

**PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
2014 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>
2012 Appropriation .....	\$650,000	\$85,888	...	\$735,888 <sup>a</sup>	\$691,088	\$750,772
2013 Annualized CR .....	653,978	46,674	...	700,652 <sup>b</sup>	700,652	650,095
2014 Request .....	<u>650,000</u>	<u>...</u>	<u>...</u>	<u>650,000<sup>c</sup></u>	<u>647,000</u>	<u>672,821</u>
Program Improvements/Offsets .....	-3,978	-46,674	...	-50,652	-53,652	+22,726

- a/ Includes permanent indefinite authority of \$184 thousand for Title VI Loan Guarantee upward re-estimates, and offsetting collections of \$523 thousand.
- b/ Includes permanent definite authority of \$1.9 million for Title VI Loan Guarantee upward re-estimates.
- c/ This number includes an estimated Transformation Initiative (TI) transfer that may be up to 0.5 percent of Budget Authority.

**1. What is this request?**

The Department requests \$650 million for the Indian Housing Block Grant (IHBG, also known as the Native American Housing Block Grant program) and the Federal Guarantees for Financing Tribal Housing Activities program (also known as the Title VI Loan Guarantee program). The request is the same as appropriations enacted in fiscal year 2012. This request is composed of \$648 million for IHBG formula grants and \$2 million in credit subsidy for the Title VI program.

The \$648 million request for formula grants will be distributed to approximately 369 recipients, representing 550 tribes in 34 States. With this level of funding, the Department anticipates at least 4,415 homeownership units and 1,380 rental units (5,795 total units) will be constructed, acquired, or rehabilitated. This level of funding will also allow grantees to operate and maintain low-income units that were funded by HUD before NAHASDA was enacted, which numbered approximately 52,000 units in fiscal year 2012. In fiscal year 2014, HUD expects allocations to be proportionally similar to those in fiscal year 2012, when 585 tribes or tribally designated housing entities were eligible to participate in the IHBG program.

IHBG recipients have the flexibility to design and implement appropriate, place-based housing programs, according to local needs and customs. This fundamental provision of IHBG has proved to be extremely effective in Indian Country, where local conditions, needs, and cultures vary widely. Local control has empowered Indian community planners to strategically consider long-term housing development that makes sense for their particular circumstances, taking into consideration climate, geography, and its

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population's needs and preferences. IHBG recipients also have the flexibility to leverage their federal dollars to access other sources of funds, which spurs further community and economic development.

In spite of the program's consistent successes, the need for affordable housing in Indian Country has actually increased since 1998. Additionally, as inflation continues to erode the value of the annual formula grants, recipients are having to spend more of their grants on the essential activities of operating and maintaining their current stock, including "HUD homes" that were funded before IHBG was implemented (i.e., they were funded by the U.S. Housing Act of 1937). That means less money will go toward developing new units, which are sorely needed.

The intended outcomes of the programs are:

- An increase in the quantity, quality, and energy efficiency of affordable homes in Indian Country;
- An increase in large-scale housing developments using the Title VI program to borrow funds at market rates;
- An increased capacity of tribal housing entities to administer housing programs; and
- An increase in the self-sufficiency of affordable housing residents.

## **2. What is this program?**

The Indian Housing Block Grant (IHBG, also known as the Native American Housing Block Grant program), and the Federal Guarantees for Financing Tribal Housing Activities program (also known as the Title VI Loan Guarantee program), are two programs authorized by the Native American Housing Assistance and Self-Determination Act of 1996 (P.L. 104-330, 25 U.S.C. 4101 *et seq.* "NAHASDA").

NAHASDA was reauthorized in 2008 through fiscal year 2013 (P.L. 110-411). The IHBG program is the major source of affordable housing assistance in Indian Country. In addition to 566 federally recognized Indian tribes, five non-federally recognized Indian tribes with Indian housing authorities are eligible to participate in NAHASDA programs because they entered into a contract and received funding from HUD pursuant to the U.S. Housing Act of 1937, prior to the enactment of NAHASDA. These five state-recognized tribes were "grandfathered" into the IHBG program. Tribally designated housing entities, such as Alaska's 14 Regional Housing Authorities that administer IHBG funds on behalf of tribes, are also eligible.

IHBG is an annual formula grant that provides housing and housing related assistance to low-income American Indians and Alaska Natives who live on Indian reservations or in other traditional Indian areas. The actual IHBG grant recipients are eligible tribal entities or designated housing entities, which then deliver housing assistance to families in need.

