

PUBLIC AND INDIAN HOUSING  
 NATIVE AMERICAN HOUSING BLOCK GRANTS  
 2008 Summary Statement and Initiatives  
 (Dollars in Thousands)

NATIVE AMERICAN HOUSING BLOCK GRANTS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2006 Appropriation .....	\$630,000	\$65,279 <sup>a</sup>	-\$6,300	\$688,979	\$613,308	\$586,894 <sup>b</sup>
2007 Full-Year CR Estimate.....	624,000	77,182 <sup>c</sup>	...	701,182	627,500	585,562 <sup>b</sup>
2008 Request .....	<u>626,965</u>	<u>73,682</u>	<u>...</u>	<u>700,647</u>	<u>627,680</u>	<u>578,682</u>
Program Improvements/Offsets .....	+2,965	-3,500	...	-535	+180	-6,880

a/ Includes \$3.1 million in recaptures and \$1.6 million in permanent indefinite authority for Title VI Loan Guarantee upward re-estimate.

b/ Includes permanent indefinite authority of \$1.6 million in fiscal year 2006 and \$1.5 million in fiscal year 2007.

c/ Includes \$1.5 million in permanent indefinite authority for Title VI Loan Guarantee upward re-estimate.

**Summary Statement**

The budget proposes an appropriation of \$627 million for the Native American Housing Block Grant (NAHBG), also known as the Indian Housing Block Grant (IHBG) program, in fiscal year 2008. This is an increase of \$1.3 million from the fiscal year 2007 President's request and an increase of \$2.9 million from the fiscal year 2007 Continuing Resolution estimate. The funding level recognizes the low-income housing needs that exist in Indian Country. This program provides a formula grant, based on need and the number of HUD-funded units in management, for housing and housing-related assistance either directly to eligible Indian tribes or through their Tribally Designated Housing Entities (TDHEs). Beginning in fiscal year 1998, the first year of funding, and continuing through the fiscal year 2006 appropriation, the total funding to the grant recipients during this 9-year period has been approximately \$5.65 billion.

The Title VI Loan Guarantee program promotes homeownership opportunities via a public/private partnership. As of December 2006, 1,557 affordable housing units or the supporting infrastructure has been financed with Title VI funding. This request includes \$2 million for credit subsidy to support loan guarantee authority of \$17 million, based on a subsidy rate of 12.12 percent for the Title VI Tribal Housing Activities Loan Guarantee program. Of the \$1.98 million requested for program purposes and credit subsidy, a total of \$149 thousand is requested for administrative expenses to carry out the costs associated with the guaranteed loan program, which will be transferred to and merged with the Department's appropriation for Salaries and Expenses. No funds are included in the fiscal year 2008 request for the National American Indian Housing Council (NAIHC). This request also includes up to \$4.25 million for HUD training and technical assistance in the training, oversight and management of Indian housing and housing-related assistance.

## Native American Housing Block Grants

### Initiatives

**Bond Financing for NAHASDA Recipients.** NAHBG bond financing, a new opportunity to leverage Federal funds, will make it possible for tribes to pledge their current and future NAHBG funds, in a manner consistent with the Title VI program, for the repayment of debt service, including principal and interest on tax-exempt bonds, notes, loans, and other financial instruments, administrative costs and related actions. There is no Federal guarantee to offer; however, the proceeds of the financing can be used for NAHBG-eligible affordable housing activities. Applicants will need to prove management capacity to enter into these transactions, and may only commit one-third of the "need" portion of their annual grant. This financing is conducive to pooled transactions wherein a number of tribes could form coalitions to enjoy the economic benefits of larger transactions by spreading the issuance costs over a number of different projects. Some Public Housing Authorities are already using this device successfully.

