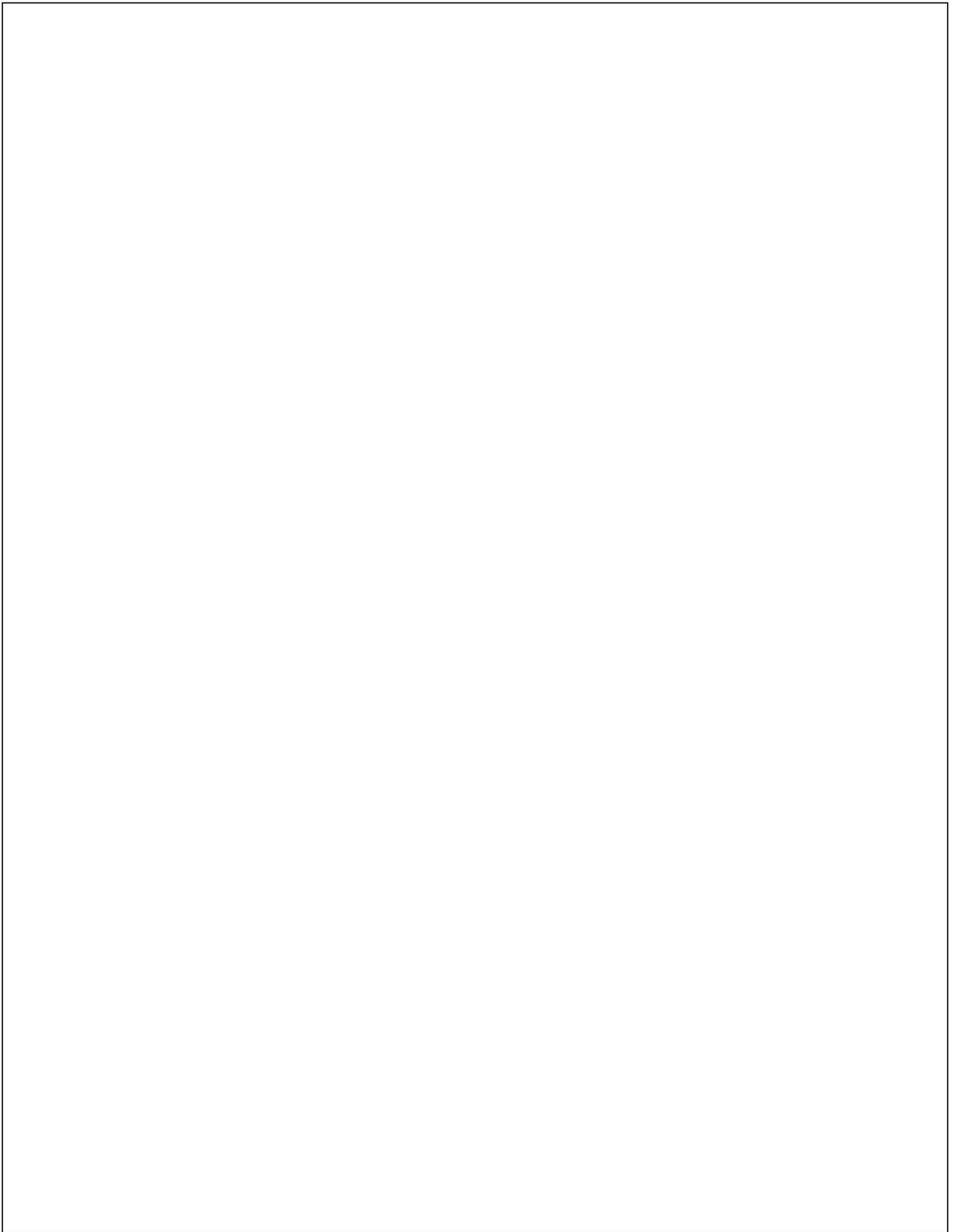




U.S. Department of Housing and Urban Development  
Native American Housing Assistance and Self-Determination Act  
Report to Congress  
FY 2019

Office of Native American Programs

Office of Public and Indian Housing





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## Introduction

The Native American Housing Assistance and Self-Determination Act of 1996<sup>1</sup> (NAHASDA) Annual Report for Fiscal Year (FY) 2019 provides an overview to Congress on the U.S. Department of Housing and Urban Development's (HUD's) Native American Housing programs authorized under NAHASDA. The information provided in this report fulfils the requirement in Section 407 of NAHASDA (25 U.S.C. 4167). Section 407 requires HUD to submit an annual report to Congress, which includes the following:

- Describes the progress made in accomplishing the objectives of NAHASDA;
- Summarizes the use of funds authorized under NAHASDA during the preceding fiscal year; and
- Describes the aggregate outstanding loan guarantees under the Tribal Housing Activities Loan Guarantee program, also known as the Title VI Loan Guarantee program.

