

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4183-N-01]

Notice of Funding Availability (NOFA) for Fiscal Year 1997 for Indian Applicants Under the HOME Program

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice of Funding Availability (NOFA) for Fiscal Year 1997 for Indian Applicants for HOME Investment Partnerships Act (the HOME Act) programs, referred to as the HOME program.

SUMMARY: This NOFA announces the availability of up to \$21,000,000 in funding for Fiscal Year (FY) 1997 for the HOME Program for Indian tribes; provides the selection criteria; provides information on how to apply; and explains how selections will be made. All eligible applicants are invited to submit applications for HOME funds in accordance with the requirements of this NOFA.

DATES: Application Due Date: June 20, 1997. Applications must be RECEIVED by the Area Office of Native American Programs (Area ONAP) having jurisdiction over the applicant on or before 3:00 P.M. (Area ONAP local time) on June 20, 1997. This application deadline is firm as to date and hour. The Department shall treat as ineligible for consideration any application that is received after the deadline. Applicants should make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems. Facsimile ("FAX") copies shall not be accepted.

FOR FURTHER INFORMATION CONTACT: Prospective applicants may contact the appropriate Area ONAP. Refer to Appendix 1 of this NOFA for a complete list of Area ONAPs and telephone numbers.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act Statement

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the information collection requirements contained in these application procedures for HOME funds were reviewed by the Office of Management and Budget and approved under OMB control number 2577-0191. *An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.*

Promoting Comprehensive Approaches to Housing and Community Development

HUD is interested in promoting comprehensive, coordinated approaches to housing and community development. Economic development, community development, public housing revitalization, homeownership, assisted housing for special needs populations, supportive services, and welfare-to-work initiatives can work better if linked at the local level. Toward this end, the Department in recent years has developed the Consolidated Planning process designed to help communities undertake such approaches.

In this spirit, it may be helpful for applicants under this NOFA to be aware of other related HUD NOFAs that have recently been published or are expected to be published in the near future. By reviewing these NOFAs with respect to their program purposes and the eligibility of applicants and activities, applicants may be able to relate the activities proposed for funding under this NOFA to the recent and upcoming NOFAs and to the community's Consolidated Plan. While tribes and Indian housing authorities are not required to execute a Consolidated Plan, comprehensive planning by tribes is encouraged.

Elsewhere in today's **Federal Register**, the Department is publishing the following related NOFAs: the NOFA for Emergency Shelter Grants Set-Aside for Indian Tribes and Alaskan Native Villages; and the NOFA for Block Grant Program for Indian Tribes and Alaskan Native Villages. The Department expects to publish within the next few weeks the NOFA for Indian Housing Development.

To foster comprehensive, coordinated approaches by communities, the Department intends for the remainder of FY 1997 to continue to alert applicants to upcoming and recent NOFAs as each NOFA is published. In addition, a complete schedule of NOFAs to be published during the fiscal year and those already published appears under the HUD Homepage on the Internet, which can be accessed at <http://www.hud.gov/nofas.html>. Additional steps on NOFA coordination may be considered for FY 1998.

For help in obtaining a copy of your community's Consolidated Plan, please contact the community development office of your municipal government.

Changes From Last Year's NOFA

1. **ERRORS.** This year the extent of an error is clarified to make explicit that

only an arithmetic error may be corrected and then only by the Area ONAP Administrator.

2. **PROJECT GRANT AMOUNT.** The maximum grant amount per applicant is either \$2.0 million or the amount allocated to the applicant's Area ONAP office, whichever is less.

3. **LIMIT ON GRANTS THAT ARE NOT CLOSED OUT.** An applicant may not have more than two HOME grants at a time. An application from an applicant with two or more HOME grants that are not closed out pursuant to the requirements of § 954.504 will be set aside and not rated.

4. **60 POINT APPLICATION ELIGIBILITY REQUIREMENT.** After rating, a project must receive at least 60 points to be considered for funding.

I. Purpose and Substantive Description

(a) Authority

The HOME Investment Partnerships Act (the HOME Act) (title II of the Cranston-Gonzalez National Affordable Housing Act) was signed into law on November 28, 1990 (Pub. L. 101-625), and created the HOME Investment Partnerships (or HOME) Program that provides funds to Indian tribes to expand the supply of affordable housing for very low-income and low-income persons. Interim regulations for the Indian HOME program are codified at 24 CFR part 954.

The HOME Act was amended by the Housing and Community Development Act of 1992 (HCDA 1992) (Pub. L. 102-550, approved October 28, 1992) and the Multifamily Housing Property Disposition Reform Act of 1994 (MHPDRA) (Pub. L. 102-233, approved April 11, 1994).

(b) Allocation Amounts

(1) **Fiscal Year 1997 Funding.** The Departments of Veterans' Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 appropriated \$1.4 billion for the HOME program of which 1.5 percent was designated as an Indian Tribes set-aside. For the fiscal year ending September 30, 1997, \$21 million is available for the Indian HOME program.

HOME funds will be allocated to the Area ONAPs as follows:

1. Eastern/Woodlands ONAP	\$1,554,550
2. Southern Plains ONAP	3,956,950
3. Northern Plains ONAP	3,305,650
4. Southwest ONAP	9,370,150
5. Northwest ONAP	1,137,250
6. Alaska ONAP	1,675,450
Total	21,000,000

(2) *Project Grant Amount.* The maximum grant amount per applicant is either \$2.0 million or the amount allocated to the applicant's Area ONAP office, whichever is less. Grants may be funded at less than applied for levels. In determining appropriate grant amounts to be awarded, the Area ONAP may take into account the level of demand, the scale of the activity proposed relative to need, the number of persons to be served, and the amount of funds required to achieve project objectives.

(3) If an insufficient number of fundable applications is received in any one Area ONAP, any surplus funds may be assigned to other Area ONAPs which have unfunded fundable applications.

(c) Eligibility

(1) *Eligible Applicants.* (i) Eligible applicants for HOME funds for Indian tribes are any Indian Tribe, band, group, or nation, including Alaskan Indians, Aleuts, and Eskimos, and any Alaskan native village of the United States which is considered an eligible recipient under Title I of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450) or which had been an eligible recipient under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221). Eligible recipients under the Indian Self-Determination and Education Assistance Act will be determined by the Bureau of Indian Affairs and eligible recipients under the State and Local Fiscal Assistance Act of 1972 are those that have been determined eligible by the Department of Treasury, Office of Revenue Sharing.

