



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

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:

NOTICE PIH 2023-30

Administrators, Offices
of Native American Programs,
Tribes; Tribally Designated
Housing Entities (TDHEs)

Issued: October 12, 2023

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amended, rescinded, or superseded.

Supersedes:

[ONAP Program Guidance 2010-03](#)

Cross References:

[NAHASDA, PIH Notice 2014-15, PIH Notice
2020-16, PIH Notice 2021-11, PIH Notice
2021-14, PIH Notice 2022-28](#)

Subject: Affordable Housing Activities Under the Native American Housing Assistance and Self-Determination Act (NAHASDA)

Purpose: The purpose of this Notice is to provide Indian Housing Block Grant (IHBG) recipients with guidance on eligible affordable housing activities and administrative expenses, as defined by [NAHASDA](#).

This Notice replaces [ONAP Program Guidance 2010-03](#) (Affordable Housing Activities and Administrative Expenses). Note that this Notice does not include the activities permitted via waiver for the Indian Housing Block Grant Coronavirus Aid, Relief, and Economic Security Act (IHBG-CARES) and Indian Housing Block Grant American Rescue Plan Act (IHBG-ARP) programs. For information on the activities that go beyond what is discussed in this Notice and are permitted via waiver for these grant programs, see [PIH Notice 2020-16](#) (IHBG-CARES Implementation Notice) or [PIH Notice 2021-11](#) (IHBG-ARP Implementation Notice), respectively. For information on ONAP program waivers specific to the pandemic, see [PIH Notice 2021-14](#).

Note also that the IHBG Competitive Grant Program Notice of Funding Opportunity (NOFO) may limit the eligible activities discussed in this Notice. Please refer to the specific NOFO that you are applying to for information on any limitations to the eligible activities discussed in the Notice.

Additionally, note that although many of the requirements of the IHBG program apply to the Tribal HUD-VASH program, the Tribal HUD-VASH program is limited to rental assistance and

administrative expenses. Tribal HUD-VASH grantees should refer to the [Tribal HUD-VASH website](#) for more information.

Background: The IHBG program, authorized under NAHASDA provides direct block grant funding, in a manner that recognizes the right of self-determination and self-governance, to Indian tribes and their Tribally Designated Housing Entities (TDHEs) for affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for low-income Indian families.

NAHASDA programs must comply with the regulations at [24 CFR part 1000](#), 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.

Eligible Affordable Housing Activities

Section 202 of [NAHASDA](#) authorizes the use of IHBG funding to develop, operate, maintain, or support affordable housing for rental or homeownership, or to provide affordable housing services under the following summarized categories:

- **Indian Housing Assistance - Section 202 (1):** Activities related to modernizing or operating Formula Current Assisted Stock (FCAS) housing (i.e., 1937 Act Housing) as defined in [24 CFR 1000.312](#) and [1000.314](#).
- **Development - Section 202 (2):** Activities related to acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, including rental and homeownership housing.
- **Housing Services - Section 202 (3):** Activities related to providing housing-related services for the benefit of affordable rental or homeownership participants or in support of the 1937 Act Housing and NAHASDA-Assisted housing programs.
- **Housing Management Services - Section 202 (4):** Activities related to operating and managing affordable housing assisted under NAHASDA or assisted with other Federal or State funds for the benefit of low-income Indian families.
- **Crime Prevention and Safety Activities - Section 202 (5):** Activities related to providing safety, drug elimination, security, and law enforcement measures and activities appropriate to promote safety.
- **Model Activities - Section 202 (6):** Activities designed to carry out the purposes of NAHASDA that are specifically approved by the HUD Secretary.

Planning and Administrative Expenses (P&A) are addressed in **Section 101(h) of NAHASDA**. P&A costs include salaries of individuals engaged in administering and managing

affordable housing activities and expenses of preparing an IHP/APR. This includes, but is not limited to costs of:

- Overall program and/or administrative management
- Coordination of monitoring and evaluation
- Preparation of the IHP/APR including data collection and transition costs
- Challenges to and collection of data for purposes of challenging the formula
- Administrative and planning expenses associated with expenditure of non-IHBG funds on affordable housing activities if the source of the non-IHBG funds limits expenditure of its funds on such administrative expenses.

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

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 cost and included in P&A. See [PIH Notice 2014-15](#) (Planning and Administrative Expenses in the Indian Housing Block Grant Program) for guidance on eligible expenses. See [2 CFR part 200, subpart E](#), for more information on direct and indirect costs.

Per the program regulation at 24 CFR 1000.238, recipients that receive grants in excess of \$500,000 may use up to 20 percent of their annual expenditures of grant funds or may use up to 20 percent of their annual grant amount, whichever is greater. Recipients receiving \$500,000 or less may use up to 30 percent of their annual expenditures of grant funds or up to 30 percent of their annual grant amount, whichever is greater. When a recipient receives grant funds on behalf of one or more grant beneficiaries, the recipient may use up to 30 percent of the annual expenditure of grant funds or up to 30 percent of the annual grant amount, whichever is greater, of each grant beneficiary whose allocation is \$500,000 or less, and up to 20 percent of the annual expenditure of grant funds or up to 20 percent of the annual grant amount, whichever is greater, of each grant beneficiary whose allocation is greater than \$500,000.