### Strategic Goals and Objectives

The Office of Native American Programs (ONAP) measures several NAHBG program outputs that support several of the Department's strategic goals. For example, ONAP measures NAHBG program activities that contribute to increasing minority homeownership (HUD's strategic goal A2); ONAP measures NAHBG activities that expand access to and availability of decent, affordable rental housing (HUD's strategic goal B1); ONAP measures NAHBG activities that foster suitable living environments in communities by improving physical conditions and quality of life (HUD's strategic goal C3); and, ONAP measures NAHBG activities that show how tribes and TDHEs are working to end chronic homelessness and move homeless families and individuals to permanent housing (HUD's strategic goal C4).

Native American Housing Block Grants

PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Summary of Resources by Program  
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 CR Estimate</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Formula Grants .....	\$616,275	\$55,998	\$672,273	\$606,629	\$618,555	\$65,643	\$684,198	\$620,735
Loan Guarantee - Title								
VI (Credit Subsidy) ..	1,831	4,783	6,614	3,180	1,831	4,945	6,776	1,831
Administrative Expenses	149	...	149	149	149	...	149	149
Technical Assistance ..	4,455	4,498	8,953	2,360	3,465	6,594	10,059	4,250
National American								
Indian Housing Council	<u>990</u>	<u>...</u>	<u>990</u>	<u>990</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total .....	623,700	65,279	688,979	613,308	624,000	77,182	701,182	626,965

<u>FTE</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Headquarters .....	24	24	26
Field .....	<u>113</u>	<u>111</u>	<u>108</u>
Total .....	137	135	134

Native American Housing Block Grants

**PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Program Offsets  
(Dollars in Thousands)**

<b>Formula Grants</b>	<b><u>Amount</u></b>
2006 Appropriation .....	\$616,275
2007 Full-Year CR Estimate.....	618,555
2008 Request .....	<u>620,735</u>
Program Improvements/Offsets .....	+2,180

**Proposed Actions**

In fiscal year 2008, the Department proposes an appropriation of \$627 million for NAHBG purposes. In 1996, to recognize the unique nature and needs of American Indians and Alaska Natives, Congress enacted the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA, P.L. 104-330), to better assist Native American people and their communities. The Native American Housing Block Grant (NAHBG) program provides funds to tribes or their TDHEs, to meet their critical housing needs through block grants designed to maintain existing units previously developed with HUD funding, to develop, acquire, and rehabilitate units, and for other affordable housing activities such as interest rate buy-downs, downpayment assistance, loans, and housing services, as defined in Section 202 of the Act. NAHASDA stipulates that each Indian tribe or its TDHE is eligible to receive an annual block grant to meet the housing and housing-related needs within their community if the tribe or TDHE submits a compliant Indian Housing Plan (IHP). The tribe or TDHE must submit a 1-year and a 5-year IHP, consisting of a mission statement, goals and objectives, needs statement, statement of financial and affordable housing resources, and proposed activities designed to meet the housing needs identified in the Plan. Grantees must indicate in the IHP that they will continue to manage and maintain existing dwelling units developed with HUD funds. If the IHP is found to be in compliance, the tribe receives funds through the annual formula allocation.

Performance measures were established to respond to the program evaluations that are designed to improve the efficiency and effectiveness of the program. The performance goals for fiscal years 2006, 2007, and 2008 goals are:

- Build, acquire, or rehabilitate 1,420 affordable rental units in each of the fiscal years 2006, 2007, and 2008.
- Build, acquire, or rehabilitate 5,350 homeownership units in each of the fiscal years 2006, 2007, and 2008.
- By September 2010, reduce overcrowded Indian households by 10 percent from the baseline established in 2003.
- Guarantee 10 Title VI loans in fiscal year 2006, for a cumulative total of 35, 18 loans in fiscal year 2007, for a cumulative total of 53, and 20 loans in fiscal year 2008, for a cumulative total of 73.

Some targets were reduced from fiscal year 2005 levels, based on an analysis of Annual Performance Reports for the last 3 years, and relatively flat funding levels.

## Native American Housing Block Grants

ONAP has developed statistical indicators of need for each eligible NAHBG recipient using 2000 Census information, which the Department believes are the most objective and reliable data available.