(ii) Tribal organizations which are eligible under Title I of the Indian Self-Determination and Education Assistance Act may apply for funds under this NOFA on behalf of any Indian Tribe, band, group, nation, or Alaskan native village eligible under that Act when one or more of these entities have authorized the Tribal organization to do so through concurring resolutions. Such resolutions must accompany the application for funding. Eligible Tribal organizations under Title I of the Indian Self-Determination and Education Assistance Act will be determined by the Bureau of Indian Affairs or Indian Health Service.

(iii) Only eligible applicants shall receive grants. However, eligible applicants may contract or otherwise agree with non-eligible entities such as States, cities, counties, or other organizations to assist in the preparation of applications and to help implement assisted activities.

(iv) To apply for funding in a given fiscal year, an applicant must be eligible

as an Indian Tribe or Alaskan native village, as provided in paragraph (i) of this section, or as a Tribal organization, as provided in paragraph (ii) of this section, by the application submission date.

(v) Applicants must have the administrative capacity to undertake the project proposed, including systems of internal control necessary to administer these projects effectively. An applicant must submit a determination by an OIG or non-federal auditor that the applicant has adequate accounting/administrative control. An applicant that has participated in the Indian HOME program must have performed adequately. In cases of previously documented deficient performance, the applicant must have taken appropriate corrective action to improve its performance prior to submitting an Indian HOME application to HUD. Examples of deficient performance may include; not being current in meeting its audit responsibilities, unresolved serious audit findings and failure to initiate a previous grant. The Area ONAP will determine whether or not a grantee is eligible to participate in a particular funding round.

(2) Eligible Projects.

(i) *Size and Location of a Project.* A "project" may be located on one or more sites. The applicant must identify the scale and location of a project, provide a geographical description of the operating area of the applicant and show that the project is within the operating area of the applicant. A project may be as small as one site or as large as the operating area of the tribe. (NOTE: For purposes of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), the term "project" means one or more activities paid for in whole or in part with HUD financial assistance. Two or more activities that are integrally related, each essential to the other, are considered one project.)

(ii) *Categories of Eligible Projects.* In accordance with 24 CFR 954.105, projects that may be funded under the HOME Indian program include: (A) housing rehabilitation (moderate and substantial), (B) acquisition of housing, and (C) new housing construction. These project types may also include site improvements and relocation. A project may be for rental or homeownership.

(A) A rehabilitation project consists of only rehabilitation, or includes acquisition of units with rehabilitation.

(B) An acquisition project consists of the acquisition of standard units not requiring rehabilitation.

(C) A new construction project consists of new construction of housing and may include acquisition and demolition.

(3) *Eligible Activities.* Eligible activities, in accordance with 24 CFR 954.300, are as follows:

(i) HOME funds may be used by an Indian tribe to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition (including assistance to homebuyers), new construction, reconstruction, or moderate or substantial rehabilitation of nonluxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations; and to pay administrative costs. The specific eligible costs for these activities are set forth in § 954.303.

(ii) Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable housing, and for which funds for construction have been committed.

(iii) Site improvements must be in keeping with improvements of surrounding, standard projects. Site improvements include roads, streets, sidewalks, curbs, gutters, and connections to utilities, such as storm and sanitary sewers, water supply, gas, and electricity. The "site" of the improvements may include property adjacent or near the immediate site of the housing if this property and the housing are owned by the same entity (e.g., the housing is owned—at least until sold to homebuyers—by the tribe and the housing and the improvements are located on a reservation). If the site improvements will benefit housing (existing or future) in addition to housing assisted with FY 1997 HOME Indian Program grant funds, only a pro-rated share of the site improvements may be charged to the HOME grant.

(4) *Multiple Projects.* An applicant may apply for grant assistance for more than one project. If so, each project is limited to no more than one category (i.e., acquisition, rehabilitation, new construction) and stands on its own. The total grant amount requested by the applicant may not exceed the maximum allowed. Each project will be rated independently and ranked independently. For each project grant request, where appropriate and to assure maximum point award, applicants must provide individual responses to application information requirements.

(d) Selection Criteria and Rating Factors

Each project submitted for grant funding shall be evaluated using the three criteria provided in 24 CFR 954.105, as more fully explained in sections I.(e)(1), (2), and (3) of this NOFA, below. See Figure 1. For an application to be considered for rating, ranking, and funding, all eligibility requirements must be addressed. *After rating, the project must receive at least 60 points to be considered for funding.*

The complete rating and ranking process is described in detail at section I.(e)(5) of this NOFA.

All the potential points which can be earned are summarized as follows:

Need and Design	30
Need	(15)
Need/Quantity/Documentation ..	4
Need/Quantity/Demographics ...	3
Responsiveness	3
Benefits	5
Project Feasibility	(15)
Planning and Implementation	40
Financial	(15)
Property/Cost/Ability to Pay	6
Cashflow thru Completion	3
Feasibility thru Affordability Period	3
Cost Effectiveness Test	3
Legal and Administrative	(10)
Staffing Plan during Implementation	(15)
Leveraging	30

HUD urges each applicant to screen its application using the Checklist of Eligibility Requirements and Application Submission Requirements to ensure that the application meets each requirement.

In responding to each of the components which address the selection criteria, HUD requests that each applicant:

- Use separate tabs for each selection criterion and sub-criterion. In order to be rated, make sure the response is beneath the appropriate heading.
- Keep its responses in the same order as the NOFA.
- Provide the necessary data and the explanation, not exceeding 200 words, that supports the response. Include all relevant material to a response under the same tab. Do not assume the reviewer will search for the answer or information to support the answer elsewhere in the application.
- Do a preliminary rating for its own project, providing a score according to the scoring guide. This will help to show the applicant how its project might be scored by the reviewers. It will also help to show the applicant whether the application meets the eligibility requirements and the minimum point score requirement (50

points), and where the strengths and weaknesses of the application are located. Then, the applicant can strengthen the weaker parts of the application and retain the stronger parts.

The HOME program is for *low-income and very low-income persons*. In the application, applicants must provide information on the median income for the community in which the proposed project is located. The low-income and very low-income limits for each applicant community are available from the Area ONAPs.

FIGURE 1.—INDIAN HOME PROGRAM SCORING

Selection criteria	Maximum points
Need and Design	30
Planning and Implementation	40
Leveraging	30

(1) NEED AND DESIGN—30 points maximum.

The first of the three criteria provided in 24 CFR 954.105 addresses the degree to which the application:

- (a) Identifies the housing needs of the tribe,
- (b) Describes the demographic characteristics of needy, very low and low-income families,
- (c) Describes the characteristics of the homes to be provided,

(d) Is from an applicant with a high ratio of unmet need to total need, and

(e) Proposes homes which meet the requirements of the needy. This first criterion is divided into two parts that will be examined and evaluated separately. These parts are: (i) Need and (ii) Project Feasibility.