The recipient may request HUD's approval to use a higher percentage of its grant for administration and planning. The recipient must identify the percentage of grant funds which will be used in the IHP.

Examples of Affordable Housing Activities

IHBG recipients must report on Affordable Housing Activities in the IHP/APR. The chart below indicates where activity costs should be reported on the IHP/APR and provides examples of activities under each IHP/APR eligible activity category.

Note that this list is not all-inclusive but provides general examples of eligible activities to distinguish the differences between the NAHASDA Eligible Activity types. For more information on filling out the IHP/APR, see ONAP Program Guidance [2018-02a](#) and [Attached Instructions](#).

IHP/APR Activity Categories and Example Eligible Activities by NAHASDA Section

Indian Housing Assistance- Section 202 (1):

Modernization and Operation and Maintenance of Formula Current Assisted Stock (FCAS) housing (i.e., 1937 Act housing units).

	(1) Modernization of 1937 Act Housing Units	Minor or substantial housing rehabilitation or modernization of 1937 Act housing units such as new roofs, new siding, new windows, new furnaces, plumbing, electrical systems or mechanical systems and improvements related to the health and safety of residents.
	(2) Operation of 1937 Act Housing Units	Operating and maintaining 1937 Act housing units such as routine and non-routine maintenance, unit inspections, grounds maintenance, leasing and occupancy functions, program oversight, financial management/rent collection, insurance coverage and records maintenance.

Development - Section 202 (2):

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, improvement to achieve greater energy efficiency, mold remediation and other related activities. This does not include Modernization of 1937 Act housing units, as that is addressed in Category (1), above.

	(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 or modernization of non-1937 Act rental housing units 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.

	(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 and electrification, lighting, landscaping, 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.
	(24) Infrastructure to Support Housing	Includes costs for site improvements, streets, playgrounds, lighting, fencing, electricity, water, sewer, and other utilities, including broadband.

Housing Services - Section 202 (3):

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 Tribal homebuyers, tenants, contractors, and other entities, participating or seeking to participate in housing-related activities funded with NAHASDA.

	(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, and sports and recreation equipment and travel for purposes of residents participating in community sporting events.

Housing Management Services - Section 202 (4):

Operating, maintaining, and managing NAHASDA-assisted (non-1937 Act) housing or affordable housing projects funded with other Federal or State funds for the benefit of low-income Indian families. This does not include Operation of 1937 Act Housing Units, as that is addressed in Category (2), above.

	(19) Housing Management Services	Includes costs of managing non-NAHASDA funded assisted 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.
	(20) Operation and Maintenance of NAHASDA-Assisted Units	Includes operating and maintenance costs for NAHASDA-assisted, non-1937 Act, housing units 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 202 (5):</u> Providing safety, drug elimination, security, and law enforcement measures and activities appropriate safety measures.</p>		
	(21) Crime Prevention and Safety	Includes costs associated with the employment of security personnel, security fences, speed bumps, security monitoring equipment, fencing, street and yard lighting, storm shelters, and providing crime prevention information and training/events for affordable housing residents.
<p><u>Model Activities- Section 202 (6):</u> Housing activities under model programs that carry out the purposes of NAHASDA. These model activities are affordable housing activities not explicitly listed elsewhere in Section 202 of the statute. Model activities must be approved by HUD prior to being carried out by the recipient. See ONAP Program Guidance 2013-09 (Indian Housing Block Grant Model Activities).</p>		
	(22) Model Activities	Includes costs of approved model activities such as development of housing offices, warehouses, day care centers, community buildings, job training centers, home loan revolving funds, community generator systems, and water treatment systems.
<p><u>Reserve Accounts - Section 202 (9):</u> Recipients may hold up to 25% of a 5-year award average in a separate reserve account for planning and administration of affordable housing activities.</p>		

(25) Reserve Accounts	Amount of funds set aside in a separate account ensure operating funds are available throughout the program year.
<i>Note that IHP category (23) is not listed because it is expired and (24) is listed in this chart under Section 202 (2) Development.</i>	

While NAHASDA does not authorize the use of IHBG funds for economic development activities, program income may be used for such activities if such activities qualify as “housing related activities”. See [PIH Notice 2022-28](#) (Determining and Using Program Income Under NAHASDA) for more information on the eligible uses of IHBG program income. Please review the Notice in its entirety to learn about the many flexibilities and options available for the use of program income.

PAPERWORK REDUCTION ACT

The information collection requirements contained in this notice are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. § 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The active information collections contained in this Notice are approved under the PRA OMB Control Number 2577-0191.

If you have questions about the eligibility of an activity, contact your Area ONAP for technical assistance.



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