

IHBG Competitive NOFA: Frequently Asked Questions

Updated: 7/15/2019 – the latest updates are in red

Questions? Contact IHBGCompetitiveProgram@hud.gov.

Eligibility

Q1: What will HUD consider to be a delinquent audit submission? How will time zones factor into the review of the audit submission date? How will weekends and holidays factor into the review of the audit submission date?

Applicants subject to the audit reporting requirements of 2 CFR 200, Subpart F, must not have any delinquent audit report submissions during the one-year period immediately preceding the date that the NOFA was published (see NOFA, Section III.D.5), specifically May 7, 2018-May 7, 2019. HUD will review the information available through the Federal Audit Clearinghouse (FAC) to determine if an audit has been submitted (i.e., uploaded into the FAC) late. In cases where the audit submission was due on a weekend or holiday and was submitted the following business day, the audit submission will be considered timely. If the information available in the FAC is unclear as to whether the audit submission occurred after it was due, HUD will reach out to the applicant for additional information. HUD will consider an audit report submission that was on time in the time zone in which it was submitted to be timely.

Q2: How will an applicant know if it has open audit findings?

The NOFA requires that applicants must not have any delinquent audit report submissions or delinquent open HUD-ONAP audit findings pertaining to financial management, accounting, and internal controls during the one-year period immediately preceding the date that the NOFA was published (May 7, 2018-May 7, 2019), or the application will not be evaluated (see NOFA, Section III.D.5). The NOFA specifies that delinquent open audit findings are those in which the target date or revised target date for corrective action has been exceeded. To address this NOFA requirement, HUD will review records to determine if the applicant has delinquent open audit findings. The NOFA specifies that the applicant's findings have to be open and delinquent (late) for HUD to not evaluate the application.

The ONAP Area Offices issue Management Decision Letters to tribes/TDHEs to notify them of audit findings, propose corrective actions, and establish target dates. If an applicant is not sure if it has open audit findings and wants to find out, they should reach out to their assigned ONAP Grants Evaluation Specialist.

Q3: Is it possible to apply for this grant as an individual?

No, individuals may not apply for this grant. Only Tribes and TDHEs are eligible to apply for IHBG competitive funds.

Q4: If an application is submitted by a TDHE on behalf of a tribe, is the TDHE required to submit a tribal resolution authorizing the TDHE to submit the application?

No. A revised version of the IHBG competitive NOFA was published on July 3, 2019 in [grants.gov](https://www.grants.gov). The NOFA was modified to remove the tribal resolution requirement for applicants. Instead, HUD will now accept a tribal certification(s) with the application. Please see the revised language in Section III.A.-“Eligible Applicants” and Section IV.B.-“Content and Form of Application Submission, Submissions for Certain Projects/Applicants.” Note that the application deadline will still be Thursday, August 8.

Application and Submission

Q1: If multiple projects are being proposed in an application does each project require a separate narrative?

No. Each eligible applicant may only submit one application under this NOFA. The application may propose one project or multiple projects. If the applicant proposes multiple projects, HUD will evaluate all projects covered in the application together and will not separately score each project proposed (see NOFA, III.D.3). The NOFA limits the application’s Workplan Narrative to 25 pages (see NOFA, Section IV.B.2.e). The Workplan Narrative may include supporting attachments (see NOFA, Section IV.B.2.f).

Q2: Is some sort of acknowledgement of threshold items required in the narrative?

No.

Q3: Is the applicant required to post the application for a public comment period?

No.

Q4: Who should sign the SF-424?

For an application under this NOFA to be complete, the applicant must sign the SF-424. The SF-424 must be signed by an authorized representative.

Q5: Can an applicant be awarded both two points for projects that will be located in Opportunity Zones, and two points for Promise Zones, for a total of four preference points?

Yes. To qualify for the preference points for Opportunity Zones, the applicant must submit a certification signed by an authorized official affirming to HUD that their project is located in an Opportunity Zone, and the applicant must submit supporting documentation showing that the project will be located in an Opportunity Zone. The list

of designated OZs is available on the US Department of Treasury website. See NOFA, Section IV.B.2.n.

To qualify for the preference points for Promise Zones, the applicant must submit HUD Form 50153, "Certificate of consistency with Promise Zone Goals and Implementation", signed by the Promise Zone Official authorized to certify the project meets the criteria to receive preference points. See NOFA, Section IV.B.2.o.

Q6: Who is the applicant's point of contact for resolution to any technical deficiencies?

The NOFA specifies that HUD will notify the authorized representative by email when HUD identifies a curable deficiency (see NOFA, Section IV.D.4). HUD will also notify the point of contact that the applicant has named in their application (Form SF 424, item 8.f).

Q7: Is the cap on administrative and planning costs determined by considering the grant award amount, or the total project cost (including leverage)?

The cap on administrative and planning expenses is based on amount of the grant award, not the total project cost. Applicants that are awarded a grant under this NOFA in excess of \$500,000 may use up to 20 percent of the grant award for IHBG-eligible administrative and planning expenses. Recipients awarded a grant in the amount of \$500,000 or less may use up to 30 percent of the grant award for these costs.

