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MEMORANDUM

July 12, 2017

To: HOUSING CLIENTS

From: HOBBS, STRAUS, DEAN & WALKER, LLP

Re: ***House Appropriations Committee Releases Discretionary Appropriation Bill for Departments of Transportation and HUD for FY 2018***

On Monday, July 10, 2017, the House Appropriations Committee released its FY 2018 Transportation, Housing and Urban Development funding bill. A copy of the bill is attached to this memorandum. This memorandum highlights important housing funding proposals in the bill for Indian Country.

Overall, the bill proposes \$56.5 billion in Transportation-HUD discretionary appropriations for FY 2018, a 2 percent drop from the \$57.65 billion appropriated in FY 2017, but well above the Trump Administration's request. House appropriators largely rejected the administration's request that called for a nearly 20 percent cut in the HUD budget. The administration has received bipartisan opposition to its proposed deep reduction of HUD's budget. Overall, the bill would allocate \$38.3 billion to HUD programs, down 1.3 percent from FY 2017 enacted levels, and \$7.1 billion more than the administration's proposal.

While significant cuts have been avoided, the proposed funding for Indian Country housing programs does not include increases from FY 2017.

ICDBG

The biggest difference between the proposed bill and the administration's budget is that the bill includes funding for the \$3 billion Community Development Block Grant program, which the Administration proposed to eliminate altogether. The bill calls for a 3 percent cut to the overall program, to \$2.9 billion. The bill includes funding for the Indian Community Development Block Grant at \$60,000,000 (the same as FY 2017), with up to \$4,000,000 available for emergencies that constitute imminent threats to health and safety.

NAHASDA Indian Housing Block Grant

The bill includes funding for the NAHASDA Indian Housing Block Grant at \$654,000,000 (again, essentially the same as last year), to remain available until

September 30, 2022. The IHBG funding includes \$3,500,000 for training and technical assistance, which funds shall be used to contract with “national or regional organizations representing Native American, housing interests for providing training and technical assistance to Indian housing authorities and tribally designated housing entities as authorized under NAHASDA.” However, this provision also goes on to state that not less than \$2,000,000 of this training and technical assistance funding “shall be made available for a national organization as authorized under section 703 of NAHASDA” (which is generally understood to be NAIHC). The bill also sets aside another \$3,500,000 of the IHBG funding “to support the inspection of Indian housing units, contract expertise, training, and technical assistance related to funding provided under this heading and other headings under this Act for the needs of Native American families and Indian country.” Finally, the bill also sets aside \$2,000,000 for the Title VI loan guarantee program, to fund up to \$17,391,304 in loan guarantees.

The bill also includes the same language regarding unexpended funds that has been in the last couple of appropriations bills: if any recipient has undisbursed funds in its LOCCS account greater than the sum of its prior three years IHBG allocations, that recipient’s FY 2018 IHBG allocation shall be reduced by the amount of the difference between its total amount of undisbursed block grant funds in its LOCCS account and the sum of its prior three years’ initial formula allocation calculations. Further, this reduction only applies to recipients whose formula allocation is \$5,000,000 or greater. Any funds recaptured in this manner are to be reallocated to other recipients through the “need” component of the IHBG formula.

Finally, the bill does not include funding for Native Hawaiian NAHASDA.

Section 184

The bill also includes \$5,500,000 in funding for the Section 184 loan guarantee program, for guarantees of up to \$1,486,486,486, to remain available until expended.

Tribal HUD-VASH

The bill includes funding for the Tribal HUD-VASH program, and allocates \$7,000,000 for renewal grants, which encompasses rental assistance and associated administrative fees for the Tribal HUD–VASH program.

Conclusion

Please let us know if you would like us to assist with drafting any comments on the proposed bill, or to set up meetings with your Congressional delegation or appropriators.

If you have any questions about the items in this memorandum, please do not hesitate to contact Edmund Clay Goodman at egoodman@hobbsstrauss.com or by phone at (503) 242-1745.