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TO: All Tribal Government Leaders and Tribally Designated Housing Entities (TDHE)

FROM: Jacqueline Johnson, Deputy Assistant Secretary, P

TOPIC: Cost Limits

SUBJECT: Dwelling Construction and Equipment Cost Limits

Purpose: The purpose of this guidance is to clarify the meaning of the regulations found at 24 CFR 1000.156 regarding the Dwelling Construction and Equipment (DC&E) cost limits.

Background: The intent of the Indian Housing Block Grant (IHBG) program is to support affordable housing activities; facilities that are not affordable are not within the intent of the legislation. The regulations mentioned above refer to a per unit limit on the amount of IHBG funds that may be used for dwelling construction and dwelling equipment. These cost limits are published regularly by HUD for single family units (one to four units) with one to five bedrooms of detached or semi detached design. The publication also refers recipients to HUD for specific figures for construction types which are not covered by the published DC&Es.

Procedure: If a recipient is planning to build any type of housing with its IHBG funds, it must comply with the regulations mentioned above. These regulations are not limited to single family detached dwellings only; for example, transitional housing, student housing, multifamily structures, etc., are included.

In preparing your Indian Housing Plan, please remember that housing activities must be within the guidelines presented by the regulations. In addition, in keeping with the intent of the legislation, other non housing structures (such as office buildings, community centers, etc.) must be in support of affordable housing and be reasonable in design and cost.

In preparing your IHP or developing budgets for individual projects, if you have questions regarding specific activities, please contact your Area Office of Native American Programs.