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This training is offered by the U.S. Department of Housing and Urban Development (HUD) and the Office of Native American Programs under a cooperative agreement with the National American Indian Housing Council.

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This webinar is being recorded.

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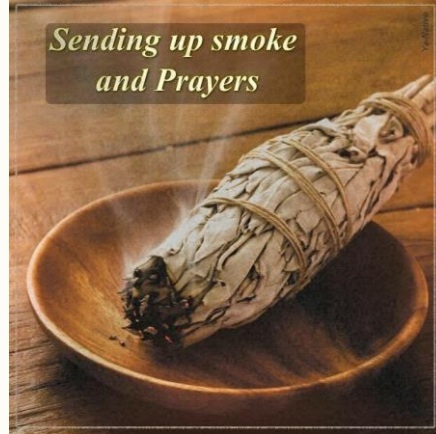


## AGENDA DAY 1

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11:00 -11:15 A.M.	ZOOM SIGN IN & ROOM ENTRY
11:15 – 4:00 P.M.	Welcome, Introductions The History of Indian Housing Understanding NAHASDA and its Implementing Regulations and Guidance NAHASDA Key Program Elements
1:00 – 2:00 P.M.	LUNCH BREAK

# 5 WELCOME & GOOD MORNING!



# 6

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(906) 440-1007

Skype:cherylacausley61





## Getting to know The Instructor

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Greetings my name is Cheryl

My Anishinaabe name is Red Bird Woman

I am Loon Clan and I come from Gnoozhekaaning (Place of The Pike), Bay Mills

Bay Mills is a Reservation located in the Upper Peninsula of Michigan, we are at the top and our waters border Canada

I served as my Tribes Director of Housing for over 28 years

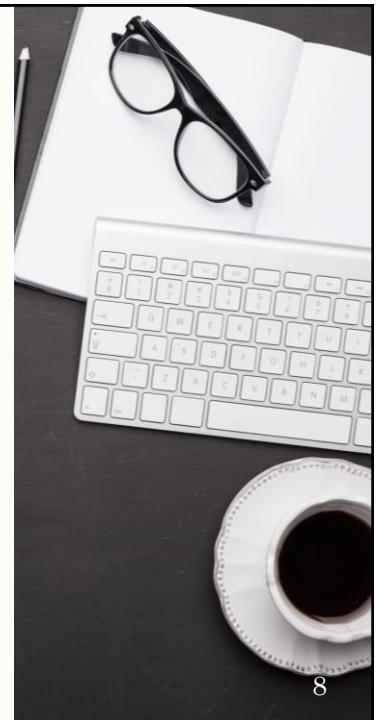
I was honored to serve as the Chairwoman of the National American Indian Housing Council (NAIHC) for Four years and on the Board of Directors as Vice-Chair and Secretary for an additional 12 years

I also served as The Chairwoman of the Great Lakes Indian Housing Association for 7 Years

## Poll: I work as a . . .

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- A. Executive Director
- B. Board Member
- C. Tribal Council Member
- D. Occupancy or Housing Manager
- E. Housing Counselor
- F. Maintenance/Construction
- G. Finance
- H. Consultant
- I. ONAP Rep
- J. I am not sure what my job is
- K. Other... But very Important!

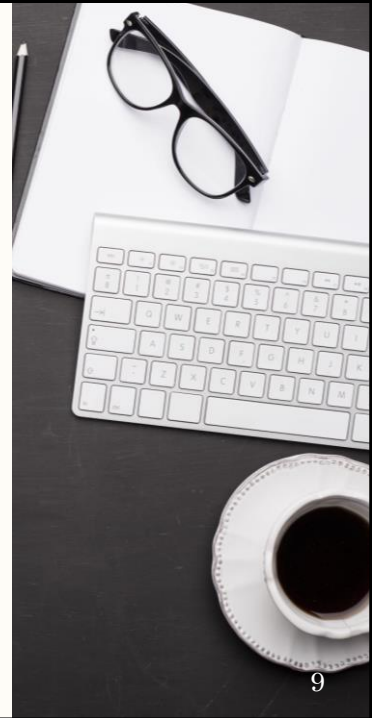




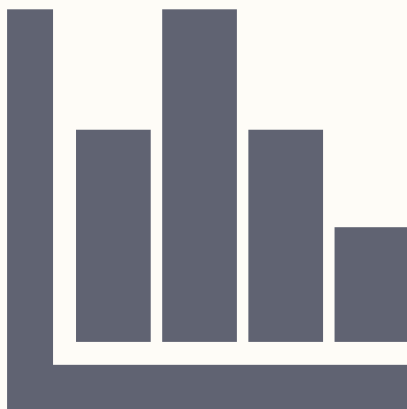
## Poll: I want to learn about . . .

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- A. Everything
- B. Development
- C. Needs Assessment
- D. Eligible Families
- E. My Boss made me
- F. When things are due
- G. Procurement
- H. My Board
- I. I don't know



9



## Poll: I have been in Housing for:

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- 1. 1 – 12 MONTHS
- 2. 1 YEAR – 2 YEARS
- 3. 2 YEARS – 5 YEARS
- 4. 5 YEARS – 10 YEARS
- 5. 10 YEARS – 20 YEARS

10



## Appendix Day # 1

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- App # 1 NAHASDA STATUTE
- App # 2 Regulations 24 CFR Part 1000
- App # 3 Super Circular 2 CFR Part 200
- App # 4 Non-Low-Income Families 2013-04

11



## *The History Of Indian Housing*

13

## *Trust Responsibility*

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*The United States has a trust responsibility to Native American tribes and to our people. This trust responsibility is based on sacred treaties with Indian tribes, federal statutes, court decisions, executive agreements, and through the course of other transactions and federal policy from the early 1800s.*

This trust responsibility extends to areas of health care, education, natural resources, public safety, and, of course, housing.

14

## *The 1937 Housing Act*

– *After the Great Depression, federal programs were created in an effort to help America's poorest citizens. The United States Housing Act of 1937, one of many post-Depression New Deal programs, promised to provide "safe and sanitary" dwellings for America's poor. The 1937 Housing Act authorized local governments to organize public housing agencies and provided loan funds to these agencies for low-income housing projects. It also permitted the federal government to guarantee these loans and to make yearly payments.*

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## *The 1937 Housing Act*

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*In 1949, Congress passed another housing bill that updated the '37 Act and addressed the post-World War II housing shortage. The bill renewed the federal commitment to provide safe and sanitary homes to the poor and expanded it to include a "decent home and suitable living environment for all American families." Regrettably, "all American families" did not include Indian Country families. The housing needs in Indian Country were not included in the '37 Housing Act.*

16

*This was probably due to the Federal government termination policy toward Indian tribes in the late 1940s and 1950s. Termination was a process designed to dissolve the Federal government-to-government relationship with tribes and assimilate Indian people into mainstream America. Tribes lacked the experience and influence in government and politics to assert their housing rights under existing federal and state law during this time period. Most tribes also lacked the financial capability to finance their own housing programs.*

17



## The Kennedy Vow

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1960-John F. Kennedy visited The Pine Ridge Reservation, during his campaign for President of the of the United States. After viewing housing conditions, He vowed to bring Federal assistance to Native Americans if elected.