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The amount granted annually is calculated using seven weighted factors, which consider the local population's income levels, the condition of existing housing, and the level of housing costs. The need allocation is adjusted for local area cost differences, based on total development costs relative to the national weighted average.

NAHASDA recognizes the right of tribal self-governance and the unique relationship between the federal government and the governments of Indian tribes, established by long-standing treaties, court decision, statutes, Executive Orders, and the United States Constitution.

NAHASDA requires HUD to engage in formal negotiated rulemaking with IHBG recipients to periodically review and issue program regulations. The foundation of HUD's partnership with federally recognized tribes is its government-to-government consultation policy, which includes a commitment to engage in formal negotiated rulemaking when appropriate, as when developing federal policies that have tribal implications.

**IHBG Eligible Activities:** The program allows grant recipients to develop and support affordable housing and provide housing services through the following seven eligible activities:

1. Development. The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include real property acquisition, site improvement, development and rehabilitation of utilities, necessary infrastructure and utility services, conversion, demolition, financing, administration and planning, improvement to achieve greater energy efficiency, mold remediation, and other related activities.

- In fiscal years 2008 through 2012, IHBG recipients expended approximately \$928.16 million on activities in this category, or an average of \$185.63 million each year. During this 5-year period, 7,450 affordable homes were built, 3,650 were acquired, and 21,612 were substantially rehabilitated.
- This activity averaged about 33 percent of total expenditures.

2. Indian Housing Assistance. The provision of modernization or operating assistance for housing previously developed or operated pursuant to a contract between the Secretary and an Indian housing authority. "Indian Housing Assistance" refers to the operation and maintenance of "pre-NAHASDA" HUD units.

- In fiscal years 2008 through 2012, IHBG recipients expended approximately \$1.01 billion on activities in this category, or an average of \$202.91 million each year.

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- Recipients continue to maintain a substantial inventory of “HUD units” that were constructed before IHBG was implemented in 1998, that is, units that were constructed with funding from the U.S. Housing Act of 1937. In fiscal year 2012, this included more than 52,000 units.
- This activity averaged about 36 percent of total expenditures.

3. Housing Services. Funds 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.

- In fiscal years 2008 through 2012, IHBG recipients expended approximately \$206.47 million on activities in this category, or an average of \$41.29 million each year.
- This activity averaged about 7 percent of total expenditures.

4. Housing Management Services. The provision of management services for affordable housing, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, the costs of operation and maintenance of units developed with funds provided by NAHASDA, and management of affordable housing projects.

- In fiscal years 2008 through 2012, IHBG recipients expended approximately \$152.20 million on activities in this category, or an average of \$30.44 million each year.
- This activity averaged about 5 percent of total expenditures.

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

- In fiscal years 2008 through 2012, IHBG recipients expended approximately \$43.57 million on activities in this category, or an average of \$8.71 million each year.
- This activity averaged about 2 percent of total expenditures.

6. Model Activities. The Department may approve housing activities under model programs that are designed to carry out the purposes of the Act and are specifically approved by the Secretary as appropriate for such purpose. Examples of model activities include: renovating a homeless facility in the community, providing rental subsidy for units developed under the low-income housing tax credits program, and developing a neighborhood park to be used primarily by low-income residents.

