

**U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Office of Deputy Assistant Secretary for Economic Development – Congressional Grants Division**

**Economic Development Initiative-Community Project Funding Grants
Frequently Asked Questions
Updated May 25, 2022**

Version 1.0

Congratulations on the Community Project Funding (CPF) award that you have been allocated by your member of Congress in the Consolidated Appropriations Act, 2022. HUD’s Congressional Grants Division oversees this portfolio of grants. We look forward to working with you throughout the grant process.

The following are some of the most frequently asked questions received by the HUD’s Community Planning and Development (CDP), Congressional Grants Division (CGD) regarding a certain type of project grant that are appropriated by Congress and administered by HUD. Topics such as, “what are Economic Development Initiative, Community Project Funding awards” and “how are Economic Development Initiative, Community Project Funding grants appropriated, administered, and managed”, and “what are the drawdown and reporting requirements” are covered below.

We will be posting updates to these FAQs on a periodic basis and noting updates by date and version number.

Additional information about these awards can be found on the HUD website at:

https://www.hud.gov/program_offices/comm_planning/economic_development_initiative_community_project_funding_grants or by writing to CPFGrants@hud.gov.

1. What is a grant?

A grant is a financial award where the awarding agency has limited involvement. The grantee is approved to carry out an approved project or activity. References to “Grant” include cooperative funding agreements. Economic Development Initiative, Community Project Funding awards are grants.

2. What is an Economic Development Initiative, Community Project Funding grant?

An Economic Development Initiative, Community Project Funding award (or EDI, CPF or CPF grant) is a congressionally legislated provision that directs specific approved funds to be awarded to a particular entity for a specific amount and to be spent on the project or purpose identified in the authorizing legislation. This provision is made explicit in a particular a fiscal year’s appropriations bill. Entities that are not named within that appropriations bill may not access EDI Community Project Funding funds.

Congress then directs EDI, CPF awards to specific agencies for implementation. Historically, these congressional directed spending awards dedicated to HUD have been awarded under one of two categories: Economic Development Initiative-Special Project grants and Neighborhood Initiatives grants or EDI-SP and NI, respectively. In FY2022, these awards are referred to as Economic Development Initiative, Community Project Funding/Congressionally Directed Spending.

HUD does not select grantees or determine funding amount for the projects. HUD is directed by Congress to facilitate the funding of the projects under the Economic Development Initiative, Community Project Funding.

3. What is the process to fund projects? (High level overview with details below.)

- Congress passes legislation awarding funding to an organization or entity
- Organizations are named in HUD’s Conference Report or the Congressional Record
- Named organizations receive an invitation letter and grant application from HUD
- Supplemental application materials include the project scope, line-item budget, and associated federal forms
- HUD reviews projects and verifies their alignment with the purpose intended in legislation
- HUD sends grant agreement and advises grantees on the remaining funding process

4. How can an organization access the project funds for these grants?

Congress initiates an application process for these funds. Projects awarded through the Congressionally directed application process are then written into the Congressional Record of a fiscal year’s appropriations legislation.

Congress then dedicates the grants to each relevant agency including HUD. Only the entity named by Congress in HUD’s Conference Report or Congressional Record for the relevant fiscal year may work with HUD to provide supplemental materials through the soon-to-be-distributed Application Kit and receive these grant funds.

HUD requires supplemental information from entities awarded through the Congressional process. The entity named in that legislation will receive a notification of the intent to fund in the form of a Letter of Invitation which is accompanied by an “application” from the Department for the grant. The application is used to collect more detailed information regarding the scope of the project and a line-item budget detailing the intended use of the grant funds.

Upon receipt of the supplemental application, the Department will review the application to ensure that the entity named by Congress will act as the grantee and that the proposed activities are consistent with the terms of the Appropriation Act and accompanying Conference Report or congressional record for the relevant fiscal year.

Following the review of the supplemental application materials, the Department will send the grantee a Grant Agreement and advise the grantee on the remaining funding process.

5. The Department will send a letter and an “application kit” to EDI CPF awardees. Does this mean the awarded entity must “apply” for these funds through a HUD competitive process?

EDI, CPF grantees are not selected or identified through a HUD-managed competitive process. Awardees identified by Congress will be contacted by HUD and instructed on what information is required and give guidance on next steps.