1961- After being elected, President Kennedy convened his Cabinet and asked how they could provide Federal assistance to Tribes.

18

## Indian Tribes Eligibility

– *It was not until 1961 that Indian tribes became eligible for housing assistance under federal programs—assistance that the rest of the United States had accessed for 25 years. Still, in 1961, two major events forever changed Indian housing.*

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19

## *Indian Housing Authorities*

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First, the Public Housing Administration, HUD's predecessor agency, recognized tribal governments as local governing bodies that could establish Indian Housing Authorities under tribal law by approving a tribal ordinance. This meant that Indians on reservation and trust lands became formally "eligible" through the IHAs for publicly assisted housing programs which the rest of the country had been accessing for the last 25 years.

20

## *First Indian Housing Authority*

– *With this ruling the first Indian Housing Authority was established when the Oglala Sioux tribe on the Pine Ridge reservation in South Dakota created an IHA under tribal law in August 1961.*



21

### *States Can Establish IHAs*

– *Second, the Public Housing Administration also determined that states could establish IHAs in cases where a tribal government was not federally recognized but exercised the necessary administrative powers. States were required to pass a law that authorized the establishment of an IHA. This opened the programs to non-reservation federally recognized tribes, Alaska native villages, and a limited number of state-recognized tribes.*

22

### *Pine Ridge Demonstration Project*

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*By the end of 1962, the Pine Ridge demonstration project, helped convince the PHA legal counsel that more than low rent projects were needed, since 85 percent of Indian families needing homes earned \$2,000 or less per year.*

23

## *Self-Help Programs*

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*PHA's legal counsel had concluded that the '37 Housing Act contained the legal authority to create self-help programs. The self-help, or mutual help concept, was based on the idea that the homebuyer would contribute one of the following: land; materials; or labor ("sweat equity") toward the purchase of the home.*

*These contributions would give more low-income Indian families the chance to own single family homes, often at lower payments than the low rent program. Also, it was believed, pride of ownership would be inspired, and there would be more incentive to maintain the home and property.*

24

## *The First Mutual Help Program*

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*– The PHA announced the first mutual help housing program in December 1962. The first mutual help program was inaugurated in Indian Country by the San Carlos Apache IHA in 1964. Indian homes were developed under this program (now known as "Old Mutual Help") until 1976.*

*–*

25

## *INDIAN HOUSING ENCOUNTERS PROBLEMS*

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*Problems which arose from the onset of these first initiatives still plague tribal housing programs and their federal funding agencies today. The PHA modeled both the low-rent and mutual-help delivery systems after its urban multi-family prototype. Unfortunately, this approach had a long list of unforeseen consequences for Indian housing.*

26

### *Some Issues Include:*

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- 1. Indian preference for single family as opposed to multi-family dwellings
- 2. Trust status of Indian lands
- 3. Cultural considerations
- 4. IHA lack of training and professional expertise
- 5. Rural isolation of most reservations
- 6. Banks reluctance to lend money on trust lands
- 7. Inefficient Federal inter-agency coordination
- 8. The high cost and slowness of the development process

27

*These problems persisted for many years despite many efforts to address them. Many of these issues remain today in varying degrees, directly affecting the quality of the Tribe's housing programs.*

28

***THE FEDERAL  
GOVERNMENT'S  
RESPONSE TO  
THE PROBLEMS***

*It soon became apparent that PHA and the Bureau of Indian Affairs had to work closely together in order to address the problems. In 1963, PHA and the BIA signed the first coordination agreement for mutual help projects. The agreement identified each agency's responsibilities in the mutual help development process. The BIA was already developing homes using construction supervisors so it was logical that it should provide the construction superintendent for mutual help projects. Consequently, the Bureau was designated the lead oversight agency for all development activities.*

29

## ***THE FEDERAL GOVERNMENT'S RESPONSE TO THE PROBLEMS***

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*The PHA's role was to give technical assistance and facilitate projects. In 1965, a second coordination agreement was signed between the two agencies, this time to cover PHA low-rent projects. Both agencies' responsibilities remained the same under this agreement. Problems arose, however, as both agencies were severely criticized for vague and overlapping roles requiring a complexity of bureaucratic red tape that caused unnecessary and costly construction delays. Furthermore, it became apparent that the BIA's responsibilities were more than it could handle. In response, two major changes occurred in 1965.*

***First, the BIA established the Division of  
Housing Assistance with two programs:***

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*Housing Development,  
which primarily funded  
staff salaries;*

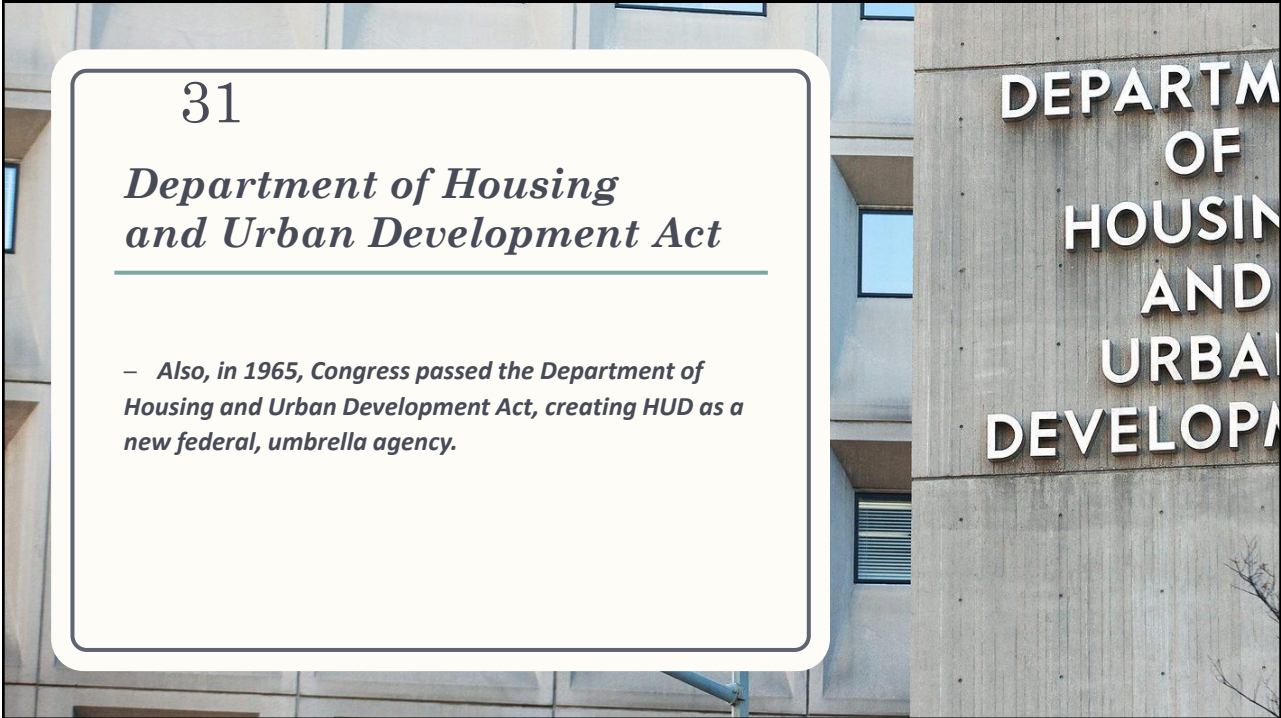
*and the Housing  
Improvement Program  
(HIP) which gave grants  
to rehabilitate homes  
and for building homes  
for the very low income.*

31

## *Department of Housing and Urban Development Act*

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– Also, in 1965, Congress passed the Department of Housing and Urban Development Act, creating HUD as a new federal, umbrella agency.



