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SECTION 1: BACKGROUND AND PURPOSE

Congress made available “grants for the Economic Development Initiative for the purposes of Community Project Funding/Congressionally Directed Spending” in the Consolidated Appropriations Act, 2022, (P.L. 117-103) (the Act). These Community Project Funding (CPF) awards are administered by the Department of Housing and Urban Development (HUD).

The purpose of the “FY2022 Community Project Funding Grant Guide” (CPF Grant Guide) is to provide instructions for completing the requested information and filling out the required administrative forms to initiate your grant agreement. The CPF Grant Guide also provides information on the requirements that will govern these funds, as provided by the Act, and the cross-cutting requirements that generally apply to all HUD awards as provided by HUD regulations and other applicable Federal regulations and statutes. Because CPF awards are authorized and funded through specific Congressional directives as provided by the Act, CPF awards are distinct from Community Development Block Grant funding and are not subject to Title I of the Housing and Community Development Act of 1974, the Community Development Block Grant regulations at 24 CFR part 570 or any other program-specific statutes or regulations, unless specifically noted in this guide.
SECTION 2: INSTRUCTIONS

2.0 Grant Obligation Process

As a reminder, Congress listed recipients of CPF in the Joint Explanatory Statement (JES) of the Act. Only those entities listed within the (JES) are eligible to receive the CPF grant funds.

To receive this grant award, you must submit the required information for project activities specified by Congress in the Act. As mentioned, in your Letter of Invitation (LOI), we are requesting that you provide the organization’s Authorized Representative, a project description, a line-item budget and certain Federal forms necessary to obligate the awards. The project description should capture the maximum anticipated scope of the project, not just a single activity that the CPF grant is going toward. It should include all contemplated actions that are part of the project. The line-item budget should identify the use of the CPF grant funds in context of the full project budget. Links to the required forms are below in Section 2.4.

Upon receipt of your information, we will review the materials for completeness and verify information for consistency with the Congressionally directed purpose for your award, as stated in the JES, and prepare your Grant Agreement for signature. If there are questions about any of the information provided, HUD will notify you regarding needed clarifications prior to issuing the Grant Agreement. HUD will also notify you if the review and evaluation HUD is required to conduct under 2 CFR 200.206 leads to a determination that specific conditions should be added to your award as provided by 2 CFR 200.208.

Once the Grant Agreement has been prepared and sent to you for signature, you will receive instructions for how to establish accounts in our grant administration and accounting systems - Disaster Recovery and Grant Reporting (DRGR) and Line of Credit Control System (LOCCS).

Once we receive your signed Grant Agreement, we will work with you to confirm that all required information has been submitted. At this point, HUD will sign the Grant Agreement, which is the point of obligation of the grant award.

2.1 What are the necessary steps to access to CPF grant funds?

Upon verification of the required information requested herein: a completed project narrative, line-item project budget, and required forms, you will receive a Grant Agreement and a request to provide financial information for direct deposit. All projects must have a completed environmental review (and, where applicable, an approved Request for Release of Funds/Certification, as explained in Section 3.3.1 below) prior to committing Federal or non-Federal funds for choice-limiting actions or undertaking such actions on the project. Further details on the environmental review process are provided in Section 3.3.1. Once the information above is in place, your Grant Officer for your State, listed in Section 5 of this Guide, will work with you to complete your payment requests to access CPF grant funds.

2.2 What can I do now to get started?

In addition to submitting the information requested in the LOI and detailed below, there are a few essential things you can start now:
- **Get your Unique Entity Identifier (UEI)**
  - All entities doing business with the federal government use a Unique Entity Identifier (UEI) (SAM) created in [SAM.gov](https://www.sam.gov). This replaced the DUNS number, which was phased out in April of 2022. More information on this requirement is below in the Federal Requirements section in Section 3.2.

- **Initiate your Environmental Review**
  - More information in Section 3.3.1 below.

### 2.3 How will I be able to access CPF grant funds once the project narrative, budget and Environmental Review have been approved?

Grantees may access CPF funds and submit periodic reports through the DRGR system. DRGR is a web-based system used to automate the management of program requirements and voucher payments issued by HUD.

An overview of guidance and directions for reporting and accessing CPF funds will be included in the Grant Award Instructions that will come with the grant agreement. Additional information and tutorials on DRGR are available on HUDExchange here: [https://www.hudexchange.info/programs/drgr/](https://www.hudexchange.info/programs/drgr/).

### 2.4 Instructions for Submitting Required Materials

Instructions for submitting your FY2022 CPF grant materials are below. If you have questions concerning the electronic submission of the grant materials, please contact the Department’s Office of Economic Development – Congressional Grants Division at [CPFGrants@hud.gov](mailto:CPFGrants@hud.gov) or the Grant Officer representing your State listed in Section 5 of this guide.

<table>
<thead>
<tr>
<th>What to Submit</th>
<th>To initiate your grant agreement, you must submit the following materials to HUD in association with your FY2022 CPF award:</th>
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<tbody>
<tr>
<td></td>
<td>1. Project Narrative</td>
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<td></td>
<td>2. Project Budget</td>
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<tr>
<td></td>
<td>6. Request for Release of Funds <a href="https://www.hudexchange.info/resource/308/hud-form-sflll/">Form 7015.15</a> and Certification, if applicable, for environmental reviews completed under 24 CFR Part 58.*</td>
</tr>
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**PLEASE NOTE:** There are no forms or templates for the Project Narrative or the Project Budget. However, we have provided a guide below to help you consider the essential information needed to verify the
You may prepare these materials using software compatible with Microsoft Word or Excel, or as a PDF document.

Even though we need electronic submission of the forms, the Project Narrative, and the Project Budget, it may be easier to complete and sign the forms if you print them first. If you choose to complete and sign a hard copy of the forms, you must then scan them and submit them electronically.

**PLEASE NOTE:** HUD encourages starting the environmental review process as soon as possible.

* The Request for Release of Funds/Certification [Form 7015.15](#) may be submitted at a later date since it must await completion of the environmental review. This form must be submitted electronically via the HUD Environmental Review Online System.

| **How to Submit Required Information** | You must submit the materials identified above to the CPFGrants@hud.gov mailbox with a “cc” to the Grant Officer dedicated to your state as listed on Section 5. Your email subject line must include, in this order:
Grant Number: Grantee Name: Submission of Required LOI Materials
For example:
B-22-CP-XX-####: Town of Anywhere: Submission of Required LOI Materials |
| **When to Submit** | You are encouraged to submit the required materials as soon as possible. HUD strongly recommends that you submit your completed documents within 60 days following receipt of the LOI and Grant Guide. **These requested materials should be submitted to HUD no later than December 31, 2022.** |
| **Grantee Responsibilities** | As the grantee, you are responsible for managing the project and ensuring the proper use of the CPF funds. You are also responsible for ensuring the completion of the project, its proper closeout and compliance with all applicable federal requirements. Subject to the requirements that apply to pass-through entities under 2 CFR Part 200, including 2 CFR 200.332, you may subaward all or a portion of your funds to one or more subrecipients, as identified in your Project Narrative (which will be incorporated in your Grant Agreement) or as may be approved by HUD in accordance with 2 CFR 200.308. As the grantee you are responsible for ensuring each subrecipient’s compliance with federal requirements. |
| **Support** | Grant Officers are assigned by State and are listed in Section 5 of this Guide. Your Grant Officer can assist you in the completion of the |
required documents and in responding to questions you may have regarding the materials that you are required to submit.

