

Review of the IHBG Formula Mechanics (with regulatory references)



Overview

- Formula Current Assisted Stock (FCAS)
- Need
 - Formula Area
 - Minimum Needs Funding
- Minimum Grant Funding



FCAS 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 AEL Index or FMR Index



FCAS Modernization Subsidy

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



What Counts as FCAS?

COUNTS

- Units Funded Under 1937 Act
- Conversions before 10/1/97
- Conveyance Eligible but Beyond Tribes Control
- Anticipated DOFAs
- Section 8 with Expired Contracts but still in Mgm't

DOESN'T COUNT

- NAHASDA Units
- HOME, ICDBG, State Program Units
- Non-Dwelling Units
- Conversions after 10/1/97
- Conveyances
- Conveyance Eligible with TARs
- Units over ACC with DOFA after 10/1/97
- IHA Financed Units
- Section 8 not in Mgm't



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



Needs Data

- U.S. Decennial Census
- Updated Annually with IHS Birth & Death Rates
- Census Challenge Process



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!!!

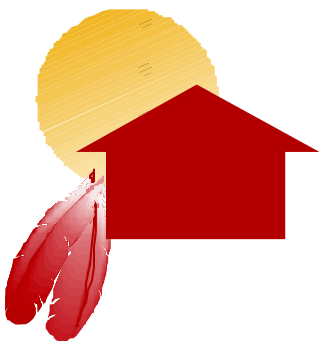




Overlapping Formula Areas

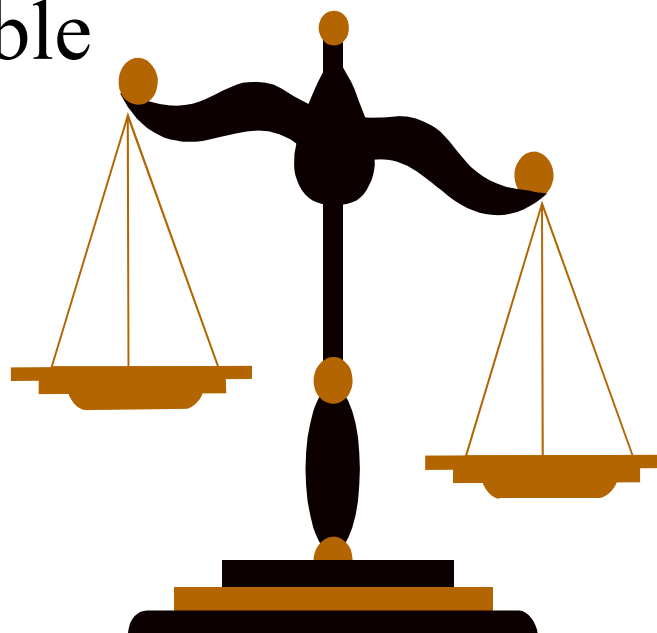
- Section 1000.326 requires
 - Proportional share of population in overlap area
 - Commitment to serve proportional share
 - Federally recognized over state recognized
 - Tribes have 1st choice on data to use
 - HUD decides if tribes do not agree on data
- Current HUD Splitting Algorithm
 - Relies on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





Population Cap

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





Minimum Need Funding

- First Year of IHBG Participation - \$50,000
- Subsequent Years until FY 2002 - \$25,000





FY 1996 Baseline Funding

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





References

- 24 CFR 1000 Subpart D, Appendices A & B
- Formula Response Form (estimate)
- Allocation & Formula Data Form (actual)
- NAHASDA Guidance 98-19
- Challenging US Decennial Census Data: Guidelines for the IHBG Formula

