




**Fiscal Year (FY) 2020  
Indian Housing Block Grant (IHBG) Competitive  
Grant Application Review Training**



**Rating Factor 4  
Leveraging Resources**





**Rating  
Factor 4:  
Leveraging  
Resources (Up  
to 5 points)**

<b>Percentage of Leveraged Resources Relative to Total IHBG Competitive Grant Projects Costs</b>	<b>Points</b>
25 percent or more	5
11 - 24 percent	3
5 - 10 percent	1
4 percent or less	0
Lowest AIAN per capita	3

# Leveraging Resources

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- No cost sharing or matching required.
- Leveraging (Federal and non-Federal) resources is encouraged.
- Applicants must provide firm commitments to be counted towards leveraging resources.
- Leveraging resources can include either cash or in-kind donations to be secured and used by the end of the period of performance.

## Firm Commitment (Definition)

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- **Firm Commitment** (page 11 of the Program NOFA) –
  - Letter of commitment, Memorandum of Understanding (MOU), or Agreement,
  - Applicant's partner specifying that it agrees to perform and/or support an activity specified in the application.
  - Demonstrate that the partner has the financial capacity to deliver the resources or skills necessary to implement the proposed activity,
  - Either in cash or through in-kind contributions, if HUD awards IHBG competitive funds.
  - Secured and used by the end of the period of performance.

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## Firm Commitment (Definition)

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- ▶ With the exception of land acquisition, funds that have been expended on the project prior to the application deadline date and period of performance start dates will not be counted as leverage.
- ▶ Applicants are reminded that all **IHBG requirements** apply to the commitment or use of both IHBG and non-IHBG funds in a leveraged project.
- ▶ Federal sources are only allowed to be used as leveraging if permitted by a program's authorizing statute.

## Examples of Leveraged Resources:

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- 1) Tribal Resources
- 2) Federal Resources
- 3) Public Agency, Foundation or Other Private Party
- 4) Goods and Services
- 5) Land

# Leveraging Resources

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Leveraged Resource	Evidence/Documentation Needed
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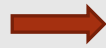
<b>Tribal Resources</b>	<ul style="list-style-type: none"><li>• Tribal resolutions committing funds or equivalent; the resolution (or equivalent) must identify the exact dollar amount (or value of resources to be committed.)</li></ul>
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# Leveraging Resources

## Leveraged Resource

## Evidence/Documentation Needed

### Federal Resources



IHBG formula funds (whether administered by the tribe or a TDHE):

- Leveraging with current program year funds:
  - Most recently approved Indian Housing Plan (IHP).
  - Must identify the dollar amount.
  - Commit the IHBG resources to the project.
  - If not currently approved in the most recent IHP, an amendment to the IHP will be processed.
- Future IHBG Funding:
  - Identify program year(s).
  - Identify the dollar amount of IHBG funds used.



# Leveraging Resources

## Leveraged Resource

## Evidence/Documentation Needed

### Federal Resources



### Other Federal Program Funds:

- U.S. Department of Agriculture,
- Indian Health Service,
- Bureau of Indian Affairs,
- Any other Federal agency.

**NOTE:** If allowable by the federal program's statute, the applicant should submit statement (e.g. letter, email, etc.) from the federal agency approving the amount of funds to be committed for leveraging.

# Leveraging Resources

## Leveraged Resource

**Public Agency,  
Foundation, or  
Other Private  
Party**

## Evidence/Documentation Needed

- Letters of commitments which must include:
  - The donor organization's name
  - The specific funds proposed
  - The dollar amount of the financial or in-kind resource
  - The method of evaluation
  - The purpose of that resource with the proposed project
  - Signed commitment from an official of the organization legally authorized to make the commitment
- Memorandum of Understanding (MOU), and/or agreement to participate, including any conditions to which the contribution may be subject.

# Leveraging Resources

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## Leveraged Resource

## Evidence/Documentation Needed

### Goods and Services

- Must demonstrate that the donated items are necessary to the actual development of the project.
- Must include comparable costs that support the donation.