Additionally, requests for Technical Assistance regarding the environmental review process should be sent to the HUD Regional Environmental Officer for your jurisdiction provided in this Guide.

CPD Field Office staff can be found here: https://www.hud.gov/program_offices/comm_planning/staff#MA

For additional information about the CPF grant, please see the Frequently Asked Questions on the Congressional Grants Division website at: https://www.hud.gov/program_offices/comm_planning/edi-grants. We will be updating this document periodically based on questions from grantees.

2.5 Detailed Instructions

You must include a brief, but sufficient, project narrative that is consistent with the Congressional authorization for the use of the grant. You must also include a line-item project budget that is consistent with that Congressional authorization and the limitations and prohibitions on expenses as required by the Act and described above. Please remember, your project narrative and line-item budget should address the ENTIRE project. Your line-item budget must also include a sub budget that addressed the CPF portion of the budget only. The FY2022 CPF portion of the line-item budget must add up to the total CPF grant amount.

A project narrative, line-item budget, and indirect cost rate information as described below are necessary to make sure your grant agreement contains the minimum information regarding the indirect cost rate required by 2 CFR Part 200.211. As defined by 2 CFR 200.1, “budget” means the financial plan for the Federal award that the Federal awarding agency or pass-through entity approves during the Federal award process or in subsequent amendments to the Federal award.

2.5.1 Project Narrative (for the entire project)

- **Content:** Your narrative should contain a detailed description of the intended use of CPF funds, which must be consistent with the Congressionally directed purpose of your award, as stated in the JES, and must contain the intended location(s) of the activities. The project narrative should include sufficient scope and information about the ENTIRE effected project (not limited to the EDI CPF portion) to inform the environmental review process. Project activities must be grouped together and evaluated as a single project for all individual activities which are related either on a geographical or functional basis, or both, or are logical parts of a composite of contemplated actions.

Grantees will submit semi-annual reports on activity types and annual reports on Section 3 Economic Opportunity accomplishments. In anticipation of the required periodic reporting, the narrative should provide anticipated project goals, outputs, or outcomes, especially as they are related to Section 3 Economic Opportunity Activity Performance Measures.
Proposed Subrecipient: If you intend to coordinate the execution of project activities through a grant subrecipient, that organization name, EIN or TIN, overview of the role, responsibilities, and functions to be carried out by the subrecipients must be included in the project narrative. The Grant Agreement will be signed and dated by the entity named in the statutory language; the subrecipient will be listed as such on the Grant Agreement. The grantee will be responsible for all coordination with HUD on all accessing grant CPF funds, amendments requests, reporting, correspondence, grant closeout and all other grant requirements. The grantee is responsible for ensuring that the subrecipient complies with all grant requirements. Further, grantees are required to ensure that subrecipients are not barred from serving in this capacity on a federal award.

- **Format:** You may create your project narrative using software such as Microsoft Word or as a PDF, and include the document in the same email along with the SF-424 and SF-LLL.

### 2.5.2 Line-Item Budget (for the entire project)

- **Content:** The line-item budget should include costs for the entire project showing both the budget for the CPF portion of the project and the non-CPF portions of the project.
- All pertinent budgetary information should be listed and explained, such as: the overall amount for predevelopment costs; construction, renovation, and rehabilitation costs; acquisition, demolition, and site preparation; architectural and engineering fees; initial set asides for revolving loan funds; and administrative costs.
- A breakdown of administrative versus activity delivery costs.
- No more than 20 percent of your CPF grant may be used for planning and management development costs, as provided under 24 CFR §570.205, or administrative costs, as provided under 24 CFR §570.206. This cost limitation does not apply to the use of program income.
- **Format:** You may create your project budget using software such as Microsoft Excel or provide a line item using a Microsoft Word document.

**PLEASE NOTE:** The CPF portion of the line-item budget must add up to the full grant amount. While the line-item budget does not have to be explicit in the use of funds under a line item (that level of specificity should be explained in the Project Narrative) it MUST equal the entire CPF award amount.

Any changes to the project scope as originally proposed to your member(s) of Congress must be consistent with the Congressionally directed purpose for your award, as stated in the JES. HUD does not have the authority to approve changes that depart from the Congressionally directed purpose for your award, as stated in the JES. For example, if a grantee wants to change a project to create a community center to a housing complex, the grantee will have to discuss this with their member(s) of Congress that authorized the grant award.

If, however, your project or budget changes after your initial submission to HUD but is still within the intent of the grant awarded by Congress, you must submit a letter to your Grant Officer requesting HUD to consider an amendment to revise the project description, budget and/or timelines, along with a justification for the proposed changes. This new scope of work should include a detailed explanation of how the change keeps with the intent of Congress, why the change is needed and the details of the revised narrative or line-item budget.
After the grant agreement has been executed, the grantee must comply with the requirements in 2 CFR 200.308 for reporting deviations from budget or project scope or objective and requesting prior approval from HUD for budget and project changes.

Amendments to projects previously approved by HUD may also require a revision of the environmental review for the amended project.

2.5.3 SF-424: Application for Federal Assistance

The SF-424 is the common application form for federal funding. The form provides the Department basic information about the applicant, the project and the project funding source. A link to the form can be found here: https://www.hudexchange.info/resource/306/hud-form-sf424/.

The form also includes the following certifications and assurances:

a. The governing body of the applicant’s organization has duly authorized the application for Federal assistance. In addition, by signing and electronically submitting the application, the Authorized Organization Representative (AOR) certifies that the applicant:

   (1) has the legal authority to apply for Federal assistance and the institutional, managerial, and financial capacity (including funds to pay for any non-Federal share of program costs) to plan, manage, and complete the program as described in the application;

   (2) will provide HUD any additional information it may require; and

   (3) will administer the award in compliance with requirements identified and contained in the Application and in accordance with requirements applicable to the program.

b. No appropriated Federal funds have been paid or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress, in connection with this application for Federal assistance or any award of funds resulting from the submission of this application for Federal assistance or its extension, renewal, amendment, or modification. If funds other than Federal appropriated funds have been or will be paid for influencing or attempting to influence the persons listed above, the applicant agrees to complete and submit Standard Form SF-LLL, Disclosure of Lobbying Activities, as part of its application submission package. The applicant further agrees to and certifies that it will require all subawards at all tiers including subgrants and contracts to similarly certify and disclose accordingly.

c. Federally recognized Indian tribes and Tribally Designated Housing Entities (TDHEs) established by a federally recognized Indian tribe, as a result of the exercise of the tribe’s sovereign power, are excluded from coverage by item b (also known as the Byrd Amendment). However, State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute’s coverage and therefore agree to, and must comply with, item b above.