Through this process, awardees must inform HUD about details of their project scope and provide an outline of the EDI CPF portion of the project budget. Awardees will also be required to complete certain federal forms that certify and acknowledge requirements of the funding.

6. What types of projects are typically funded with these awards?

EDI CPF grants have been used for a variety of economic development and community development purposes and may be in every geographic area in the United States and territories.

7. What information will the awardee receive from HUD to begin the grant process?

The Authorized Representative for the EDI Community Project Funding awardee will receive a letter and application kit from HUD that contains guidance and instructions on what information HUD needs from the awardee to begin the process. Guidance on what and how to complete the materials and where to send it to will be provided in the kit.

8. What comes next?

HUD will work with the awardee to ensure that all required information has been submitted and will then process the materials to the Grant Agreement phase. HUD will continue to work with the Authorized Representative for the awardee to process the grant to obligation (i.e. when the Grant Agreement is signed by both parties).

9. How long will it take for a grantee to have access to the grant funds?

Typically, it can take between 90-120 days from the time the grant application is forwarded for the funds to be made available. However, the length of time that the grantee has access to the grant funds is dependent on the grantee and how soon the grantee returns the required materials (i.e. completed grant application, project budget, signed Grant Agreement, financial information, completed environmental review) to the HUD Congressional Grants Division or other, per the grant application instructions.

10. What is the start or effective date of the grant?

The start or effective date for these grants is the date that the **Department of Housing and Urban Development (HUD)** signs and dates the Grant Agreement and the HUD 1044 "Assistance Award/Amendment" form. Note, a grantee **MAY NOT** draw down funds until after the funds have been "obligated" (Grant Agreement and related documents signed by HUD) and all environmental review requirements have been satisfied and approved.

11. What is the grant ending date?

Per the statutory directives, the Department has 4 years to obligate and 5 from obligation to expend. Thus, the Department/recipient must obligate the funds by September 30, 2025. Funds expire on September 30, 2030. To obligate and expend funds, recipients must ensure that all requirements are met.

12. What laws apply to these types of grants?

Economic Development Initiative, Community Project Funding grants are subject to a variety of administrative statues, regulations, Executive Orders. The applicable administrative regulations are found at 2 CFR Part 200 and environmental review regulations found at 24 CFR Part 50 or Part 58. These grants are also subject to several fair housing laws and non-discrimination laws (i.e., Civil Rights Act of 1964, Age Discrimination Act of 1975) and Executive Orders that address minority business enterprise, among others. **All** requirements for

these grants are provided in the Grant Agreement. Grantees are expected to adhere to the requirements referenced in the Grant Agreement.

13. Are there “cross cutting” requirements associated with these types of grants?

Yes, cross cutting requirements (those requirements that are required by any entity that receives federal money - be they states, organizations, municipalities) include Section 3 and environmental review. Details and guidelines for all applicable requirements will be made available to the awardee in forthcoming grant materials. Further details are below.

a. What is Section 3, and does it apply to EDI, Community Project Funding Grants?

Section 3 is a provision of the Housing and Urban Development Act of 1968, which recognizes that HUD funds are typically one of the largest sources of federal funding expended in communities through the form of grants, loans, entitlement allocations and other forms of financial assistance. Section 3 is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons or the awarding of contracts for work, preference must be given to low- and very low-income persons or business concerns residing in the community where the project is located. [Learn more about Section 3.](#)

Section 3 applies to the EDI, Community Project Funding Grants when conditions of employment or contracting opportunities of a covered project or activity stated above are met.

i. What does the term “Section 3 worker” mean?

A Section 3 worker is any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented: 1. The worker’s income for the previous or annualized calendar year is below the income limit established by HUD ([HUD's income limits](#)); 2. The worker is employed by a [Section 3 business concern](#); or 3. The worker is a YouthBuild participant.

ii. What does the term section 3 Business Concern mean?

Section 3 business concerns are businesses that can provide evidence that they meet one of the following criteria, documented within the last six-month period:

1. At least 51 percent owned and controlled by low- or very low-income persons
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers
3. A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

iii. How does Section 3 differ from the Minority Business Enterprise/Women Business Enterprise programs?