This report reflects HUD's continuing commitment to inform the American people, Congress, its partners, and its employees about the mission, goals, and work it seeks to accomplish. HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. At the time of publication, HUD is heavily involved in the implementation of the Coronavirus Aid, Relief, and Economic Security Act.

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<sup>1</sup> Pub. L. No. 104-330 (codified as amended at 25 U.S.C. 4101 *et seq.*)

## Message from Heidi J. Frechette, Deputy Assistant Secretary

I am pleased to issue the Annual Report to Congress for FY 2019. This report reflects our progress toward addressing housing issues through the programs authorized under NAHASDA, including the Indian Housing Block Grant (IHBG) program and the Title VI Loan Guarantee program (Title VI). We have updated our report format to better capture program performance and highlight program accomplishments.



This year, we have made great progress in working to streamline our programs and provide improved training and technical assistance. We continue to work closely with nearly 600 sovereign Tribes that are eligible for NAHASDA's programs. HUD is committed to honoring our government-to-government relationship with our Tribal partners and is dedicated to increasing access to opportunities to individuals and families in Indian Country. This dedication is evident through the work of our staff who firmly believe in HUD's mission to address housing needs in Tribal communities.

While there is much work yet to be done, I am proud of the progress Tribes have made under NAHASDA's programs. Below are just a few highlights from FY 2019:

- Awarded over \$640 million in formula grants to provide affordable housing to low income Native American families in Tribal communities.
- Competed an additional \$200 million in competitive IHBG grants that will fund the construction and rehabilitation of over 1,300 homes. This is a unique opportunity to award competitive funding for new housing construction, housing rehabilitation, and critical infrastructure projects.
- Provided vital training and technical assistance to over 1,400 individuals through ONAP sponsored instructional resources. HUD recognizes the importance of assisting Tribes to increase their capacity and technical expertise.

Finally, I would like to say wae-wanen (thank you) to our staff, Tribal leaders, and other community partners who continue to help make our work and this report possible.

Sincerely,

A handwritten signature in black ink that reads "Heidi J. Frechette". The signature is fluid and cursive.

Heidi J. Frechette  
Deputy Assistant Secretary  
Office of Native American Programs

## Funding Summary

In FY 2019, Congress appropriated a total of \$755 million for NAHASDA programs of which:

- \$646 million was provided for IHBG grants that were distributed by formula to Indian tribes and TDHEs (awards ranged from \$74,594 to \$71,492,517; the median grant amount was \$264,818);
- \$100 million was provided for competitive IHBG grants that were awarded through a competition;
- \$2 million was provided to guarantee loans under the Title VI Loan Guarantee program; and
- \$7 million was provided to fund training and technical assistance for grantees of Indian programs, and to support the inspection of Indian housing units and contract expertise. As authorized under Section 703 of NAHASDA, a portion of these funds were made available to national organizations representing Native American housing interests.

