

MEMORANDUM

February 4, 2022

To: TRIBAL HOUSING CLIENTS

Ed Clay Goodman and Cari L. Baermann FROM:

HOBBS, STRAUS, DEAN & WALKER, LLP

RE: NAIHC Legislative Committee Meeting

This memorandum provides a synthesis of information presented during the Native American Indian Housing Council (NAIHC) monthly Legislative Committee meeting held on February 3, 2022. NAIHC Executive Director Tony Walters presided over the Legislative Committee meeting.

I. **Congressional Updates**

A. 117th Congress Fiscal Year 2022 Appropriations

The 117th Congress is now in its second session. Any bills that were not passed from 2021 will carry over into 2022. However, those bills must be passed this year to become law. The main focuses right now include the Fiscal Year (FY) 2022 appropriations, the Build Back Better (BBB) package, and voting rights.

As we have noted previously, Congress is continuing its work on the FY 2022 appropriations process. FY 2021 ended on September 30, 2021, but rather than passing detailed, full-year FY 2022 appropriations bills, Congress passed a short-term continuing resolution (CR) to keep the federal government funded through December 3, 2021, at largely FY 2021 funding levels and conditions. On December 2, 2021, Congress passed another temporary spending bill (HR 6119) that will keep the federal agencies funded through February 18, 2022. Congress' current negotiations on spending indicate that it will likely pass a third CR in the near future.

The Biden Administration is also beginning its work on the FY 2023 budget. President Joe Biden is likely to submit his fiscal 2023 budget request shortly after March 1, 2022. NAIHC is continuing to advocate that increased funding be allocated to tribal housing this year.

On November 19, 2021, the House passed a slimmed down (\$1.7 trillion, instead of \$3.5 trillion) budget reconciliation package, the BBB Act, which is a package of provisions to address childcare, health, education, and climate change. The original \$3.5 trillion package was proposed by the Administration, but was scaled back after extensive negotiations with two Senators: Joe Manchin (D-WV) and Kyrsten Sinema (D-AZ). The package, in the pared-down

version, contained significant resources for Indian Country, but far less than the original \$3.5 trillion version.

However, it now appears unlikely that Congress will pass the full BBB Act. In order for this legislation to pass the Senate, it would need all 50 Democratic (and Democratic-allied) Senators to vote in favor of it. Senator Joe Manchin III (D-WV) stated on February 1, 2022 that he views the bill in its current form as "dead" and wants to tackle other legislative goals first, indicating continuing disagreements between Senator Machin and other Democrats. Senator Manchin and several other Democratic Senators confirmed this week that larger-scale talks on the package have yet to resume. Additionally, Sen. Ben Ray Luján (D-N.M.) is out recuperating from brain surgery, which leaves Democrats short of the votes needed to pass anything without Republican support.

One potential work-around is to break out the bill into smaller items and to move forward with those that have Senator Manchin's support (such as certain climate change provisions that provide support for the fossil fuel industry to convert to "cleaner" energy) and to drop those that do not (an extension of the Child Income Tax Credit). We do not know at this time how the Indian Country provisions outlined above would fare in that kind of approach.

One participant on the call asked about what the status is of the Affordable Housing Credit Improvement Act of 2021 (S.1136) bill, and whether it is too late to add comments to that bill. Mr. Walters commented that it is never too late to raise tribal housing issues and to flag issues that are concerning for tribal housing. He therefore encouraged tribal advocates to continue to raise those concerns with their congressional representatives and with NAIHC in the coming months.

II. Update on Other Tribal Housing Bills

A. NAHASDA

As we reported in our last memo, both the House and Senate are working on versions of bills reauthorizing the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). We have reported on the provisions of those two bills in prior reports. The NAHASDA reauthorization bill (S. 2264) has nine bipartisan co-sponsors. The co-sponsors are still trying to move the NAHASDA reauthorization bill out of the Senate Committee on Indian Affairs (Committee on Indian Affairs) and onto the Senate floor for consideration. The next step is a vote by the Committee on Indian Affairs. The bill will then need to pass the full Senate. The bill sponsors are also attempting to attach the NAHASDA bill to some other "must-pass" legislation. NAIHC will continue to work towards reauthorization during 2022.