DEPARTMENT  
OF  
HOUSING  
AND  
URBAN  
DEVELOPMENT

32

## *Six former federal agencies were merged under HUD*

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1. *Public Housing Administration (PHA)*
2. *Federal Housing Administration (FHA)*
3. *Housing and Home Finance*
4. *Community Facilities Administration*
5. *Urban Renewal Administration, and*
6. *Federal National Mortgage Administration*



33

## *Housing and Urban Development Act of 1968*

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*The first formal reference to HUD's obligation to serve low-income Indian families was in the Housing and Urban Development Act of 1968, which included the modernization program, the Comprehensive Improvement Assistance Program (CIAP).*

*CIAP was designed to fund major rehabilitation and repairs to low-income rental units. It was not until 1979, however, that Indian Housing Authorities became eligible for CIAP.*

34

## *Logistical Challenges*

*– The promise of the Indian housing programs established in the 1960s was under increasing pressure as the 1970s began. Federal programs administered by HUD, more fitted to an urban environment, made the development of effective housing programs even more difficult in Indian Country. There was considerable national interest in satisfying the recognized housing need; however, the logistical challenges of developing housing in Indian Country remained.*

*–*

35

## *Developing Housing in Indian Country*

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*Overwhelming construction delays were compounded by new projects from multiple programs and funding agencies going into production without adequate delivery system controls and virtually untrained local IHA staff. HUD issued various rules and regulations that continued a long history of federally established guidelines intended to better monitor and measure the effectiveness of Indian Housing programs. The guidelines and HUD directed housing programs did not work. HUD and the BIA quickly realized that the goal of eliminating substandard Indian housing conditions would not be completed by their self-imposed goal of 1974.*

36

## *Government Accounting Office (GAO) Issued a Congressional Report on Indian Housing*

*In 1971, the Government Accounting Office (GAO) issued a congressional report on Indian housing that recommended a National Indian Housing Policy to stimulate agency coordination and accelerate the completion of projects.*

37

## *HUD published the Interim Indian Housing Handbook (7440.1).*

*In March 1976, HUD published the Interim Indian Housing Handbook (7440.1). The handbook contained the regulations, their guidelines and procedures. The new regulations made it easier for centralized oversight of Indian programs and clarified federal agency roles. They also created a measuring device for monitoring the effectiveness of IHA management particularly in rent and homebuyer payment collections. Tenant Accounts Receivable or "TARs" became an industry buzzword as collection became directly tied to IHA management subsidy funds. In the regulations the mutual help program became "old" mutual help (OMH), superseded by the "new" mutual help program. The New Mutual Help (NMH) program had, among other things, fixed unit prices and fixed amortization schedules.*

38

## *Developing Housing in Indian Country*

*In 1978 the General Accountability Office issued a report on Indian housing that found that 86,500 Indian families lived in substandard housing or needed new housing as compared to 63,000 documented in its 1971 publication. Housing construction starts had dropped dramatically and many of the long-standing problems still had not been addressed. Obviously, the federally-directed program delivery system had failed.*

39

## *Lack Of Training*

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*The failure of top-down administration was made even worse because local Indian Housing Authorities received no training in housing development and administration. NAIHC, established in 1974, reasoned with HUD and Congress that the goal of eliminating substandard housing conditions would not occur with Indian housing programs that were federally directed, and that training and other capacity building efforts should be tribal-specific. It would be 22 years until tribally directed housing would be authorized by law.*

40

## *Decade of Survival*

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*1980s was truly a decade of survival for tribal housing funding. Indian housing conditions worsened and the Presidential Budget Requests during this time proposed no funding for Indian housing programs. Throughout the decade, Congress allocated only limited resources that would create an average of 2,300 new units during the 80s, about half of the funding for previous years.*

41



**TYPES OF IHA HOUSING PROGRAMS DEVELOPED AND MANAGED UNDER THE 1937 HOUSING ACT**

**HUD LOW-INCOME HOUSING PROGRAMS**  
*Low-Income Rental*

*In the rental program low income families typically are month-to-month lessees. Most rental programs include two or three primary types of structures such as single-family detached units and duplexes or triplexes. Elderly and handicapped projects may include congregate housing with common dining and other facilities. The homes are rented to low-income families and HUD subsidized their rental payments with payments to the IHA in the form of an "operating subsidy". HUD provided this assistance over a 40-year period. At the end of 40 years, the project's development costs were retired through provisions of the Annual Contributions Contract (the financing contract).*

42



**HUD LOW-INCOME HOUSING PROGRAMS**  
*Low-Income Rental*



*Tenants paid according to their income which means that if a tenant's income decreased, their rent also decreased (and there was no minimum payment required). The rent also increased if the tenant's income increased. The IHA was responsible for maintenance and repairs for damage not caused by tenants.*

**TYPES OF IHA HOUSING PROGRAMS DEVELOPED AND MANAGED UNDER THE 1937 HOUSING ACT**


43


## *Mutual Help Homeownership*

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*This program was for low-income Indian families to own their homes rather than to rent. Before construction began the Mutual Help, homebuyer entered into a Mutual Help and Occupancy Agreement (MHOA) with the IHA. Among the terms and conditions, the family agreed to contribute at least \$1500 to the project before moving in.*

 44  
(a) cash,

 (b) labor,

 (c) land where the unit will be located, and/or

 (d) appropriate materials and equipment, such as appliances.