(i) Need—15 points maximum. The degree to which the proposed project addresses the housing need(s) of the tribe as identified in the documentation for the project. Tribal need must be documented. This documentation should include current IHA waiting lists, data on the degree of overcrowding, percentage of population in need of housing based upon census data, etc. Waiting lists from the IHA must identify whether the list is for rental housing or ownership housing, e.g., mutual help. An IHA waiting list for ownership housing is especially important if the proposed project contemplates the sale of units, e.g., new construction.

(A) Housing Need Expressed in Terms of Quantity (4 points maximum). The tribe shall express its housing needs within its reservation, service area, or area of operation by:

- The number of affordable units, as documented by the applicant;
- The size (number of bedrooms) of the needy households as documented by the applicant;
- The type of assistance needed, e.g., rehabilitation vs. new construction, as documented by the applicant; and
- The tenure type of the housing needed, i.e., homeownership or rental, as documented by the applicant.

Documentation that contains a recent formal survey prepared by a tribe, a State, the Federal government or a commission authorized by a tribe, a State, or the Federal government, or a recent formal survey authorized by a tribe, State, the Federal Government or a tribe authorized commission and actually performed by a third party, such as a consultant or university, shall receive four points. Documentation supporting housing need other than a formal survey shall receive 0 or 2 points depending upon the quality of the documentation presented. See Table 1.

TABLE 1.—SCORING GUIDE

Quantity of housing need—quality of documentation—[in points]		
Good	Fair	Unsatisfactory
4	2	0

(B) Demographic Information Regarding Indian Households in Need of Affordable Housing (3 points maximum). The demographic characteristics of low-income and very low-income Indian households that are in need of the housing identified in (A), above, shall quantify the number of Indian households and number of family members in the household, their age, and gender, as well as the number of households for which an accessible unit is needed. An application which contains this data shall receive 3 points. A current IHA waiting list may be used to supply this data. Waiting lists must identify whether the list is for rental housing or ownership housing, i.e., mutual help. A waiting list for ownership housing is especially important if the proposed project contemplates the sale of units, e.g., new construction.

Partial supporting documentation shall receive 2 points. If the documentation is unclear or missing entirely, 0 points. See Table 2.

TABLE 2.—SCORING GUIDE

Quantity of housing need—demographic characteristics—		
Complete or with correct IHA list (points)	Partial documentation (points)	Unclear or missing (points)
3	2	0

(C) Proposed Supply by Quantity, Size, Tenure, and Type (3 points maximum). Documentation in the application must identify the housing to be supplied by the proposed project. Supply must be described by the following characteristics:

- The number of affordable units to be provided;
- The size (number of bedrooms) of the units to be provided;
- The type of assistance to be provided, e.g., rehabilitation vs. new construction; and
- The tenure type of the housing to be provided, i.e., homeownership or rental.

An application that provides this information shall receive 3 points. An application that does not respond to all these requirements shall receive 2 or 0 points depending upon its responsiveness to this factor. See Table 3.

TABLE 3.—SCORING GUIDE

Responsiveness to housing supply factors		
Very responsive (points)	Fairly responsive (points)	Not responsive (points)
3	2	0

(D) Benefits to Very Low-Income and Low-Income Families of the Tribe (5 points maximum). Under this factor, the applicant with the larger ratio of unmet low-income and very low-income need for affordable housing receives more points. The ratio consists of a numerator, which is the number of very low-income and low-income families of the tribe in need of affordable housing divided by a denominator, which is the total number of very low-income and low-income families of the tribe. The result is multiplied by 5 to determine the number of points received under this criterion. The number of points should be rounded to 2 decimal places.

In the response to this criterion, the applicant may use data for “members” or “families,” whichever one is available. Whichever one is chosen, it must be used in both the numerator and the denominator of the ratio. If data is chosen for “families,” “families” must be used in both the numerator and denominator. The applicant must provide the source for the data. Failure to identify the source of the data will result in the loss of one point. See Table 4.

The total of all the low-income and very low-income families with unmet housing needs is the number that is considered for the numerator in the formula used in this criterion, regardless of the particular activity for which funding is sought in the application. The denominator is the total number of low-income and very low-income families of the tribe. For example, say: —the total number of low-income and very low-income families of the tribe is 1,000,

- the applicant is applying for funds to rehabilitate 10 units, and
- there are 100 low-income and very low-income families in need of rehabilitated units,
- But the total number of low-income and very low-income families with housing needs of all types (rental, new construction, and rehabilitation) is 500.

Then, the number that would be used in the formula as the numerator is 500; the denominator is 1,000. If the project is mixed, that fact is of no consequence in using the formula. A mixed project may be mixed as to tenure of the families to be assisted, i.e., rental or home ownership, but it may not be mixed as to type of project activity, i.e., a combination of acquisition, rehabilitation, new construction.

For example, a tribe has 20 low-income and very low-income families in need of affordable housing and a total of 100 low-income and very low-income families. No source for the data is identified. Substitute these values in the formula:

$$5 \times (20/100) =$$

$$5 \times 0.20 =$$

$$1.00 \text{ point.}$$

The formula results in a preliminary score of 1.00 point. Then, deduct one point because the source for the data is not given and the final point score for this item becomes zero.

TABLE 4.—SCORING GUIDE

Benefits to very low-income and low-income families

$5 \times (\text{low-income and very low-income families in need of affordable housing} / \text{total of low-income and very low-income families})$. Round to 2 decimal places. Deduct 1 point if source of data is not provided.

(ii) Project feasibility. Match Between Demand and Supply by Characteristics.—15 points maximum. Project feasibility as measured here is the degree to which the characteristics of housing units in the proposed project are responsive to need of actual low-income and very low-income families for affordable housing that was identified in the previous evaluation factor. A project which provides a number of units with the appropriate characteristics less than or equal to the identified need will receive more points. A project which provides a number of units with the appropriate

characteristics greater than the demand will receive less points. Thus, there is a penalty if supply is greater than demand. To evaluate the degree to which the proposed project addresses the housing needs of the tribe as identified in the application, points will be awarded based upon:

(A) The relationship between the number of affordable units to be provided as compared to the number needed, as documented by the applicant;

(B) The size (number of bedrooms) of the units to be provided relative to sizes

of needy households as documented by the applicant;

(C) The type of assistance to be provided, e.g., rehabilitation vs. new construction, compared with the type of assistance necessary, as documented by the applicant; and

(D) The tenure type of the housing to be provided, i.e., homeownership or rental, compared with the type of assistance required, desired, or necessary as documented by the applicant; and;

(E) The project plan must indicate a schedule for the implementation of the expanded housing opportunities.

