

**PUBLIC AND INDIAN HOUSING
NATIVE HAWAIIAN HOUSING BLOCK GRANTS
2011 Summary Statement and Initiatives
(Dollars in Thousands)**

NATIVE HAWAIIAN HOUSING BLOCK GRANTS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2009 Appropriation	\$10,000	\$934	...	\$10,934	\$10,268	\$4,022
2010 Appropriation/Request	13,000	666	...	13,666	11,000	7,000
2011 Request	<u>10,000^a</u>	<u>2,666</u>	...	<u>12,666</u>	<u>10,000</u>	<u>9,000</u>
Program Improvements/Offsets	-3,000	+2,000	...	-1,000	-1,000	+2,000

a/ Includes \$100,000 anticipated transfer to Transformation Initiative.

Summary Statement

The fiscal year 2011 Budget proposes \$10 million for the Native Hawaiian Housing Block Grants (NHHBG) account, the same as the 2009 enacted level. This Budget request is a decrease of \$3 million from the 2010 enacted level. This level of funding is projected to support 65 families to reside on Hawaiian Home Lands, by building, acquiring, or substantially rehabilitating their homes. This program provides grants for housing and housing-related assistance to its only grant recipient, the Department of Hawaiian Home Lands (DHHL). Native Hawaiians experience the worst housing conditions in the State of Hawaii and constitute approximately 30 percent of its homeless population. HUD issued a 1995 report that cited evidence which Native Hawaiians have the highest percentage of housing problems (49 percent) in the United States. Overcrowding in these households exceeds 36 percent, as compared to 6 percent of households throughout the Nation. According to the Department of Hawaiian Home Lands (DHHL), in 2006, there were approximately 21,000 Native Hawaiians (30,000 applications of various types) on the waiting list for homestead properties through DHHL. This program provides grants for housing and housing-related assistance to the DHHL to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands. A full-time Native Hawaiian program specialist is stationed in HUD's Hawaii State Office to assist DHHL.

Through the NHHBG program, in fiscal year 2009, the grant recipient assisted 49 homeowners by either building, acquiring, or substantially rehabilitating their homes. As of September 2009, DHHL had eight new housing projects in various stages of development. Program funding enables the DHHL to continue developing these master-planned communities, including installing infrastructure and constructing homes. These efforts are addressing the high demand for affordable housing in an area with extremely high construction costs.

Initiatives

No new initiatives are proposed in this program.

Native Hawaiian Housing Block Grants

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

<u>Budget Activity</u>	<u>2009 Budget Authority</u>	<u>2008 Carryover Into 2009</u>	<u>2009 Total Resources</u>	<u>2009 obligations</u>	<u>2010 Budget Authority/ Request</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2011 Request</u>
Grants	\$9,701	...	\$9,701	\$9,701	\$12,700	...	\$12,700	\$9,900
Technical Assistance ..	299	\$934	1,233	567	300	\$666	966	...
Transformation Initiative .....	...	...	...	...	...	...	...	<u>100</u>
Total	10,000	934	10,934	10,268	13,000	666	13,666	10,000
<u>FTE</u>	<u>2009 Actual</u>	<u>2010 Estimate</u>	<u>2011 Estimate</u>					
Headquarters	1	1	1					
Field .....	...	...	...		
Total	1	1	1					

Native Hawaiian Housing Block Grants

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

Grants	<u>Amount</u>
2009 Appropriation	\$9,701
2010 Appropriation/Request	12,700
2011 Request	<u>9,900</u>
Program Improvements/Offsets	-2,800