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*The Mutual Help contribution included at least one of the following:*



45

## *The MHOA (Mutual Help and Occupancy Agreement)*

*The MHOA specifies the type and amount of the contribution. Credit was given to the homebuyer for the contribution when the initial purchase price of the home was determined. HUD gave financial assistance to the IHA for the cost of the project. The government helps the homebuyers pay off the purchase price annually through the ACC. Mutual Help homebuyers were also responsible for paying their own utilities and for maintaining the home. In addition, they paid the IHA a monthly administrative charge. As income permitted, they also made additional monthly payments toward the purchase of the home*

46

## *The MHOA (Mutual Help and Occupancy Agreement)*

*Homes in the mutual help homeownership program that were built between 1962 and 1976 are called "Old Mutual Help"; homes built after 1976 are called "New Mutual Help". The Old Mutual Help program is very similar to the New Mutual Help program. The main difference is in the accounting process and the Mutual Help and Occupancy Agreement.*

47

*Turnkey III*

*This was a homebuyer program that was used prior to March 9, 1976 to provide homes for low income families who had the potential to be homebuyers. In Turnkey III projects participants did not play a role in the construction of the house. The participant purchased a completed home under terms similar to those in the Mutual Help Homeownership Program.*

48

*Section 8*

*The Section 8 Leased Housing Assistance Payments Program gave assistance to low-income families who lived in or preferred to find housing in the private housing market. HUD provided a subsidy to help meet the costs for operating the program and the IHA paid that portion of the rent that the tenant is unable to pay because their income was too low. Section 8 was and still is widely used in public housing but was only minimally used (some 3,602 units nationally) by tribes before the passing of the Native American Indian Housing Assistance Act (NAHASDA) of 1996.*

49

*HUD reported in 1981 that over 30% of all IHAs were "troubled" or unable to meet financial obligations.*

*By the end of 1980, mutual help homes comprised about 61% of IHA housing. HUD reported in 1981 that over 30% of all IHAs were "troubled" or unable to meet financial obligations. The following reasons were given:*

*IHA failure to collect TARs*

*over-budget expenditures*

*lack of cooperation between the IHAs and tribes/states/regional corporations*

*lack of good management resources*

*tribal government instability, and*

*poor tribal economies.*

50

## *Indian Housing Act of 1988*

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*In 1984, HUD established an Office of Indian Housing that separated Indian housing programs from public housing programs for the first time. Indian housing was legislatively separated from public housing when Congress passed the Indian Housing Act of 1988.*

51

## *Office of Native American Programs (“ONAP”)*

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*The Act created a separate title II of the U.S. Housing Act of 1937 that was directly and specifically applicable to Indian Housing. HUD’s Office of Native American Programs (“ONAP”), as it currently operates, was created by Section 902 of the Housing and Community Development Act of 1992.*

52

## **CREATION OF THE OFFICE OF NATIVE AMERICAN PROGRAMS (ONAP) OFFICE**

*On October 1, 1993, the HUD Office of Indian Housing (OIH) at HUD Headquarters in Washington, DC, and the Regional Offices of Indian Programs (OIPs) became the Office of Native American Programs (ONAP). For the first time, all Regional ONAP field offices came under the direction of the central ONAP office of HUD. This change improved uniformity between regions and provided IHAs with direct assistance from the HUD central office in addition to assistance provided through the regional ONAP offices.*

53

## *The Creation of NAHASDA*

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*The 1990s started the process that culminated in passage of the Native American Housing Assistance and Self-Determination Act (“NAHASDA”) of 1996.*

*An extraordinary amount of thought and work preceded the passage of NAHASDA. Tribes, IHAs, and NAIHC were closely involved with representatives from Congressional and Administration staff to craft legislation that would address the long-neglected housing needs in tribal communities.*

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## *(“The Commission”)*

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*Much of the work that went into crafting NAHASDA was the result of the creation of a commission to evaluate the barriers to housing development in tribal communities. The National Commission on American Indian, Alaska Native, and Native Hawaiian Housing (“the Commission”) was established by Congress in 1990 to evaluate the factors that were impeding the development of safe and affordable housing for Native Americans.*

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### *"Building the Future: A Blueprint for change,"*

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*The Commission also considered alternative strategies for the development, management, and modernization of housing for Native Americans. The Commission's report, "Building the Future: A Blueprint for change," was submitted to Congress in 1992.*

56

### *NAHASDA Was Signed into Law*

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*NAHASDA was signed into law on October 26, 1996. While not perfect, this legislation represented a vast improvement over previous programs for Native Americans. NAHASDA was intended to enhance tribal capacity to address the substandard housing and infrastructure conditions so prevalent in our tribal communities. NAHASDA encouraged greater self-management of housing programs and emphasized the need to include private sector financing to complement scarce Indian Housing Block Grant ("IHBG") dollars.*

57

### *The Annual IHBG was Formula Driven*

– *The annual IHBG was formula driven and awarded to eligible Indian tribes, or their designated tribal housing entity—what HUD calls (“TDHEs”) for a range of affordable housing activities that primarily benefit low-income Indian families living on Indian reservations or in other Indian areas. The amount of each grant was based on a formula that considers need and the amount of existing housing stock. We know the formula was not perfect. however, most would agree it is a great improvement over the previous funding methods based on competitive housing grants more suited to public housing.*

58



### *NAHASDA Eligible Activities*

– *Some NAHASDA eligible activities would not have been eligible, under the 1937 Housing Act, including down-payment and other mortgage assistance programs, transitional housing, the construction of domestic abuse shelters, and creation of revolving loan funds. NAHASDA is not perfect, funding has not kept pace with housing needs in our tribal communities, and we have been continuously underfunded.*



59

## *NAHASDA Recognizes the Right of Tribal Self-Governance*

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*Many of the recommendations from the Commission's "Building the Future: A Blueprint for Change" were taken into account when NAHASDA was in the development process. NAHASDA recognizes the right of tribal self-governance and the unique relationship between the Federal Government and the governments of Indian tribes that have been established by long-standing treaties, court decisions, statutes, Executive Orders, and the United States Constitution.*

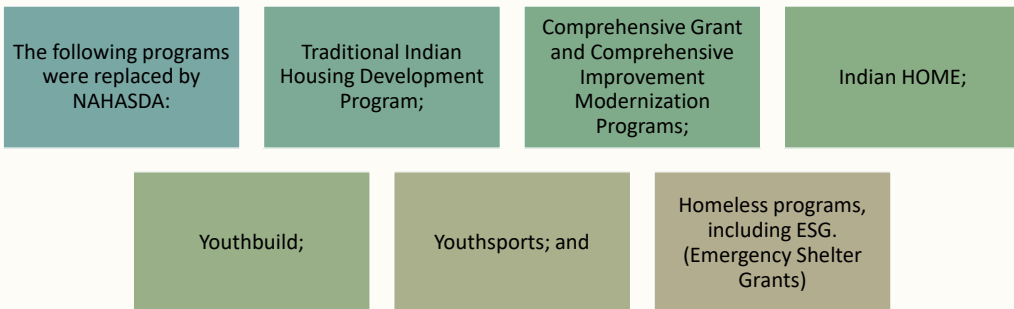
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## *The Final Rule*

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*NAHASDA changed the way that HUD provides housing assistance to Native Americans in other ways too. Its implementation in 1998 eliminated a number of separate assistance programs and replaced them with the IHBG program and Title VI Tribal Housing Loan Guarantee program. The regulations governing the IHBG and Title VI programs were established in a final rule dated March 12, 1998*

## 61 Repealed Programs



## 62 Self-Determination the Hallmark of NAHASDA

*NAHASDA is a definite departure from the top-down process of previous Indian housing rules and regulations. NAHASDA recognizes the right of Indian self-determination and tribal self-governance by making assistance available directly to the Indian tribes or TDHE, under authorities similar to those accorded Indian tribes in Public Law 93-638. Self-Determination was, and continues to be, the hallmark of NAHASDA*