The documentation for a project shall receive 15 points if it: (1) shows that the quantity of housing units to be made available for very low-income and low-income families of the tribe is equal to or less than the demand, (2) shows that the sizes of the units to be made available meet but do not exceed the needs of the very low-income and low-income families, (3) shows that the type of assistance (rehabilitation, new construction) to be provided meets the type of assistance needed, (4) shows that the tenure type (ownership, rental) to be provided is the tenure type needed, and (5) describes the delivery schedule. The documentation for a project shall receive 8 points if it clearly responds to four of the five items. The documentation for a project shall receive 0 points if it does not clearly respond to four of the five items. See Table 5.

TABLE 5.—SCORING GUIDE

Match Between Proposed Supply and Documented Demand (points)		
Good	Fair	Unsatisfactory
15	8	0

(2) PLANNING AND IMPLEMENTATION—40 points maximum.

The second of the three criteria provided in 24 CFR 954.105 is: The degree to which the financial, legal, and administrative actions necessary to undertake the proposed project have been considered and addressed in the documentation for the project, and the degree to which the applicant has the administrative staff to carry out the project successfully. Applicants must be concrete and specific in describing the financial, administrative, and legal actions involved in carrying out the project, and must describe their own administrative capability, existing or planned, to carry out this project. The applicant must demonstrate, using complete cost and revenue estimates for the project, including loans if necessary, that the proposed project is financially feasible and meets the regulatory affordability requirements. This second criterion is divided into three parts that will be examined and evaluated separately. These three parts are: (i) Financial; (ii) Legal and Administrative Actions; and (iii) Staffing Plan during Implementation.

(i) Financial—15 points maximum.

(A) Property identification and comparison of project cost and ability of needy family to pay (6 points maximum). The applicant must

demonstrate that the proposed very low- and low-income families who will be the owners or tenants shall be able to afford to buy or rent this housing in accordance with the affordability requirements under 24 CFR 954.306: "qualification as affordable housing and income targeting; rental housing," and 24 CFR 954.307: "qualification as affordable housing; home ownership." This evaluation is to include the results of market surveys for acquisition, rehabilitation, or new construction of housing and/or the identification of the actual properties to be acquired, rehabilitated, or constructed.

In addition to information concerning the supply of homes, the applicant must provide information to support the demand for homes. This market information must indicate that there is a demand for the type of tenure being proposed for the home at the price being proposed. If the project is for homeownership, what evidence is there that there is sufficient demand of interested and eligible applicants? Have applicants been identified? Selected? If the proposed applicants are renting, is there evidence they want to buy? Is there evidence they can afford to buy? As an indication of credit worthiness, have applicants been pre-qualified for a loan?

For all types of projects, but especially for an owner-occupied rehabilitation project, include a discussion of funding for routine maintenance and property taxes, which may increase due to an increase in the unit value, and energy conservation. Since the units to be rehabilitated with the HOME grant became substandard because they were not maintained, include a discussion of provisions to pay for training and education, and for major repair and replacement as a result of damage or loss through wear and tear. For example: After the unit is rehabilitated with this HOME grant, how will it be maintained? Are funds being set aside to maintain the unit? Whose funds are they—the owner's, tenant's, owner/occupant's? Is there a plan included in the application to address this? Will the applicant provide for energy efficient construction/rehabilitation which goes beyond regulatory requirements so as to minimize occupant expenditure for utilities? Will the applicant employ construction/rehabilitation techniques/materials which will help minimize the upkeep and maintenance costs to the occupant/owner? For scoring, see Table 6. Points will be awarded based upon the completeness and adequacy of responding to pertinent questions.

TABLE 6.—SCORING GUIDE

Property Identification and Cost vs. Ability To Pay (points)		
Good	Fair	Unsatisfactory
6	3	0

(B) Cash flow projection through project completion (3 points maximum). This requirement deals with the year by year cash flow for the proposed project. For example, for a new construction project by the applicant of a single family detached unit that is to be sold to a low income family that will occupy the unit, the cash flow projection would show the cost of construction, the construction payments, any equity or debt using HOME or non-HOME funds, any down payment and any mortgage loan made in the sale of the unit to the family, and the monthly mortgage payment and the source of funds to make those payments.

The applicant must provide a year-by-year cash flow projection which includes an estimate of all project costs and revenues. The project must be financially feasible from the start. The costs and the revenues must be realistic. The housing opportunities must be achievable for the amounts shown. The costs must not be unrealistically low, showing more product for less money.

There must be a projection of costs and revenues for the time the work is being carried out as well as the time of maintenance and repair. The costs and revenues projection identifies what the maintenance and repair and major replacement costs for the long term (i.e., not less than the minimum period of affordability, 24 CFR 92.614) are going to be and how they will be paid. The projection must identify what the costs and revenues are. If the source of revenue is a grant, the grant must be identified. The costs and revenues and the cash flow must cover the construction period and the marketing period (if there will be a marketing period); the period of maintenance and repair must be projected separately. The applicant must identify whether there is a need for short-term borrowing for rehabilitation or whether rehabilitation is paid for entirely from HOME and leveraged funds; any years of negative cash flow; and the cumulative negative cash flow. If the project requires financing, i.e., borrowing, to get through periods of negative cash flow, the applicant must show the financing in the cash flow projection. For scoring, see Table 7. Points will be awarded based on completeness in adequately addressing the pertinent questions.

TABLE 7—SCORING GUIDE
[In points]

Cash flow projection through project completion		
Good (points)	Fair (points)	Unsatisfactory (points)
3	2	0

(C) Financial feasibility during the affordability period (3 points maximum). This requirement deals with the financial feasibility of the housing during the affordability period beginning after project completion, i.e., after completion of the acquisition, rehabilitation, or new construction. The affordability period can be from 5 years to 20 years (24 CFR 954.306). The housing has costs and revenues throughout the affordability period. Identify all of the costs and revenues, year by year, and display them to ensure that all of the costs shall be paid by revenues reasonably anticipated to occur.

The housing must be financially feasible for the affordability period, while at the same time remaining affordable as prescribed by the requirements at 24 CFR 954.306 and 954.307. Arrangements to be made for long-term costs must be shown. If during this period developer borrowing is required to get through periods of cumulative negative cash flow, the applicant must show the borrowing. The applicant must show buyer mortgage payments, if any.

As costs occur for the units that are occupied (e.g., owner-occupied rehabilitation, or new construction of rental housing), the application must

discuss who will pay those costs and how they will be paid; whether any borrowing will be involved; whether the owner is expected to make the payments and when the payments will occur. The costs and revenues for maintenance, repair, and major replacements must be included in the affordability period cash flow projection. For a rental project, the projection must include how the project management staffing costs described in the staffing plan will be paid. For scoring, see Table 8. Points will be awarded for completeness in addressing the pertinent questions.