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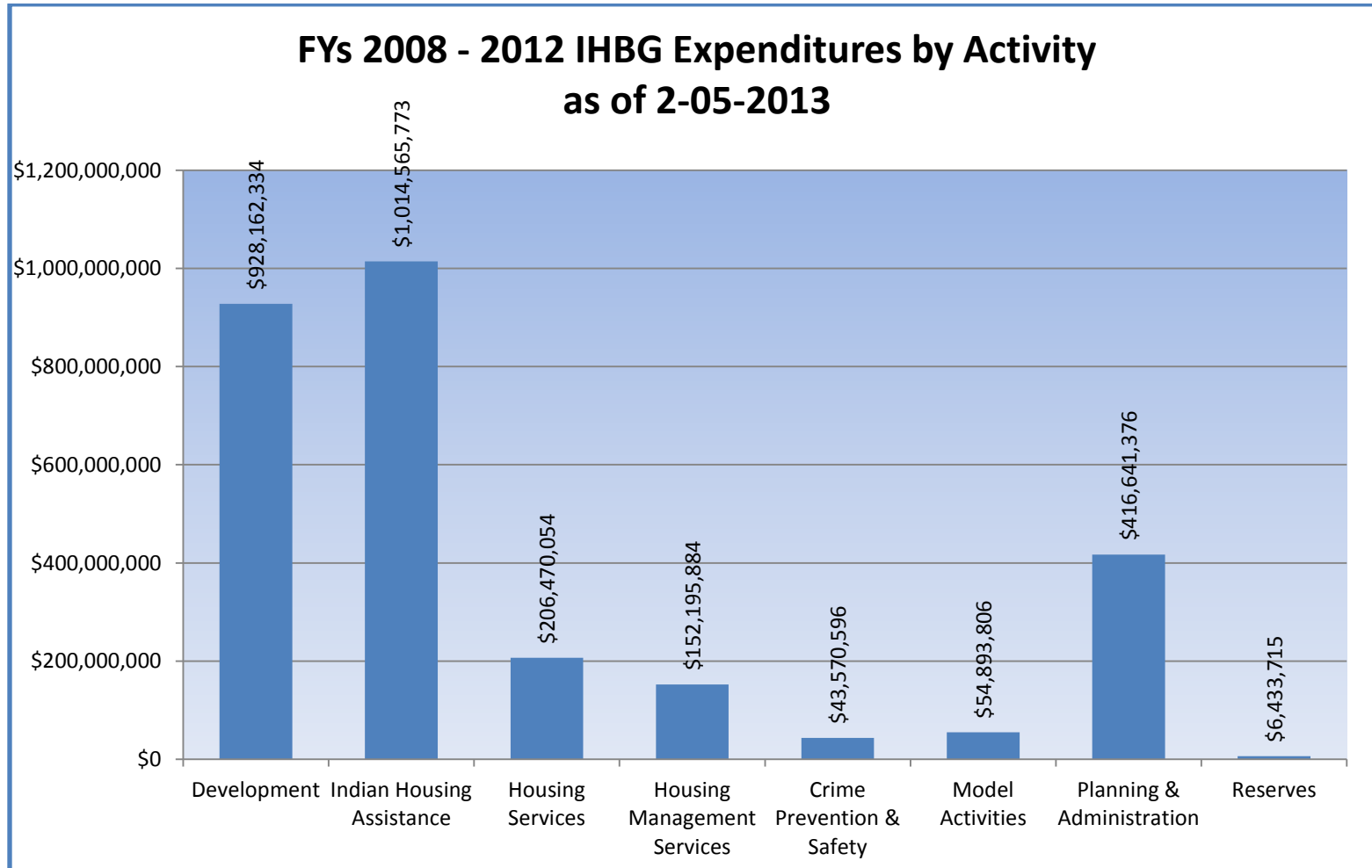
- In fiscal years 2008 through 2012, IHBG recipients expended approximately \$54.89 million on activities in this category, or an average of \$10.98 million each year.
- This activity averaged about 2 percent of expenditures each year.

7. Administrative Expenses. Recipients may expend up to 20 percent of their grant funds for planning and administration. Activities include administrative management, evaluation and monitoring, preparation of the Indian Housing Plan and Annual Performance Report, and staff and overhead costs directly related to carrying out affordable housing activities. (24 CFR § 1000.238 limits recipients to 20 percent of their grant for planning and administrative purposes).

- In fiscal years 2008 through 2012, IHBG recipients expended approximately \$416.64 million on activities in this category, or an average of \$83.33 million each year.
- Planning and administrative expenses averaged about 15 percent of total expenditures each year.

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The following chart illustrates IHBG major expenditures by activity:



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### Title VI program and eligible activities:

Title VI of NAHASDA, "Federal Guarantees for Financing Tribal Housing Activities," establishes a loan guarantee program for IHBG recipients. Regulations are at 24 CFR PART 1000, Subpart E.

The program guarantees repayment of 95 percent of unpaid principal and interest due on obligations. These guaranteed loans are for the IHBG recipients (Indian tribes and their tribally designated housing entities) in need of additional funds to engage in eligible affordable housing activities. Recipients can use the program to leverage their federal grant funds, by pledging future IHBGs to collateralize notes and other obligations. Title VI projects frequently include some infrastructure development and take several years to complete. Eligible activities are the same as in the IHBG program.

The target for fiscal years 2013 and 2014 is to guarantee five loans each year. The current active pipeline includes new construction, rehabilitation, a community center, plus an infrastructure project. These projects are estimated to impact 492 families over the next couple of years.

As of September 30, 2012, 69 loan guarantees had been issued for the history of the program, for approximately \$173 million. More than 2,300 affordable housing units or the supporting infrastructure has been financed with Title VI funding. In fiscal year 2011, four loans were guaranteed, for a total of \$16.7 million. In fiscal year 2012, five loans were guaranteed, for a total of \$17.56 million.

