



MEMORANDUM

May 24, 2019

To: HOUSING CLIENTS

From: HOBBS, STRAUS, DEAN & WALKER, LLP

Re: *House Appropriations Committee FY 2020 T-HUD; Tribal HUD-VASH Introduced in House*

This memorandum reports on two recent developments in the House: the approval by the House Appropriations Sub-committee of the FY 2020 Transportation-HUD (T-HUD) appropriations bill, and the introduction of a Tribal HUD-VASH bill in the House.

I. House Appropriations Action on T-HUD for FY 2020

On May 22, 2019, the House Appropriations Committee released a draft FY 2020 Transportation, Housing and Urban Development, and Related Agencies appropriations bill. The appropriations bill funds the Department of Transportation, the Department of Housing and Urban Development (HUD), and other related agencies, including the United States Interagency Council on Homelessness.

On May 23, 2019, the House Appropriations Transportation-HUD Subcommittee agreed by a voice vote to advance the FY 2020 appropriations bill with no amendments added to the bill during the markup (details on the specific amounts are further down in this memo). We understand that House Democrats are eager to mark up all of their appropriations bills before the August Recess in order to leave time to negotiate with Senate Republicans before the start of the new fiscal year (October 1, 2019). Of significance is that the House and Senate have not agreed upon topline spending numbers for defense and non-defense discretionary spending for FY 2020. Thus far, the House is recommending funding numbers beyond what the Budget Control Act would allow and probably above what the Senate will approve. Therefore, increases provided in the pending House subcommittee-approved bills should not be assumed to be the end result, but rather a starting point for negotiations with the Senate. As of this writing, the Senate has yet to decide on their topline spending amounts and thus Senate Appropriations subcommittees are reluctant to release their draft FY 2020 appropriations bills.

In total, the Transportation-HUD appropriations bill proposes to provide \$137.1 billion for FY 2020, which is an increase of \$6 billion above the FY 2019 enacted level and \$17.3 billion above the President's budget request. The appropriations bill includes \$75.8 billion in discretionary funding, which is an increase of \$4.7 billion (6.6 percent)

over the FY 2019 enacted level and \$17.3 billion (30 percent) over the President's budget request.

The appropriations bill proposes a total of \$50.1 billion for HUD - \$5.9 billion above the FY 2019 enacted level and \$13.4 million above the President's budget request. The appropriations bill would provide funding for Native American housing programs, allocated as follows:

- A. Native American Housing Block Grants (“Indian Housing Block Grants” or “IHBG”).** \$671 million for IHBG formula funds as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). This represents an increase of \$25 million over the FY 2019 enacted amount.
- B. Competitive Grants.** \$100 million in competitive grants to remain available through September 30, 2025. The competitive grants would be based on need and capacity. This continues the trend of including an additional \$100 million in competitive IHBG funding, as Congress did in FY 2018 and FY 2019. As indicated in our recent memo, HUD just released the NOFA for the competitive grant funding for those two years.
- C. Indian Community Development Block Grant Program.** \$75 million for grants to Indian tribes to carry out the Indian Community Development Block Grant program under title I of the Housing Community Development Act of 1974. Of this amount, \$5 million could be used for emergencies that constitute imminent threats to health and safety. This represents an increase of \$10 million over the FY 2019 enacted amount.
- D. Training and Technical Assistance.** \$7 million for training and technical assistance to Indian tribes, Indian housing authorities, and tribally designated housing entities to support the inspection of Indian housing units, contract expertise, and for training and technical assistance related to funding for the needs of Native American families and Indian Country. Of this amount, not less than \$2 million would be available for a national organization (NAIHC) as authorized under section 703 of NAHASDA. This is the same funding amount as in FY 2019 enacted amount for training and technical assistance.
- E. Indian Housing Loan Guarantee Fund Program Account.** \$2.5 million for the cost of guaranteed loans as authorized by section 184 of the Housing and Community Development Act of 1992 to remain open until expended. This represents an increase of \$1.06 million over the FY 2019 enacted amount.
- F. Tribal Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH).** \$5 million for rental assistance and associated administrative fees for Tribal HUD-VASH to serve Native American veterans

who are homeless or at-risk of homelessness living on or near a reservation or other Indian area. This represents an increase of \$1 million over the FY 2019 enacted amount for HUD-VASH.

G. Native Hawaiian Housing Block Grant. \$2.5 million for the Native Hawaiian Housing Block Grant program, to remain available until September 30, 2024. The bill provides that this funding amount along with amounts from prior fiscal years could be used to provide rental assistance to eligible Native Hawaiian families both on and off the Hawaiian Home Lands, notwithstanding any other provision of law. This represents an increase of \$500,000 over the FY 2019 enacted amount for the Native Hawaiian Housing Block Grant.

II. Tribal HUD-VASH Legislation Continues to Move Forward

As we previously reported, in December 2018, the Tribal HUD-VASH bill was very close to approval in the House, when it was held up over a demand by certain members of the House Financial Services Committee that it should contain an expiration date. The Senate sponsors of the bill did not want to have such a restriction, and the bill was allowed to die with the idea that new leadership on the House side in the next session would allow for the bill to move forward without such restrictions.

On January 29, 2019, Sen. Jon Tester (D-MT), Sen. John Hoeven (R-ND), and Sen. Johnny Isakson (R-GA) introduced a Senate version of the Tribal HUD-VASH bill – the same version as they previously introduced (with no expiration date). It passed out of the Senate Committee on Indian Affairs, but was being held from a full vote to allow for negotiations with sponsors on the House side to ensure that the House bill would be the same (and thus would not be required to go to conference). On May 23, 2019, Rep. Ben Ray Lujan (D-NM), Rep. Raul Ruiz (D-CA), and Rep. Don Young (R-AK) introduced the Tribal HUD-VASH bill in the House of Representatives. It appears that the differences are being ironed out and that action on this legislation will occur soon in both chambers. We will keep you updated on any new developments with the Tribal HUD-VASH program for 2020.

Conclusion

If you have any questions regarding the FY 2020 Transportation, HUD, and other Related Agencies appropriations bill discussed in this memorandum, please do not hesitate to contact Ed Clay Goodman at (503) 242-1745, or by email at egoodman@hobbsstrauss.com.