Annual and long-term performance measures for ONAP programs and operations have been developed, along with an automated database system to support data collection and reporting. ONAP continues to improve and enhance the performance tracking database and train ONAP employees to use it. These performance activities support several of the Department's strategic goals. For example, ONAP measures NAHASDA program activities that contribute to increasing minority homeownership (HUD's strategic goal A2); ONAP measures NAHASDA activities that expand access to and availability of decent, affordable rental housing (HUD's strategic goal B1); ONAP measures NAHASDA activities that foster suitable living environments in communities by improving physical conditions and quality of life (HUD's strategic goal C3); and, ONAP measures NAHASDA activities that show how tribes and TDHEs are working to end chronic homelessness and move homeless families and individuals to permanent housing (HUD's strategic goal C4).

In response to the evaluation conducted by the Program Assessment Rating Tool (PART), ONAP will simplify reporting requirements and revise reporting instruments to collect program output data. Part of the revision process involves consultation with tribes and TDHEs. A workgroup consisting of ONAP employees and tribal representatives meets regularly to discuss and analyze potential changes to the recipients' Annual Performance Report and the Indian Housing Plan, which are used as data collection instruments. ONAP is seeking support to more accurately track reductions in overcrowding. ONAP is also in the process of contracting for an independent, comprehensive evaluation of the NAHASDA programs, as recommended by the PART assessment.

The NAHBG allows grant recipients to develop and support affordable rental and homeownership housing and provide housing services through the following eligible activities:

Development. Grant funds may be used to support acquisition, new construction, reconstruction, and the moderate or substantial rehabilitation of affordable housing, and may include real property acquisition, site improvement, development of utilities and utility services, conversion of a project to homeownership, demolition, financing, administration and planning, improvements to achieve greater energy efficiency, and other related activities.

Indian Housing Assistance. Indian housing assistance provides for modernization and operating assistance for housing previously developed or operated under a contract between the Department and an Indian Housing Authority, currently the tribe or TDHE.

Housing Services. Funds may be used to provide housing counseling for rental or homeownership assistance, establishment and support of resident management organizations, energy auditing, supportive and self-sufficiency services, and other related services assisting owners, residents, contractors and other entities, participating or seeking to participate in eligible housing activities.

Housing Management Services. Grant funds may be used to provide management services for affordable housing, such as preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and management of affordable housing projects.

Crime Prevention and Safety Activities. Funding may be provided for safety, security, and law enforcement measures with activities appropriate to protect residents of affordable housing from crime.

Model Activities. The Department may approve housing activities under model programs that are designed to develop and support affordable housing. This complies with the mandate that new housing opportunities be developed using a variety of creative approaches. This ensures long-term viability by implementing ideas that supplement limited federal grant funds with other sources of capital, loans, buy-downs, and other financing mechanisms.

Native American Housing Block Grants

PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Program Offsets  
(Dollars in Thousands)

Loan Guarantee - Title VI (Credit Subsidy)	<u>Amount</u>
2006 Appropriation .....	\$1,831
2007 Full-Year CR Estimate.....	1,831
2008 Request .....	<u>1,831</u>
Program Improvements/Offsets .....	...

Title VI Housing Loan Guarantee - Summary of Loan Activity	<u>Actual 2006</u>	<u>Estimate 2007</u>	<u>Estimate 2008</u>
Number of Loan Commitments.....	10	20	22
Number of Loans Endorsed .....	10	18	20
Average Loan Size of Endorsed Loans .....	\$910	\$1,896	\$1,896
Number of Loans in Delinquent Status at end of fiscal year .....	0	0	0
Number of Loans that Defaulted in fiscal year .....	0	0	0
Total Number of Loans in Default .....	0	1	1
Loan Guarantee Commitment Limitation .....	\$13,338 <sup>a/</sup>	\$17,000	17,000
Subsidy Rate .....	12.26	11.99	12.12

a/ This is the amount of guaranteed loan commitment made; the fiscal year 2006 loan guarantee commitment limitation is \$17.9 million.