NAHASDA Programs Funding Breakdown

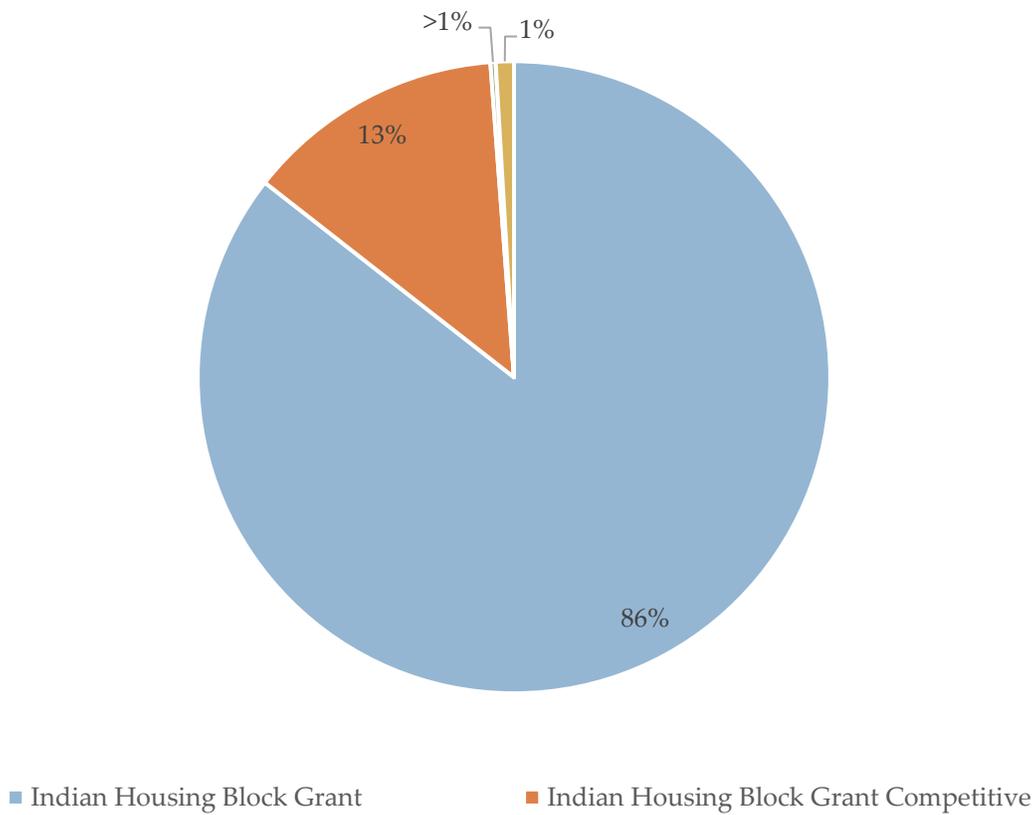


Figure 1 FY 2019 NAHASDA program funds by category. Data as of 1/17/2020.

# Indian Housing Block Grant Program

## Program Overview

The IHBG program is authorized under Title I of NAHASDA. Under the program, HUD distributes block grants by formula annually to eligible Indian tribes or their tribally designated housing entities (TDHEs). These recipients may use their IHBG funds to carry out a range of affordable housing activities that benefit low-income Indian families living on Indian reservations or in other Indian areas. In FY 2019, 592 Indian tribes in 35 States were eligible to participate in the program.

Regulations governing the IHBG program were initially developed with active tribal participation through negotiated rulemaking. Program regulations were first issued through a final rule, dated March 12, 1998, and are currently codified at 24 CFR part 1000. Since then, HUD and Indian tribes have conducted three additional negotiated rulemaking sessions, which resulted in regulatory changes that strengthened and improved the program. Over the years, this process has proven to be effective at furthering tribal self-determination while also ensuring program accountability.

Today, the IHBG program is the single largest source of Federal funding for housing in Indian Country, where safe, decent, affordable housing is desperately needed. Flexibility inherent in this self-determination program enables Indian tribes to design, develop, and operate their own affordable housing programs based on local needs and customs. IHBG funds can be leveraged and used as a catalyst for community and economic development. The program substantially contributes to stabilizing communities and building healthy economies within American Indian and Alaska Native communities, many of which are in rural areas. During the last decade, individual grants have ranged in size from about \$50,000 to about \$94 million, with a median grant of about \$269,000.

## IHBG Formula and Grant Administration

The IHBG allocation formula, developed in consultation with Indian tribes under statutorily mandated negotiated rulemaking, is based on need and the number of existing housing units that were funded under the U.S. Housing Act of 1937 (before NAHASDA was enacted). Need is calculated using several weighted factors, such as the local population's income levels, condition of existing housing, and local housing costs. In November 2016, HUD published a Final Rule that marked the completion of three years of work by the negotiated rulemaking committee charged with developing regulatory changes to the allocation formula of the IHBG program. Since FY 2018, the formula data are drawn from the Decennial Census and the American Community

Survey, with adjustments to spread the impact of data changes on individual grantees' yearly funding levels over several years.

To receive an IHBG grant, eligible Tribes are required to submit an Indian Housing Plan (IHP) annually to HUD. The IHP describes the recipient's planned affordable housing activities for its upcoming program year. The IHP is due at least 75 days before the recipient's program year begins. Recipients must also submit an Annual Performance Report (APR) to HUD within 90 days of the end of their program year. The APR details the actual activities and accomplishments of their IHBG-funded housing programs.

### **Grant Performance Tracking**

ONAP has developed performance indicators and tracks the progress made by IHBG recipients using a performance tracking database and updates this data weekly based on APRs and other information received from IHBG recipients.

### **IHBG Program Performance**

#### **Cumulative Totals**

Based on reported data, HUD estimates that between FY 1998 (the inception of the IHBG program) and the end of the FY 2019:

- **40,835** affordable housing units have been built or acquired; and
- **96,000** affordable housing units have been rehabilitated.

