

the methods you will use to ensure that all officers, employees, and agents of your organization are aware of your code of conduct. Failure to meet the requirement for a code of conduct will prohibit you from receiving an award of funds from HUD.

(11) *Pre-Award Accounting System Surveys.* HUD may arrange for a pre-award survey of the applicant's

financial management system in cases where the recommended applicant has no prior federal support, the program area has reason to question whether the applicant's financial management system meets federal financial management standards, or the applicant is considered a high risk based upon past performance or financial

management findings. HUD will not make an award to any applicant who does not have a financial management system that meets federal standards.

(12) *Grant Ceilings.* The authority to establish grant ceilings is found at 24 CFR 1003.100(b)(1). Grant ceilings are established for FY 2003 funding at the following levels:

Area ONAP	Population	Ceiling
Eastern/Woodlands .....	ALL .....	\$500,000
Southern Plains .....	ALL .....	800,000
Northern Plains .....	ALL .....	900,000
Southwest .....	50,001+ .....	5,500,000
	10,501–50,000 .....	2,750,000
	7,501–10,500 .....	2,200,000
	6,001–7,500 .....	1,100,000
	1,501–6,000 .....	825,000
	0–1,500 .....	605,000
Northwest .....	ALL .....	500,000
Alaska .....	ALL .....	500,000

For the Southwest Area ONAP jurisdiction, the population used to determine ceiling amounts is the Native American population that resides on a reservation or rancheria. Please contact that office before submitting your application if you are unsure of the population level to use to determine the ceiling amount for your tribe or if you believe that the level used for previous years needs to be revised or corrected. The Southwest ONAP must approve any corrections or revisions to Native American population data before you submit your application.

(13) *Environmental Requirements.*

As required by 24 CFR 1003.605, ICDBG grantees must perform environmental reviews of ICDBG activities in accordance with 24 CFR part 58. Grantees may not commit or expend any ICDBG or nonfederal funds on project activities (other than those listed in 24 CFR 58.34 or 58.35(b)) until HUD has approved a Request for Release of Funds and environmental certification submitted by the grantee. The expenditure or commitment of ICDBG or nonfederal funds for such activities prior to HUD approval may result in the denial of assistance for the project or activities under consideration.

(14) *Indian Preference.* HUD has determined that the ICDBG program is subject to section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)). The provisions and requirements for implementing this section are in 24 CFR 1003.510.

(15) *Anti-discrimination Provisions.* Under the authority of section 107(e)(2) of the CDBG statute, HUD waived the requirement that recipients comply with

the anti-discrimination provisions in section 109 of the CDBG statute with respect to race, color, and national origin. You must comply with the other prohibitions against discrimination in section 109 (HUD's regulations for section 109 are in 24 CFR part 6) and with the Indian Civil Rights Act.

(16) *Conflict of Interest.* In addition to the conflict of interest requirements with respect to procurement transactions found in 24 CFR 85.36 and 84.42, as applicable, the provisions of 24 CFR 1003.606 apply to such activities as the provision of assistance by the recipient or sub-recipients to businesses, individuals, and other private entities under eligible activities that authorize such assistance.

(17) *Economic Opportunities for Low- and Very Low-Income Persons (Section 3).* Section 3 requirements apply to the ICDBG Program, but as stated in 24 CFR 135.3(c), the procedures and requirements of 24 CFR part 135 apply to the maximum extent consistent with, but not in derogation of, compliance with Indian Preference.

(B) *Requirements Applicable to Specific Projects*

(1) *Low- and Moderate-Income Status for Rehabilitation Projects.* All households that receive grant assistance under a housing rehabilitation project must be of low- and moderate-income status.

(2) *Housing Rehabilitation Cost Limits.* Grant funds spent on rehabilitation per house must fall within the following limits for each Area ONAP jurisdiction:

- (i) Eastern/Woodlands—\$35,000
- (ii) Southern Plains—20,000

(iii) Northern Plains—45,000

(iv) Southwest—40,000

(v) Northwest—40,000

(vi) Alaska—55,000

(3) *Commitment to Housing for Land Acquisition To Support New Housing Projects.* For land acquisition to support new housing projects, your application must include evidence of a financial commitment and an ability to construct at least 25 percent of the housing units to be built on the land proposed for acquisition. This evidence must consist of one (or more) of the following: a firm or conditional commitment to construct (or to finance the construction of) the units; documentation that an approvable application for the construction of these units has been submitted to a funding source or entity; or, documentation that these units are specifically identified in the Indian Housing Plan (IHP), (one-Year Financial Resources Narrative; Table 2, Financial Resources, Part I., Line 1E; and Table 2, Financial Resources, Part II) submitted on or on behalf of the applicant as an affordable housing resource with a commensurate commitment of Indian Housing Block Grant (IHBG) (aka the Native American Housing Block Grant (NAHBG)) resources. If the IHP for the IHBG (aka NAHBG) Program year that coincides with the implementation of the ICDBG proposed project has not been submitted, you must provide an assurance that when submitted, the IHP will specifically reference the proposed project.

(4) *Health Care Facilities.* If you propose a facility that would provide health care services funded by the Indian Health Service (IHS), you must