Section 3 is both race and gender neutral. The preferences provided under this regulation are based on income-level and location. The section 3 regulations were designed to encourage recipients of HUD funding to direct new employment and contracting opportunities to low-income residents, and the businesses that employ these persons, within their community regardless of race and/or gender. For additional guidance, please contact HUD’s Office of Small and Disadvantaged Business Utilization at https://www.hud.gov/program_offices/sdb.

b. Regarding environmental review, when should a grantee begin the environmental review process?

An environmental review is the process of reviewing the scope of the 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. EDI, CPF grants must undergo an environmental clearance and be approved by HUD. Applicant should get the process started right away on the environmental review. This review must be completed before any funds and be drawn down. Grants must complete their environmental review through the HUD Environmental Review (HEROS).

HUD's environmental review requirements are described in HUD's National Environmental Policy Act (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 National Environmental Policy Act and related environmental laws and regulations. If the review cannot cover to exempt or results in a "Finding of No Significant Environmental Impact," then a prescribed public notification is required, as well as a formal request to HUD for release of the grant funds.

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, a two-week public comment period, and notice in a local newspaper. For certain other projects, the environmental review could be a simple review prepared by the responsible entity indicating that the project is exempt or excluded from any further review. The HUD environmental officer linked in the following section can advise you and the Responsible Entity about these requirements. Grantees must coordinate the environmental review through the HUD Office of Environmental and Energy. The Environmental Review Officer (ERO) for the project geographic area is listed in the grant application and can be found on HUD's website at www.hud.gov. Grantee should contact the ERO as soon as possible to initiate the review process.

c. What is the Davis- Bacon Prevailing Wage Law and does it apply to EDI, Community Project Funding Grants?

The Davis-Bacon and Related Acts apply to contractors and subcontractors performing on federally funded or assisted contracts that are more than \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act and Related Act contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors performing work on federal or District of Columbia contracts. The Davis-Bacon Act prevailing wage provisions apply to the "Related Acts," under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

Several federal programs are subject to prevailing wages as determined under the Davis-Bacon Labor Standards Act, but only because the statutes authorizing those programs specifically require such coverage. Federal programs are statutorily subject to Davis-Bacon wage rates only where a program statute so requires.

Congressionally designated grants of this type have not included Davis-Bacon prevailing wage laws; therefore, the grants do not trigger Davis-Bacon requirements **unless** the assisted project is also financed with other sources of funds that are subject to Davis-Bacon Act.

14. What Action Can I or Do I Need to Take?

- a. **Sign up or Reactivate SAM.gov Account:** Grantees must have a SAM.gov account. If your organization is named as an EDI CPF/congressionally directed spending project grantee and your entity is registered in SAM.gov today, your Unique Entity ID (SAM) has already been assigned and is viewable in SAM.gov. This includes inactive registrations.
- i. The Unique Entity ID 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 Unique Entity ID (SAM) go to this [help article](#).
 - ii. As of April of 2022, the federal government will stop using the DUNS number to uniquely identify entities. At that point, all entities doing business with the federal government will use a Unique Entity Identifier (SAM) created in SAM.gov. Funding recipients may begin the process of obtaining a Unique Entity Identifier (UEI) if they do not already have one.
 - iii. Grantees should refer to the Guide to Getting a Unique Entity ID if you want to get a Unique Entity ID (SAM) for your organization without having to complete a full entity registration. If you only conduct certain types of transactions, such as reporting as a sub-awardee, you may not need to complete an entity registration. Your entity may only need a Unique Entity ID (SAM).
 - iv. If a grantee operates a system that connects with IAE systems, documentation about using APIs to access SAM.gov is found at [open.GSA.gov](#). The latest version of FPDS ATOM feed includes the Unique Entity ID. Guidance on Unique Entity ID is provided in the grantee Application Kit. Grantees may contact their Grant Officer for technical assistance.
- b. **Develop Detailed Project Scope Narrative and Line-Item Budget:** HUD will instruct EDI Community Project Funding awardees to submit a detailed narrative overview of the EDI Community Project Funding portion of the project, along with several federal forms. Awardees may begin to develop the narrative overview and budget in preparation for submission.
- c. **Read the Regulations:** In addition, your organization may also start to become familiar with the federal requirements that govern the administration of the award, namely [2 CFR Part 200](#).
- d. **Prepare for the Environmental Review Process:** A grantee **MAY NOT** draw down funds until all environmental review requirements have been satisfied and approved.