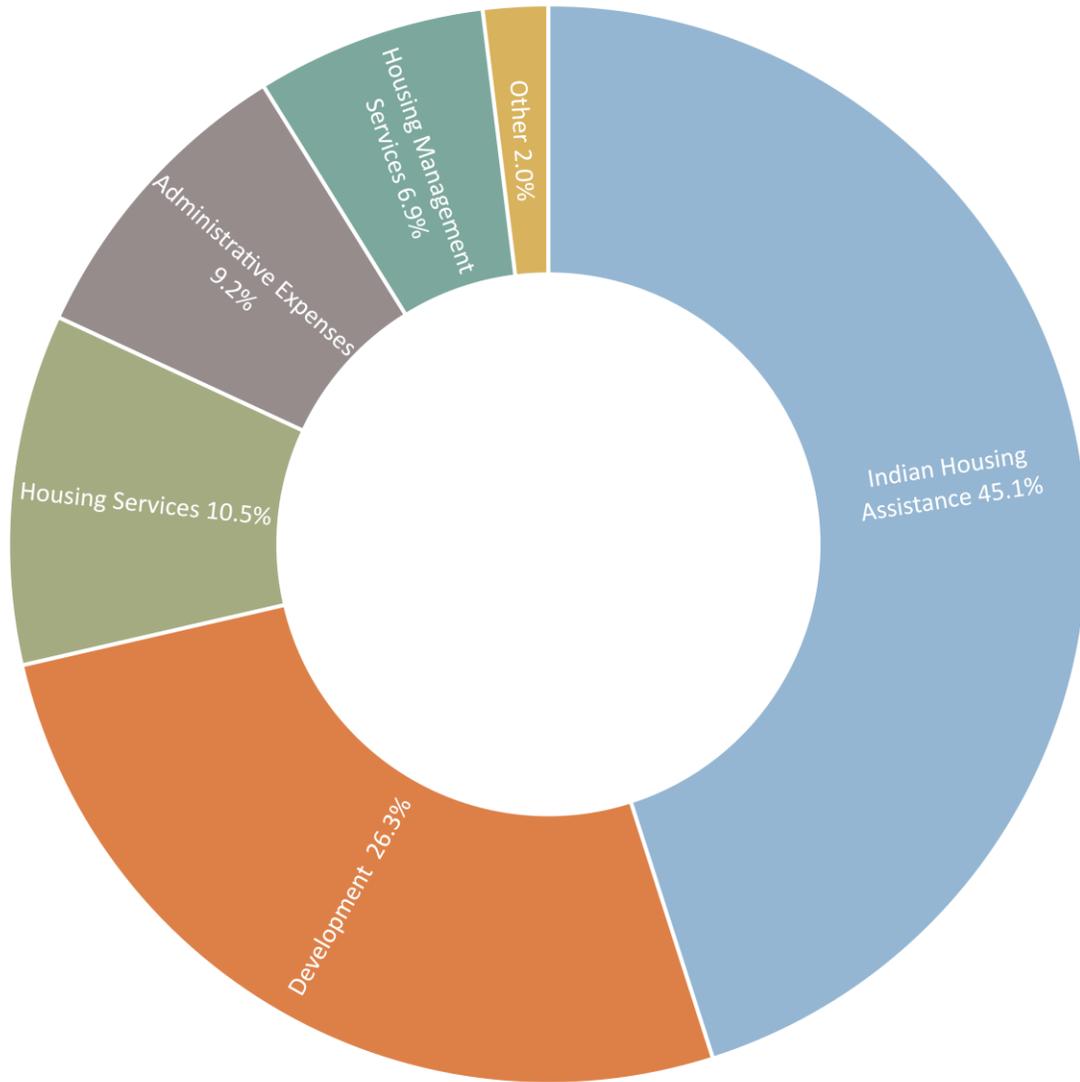
#### **FY 2019 IHBG Insights**

Based on reported data, HUD estimates that in FY 2019:

- **521** affordable housing units were built or acquired;
- **3,644** affordable housing units were rehabilitated;
- **39,545** affordable housing units, which were originally built or acquired with funding provided under the U.S. Housing Act of 1937, were maintained and operated by IHBG recipients (30,235 Low Rent, 5,703 Mutual Help, 5 Turnkey, and 3,602 Section 8);
- **67 acres** of land were purchased for the development of affordable housing; and
- Approximately **9%** of total IHBG expenditures were for planning and administrative expenses.

## FY 2019 IHBG Funding Breakdown

As of January 17, 2020, IHBG grantees have reported that \$452,296,326 funding had been expended during FY 2019 on the following eligible activities.



In FY 2019, IHBG recipients spent the following amounts on IHBG eligible activities:

**Indian Housing Assistance** (\$206.4 million or 45% of the total)

Indian Housing Assistance includes modernization and operating assistance for housing previously developed or operated under programs authorized under the United States Housing Act of 1937 (also known as Formula Current Assisted Stock (FCAS)), before enactment of NAHASDA. At the beginning of FY 2019, there were approximately 39,545 units in this inventory. Rent and utility subsidies for this housing stock are also included in this category.

**Development** (\$120 million or 26% of the total)

Development includes building, acquiring, and rehabilitating affordable housing units. Included in these eligible activities are real property acquisition, site improvement, development of utilities, utility services, conversion, demolition, financing, administration, planning, and other related activities. Development activities may be spent on improvements to achieve greater energy efficiency, mold remediation, and accessibility improvements.

**Housing Management Services** (\$48.1 million or 11% of the total)

Housing Management Services are management services for affordable housing, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, the costs of operation and maintenance of IHBG units, and management of affordable housing projects.

**Administrative Expenses** (\$42.3 million or 9% of the total)

Administrative and planning expenses include the cost of administrative management, evaluation and monitoring, preparation of the IHP and the APR, staff and overhead costs directly related to carrying out affordable housing activities, and more.

