

AMERICAN INDIAN LAW AND POLICY ALERT

INDIAN HOUSING PROVISIONS IN THE AMERICAN RECOVERY AND REINVESTMENT ACT

The American Recovery and Reinvestment Act of 2009 ("Recovery Act") makes available a total of \$640 million in formula and competitive grants to tribal governments for housing projects, and provides approximately \$11.5 billion in direct and unsubsidized loans to low-income families in rural areas, which includes Indian families.

The Recovery Act presents tremendous opportunities for tribal governments and Indian families, but at the same time, it includes many specific requirements and compliance issues that tribes and Indian families need to understand. In sum, transparency and accountability will be the guideposts for the use of Recovery Act funds. Below is a summary of funding opportunities for housing projects for tribal governments and Indian families under programs administered by the Department of Housing and Urban Development (HUD), the Department of Interior (DOI) and the Department of Agriculture (USDA).

NAHASDA

The Recovery Act provides \$510 million for the Native American Housing Block Grant (NAHASDA), but divides the funding between formula grants and competitive grants. The Recovery Act directs HUD to award \$255 million under the same funding formula used in Fiscal Year 2008 for NAHASDA block grants. HUD has already obligated these funds, which are to be used for new construction, acquisition, rehabilitation and infrastructure development. In selecting projects to be funded, the Recovery Act directed the Secretary of HUD to give priority to projects that can be awarded within 180 days of the funds being made available to the recipient. For a list of amounts awarded under the funding formula, please click [here](#).

The Recovery Act also directs HUD to distribute the remaining \$255 million, minus 0.5 percent for administrative costs, in a competitive grant process with priority given to projects that will spur construction and rehabilitation and that will create employment opportunities for low-income and unemployed persons. The Secretary must obligate these funds by September 30, 2009. These funds can also be used to leverage financing from the private sector or to revive projects that may have been stalled by the economy. HUD expects the Notice of Funding Announcement (NOFA) will be made available by the end of April.

Recipients of NAHASDA funds under the formula or competitive grants are subject to an expedited obligation and expenditure schedule. Recipients must obligate 100 percent of their

funds within one year of the date the funds are made available to them. Recipients must expend at least 50 percent of the funds within two years and expend 100 percent of the funds within three years of the date the funds are made available to them. The Secretary must recapture and reallocate the balance of funds awarded a recipient if the recipient does not meet the two-year expenditure requirement. For recipients who do not meet the three-year expenditure requirement, the Secretary must recapture the balance of funds awarded.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The Recovery Act authorizes \$1 billion to the CDBG program and, of this amount, \$10 million is set aside for tribal governments. Congress created the CDBG program to enable local governments, including tribal governments, to provide affordable housing and create economic opportunities for people in low and moderate income communities. To be eligible for this funding, a grantee must have received funding in Fiscal Year 2008. For additional information regarding the program, please click [here](#).

BUREAU OF INDIAN AFFAIRS—OPERATION OF INDIAN PROGRAMS

The Recovery Act authorizes \$40 million to the Bureau of Indian Affairs (BIA) for workforce training programs and the housing improvement program. The BIA administers the Housing Improvement Program, which is a grant to repair, renovate, replace or provide housing for the neediest of Indian families who are living in substandard housing or who are without housing. It is not clear what projects the BIA intends to fund with this funding source.

RURAL HOUSING SERVICE

Through the USDA, the Recovery Act provides \$1 billion for section 502 direct loans and \$10.5 billion for section 502 unsubsidized guaranteed loans. Recipients are primarily low-income individuals or heads of households living in rural areas. The funds may be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, which includes providing water and sewage facilities. For additional information regarding the direct loans, please click [here](#). *(At the time of publication the guaranteed loan website was not functioning.)*

LEAD HAZARD REDUCTION PROGRAM

The Recovery Act provides \$100 million for the Lead Hazard Reduction Program, which includes four parts: the Lead-Based Paint Hazard Control Grant, the Lead Hazard Reduction Demonstration Grant, the Healthy Homes Demonstration Grant Program and the Healthy Homes Technical Studies Grant. Of these programs, tribal governments are specifically eligible for the Lead-Based Paint Hazard Control Program. Funding for all four programs, however, is limited to applicants who applied under the 2008 NOFA and were found eligible, but did not receive an award because of funding limitations. Any funds not expended under the 2008 NOFA are to be added to the 2009 NOFA.

CONTACT INFORMATION

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