63

## *The Importance of Funding for our Programs*

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*NAIHC Board members, tribal leaders, tribal housing professionals and other allies strive to continually educate Congress, especially those on the House and Senate Appropriations Committees, to the importance of funding for our programs and the destructive impact any reduction in funding would have in tribal communities.*

*Without sufficient funding, proper training and technical assistance, progress regarding tribal housing will not only cease; but years of hard work will be reversed, as many tribes will lack the funds to maintain and operate existing housing units, much less provide new ones.*

64

## *Building, Strong, Vibrant Communities*

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*We must work together to ensure that Indian housing programs are funded sufficiently to address the immense need we know still exists in our communities. Too many of our families live in overcrowded and substandard homes. This is unacceptable. It is through our shared passion to provide safe and healthy homes that we strengthen our native people and our communities. We need to support each other, as together we continue the important work of building, not just homes but strong, vibrant communities and nations for generations to come.*

## Break Time

NO  
ZOOM  
FATIGUE  
ALLOWED!

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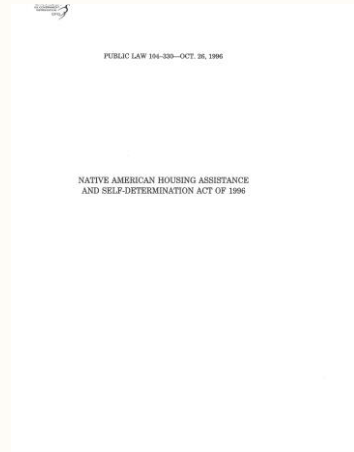
## Understanding NAHASDA and Its Implementing Regulations & Guidance

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## What Is NAHASDA? Native American Housing Assistance & Self- Determination Act of 1996

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## NAHASDA Key Points

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- ✓ Separates Indian Housing from Public Housing
- ✓ Provides a Block Grant to Tribes or TDHE
- ✓ Defines TDHE as the existing (IHA) Indian Housing Authority for the Tribe
- ✓ Tribes can also establish other entities through Self-Governance powers or by State Laws
- ✓ Permits the Tribe to set a maximum rent that does not exceed 30% of the monthly adjusted income
- ✓ Encourages private-sector investment in Indian Country through HUD Loan Guarantees
- ✓ Extended the Lease Term on trust or restricted lands

## NAHASDA Key Points

- ✓ HUD monitors for non-compliance and to take steps when compliance does not occur
- ✓ Authorizes a federal guarantee program:
  - Tribe can use, with the secretary's approval, a federal guarantee, to undertake affordable housing activities, that does not exceed 5 times the amount of the Tribe's Block Grant (Title Six)
- ✓ Re-authorizes the Indian Housing Loan Guarantee Program (184 Program)
- ✓ Extends Leasehold Interest in trust or restricted land to 50 years
- ✓ Conflict-of-Interest provisions
- ✓ Expands affordable housing opportunities
- ✓ Specifically addresses families who are above low-income


## NAHASDA Key Points

Block Grant used to operate and maintain current housing units

Block Grant used for development, rehabilitation, acquisitions, housing support services, such as counseling or loan processing, and to initiate model housing programs

Distributes Block Grant through an Allocation Formula developed under Negotiated Rule-Making





## What is: Negotiated Rule-Making

In order to interpret and implement NAHASDA, Regulations were developed using Negotiated Rule-Making (Negotiated Rule-Making Committee of 58 members, which included Tribal Leaders from across the country, as well as HUD staff)

The process of developing the Regulations was mandated by Section 106(b) of the Statute

*This unusual way of writing Regulations is significant because it was the first step in implementing the "Self-Determination" intention of NAHASDA*

The IHBG Regulations:

*Replaced the U.S. Housing Act of 1937 (1937 Act)*

*Set forth the necessary policies and procedures for the administration*

## NAHASDA Regulations

- Regulations for NAHASDA are negotiated with Tribes after each Re-Authorization of the Statute.
- The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) is overdue for reauthorization—it was last reauthorized for a 5-year period in **2008**. NAHASDA expired in 2013 and has been on the list of unauthorized appropriations ever since.



## Areas of Change

- ✓ Guiding Principles
- ✓ Definitions
- ✓ Program Income
- ✓ Administrative & Planning
- ✓ IHP/APR
- ✓ HUD Monitoring
- ✓ Investments
- ✓ Qualifying as Affordable Housing
- ✓ Non-low-Income Families
- ✓ Cooperation Agreements
- ✓ Preference

## NAHASDA Overview

*Reorganized the system of housing assistance provided to Native Americans through the Department of Housing and Urban Development (HUD) by eliminating several separate programs of assistance and replacing them with a Block Grant Programs.*

**Block Grant Programs authorized for Indian Tribes under NAHASDA:**

**Indian Housing Block Grant (IHBG)  
Title VI Loan Guarantee**

**Native Hawaiian Housing Block Grant (NHHBG)**

# NAHASDA Overview

- Regulations are published at 24 CFR Part 1000

## Indian Housing Block Grant (IHBG)

- a formula-based grant program

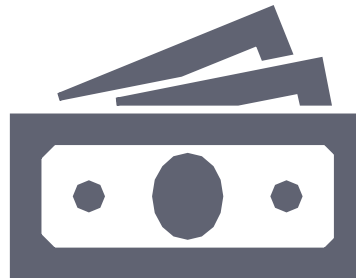
## Title VI Loan Guarantee

- provides financing guarantees to Indian Tribes for private market loans to develop affordable housing

Amended in 2000 to add Title VIII-Housing Assistance for Native Hawaiians. **Native Hawaiian Housing Block Grant (NHHBG)**

- Regulations are published at 24 CFR Part 1006

## HUD Title VI Loan Guarantee Program



## 77 Title VI Basics

Title VI allows IHBG recipients to leverage their annual IHBG funds to finance affordable housing activities by pledging a portion of their current and future grant funds to HUD as security for the Title VI guarantee.

A private lender provides the financing and HUD provides a 95% guarantee as collateral to the lender.


## 78

## Title VI Basics


The maximum commitment amount for the guarantee is five times the most recent need portion of the tribe's annual IHBG allocation.

For example, a recipient has an IHBG allocation of \$900,000, which consists of:

<b>Grant Allocation:</b>	<b>\$ 920,000</b>
<b>Less FCAS:</b>	<b>- \$ 600,000</b>
<b>Need Portion:</b>	<b>\$ 300,000 (Available For Leverage)</b>
<b>Multiplied by 5</b>	<b>x 5</b>
<b>Maximum Title VI amount:</b>	<b>\$1,500,000</b>



B. Tribal Project Planning



A. Recommended Tribal Strategic Planning


## Phase 1 - Tribal Planning and Project Documentation

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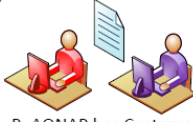
- Proposed project must be reflected in the recipient's IHP.