**Proposed Actions**

Title VI Federal Guarantees for Financing for Tribal Housing Activities. The budget includes a set-aside of \$1.8 million for credit subsidy purposes for the continuation of the Title VI Indian Housing Federal Loan Guarantee Program. The loan guarantees made under this program guarantee repayment of 95 percent of the unpaid principal and interest due on the obligations guaranteed. This Title VI program is authorized by the Public Law 104-330, as amended and the Regulations are found in Section 601 of NAHASDA [24 CFR PART 100]. This request will support loan guarantee authority of \$17 million, based on a subsidy rate of 12.12 percent for the Title VI Tribal Housing Activities Loan Guarantee program. The program provides loan guarantees for Native American Housing Block Grant recipients (Indian tribes and TDHEs) in need of additional funds to engage in NAHASDA-eligible affordable housing activities. The program provides a mechanism for grant recipients to leverage funds by pledging future block grants, along with additional security as required, to collateralize notes and other obligations. The Title VI program received a PART rating of "Adequate" in fiscal year 2005.

The program began with two Title VI loan guarantees issued for approximately \$7 million in fiscal year 2000. Indian tribes and their TDHEs are now partnering with HUD and the public and private sector, resulting in a greater number of loans being underwritten. As of December 2006, cumulative loan guarantees of approximately \$102.5 million have been issued since the program's inception. Most borrowers include leveraged funds from other sources in the projects funded with Title VI guarantees, reducing their dependence on Federal grant funds. In total, 1,557 affordable housing units or the supporting infrastructure has been financed with Title VI funding. The program scored well during the PART Assessment for its ability to collaborate and coordinate effectively with related programs. Since inception of the program, Title VI loans have attracted funding from at least 11 different public and private sources.

## Native American Housing Block Grants

More aggressive marketing and outreach efforts to potential borrowers and lenders by the six Area Offices of Native American Programs and the Office of Loan Guarantee have resulted in increases in both inquiries and loan guarantees, as tribes become more familiar with the program and recognize its usefulness.

### **Initiatives**

The Office of Loan Guarantee performed an internal review of the Title VI program in preparation for the PART Assessment. Several inefficiencies were identified and the process for applying for a Title VI loan was revised. The new process emphasizes project planning, which has resulted in better quality applications and thus reduced processing time. In fiscal year 2007, as of December 2006, 2 loans totaling \$3.8 million have been guaranteed; 2 firm commitments totaling \$3.8 million have been issued, with closings pending; and in the pipeline, 10 preliminary letters of acceptance, totaling approximately \$12.9 million, have been issued on active projects. In addition, ONAP is in the process of contracting for an independent, comprehensive evaluation of the Title VI program, as recommended by the PART evaluation.

Native American Housing Block Grants

PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Program Offsets  
(Dollars in Thousands)

<b>Administrative Expenses</b>	<b><u>Amount</u></b>
2006 Appropriation .....	\$149
2007 Full-Year CR Estimate.....	149
2008 Request .....	<u>149</u>
Program Improvements/Offsets .....	...

**Proposed Actions**

The Department proposes \$149 thousand for Administrative Expenses in fiscal year 2008 to carry out the guaranteed loan program. These funds will be transferred to and merged with the appropriation for Salaries and Expenses to be used only for the administrative costs of the Title VI Tribal Housing Activities Loan Guarantee program.



