024 and 2025, see Notice FR-6431-N-01. For calendar years 2022 and 2023, see Notice FR-6301-N-02. For other calendar years, check with your Area Office of Native American Programs (ONAP).

Each Notice informs the public about waivers and flexibilities for HUD's Indian Housing Block Grant (IHBG), ICDBG, and Native Hawaiian Housing Block Grant programs in areas affected by PDDs. These flexibilities help grantees overcome challenges in disaster response and recovery. These provisions do not apply to COVID-relief programs, which have separate guidelines.

For ICDBG programs, the available waivers and flexibilities include:

Purchasing Equipment: HUD waived 24 CFR 1003.207(b)(1)(i), authorizing the use of ICDBG grant funds for the purchase of equipment necessary to carry out ICDBG-eligible activities that assist with clearance, rehabilitation, construction, and other uses related to housing, public facilities, improvements, and works, and other disaster recovery related purposes.

Emergency Payments for Up to Six Months: HUD waived 24 CFR 1003.207(b)(4) to allow ICDBG grant funds to be used to provide emergency payments for low- and moderate-income individuals or families impacted by a PDD for up to six months, instead of three months.

For ICDBG-IT, your inclusion of waived items in the application constitutes your notification to HUD.

A grantee located in an area affected by a PDD may request a waiver or flexibility of a HUD requirement not listed in the above Notices and receive an expedited review of the request if the grantee demonstrates that the waiver or flexibility is needed. Upon determination of good cause, HUD may waive program regulations that are not required by statute. HUD cannot approve your waiver request if the requirement is statutory. Waiver requests should be submitted via email to your Area ONAP.

5 Letter to Proceed.

If the threat requires immediate action and you plan to use ICDBG-IT grant funds for related expenses, you may request a "Letter to Proceed" from HUD, which allows you to incur certain pre-award costs (see 24 CFR §1003.401(a)). However, issuing a Letter to Proceed does not

obligate HUD to reimburse any pre-award costs. Reimbursement will only be provided if HUD approves the application. Pre-award costs are eligible for reimbursement only if the activities do not alter environmental conditions and are for temporary or permanent improvements limited to protection, repair, or restoration actions necessary only to control or arrest the effects of imminent threats or physical deterioration. The costs must meet the ICDBG-IT program criteria and be within the cost principles of <u>2 CFR 200 Subpart E</u>. Letter to Proceed requests should be submitted via email to your Area ONAP.

6 Imminent Threat Application Contents and Submission.

Submit the ICDBG-IT application to <u>ONAP-ICDBG@hud.gov</u> with a copy to your Area ONAP. **Note that ICDBG-IT grant applications cannot be submitted through grants.gov**.

Your ICDBG-IT application submission must include the following items listed below. The forms can be found on the ICDBG page on Codetalk or on HUDCLIPS.

- 1. Standard Form-424 (Application for Federal Assistance).
- 2. Tribal Organizations only: A copy of your eligibility determination, unless it is already on file with HUD.
- 3. HUD-2880 (Application/Disclosure/Update Report).
- 4. Detailed budget information. Include a breakdown of costs by line item for the proposed project. Costs must be eligible, allowable, allocable, reasonable and necessary to implement the project.
- 5. HUD-4123 (Cost Summary).
- 6. HUD-4125 (Implementation Schedule).
- 7. HUD-424B (Assurances and Certifications).
- 8. Project Description Summary must include the following:
 - a. A written description of the proposed eligible project or activity (see <u>Section 2.1</u>, above).
 - b. A written statement describing the roles/responsibilities (including partnerships) and the knowledge/experience of the primary individuals and organizations involved in the implementation of the project.
 - c. A written statement describing how your proposed project will be completed within the timeframe you propose. Note that ICDBG-IT grant funds can be used for near-term, medium-term, and long-term recovery from imminent threats.
 - d. A written statement that describes how your proposed project will help alleviate the imminent threat conditions.
 - e. A written description of any available waivers and flexibilities you intend to use. See Section 4, above.
- 9. Evidence demonstrating that the threat is not recurring in nature. Please note that issues caused by a lack of maintenance are considered recurring and will not be eligible for ICDBG-IT grant funding.
- 10. Evidence that the imminent threat has an impact on an entire service area. Specify the number of homes/families affected and/or impacted.
- 11. Letter or other document from a qualified party, not affiliated with the applicant's organization, verifying that the threat is urgent, currently exists or will soon arise, and

