



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:

Office of Native American Programs,
Department of Hawaiian Home Lands

Notice PIH 2024-14

Issued: May 7, 2024

Expires: This Notice remains in effect
until amended, rescinded, or superseded.

Supersedes:

[NHHBG Program Guidance 2008-01](#)

Cross References:

Section 810 of NAHASDA, 24 CFR 1006
Subpart C

Subject: Affordable Housing Activities Under title VIII of the Native American Housing Assistance and Self-Determination Act ([NAHASDA](#)).

1. Purpose: The purpose of this Notice is to provide the Department of Hawaiian Home Lands (DHHL) with guidance on eligible affordable housing activities and administrative expenses under the Native Hawaiian Housing Block Grant (NHHBG) program, pursuant to title VIII of NAHASDA.

This Notice replaces NHHBG Program Guidance 2008-01, Eligible Affordable Housing Activities and Administrative Expenses.

2. Background: The NHHBG program provides direct block grant funding to the DHHL for affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for low-income Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands.

NHHBG program activities must comply with the regulations at [24 CFR part 1006](#), applicable provisions of [2 CFR part 200](#), and other applicable notices and guidance published by HUD. Note that [2 CFR 200.403](#) requires that all allowable activity costs be necessary, reasonable, and allocable, to be consistent with internal policies and procedures, and be treated consistently between programs.

3. Eligible Affordable Housing Activities

Section 810 of NAHASDA authorizes the use of NHHBG funding for affordable housing activities conducted in accordance with the requirements of Section 811 to develop or to support affordable housing for rental or homeownership, or to provide affordable housing services under the following summarized categories:

- **Development - Section 810(b)(1) and § 1006.205:** Activities related to acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, including rental and homeownership housing.
- **Housing Services - Section 810(b)(2) and § 1006.210:** Activities related to providing housing-related services for the benefit of affordable rental or homeownership housing participants or in support of NHHBG-assisted housing programs.
- **Housing Management Services - Section 810(b)(3) and § 1006.215:** Activities related to operating and managing affordable housing developed with NHHBG funds or other funds and which are occupied by low-income Native Hawaiian families eligible to reside on the Hawaiian Home Lands.
- **Crime Prevention and Safety Activities - Section 810(b)(4) and § 1006.220:** Activities related to providing safety, drug elimination, security, and law enforcement measures and activities appropriate to promote safety.
- **Model Activities - Section 810(b)(5) and § 1006.225:** Activities designed to carry out the purposes of title VIII of NAHASDA that are specifically approved by HUD.

Planning and Administrative Expenses (P&A) are addressed in Section 802(d) of NAHASDA and § 1006.230. P&A costs include salaries of individuals engaged in administering and managing affordable housing activities and expenses of preparing a Native Hawaiian Housing Plan/Annual Performance Report (NHHP/APR). This includes, but is not limited to costs of:

- Overall program and/or administrative management
- Coordination of monitoring and evaluation
- Preparation of the NHHP/APR including costs of public hearings, consultations, and publications
- Complying with other Federal requirements in 24 CFR 1006.375 and 1006.377.

Staff and overhead costs directly related to carrying out affordable housing activities can be determined to be either P&A or eligible costs of the affordable housing activity at the discretion of the DHHL.

Generally, costs related to staff payroll and contractor fees that can only be attributed to one activity are direct costs and would not be included in P&A. Costs that cannot be attributed to only one activity are indirect costs and included in P&A. See [2 CFR part 200, subpart E](#), for more information on direct and indirect costs.

In accordance with the NHHBG grant agreement, DHHL may budget and expend up to 20 percent of the amount of the NHHBG grant award for P&A eligible under NAHASDA. In a situation where DHHL and a subrecipient(s) both incur P&A; all such costs must be compiled from all sources to determine compliance with the NHHBG program P&A spending cap. The

DHHL may request HUD’s approval to use a higher percentage of its grant award for P&A by identifying the percentage of grant funds which will be used in Section 6 of the NHHP.

4. Examples of Affordable Housing Activities

The DHHL must report on Affordable Housing Activities in the NHHP/APR. The chart below indicates where activity costs should be reported in the NHHP/APR and provides examples of activities under each NHHP/APR eligible activity category. The number identified for each type of eligible activity listed below corresponds with the numbered list of eligible activities presented in Section 3 of the NHHP/APR.

Note that this list is not exhaustive but provides general examples of eligible activities to distinguish the differences between the NHHBG Eligible Activity types. For more information on filling out the NHHP/APR, see NHHP/APR Instructions.

NHHP/APR Activity Categories and Example Eligible Activities by NAHASDA Section	
<u>Development - Section 810(b)(1):</u> 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, and other related activities.	
Type of Eligible Activity	Examples of Eligible Activities
(3) Acquisition of Rental Housing	Includes costs associated with the acquisition of rental housing such as the purchase of real property, site improvements, utilities, rehabilitation or modernization, project financing, and demolition.
(4) Construction of Rental Housing	Includes costs associated with the construction of new rental housing including materials, supplies, appliances, labor, and service contracts, permitting, Architecture and Engineering, site preparation, community streets, playgrounds, electrification, lighting, fencing, water and sewer, and other utilities.
(5) Rehabilitation of Rental Housing	Includes minor or substantial housing rehabilitation such as new roofs, new siding, new windows, new furnaces, plumbing, heat pumps, solar panels, electrification projects, electrical systems or mechanical systems, and improvements related to the health and safety of residents, including accessibility modifications for individuals with disabilities.