Native American Housing Block Grants

PUBLIC AND INDIAN HOUSING  
 NATIVE AMERICAN HOUSING BLOCK GRANTS  
 Program Offsets  
 (Dollars in Thousands)

<b>Technical Assistance</b>	<u>Amount</u>
2006 Appropriation .....	\$4,455
2007 Full-Year CR Estimate.....	3,465
2008 Request .....	<u>4,250</u>
Program Improvements/Offsets .....	+785

**Proposed Actions**

Of the total NAHBG appropriation \$4.25 million will be set aside for training and technical assistance to engage in the management and oversight of eligible affordable housing activities. These funds will be used for activities such as the management of the NAHBG formula, support for tribal consultation activities (including negotiated rulemaking), training and outreach for the Title VI program, extensive technical assistance and training activities to address programmatic requirements, functional training for grantees, and data collection for measuring performance and outcomes for OMB's Program Assessment Rating Tool evaluations, and administrative contract expenses necessary to carry out the loan guarantee program. Technical assistance activities are wide-ranging, including on-site expertise in identifying the causes of mold in affected housing units, and assistance in crime prevention activities. Funds may also be used to support negotiated rulemaking activities as required by section 106(b)(2) of the Native American Housing Assistance and Self-Determination Act of 1996, as amended.

Native American Housing Block Grants

PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Program Offsets  
(Dollars in Thousands)

<b>National American Indian Housing Council</b>	<b><u>Amount</u></b>
2006 Appropriation .....	\$990
2007 Full-Year CR Estimate.....	...
2008 Request .....	<u>...</u>
Program Improvements/Offsets .....	...

**Proposed Actions**

No funds are included as a set-aside under the NAHBG for the National American Indian Housing Council (NAIHC). Over the past several fiscal years, sufficient funding has been provided to allow the organization to perform training and technical assistance for Indian tribes, TDHEs and regional Indian housing associations.

Native American Housing Block Grants

**PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Performance Measurement Table**

Program Name: <b>NATIVE AMERICAN HOUSING BLOCK GRANTS</b>					
Program Mission: In 1996, to recognize the unique nature and needs of American Indian and Alaska Native areas, Congress enacted the Native American Housing Assistance and Self-Determination Act (NAHASDA, P.L. 104-330) to better assist Native American people and their communities. The NAHBG program provides funds to tribes or their tribally designated housing entities (TDHE) to meet their critical housing needs through housing block grants designed to maintain existing units previously developed with HUD funding and to develop new units. NAHASDA stipulates that each eligible Indian tribe or its TDHE receive annually a single block grant to meet the housing and housing-related needs within their community.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
Through the Native American Housing Block Grant program, tribes or tribally designated housing entities will assist 5,350 families with homeownership activities.	PIH Office of Native American Programs Administrative Data derived from Access Database and LOCCS System	5,350	5,957	5350	5350
Through the Native American Housing Block Grant program, tribes or tribally designated housing entities will assist 1,420 families by building, acquiring, or rehabilitating rental units.	PIH Office of Native American Programs Administrative Data derived from Access Database and LOCCS System	1,420	1,400	1,420	1,420
Guarantee 20 Title VI loans in FY 2008, for a cumulative total of 73	PIH ONAP Administrative Data	10	10	18	20
Overcrowded households in Indian country shall be reduced by 1 percent.	Administrative Reports	472	1,823	472	472

## Native American Housing Block Grants

### NATIVE AMERICAN HOUSING BLOCK GRANT PROGRAM

#### Explanation of Indicators

The outputs being counted in the first two indicators, above, are families who have received a newly built home, a newly acquired home, or have had their home rehabilitated. In March 2006, these targets for fiscal years 2006 through 2008 were changed, based on Annual Performance Reports of the past 3 years, and relatively flat funding. The goal to serve 6,240 families with homeownership assistance was changed to 5,350, and the goal to serve 2,415 families with rental assistance was changed to 1,420. The new overall goal for the number of families assisted with NAHBG funds is 6,770, for fiscal years 2006, 2007, and 2008. This (6,770) is the sum of six individual rental and homeownership goals (units built, units acquired, and units rehabilitated). The new targets for these output goals are realistic and attainable, yet if achieved, will indicate thriving program activity and steady progress toward long-term goals.