Proposed Actions

The Department proposes \$9.9 million for NHHBG in fiscal year 2011 to provide grants for housing and housing-related assistance to eligible Native Hawaiian families through the Department of Hawaiian Home Lands (DHHL). The authorizing legislation for this program, the Hawaiian Homelands Homeownership Act of 2000 (25 U.S.C. 4221 *et seq.*), was signed on December 27, 2000. Numerous studies have documented the housing needs of Native Hawaiians who are either eligible to reside on, or now live on, the Hawaiian Home Lands. Native Hawaiians experience the worst housing conditions in the State of Hawaii and constitute approximately 30 percent of its homeless population. HUD issued a 1995 report that cited evidence that Native Hawaiians have the highest percentage of housing problems (49 percent) in the United States. Overcrowding in these households exceeds 36 percent, as compared to 6 percent of households throughout the Nation. This housing block grant program provides an allocation of funds to assist and promote affordable housing activities to develop, maintain, and operate affordable housing for eligible low-income Native Hawaiian families.

The Native Hawaiian Housing Block Grant program is managed by the Office of Native American Programs (ONAP), under the jurisdiction of the Assistant Secretary for Public and Indian Housing. The NHHBG program provides grants to DHHL for housing and housing-related assistance, pursuant to an annual housing plan, within the area in which DHHL is authorized to provide that assistance. DHHL uses performance measures and benchmarks that are consistent with the national goals of the program, but it can base these measures on the needs and priorities that it establishes in its 1- and 5-year housing plans. ONAP staff monitors the DHHL to ensure compliance with the objectives of the housing plan.

The NHHBG allows the DHHL to develop and support affordable rental and homeownership housing and provide housing services through the following eligible activities, as authorized in Section 810 of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), as amended:

Development. Grant funds used to support acquisition, new construction, reconstruction or moderate or substantial rehabilitation of affordable housing, which may include real property acquisition, site improvement, development of utilities and utility services, conversion, demolition, financing, administration and planning, and other housing-related activities.

- From fiscal year 2006 through fiscal year 2009, the NHHBG recipient expended approximately \$25 million on activities in this category, or an average of \$6.23 million each year.

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- Over 4 years, this activity averaged 91 percent of total expenditures.
- During this time, 232 affordable homes were either built, acquired, or substantially rehabilitated.

Housing Services. Grant funds used to support housing-related services, including housing counseling in connection with rental or homeownership assistance; the establishment of resident management corporations; energy auditing; activities related to the provision of self-sufficiency and other services; and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities.

- From fiscal year 2006 through fiscal year 2009, approximately \$1.4 million in NHHBG funds were expended on activities in this category, or an average of \$358,190 each year.
- This activity averaged 5.23 percent of total expenditures.

Housing Management Services. Grant funds used to support management services for affordable housing, including the preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and management of affordable housing projects.

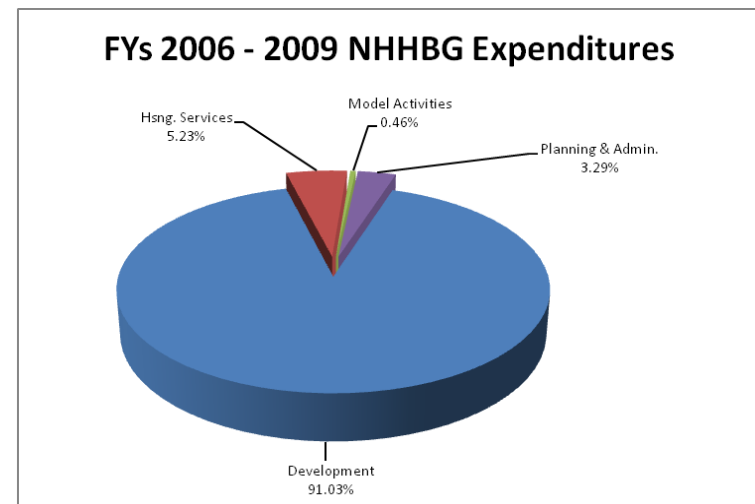
Crime Prevention and Safety Activities. Grant funds used to support safety, security, and law enforcement measures, and activities appropriate to protecting residents of affordable housing from crime.

Model Activities. The Department may approve housing activities under model programs that are designed to develop and support affordable housing.