By submitting this application, the organization affirms its awareness of these certifications and assurances. The Authorized Representative submitting the application is affirming that these certifications and assurances are material representations of the facts upon which HUD will rely when
making an award to the applicant. If it is later determined that the signatory to the application submission knowingly made a false certification or assurance or did not have the authority to make a legally binding commitment for the applicant, the applicant may be subject to criminal prosecution, and HUD may terminate the award to the applicant organization or pursue other available remedies including false claims citation and standard clause plus 2 CFR 200.339 on noncompliance and 2 CFR 200.340 on termination.

Follow the instructions below for each box of the SF 424:

1. Check the application box
2. Check the “New” box
3. Leave blank
4. Leave blank
5. a. Enter your Grant Number (B-22-CP-XX-####)
   b. Leave blank
6. Leave blank
7. Leave blank
8. a. Enter the legal name of your organization
   b. Enter the EIN/TIN for your organization
   c. Enter your organization’s Unique Entity Identifier
   d. Enter the complete address of your organization
   e. Enter the Department and/or Division responsible for the application
   f. Enter all contact information for the person responsible for the application
9. Enter the letter or letters describing your organization from the listing on the “Instructions for the SF-424”

10. Enter US Department of Housing and Urban Development
11. Enter 14.251 and under CFDA Title, “Economic Development Initiative, Community Project Funding, and Miscellaneous Grants”
12. Enter FY2022 and under Title, “CPF”
13. Leave blank
14. See “Instructions for the SF-424”
15. Enter a brief description of the project and attach a more detailed, but also brief project description and a project budget
16. See “Instructions for the SF-424”
17. Enter the proposed start and end dates for the project
18. On the “Federal line,” enter only the amount of the EDI CPF grant
19. Check box “C”
20. Check the appropriate box
21. After review of the Certifications and Assurances below, check “I AGREE,” enter all information for the Authorized Representative submitting the application and sign and date the form and include it with your emailed submission.

2.5.4 Standard Form SF LLL: Disclosure of Lobbying

No appropriated Federal funds may be paid by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress, in connection with this “application” for Federal assistance or any award of funds resulting from the submission of this “application” for Federal assistance or its extension, renewal, amendment, or modification.

If your organization has paid or will pay funds other than Federal appropriated funds to influence or attempt to influence the persons listed above, you must complete and submit Standard Form LLL, Disclosure of Lobbying Activities, as part of your “application” submission package. The applicant further agrees to and certifies that it will require all subawards at all tiers including subgrants and contracts to similarly certify and disclose accordingly.
Federally recognized Indian tribes and TDHEs established by federally recognized Indian tribes as a result of the exercise of the tribe’s sovereign power are excluded from coverage of the Byrd Amendment, and do not have to submit these forms. State-recognized Indian tribes and TDHEs established only under State law must comply with this requirement.

*If there are no lobbying activities in association with this award, you may omit the form from your “application” materials.
**SECTION 3: FEDERAL REQUIREMENTS**

The Grant Agreement transmitted by the Department following approval of your required materials will set forth all applicable regulatory requirements for your grant. Below are some of the more significant applicable regulatory requirements. The following regulations may also be accessed from the Congressional Grants Division Web site, as outlined on page one of this Grant Guide. It is important to note that to the extent that CPF funds are combined with other Federal grant funds or the CPF funds are used on properties that are subject to other Federal grant requirements, the grantee must comply with both CPF requirements and the other Federal grant requirements. Where statutory restrictions apply, HUD cannot provide waivers or exceptions without statutory authority to do so. Where there is a conflict between this CPF guide and other HUD guidance, HUD will resolve the conflict.

### 3.1 Requirements Under the Consolidated Appropriations Act, 2022 (P.L. 117-103)

| **Pre-award costs are unallowable** | Under the Act, CPF funds cannot be used to reimburse costs incurred before funds are obligated. Accordingly, no costs incurred before your grant agreement has been signed by HUD can be charged to your CPF grant. |
| **Limitations on Planning, Management Development and Administrative Expenses** | Under the Act, no more than 20 percent of the awarded grant may be used for a combination of planning and management development costs, as provided under 24 CFR §570.205, or program administrative costs, as provided under 24 CFR §570.206. This cost limitation does not apply to the use of program income. |
| **Eminent Domain** | No Federal funds provided under your award may be used to support any Federal, state, or local project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use. Public use includes use of funds for mass transit, railroad, airport, seaport, or highway projects, and utility projects which benefit or serve the general public (including energy-related, communication-related, water-related, and waste water-related infrastructure), other structures designated for use by the general public or with other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields, as defined in the Small Business Liability Relief and Brownfields Revitalization Act. |
(Pub. L. 107-118). Public use does not include economic development that primarily benefits private entities.

| **Restriction on Use of Funds for Computer Networks** | No Federal funds provided under your award may be used to maintain or establish a computer network that does not block the viewing, downloading, and exchanging of pornography. This requirement does not limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities. |
| **Obligation and Expenditure Deadlines** | HUD’s authority to obligate your FY2022 CPF grant expires on September 30, 2025. Your organization must have an executed Grant Agreement with HUD before that date. Additionally, all FY2022 CPF funds must be expended by September 30, 2030, or they will expire, be recaptured, and returned to the U.S. Treasury. These deadlines are statutory deadlines and cannot be extended or waived by HUD. |
| **Build America, Buy America** | Recipients of an award of Federal financial assistance from a program for infrastructure are required to comply with the requirements of the Build America, Buy America (BABA) Act. Pursuant to the General Applicability Waiver of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance (87 FR 26219), any funds obligated on or after November 14, 2022, must comply with section 70914 of the Act. Additional information about BABA can be found in the FY2022 Community Project Funding Grant Guides Additional Guidance. For Tribal recipients, including Tribes and TDHEs, the General Applicability Waiver of Build America, Buy America Provisions as Applied to Tribal Recipients of HUD Federal Financial Assistance (87 FR 26221), any funds obligated on or after May 14, 2023, must comply with section 70914 of the Act. See Section 3.3.2 below for additional details in fulfilling the BABA requirements. |