- requires immediate action to protect lives and reduce health and safety risks. Such parties could be HUD, the Indian Health Service, Bureau of Indian Affairs, FEMA, State, county, local officials, or privately employed engineers. Alternatively, HUD may independently verify the urgency and immediacy of the threat itself by relying on testimonials, statements, news reports, information shared by other Federal, State, or local agencies, news reports, and more. In such cases, the applicant should provide HUD with documentation that can help HUD verify the urgency and immediacy of the threat.
- 12. You must demonstrate to HUD's satisfaction that funds to address the threat cannot be made available from other Tribal or Federal sources including IHBG and program income. For example, your application can include a written statement that the applicant, Federal, or Tribal agencies have no funds available or that current funds have been obligated or otherwise committed for other purposes. Please note that you may not forgo the use of insurance proceeds in favor of using ICDBG-IT funds. You can, however, use ICDBG-IT funding toward deductibles or other costs that your insurance company declines to cover.

You must be registered in the System for Award Management (<u>SAM.gov</u>) and you must continue to maintain an active registration in <u>SAM.gov</u> with current information at all times during which you have an active Federal award or an application or plan under consideration by a Federal agency.

To register, go to <u>SAM.gov Entity Registration</u> and click Get Started. From the same page, you can also click on the Entity Registration Checklist for the information you will need to register. It can take several weeks to register in <u>SAM.gov</u>. <u>SAM.gov</u> also provides each organization with a unique entity identifier (UEI). You must have a valid UEI to apply for funding.

7 Application Review Information.

7.1 Application Review Process.

HUD will review ICDBG-IT grant applications in the order they are received (by date and time). If your application is missing any required items listed in <u>Section 6</u>: Imminent Threat Application Contents and Submission, or if any of the submitted materials are incomplete, your application will be considered incomplete and lose its position relative to other applications. If your application is incomplete, HUD will notify you promptly and provide guidance on how to address the deficiencies. Once the deficiencies are corrected, you may resubmit your application to <u>ONAP-ICDBG@hud.gov</u>, with a copy to your Area ONAP Office, where it will be considered submitted based on the new date and time of submission.

Once your complete application is submitted, HUD will review the application and contact you to discuss the application and address any outstanding pre-award conditions. HUD's merit review of your application will consist of an evaluation of your submissions. All the requirements of this Notice must be met to HUD's satisfaction prior to award. You must resolve pre-award deficiencies within the timeframe that HUD identifies in the pre-award notice. If you do not respond within that timeframe, your application will not be funded and will lose its position with respect to other submitted applications.

If your application is submitted or reviewed after the current fiscal year funds have been exhausted, it will retain its position in the queue until funds become available in the next fiscal year. When additional funds become available, HUD will contact you to confirm that you still require the funds and that the project is necessary to address the threat. You must respond within the timeframe specified by HUD. If you fail to respond within that period, your application will not be funded and will lose its position in relation to other submitted applications.

HUD may provide less funding than the full amount requested in your application. HUD may also choose to fund only certain activities, projects, or programs proposed in your application.

7.2 Risk Review.

In evaluating risks posed by applicants, HUD may use a risk-based approach in accordance with 2 CFR §200.206, including:

- 1. Financial stability;
- 2. Quality of management systems and ability to meet the management standards prescribed in 2 CFR Part 200;
- 3. History of performance with managing previous and current Federal awards, including compliance with reporting requirements and conformance to the terms and conditions of Federal awards;
- 4. Reports and findings from audits performed under Subpart F—Audit Requirements of 2 CFR part 200 or the reports and findings of any other available audits;
- 5. Ability to effectively implement statutory, regulatory, or other requirements imposed on recipients of Federal awards.