- Identify project team

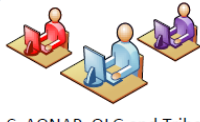
79



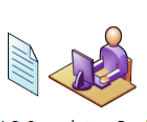
A. Tribe Prepares PLA Request, Sends to AONAP



B. AONAP has Customer Lead, AONAP and OLG Review



C. AONAP, OLG and Tribe Identify and Work to Clear Issues



D. OLG Completes Review and Issues Preliminary Letter of Acceptance

## Phase 2 - Preliminary Letter of Acceptance (PLA)

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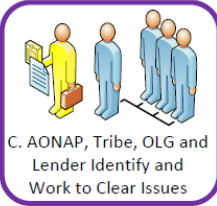
80



A. Tribe Completes Project Plan



B. Tribe Selects Lender. OLG Advises Lender on TVI Requirements



C. AONAP, Tribe, OLG and Lender Identify and Work to Clear Issues

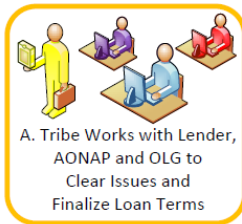


D. Lender Offers Loan to Tribe, OLG Offers Firm Commitment to Lender

## Phase 3 - Analysis

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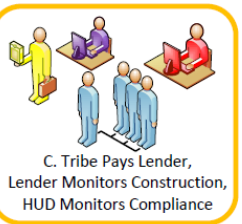
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A. Tribe Works with Lender, AONAP and OLG to Clear Issues and Finalize Loan Terms



B. Closing and Construction



C. Tribe Pays Lender, Lender Monitors Construction, HUD Monitors Compliance

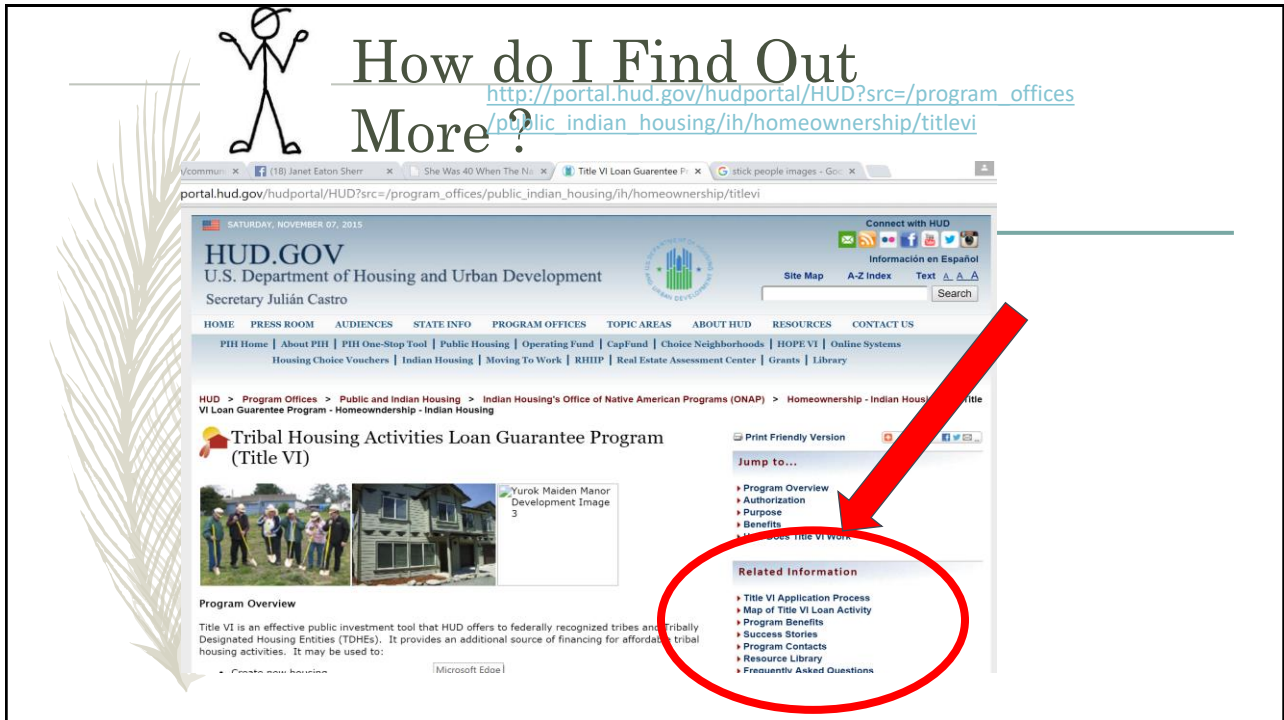


D. Project Completed, Tribe Revisits Strategic Plan

## Phase 4- Closing, Construction and Debt Servicing

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**How do I Find Out More?**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/ih/homeownership/titlevi](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/homeownership/titlevi)

portal.hud.gov/hudportal/HUD?src=/program\_offices/public\_indian\_housing/ih/homeownership/titlevi

SATURDAY, NOVEMBER 07, 2015

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HUD > Program Offices > Public and Indian Housing > Indian Housing's Office of Native American Programs (ONAP) > Homeownership - Indian Housing > Title VI Loan Guarantee Program - Homeownership - Indian Housing

**Tribal Housing Activities Loan Guarantee Program (Title VI)**

Print Friendly Version  
Jump to...  
Program Overview  
Authorization  
Purpose  
Benefits  
How Does Title VI Work

**Related Information**

- Title VI Application Process
- Map of Title VI Loan Activity
- Program Benefits
- Success Stories
- Program Contacts
- Resource Library
- Frequently Asked Questions

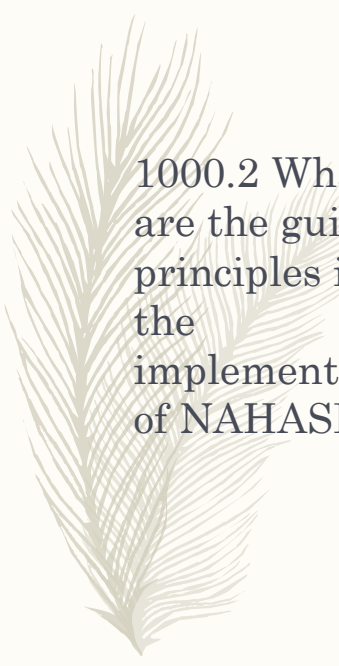
**Program Overview**

Title VI is an effective public investment tool that HUD offers to federally recognized tribes and Tribally Designated Housing Entities (TDHEs). It provides an additional source of financing for affordable tribal housing activities. It may be used to:

## 1000.4 What are the objectives of NAHASDA?

The primary objectives of NAHASDA are:

- a) To assist and promote affordable housing activities to develop, maintain and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families;
- (b) To ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;
- (c) To coordinate activities to provide housing for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;
- (d) To plan for and integrate infrastructure resources for Indian tribes with housing development for Indian tribes; and
- (e) To promote the development of private capital markets in Indian country and to allow such markets to operate and grow, thereby benefiting Indian communities.