### 3.2 Cross Cutting Federal Requirements

| **Summary** | The requirements of 2 CFR Part 200 apply to all CPF awards. Grantees are encouraged to review the provisions of these regulations including provisions related to:  
- Suspension and debarment at 2 CFR 200.214  
- Prohibition on certain telecommunications and video surveillance services or equipment at 2 CFR 200.216  
- Financial management, internal controls, and Federal payment requirements at 2 CFR 200.302, 200.303, and 200.305 |

<table>
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<th><strong>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)</strong></th>
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| The requirements of 2 CFR Part 200 apply to all CPF awards. Grantees are encouraged to review the provisions of these regulations including provisions related to:  
- Suspension and debarment at 2 CFR 200.214  
- Prohibition on certain telecommunications and video surveillance services or equipment at 2 CFR 200.216  
- Financial management, internal controls, and Federal payment requirements at 2 CFR 200.302, 200.303, and 200.305 |
- Program Income requirements at 2 CFR 200.307*
- Revision of budget and program plans at 2 CFR 200.308
- Disposition of property acquired with CPF funds at 2 CFR §200.311
- Procurement requirements at 2 CFR §200.317-327
- Record retention and access requirements at 2 CFR 200.334-200.338
- Reporting requirements at 2 CFR 200.328-200.330, including on the status of property acquired with CPF funds at 2 CFR §200.330
- Subrecipient monitoring and management at 2 CFR 200.331-200.333
- Remedies for Noncompliance at 2 CFR 200.339-200.343
- Closeout of federal grants at 2 CFR §200.344-346
- Cost Principles at 2 CFR Part 200, subpart E
- Audit requirements at 2 CFR Part 200, subpart F

*For purposes of all CPF awards, program income must be used for the purposes and under the conditions of the grantee’s specific CPF award in accordance with the addition requirements at 2 CFR 200.307(e)(2). In accordance with 2 CFR 200.307(b), costs incidental to the generation of program income may be deducted from gross income to determine program income for purposes of your CPF grant, provided these costs have not been charged to the Federal award. Further technical assistance will be provided to grantees with projects that may generate program income.

Environmental Review Requirements (24 CFR Part 50 or Part 58)

All projects funded by HUD are subject to requirements under the National Environmental Policy Act (NEPA) and HUD’s NEPA-implementing regulations at 24 CFR Part 50 or 24 CFR Part 58. Environmental reviews must be completed, and a Request for Release of Funds and Certification must be approved by HUD CPD Field Office Director through issuance of the 7015.16 Authority to Use Grant Funds, as applicable, prior to taking any action to avoid violations under 24 CFR 58.22 which prohibits limitations on activities pending clearance, and Section 110(k) of the National Historic Preservation Act which prohibits anticipatory demolition or significant harm of historic properties prior to completion of the historic preservation review process known as Section 106 review.

The environmental review must be completed by a “Responsible Entity” (RE) as defined at 24 CFR 58.2(a)(7). An applicant that is a State, unit of general local government, Indian Tribe, or Alaska Native Village is the RE for the project. For other applicants, the RE is the unit of general local government within which the project is located that exercises land use responsibility, or the Indian Tribe or Alaskan Native Village jurisdiction within which the project is located that exercises land use responsibility. REs can conduct an environmental review on behalf of other entities in their jurisdiction even if they are not the grantee. In the event that an RE that is not the grantee declines to assume responsibility for the environmental review, you must advise HUD, and HUD will
complete the environmental review under 24 CFR Part 50 or designate another RE. HUD has the option under 58.2(a)(7)(ii)(C) and 58.11(d) to designate another responsible entity.

Locate your nearest HUD Regional Environmental Officer here: https://www.hudexchange.info/programs/environmental-review/hud-environmental-staff-contacts/#region-i-regional-and-field-environmental-officers. Further information on environmental requirements can be found here: https://www.hudexchange.info/programs/environmental-review/orientation-to-environmental-reviews/#overview.

After receipt of your Letter of Invitation, you may not take any further action on your project until the environmental review is complete. You may not commit or spend ANY project funds (HUD or non-HUD funds) or take any choice limiting actions until the project completes an environmental review. Examples of choice limiting actions include, but are not limited to, purchasing land, entering into contracts for property acquisition or construction, or physical work on the project. Failure to comply with the prohibition on choice limiting actions and Section 110(k) can result in forfeiture of grant funds. You are encouraged to commence the environmental review process for your project as soon as possible. Under Part 58 an environmental review is complete when the Responsible Entity (RE) certifies the review and a Request for Release of Funds and Certification is approved by HUD CPD Field Office Director through issuance of the 7015.16 Authority to Use Grant Funds., as applicable. Under Part 50 an environmental review is complete when certified by the HUD Authorizing Official.

See Section 3.3.1 below for additional detail on fulfilling environmental review requirements.

**Indirect Cost Rate**

Normal indirect cost rules under 2 CFR Part 200, subpart E apply. If you intend to charge indirect costs to your award, your application must clearly state the rate and distribution base you intend to use. If you have a Federally negotiated indirect cost rate, your application must also include a letter or other documentation from the cognizant agency showing the approved rate.

**Special instructions for state and local governments:** If your department or agency unit has a Federally negotiated indirect cost rate, your application must include that rate, the applicable distribution base, and a letter or other documentation from the cognizant agency showing the negotiated rate. If your department or agency unit receives more than $35 million in direct Federal funding per year, you may not claim indirect costs until you receive a negotiated rate from your cognizant agency for indirect costs as provided in Appendix VII to 2 CFR Part 200.
If your department or agency unit receives no more than $35 million in direct Federal funding per year and your department or agency unit has developed and maintains an indirect cost rate proposal and supporting documentation for audit in accordance with 2 CFR Part 200, Appendix VII, you may use the rate and distribution base specified in that indirect cost rate proposal.