**Housing Services** (\$31.5 million or 7% of the total)

Housing Services are housing-related services for affordable housing, such as housing counseling for rental or homeownership assistance, establishment and support of resident organizations and resident management corporations, energy auditing, and activities related to self-sufficiency. This activity also includes other services related to assisting owners, tenants, contractors, and other entities participating in eligible housing activities, including rental and down payment assistance.

**Other** (Crime Prevention and Model Activities: \$9 million or 2% of the total)

Crime Prevention and Safety includes safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime. Model Activities are activities that are not included in the list of eligible activities under NAHASDA, but that HUD specifically approves under the IHBG program upon determining that the activities are designed to carry out the purposes of NAHASDA.

For further information about eligible activities, see to [Program Guidance 2010-03](#).

## IHBG Trends

Over the past decade, ONAP has identified a few trends related to how IHBG funds have been expended. These trends include:

- The number of new homeowner units being constructed with IHBG funds continues to decrease each year—less than 10% percent of total homeowner units in FY 2019. (See Figure 5)
- The total amount of IHBG funds spent on eligible administrative costs has decreased this year to 9.2% after consistently remaining at 12-15% for the previous five years. (See Figure 3 below)
- IHBG recipients are continuing to dedicate most of their grant funds to the rehabilitation of existing units. (See Figure 4 on the next page.)

IHBG Funds By Eligible Activity

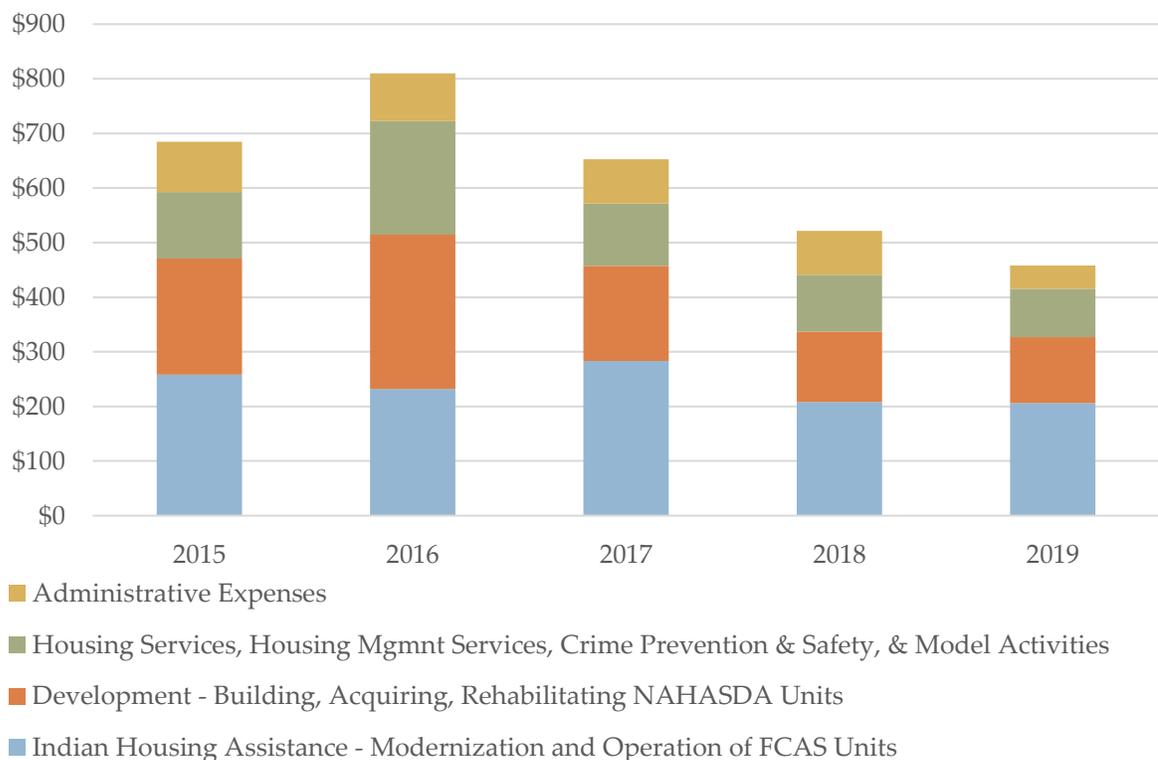


Figure 2 Five years of IHBG expenses by eligible activity. Data reported in millions and current as of 1/17/2020.