Q8: Is the "Certification of Compliance" (NOFA Section IV.B.h.) submitted as a separate document?

Yes, applicants must submit the Certification of Compliance as a separate document, signed by their authorized official. HUD recommends that the applicant submit this certification on its own letterhead.

Q9: If an applicant is applying for multiple projects, does it have to submit an Implementation Schedule (HUD-53247), Cost Summary (HUD-53246), workplan narrative, and budget narrative for each project?

No, an applicant is not required to submit these application materials separately for each project. However, an applicant may choose to submit this information separately based on its preference.

Regardless of submission format, HUD will evaluate all projects covered in the application together and will not separately score each project proposed, as stated under Threshold Factor #3, "Number of Applications and Eligible Activity Project(s),"

Q10: Is the project implementation narrative described in Subfactor 3.3 a separate submission requirement or is this included as part of the Workplan Narrative?

The Workplan Narrative as described on pages 13-14 of the NOFA is the narrative to all five rating factors listed in Section V. The project implementation narrative is included as part of the Workplan Narrative. The project implementation narrative supports both the Project Implementation Plan and Implementation Schedule (HUD-53247) described in Subfactors 3.2-3.3.

Q11: Is the “Environmental Review – Expression of Intent” (NOFA Section IV.B.j) submitted as a separate document or is this described in the Workplan Narrative?

The “Environmental Review – Expression of Intent” is a separate document, which must be submitted in the application.

Eligible Activities

Q1: Can IHBG competitive funds be used towards the design and construction of both NAHASDA housing and affordable community housing?

Yes, IHBG competitive funds may be used towards any eligible affordable housing activities for the benefit of families that meet the criteria of 24 CFR §1000.104.

Rating Factor 1-Capacity of the Applicant

Q1: What information is HUD looking for to address Subfactor 1.2 Procurement and Contract Management?

To address this Subfactor, the applicant should discuss in detail *how* its policies and procedures meet all applicable regulatory requirements. This includes, but is not limited to, a description of how its policies and procedures:

- are consistent with the general procurement standards in 2 CFR part 200 (specifically the applicable procurement requirements in 2 CFR 200.318 -326);
- ensure the applicable procurement methods are followed depending on the type of procurement being carried out; and
- ensure the applicable Indian or tribal preference standards are followed (specifically the requirements in 24 CFR 1000.48-1000.54 and 24 CFR 1000.30 relating to conflicts of interest).

The applicant should not simply provide a copy of its procurement policies and procedures, but rather should describe how its policies and procedures are consistent with the applicable procurement requirements.

Q2: If the tribe is the applicant for this NOFA but under the IHBG formula program, it designates a TDHE to receive and administer its IHBG grants on the tribe’s behalf, how

will points be assessed under Subfactor 1.3 IHBG Expenditures and Subfactor 1.4 Findings?

Because the TDHE administers the IHBG formula program on behalf of the tribe, and the tribe oversees the performance of its TDHE to ensure that it is serving the tribe's needs, HUD will assess points for Subfactors 1.3 and 1.4 based on the performance of the TDHE under the IHBG formula program.

Q3: If an applicant is approved to invest its IHBG formula funds, but only invests a small portion of its total formula grant funds, is the applicant still required to use Option Two in Subfactor 1.3 IHBG Expenditures?

Yes. The NOFA states that applicants approved for and investing IHBG formula funds will be rated under Option Two. See NOFA, Subfactor 1.3, Option #2, page 26.

Rating Factor 2-Need

Q1: Is Subfactor 2.3, “Past Efforts to Address Identified Need” designed to award more points to an applicant that has recently pursued a project?

No. The purpose of Subfactor 2.3 is for the applicant to describe why it is an opportune time to actively pursue the proposed project. Also, HUD is looking for a discussion of any past efforts or potential barriers towards implementing the proposed project.

Points will be awarded based on the detail provided in answering the Subfactor criteria, not on the timeframe elapsed since an applicant has pursued the project or similar activity.

Q2: Does each of the need factors under Subfactor 2.1.a Identified Needs have to be addressed to get the full points?

No. The NOFA states that applicants will receive the full points if all of the components of the identified needs statement are addressed. The first component of the needs statement that an applicant should address is identifying which of the listed need factors apply to the proposed project. The applicant should only address the factors that are relevant to the proposed project. The second component of the needs statement that an applicant should address is explaining how the project will address the identified need factors. See NOFA, Subfactor 2.1.a, pages 28 -29.

Rating Factor 3-Soundness of Approach

Q1: What is the scoring methodology for Subfactor 3.1, “IHBG Competitive Priorities?”

ONAP will award a maximum of 10 points under this Subfactor as follows:

1. HUD will calculate percentage of funding proposed towards the eligible activity.¹
 - a. **For Applications with Multiple Activities**: HUD will take the percentage of funding from Step #1 and will determine which Subfactor category (3.1a-3.1d) to apply. HUD will use the category that would provide the applicant with the highest points.
 - b. **For Applications with Acquisition Projects**: HUD will use the appropriate Subfactor category (3.1a-3.1d) depending on the nature of the project proposed. For instance, if an applicant is acquiring units to remodel, then HUD will apply the rehab category for this Subfactor.
2. **Rounding**: HUD will apply standard rounding rules. Therefore, 74.5% would be rounded to 75%, while 74.4% would be rounded to 74%.

