June 1, 2018

Dear Tribal Leader:

I am writing to provide important information on your Tribe’s Fiscal Year (FY) 2019 Indian Housing Block Grant (IHBG) allocation estimate. HUD is required to provide this information annually to Indian tribes and their tribally designated housing entities (TDHE). Enclosed you will find the following:

- FY 2019 Formula Response Form (FRF) including Appendixes A through D.
- Calendar of Critical Deadlines and Frequently Asked Questions related to the IHBG Formula Allocation Process.
- FY 2019 Correction/Challenge Log showing changes to the IHBG database between April 12, 2018, and May 9, 2018.

The FRF contains the data used to compute your Tribe’s estimated allocation for FY 2019. The last page of the FRF lists your Tribe’s estimated FY 2019 IHBG allocation and includes any repayments for tribes that have entered into repayment agreements with HUD for previous year over-funding, or that are owed funds due to data or programming errors.

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 have been included to provide guidance on reporting discrepancies and to facilitate the data correction process. Use Appendix A1 to report changes due to conveyance eligibility and conveyances; Appendix A2 to report changes due to Date of Full Availability (DOFA); Appendix A3 to report changes due to conversions; Appendix A4 to report demolished and rebuilt units; and Appendix A5 to report all other Formula Current Assisted Stock (FCAS) changes.

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 October 1 of the calendar year immediately preceding the FY for which funds are provided cease to be eligible as FCAS beginning that FY unless the tribe can demonstrate that the 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 in any project that reached its DOFA in FY 1993 can no longer be considered as FCAS and HUD is removing them from its FCAS data for the Tribe 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.

Section 1000.319 of the IHBG regulations assigns responsibility to the IHBG recipients for verifying and reporting changes to their FCAS on the FRF. If a tribe/TDHE does not or fails to report changes on the FRF in a timely manner and received an over-payment based on ineligible units, the tribe is required to repay the funds within 5 FYs. A tribe will not receive back-funding for any units that the tribe failed to report in a timely manner.

HUD based the estimated IHBG formula allocation on the President’s FY 2019 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 2019 formula allocation. In addition, your final FY 2019 formula allocation may vary from this estimate resulting from your Tribe’s or other tribes’ pending corrections and/or challenges, and corrections to the data reported on the FRF.

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

Notice PIH 2017-14, issued on August 17, 2017, informed tribal government leaders and TDHEs that the 2011-2015 American Community Survey (ACS) data to be used in determining FY 2020 IHBG allocations would be included on the FY 2019 FRF that would be sent to tribes/TDHEs on June 1, 2018. However, the ACS data will not be available to distribute to tribes/TDHEs until July 15, 2018. To provide tribes/TDHEs with a similar amount of time as they had in prior FYs to review their data, the Office of Native American Programs (ONAP) is in the process of requesting a waiver extending the deadline for submitting the FY 2020 Needs data challenges to May 15, 2019. Tribes/TDHEs will be notified should the waiver be approved.

These allocations incorporate a minimum Needs funding for tribes that have previously participated in the IHBG program. In accordance with §1000.328, tribes receiving less than $200,000 under the FCAS component of the formula and that demonstrate the presence of any households at or below 80 percent of median income are eligible to receive the minimum allocation in any FY under the IHBG Needs component. The minimum funding will equal 0.007826 percent of the available appropriations for that FY, after set-asides. In the FY 2019 estimate, this amount is $46,799.

The IHBG regulations at §1000.329 establish a minimum allocation when there are carry-over funds. Since it is unknown if there will be carry-over for the FY 2019 allocation, a minimum allocation is not included in the estimate, but will be implemented in the final allocation provided there is carry-over. In addition, §1000.342 adds a new Undisbursed Funds
Factor (UDFF) in the formula. The UDFF provides allocation formula calculations specific to tribes with an initial allocation of $5 million or more, and with undisbursed IHBG funds in the Line of Credit Control System (LOCCS) on October 1 in an amount greater than the sum of the prior 3 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 estimate. However, this factor will be applied in the final allocation.

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, 2018, to be considered for FY 2019 allocations. Census challenges must be submitted by May 15, 2019, to be considered for the FY 2020 allocation, contingent upon waiver approval as discussed above.

The IHBG Correction/Challenge Log shows the status of requests for correcting or challenging IHBG data that HUD received between April 12, 2018, and May 9, 2018, the last time the data was changed before the IHBG formula allocations were calculated.

The ONAP looks forward to continuing its work with tribes and TDHEs in FY 2019. Should you have any additional comments, please contact the IHBG Formula Customer Service Center at:

1875 Connecticut Ave, NW, 10th Floor
Washington, DC 20009
Phone: 800-410-8808
Fax: 202-393-6411
E-Mail: IHBGformula@firstpic.org

Sincerely,

Heidi J. Frechette
Deputy Assistant Secretary
for Native American Programs

Enclosures