### Salaries and Expenses (S&E) and Full-time Equivalent (FTE) Request

Effective administration of the Indian Housing Block Grant Program is dependent on the operating resources requested in the S&E Justification. For fiscal year 2014, \$21.374 million is requested to operate this program account. This is an increase of \$1.373 million from fiscal year 2012.

The Department requests funding for 157 FTEs, which equates to \$20.532 million for the Indian Housing Block Grant Personnel Services. This is an increase of 2 FTEs from fiscal year 2012.

The Department requests \$841,800 in Non-Personnel Services funding for travel, contracts, training and other related operating expenses associated with the Indian Housing Block Grant program, an increase of \$210,200 from fiscal year 2012.

### **Workload by Function**

The largest workload functions to which dedicated Indian Housing Block Grant staff report are as follows:

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- Oversight and Monitoring (120 FTEs).
- Program Administration (30 FTEs).
- Program Support (7 FTEs).

IHBG FTEs are allocated along two primary functional lines, Grants Management and Grants Evaluation. Grants Management staff provide funding, training, and technical assistance to grantees, and generally support tribal grant activities from implementation through closeout. Grants Evaluation staff review and assess grant recipient performance to ensure statutory and regulatory requirements are met, identify technical assistance needs, and take enforcement actions as necessary.

Headquarters staff generally formulate national program policy, justify budget appropriations, track and analyze national performance goals, manage administrative functions, and respond to inquiries from Congress and the Administration. ONAP's Office of Loan Guarantee staff work at Headquarters to administer the loan programs, but Area Office (field) staff assist them by promoting the programs and serving as first points of contact for those seeking to participate in the loan programs.

### Presidential Initiatives and Interagency Partnerships

President Obama emphasized his Administration's commitment to Indian Country by issuing an executive Memorandum on Tribal Consultation (November 5, 2009); by conducting four White House Tribal National Conferences (in November 2009, December 2010, December 2011, and December 2012); and by making numerous public statements about how his Administration will meet its obligations to Indian tribes.

As part of the President's commitment to Native Americans, HUD's Office of Native American Programs frequently collaborates with other federal agencies that serve Indian Country, especially the Bureau of Indian Affairs (BIA), the Indian Health Service (IHS), the Departments of Agriculture (USDA) and Energy (DOE), the Federal Emergency Management Agency (FEMA), and the Environmental Protection Agency (EPA).

HUD has collaborated extensively with the BIA to streamline the processes for obtaining Title Status Reports on trust land, which are necessary when tribes need to obtain leasehold interests on trust land properties. This effort will allow tribes to better manage their housing inventory, create better neighborhoods, and encourage economic growth.

HUD partnered with FEMA and BIA in 2011 and 2012 to distribute more than 2,350 used mobile homes to Indian tribes.



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FEMA, EPA, BIA, USDA-Rural Development, the IHS, the Army Corps of Engineers, the Department of Transportation, the American Red Cross, various State agencies, the National Guard, and religious organizations have worked together to address disaster recovery efforts.

HUD is collaborating with the BIA, IHS, the EPA, and USDA to address the lack of access to safe drinking water and basic sanitation in Indian Country. This effort is in support of the commitment made by the United States at the 2000 World Summit on Sustainable Development to support a United Nations Millennium Development goal to improve access to safe drinking water and basic sanitation around the world.

### **3. Why is this program necessary and what will we get for the funds?**

Housing and infrastructure needs in Indian Country are severe and widespread, and far exceed the funding currently provided to tribes. Access to financing and credit to develop affordable housing in Indian Country has traditionally been difficult to obtain. IHBG will: 1) assist grantees in the construction, acquisition, and rehabilitation of at least 4,415 homeownership units and 1,380 rental units, and 2) fund the operation and maintenance of approximately 52,000 HUD-funded housing units. The Title VI program expects to guarantee five loans to develop affordable housing projects.

Among the 566 federally recognized tribes, economic conditions vary widely; however most tribes suffer from high poverty rates.

According to the IHBG formula data, in fiscal year 2002, the number of overcrowded households was 89,430, and 41,303 households had severe housing costs (housing expenses were greater than 50 percent of income). Ten years later, in fiscal year 2012, the number of overcrowded households had grown to 102,000, an increase of 14 percent, and the number of households with severe housing costs had grown to 60,900, an increase of 47 percent.

According to the 2010 U.S. Census:

- 5,220,579 Americans identified themselves as American Indian or Alaska Native (Race Alone or in Combination with One or More Other Races). This was 1.7 percent of the total, national population of 308.7 million. (2.9 million reported AI/AN Alone, or "single-race.")