(6) Acquisition of Land for Rental Housing Development	Includes costs associated with the acquisition of land for rental housing development such as the purchase of real property, site improvements, utilities, infrastructure, project financing, and demolition/clean-up.
(7) Development of Emergency Shelters	Includes costs associated with the development of emergency shelters such as construction costs, purchase of real property, rehabilitation or modernization, site improvements, utilities, infrastructure, project financing, and demolition.
(8) Conversion of Other Structures to Affordable Housing	Includes costs associated with the conversion of other structures to affordable housing such as purchase of real property, rehabilitation or modernization, site improvements, utilities, infrastructure, project financing, and demolition.
(9) Other Rental Housing Development	Includes costs associated with the development of rental housing not identified above, including but not limited to student housing, elder housing, transitional housing, halfway homes, youth aging out of foster care, supportive housing, workforce housing, essential families housing, domestic violence shelters, and law enforcement housing.
(10) Acquisition of Land for Homebuyer Unit Development	Includes costs associated with the acquisition of land for homeownership housing development such as the purchase of real property, site improvements, utilities, infrastructure, project financing, and demolition/clean-up.
(11) New Construction of Homebuyer Units	Includes costs associated with the construction of homebuyer housing including materials, supplies, appliances, labor, and service contracts, permitting, Architecture and Engineering, site preparation, infrastructure, road work, electrification, lighting, landscaping, and utility connection.
(12) Acquisition of Homebuyer Units	Includes costs associated with the acquisition of homebuyer housing such as the purchase of real property, site improvements, utilities, rehabilitation or modernization, project financing, and demolition.
(13) Down Payment/Closing Cost Assistance	Includes assistance with down payment and closing costs commonly associated with a home mortgage.
(14) Lending Subsidies for Homebuyers Loan	Includes other costs associated with obtaining or maintaining a mortgage.

(15) Other Homebuyer Assistance Activities	Includes homebuyer assistance not identified in (13) or (14).
(16) Rehabilitation Assistance to Existing Homeowners	Includes minor or substantial housing rehabilitation or modernization of privately owned units such as new roofs, new siding, new windows, new furnaces, new heat pumps, solar panels, plumbing, electrical systems or mechanical systems, energy efficiency upgrades, and improvements related to the health and safety of residents, including accessibility modifications for individuals with disabilities.
(24) Infrastructure to Support Housing	Includes development and rehabilitation costs for site improvements, streets, playgrounds, lighting, fencing, electricity, water, sewer, and other utilities, including broadband.
<p><u>Housing Services - Section 810(b)(2):</u> Housing-related services for affordable housing, such as housing counseling in connection with rental or homeownership assistance, establishment and support of resident organizations and resident management corporations, energy auditing, activities related to the provision of self-sufficiency and other services related to assisting homeowners, tenants, contractors, and other entities, participating, or seeking to participate in other NHHBG-assisted housing activities.</p>	
(17) Tenant Based Rental Assistance	Includes costs associated with the provision of housing assistance to lease residents of privately owned units, including student housing.
(18) Other Housing Services	Includes costs associated with self-sufficiency activities, childcare costs, homeless prevention, security deposits, first or last month’s rent, mortgage payments (to avoid foreclosure), housing counseling/resident training, project-based rental assistance, student housing assistance, college tuition & fee assistance, housing fairs and other community outreach, Boys and Girls Clubs, sports and recreation equipment and travel for purposes of residents participating in community sporting events.
<p><u>Housing Management Services - Section 810(b)(3):</u> Operating, maintaining, and managing housing developed with NHHBG funds or affordable housing projects developed with other funds for which units are occupied by low-income Native Hawaiian families eligible to reside on the Hawaiian Home Lands.</p>	

(19) Housing Management Services	Includes costs of operating, maintaining, and managing non-NHHBG funded affordable housing units like Low Income Housing Tax Credit projects and units constructed and maintained with United States Department of Agriculture or Housing Improvement Program (HIP) funds, provided the units are occupied by NHHBG eligible families.
(20) Operation and Maintenance of NHHBG-Assisted Units	Includes operating and maintenance costs for housing units developed with NHHBG funds such as routine and non-routine maintenance, unit inspections, grounds maintenance, tenant selection, leasing and occupancy functions, program oversight, financial management/rent collection, insurance coverage, and records maintenance.
<p><u>Crime Prevention and Safety Activities- Section 810(b)(4):</u> Providing safety, drug elimination, security, and law enforcement measures, and activities appropriate to promote safety.</p>	
(21) Crime Prevention and Safety	Includes costs associated with the employment of security personnel, security fences, speed bumps, security monitoring equipment, ¹ fencing, street and yard lighting, storm shelters, and providing crime prevention information and training/events for affordable housing residents.
<p><u>Model Activities- Section 810(b)(5):</u> Housing activities under model programs that carry out the purposes of title VIII of NAHASDA. These model activities are affordable housing activities not explicitly listed elsewhere in Section 810 of NAHASDA. Model activities must be approved by HUD prior to being carried out by the DHHL. See NHHBG Program Guidance 2014-02, Native Hawaiian Housing Block Grant Model Activities.</p>	
(22) Model Activities	Includes costs of approved model activities such as development of housing offices, warehouses for NHHBG-assisted housing materials, construction and rehabilitation of day care centers, community buildings, job training centers, home loan revolving funds, community generator systems, and water treatment systems.

¹ Consistent with Executive Orders 14091 and 14110, this provision does not permit recipients to use HUD funds to purchase or fund any form of facial or biometric recognition technology for the purpose of surveillance or any other use that may adversely impact equitable access to housing.

5. Eligibility Questions:

If you have questions about the eligibility of an activity, please contact the [Hawaii ONAP Office](#) for technical assistance.



Richard J. Monocchio
Principal Deputy Assistant Secretary
Public and Indian Housing