For detailed examples, please review the Rating Factor 3 training module posted on Codetalk.

Q2: When does an application that proposes to carry out infrastructure activities get rated under Subfactor 3.1.a New Housing Construction Projects?

Applications that propose to use IHBG Competitive grant funds to carry out infrastructure activities and also construct new housing units with funds under the NOFA will be rated under Subfactor 3.1.a New Housing Construction Projects. Applications that propose to use IHBG Competitive grant funds to carry out infrastructure activities that either support existing affordable housing units or will support the development of affordable housing that will be developed in the future will be rated under Subfactor 3.1.b. Affordable Housing-Related Infrastructure Projects.

Q3: Does reconstruction count as new construction?

Yes. See Subfactor 3.1.a.

Q4: For purposes of calculating points under Subfactor 3.1, will HUD consider only the proposed grant amount, or will HUD consider the total project cost?

In calculating the number of points that an applicant will receive under the various categories of activities in Subfactor 3.1 categories (3.1.a—3.1.d.), the NOFA states that HUD will calculate the percentage of funds “awarded under this NOFA” that will be spent on such activities. Therefore, HUD will only consider the proposed grant amount when calculating points under Subfactor 3.1, and will not base any percentages on the total project costs of a particular project.

For example, if an applicant applies for \$1 million and plans on spending 100% of this amount for the cost of constructing new affordable housing units (Subfactor 3.1.a), and plans on using tribal funds to cover related on-site infrastructure for the planned housing units, HUD will only assess the percentage of the \$1 million that the applicant plans to

¹ Note: HUD will not include any administration and planning costs in this calculation.

use on new construction. In this case, under Subfactor 3.1.a, HUD will award the applicant 10 points because it plans on spending 100% of the funds awarded under the NOFA to carry out new housing construction projects.

Rating Factor 4-Leveraging Resources

Q1: Can prior expended funds be used as leverage?

No. Funds that have been expended on the project prior to the application deadline date will not be counted as leverage. See NOFA, Rating Factor 4 Leveraging Resources, page 39.

Q2: Can land that was acquired by the applicant or donated to the applicant in the past be used as leverage?

Land that was acquired by the applicant or donated to the applicant in the past can be counted as leverage if the applicant proposes to use the land for a project funded under the NOFA. The land would need to have a current valuation, as discussed on Page 40 of the NOFA.

Q3: Can land that was improved with site infrastructure prior to application under the NOFA be counted as leverage? Can the applicant include the cost of the site infrastructure in the leverage amount?

Yes, land that was improved with site infrastructure prior to application can be counted as leverage. The improved land would need to have a current valuation, as discussed on Page 40 of the NOFA. The cost of the site infrastructure would not be counted as leverage, but rather the assessment of land value would include the value of the improvements, in keeping with the NOFA requirement that prior expended funds cannot be used as leverage. See NOFA, Rating Factor 4 Leveraging Resources, page 39.

Q4: For purposes of Rating Factor 4 Leveraging Resources, how will the leverage percentage be calculated?

Under Rating Factor 4, HUD will calculate leverage percentage relative to the total IHBG Competitive Grant Project costs provided on line 18g of Form SF-424 and the grand total on line 7 of Form HUD-53246. We have included an example of the leverage percentage calculation.

Percentage of leverage = (equals)

Total leverage resource amount/ (divided by)

Total project cost (grant amount requested + total leverage resource amount)

Total project cost should match line 18g on Form SF-424, as well as the grand total on line 7 of Form HUD-53246 (sum of columns b, c, and d).

Example: $\$1,666,667 / \$6,666,667 (\$1,666,667 + \$5,000,000) = 25\%$

Training

Q1: In order to submit an application, do I have to attend ONAP training?

Participating in NOFA training is optional and is not a requirement for submitting an application under this competition. The trainings provide an opportunity for interested applicants to learn more about the NOFA requirements.

Q2: What labor standards apply to funds under this program?

Recipients will be required to comply with all of the same labor standards that would otherwise apply under the IHBG formula program, as further described in section 104(b) of NAHASDA and 24 CFR 1000.16. Recipients must ensure that they are applying the appropriate applicable wage rates (e.g. Davis-Bacon wage rates, HUD-prevailing wage rates, tribally-determined wage rates) depending on the activities that will be carried out under this program.

Q3: If you have an approved indirect cost rate do you have to use it, or can you opt to use the de minimus indirect cost rate?

If you have an approved indirect cost rate, you must use it. See 2 CFR 200.414(f) and (g). Any non-Federal entity that has never received a negotiated indirect cost rate may elect to charge a de minimis rate of 10% of modified total direct costs, which may be used indefinitely. If chosen, this methodology must be used consistently for all awards until such time as a non-Federal entity chooses to negotiate for a rate.