According to the U.S. Census, American Community Survey for 2006-2010, there is widespread poverty in Indian Country.

- 26.4 percent of American Indians and Alaska Natives live below the poverty level, compared to 13.8 percent of the national population.

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- 8.5 percent of occupied homes on American Indian reservations and on off-reservation trust land are overcrowded, compared to 3.4 percent of national households. The U.S. Census defines overcrowding as 1.01 or more persons per livable room. Overcrowding is especially prevalent, and it is not uncommon in some Indian communities for two or three extended families to share the same home. Overcrowding has negative effects on a family's health, especially children's health, and tends to exacerbate domestic violence, truancy, and poor performance in school. Homes suffer more wear and tear when they are overcrowded, and the over use of appliances coupled with poor ventilation can lead to conditions that promote mold growth.
- \$16,645 is the average per capita income for American Indians/Alaska Natives versus \$27,334 for the national population.
- \$36,779 is the median household income for American Indians/Alaska Natives versus \$51,914 for the national population.

Over the last several years, there have been numerous studies conducted on the extent of housing needs in Indian Country, and they all concluded that Indian communities are in critical need of improved housing conditions, which IHBG and Title VI provide. Technical assistance and training are particularly necessary in most Indian communities due to many factors, including the complexity of financing when trust land is involved, and issues related to sparse, low-income populations, remote locations, and intergovernmental considerations.

Another description of housing conditions in Indian Country was provided by the comprehensive, independent evaluation of the IHBG program, which was conducted in 2009. The evaluators (ACKCO and Abt Associates) noted in their final report, "Decent housing is not readily available in Indian Country; decent and affordable housing is even harder to obtain. Overall, 18.4 percent of homeowners in Native American areas are cost burdened. This means they are spending more than 30 percent of their income for housing each month. Affordability problems are even more common for those who do not own their homes: 31.6 percent of renters on American Indian lands are cost burdened."

### Native American Housing Needs Study: A Departmental Transformation Initiative

In February 2013, HUD released a summary of its biennial Worst Case Housing Needs Report. HUD found that the number of very low-income renters facing severe housing problems continues to grow. In 2011, nearly 8.5 million households had worst case housing needs, up from 7.1 million in 2009. This represents a 19 percent increase since 2009 and 43 percent since 2007. Worst case needs are defined as renters with very low incomes (below half the median in their areas) who do not receive government housing assistance and who either paid more than their monthly incomes in rent, lived in substandard conditions, or both. Housing needs cut across all regions of the country and included all racial and ethnic groups, regardless of whether they lived in cities, suburbs, or rural areas. In addition, large numbers of worst case needs were also found across various household types including families with children, senior citizens, and persons with disabilities.

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The rise in hardships among renters is due to substantial increases in rental housing demand and weakening incomes that increased competition for already-scarce affordable units. Increases in demand were so great that they overwhelmed increases in supply of units affordable at incomes below 50 percent of AMI. As a result, the gap between the number of affordable units that were available for very low-income renters and the number of renters who need these units not only failed to improve in percentage terms, but worsened in absolute terms.

See U.S. Department of Housing and Urban Development (February 2013) *Worst Case Housing Needs 2011: Report to Congress—Summary*.

In fiscal year 2014, HUD will continue the on-going comprehensive study on housing needs in Indian Country, including native communities in Alaska and Hawaii. This study, the Assessment of Native American, Alaska Native and Native Hawaiian Housing Needs, was mandated by Congress under the Consolidated Appropriations Act, 2010. It is being conducted by HUD's Office of Policy Development and Research and the Urban Institute. The Department budgeted \$4.0 million for the study, but it was increased to \$5.447 million in order to add a household survey in Hawaii and additional consultations.

The Office of Native American Programs held seven regional outreach meetings in fiscal year 2011, before the study got underway, to inform participants, obtain their support, and solicit their suggestions on the study's design. Subsequent consultation for tribal leaders occurred in Washington, DC, in July 2011.

The study, which has been underway since fiscal year 2011, will examine Census data from the 2000 and 2010 Decennial Censuses, and from the American Community Survey. It will replicate several components of the 1996 study, including conducting interviews with tribal leaders, with staff at the tribally designated housing entities, and with other community leaders and stakeholders. Households will be surveyed at a sample of tribal areas. Because the 1996 study was published before the IHBG program was implemented, an examination of IHBG's impact since 1998, and the issues resulting from its implementation, will be a part of the study. Another component of the study will be a separate report on native Hawaiian housing issues.

