

**Fiscal Year (FY) 2018/2019
Indian Housing Block Grant (IHBG)
Competitive
Program Training**

**Rating Factor 4
Leveraging Resources**



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

Percentage of Leveraged Resources Relative to Total IHBG Competitive Grant Projects Costs	Points
25 percent or more	5
At least 11 percent but less than 24 percent	3
At least 5 percent but less than 10 percent	1
Less than 4 percent	0

Leveraging Resources

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- Cost sharing or matching is not required.
- Leveraging Federal and non-Federal resources is encouraged.
 - Federal sources are only allowed to be used as leveraging if permitted by a program's authorizing statute.
- Applicants **must provide firm commitments for any sources of leveraging.**
- Leveraged resources **must be used by the end of the period of performance.**
- All IHBG requirements apply to the commitment or use of both IHBG and non-IHBG funds in a leveraged project.
- With the exception of land acquisition, funds that have been expended on the project prior to the application deadline date **will not** be counted as leverage

Examples of Leveraging Resources:

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- Tribal Funds
- Donations from individuals or organizations
- Donations from private foundations
- Donations from businesses
- State or federal loans or guarantees
- Other grant funds
- Donated goods and Services
- Donated land

Firm Commitment Definition

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- **Firm Commitment** refers to a letter of commitment, memorandum of understanding (MOU), or agreement to participate from an applicant's partner specifying that it agrees to perform and/or support an activity specified in the application. The firm commitment must 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.
- Firm commitment must be submitted for any sources of leveraging.

Firm Commitment Documentation

Leveraged Resource

Evidence/Documentation Needed

Tribal Resources

- Tribal resolutions committing funds or equivalent; the resolution (or equivalent) must identify the exact dollar amount (or value of resources to be committed.)

Firm Commitment Documentation (cont.)

Leveraged Resource

Evidence/Documentation Needed

Federal Resources

- IHBG formula funds (whether administered by the tribe or a TDHE):
 - Leveraging with current program year funds: The most recently approved IHP must identify the dollar amount and commit the IHBG resources to the project. If not currently approved in the most recent IHP, the application must state that an amendment to the IHP will be processed if the applicant is awarded IHBG Competitive Grant funds.
- Other Federal Program Funds: 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.

Firm Commitment Documentation (cont.)

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 for valuation
 - The purpose of that resource with the proposed project
 - Signed commitment from an official of the organization legally authorized to make the commitment
- MOU, and/or agreement to participate, including any conditions to which the contribution may be subject.

Firm Commitment Documentation (cont.)

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.

Firm Commitment Documentation (cont.)

Leveraged Resource

Land

Evidence/Documentation Needed

- 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.
- Land valuation 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.

Firm Commitment Not Available

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- If the applicant cannot receive a firm commitment of **non-tribal funds** by the application deadline, 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 Documentation

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- If the applicant does not provide HUD with the firm commitment documentation within six 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 Points

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- To qualify for full points, the applicant must:
 - Commit leveraging resources of 25% or more; and
 - Percentage of leverages resources relative to the total IHBG Competitive proposed project costs
- Provide firm commitment documentation.
 - If no documentation, no points

Leveraging Resources - SF-425:

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- **Grantees must demonstrate that leveraging resources were actually received and used for their intended purposes through quarterly reports (SF-425) as the project proceeds.**

Rating Factor 4

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Leveraging Resources