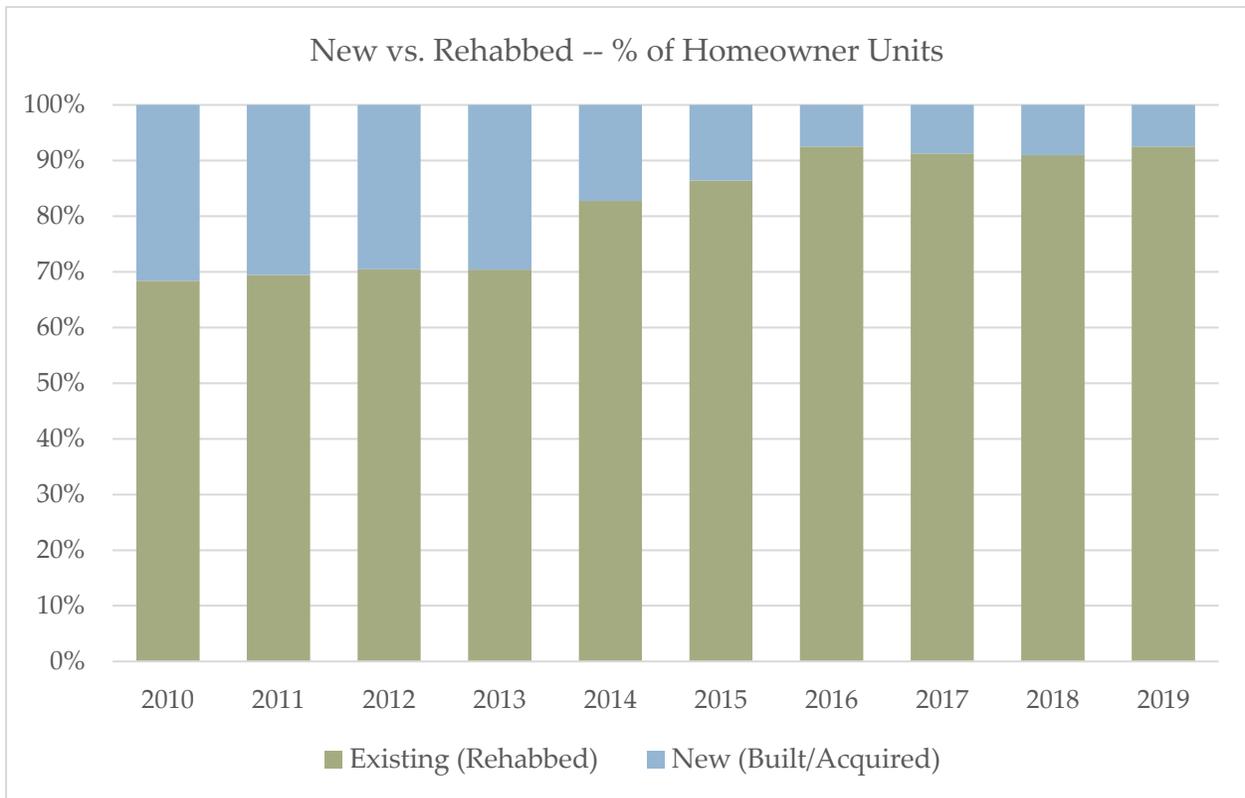


Figure 4 New homeowner units compared with rehabbed units -- historical chart. Data as of 1/17/2020.