The study commissioned by HUD that was completed in 1996 (Assessment of American Indian Housing Needs and Programs, and Housing Problems and Needs of Native Hawaiians), which was also prepared for HUD by the Urban Institute is still being used. The study will be regarded as a definitive source of information on the status of housing need in Indian Country for several years to come. HUD consulted with and partnered with the tribal stakeholders in the early stages of the study. These outreach efforts, along with the impeccable credentials and relevant experience of the researchers, will lend authority and credibility to the study.

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### Historical Outlays and Associated Challenges

As of January 28, 2013, 93.61 percent of IHBG funds allocated from fiscal year 1998 through fiscal year 2011 were disbursed. This is an excellent spend out rate, considering many construction/development projects take 3 to 5 years, or even longer, to complete. Many smaller IHBG recipients do not receive sufficient funds to annually engage in economically viable construction projects, and must “save up” over several years to develop or substantially rehabilitate their housing stock. Some tribes (especially in Alaska and the northern tier of the lower 48) have only a brief summer building season. Also, some tribes spent 2009 Recovery Act funds before their annual grants because Recovery Act funds had firm obligation and expenditure deadlines.

One IHBG recipient, the Navajo Nation, accounts for about half of all undisbursed IHBG funds. The Navajo Housing Authority has had capacity issues, which HUD is aggressively addressing. Capacity issues related to subcontracting and staff turnover either have been or are in the process of being addressed by the Navajo Housing Authority management. Several major construction contracts were awarded in fiscal year 2012, which obligated a significant amount of Navajo’s IHBG funds. HUD has stepped up its training, technical assistance, and program oversight efforts for this grantee. (Each year, the Navajo Nation receives, by far, the largest IHBG because of the size of its population and the great extent of its housing need. For example, in fiscal year 2012, Navajo received an IHBG in excess of \$90 million, while the next-largest grant (to the Cherokee Nation) was about \$29.6 million.)

As of January 2013, unobligated funds totaling \$15.943 million were being held by HUD to satisfy Court Ordered Stipulation Agreements as a result of lawsuits filed by tribes over formula current assisted stock issues. As each lawsuit is resolved, the related funds will be either provided to the tribes involved in the lawsuit or returned to the formula in the following fiscal year. The courts have ordered that these funds remain available pending decisions. Also, there is approximately \$7 million unobligated as a result of repayment to the program through the recapture of funds. By regulation, these funds are to be carried over to the next year’s funding and provided to all tribes under the formula.

In fiscal year 2014, the Department renews its request for the Transformation Initiative Fund, which provides the Secretary the flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. This program may transfer up to 0.5 percent or \$15 million, whichever is less, to the Transformation Initiative Fund for the operation of a second-generation Transformation Initiative (TI2). More details on TI2 and its projects are provided in the justification for the Transformation Initiative Fund account.

### **Examples of Indian Housing Projects Funded with IHBGs**

In 2012, the Title VI Loan Guarantee program helped the Bishop Paiute Tribe construct 18 new homes on tribal lands in California. There are about 2,000 enrolled Bishop Paiutes, and their reservation is on 875 acres at the foot of the Eastern Sierra Nevada

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Mountains in California. HUD guaranteed a \$3 million loan for the construction. "In the past, because of the unique trust status of the reservation land, banks and mortgage lending firms would not lend on these reservation lands," a press release from the tribe states. "Because HUD guarantees the loan, the Title VI program opens a whole new door for the tribe to meet its housing needs." The new homes will be 1,008 to 1,762 square-foot, 2-, 3-, 4-, and 5-bedroom dwellings. Tribal construction crews and local sub-contractors are being used. The Tribe's fiscal year 2012 IHBG allocation was \$1.8 million.

**Oglala Sioux Lakota** Housing in South Dakota successfully expended its block grant Recovery Act funds to renovate its low-rent units. Many received new roofs and new siding, and every low-rent unit received a new freezer. Nine new neighborhood playgrounds were built. The Tribe's fiscal year 2012 IHBG allocation was \$11 million.