HUD will also review your records in OMB-designated repositories of government-wide data as noted in 2 CFR 200.206(a).

8 Award Notices.

After HUD reviews your application package, you will receive a funding decision via email. If funded, HUD will issue a grant agreement to the person designated in item 8f of form SF-424, with a copy to the person listed as the authorized representative in item 21 of form SF-424, to be signed. The grant agreement is the official document that obligates funds. HUD will disburse funds through the HUD electronic Line of Credit Control System (eLOCCS) once your signed grant agreement is returned.

Any pre-award costs incurred, with or without a Letter to Proceed, are at the applicant's own risk.

9 Post-Award Requirements and Administration.

9.1 Regulatory and Administrative Requirements.

ICDBG-IT grant recipients must comply with the applicable regulatory requirements of the ICDBG program at 24 CFR Part 1003.

Note that the General Administrative, National, and Departmental Policy Requirements and Terms for HUD's Financial Assistance Programs and the General Statutory and Regulatory Requirements Affecting Eligibility for HUD's Financial Assistance Programs for fiscal year 2025 are posted on the HUD Policies and Regulations website. To receive an award, you must adhere to the applicable requirements at the time of application. You must also adhere to the applicable requirements for the life of any award to remain eligible for the award.

Applicants should ensure that no choice limiting actions will occur prior to completion of the environmental review process, and approval of the Request for Release of Funds where applicable. A choice limiting action may include but is not limited to real property acquisition, demolition, disposition, rehabilitation, repair, new construction, site preparation or clearance, ground disturbance, and leasing. Please refer to the environmental review requirements at 24 CFR Part 58.

9.2 Reporting.

You will be required to report progress on an Annual Status and Evaluation Report (ASER) and report spending on an SF-425, the Federal Financial Report. Annual reporting is submitted electronically to HUD in accordance with instructions from your Area ONAP. Note that HUD may consider your progress on completion of ICDBG-IT project(s) when rating future competitive proposals (e.g., ICDBG Single Purpose Grants).

You must comply with these reporting requirements to remain eligible for HUD funding. See Section 9.3.

HUD is implementing new grants management and reporting tools, which will be rolled out for your use in the near term. As a grantee, you will be required to report on grant performance and financial activities (including vendor and cash disbursement supporting details for yourself and your sub-recipients) using these new tools when they are released. HUD will work with you to support your transition to this new reporting environment. Once implemented, timely reporting in this new environment will be mandatory. HUD reserves the right to exercise all available rights and remedies for any noncompliance with these grants management and financial reporting requirements, to include requiring 100% review or stopping future disbursements altogether if reporting is not timely submitted.

9.3 Remedies for Noncompliance.

HUD may terminate all or a part of your award as described under <u>2 CFR 200.340 through 200.343</u>, including to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities. HUD may also impose specific conditions on your award or take other remedies as described by <u>2 CFR 200.339 through 200.343</u>, if you do not comply with your award terms and conditions.

10 Amending Single Purpose ICDBG Grants to Fund ICDBG-IT Purposes.

With HUD approval, you may amend an existing Single Purpose ICDBG award to fund imminent threats towards health and safety (see 24 CFR §1003.305(d)). If you are interested in amending your current Single Purpose ICDBG awards to include ICDBG-IT activities, contact your Area ONAP. The process for submitting an amendment to a current ICDBG is explained in 24 CFR §1003.305.

11 Paperwork Reduction Act

The information collection requirements contained in this Notice is approved by the Office of Management and Budget (OMB) under the <u>Paperwork Reduction Act (PRA) of 1995</u> (44 U.S.C. 3501 et seq.). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The active information collections contained in this Notice are approved under the PRA OMB Control Numbers 2501-0044 and 2577-0191.

12 Contact Information.

Contact your <u>Area ONAP</u> or email <u>ONAP-ICDBG@hud.gov</u> if you have any questions about the ICDBG-IT grant application process.

Benjamin Hobbs

Principal Deputy Assistant Secretary

Public and Indian Housing