Alternatively, if your department or agency unit receives no more than $35 million in direct Federal funding per year and does not have a current negotiated rate (including provisional rate), you may elect to use the de minimis rate of 10% of MTDC. As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once elected, the de minimis rate must be applied consistently for all Federal awards until you choose to negotiate for a rate, which you may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

**Special instructions for applicants other than state and local governments:** If you have a Federally negotiated indirect cost rate, your application must clearly state the approved rate and distribution base and must include a letter or other documentation from the cognizant agency showing the approved rate. If your organization does not have a current negotiated rate (including provisional rate) and elects to use the de minimis rate, your application must clearly state you intend to use the de minimis rate of 10% of Modified Total Direct Costs (MTDC). As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once elected, the de minimis rate must be applied consistently for all Federal awards until the organization chooses to negotiate a rate, which the organization may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

**Economic Opportunities for Low-and Very Low-income Persons: Section 3 Requirements (24 CFR Part 75) and Indian Preference**

The requirements of Section 3 of the Housing and Urban Development Act of 1968 found at 24 CFR Part 75 apply to all grant recipients that are awarded $200,000 or more for projects involving housing construction, rehabilitation, or other public construction. Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. 1701u (Economic Opportunities for Low- and Very Low-Income Persons in Connection with Assisted Projects), and the HUD regulations at 24 CFR Part 75, ensure, to the greatest extent feasible, that training, employment, contracting and other economic opportunities be directed to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low-and very low-income persons where a proposed project is located.
CPF grantees are encouraged to review the requirements of this regulation to determine ways to support the mission of increasing economic opportunity for low- and very-low income persons and small business owners in your community. Grantees will submit periodic reports of Section 3 accomplishment Performance Measures in DRGR. A link to DRGR guidance for reporting Section 3 accomplishments is provided below.

CPF grants made to Tribes and TDHEs are subject to Indian Preference requirements in Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)). As stated in 24 CFR §75.3(c), grants to Tribes and TDHEs are subject to Indian Preference requirements in lieu of Section 3.

www.hud.gov/localoffices
https://portalapps.hud.gov/Sec3BusReg/BRegistry/BRegistryHome
www.EEOC.gov
http://www.dol.gov/ofccp/

<p>| Uniform Relocation Assistance and Real Property Acquisitions Policies Act | With certain limited exceptions, HUD-funded programs or projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. §§ 4601 et seq.), and the government-wide regulations issued by the Federal Highway Administration at 49 CFR Part 24. The URA applies to acquisitions of real property and relocation occurring as a direct result of the acquisition, rehabilitation, or demolition of real property for Federal or Federally funded programs or projects. Real property acquisition that receives Federal financial assistance for a program or project, as defined in 49 CFR 24.2, must comply with the acquisition requirements contained in 49 CFR part 24, subpart B. Unless otherwise specified in law, the relocation requirements of the URA and its implementing regulations at 49 CFR part 24, cover any displaced person who moves from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD financial assistance. |
| Generally Applicable HUD requirements (24 CFR Part 5, subpart A and 24 CFR 1000.12) | CPF grantees and their subrecipients must comply with the generally applicable HUD and CPD requirements in 24 CFR Part 5, subpart A, including all applicable fair housing, and civil rights requirements. Grants to Tribes and TDHEs are subject to the nondiscrimination requirements in 24 CFR 1000.12 in lieu of the nondiscrimination requirements in 24 CFR 5.105(a). |</p>
<table>
<thead>
<tr>
<th>Faith Based Organizations</th>
<th>Faith based organizations should also review the Department’s regulations governing the award of funds to faith-based organizations, pursuant to 24 CFR §5.109.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAM registration and Unique Entity Identifier (UEI)</td>
<td>The System for Award Management (SAM) and Universal Identifier Requirements under 2 CFR Part 25 apply.</td>
</tr>
<tr>
<td></td>
<td>Unless subject to the exceptions in 2 CFR 25.110 and 25.200(c), each applicant for a CPF award must:</td>
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<tr>
<td></td>
<td>(a) Be registered in SAM.gov (<a href="https://sam.gov/content/home">https://sam.gov/content/home</a>) before submitting an application or plan;</td>
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<td></td>
<td>(b) Maintain an active SAM registration with current information, including information on a recipient’s immediate and highest-level owner and subsidiaries, as well as on all predecessors that have been awarded a Federal contract or grant within the last three years, if applicable, at all times during which the applicant has an active Federal award or an application or plan under consideration by a Federal awarding agency; and</td>
</tr>
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<td></td>
<td>(c) Provide its unique entity identifier in each application or plan submitted to HUD.</td>
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<td></td>
<td>As of April of 2022, all entities doing business with the federal government must use a Unique Entity Identifier (UEI) (SAM) created in SAM.gov. The federal government has stopped using the DUNS number to uniquely identify entities.</td>
</tr>
<tr>
<td></td>
<td>To Sign up or Reactivate SAM.gov Account: Grantees must have a SAM.gov account. If your organization is already registered in SAM.gov, your UEI has already been assigned and is viewable in SAM.gov. This includes inactive registrations. The UEI is currently located below the DUNS Number on your entity registration record. Remember, you must be signed in to your SAM.gov account to view entity records. To learn how to view your UEI, go here: <a href="https://www.fsd.gov/gsafsd_sp?id=gsafsd_kb_articles&amp;sys_id=a05adbaeb59f8982fe5ed7ae54bcbba">https://www.fsd.gov/gsafsd_sp?id=gsafsd_kb_articles&amp;sys_id=a05adbaeb59f8982fe5ed7ae54bcbba</a></td>
</tr>
<tr>
<td></td>
<td>Grantees should refer to the Guide to Getting a Unique Entity ID at SAM.gov to get UEI for your organization without having to complete a full entity registration. Grantees may contact their Grant Officer for technical assistance. Please refer to this link to begin registering in SAM.gov for the UEI number <a href="https://sam.gov/content/home">https://sam.gov/content/home</a>.</td>
</tr>
<tr>
<td>The Federal Financial Accountability and Transparency Act of 2006, (Public Law 109-282), as amended (FFATA)</td>
<td>Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) as amended (FFATA). FFATA requires information on federal awards be made available to the public via a single, searchable website, which is <a href="http://www.USASpending.gov">www.USASpending.gov</a>. Accordingly, your award will be subject to the requirements provided by</td>
</tr>
</tbody>
</table>
the Award Term in Appendix A to 2 CFR Part 170, “REPORTING SUBAWARD AND EXECUTIVE COMPENSATION INFORMATION,” unless the Federal funding for the award (including funding that may be added through amendments) is not expected to equal or exceed $30,000. Requirements under this Award Term include filing subaward information in the Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS.gov) by the end of the month following the month in which the recipient awards any sub-grant equal to or greater than $30,000.