The **Lummi** Tribe's reservation covers about 21 square miles in northwest Washington, and about 2,500 enrolled tribal members live there, along with more than 4,000 non-tribal members. The tribe has struggled for many years with its housing shortage. According to studies conducted by the Lummi Nation, more than half of the tribal families live below 80 percent of the county's median income, and 19 percent live below the poverty line. In 2010, the tribe implemented a plan to construct a 72-unit, low-income apartment project, using \$2.75 million in IHBG funds and \$4.25 million in Recovery Act funds. The project will incorporate energy-efficient features throughout, including a low-impact storm water system. For this project, the tribe partnered with the nearby Northwest Indian College, which donated the land for the construction in exchange for some housing reserved for low-income students. The project also benefitted from a \$1.2 million Department of Labor YouthBuild grant, which gave tribal youth hands-on experience in construction trades. A Transitional Housing Recovery program was established in 2006, which assists tribal members exiting rehabilitation centers. An elders program offers 29 apartment units, transportation, meals, activities, care giving and respite assistance. Four homes are reserved to shelter women and their children who are crime victims, and another home operates as a safe house for young people, aged 14 to 18, in cooperation with the Lummi Nation School. The Tribe's fiscal year 2012 IHBG allocation was \$2.9 million.

The **Puyallup** Tribe was relocated in 1854 onto reservation lands in what is today Tacoma, Washington. Today, it is one of the most urban Indian reservations in the United States, with a land area of 28.5 square miles. In March 2012, the housing authority dedicated 10 units of low-income rental housing at the NE Longhouse Project, in Tacoma. The LEED Platinum project used \$3.8 million of Recovery Act funds, and \$1.2 million in IHBG funds. The entire project, which included building a new community center and maintenance building, created 46 jobs. Built in a traditional Coast Salish design, families began to move into the energy-efficient, one- and two- bedroom units in April 2012. The Tribe's fiscal year 2012 IHBG allocation was almost \$2.5 million.

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*Buttercup Lane Development, Colville I.R., Washington*

The **Colville** Indian Reservation in northeast Washington is 1.4 million acres in size, and is home to 9,365 Indians enrolled in 12 different bands, which together make up the Confederated Tribes of the Colville Reservation. The Colville Indian Housing Authority's development project at Buttercup Lane, near Inchelium, Washington, celebrated its grand opening in May 2011. Project funding included Low-Income Housing Tax Credits (\$1.5 million), an Affordable Housing program grant from the Federal Home Loan Bank (\$240,000), \$3.8 million in HUD American Recovery and Reinvestment Act funds, and \$1.6 million in IHBG funds. Each of the 27 new homes is oriented to promote solar heating, uses energy-efficient construction techniques, and includes Energy Star and water-conserving appliances. The community is walkable, with paved sidewalks and pathways. The site maximizes the capture of rain run-off. This is a mixed-income development with 20 of the 27 units reserved for low-income tribal members. The Tribe's fiscal year 2012 IHBG allocation was \$3.5 million.

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**4. How do we know this program works?**

Performance History and Projections

- The following chart illustrates the number of affordable housing units built, acquired and rehabilitated since 2007.

<b>Fiscal Year</b>	<b># Units Built or Acquired</b>	<b>Units Rehabilitated</b>	<b>Total Units</b>
<b>FY 2014 (estimate)</b>	2,028	3,767	5,795
<b>FY 2013 (estimate)</b>	2,028	3,767	5,795
<b>FY 2012*</b>	1,457	4,726	6,183
<b>FY 2011</b>	2,095	5,082	7,177
<b>FY 2010</b>	2,040	3,064	5,104
<b>FY 2009</b>	2,829	4,891	7,720
<b>FY 2008</b>	2,679	3,849	6,528
<b>FY 2007</b>	2,656	3,938	6,594
<b>Total</b>	17,812	33,084	<b>50,896</b>

As of February 5, 2013

In fiscal year 2012, IHBG grantees began to use a new, revised form to plan and report their IHBG housing activities. As a result of consultation with tribes, HUD revised the Indian Housing Plan and Annual Performance Report (IHP/APR) forms. The two forms were combined into one, and reporting requirements and mechanisms were streamlined to reduce preparation and processing times. The new reporting form will also capture additional data fields that will allow HUD to better track tribal program activities, outputs, and resulting outcomes. By October 2013, all grantees will have reported on the new form.

IHBG’s Contributions to Agency Performance Goal #2

The IHBG program directly supports HUD’s Agency Performance Goal #2, to expand the supply of affordable rental housing. In fiscal year 2014, the program is expected to develop (that is, to build or acquire), 680 rental units. Targets for homeownership units are always higher than for rentals in this program, because IHBG recipients traditionally choose to offer more homeownership opportunities than rentals.

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In March 2010, a “2009 Baseline” was established for this goal. This baseline, 7,615, represents the number of rental units that were estimated to have been built or acquired with IHBG funds in 13 funding years, that is, for fiscal years 1998 through 2009.

