



The IHBG Formula: Mechanics, Design & Issues





Formula Workgroup

- Statutory Requirements
- Mission Statement
- Goals
- Guiding Principles
- Sub-Workgroups
 - Formula Current Assisted Stock
 - Need





Operating Subsidy

- Operating Subsidy Per Unit Allocations
 - Low-Rent - \$2,440
 - Mutual Help/Turnkey - \$528
 - Section 8 - \$3,625
- Inflation
- Local Area Cost Adjustment
 - Greater of Allowable Expense Level Index or Fair Market Rent Index



Modernization Subsidy

- Modernization Per Unit Allocations
 - Low-Rent & Mutual Help/Turnkey - \$1,974
- Inflation
- Local Area Cost Adjustment
 - Total Development Cost



FCAS Issues

- NAHASDA Units
- Decreases in FCAS
- Reporting Requirements
- Section 8 Amendment
- Modernization Amendment
- Local Cost Adjustments (AELs, FMRs, TDCs)



Poverty Variables

- Income
- Unemployment
- Underemployment
- Overcrowding
- Waiting Lists
- Housing Shortage
- Service Area Size
- Cost of Living
- Construction Costs
- Health Issues
- Welfare
- Disabled
- Education
- Single Parent HH



Economic Variables

- Unemployment
- Employment Options
- Handicapped/Disabled
- Skills Level
- Social Problems
- Credit Availability
- Cost of Living
- Educational Access
- Tribal Resources
- Median Income
- Infrastructure
- Transportation
- Educational Level





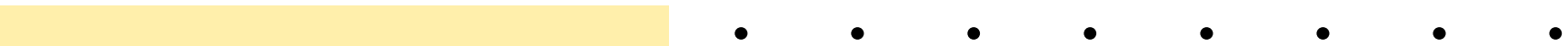
Other Objectively Measurable Variables

- Private Housing Availability
- Assisted Housing Stock
- Housing Condition
- Climatic Conditions
- Section 8 Units
- Utility Costs
- Local Construction Costs
- Emergency/Disaster
- Minimum Funding
- High Crime Areas
- Availability of Land



Research on Need

- Urban Institute & HUD Report, “Assessment of American Indian Housing Needs and Programs: Final Report” as Resource Guide
- Correlation Between Variables
- Objectively Measured
- Consistent Across Tribes





Need Equation

- 0.11 AIAN Persons
- 0.13 Households < 30% Median Income
- 0.07 HH 30%-50% Median Income
- 0.07 HH 50%-80% Median Income
- 0.25 HH Overcrowded or No Kitchen/Plumbing
- 0.22 HH Paying > 50% of Income for Housing
- 0.15 HH <80% Median Income Minus Assisted Units



Need Issues

- Variable Definitions
- Census Challenge Guidelines
- Alternative Data
- 2000 Census
 - Multiple Racial Identification
 - Changes in Geographies
 - Suppression on Income/Housing Data by Race
 - Special Tabulations of Census Data



Formula Area

Geographic Area Over which an Indian Tribe
Could Exercise Court Jurisdiction or is
Providing Substantial Housing Services





Formula Area Definition (con't)

- Reservations
- Trust Lands
- Alaska Native Village Statistical Area
- Alaska Native Claims Settlement Act Corporation Service Area
- Dept of Interior Near-Reservation Service Area
- Tribal Jurisdictional Statistical Areas for Ok
- Congressionally Mandated Service Area
- Tribally Designated Statistical Areas



May Include Other Areas if:

- Previous Housing Investment
- Future Housing Investment
- Fair and Equitable for ALL

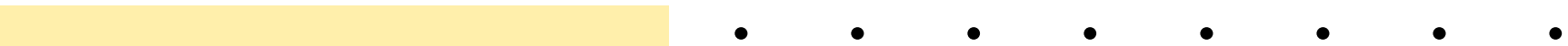
MUST BE DOCUMENTED!!!





Formula Area Issues

- Relationship between Court Jurisdiction, Housing Service Provision & List of Eight
- Documenting Past & Future Investment
 - Ambiguity of investment (program types)
 - Ambiguity of fair & equitable (\$/persons)
- Demonstrating Continued Commitment Housing Service & Coordination with IHP





Overlapping Formula Areas

- Section 1000.326 requires
 - Proportional share of population in overlap area
 - Commitment to serve proportional share
 - Federally recognized over state recognized
 - Tribes have 1st choice on data to use
 - HUD decides if tribes do not agree on data
- Current HUD Splitting Algorithm
 - Relies on BIA Near Reservation Service Area Population



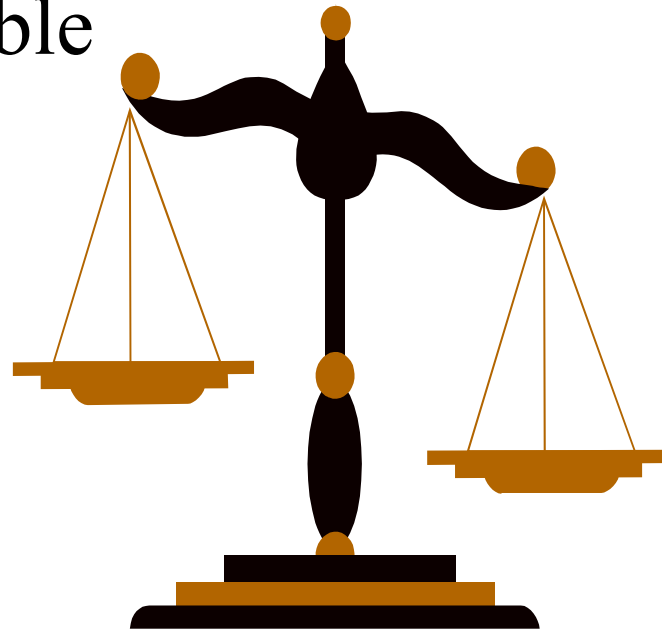
Overlapping Issues

- Only 1 Tribally Agreed Upon Split
- BIA Data not Consistent Across Nation and within Regions
- Doesn't Isolate Overlapping Area
- May Have Regional Effects
- Process for De-Linking



Population Cap

- Control to Maintain Fairness
- Only if AIAN Persons $> 2 \times$ Enrollment
- Challenge Process Available





Population Cap Issues

- Rules for Determining Multiplier > 2
 - AIAN verses tribal membership
 - Ambiguity of housing assistance
- Fairness of Population Data $>$ Enrollment without Documentation
- Tribal Preference



Minimum Need Funding

- First Year of IHBG Participation - \$50,000
- Subsequent Years until FY 2002 - \$25,000
- Minimum Need Funding Issues
 - Expiration in FY02
 - Interim Rule Expected to be Published for FY03
 - Small Tribes Task Force





FY 1996 Baseline Funding

- Statutory Requirement
- Grant Must be $>$ FY96 Op & Mod Subsidy
- So can cause, Grant $>$ FCAS + Need