**Each applicant must have the necessary processes and systems in place to comply with the Award Term in Appendix A of 24 CFR Part 170 if the applicant receives an award, unless an exception applies as provided in 2 CFR 170.110.**

| **Davis Bacon and Related Acts (DBRA)** | Compliance with Davis Bacon and Related Acts (DBRA) is not a condition or requirement for CPF grants but may be required if your project is also supported by other funds which do require adherence to the DBRA. |
| **Suspension and debarment** | The governmentwide debarment and suspension regulations in 2 CFR Part 180 apply as incorporated and supplemented by HUD’s implementing regulations in 2 CFR Part 2424. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. |
| **Prohibition Against Lobbying Activities** | Applicants are subject to the provisions of Section 319 of Public Law 101-121, 31 U.S.C. 1352, (the Byrd Amendment), and 24 CFR Part 87, which prohibit recipients of federal awards from using appropriated funds for lobbying the executive or legislative branches of the Federal government in connection with a Federal award. Applicants will be required to certify in their grant agreements that no Federal funds have been used to lobby. In addition, applicants must disclose, using Standard Form LLL (SF-LLL), “Disclosure of Lobbying Activities,” any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, members of Congress, or congressional staff regarding specific awards. Federally recognized Indian tribes and TDHEs established by Federally recognized Indian tribes as a result of the exercise of the tribe’s sovereign power are excluded from coverage of the Byrd Amendment, but state-recognized Indian tribes and TDHEs established only under state law shall comply with this requirement. Applicants must submit the SF-LLL if they have used or intend to use non-federal funds for lobbying activities. |
| **Drug-Free Workplace** | The following award term applies to all grantees of CPF awards: You as the recipient must comply with drug-free workplace requirements in Subpart B (or Subpart C, if the recipient is an individual) of 2 CFR Part |

<table>
<thead>
<tr>
<th>Trafficking in persons</th>
<th>The following award term and condition, which is required by 2 CFR Part 175, applies as written:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Provisions applicable to a recipient that is a private entity.</td>
<td>1. You as the recipient, your employees, subrecipients under this award, and subrecipients’ employees may not—</td>
</tr>
<tr>
<td></td>
<td>i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;</td>
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<td>ii. Procure a commercial sex act during the period of time that the award is in effect; or</td>
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<td></td>
<td>iii. Use forced labor in the performance of the award or subawards under the award.</td>
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<tr>
<td>2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity:</td>
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<tr>
<td></td>
<td>i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or</td>
</tr>
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<td></td>
<td>ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—</td>
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<td></td>
<td>A. Associated with performance under this award; or</td>
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<td></td>
<td>B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR 2424.</td>
</tr>
<tr>
<td>b. Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or</td>
</tr>
<tr>
<td></td>
<td>2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either:</td>
</tr>
<tr>
<td></td>
<td>i. Associated with performance under this award; or</td>
</tr>
<tr>
<td></td>
<td>ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR 2424.</td>
</tr>
<tr>
<td>c. Provisions applicable to any recipient.</td>
<td></td>
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</tbody>
</table>
1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.

2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
   i. Implement section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
   ii. Is in addition to all other remedies for noncompliance that are available to us under this award.

3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. Definitions. For purposes of this award term:
   1. “Employee” means either:
      i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
      ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

   2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

   3. “Private entity”:
      i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.
      ii. Includes:
         A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).
         B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

<table>
<thead>
<tr>
<th>Conflicts of Interest</th>
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</thead>
<tbody>
<tr>
<td>i. Conflicts Subject to Procurement Regulations. In the procurement of property or services by recipients and subrecipients, the conflict-of-interest rules in 2 CFR 200.317 and 2 CFR 200.318(e) shall apply. In all cases not governed by 2 CFR 200.317 and 2 CFR 200.318(e), recipients and subrecipients must follow the requirements contained in paragraphs ii-v below.</td>
</tr>
</tbody>
</table>
ii. General prohibition. No person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient or subrecipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have a financial interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

iii. Exceptions. HUD may grant an exception to the general prohibition in paragraph (ii) upon the recipient’s written request and satisfaction of the threshold requirements in paragraph (iv), if HUD determines the exception will further the Federal purpose of the award and the effective and efficient administration of the recipient’s program or project, taking into account the cumulative effects of the factors in paragraph (v).

iv. Threshold requirements for exceptions. HUD will consider an exception only after the recipient has provided the following documentation:

a. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

b. An opinion of the recipient's attorney that the interest for which the exception is sought would not violate state or local law.

v. Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the threshold requirements in paragraph (iii), HUD will consider the cumulative effect of the following factors, where applicable:

a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

b. Whether an opportunity was provided for open competitive bidding or negotiation;

c. Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
d. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
e. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (ii);
f. Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

g. Any other relevant considerations.

vi. Disclosure of potential conflicts of interest. Recipients must disclose in writing to your CPF Grant Officer any potential conflict of interest.

<table>
<thead>
<tr>
<th>Award Term and Condition for Recipient Integrity and Performance Matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the total Federal share of the Federal award may include more than $500,000 over the period of performance, the following award term and condition applies as written:</td>
</tr>
<tr>
<td>Reporting of Matters Related to Recipient Integrity and Performance</td>
</tr>
<tr>
<td>1. General Reporting Requirement</td>
</tr>
<tr>
<td>If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.</td>
</tr>
<tr>
<td>2. Proceedings About Which You Must Report</td>
</tr>
<tr>
<td>Submit the information required about each proceeding that:</td>
</tr>
<tr>
<td>a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;</td>
</tr>
<tr>
<td>b. Reached its final disposition during the most recent five-year period; and</td>
</tr>
<tr>
<td>c. Is one of the following:</td>
</tr>
<tr>
<td>(1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;</td>
</tr>
<tr>
<td>(2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary</td>
</tr>
</tbody>
</table>
fine, penalty, reimbursement, restitution, or damages of $5,000 or more;

(3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of $5,000 or more or reimbursement, restitution, or damages in excess of $100,000; or

(4) Any other criminal, civil, or administrative proceeding if:
   
   (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;
   
   (ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
   
   (iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

   Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

4. Reporting Frequency

   During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than $10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

   For purposes of this award term and condition:
   
   a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings).
| **Lead-Based Paint Requirements** | This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.  

b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.  
c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—  

   (1) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and  
   (2) The value of all expected funding increments under a Federal award and options, even if not yet exercised. |

If grant funds are used for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).
3.3 Detailed Requirements

3.3.1 Detailed Environmental Review Requirements

ENVIRONMENTAL REVIEW REMINDER

PLEASE NOTE: After receipt of your Letter of Invitation you may not take any actions nor commit any HUD or any non-HUD funds which would cause actions that are choice-limiting among reasonable alternatives or would produce an adverse environmental impact, before HUD has approved the environmental certification of compliance, and the Request for Release of Funds, if applicable. Choice-limiting actions include acquisition, leasing, rehabilitation, demolition, new construction and ground disturbance work such as clearing, grading or grubbing. You are therefore encouraged to begin the environmental review process as soon as possible.

3.3.1.a What is the Environmental Review?

An environmental review is the process of reviewing an CPF Special Project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the site itself will not have an adverse environmental or health effect on end users.

HUD’s environmental review requirements are described in HUD’s NEPA implementing regulations at 24 CFR Part 50 and Part 58. The process includes performing an environmental impact analysis that covers the provisions of the NEPA and related environmental laws and regulations.