Between October 1, 2009 and December 31, 2012, 2185 rental units were developed, or about 672 each year. The target is to develop 680 units each year.

### Program Evaluations

A comprehensive, independent evaluation of the IHBG program was conducted in fiscal year 2009. The evaluators (ACKCO and Abt Associates) concluded that the program is addressing the primary housing needs in Indian Country. However, the evaluators pointed out that, “It is clear that for most tribes, the magnitude of housing problems dwarfs the resources available from IHBG.” The final report noted that, in fiscal year 2008, about two-thirds of tribes received grants of less than \$500,000. When the researchers asked tribal housing administrators about the ability of the IHBG program to address local housing needs, all 28 respondents were consistent in their response. They praised the program, saying that the structure of the program is good and offers sufficient flexibility for addressing a variety of housing needs.

A comprehensive, independent evaluation of the Title VI Loan Guarantee program was conducted in fiscal year 2008. The evaluators (ACKCO and Abt Associates) concluded, “Overall, the impact of the Title VI loan guarantee program on tribal members, tribes, and surrounding communities has been significant. Tribal members have improved access to affordable housing opportunities, which has engendered a sense of pride and independence among tribal members. Among tribes, the program addressed their most pressing housing conditions, provided critical learning opportunities to understand the housing development process, and created access to private financing markets that otherwise would not have been available to tribes. The program has also affected surrounding communities by improving the community’s aesthetics and increasing the community’s skill base.”

In February 2010, the Government Accountability Office (GAO) published its Report to Congressional Committees on Native American Housing. That report stated: “Most grantees that we [GAO] surveyed and interviewed view NAHASDA as effective, largely because it emphasizes tribal self-determination. Grantees feel the program has helped to improve housing conditions and increase access to affordable housing, but they reported that developing housing finance mechanisms and increasing economic development remain as challenges.” The concept of tribal self-determination is fundamental to the administration of this program, and its practice has resulted in efficient and effective uses of funds that are appropriate for each community. The somewhat paternalistic programs of the past, in which a national HUD office mandated how much, where, and what types of housing assistance should be provided, were primarily designed for urban areas, and generally did not work well in Indian Country. In contrast, applying the concepts of local control and tribal self-determination to the block grant program has been warmly received by tribal officials and has resulted in well run, innovative housing programs.



## Native American Housing Block Grants

### Training and Technical Assistance for Program Recipients

HUD highlights and promotes best practices that support development in Indian Country, and encourages innovative methods of construction, management, and finance. Training and technical assistance are provided to tribes and tribally designated housing entities to build their capacity to deliver affordable housing programs. Training and technical assistance is provided to residents of low-income housing to increase their self-sufficiency and life skills. Efforts include supporting green building, energy efficiency efforts, resource conservation, mold prevention and remediation, and responsible homeownership. In fiscal year 2014, it is anticipated that HUD will offer training related to these programs, including overall development and financial planning, housing services, and the advantages of leveraging NAHASDA funds with other homeownership programs. In fiscal years 2011 and 2012, HUD provided about two dozen trainings to IHBG recipients in every region of the country on topics essential to program administration: Procurement, Environmental Review, NAHASDA Essentials, Indian Housing Planning and Annual Performance Reporting.

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>2012 Budget Authority</u>	<u>2011 Carryover Into 2012</u>	<u>2012 Total Resources</u>	<u>2012 Obligations</u>	<u>2013 Annualized CR</u>	<u>2012 Carryover Into 2013</u>	<u>2013 Total Resources</u>	<u>2014 Request</u>
Formula Grants .....	\$644,000	\$65,910	\$709,910	\$681,771	\$647,941	\$28,638	\$676,579	\$648,000
Loan Guarantee - Title VI (Credit Subsidy) ..	2,000	5,486	7,486	2,372	2,012	6,987	8,999	2,000
Technical Assistance ..	2,000	10,999	12,999	3,452	2,013	9,049	11,062	...
National American Indian Housing Council .....	<u>2,000</u>	<u>3,493</u>	<u>5,493</u>	<u>3,493</u>	<u>2,012</u>	<u>2,000</u>	<u>4,012</u>	<u>...</u>
Total .....	650,000	85,888	735,888	691,088	653,978	46,674	700,652	650,000

**PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANTS  
Appropriations Language**

Below is the italicized appropriations language for the Native American Housing Block Grant account.

*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.), \$650,000,000, to remain available until September 30, 2018: 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 amount provided under this heading, \$2,000,000 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 \$16,530,000.*

Note.--A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.