B. Tribal HUD-VASH

There continues to be little progress on the Tribal HUD-VASH legislation, although the Tribal HUD-VASH language is included in both the Senate and House NAHASDA reauthorization bills, as well as in standalone bills. The Tribal HUD-VASH bill would codify

and make permanent the Tribal HUD-VASH program within the larger HUD-VASH program and ensure adequate funding for the program. The bill would also make all tribal nations and their tribal housing programs eligible for the Tribal HUD-VASH program. The funding structure and source of funding for a Tribal HUD-VASH is still up in the air. Tribal advocates want to ensure that the money does not come out of some other already-existing funding for tribal housing.

One participant asked whether any further information is available on the Tribal HUD-VASH program. Mr. Walters responded that not much information is available.

C. Other Housing Bills

The Native American Rural Homeownership Improvement Act (S. 2092) is a bipartisan bill being co-sponsored by six (6) Senators: Tina Smith (D-MN), Mike Rounds (R-SD), John Tester (D-MT), John Thune (R-SD), Kevin Cramer (R-ND), and Brian Schatz (D-HI). It would provide \$50 million from the USDA single-family home loan program to Native Community Development Financial Institutions to provide home loans in tribal communities. It is based on the success of the USDA 502 single-family loan pilot program in South Dakota and would expand that program to be accessible to tribes across the country. The South Dakota tribes have been working on this pilot and have found the program to be successful. The South Dakota tribes received \$2 million under this initial pilot program. If passed, the funding would increase the amount of loan funding for tribal communities. It would further bolster local tribal Community Development Financial Institutions (CDFIs). Additionally, Congressmen Dusty Johnson (R-SD) has agreed to introduce a House companion bill, which indicates support in both Congressional chambers for the program. NAIHC continues to work with bill sponsors to advocate that this bill is passed.

Another bill that could benefit tribal housing is the "Tribal Trust Land Homeownership Act" (S. 3381). There are currently four bipartisan cosponsors for the bill: John Thune (R-SD), Tina Smith (D-MN), Mike Rounds (R-SD), and John Tester (D-MT). Congress is still drafting the bill, so the exact details have not been released. However, the bill would address issues with the Bureau of Indian Affairs' (BIA) processing title status reports for Section 184, 184A, and other lending programs. The bill would create deadlines for the BIA, which should speed up the process and decrease delays in approval of the title status reports. The bill would also create a position within the BIA that would oversee all of the mortgage processes. The position would report directly to the Secretary of Interior.

Joanna Donohoe (with the Seven Sisters Community Development Group, LLC), one of the participants on the call, stated that a bill involving the U.S. Department of Veterans Affairs (VA) Native American Direct Loan (NADL) program may be introduced in the coming months. Last year, Senator Rounds requested a study by the U.S. Government Accountability Office (GAO) on the effectiveness of the NADL program. Senator Rounds and other bill sponsors received preliminary GAO findings and they are currently working on draft legislation. Once the full GAO report is released, the Senate Veterans Affairs Committee will hold a hearing (likely in April 2022) and will introduction legislation shortly thereafter.

The introduction of a bi-partisan Violence Against Women Act (VAWA) reauthorization bill in the Senate is expected by the end of January 2022. VAWA has been reauthorized three times since it was first enacted in 1994. However, it has been almost nine years since VAWA was last reauthorized. VAWA is intended to strengthen the response to domestic violence at multiple levels of government, as well as to increase efforts to combat dating violence, sexual assault, and stalking. Mr. Walters remarked that the VAWA reauthorization bill sometimes includes housing-related provisions, such as provisions authorizing the provision of housing vouchers for victims of domestic violence. The proposed VAWA reauthorization bill would allow such vouchers to be used for tribal housing. NAIHC is working with the bill sponsors to strengthen potential tribal housing provisions, such as this one.