TABLE 8.—SCORING GUIDE

Financial feasibility during the affordability period		
Good (points)	Fair (points)	Unsatisfactory (points)
3	2	0

(D) Cost effectiveness test (3 points maximum). The cost effectiveness test is related to leverage because the more non-HOME grant money brought to the project, the lower the amount of HOME grant money needed. The cost effectiveness test gives more points to projects that use less HOME funds. The cost effectiveness test also rewards projects which use HOME funds most efficiently. To score a project in the cost effectiveness test, a maximum allowable expenditure of HOME funds is identified for each project type with respect to the total development cost (TDC).

(1) Housing Rehabilitation. For rehabilitation projects, the maximum allowable expenditure of HOME funds shall be no more than 62.5% of the cost

of new construction (i.e., no more than 62.5% of the TDC) for substantial rehabilitation ("substantial" means an expenditure of \$25,000 or more per home) and no more than 50% of the TDC of new construction for moderate rehabilitation. If the HOME assistance is less than 20% of the maximum allowable expenditure of HOME funds, the project receives 3 points; for 20% to 60%, 2 points; for 61% to 99%, 1 point. If it is 100% of the maximum allowable, the project receives 0 points. See Table 9.

(2) Acquisition. For acquisition projects, the maximum allowable expenditure of HOME funds shall be no more than 62.5% of the cost of new construction (i.e., no more than 62.5% of the TDC) if the property has been substantially rehabilitated and no more than 50% of the cost of new construction if the property has been moderately rehabilitated. If the HOME assistance is less than 20% of the maximum allowable amount, the project receives 3 points; for 20% to 60%, 2 points; for 61% to 99%, 1 point. If the HOME assistance is 100% of the maximum allowable amount, the project receives 0 points. See Table 9.

(3) New Construction. For new construction projects, the maximum allowable expenditure of HOME funds shall be less than or equal to 100% of the TDC. If the HOME assistance amount is less than 20% of the maximum allowable amount, the project receives 3 points; for 20% to 60%, 2 points; for 61% to 99%, 1 point. If the HOME assistance amount is 100% of the maximum allowable expenditure of HOME funds, the project receives 0 points. See Table 9.

TABLE 9.—SCORING GUIDE

Cost effectiveness test			
0% to 19% (pts.)	20% to 60% (pts.)	61% to 99% (pt.)	100% (pts.)
3	2	1	0.

(ii) Legal and Administrative Actions—10 points maximum. All policies, procedures, standards, criteria, and planning documents necessary for the type of project proposed must be included in the documentation for the project. Where rental housing is envisioned, this includes the tenant selection requirements for rental housing at 24 CFR 954.402(e). Where assistance for homeowners is contemplated, this includes the requirements for rehabilitation at 24 CFR 954.307. If the applicant is assisting

homebuyers, the applicant must establish guidelines determined by HUD to be appropriate for the subsequent resale of the housing units, required under 24 CFR 954.307. Planning documents must include a discussion of steps that will be taken to ensure maintenance of housing quality throughout the affordability period. See Table 10. Points will be awarded based on the completeness of the application and sample documentation in addressing the pertinent factors:

(A) Housing Rehabilitation. Data submitted must include adopted rehabilitation policies, including adopted rehabilitation standards that meet applicable local codes and/or ordinances; maximum rehabilitation cost per unit; rehabilitation selection criteria; and project planning documents.

(B) Acquisition. Data submitted must include adopted standards for houses that shall be acquired, including maximum purchase price per unit;

participant selection criteria, and project planning documents.

(C) New Construction. Data submitted must include adopted standards for construction that meet applicable or local codes and ordinances and that meet HUD prescribed energy-efficiency standards; maximum cost per unit; participant selection criteria; and project planning documents.

TABLE 10.—SCORING GUIDE

Other legal and administrative		
Good (points)	Fair (points)	Unsatisfactory (points)
10	5	0

(iii) Staffing Plan—15 points maximum. The applicant must provide a staffing plan. The plan must relate the steps in the project execution timetable with the personnel skills required for this project.

(A) For a grantee administered project, the staffing plan must identify the key personnel skills and experience requirements for the particular steps in the execution of this project, and relate this information to the project timetable, i.e., during acquisition, rehabilitation, construction. In order to be properly rated, experience identified must demonstrate the ability of key personnel in relation to the tasks required. If an applicant does not currently have personnel which possess the skills and experience requirements, the application must state how the applicant intends to obtain personnel which do have the experience and skills, and provide a list of available people who do have the necessary experience and skills. Resumes which show the experience and skills of these people may also be included in the application. A staffing plan which relates tasks, time, and personnel skills will receive 15 points. If the personnel requirements are for individuals who are experienced in the administration/management of programs which are somewhat similar to, but not the same as, the proposed program, 7 points will be awarded. Failure to submit a staffing plan or the submission of a plan which identifies personnel requirements for individuals whose experience would not have prepared them for the administration/management of the proposed program will result in the award of 0 points. Points will be awarded in accordance with Table 11 below.

(B) If the tribe has an agreement for the tribal IHA (or any other entity) to implement the project, a copy of the agreement must be included, as well as

a staffing plan of the IHA (or other entity), which includes the addition of this project, and a description of the impact on the entity due to administering this project. The staffing plan must identify the key personnel skills and experience requirements for the particular steps in the execution of this project, and relate this information to the project timetable, i.e., during acquisition, rehabilitation, construction. In order to be properly rated, experience identified must demonstrate the ability of key personnel in relation to the tasks required. A staffing plan which relates tasks, time, and personnel skills will receive 15 points. If the personnel requirements are for individuals who are experienced in the administration/management of programs which are somewhat similar to, but not the same as, the proposed program, 7 points will be awarded. Failure to submit a staffing plan or the submission of a plan which identifies personnel requirements for individuals whose experience would not have prepared them for the administration/management of the proposed program will result in the award of 0 points. Points will be awarded in accordance with Table 11 below.

TABLE 11.—SCORING GUIDE

Staffing plan		
Good (points)	Fair (points)	Unsatisfactory (points)
15	7	0

(3) Leveraging—30 points maximum.

The third of the three criteria provided in 24 CFR 954.105 is: Leveraging of HOME funds. Leveraging means using HOME funds to attract or bring in other dollars. Leveraging is the degree to which other sources of assistance (including—but not limited to—loans, advances, equity investments, interest subsidies, State funds, and private contributions) are used in conjunction with HOME funds to carry out the proposed project. The application must identify the leveraged funding for the HOME project and whether the leveraged funding will be used to pay for an eligible HOME project cost. For example, a Bureau of Indian Affairs-funded road is only counted for leveraging purposes if it's a site improvement and then only to the extent it benefits the HOME project units (and that amount becomes part of the development cost). If the proposed HOME project is being funded with resources other than the HOME grant, the application must identify those

resources and explain how they will be used. The application may propose some or all of those resources for leverage points. Proportionate amounts of each resource and the HOME grant should be expended at the same time, but if not, the application must explain why and identify when the HOME funds and the non-HOME funds will be spent.