In fiscal year 2006, as of October 3, 2006, NAHBG has assisted 7,357 families--5,957 with homeownership activities and 1,400 with rental activities. In fiscal year 2005, NAHBG assisted 8,935 families--7,268 families with homeowner activities and 1,667 with rental activities (these figures are also as of October 3, 2006). These outputs that demonstrate the program's accomplishments are continuously updated as grantees report to ONAP and the performance tracking database is adjusted. Experience has shown that figures from the database that are collected each year in October for the Annual Performance Report are incomplete. For example, the number of families assisted with NAHBG in fiscal year 2005 was reported as 6,505 in October 2005, but by October 3, 2006, that number had grown by more than 37 percent, to 8,935. As more trend data becomes available, ONAP will continue to evaluate the appropriate target levels for these goals.

One of ONAP's long-term goals is to reduce overcrowded Indian households by 1 percent each year over 10 fiscal years. ONAP and tribal representatives established a baseline in 2003 of 47,169 overcrowded Indian households. The goal each year is to reduce this number by at least 472, or 1 percent. As of October 3, 2006, 1,823 new housing units (homeownership units and rentals) have been built in fiscal year 2006, and 2,030 were built in fiscal year 2005. In fiscal years 2006, 2007, and 2008, ONAP will continue its efforts to reduce overcrowding by 1 percent each fiscal year. The annual target for this goal (472 new homes) has been consistently exceeded, and ONAP is evaluating alternate methods that might better measure overcrowding and the impact NAHBG has on it.

ONAP measures several NAHBG program outputs that support several of the Department's strategic goals. For example, ONAP measures NAHBG program activities that contribute to increasing minority homeownership (HUD's strategic goal A2); ONAP measures NAHBG activities that expand access to and availability of decent, affordable rental housing (HUD's strategic goal B1); ONAP measures NAHBG activities that foster suitable living environments in communities by improving physical conditions and quality of life (HUD's strategic goal C3); and, ONAP measures NAHBG activities that show how tribes and TDHEs are working to end chronic homelessness and move homeless families and individuals to permanent housing (HUD's strategic goal C4).

In response to the recent performance evaluation conducted, ONAP will simplify reporting requirements and revise reporting instruments to collect program output data. Part of the revision process involves consultation with tribes and TDHEs. A workgroup consisting of ONAP employees and tribal representatives meets regularly to discuss and analyze potential changes to the recipients' Annual Performance Report and the Indian Housing Plan, which are used as data collection instruments. ONAP continues to improve and enhance the performance tracking database and train ONAP employees to use it. ONAP is seeking support to more accurately track reductions in overcrowding. ONAP is also in the process of contracting for an independent, comprehensive program evaluation, for both the NAHBG program, and the Title VI loan guarantee program, as recommended by the recent program assessment.

## Native American Housing Block Grants

The Office of Loan Guarantee performed an internal review of the Title VI program, in preparation for the PART assessment. Several inefficiencies were identified and the process for applying for a Title VI loan was revised. The new process emphasizes project planning, which has resulted in better quality applications and thus, reduced processing time. In fiscal year 2007, as of December 2006, 2 loans totaling \$3.8 million have been guaranteed; 2 firm commitments totaling \$3.8 million have been issued, with closings pending; and in the pipeline, 10 preliminary letters of acceptance, totaling approximately \$12.9 million, have been issued on active projects. In addition, ONAP is in the process of contracting for an independent, comprehensive evaluation of the Title VI program, as recommended by the recent program performance evaluation. OLG is increasing outreach to TDHEs to increase the visibility and encourage utilization of the program. OLG has been working with lenders to improve the interest rate on Title VI loan guarantees and received a commitment from the American Community Fund to purchase Title VI loans.