## 1000.2 What are the guiding principles in the implementation of NAHASDA?

(a) The Secretary shall use the following Congressional findings set forth in section 2 of NAHASDA as the guiding principles in the implementation of NAHASDA:

(1) The Federal government has a responsibility to promote the general welfare of the Nation:

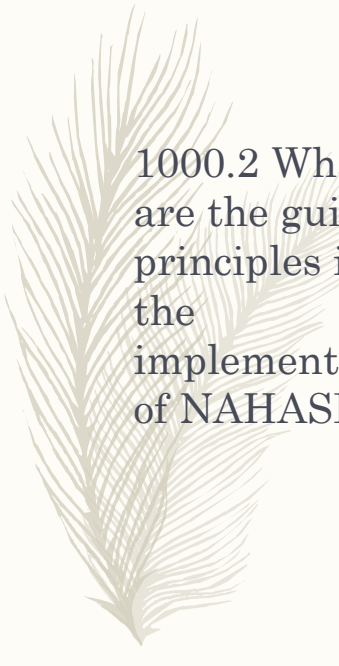
(i) By using Federal resources to aid families and individuals seeking affordable homes in safe and healthy environments and, in particular, assisting responsible, deserving citizens who cannot provide fully for themselves because of temporary circumstances or factors beyond their control;

(ii) By working to ensure a thriving national economy and a strong private housing market; and

(iii) By developing effective partnerships among the Federal government, state, tribal, and local governments, and private entities that allow government to accept responsibility for fostering the development of a healthy marketplace and allow families to prosper without government involvement in their day-to-day activities.

(2) There exists a unique relationship between the Government of the United States and the governments of Indian tribes and a unique Federal responsibility to Indian people.

(3) The Constitution of the United States invests the Congress with plenary power over the field of Indian affairs, and through treaties, statutes, and historical relations with Indian tribes, the United States has undertaken a unique trust responsibility to protect and support Indian tribes and Indian people.



## 1000.2 What are the guiding principles in the implementation of NAHASDA?

(4) The Congress, through treaties, statutes, and the general course of dealing with Indian tribes, has assumed a trust responsibility for the protection and preservation of Indian tribes and for working with Indian tribes and their members to improve their housing conditions and socioeconomic status so that they are able to take greater responsibility for their own economic condition.

(5) Providing affordable homes in safe and healthy environments is an essential element in the special role of the United States in helping Indian tribes and their members to improve their housing conditions and socioeconomic status.

(6) The need for affordable homes in safe and healthy environments on Indian reservations, in Indian communities, and in Native Alaskan villages is acute and the federal government shall work not only to provide housing assistance, but also, to the extent practicable, to assist in the development of private housing finance mechanisms on Indian lands to achieve the goals of economic self-sufficiency and self-determination for Indian tribes and their members.

(7) Federal assistance to meet these responsibilities shall be provided in a manner that recognizes the right of Indian self-determination and tribal self-governance by making such assistance available directly to the Indian tribes or tribally designated entities under authorities similar to those accorded Indian tribes in Public Law 93-638 (25 U.S.C. 450 et seq.).

(b) Nothing in this section shall be construed as releasing the United States government from any responsibility arising under its trust responsibilities towards Indians or any treaty or treaties with an Indian tribe or nation.



# Key Program Elements

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Formula

Eligible Families

Eligible Activities

Program Administration

Financial Management

Reporting and Recordkeeping

## Key Program Elements

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IHBG Formula



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## Formula Purpose and Background

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- Allocates IHBG funds
- Developed as part of Negotiated Rulemaking
- Intent: Make equitable distribution of annual appropriation
- Allocation is basis of your annual budget

## Key Dates

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- Formula Response Form (FRF):
  - Sent each year around June 1
  - Includes data to be used in formula and the estimated allocation amount for the coming FY
  - Corrections due 60 days after date of FRF
  - Census challenge deadlines for following FY specified in FRF
  - Corrections must be submitted to the IHBG Formula Customer Service Center on FRF Appendices A-D
- Final Allocations: Completed after the budget is appropriated



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## Final Allocations

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Final allocations can vary from estimate based on many reasons: different final allocation amount than what was used in the estimate, tribe's data changed, other tribe's data changed.

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## 92 Formula Components

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- Four components make up formula
  - Formula Current Assisted Stock (FCAS)
  - Need
  - 1996 Minimum
  - **NEW** -Undisbursed IHBG Funds Factor (UDFF) [§1000.310 and 342]

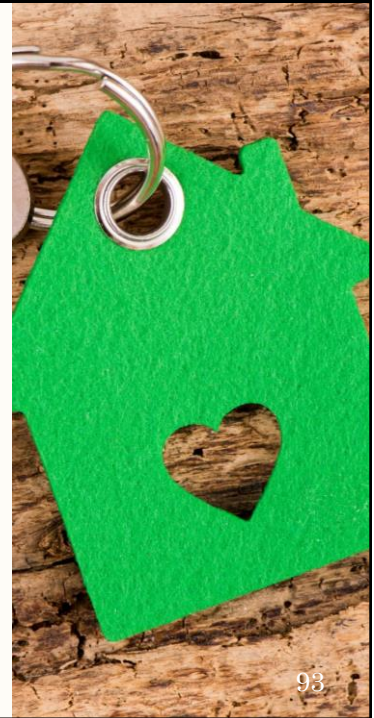




## Undisbursed IHBG Funds Factor (UDFF)

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- Undisbursed IHBG Funds: Applies to Tribes/TDHEs with:
  - 1) Amount of initial allocation of => \$5M
  - 2) With funds in eLOCCS. Does not apply to Tribes/TDHEs with approved investments.
  - 3) Undisbursed amount = Amount in excess of the sum of the prior 3 years initial allocation calculations or its 1996 Minimum.



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## Component 1: FCAS

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1. FCAS is Housing developed under the 1937 Act (before NAHASDA) called Current Assisted Stock (CAS):
  - Low Rent
  - Mutual Help
  - Turnkey III
  - Section 8
2. 1937 units in the development pipeline (after NAHASDA)
3. Section 8 – expired but still managed like Sec 8 program

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## 95 FCAS

- Two elements of FCAS in formula
  - Operating subsidy
  - Modernization allocation
- FCAS adjusted by
  - FY96 national averages for Operating subsidy and Modernization allocation
  - Local costs and inflation adjustments



## Demolished Units 1000.318(e)

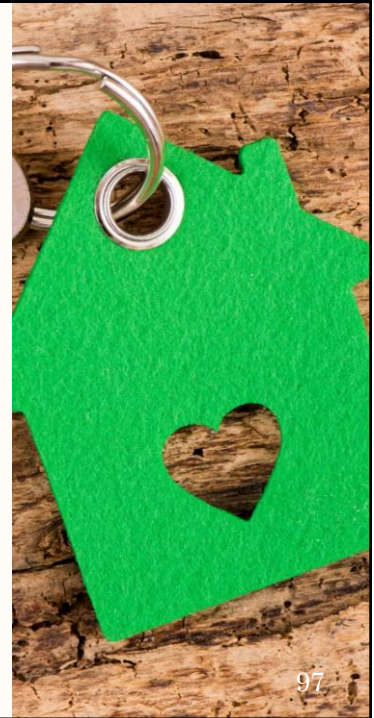
- A unit that is demolished pursuant to a planned demolition may be considered eligible as a FCAS unit if, the unit is rebuilt within one year.
- If the unit cannot be rebuilt within one year because of relative administrative capacities and other challenges faced by the recipient, a one-time, one-year extension may be requested.
- Requests must be submitted in writing and include a justification for the request.