Resources will be counted for leverage points only if they are in the possession of, or legally obligated to, the applicant before or within 90 calendar days of notification of grant award. For example, the contribution of land, goods, and services which come in or become available, or the prequalification of buyers for mortgage loans with a mortgage lender, before or within 90 calendar days of notification of grant award, fulfills this criterion. Contributions to a low-income housing tax credit program (LIHTC) where the funds do not become available to be expended for eligible project costs until 90 calendar days after notification of grant award do not fulfill this criteria. The use by the grantee of HOME grant funds for acquisition, rehabilitation, or construction will be conditioned upon the fulfillment of this criterion. If fulfillment does not occur, the grant will be withdrawn.

For consideration as leverage points, applicants must not submit information about the category of costs called indirect costs in OMB circular A-87. Such amounts are not counted for leverage points.

The phrase "in-kind" has been removed for leveraging points. Submit information about financial assistance for leverage points and identify it as land, goods, or services.

Whether or not leverage points are awarded, the use of additional funding to the tribe or family, including mortgage loans and LIHTC funding, is encouraged.

Applicants must provide documentation of the amount and sources of additional funds, including mortgage insurance, tribal funds, private contributions, tribal contributions directly related to the activity (labor, material, and equipment, as well as for soft costs, e.g., architectural and engineering costs), which are to be used in conjunction with HOME funds to carry out the proposed project.

Land already owned by the tribe shall not be counted. In the case of land donated by individuals or entities, it will be counted if the donation was contingent upon the receipt of the HOME award. Land value will be counted as a contribution only to the extent of its appraised value. All

appraisals shall be in conformance with established and generally recognized appraisal practices and procedures in common use by professional appraisers. Donated services will be accepted, provided that: first, the costs are demonstrated and determined necessary and directly attributable to the actual development of the project; and second, comparable costs and time estimates are submitted that justify the costs attributable to the donated services or labor. Donated labor shall be valued at a level necessary for the work provided and shall be assessed at the skill level of the individual(s) providing the labor. Donated labor on construction work that is otherwise subject to prevailing wages under 24 CFR 954.4(f) must meet the requirements of § 954.4(f)(2) or (3).

The amounts recognized as leverage can include any other Federal grant or assistance program. However, do not propose to use Indian Health Service funding for leverage points; IHS funding is not being made available for HOME projects. Loans secured through mortgage loan insurance programs (e.g., section 184 loan guarantee) may be recognized as leverage.

Points will be awarded as presented in Table 12. Ratio as a percentage is calculated by dividing the number of dollars made available from other sources of assistance by the number of dollars of HOME funds requested in the application, and multiplying by 100. For example, when one hundred (or more) dollars are made available from other sources of assistance for each one hundred dollars of HOME funds requested in the application, the maximum number of points (30) is awarded. When sixty dollars are made available from other sources of assistance for each one hundred dollars of requested HOME funds, fifteen (15) points are earned.

TABLE 12.—SCORING GUIDE

Leveraging	
Ratio	Points
100% or more	30
80% but less than 100%	20
60% but less than 80%	15
40% but less than 60%	10
20% but less than 40%	5
Less than 20%	0

(e) Application Review

(1) Receipt, eligibility, correctable deficiencies, and non-correctable deficiencies.

(i) Receipt. Upon receipt of the application, the Area ONAP will note the date and time and provide written

acknowledgement to the applicant indicating the date and time the application was received.

(ii) Eligibility. Each application will be screened at the Area ONAP for eligibility requirements. For the application to be rated and ranked, it must meet each eligibility requirement.

(iii) Correctable deficiencies. The opportunity to correct a technical, non-substantive deficiency is only given for those deficiencies which would *not* affect the evaluation of the application. Therefore, only minor administrative deficiencies are correctable. To assure uniform treatment, these are limited to a failure to submit a certification with the application or failure to submit a signed certification with the application. An applicant is not permitted to improve its application by filing statements that address substantive requirements after the due date for submissions has passed. If the application has correctable deficiencies, prior to a final determination on funding, the Area ONAP shall notify the applicant in writing of the correctable deficiencies and require their correction by the applicant within 14 calendar days of the issuance of notification.

(iv) Non-correctable deficiencies. If the application does not include all the items identified as non-correctable eligibility requirements, the Area ONAP shall not request any corrections for correctable deficiencies. The Area ONAP shall set the application aside. When HUD announces its decisions concerning the funding competition, the Area ONAP shall notify the applicant whose application did not meet the eligibility requirements.

(2) Eligibility requirements. Completeness will be determined by the Area ONAP as to whether the application includes all the non-correctable items, properly prepared and executed, identified in the Checklist of Eligibility Requirements and Application Submission Requirements under Appendix 2 of this NOFA. The Area ONAP screening does not include determining whether the application meets the minimum point score requirement. After screening, each application which meets the eligibility and application submission requirements set forth in this NOFA and those which are complete except for correctable deficiencies will be rated.

(3) Rating and ranking. Rating and ranking of applications will be carried out by a panel of HUD staff. The panel will review and rate each application which meets the eligibility requirements. The application ratings will be used to create an Initial Application Ranking List.

(i) Ranking. After the applications from all applicants have been rated by the Area ONAP panel of HUD staff, projects will be ranked by the scores into a single list. There will be a single list for each Area ONAP. For multi-project applications, each project will be rated and ranked individually.

(ii) Computation. Scores for ranking will be carried out to two decimal places (e.g., 12.34).

(4) Selection. The ranking process will produce an ordered list of projects that may receive funding. The order is established by the number of points the project received in the rating process. The eligibility requirement for further consideration will be 60 out of 100 points. Project applications scoring lower than 60 points will be set aside as non-responsive and ineligible. After rating and ranking, applicants with the highest scores will be selected and offered awards *to the extent that funds are available*.

Note: The grantee must carry out an environmental review before any HOME funds are committed to an activity requiring such a review (acquisition, rehabilitation, or new construction, generally; administrative costs are exempt) and obtain approval of its request for release of funds under 24 CFR part 58, in accordance with 24 CFR 954.4.

(5) Tie Breaker. When rating results in a tie among projects, projects will be approved in the following order:

(i) Those that can be fully funded over those that cannot be fully funded;

(ii) Projects that benefit the greatest number of very low-income and low-income persons; and

(iii) Projects that benefit the highest percentage of the total population of the tribe.