**Bond Financing for NAHASDA Recipients.** NAHBG bond financing, a new opportunity to leverage Federal funds, will make it possible for tribes to pledge their current and future NAHBG funds, in a manner consistent with the Title VI program, for the repayment of debt service, including principal and interest on tax-exempt bonds, notes, loans, and other financial instruments, administrative costs and related actions. There is no federal guarantee to offer; however, the proceeds of the financing can be used for NAHBG-eligible affordable housing activities. Applicants will need to prove management capacity to enter into these transactions, and may only commit one-third of the "need" portion of their annual grant. This financing is conducive to pooled transactions wherein a number of tribes could form coalitions to enjoy the economic benefits of larger transactions by spreading the issuance costs over a number of different projects. Bond financing will increase the flow of private-sector capital to Indian Country. These dollars will be invested in affordable housing activities, which addresses the performance goals of NAHASDA. This financing instrument makes it possible for tribes to exercise self-determination by leveraging NAHBG funds to build larger housing projects that meet the immediate needs of their community. The issuance of tax-exempt bonds will increase awareness of the growing need for affordable housing in tribal communities and provide a mechanism to address those needs.

Housing conditions in Indian Country were improved and many families have acquired better living conditions due to the activities funded through the NAHBG and Title VI. ONAP will regularly monitor grantees and provide specialized training and technical assistance to the grantees to ensure that performance goals will be reached in fiscal years 2006, 2007, and 2008.

Native American Housing Block Grants

**PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Justification of Proposed Changes in Appropriations Language**

*For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), \$626,965,000, to remain available until expended: Provided, That, notwithstanding the Native American Housing Assistance and Self-Determination Act of 1996, to determine the amount of the allocation under title I of such Act for each Indian tribe, the Secretary shall apply the formula under section 302 of such Act with the need component based on single-race Census data and with the need component based on multi-race Census data, and the amount of the allocation for each Indian tribe shall be the greater of the two resulting allocation amounts: Provided further, That of the amounts made available under this heading, \$4,250,000 shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of such Indian housing and tenant-based assistance, including up to \$300,000 for related travel: Provided further, That of the amount provided under this heading, \$1,980,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: Provided further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$17,000,000: Provided further, That for administrative expenses to carry out the guaranteed loan program, up to \$148,500 from amounts in the third proviso, which shall be transferred to and merged with the appropriation for "Salaries and Expenses".*

**Explanation of Changes**

No change in the appropriation language is requested.

Native American Housing Block Grants

PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Crosswalk of 2006 Availability  
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Formula Grants .....	\$622,500	-\$6,225	...	...	\$55,998 <sup>a</sup>	\$672,273
Loan Guarantee - Title VI (Credit Subsidy) .....	1,850	-19	...	...	4,783	6,614
Administrative Expenses .....	150	-1	...	...	...	149
Technical Assistance .....	4,500	-45	...	...	4,498	8,953
National American Indian Housing Council .....	<u>1,000</u>	<u>-10</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>990</u>
Total .....	630,000	-6,300	...	...	65,279	688,979

Transfers to Other Accounts

For administrative expenses, \$149 thousand was transferred to the Salaries and Expenses account to be used for the administrative cost of the Title VI Tribal Housing Activities Federal Loan Guarantee program.

Native American Housing Block Grants

PUBLIC AND INDIAN HOUSING  
 NATIVE AMERICAN HOUSING BLOCK GRANTS  
 Crosswalk of 2007 Changes  
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2007 President's Budget Request</u>	<u>FY 2007 CR Estimate</u>	<u>2007 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2007 Resources</u>
Formula Grants .....	\$620,235	\$618,555	...	...	\$65,643 <sup>d</sup>	\$684,198
Loan Guarantee - Title VI (Credit Subsidy) .....	1,831	1,831	...	...	4,945	6,776
Administrative Expenses .....	149	149	...	...	...	149
Technical Assistance .....	3,465	3,465	...	...	6,594	10,059
National American Indian Housing Council .....	...	...	...	...	...	...
Total .....	625,680	624,000	...	...	77,182	701,182

Transfers to Other Accounts

For administrative expenses, \$149 thousand will be transferred to the Salaries and Expenses account to be used for the administrative cost of the Title VI Tribal Housing Activities Federal Loan Guarantee program.