- From fiscal year 2006 through fiscal year 2009, approximately \$125,000 in NHHBG funds were expended on activities in this category, or an average of \$31,261 each year.
- This activity averaged 0.46 percent of total expenditures each year.
- Examples of model activities funded from fiscal year 2006 through fiscal year 2009 include:

Waimanalo Community Center – NHHBG funds were used to leverage other sources of funds to construct portions of a community center facility that will be used to provide homeownership training, drug education, meeting space for resident organizations, and greater police protection.

Papakolea Community Center – NHHBG funds were used to leverage other funding sources to complete renovations of a community center that included enhanced safety features to protect the facility and ensure the safety and well being of its affordable housing clients. The community center will be used to provide homeownership and home rehabilitation training, self-help programs, meeting space for affordable housing residents, and drug awareness and education programs.



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Anahola Community Center – NHHBG funds were used to renovate existing space for the community center and to provide support services for affordable housing residents, including homebuyer education training and resources.

In addition, the recipient may expend funds for planning and administration. Approximately \$901,665 in NHHBG funds was expended over fiscal years, 2006-2009, or an average of \$225,416 each year for planning and administration. Planning and administrative expenses averaged 3.29 percent of total expenditures each year.

Native Hawaiian Housing Block Grants

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

Technical Assistance	<u>Amount</u>
2009 Appropriation	\$299
2010 Appropriation/Request	300
2011 Request	<u>...</u>
Program Improvements/Offsets	-300

Proposed Actions

In fiscal year 2009, training and technical assistance funds supported management and oversight of eligible affordable housing activities in the Hawaiian Homelands. In fiscal year 2011, technical assistance may be funded under the Transformation Initiative.

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

Transformation Initiative	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request .....	...
2011 Request	<u>\$100</u>
Program Improvements/Offsets	+100

Proposed Actions

In fiscal year 2011, technical assistance activities will be funded through the Department’s Transformation Initiative. The Transformation Initiative allows the Secretary the necessary flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. HUD requests Congress to authorize an agencywide HUD Transformation Initiative (TI) Fund equal to 1 percent of the agency’s total budget to be funded by transfers from program accounts. HUD proposes to use these funds for four complementary purposes: Research, Evaluation and Performance Metrics; Program Demonstrations; Technical Assistance and Capacity Building; and next-generation Information Technology.

Examples of projects that could be undertaken with Transformation Initiative funding with respect to the Native Hawaiian Housing Block Grant program include: training and technical assistance to support management and oversight of eligible affordable housing activities in the Hawaiian Homelands and sub-recipients on the management and responsibilities of the grant program.

Native Hawaiian Housing Block Grants

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

The fiscal year 2011 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For the Native Hawaiian Housing Block Grant program, as authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.), [\$13,000,000] *\$10,000,000* to be available until expended, [of which \$299,000 shall be for training and technical assistance activities including up to \$100,000 for related travel].

Explanation of Changes

No technical assistance is requested. That funding will be provided under the Transformation Initiative.

Native Hawaiian Housing Block Grants

**PUBLIC AND INDIAN HOUSING
NATIVE HAWAIIAN HOUSING BLOCK GRANTS
Crosswalk of 2009 Availability
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2009 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2009 Resources</u>
Grants	\$9,701	...	...	...	...	\$9,701
Technical Assistance	299	...	...	...	\$934	1,233
Transformation Initiative .....	...	...	...	...	...	...
Total	10,000	...	...	...	934	10,934

Native Hawaiian Housing Block Grants

**PUBLIC AND INDIAN HOUSING
NATIVE HAWAIIAN HOUSING BLOCK GRANTS
Crosswalk of 2010 Changes
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2010 President's Budget Request</u>	<u>Congressional Appropriations Action on 2010 Request</u>	<u>2010 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Grants	\$10,000	\$12,700	...	...	...	\$12,700
Technical Assistance .....	...	300	...	...	\$666	966
Transformation Initiative .....	...	...	...	...	...	...
Total	10,000	13,000	...	...	666	13,666