(6) Errors. Area ONAP Administrators may make a determination that an arithmetic error has occurred in the rating or ranking of applications. Applicants may bring arithmetic errors in the rating and ranking of applications to the attention of Area ONAP within 90 days of being informed of their score. If an Area ONAP review determines that there was an arithmetic error that denied funding to the applicant, the Area ONAP will construct a hypothetical distribution that would have existed if the error had not been made, and the Area ONAP will determine what the funding would have been for the applicant subject to the funds that were available at the time. The applicant will be funded out of remaining funds in the challenged round of funding, or out of the next available round of funding.

II. Application Process

(a) Application Packages

Although this NOFA provides the public with notice of, and salient information about, the FY 1997 HOME program for Indian applicants, it is the application kit that provides applicants with further necessary information on how to participate in the program. Applicants should obtain a copy of the application kit, which includes copies of required forms, from any Area ONAP listed in Appendix 1.

(b) Submittal of Complete Application

Completed applications must be submitted to the Area ONAP having jurisdiction for the applicant at the address listed at Appendix 1. The application shall be submitted on Form 424 and shall be accompanied by all the legal and administrative attachments required by the form.

(c) Application Due Date

An applicant may submit an application for grant assistance to the Area ONAP having jurisdiction over the applicant after the publication of this NOFA in the **Federal Register** but before 3:00 P.M. Area ONAP local time on June 20, 1997. This application deadline is firm as to date and hour. The Department shall treat as ineligible for consideration any application that is received after the deadline. Applicants should make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems. Facsimile ("FAX") copies of applications will not be accepted.

III. Findings and Certifications

(a) Environment

This NOFA provides funding under, and does not alter the environmental requirements of, regulations in 24 CFR part 954. Accordingly, under 24 CFR 50.19(c)(5), this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321). Applicants must comply with the regulations in part 954, including the environmental review requirements in 24 CFR 954.4(d).

(b) Energy

Utility expenses place a heavy burden on Indian housing and often cause abandonment. Applicants are encouraged to address this problem in applications for funding. (Note: 24 CFR 954.401 provides: "Newly constructed housing must meet the current edition of the Model Energy Code published by

the Council of American Building Officials.") See also 24 CFR 85.36(b)(7).

(c) Federalism Impact

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, *Federalism*, has determined that the policies contained in this NOFA shall not have substantial direct effects on states or their political subdivisions, or the relationship between the federal government and the states, or on the distribution of power and responsibilities among the various levels of government. The NOFA is limited to providing funds to Indian tribes in accordance with a program to expand the supply of affordable housing. As a result, the NOFA is not subject to review under the order.

(d) Family Impact

The General Counsel, as the Designated Official for Executive Order 12606, *The Family*, has determined that the provisions of this NOFA have the potential for indirect, although positive, impact on family formation, maintenance and general well-being within the meaning of the Order. The NOFA provides funds to Indian tribes in accordance with a program to expand the supply of affordable housing. To the extent that housing for families is increased, the impact on the family is indirect and beneficial. Accordingly, no further review is considered necessary.

(e) Section 102 of the HUD Reform Act

Documentation and Public Access Requirements; Applicant/Recipient disclosures:

Documentation and public access requirements. HUD shall ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, shall be made available for public inspection for a five-year period beginning not less than 30 days after the award of the assistance. Material shall be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD shall include the recipients of assistance pursuant to this NOFA in its **Federal Register** notice of all recipients of HUD assistance awarded on a competitive basis. (See 24 CFR 4.7 and the notice published in the **Federal Register** on January 16, 1992 (57 FR 1942), for further information on these documentation and public access requirements.)

Disclosures. HUD shall make available to the public for five years all applicant disclosure reports (HUD Form 2880) submitted in connection with this NOFA. Update reports (also Form 2880) shall be made available along with the applicant disclosure reports, but in no case for a period less than three years. All reports—both applicant disclosures and updates—shall be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. (See 24 CFR part 4 subpart A, and the notice published in the **Federal Register** on January 16, 1992 (57 FR 1942), for further information on these disclosure requirements.)

(f) Section 103 of the HUD Reform Act

HUD's regulation implementing section 103 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3537a) is codified at 24 CFR part 4 subpart B. Part 4 subpart B applies to the funding competition announced today. The requirements of the rule continue to apply until the announcement of the selection of successful applicants.

HUD employees involved in the review of applications and in the making of funding decisions are restrained by part 4 from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted under 24 CFR part 4.

Applicants or employees who have ethics related questions should contact the HUD's Ethics Law Division (202) 708-3815. (This is not a toll-free number.) For HUD employees who have specific program questions, such as whether particular subject matter can be discussed with persons outside HUD, the employee should contact the appropriate Field Office Counsel, or Headquarters counsel for the program to which the question pertains.

Prohibition Against Lobbying Activities. Section 319 of the Department of Interior and Related Agencies Appropriation Act for Fiscal Year 1991, 31 U.S.C. Section 1352 (the Byrd Amendment), which is implemented in regulations at 24 CFR part 87, prohibits applicants for Federal contracts and grants from using appropriated funds to attempt to influence Federal Executive or legislative officers or employees in connection with obtaining such assistance, or with its extension,

continuation, renewal, amendment or modification. The Byrd Amendment applies to the funds that are the subject of this NOFA. Therefore, applicants must file a certification stating that they have not made and will not make any prohibited payments and, if any payments or agreement to make payments of nonappropriated funds for these purposes have been made, a form SF-LLL disclosing such payments must be submitted. IHAs established by an Indian tribe as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but IHAs established under State law are not excluded from the statute's coverage.

(g) *Section 3*

24 CFR part 135. Economic Opportunities for Low and Very Low Income Persons. All applicants are herein notified that section 3 of the Housing and Urban Development Act of 1968 and the regulations in 24 CFR part 135 are applicable to funding awards made under this NOFA. One of the purposes of the assistance is to give to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns. Applicants that receive Indian HOME Program assistance which exceeds \$200,000 for housing

rehabilitation or new construction shall comply with the procedures and requirements of this part to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)).

Catalog of Federal Domestic Assistance

(The Catalog of Federal Domestic Assistance number for this program is 14.239.)

Authority: 42 U.S.C. 3535(d) and 12701-12839.

Dated: April 2, 1997.

Kevin Emanuel Marchman,
Acting Assistant Secretary for Public and Indian Housing.