The scope of the environmental review depends on the scope of your project. For complex projects, the review could include a full technical analysis, consultation with the State Historic Preservation Officer and Tribes, notice in a local newspaper, a 15-day public comment period, and an additional 15-day objection period after submission of the Request for Release of Funds and Certification before HUD can release the funds. For certain other projects, the environmental review could be a simple review prepared by the Responsible Entity (RE) indicating that the project is exempt or excluded from any further review. The HUD Regional Environmental Officer (REO) linked in the following section can advise you and the RE about these requirements. Please contact the HUD REO for your area as soon as possible to initiate the review process.

3.3.1.b Who Conducts the Environmental Review?

Under the Multifamily Housing Property Disposition Reform Act of 1994, units of general local government or states are authorized to carry out federal environmental review responsibilities under the NEPA and related authorities pursuant to 24 CFR Part 58 for Community Project Funding grants as Responsible Entities (REs). The RE is legally responsible for environmental review, decision-making, and action with respect to the project and for compliance with the requirements of 24 CFR Part 58.
Only an RE as defined at 24 CFR 58.2(a)(7) may take responsibility for conducting the environmental review that is required for each FY2022 CPF. If you are a State, unit of general local government, Indian tribe, or Alaska Native Village, you are the RE. If you are a housing authority, redevelopment agency, academic institution, hospital or other non-profit organization, the RE is the unit of general local government, Indian Tribe, or Alaskan Native Village within which your project is located and which exercises land use responsibility. Part 58 allows HUD to designate another RE rather than performing the review itself under Part 50. In the event that an RE declines to assume responsibility for the environmental review, you must advise HUD, and HUD will complete the environmental review under 24 CFR Part 50 or designate another RE. Locate your nearest HUD Regional Environmental Officer (REO) by region: https://www.hudexchange.info/programs/environmental-review/hud-environmental-staff-contacts/#region-i-regional-and-field-environmental-officers.

In summary, as a FY 2022 CPF grantee, you must ensure that an RE or HUD completes an environmental review for your project. You must submit necessary documentation requested by the RE or HUD for the environmental review. You must retain documentation that a Part 58 or Part 50 review was completed.

3.3.1.c What are my responsibilities when HUD conducts the review under Part 50?

Under 24 CFR 50.32, the collection of data and studies as part of the information contained in the environmental review may be done by an applicant or the applicant's contractor. The HUD program staff may use any information supplied by the applicant or contractor. HUD independently evaluates the information, is responsible for its accuracy, supplements the information, if necessary, to conform to the requirements of Part 50, and prepares the environmental finding. As a CPF grantee you are responsible for providing environmental documentation to HUD. You are encouraged to hire an environmental consultant to assist in the preparation of your environmental documentation. For projects that involve historic properties, retention of a historic preservation professional (see consultant lists on SHPO websites) can assist grantees in complying with Section 106 of the National Historic Preservation Act. These activities may be funded via grant funds applied to planning and administrative expenses (up to 20 percent). Please reach out to your Regional Environmental Officer (REO) to begin this process at your earliest convenience to avoid potential project schedule conflicts.

3.3.1.d How long does the environmental review process take?

The scope of the project (not just the portion that CPF funding is going towards), will determine the level of environmental review and the timeframes for completion.

If you plan to use your CPF funds for a project involving only planning activities, engineering, or technical assistance, the environmental review by an RE or HUD may be as simple as documenting that these activities are Exempt or Categorically Excluded Not Subject to 58.5/50.4 (CENST).

If, however, your CPF involves, for example, acquisition or disposition of real property, change in land use or physical change of land or buildings, the environmental review may be complex, and in some instances, lengthy. There are several environmental laws and authorities that include consultation or public notice requirements with defined timeframes. Please refer to the following graphic for general timeframes under Part 58 based on activity type:
### 3.3.1.e Where to conduct the Environmental Review?

All environmental reviews for CPF grants must be entered into the [HUD Environmental Review Online System (HEROS)](https://www.hudexchange.info/programs/environmental-review/heros/). Both REs and partners (e.g., non-RE recipients, consultants, PHAs, and nonprofits) may request access to HEROS and enter project information into the system. If you are a non-RE recipient, you should coordinate with your RE to ensure both organizations have HEROS access. If you do not already have HEROS access, you should request access as soon as possible via the online [HEROS Access Form](https://www.hudexchange.info/programs/environmental-review/heros/). HEROS access requests can take up to 3 weeks to process. You will be notified via email when your HEROS profile has been set up. Additional information on HEROS, training resources, FAQs, and a User Guide is available on the HUD Exchange: [https://www.hudexchange.info/programs/environmental-review/heros/](https://www.hudexchange.info/programs/environmental-review/heros/).

**PLEASE NOTE**: CPF grantees may wish to determine if the project will be reviewed under 24 CFR Part 58 (where a unit of general local government, Indian tribe, or Alaska Native Village is the recipient or otherwise agrees to act as Responsible Entity) or under 24 CFR Part 50 (for grants to a housing authority, redevelopment agency, academic institution, hospital or other non-profit organization where the unit of general local government, Indian tribe, or Alaska Native Village declines to act as Responsible Entity) before registering in HEROS.

### 3.3.1.f What are the responsibilities of a recipient when the CPF grant funds are for a project that has already begun construction using non-HUD funds?

If a construction contract was entered into before the issuance of the Letter of Invitation, the federal ‘nexus’ date, construction activities for work funded by non-federal funds may proceed to the extent practical and to the extent permitted in accordance with the previously executed contract. Any costs incurred under such contracts prior to completion of the environmental review cannot be reimbursed with federal funds. You may not enter into additional construction contracts or take other choice-limiting commitments or actions, including making a commitment of HUD or non-HUD funds to the...

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**Table: Environmental Review Types**

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Timeframes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENST/Exempt</td>
<td>Cat Ex Not Subject to Laws and Authorities</td>
<td>e.g., services, operational costs, maintenance</td>
</tr>
<tr>
<td>CEST</td>
<td>Cat Ex Subject to Laws and Authorities</td>
<td>e.g., refinances, minor rehab, single-family housing</td>
</tr>
<tr>
<td>EA</td>
<td>Environmental Assessment</td>
<td>e.g., multifamily construction, infrastructure repairs</td>
</tr>
<tr>
<td>EIS</td>
<td>Environmental Impact Statement</td>
<td>e.g., large-scale infrastructure, projects with 2,500+ housing units</td>
</tr>
</tbody>
</table>
project, until an environmental review by an RE under Part 58 is completed and a Request for Release of Funds and Certification (RROF/C) is approved by the HUD CPD Field Office Director via certification of the 7015.16 Authority to Use Grant Funds in HEROS, if applicable; or an environmental review by HUD under Part 50 is completed.

3.3.1.g When may a recipient commit its CPF project funds?