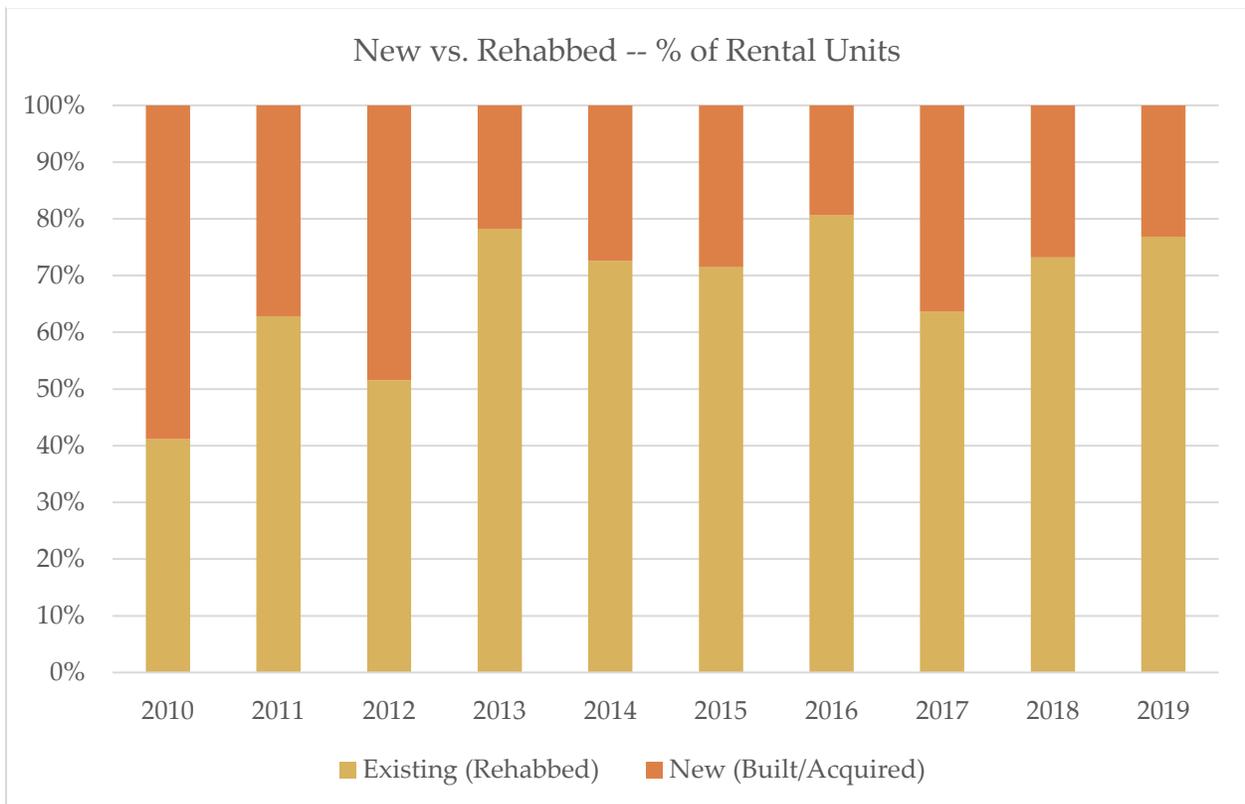


Figure 5 New rental units compared with rehabbed units -- historical chart. Data as of 1/17/2020.

## FY 2019 IHBG Competitive

### Overview

In FY 2019, Congress appropriated \$100 million for competitive grants to eligible IHBG recipients authorized under NAHASDA in addition to formula-based funding. In awarding grants, Congress required HUD to consider funding based on need and administrative capacity, and to give priority to projects that will spur construction and rehabilitation.

### Grant Competition

During FY 2019, HUD facilitated a grant competition for \$198 million in competitive IHBG funds using funding appropriated from FY 2018 and FY 2019. The Notice of Funding Availability (NOFA) for IHBG competitive grants prioritized grant applications that proposed to carry out new construction and rehabilitation. As permitted in the FY 2018 and FY 2019 appropriations, HUD has allocated \$1 million per year to the administration and oversight of the IHBG competitively awarded funds. HUD published the IHBG Competitive NOFA on May 7, 2019 with an established deadline of August 9, 2019. In collaboration with Contracting Resources Group, Inc. (CRG) and Panel Monitors from six (6) ONAP Field Offices, ONAP facilitated a thorough grant review process which entailed rating and ranking of approximately 190 applications from Tribes and TDHEs. ONAP concluded its review and announced grant awards in Fall 2019.

### Grant Awards

In December 2019, HUD announced 52 competitive grant awards to Tribes and TDHEs. Based on HUD's analysis of the successful grant applications, it is estimated that nearly **1,300 new affordable units** will be constructed and rehabilitated using the IHBG



*Figure 6 HUD Secretary Ben Carson visiting with a Tribal leader in New Mexico.*

competitive funds. This increased investment in new unit construction will help to address many Tribal community challenges including overcrowding, homelessness, and ensure that more American Indian and Alaska Native families have access to safe, sanitary, and decent homes in Indian Country.

# Title VI

## Overview

Under the Title VI Loan Guarantee Program, HUD can guarantee 95 percent of outstanding principal and interest on a loan made by a private lender to an IHBG recipient to finance affordable housing activities and housing related community development activities, including constructions, rehabilitation, infrastructure, constructing community facilities, acquiring land for housing, architectural/engineering plans, and to help fund financing costs. Borrowers pledge a portion of their current and future IHBG funds as security for the repayment of the federally guaranteed financial obligation. Historically, the primary use of Title VI loans has been the construction of housing units and the related infrastructure.

## Program Performance

Since its inception through FY 2019, HUD had issued a total of 102 Title VI loan guarantees, totaling more than \$245 million. This has resulted in the development, rehabilitation, or installation of infrastructure for approximately 3,282 affordable housing units. During FY 2019, one Title VI loan was guaranteed for \$533,805 for the Iowa Tribe of Kansas and Nebraska Housing Authority. Additionally, over \$12 million in firm commitments were issued for new loans in four communities including, Tule River, San Felipe, Lumbee, and Grayling, Alaska. While some lenders may have historically been hesitant to engage in lending on tribal lands, the 95 percent guarantee provided by the Federal Government under the Title VI Loan Guarantee Program has proven to be an effective incentive for lenders to finance the development of tribal housing.



*Figure 7 New home constructed in Zuni Pueblo, New Mexico with a home mortgage loan that was backed by a Title VI loan guarantee.*

## **Training and Technical Assistance**

### **FY 2019 Training Highlights**

- Over 1,400 individuals received IHBG focused training and technical assistance through ONAP sponsored instructional resources.
- ONAP partnered with expert technical assistance providers to support 135 direct technical assistance training sessions.
- ONAP planned and facilitated issue-area focused training events focused on pressing needs in Indian Country.