APPENDIX 1.—LIST OF LOCAL OFFICES OF NATIVE AMERICAN PROGRAMS

Tribes located	Area ONAP address
East of the Mississippi River, Minnesota and Iowa.	Eastern/Woodlands Office of Native American Programs, 5P, Metcalfe Federal Building, 77 West Jackson Boulevard, Chicago, Illinois 60604-3507, (312) 886-4532 or (800) 735-3239, TDD Numbers: 1-800-927-9275 or 312-886-3741.
Louisiana, Missouri, Kansas, Oklahoma, and Texas (except for Isleta del Sur).	Southern Plains Office of Native American Programs, 6.IPI, 500 West Main Street, Suite 400, Oklahoma City, Oklahoma 73102, (405) 553-7525.
Colorado, Montana, Nebraska, North Dakota, South Dakota, Utah, and Wyoming.	Northern Plains Office of Native American Programs, 8P, First Interstate Tower North, 633 17th Street, Denver, Colorado 80202-3607, (303) 672-5457, TDD Number: 303-844-6158.
Arizona, California, New Mexico, Nevada, and Isleta del Sur in Texas.	Southwest Office of Native American Programs, 9EPID, Two Arizona Center, 400 North Fifth Street, Suite 1650, Phoenix, Arizona 85004-2361, (602) 379-4197, TDD Number: 602-379-4461, or
Idaho, Oregon, and Washington	Albuquerque Division of Native American Programs, 9EPID, Albuquerque Plaza, 201 3rd Street, NW, Suite 1830, Albuquerque, New Mexico 87102-3368, (505) 766-1372.
Alaska	Northwest Office of Native American Programs, 10PI, 909 First Avenue, Suite 200, Seattle, Washington 98104-1000, (206) 220-5271, TDD Number: (206) 220-5185.
	Alaska Office of Native American Programs, 10.IPI, 949 East 36th Avenue, Suite 401, Anchorage, Alaska 99508-4399, (907) 271-4603, TDD Number: (907) 271-4328.

Appendix 2—Checklist of Eligibility Requirements and Application Submission Requirements

Applications must meet the requirements in (1) and (2), below. Except for the certifications in (2)(iii) and (2)(iv), these requirements are non-correctable after the closing of the application submission period.

(1) Each application must be:

(i) _____ From an eligible applicant.
(ii) _____ If the applicant proposes to involve its IHA, the IHA must not have been disqualified for funding of new projects, as determined in accordance with 24 CFR 905.135. (A resolution may be attached which authorizes another entity, e.g., a housing authority, to prepare the application on behalf of the tribe; however, the tribe must be the applicant and sign the application.)

(iii) _____ There is no information to indicate that the eligible applicants and involved IHA lack the administrative capacity to undertake the project proposed.

(iv) _____ For one or more Indian HOME Program eligible projects.

(v) _____ For not more than a \$2.0 million grant.

(vi) _____ For a grant amount not in excess of 115% of the maximum per-unit subsidy amount (24 CFR 954.400).

The maximum per-unit subsidy amount is the total development cost standard for the area. Maximum allowable Total Development Costs ("TDCs") are established by location and by unit size (size is expressed as number of bedrooms). Maximum allowable TDCs are available from the Area ONAP for each applicant community. To determine whether the HOME grant amount requested satisfies this limitation, multiply the maximum allowable TDC for each size by the proposed number of units, add the products, multiply by 115%, and compare the result to the HOME grant amount requested. The grant amount request may not be more than this amount.

(vii) _____ Submitted with an original and one copy.

(viii) _____ From an applicant with not more than one HOME grant. An application from an applicant with two or more HOME grants that are not closed out pursuant to the requirements of § 954.504 will be set aside and not rated.

(2) Each application must contain the following:

(i) _____ Transmittal Letter.

(ii) _____ Standard Form-424, Application for Federal Assistance. Complete side one only. Name of the eligible applicant, e.g., a tribe or an authorized Tribal organization, must be in field 5, legal applicant. A resolution may be attached which authorizes another entity, e.g., a housing authority, to prepare the application on behalf of the eligible applicant; however, the eligible applicant must be the applicant and sign the application. The Catalog of Federal Domestic Assistance identifies this program as program number 14.239.

(iii) _____ Form HUD-4126, which contains the following certifications:

(A) A certification that the applicant shall comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR part 24 and the requirements of 24 CFR 954.4.

(B) A certification that the applicant shall use HOME funds in compliance with all the requirements of 24 CFR part 954, the Indian HOME program final rule.

(C) Drug-free workplace. The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

(D) Debarment. The certification that neither the applicant nor its principals are presently excluded from participation in any HUD programs, as required by 24 CFR part 24.

(E) Audits. A certification that the applicant does not have an outstanding Indian HOME or ICDBG obligation to HUD that is in arrears, or it has agreed to a repayment schedule. A certification that the applicant does not have an overdue or unsatisfactory response to an audit finding(s).

(F) Fire Safety. A certification that the applicant shall comply with the requirements of the Fire Authorization Administration Act of 1992 (Pub. L. 102-522).

(G) Economic Opportunities for Low-Income and Very Low-Income Persons. A certification that the applicant shall comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 and the regulations in 24 CFR part 135 to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)).

(iv) _____ Drug-free workplace. In order to fulfill OMB requirements, a separate, complete text certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

(v) _____ Form HUD-2880, Applicant/Recipient Disclosure/Update Report, as required under subpart A of 24 CFR part 4, Accountability in the Provision of HUD Assistance.

(vi) _____ Form HUD-4121-I, Indian HOME Program Grants. Comprehensive Approach; component that addresses the Comprehensive Approach For Expanding The Supply Of Affordable Housing. Indian tribes are not required to submit a Comprehensive Housing Affordability Strategy (CHAS), a Tribal Housing Plan, or a housing strategy to receive HOME funds. However, the application must demonstrate how the proposed project will contribute to a comprehensive approach for expanding the supply of affordable housing for members of the Indian tribe.

(vii) _____ Form HUD-4122-I, Indian HOME Program Grants. Project Summary; component that addresses the summary description of the proposed project.

(viii) _____ Operation Plan. All proposed projects that shall be operated as rental projects MUST include a management and maintenance plan and a staffing plan for these functions. An agreement with the tribal IHA to manage the units is not sufficient as a management and maintenance staffing plan; the IHA must include projected staffing to carry out these functions.

(ix) _____ Form HUD-4125-I, Indian HOME Program Grants. Implementation Schedule.

(x) _____ Form HUD-4123-I, Indian HOME Program Grants. Cost Summary.

(xi) _____ Project location map.

(xii) _____ Components that address the selection criteria. The applicant must provide a narrative and supporting documentation that are responsive to the selection criteria of sections I.(d)(1), (2), and (3) of this NOFA. This includes, but is not limited to, a description of how the HOME funds shall be used, and the various kinds of information that are necessary in order to apply the selection criteria and rating factors.

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