You may commit your funds only after you have received written notice from the HUD field office that it has approved the release of funds, unless the funds are for activities that the RE has documented as exempt or categorically excluded and not subject to related laws. You may not take any actions nor commit any HUD funds or any non-HUD funds which would cause actions that are choice-limiting among reasonable alternatives or would produce an adverse environmental impact before HUD has approved the environmental certification of compliance and the RROF/C, if applicable.

3.3.1.h When should you start the environmental review?

You should start the environmental review process right away, even while our Project Team is reviewing your required grant materials. As part of the environmental review process, you will be asked to provide information necessary for completing the environmental analysis in an expeditious and comprehensive manner. Information about both natural resources and the built environment, including manmade hazards will need to be collected. Depending on the level of environmental review, you may be asked to provide data and analysis related to:

- Airport Hazards
- Coastal Barrier Resources
- Flood Insurance
- Clean Air
- Coastal Zone Management
- Contamination and Toxic Substances
- Endangered Species
- Explosive and Flammable Hazards
- Farmlands Protection
- Floodplain Management
- Historic Preservation
- Noise Abatement and Control
- Sole Source Aquifers
- Wetlands Protection
- Wild and Scenic Rivers
- Environmental Justice


Self-guided training on HUD environmental review requirements and related laws and authorities can be completed using the HUD Web-Based Instructional System for Environmental Review (WISER), available on the HUD Exchange: [https://www.hudexchange.info/trainings/wiser/](https://www.hudexchange.info/trainings/wiser/).

HUD Regional/Field Environmental Officers:

Locate your nearest HUD Regional/Field Environmental Officer by Region: [https://www.hudexchange.info/programs/environmental-review/hud-environmental-staff-contacts/#region-i-regional-and-field-environmental-officers](https://www.hudexchange.info/programs/environmental-review/hud-environmental-staff-contacts/#region-i-regional-and-field-environmental-officers)

[http://www.huduser.org/portal/datasets/il.html](http://www.huduser.org/portal/datasets/il.html)
3.3.2 Build America, Buy America

Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that funds may be subject to Build America, Buy America (BABA) requirements. Pursuant to the General Applicability Waiver of Build America, Buy America Provisions (BAP) as Applied to Recipients of HUD Federal Financial Assistance, funds obligated on or after November 14, 2022, for grants to non-tribal entities, and May 14, 2023, for grants to Tribes and TDHEs, must comply with section 70914 of the Act, including by the incorporation of a BAP in the terms and conditions of each Federal award with an infrastructure project. Renewal awards and amendments obligating additional funds to existing awards that are executed on or after the applicable deadline, will also require a Buy American Preference (BAP). BAP means that none of the funds provided under this award may be used for a project for infrastructure unless:

1. All iron and steel used in the project are produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
2. All manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and
3. All construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States. “All manufacturing processes” for construction materials includes the final manufacturing process and the immediately preceding manufacturing stage for the construction material. See initial implementation guidance in the Memorandum linked here: M-22-11, page 3.

The Buy America Preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. The Buy America preference does not apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

Exceptions to Buy America Preference Requirements Must be Established with a Waiver

When necessary, recipients may apply for, and the Agency may grant, a waiver from the requirements listed above. The Agency will notify the recipient of information on the process for requesting a waiver from these requirements.

(a) When the Agency has made a determination that one of the following exceptions applies, the awarding official may waive the application of the BAP:

1. Applying the BAP would be inconsistent with the public interest;
2. The types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
3. The inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

A request to waive the application of the BAP must be in writing. The Agency will provide instructions on the format, contents, and supporting materials required for any waiver request. Waiver
requests are subject to public comment periods of no less than 15 days and must be reviewed by the Made in America Office. There may be instances where an award qualifies, in whole or in part, for an existing waiver described at: https://www.hud.gov/program_offices/general_counsel/BABA

“Construction materials” includes an article, material, or supply—other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives—that is or consists primarily of:
  * non-ferrous metals;
  * plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
    * glass (including optic glass);
    * lumber; or
    * drywall.

Further, the definition of “construction materials” does not include cement and cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives. Items that consist of two or more of the listed materials that have been combined together through a manufacturing process, and items that include at least one of the listed materials combined with a material that is not listed through a manufacturing process, should be treated as manufactured products, rather than as construction materials. See initial implementation guidance in the Memorandum linked here: M-22-11, page 14.

“Domestic content procurement preference” means all iron and steel used in the project are produced in the United States; the manufactured products used in the project are produced in the United States; or the construction materials used in the project are produced in the United States. “Infrastructure” includes, at a minimum, the structures, facilities, and equipment for, in the United States, roads, highways, and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure includes facilities that generate, transport, and distribute energy.

“Federal Financial Assistance” pursuant to 2 CFR 200.1, means assistance that entities received or administer in the form of:
1. Grants;
2. Cooperative agreements (which does not include a cooperative research and development agreement pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C. 3710a));
  3. Non-cash contributions or donations of property (including donated surplus property)
  4. Direct appropriations;
  5. Assessed or voluntary contributions; or
6. Any other financial assistance transaction that authorizes the non-Federal entity's expenditure of Federal funds except assistance listed in 2 CFR 200.1(2).

Federal Financial Assistance does not include:

“Non Federal Entity” means a state, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
“Funds to for-profit organizations” – for purposes of BABA implementation, they are not considered non Federal entities. However, there may be independent statutory authorities that agencies may have to include domestic content requirements in awards of Federal financial assistance issued to for-profit organizations. See M-11-22, p. 3.

‘‘Project’’ means the construction, alteration, maintenance, or repair of infrastructure in the United States.

Types of Construction Projects: When determining if a particular construction project of a type not listed in the definition above constitutes “infrastructure,” agencies should consider whether the project will serve a public function, including whether the project is publicly owned and operated, privately operated on behalf of the public, or is a place of public accommodation, as opposed to a project that is privately owned and not open to the public. Projects with the former qualities have greater indicia of infrastructure, while projects with the latter quality have fewer. Projects consisting solely of the purchase, construction, or improvement of a private home for personal use, for example, would not constitute an infrastructure project.
SECTION 4: PAPERWORK REDUCTION ACT NOTES

PAPERWORK REDUCTION ACT

Economic Development, Community Project Funding/Congressionally Directed Spending
U.S. Department of Housing and Urban Development
OMB Approval No 2506-0217 (Emergency PRA expires September 2022.)

Public Reporting Burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. Response to this collection of information is mandatory to obtain a benefit. The information requested does not lend itself to confidentiality. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.
**SECTION 5: CONGRESSIONAL GRANTS DIVISION CONTACT INFORMATION**

**CONGRESSIONAL GRANTS DIVISION STAFF**

**Community Project Funding**  
**Portfolio Assignments**

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</tbody>
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