# Leveraging Resources

## Leveraged Resource Evidence/Documentation Needed

### Land

- Land valuation must be established **using one of the following methods** and the documentation must be contained in the application.
- The application of land valuation documentation must **state the method used** to determine **land value** and **identify the land value**. The methods include:
  - A **site-specific appraisal** no more than two years old.
  - An **appraisal of a nearby comparable site** also no more than two years old.
  - A **reasonable extrapolation of land value** based on **current area** realtor value guides.
  - A **reasonable extrapolation of land value** based on recent sales of **similar properties** in the **same area**.

# Leveraging Resources

Leveraged Resource	Evidence/Documentation Needed
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## Land



**(CHANGE)** Land that has previously been used as leverage towards other ONAP competitions may not be proposed as leverage for this NOFA.

## Leveraging Resources (SF-425):

- ▶ **Grantees will be required to show evidence that leveraging resources were actually received and used for their intended purposes through quarterly reports (SF-425) as the project proceeds.**

## Leveraging Resources (Unavailable resources):

- ▶ HUD recognizes that in some cases, the applicant cannot receive a firm commitment of non-tribal funds by the application deadline.
- ▶ If so, the applicant must include a statement from the contributing entity that describes why the firm commitment cannot be made at the current time.
- ▶ Statement must say that the tribe/organization and proposed project meets the eligibility criteria for receiving the leveraged funds.
- ▶ Statement must also include a date by which the funding decisions will be made, which cannot be over six (6) months from the anticipated date of grant approval by HUD.

## Leveraging Resources (Evidence):

- ▶ **If the applicant does not provide HUD with evidence of the firm commitment from the original leverage source or an alternative source within 6 months of the date of grant approval, or if anticipated leverage is not provided, HUD will re-rate and re-rank the application with the updated lower leverage.**
- ▶ **If the application is no longer fundable after re-rating and re-ranking the application, HUD will rescind the grant and recapture grant funds.**



## Leveraging Resources (Percentage):

- ▶ HUD will award points based on percentage of leveraged resources committed relative to (total) IHBG Competitive project costs.
- ▶ Applicants who propose leveraging but do not provide firm commitment documentation for those (particular) sources of leveraging, those sources of leveraging will not be included in the total leverage resources amount.

# Leveraging Resources (Percentage):

**Percentage % =**

**Total Leverage Resources (Firmly Committed Dollar Amount) / Total Grant Project Costs**

# Leveraging Resources (Economic Distress):

- ▶ Indian tribes and TDHEs with significant challenges leveraging funds
- ▶ Severely distressed economic, housing and infrastructure conditions in tribal communities.
- ▶ HUD 2017 Housing Needs Study
- ▶ American Indian and Alaska Native (AIAN) reservations and tribal area with severe problems.
- ▶ Remoteness, lack of infrastructure, complex legal constraints related to land ownership.
- ▶ Difficulty in improving housing conditions.
- ▶ Challenges lead to inability to leverage funds.

## Leveraging Resources (Economic Distress):

- Three (3) points awarded to applicants that have difficulty leveraging funds.
- Access AIAN incomes in each Indian tribe's IHBG formula area.
- Three (3) points awarded to **bottom 25 percent** of Indian tribes that received FY 2020 IHBG Formula funding.
- Lowest AIAN per capita income.
- Area AIAN per capita income determined lesser of multi-race or single-race estimate in IHBG formula area
- 2011-2015 American Community Survey (ACS) data.

## Leveraging Resources (Economic Distress):

- ▶ HUD has provided a list of all tribes at the website [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/ih/grants/ihbg\\_cgp](https://www.hud.gov/program_offices/public_indian_housing/ih/grants/ihbg_cgp) (under the link [Tribal Area PCI RF4 Resource Only](#)), which include per capita income estimates.
- ▶ Report will indicate which Indian tribes that will qualify for the three (3) points under Leveraging Resources.

# End of Rating Factor 4 Module

Leveraging Resources