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# PROGRAM GUIDANCE

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**PROGRAM:** Native American Housing Block Grant Recovery Act Competitive Program

*NAHBG*

**FOR:** All Tribal Government Leaders and Tribally Designated Housing Entities

**FROM:** Rodger J. Boyd, Deputy Assistant Secretary for Native American Programs, PN

**TOPIC:** Procedures for Amending Competitive Applications

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**Purpose:** The purpose of this guidance is to provide procedures for amending Native American Housing Block Grant (NAHBG) competitive applications awarded under the American Recovery and Reinvestment Act of 2009 (Recovery Act). For purposes of this program, the terms NAHBG and Indian Housing Block Grant (IHBG) are used interchangeably.

**Background:** The purposes of the Recovery Act are to: (1) preserve and create jobs and promote economic recovery; (2) assist those most impacted by the recession; (3) provide investments needed to increase economic efficiency by spurring technological advances in science and health; (4) invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and (5) stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

The Recovery Act has strict timeframes on the use of NAHBG funds. Tribes and tribally designated housing entities (TDHEs) must: obligate 100 percent of the funds within one year of the date funds are available to them; expend at least 50 percent of such funds within 2 years of the date funds were available to them; and expend 100 percent of such funds within 3 years of this date. If a tribe or TDHE fails to comply with the 2-year expenditure requirement, HUD will recapture the funds and reallocate them through the IHBG funding formula to tribes and TDHEs that are in compliance with these requirements. If a tribe or TDHE fails to comply with the 3-year requirement, HUD will recapture the balance of the funds originally awarded to the recipient and no further reallocation will be made.

Funds can be used for NAHASDA-eligible activities. These include: new construction, acquisition, rehabilitation of affordable housing, including energy efficiency and conservation, infrastructure development, site improvements, development and rehabilitation of utilities and infrastructure, utility services, mold remediation, and investments that leverage private sector funding or financing for renovations. Other

activities could include conversion, demolition, and other financing. Priority will be given to projects that will spur construction and rehabilitation and will create employment opportunities for low-income and unemployed persons. The Recovery Act specifically prohibits funding of any casino, or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

**Project Amendments:** Tribes and TDHEs may amend projects or activities approved in the original NAHBG application. Careful attention must be paid to ensure that the Recovery Act requirements for obligation and expenditure of funds will be met without regard to an amendment. Tribes and TDHEs must obtain HUD approval for project amendments that will significantly change the scope, location, or objective of approved activities within the original NAHBG application. NAHBG recipients should submit an amendment in sufficient detail to allow Area Office of Native American Programs (ONAP) staff to determine the following.

- The proposed activity is a NAHASDA-eligible activity.
- The tribe or TDHE will be able to meet time constraints in the Recovery Act for obligation and expenditure of NAHBG funds.
- The tribe or TDHE has the administrative capacity to complete the modified or new activity or project.
- The tribe or TDHE has prepared a new or an amended environmental review according to 24 CFR Part 58 if there is a significant change in the scope or location of approved activity or project.
- If the dollar value of the amendment is more than 10 percent of the original NAHBG award, then the amendment will be rated by the four factors contained in the Notice of Funding Availability for the NAHBG Recovery Act Competitive Program. The amendment must score 70 out of the 100 possible points overall to be approved. In addition, an applicant must score at least 20 of the 35 points in Rating Factor 1 and at least 10 of the 15 points in Rating Factor 3 to be funded.
- If the amendment fails to be approved and the original project is no longer feasible, the amendment funds will be recaptured by HUD.

Contact staff in the Area ONAP for general guidance and technical assistance regarding the preparation of an amendment for the NAHBG Recovery Act Competitive program.