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## Units Not Eligible as FCAS

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- Units built over the number specified in the original ACC for Projects with DOFA after October 1, 1997.
- Units not used as low-income housing dwelling units include:
  - Units used for non-dwelling purposes
  - Vacant units, unless being made available for occupancy
  - Units being used for VASH program
- Conveyance eligible, conveyed, or demolished units not rebuilt within one year.
- Units constructed with NAHASDA funds



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## Section 302(b)(1)(A)

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- Section 302(b)(1)(A) makes it clear that units should not remain under subsidy forever.

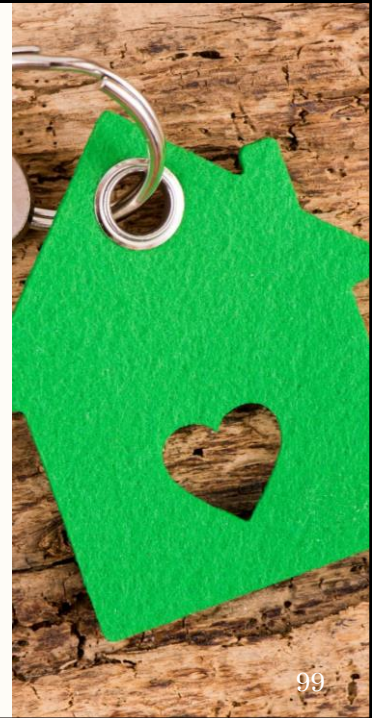
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## Reviewing FCAS Data

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- Review the Formula Response Form.
- Report any corrections to unit counts, unit types, and actual/expected Date of Full Availability (DOFA) for occupancy.
- Submitted corrections will be reviewed and HUD will inform the tribe of the corrected unit counts.



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## Component 2: Need

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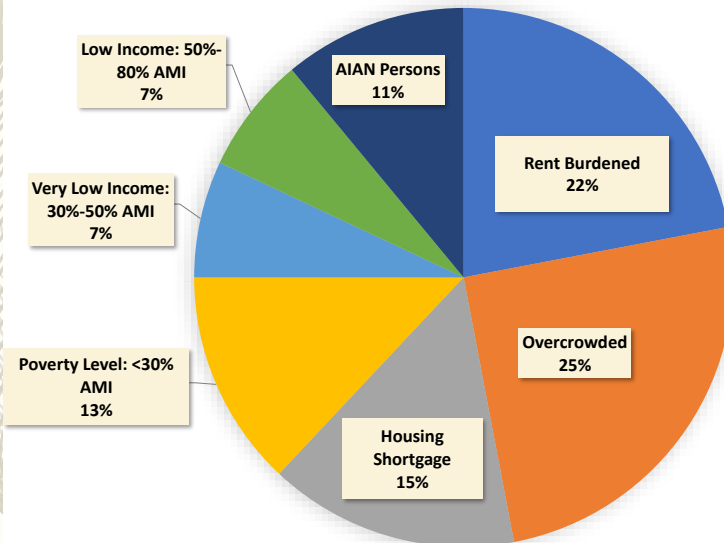
- After determining the FCAS allocation, remaining funds are allocated by need component.
- The need component consists of Seven criteria
- Based on Decennial Census and American Community Survey (ACS) 5-year data
- Adjusted for local Development Cost



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## Need Component Weights [§1000.324]



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## Formula Area



- Geographic area providing substantial housing services
- Formula area and Indian area are different!

## What if a formula area I served by more than one Indian tribe?

- (a) If an Indian tribe's formula area overlaps with the formula area of one or more other Indian tribes, the funds allocated to that Indian tribe for the geographic area in which the formula areas overlap will be divided based on:
  - (1) The Indian tribe's proportional share of the population in the overlapping geographic area; and
  - (2) The Indian tribe's commitment to serve that proportional share of the population in such geographic area.

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## What if a formula area I served by more than one Indian tribe?

- (3) In cases where a State recognized Indian tribe's formula area overlaps with a Federally recognized Indian tribe, the Federally recognized Indian tribe receives the allocation for the overlapping area.
- (b) Tribal membership in the geographic area (not to include dually enrolled tribal members) will be based on data that all Indian tribes involved agree to use. Suggested data sources include tribal enrollment lists, the U.S. Census, Indian Health Service User Data, and Bureau of Indian Affairs data.
- (c) If the Indian tribes involved cannot agree on what data source to use, HUD will make the decision on what data will be used to divide the funds between the Indian tribes by August 1.

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## Population Cap

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- Control to maintain fairness
- Only if AIAN persons > 2x enrollment
- Challenge process available

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## Component 3: 1996 Hold Harmless

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- A tribe's IHBG funding is never reduced below its FY 1996 funding level.
- This is the amount the tribe's IHA received in FY 1996 for operating and modernization subsidy.
- IHBG funding is adjusted to the amount received in FY 1996.
- This is a statutory requirement.
- This is not new, just added as a component during the last negotiated rulemaking.

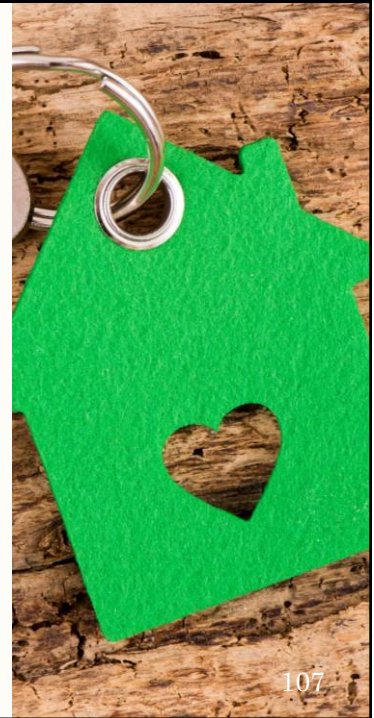
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## Component 4: Undisbursed IHBG Funds Factor ([§1000.342])

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- New formula factor
- Provides adjustments for tribes with
  - Initial allocation of \$5 million or more
  - Have undisbursed IHBG funds greater than the sum of their prior 3 years' initial allocation
- Initial allocation will be reduced, and any amounts recovered will be redistributed



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## IHBG Formula Customer Service Center

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- Calculates formula allocations
- Provides TA to recipients on formula
- Receives and process corrections and challenges
- 1-800-410-8808



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1:00 To 2:00  
EST