15. What is the procedure for a grantee to make changes to the approved project budget and or project narrative?

To initiate a change or “amendment” to the previously approved line-item budget or narrative for the project, the Grantee must submit a letter requesting revisions to the budget and timelines, along with a justification for the proposed changes. The “scope” of the project may refer to the overall project activities that are to be undertaken in whole or in part with these project funds. A change in the scope of the project is initiated and process in the same manner as an amendment request. The amendment is requested by providing, in writing, the new scope to the grant officer. This new scope of work should include a detailed explanation regarding why the change needs to be made and the details of the revised narrative or line-item budget. The grantee must submit a letter requesting revisions to the project, budget, and/or timeline for the project along with a justification for the proposed changes. Amendments to previously approved projects may also require a revision on of the environmental review for the amended project. As a note, any changes to the project scope must align with the statutory language. HUD does not have the authority to approve changes that significantly change the intent of the project. Grantees must coordinate with their Grant Officer for details.

16. How should a grantee access EDI Community Project Funding funds after the project scope have been approved?

Grantees may access funds and submit periodic reports through CPD's Disaster Recovery Grants Reporting (DRGR) system. DRGR is a web-based system used to automate the management of program requirements and voucher payments issued by the Department of Housing and Urban Development (HUD). The System was initially created for HUD's Community Development Block Grant - Disaster Recovery (CDBG-DR) awards, but is now available for many other HUD programs, including those administered through both grants and cooperative agreements.

DRGR improves efficiency and data transparency by reducing the time between submission of program requirements and HUD approval of the submission. The System also offers a variety of reporting capabilities. The DRGR System is available 24 hours a day and seven days a week. System maintenance occurs after advance notice is provided to all users.

An overview of guidance and directions for reporting and accessing funds are included in the grantee's Application Kit. For information and tutorials on DRGR, grantees may access the HUDEXchange at <https://www.hudexchange.info/programs/drgr/>.

17. What should a grantee do if they need technical assistance with administering an FY2022 EDI CPF project grant?

The grantee should contact the HUD Office of Economic Development's Congressional Grants Division point of contact for technical assistance. At this time, grantees are advised to send questions to the CPFGrants@hud.gov mailbox. Congressional Grants Division staff will respond to questions.

18. Are there any reporting requirements for this program? If so, what are they?

The grantee is required to submit a financial status report and a program performance report on a semi-annual basis for the periods, depending on the effective date of the award. A grantee with more than one grant must submit separate reports for each grant. Grantees should note that the reporting requirements of this grant do not include other reports that may be required, such because of an audit or other HUD review.

In the periodic reporting, the grantee showing the recipient's share of outlays (matching funds for grants with matching funds requirement) as well as HUD funds. Where the grantee makes contributions over and above any matching requirement, the amount of the contribution may be included, and the amount of the contribution explained in the remarks block. The form is due within 30 days after the end of each reporting period.

A Final Financial Report is a cumulative summary of expenditures and must indicate the exact balance of unexpended funds that must be forwarded to the HUD point of contact. If necessary, HUD will notify the grantee to remit any excess funds to HUD by wire if more than \$2,000 or send a check for lesser amounts made payable to the U.S. Department of HUD.

19. What is the Assistance Listing (CFDA) number for this program?

The Assistance Listing (previously referred to as CFDA or "Catalog of Federal Domestic Assistance") number for Economic Development Initiative, Community Project Funding grants is 14.251.

20. How is an EDI Community Project Funding grant "closed out?"

The grant can be “closed out” under at least one of three circumstances:

- 1) The funding availability for the award has expired
- 2) The grantee declines the grant by providing written notification to HUD
- 3) All of the grant funds have been expended by the grantee

After all funds have been drawn down through the financial system, the Grant Officer will send out a closeout packages for the grantee to complete and sign and send back.

21. Where can someone find out more information about Economic Development Initiative, Community Project Funding grants?

Information about these awards can be found on the HUD website at https://www.hud.gov/program_offices/comm_planning/economic_development_initiative_community_project_funding_grants or by writing to CPFGrants@hud.gov.