III. HUD Programs

A. HUD Grants

NAIHC and other tribal housing advocates continue to advocate that additional funding be provided to tribal housing, particularly in order to help tribes address issues caused by the COVID-19 pandemic.

HUD is on track to award and allocate the ICDBG FY 21 and IHBG Competitive FY 21 grants, but has not yet awarded these grants. The ICDBG FY 21 grant (\$76 million) application deadline was October 25, 2021. The IHBG Competitive FY 21 grant (\$95 million) deadline was January 4, 2022 (HUD extended the original deadline of December 1, 2021).

The March 2021 American Rescue Plan Act (ARPA) provided \$450 million for the IHBG program (IHBG-ARP), \$280 million for the ICDBG program (ICDBG-ARPA), and \$5 million for the Native Hawaiian Housing Block Grant program (NHHBG-ARP). Thus far, HUD has awarded approximately 75% of the FY 21 ICDBG-ARP funding (approx. \$210 million out of \$280 million).

One participant asked whether HUD has indicated when it will award the ICDBG FY 21 grants or why there has been a delay. Mr. Walters stated that HUD has not stated what the award date would be and he is not sure what is causing the delay. He noted that part of it may be because HUD is focusing on the ICDBG-ARP awards.

HUD has also worked to expand the Tribal HUD-VASH funding to tribes. The Notice of Funding Opportunity (NOFO) for the Tribal HUD-VASH closed on January 22, 2022. Webinars were held in early December, 2021, and are now available on the HUD website located here. Mr. Walters remarked that not many tribes indicated interest in the Tribal HUD-VASH program in response to the NOFO.

IV. Other Matters

A. NAIHC Legislative Conference

Due to concerns of COVID-19 safety issues, the annual NAIHC Legislative Conference is postponed to September 19, 2022. NAIHC is also considering holding a virtual session in the spring, potentially to be held around the time of the release of the Biden Administration's Budget. NAIHC is still planning on holding its NAIHC Annual Convention in person in May, 2022.

B. NAIHC Legislative Committee Meetings

The NAIHC Legislative Committee meetings will continue to be held the first Thursday of each month on a videoconference platform. The next Legislative Committee meeting will be held March 3, 2022. Anyone who would like to submit questions prior to the calls may do so through the link provided in the NAIHC email sent out prior to each call. Sending in questions and comments ahead of time allows NAIHC to provide detailed responses during the call. Participants can out to NAIHC staff with any questions or comments by sending an email to Twalters@NAIHC.net.

C. New Additional Monthly Forums

NAIHC will continue holding additional monthly forums to focus on more in-depth conversations, which will be held on the second Wednesday of each month. The next monthly forum will be held on February 9, 2022, and will likely cover the Treasury programs (Emergency Rental Assistance Program and Homeowner Assistance Fund Program). The forums will cover a rotating discussion on a single topic. Currently, NAIHC is proposing the three following topics: (1) Treasury programs; (2) HUD Continuum of Care; and (3) HUD Housing Counseling. NAIHC welcomes any other topics individuals would like covered during these monthly forums. One participant suggested the Tribal HUD-VASH program and Section 8 housing vouchers as topics for monthly forums. NAIHC is also asking for volunteers to help lead discussions during the forums.

D. Other Updates

NAIHC will continue to provide virtual training and technical assistance. NAIHC sends out a Native housing newsletter every two weeks. Any tribe who does not currently receive the newsletter can go to the NAIHC website to sign up.

Conclusion

If you have any questions, please do not hesitate to contact Ed Clay Goodman at <u>EGoodman@hobbsstraus.com</u> or Cari Baermann at <u>CBaermann@hobbsstraus.com</u> or by phone at (503) 242-1745.