### **National Best Practice Webinars**

ONAP offers a national best practice webinar series featuring innovative approaches to meeting housing needs in Tribal communities. Each quarter, ONAP features a Tribe from one of six regions to provide an in-depth overview of their project, planning process, staffing, funding sources, construction methods, and lessons learned. To date, ONAP has featured:

- Lummi Nation Housing Authority's [Sche'Lang'En](#) (Our Way of Life) Village, a 45-unit Transformational Housing project with supportive services located in Bellingham, Washington
- San Felipe Pueblo's [Black Mesa Subdivision](#), a 150-unit subdivision
- Bering Strait's Regional Housing Authority's [Title VI project in Savoonga](#), Alaska
- Housing Authority of the Choctaw Nation of Oklahoma's [Service Coordination Model](#)

The webinars are two hours in length and are facilitated by ONAP's Deputy Assistant Secretary. Each webinar is recorded and posted on [www.hud.gov/codetalk](http://www.hud.gov/codetalk).

### **Training Conferences**

NAHASDA provides Tribes with great flexibility on how they develop their tribal housing programs. To ensure that Tribes are aware of the many options available to them, ONAP partners with technical assistance providers to host a variety of training opportunities including issue focused trainings. One highlight from FY 2019 was the 4<sup>th</sup> National Native Asset Building Summit which focused on financial education, home buyer education, homeownership programs, individual development accounts, and other self-sufficiency and asset building programs. The Asset Building Summit hosted almost 200 attendees and featured presenters from the Consumer Financial Protection Bureau, Center for Indian Country Development, National American Indian Housing Council, and the Center on Budget and Policy Priorities.



*Figure 8 Choctaw Nation residents celebrating the opening of an independent elder housing complex in June 2019.*

### **Southern Plains: Serving Tribal Elders**

In June 2019, the Housing Authority of the Choctaw Nation held a ribbon cutting ceremony for the completion of 10 Independent Elder (IE) units in Coalgate, Oklahoma. The units were completed by leveraging a \$266,500 Indian Community Development Block Grant and the remaining funds of the estimated \$2.4 million project from IHBG funds. In 2019, the new tenants were given keys to their new homes. These units are designed as single family 1-bedrooms that are ADA compliant, developed in a community setting with a common building for community events and an above ground weatherproof safe room.

### **Northwest: Spokane Tribe's Children of the Sun Solar Initiative**

In 2016, the Spokane Tribe lost 14 homes to a wildfire that also cut power to their administrative building leaving them without water and communication. In response, the Tribe embarked on an investment in 650 kilowatts of solar capacity that will save more than \$2.8 million over 35 years, strengthen community resilience, create new economic opportunity, and reduce greenhouse gas emissions. In 2019, the Spokane Tribe completed a large-scale project that included 23 homes and nine community buildings. Additionally, these buildings are outfitted with solar panels and the residents and staff are significant energy savings. IHBG dollars were leveraged with private investments and U.S. Dept. of Energy funds. Local Tribal members were trained and employed to complete the installation of solar panels.



*Figure 9 New home for Tribal veterans constructed on the Blackfeet Reservation with IHBG funds, a Title VI loan guarantee, and low-income tax credits.*

### **Northern Plains: Housing Veterans on the Blackfeet Reservation**

In FY 2019, the Blackfeet Housing Authority utilized IHBG funds to construct rental units like the one pictured above to house local American Indian veterans participating in the Tribal HUD-VASH program. The Tribe utilized a Title VI loan guarantee and leveraged low-income housing tax credit funds to build 50 rental units. Nineteen of these units are dedicated to housing American Indian veterans.

### **Alaska: The Father Ishmail Gromoff Senior Center Housing Rehabilitation**

The Aleutian Housing Authority leveraged Indian Housing Block Grant Funds with Indian Community Development Block grant funds to replace a 22-year-old roof on the Father Ishmail Gromoff Senior Center Housing facility. The result is a stable, energy efficient and healthy living environment for 15, low income, elderly families, helping them to remain in the community and preventing overcrowding among community members and families. This project created jobs and training opportunities for three individuals in the community and helped to support of the local economy.

### **Eastern Woodlands: Honoring Tribal Elders**

The Penobscot Nation Housing Department has completed an affordable 24-unit elderly apartment project. This new development replaces a dilapidated complex that was no longer viable to house Tribal elders. The building features 2 large common spaces, a commercial kitchen that will serve lunch daily, and has 16 one-bedroom and 8 two-bedroom apartments. Penobscot Nation combined IHBG funds along with \$600,000 in ICDBG funds towards the completion of the project.

### **Southwest: Building Community in the Tohono O’odham Nation**

The Tohono O’odham Nation Ki:Ki Association in Southern Arizona is addressing their community’s affordable housing needs by developing fifteen affordable housing units in the western districts of Hickwan & Pisinemo. The KiKi Hosing Association utilized over \$2.3 million in funds for construction and infrastructure costs. Additionally, \$2 million in ICDBG funds was leveraged to support construction costs as well.

*Figure 10 Tohono O’odham families posing in front of their new homes.*

