



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

OFFICE OF PUBLIC AND INDIAN HOUSING

May 31, 2019

Dear Tribal Leader:

I am writing to provide important information on your Tribe's Indian Housing Block Grant (IHBG) allocation estimate for Fiscal Year (FY) 2020. HUD is statutorily required to provide this information annually to all eligible IHBG Indian tribes and their tribally designated housing entities (TDHE). Enclosed you will find the following:

- FY 2020 Formula Response Form (FRF) including Appendices A through D.
- Calendar of Critical Deadlines and Frequently Asked Questions related to the IHBG Formula Allocation Process.
- FY 2020 Correction/Challenge Log showing changes to the IHBG database between March 22, 2019, and April 19, 2019.

### **Formula Response Form (FRF)**

The FRF contains the data used to compute your Tribe's estimated IHBG allocation for FY 2020. The last page of the FRF lists the estimated FY 2020 IHBG allocation for your Tribe. This estimate is based on the President's FY 2020 budget request for the IHBG program, with adjustments for repayments of overfunding and underpayments due to data or programming errors. The Needs data which will be used to estimate your IHBG formula allocation for FY 2021 is shown in Attachment A of the FRF.

Please review this document very carefully and report any discrepancies to the IHBG Formula Customer Service Center within the timeframes outlined on the FRF. In accordance with 24 CFR §1000.315, all changes to information related to the IHBG formula must be reported on the FRF. Detailed instructions are included to provide guidance on reporting discrepancies and to facilitate the data correction process. Tribes should use:

- Appendix A1 to report conveyance eligibility and conveyance of Formula Current Assisted Stock (FCAS);
- Appendix A2 to report Date of Full Availability (DOFA) of FCAS;
- Appendix A3 to report conversion of FCAS units;
- Appendix A4 to report demolished and rebuilt FCAS units;
- Appendix A5 to report all other FCAS changes;
- Appendix B1 to request additions to Formula Area based on the formula area definition;
- Appendix B2 to request additions to Formula Area based on provision of substantial housing services;
- Appendix C to report enrollment in overlapping areas; and
- Appendix D to report changes to tribal enrollment or request a change to the population cap.

In accordance with Section 302(b)(1) of the *Native American Housing Assistance and Self-Determination Act*, 25 U.S.C. § 4152(b)(1), Mutual Help and Turnkey III units developed under the United States Housing Act of 1937 that are conveyed or eligible to be conveyed prior to the start of the federal fiscal year (October 1), will cease to be eligible as FCAS in the following fiscal year, unless the tribe can demonstrate that a unit has not been conveyed for reasons beyond its control. By the terms of their Mutual Help and Occupancy Agreements, such units are eligible for conveyance no later than 25 years from the inception of those agreements, which generally corresponds to the DOFA.

Accordingly, all units within a project that has reached its DOFA in FY 1994 can no longer be considered as FCAS. As applicable, HUD has removed these units from the Tribe's FCAS data, as shown in the FCAS section of the FRF. If your Tribe believes that any of these units are still eligible as FCAS, please identify the project and unit number and provide the necessary information in accordance with the FRF as follows:

1. If the unit was converted to and is currently managed as a Low Rent unit, provide the information required in Appendix A3.
2. If there is a subsequent homebuyer, or the unit is still within the term of its lease-to-own agreement, please provide the information required in Appendix A5, including the date that the current agreement was signed and the termination date of the agreement.

Under 24 CFR §1000.319, IHBG recipients are responsible for verifying and reporting changes to their FCAS on the FRF. As an IHBG recipient, if your Tribe does not report changes on the FRF in a timely manner and receives an over-payment based on ineligible units, your Tribe will be required to repay the funds within five fiscal years. Tribes will not receive back-funding for any FCAS eligible units that were not reported in a timely manner.

### **FY 2020 IHBG Formula Allocation Estimate and Calculations**

HUD based the estimated IHBG formula allocation on the President's FY 2020 budget request of \$600,000,000, of which approximately \$598,000,000 would be available for the formula. Please keep in mind that the actual appropriation may differ, thus affecting your Tribe's final FY 2020 formula allocation. In addition, your final FY 2020 formula allocation may vary from this estimate resulting from your Tribe's or other tribes' pending corrections and/or challenges to the data reported on the FRF.

As in prior years, the Needs component of the IHBG formula was estimated using single-race and multi-race Census data. The amount of each tribes' allocation was estimated based on the greater of the two, pursuant to the language in the President's Budget. The Needs section of the FRF indicates which data was used to calculate your Tribe's estimated IHBG formula allocation.

The Needs component also incorporates minimum needs funding. In accordance with 24 CFR §1000.328, tribes receiving less than \$200,000 under the FCAS component of the IHBG

formula and have households at or below 80 percent of median income are eligible to receive a minimum IHBG allocation under the Needs component. The minimum funding is equal to 0.007826 percent of the available appropriations for a fiscal year, after set-asides. In the FY 2020 IHBG formula allocation estimate, this amount is \$46,799. This calculation may have impacted your Tribe's individual FY 2020 estimated IHBG allocation.

In accordance with 24 CFR §1000.329, the IHBG formula must also establish a minimum IHBG allocation when there are carry-over funds. Since it is unknown if there will be carry-over funds for the FY 2020 allocation, a minimum IHBG allocation is not included in the IHBG allocation estimate, but will be implemented in the final IHBG allocation provided there is carry-over.

In addition, 24 CFR §1000.342 adds a new Undisbursed Funds Factor (UDFF) in the IHBG formula. The UDFF requires specific IHBG formula calculations when tribes with an initial IHBG allocation of \$5 million or more have undisbursed IHBG funds in the Line of Credit Control System (LOCCS) on October 1, in an amount greater than the sum of the prior three years' initial allocation calculations. Since the amount of undisbursed funds remaining in LOCCS on October 1, is not yet known, this provision is not implemented in the IHBG allocation estimate. However, this factor will be applied in the IHBG final allocation.

### **Other Supporting Documents**

The **IHBG Formula Allocation Critical Deadlines and Frequently Asked Questions** lists important deadlines, contact information for customer service, and a summary of frequently asked questions. All corrections to FCAS, Tribal Enrollment, and Formula Area must be submitted by **August 1, 2019**, to be considered for FY 2020 IHBG allocations. Census challenges must be submitted by **March 30, 2020**, to be considered for the FY 2021 IHBG allocation.

The **IHBG Correction/Challenge Log** shows the status of requests for correcting or challenging IHBG data that HUD received between March 22, 2019, and April 19, 2019, the last time the data was changed before the IHBG formula allocations were calculated.

ONAP looks forward to continuing our work with tribes and TDHEs in FY 2020. Should you have any additional comments, please contact the IHBG Formula Customer Service Center at:

1875 Connecticut Ave, NW, 10<sup>th</sup> Floor  
Washington, DC 20009  
Phone: 800-410-8808  
Fax: 202-393-6411  
E-Mail: [IHBGformula@firstpic.org](mailto:IHBGformula@firstpic.org)

Sincerely,

A handwritten signature in black ink, reading "Heidi J. Frechette". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Heidi J. Frechette  
Deputy Assistant Secretary  
for Native American Programs

Enclosures

cc: Tribally Designated Housing Entities