DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–4170–N–18]

RIN 2577–AB74

Indian Housing Block Grant Program:
Notice of Additional Transition Requirements—Cost Limits for Former 1937 Act Development Projects

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice of additional transition requirements—Cost limits for former 1937 Act development projects.

SUMMARY: This notice provides a grace period, up to January 1, 1999, in which a tribe or tribally designated housing entity (TDHE) may choose to use the Dwelling Construction and Equipment costs under the Indian Housing Block Grant (IHBG) Program or a calculated Total Development Cost (TDC) limitation. The purpose of this grace period is to allow for a smooth transition and avoid hardship for tribes and TDHEs that have progressed substantially in developing housing designs under the United States Housing Act of 1937 (1937 Act) and are nearing construction start.

EFFECTIVE DATE: October 2, 1998.

FOR FURTHER INFORMATION CONTACT: Bruce Knott, National Office of Native American Programs, Department of Housing and Urban Development, 1999 Broadway, Suite 3390, Denver, CO; telephone (303) 675–1600 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number via TTY by calling the toll-free Federal Information Relay Service at 1–800–877–8339.

SUPPLEMENTARY INFORMATION:

I. Background

The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) (NAHASDA) was enacted on October 26, 1996, and took effect on October 1, 1997. NAHASDA requires HUD to make grants on behalf of Indian tribes to carry out affordable housing activities. A final rule to implement NAHASDA and establish the IHBG Program was

In the final NAHASDA regulations, the committee that crafted the portion on limitation of construction costs wanted to design as much flexibility into the program as possible, yet still ensure that affordable housing standards were being maintained. Because of this, the decision was made to discontinue Total Development Cost (TDC) limits, used under the 1937 Act development program, as TDC limits limited soft costs as well as the actual construction costs. Historically, the TDCs were developed by first determining the actual costs of construction (hard costs) and then multiplying by a factor to include funds for soft costs. These hard costs, known as Dwelling Construction and Equipment (DC&E) costs, were what the committee chose as a standard of ensuring that construction costs remained within a modest design and gave the tribes flexibility in other costs associated with development of housing. This standard is established at 24 CFR 1000.156 of the NAHASDA regulations.

Under the 1937 Act program, there are some instances where tribes may have realized savings in the planning or administration of developing housing, permitting them to utilize a portion of these soft cost funds for construction purposes. If tribes have progressed substantially in developing housing designs under the 1937 Act and are nearing construction start, changing to a DC&E cost limitation under NAHASDA may impose a hardship. This was not the intent of the committee and therefore, HUD is implementing a “grace” period, up to January 1, 1999, in which a tribe or TDHE may elect to use TDC limits rather than DC&E costs, to allow for a smooth transition in these situations.

II. Transition Development Cost Questions and Answers

The following questions and answers are designed to assist in understanding these development cost transition provisions.

Question #1: My project, funded under the 1937 Act, is almost ready to go to bid. Must I use the new DC&Es?

Answer #1: No. You may choose to use either the DC&Es, or a calculated TDC limitation. To determine a calculated TDC, multiply the applicable DC&E amount, determined pursuant to 24 CFR 1000.156, by 1.75. Apply this figure in the same manner that previous TDC limits were utilized, that is, all hard and soft costs combined must come within the TDC limit. This method does not require that a variance request be submitted to the Area Office of Native American Programs (AONAP), but documentation showing that this procedure was followed must be maintained in your files for at least three years.

Question #2: We are able to save money on planning and administration and designed plans under the 1937 Act development program that allocated more funds into the actual construction. Because of this we don’t fit within the NAHASDA DC&Es. May we use calculated TDCs?

Answer #2: Assuming that these designs are within modest standards and the intent of NAHASDA and that the project is out to bid or reached construction start by January 1, 1999, you may use calculated TDC maxiumums.

Question #3: My project is under construction right now. Must I change to DC&E cost limits?

Answer #3: No. The documents that were approved prior to construction start are still in effect.

Question #4: We haven’t designed the project that we want to build with funds that were originally made available under 1937 Act. Which system do we use, DC&Es or calculated TDCs?

Answer #4: You will use the DC&Es. The calculated TDCs are to be used only in circumstances where a tribe has substantially completed work toward construction start or work start under force account and will be out for bid solicitation or have started construction by January 1, 1999.

Question #5: We are planning our project with NAHASDA funds that are not former 1937 Act funds. Which system of cost limits should we use?

Answer #5: All projects utilizing such NAHASDA funds use the DC&E cost limits and guidelines outlined in Notice PIH 98–29 (HA).


Deborah Vincent,
General Deputy Assistant Secretary for Public and Indian Housing.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ACTION: Notice of Redelegation of Authority.

SUMMARY: In this notice, the Assistant Secretary for Public and Indian Housing redelegates the authority for administering the Native American Housing Assistance and Self-Determination Act of 1996 to the Deputy Assistant Secretary for Native American Programs, the Administrators of the Office of Native American Programs, the Director, Office of Grants Management, and the Director, Office of Grants Evaluation, subject to certain exceptions.


FURTHER INFORMATION CONTACT: Jennifer Bullough, Office of Native American Programs, Office of Public and Indian Housing, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, D.C. 20410. Telephone number: (202) 401–7914. This is not a toll-free number. This number may be accessed via TTY by calling the Federal Information Relay Service at 1–800–877–8339.

SUPPLEMENTARY INFORMATION: The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA or the Act), 25 U.S.C. 4101 et seq., reorganizes the system of Federal housing assistance to Native Americans by eliminating several separate programs of assistance and replacing them with a single block grant program. Pursuant to Section 3 of the Act, NAHASDA will be administered by the Office of Native American Programs within the Office of Public and Indian Housing of the Department of Housing and Urban Development.

Pursuant to Section 902 of the Housing and Community Development Act of 1992, 42 U.S.C. 3533, ONAP was created within the Office of Public and Indian Housing (PIH) in Headquarters. According to the statute, the office is to administer and coordinate all programs of the Department relating to Native and Alaska Native housing and community development.

By separate delegation, the Secretary has elsewhere in today’s Federal Register delegated to the Assistant Secretary for PIH the authority for administering NAHASDA, subject to certain exceptions.

Accordingly, the Assistant Secretary for PIH redelegates that authority as follows:

Section A. Authority Delegated

The Assistant Secretary for Public and Indian Housing redelegates to the Deputy Assistant Secretary for Native