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MEMORANDUM

August 3, 2018

To: Housing Clients

From: Hobbs, Straus, Dean & Walker, LLP

Re: *NAIHC Legislative Committee Meeting*

This memo reports on the monthly NAIHC Legislative Committee meeting, which was held on August 2, 2018 (by teleconference). NAIHC Executive Director Tony Walters presided over the call. There are two new co-chairs for the Legislative Committee: Ray DePerry (Tule River Housing Authority) and Sami Jo Difuntorum (Siletz Tribal Housing Department).

I. Appropriations Update

The House has already gone into August recess, and so there will not be any movement on appropriations bills in the House until September at the earliest. The Senate is still in session, and will go on a short recess but return before the end of the month. They have backlog of nominations to deal with, as well as appropriations.

a. FY 2018

FY 2018 appropriations were approved through an omnibus appropriations bill passed and signed earlier this year (March, 23 2018), which provided for a \$655 million IHBG block grant, a \$100 million competitive grant, and \$65 million for the Indian Community Development Block Grant. The Section 184 loan guaranty was only funded at \$1 million, reduced by \$4.5 million from last year.

b. FY 2019

The Senate passed a “mini-bus” appropriations bill that funded some major components of the government, but not all (in contrast to an “omnibus” bill). The Transportation-HUD bill was included in the mini-bus. The numbers are pretty much in line with what Congress passed for FY 2018: a \$655 million IHBG block grant, a \$100 million competitive grant, \$65 million for the Indian Community Development Block Grant and \$5 million for HUD-VASH. The Section 184 program was again funded at only \$1 million. The House appropriations committee has passed a bill out with similar numbers, but no vote on the floor has yet been scheduled. While NAIHC is happy to see

that the funding has remained at the FY 2018 levels (including the additional \$100 million in competitive grants), NAIHC is going to keep pushing for more funding, so that the appropriations actually bring the IHBG in line with the original NAHASDA appropriations, adjusted for inflation.

II. Tribal Housing Legislation Update

a. NAHASDA Reauthorization

Mr. Walters stated that there is nothing new to report on NAHASDA reauthorization.

The House bill (H.R. 3864), sponsored by Representative Pearce, has been moved out of Committee, but there has been no word yet on when it will come to the floor for a vote. H.R. 3864 includes a \$650 million appropriations cap and does not include Native Hawaiian provisions. Those items are “non-starters” for NAIHC.

There are two Senate bills still in the SCIA. Senator Hoeven’s BUIILD Act, S.1275, which is a streamlined version of reauthorization, would reauthorize NAHASDA and the Section 184 loan program for seven years. It contains some limited provisions to improve NAHASDA and does not cap the authorization at \$650 million, but it does not contain all of the changes proposed by the Pearce and Udall bills. It also leaves out the Native Hawaiian provisions. Senator Udall’s more comprehensive reauthorization bill, S. 1895 is similar to H.R. 3864, and would contain the current law’s authorization language for funding: “appropriated such sums as may be necessary...”. There has been no movement on either bill, and there has been no word from the SCIA as to how the Committee plans to move forward.

The likelihood of NAHASDA reauthorization happening this year is very slim. NAIHC plans to begin gathering suggestions from its membership, culminating at the Legal Symposium in Las Vegas, to develop a new bill to present for the next Congressional session. One idea is to build in some elements that will give it more momentum, including provisions beneficial to Indian veterans.

Further, with Congressman Pearce retiring from Congress (to run for Governor of New Mexico), NAIHC will need to look for another advocate on the Republican side of the aisle to take the lead on reauthorization.

b. Tribal HUD-VASH Legislation:

There are two bi-partisan efforts to authorize the Tribal HUD-VASH program moving forward with support in the House and Senate. The Senate version is the Tribal HUD-VASH Act (S.1333), introduced by Senator Tester (D-MT). S.1333 has been passed out of the Senate by unanimous consent. The Senate bill does not address the issue of allowing HUD-VASH vouchers to be used to make payments on FCAS units.

The House version is part of Representative Pearce's NAHASDA reauthorization bill (H.R. 3864), but will likely move separately due to a lack of movement on NAHASDA. The Tribal HUD-VASH authorization within the bill has broad support. NAIHC is meeting with its allies in the House, including folks interested in veterans' issues, in order to create pressure to get this bill passed in the current session.

III. Native American Direct Loan Program (Veterans Affairs)

Joanna Donohoe of the South Dakota Housing Coalition talked about their ongoing efforts to improve the V.A. Native American Direct Loan program. At this point, they are working on putting some legislative concepts together, and will be putting together draft language for their Congressional allies to work with. The Coalition's efforts have focused on five areas:

1. Creating a loan packaging program to overcome V.A.'s understaffing. This will make the NADL program more accessible to Indian Country veterans.
2. Allowing use of the NADL loans to refinancing existing non-V.A. mortgages.
3. Allowing the V.A. Secretary to compensate third parties for providing homebuyer counseling and assistance.
4. Addressing the problems with loan servicing agents, including payments not being directed to the right agents, thus improperly resulting in participants going into default.
5. Proposing a demonstration project for re-lending (allowing CDFIs to obtain the NADL to re-lend to veterans).

IV. Section 184 Regulations

HUD ONAP has conducted a set of listening sessions throughout Indian Country to develop new regulations to improve the Section 184 loan guaranty program. Those sessions have been concluded, and we understand that ONAP is now working on drafting proposed regulatory language. The draft should be circulated to Indian Country for comment first, before being published for general public comment. Mr. Walters is meeting with ONAP Deputy Assistant Secretary Heidi Frechette next week, and this issue will be on the agenda.

V. Conclusion

The next Legislative Committee meeting will be held by teleconference on Thursday, September 6, at 1:30 EST.

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.