



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 2024-06**

Issued: February 9, 2024

Expires: This Notice remains in effect until amended, superseded, or rescinded.

Statutes and Regulations: HOTMA; 24 CFR 5.609; 24 CFR 1006.10

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**SUBJECT: Transition and implementation of the Housing Opportunity Through Modernization Act of 2016 (HOTMA)**

**1. Purpose**

The purpose of this notice is to provide guidance to the Department of Hawaiian Home Lands (DHHL) on the transition period preceding the implementation of program changes brought about by the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and detailed in the final rule published in the [Federal Register at 88 FR 9600](#) on February 14, 2023.

Through this notice, HUD is announcing that it is granting DHHL up to an additional year to implement and come into compliance with the new Part 5 definition of “annual income” under the Native Hawaiian Housing Block Grant (NHHBG) program.

**2. Background**

Under Title VIII of the Native American Housing Assistance and Self-Determination Act, NHHBG assistance is generally limited to low-income Native Hawaiian families. To qualify families as low-income, DHHL must calculate families’ annual income. Pursuant to NHHBG Program Guidance 2013-02, DHHL has the option to choose from one of three definitions of “annual income”: 1) HUD’s 24 CFR part 5 income definition for Section 8, public housing, and other HUD programs found at 24 CFR 5.609; 2) the definition of income as used by the U.S. Census Bureau; or, 3) the adjusted gross income definition used on the IRS Form 1040.

HOTMA was signed into law on July 29, 2016 (Public Law 114-201, 130 Stat. 782). While HOTMA made significant changes to various HUD programs, its impact on the NHHBG program was limited. HOTMA primarily impacts the program by revising the commonly used Part 5 definition of “annual income” codified at 24 CFR 5.609.

On February 14, 2023, HUD published a final rule implementing Sections 102 and 104 of HOTMA (88 FR 9600). In the final rule, HUD stated that the effective date of most of the changes would be January 1, 2024. This meant that HUD grantees that adopt the Part 5 definition

of “annual income” were required to begin using the new revised definition on the effective date of the final rule.

Recently, HUD issued additional guidance to Public Housing Authorities (PIH 2023-27) and Tribes and Tribally Designated Housing Entities (TDHEs) (PIH 2023-34) on HOTMA. Recognizing that full implementation of the various changes made by HOTMA will take some time, HUD afforded Public Housing Authorities (PHAs), Tribes, and TDHEs up to one additional year to make policy, programmatic and system changes to implement HOTMA. PHAs may now set a compliance date of anytime between January 1, 2024, and January 1, 2025, to come into compliance with HOTMA.

### **3. Transition and Implementation**

To ensure parity for DHHL to administer NHHBG grants, HUD is providing a similar one-year transition period to comply with the new definition of “annual income” as modified by HOTMA. Accordingly, if DHHL chooses to adopt the Part 5 definition of annual income, it will have until January 1, 2025, to implement and come into compliance with the new Part 5 definition of annual income. This additional flexibility will allow time for DHHL to update processes, procedures, and policies. During the transition and implementation period, DHHL may continue to rely on the definition of annual income contained at 24 CFR 5.609 prior to the HOTMA changes effective on January 1, 2024, when determining annual income for families.

HUD will publish additional detailed ONAP program guidance covering the revised Part 5 definition of annual income pursuant to the HOTMA final rule soon. If you have any questions, please contact the [Hawaii ONAP Office](#).



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