



**United South and Eastern Tribes
Housing Funding Options**

February 6, 2023

PENDING PANDEMIC FUNDING

American Rescue Plan - Fiscal Recovery Fund

Inflation Reduction Act

Infrastructure Bill

Tribal Consistency Fund

Emergency Rental Assistance

Homeowners Assistance Fund

American Rescue Plan

- Fiscal Recovery Funds provide **flexibility** for Tribal governments to meet local needs, including providing emergency rental assistance, addressing the housing and health needs of people experiencing homelessness, and building and preserving affordable housing in impacted communities.

Fiscal Recovery Fund

- The Interim Final Rule also identified a broad range of services that are eligible when provided in a qualified census tract. Mille Lacs Band is eligible under this language and therefore can pursue the following activities:
 - **Investments in Housing and Neighborhoods:** Funds may be used to assist households or populations facing negative economic impacts due to COVID-19, such as:
 - **Services to address homelessness** such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals
 - **Affordable housing development** to increase supply of affordable and high-quality living units
 - **Housing vouchers, residential counseling, or housing navigation assistance** to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity

The Inflation Reduction Act of 2022 (IRA)

- IRA provides more than \$720 million in direct climate resilience and energy funding to support Native-driven climate solutions and advance Tribal energy development priorities. The IRA also provides access to billions more through competitive grants, loans, loan guarantees and contracts for which Tribes and Native communities are eligible.

Infrastructure Bill

1. IIHS water & sanitation deficiencies \$3.5B
2. Tribal broadband programs \$2B
3. Tribal highway projects/roads \$3B
4. Climate resiliency projects \$216M

Broadband Programs

BEAD

\$42.45B

**Broadband Equity, Access
& Deployment Program**

A program to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where we need it and increase adoption of high-speed internet.

DIGITAL
EQUITY

\$2.75B

Digital Equity Act

Three programs that provide funding to promote digital inclusion and advance equity for all. They aim to ensure that all communities can access and use affordable, reliable high-speed internet to meet their needs and improve their lives.

MIDDLE
MILE

\$1.00B

**Enabling Middle Mile
Broadband Infrastructure**

A program to expand middle mile infrastructure, to reduce the cost of connecting unserved and underserved areas.

Affordable Connectivity Program (ACP)

This law allows tens of millions of American households to reduce their internet service costs by up to \$75/month on Tribal lands. The ACP also provides up to a \$100 per household discount toward a one-time purchase of a computer, laptop, or tablet if the household contributes more than \$10 and less than \$50 toward the purchase through a participating broadband provider.

Tribal Consistency Fund

- Congress has reserved \$500 million for tribal governments under the Tribal Consistency Fund. Half of this amount will be made available in this fiscal year 2022 (FY22), and the remaining half in fiscal year 2023 (FY23). The statute gives the Treasury Department discretion on how to allocate the \$500 million among tribes, "taking into account the economic conditions of each Tribe."
- The Fund provides great flexibility for Tribal governments in utilizing these funds. Recipients may use funds for **any governmental purpose** other than a lobbying activity. As a general matter, recipients may treat these funds in a similar manner to how they treat funds generated from their own local revenue. Programs, services, and capital expenditures that are traditionally undertaken by a government are considered to fulfill a "governmental purpose."

Emergency Rental Assistance

- Treasury Updated FAQs
 - Tribe can pay itself, acting as the landlord
 - Tribe can use ERA funds to pay tenants portion, even if subsidized by other funds
 - Utilities can include Broadband

Homeowner Assistance Fund

- Tribes received \$498 Million to provide homeowner assistance
- Tribes requested their allocation (based on IHBG formula)
- 10% Available up-front, rest of allocation requires submission of a plan
- No specified date for submission of plan

Homeowner Assistance Fund

- Mortgage payment assistance;
- Payment assistance for: a. homeowner's utilities, including electric, gas, home energy (including firewood and home heating oil), water, and wastewater;
- Homeowner's internet service, including broadband internet access service,
- Homeowner's insurance, flood insurance, and mortgage insurance
- **Measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home, including the reasonable addition of habitable space to alleviate overcrowding, or assistance to enable households to receive clear title to their properties;**

Targeted Housing Resources Available to Native Americans

Current Federal Housing Obligations

- Are based upon general welfare/statutory obligations.
- Tribal obligations are based upon trust responsibility and the treaties and oral promises that have been made.

Tribal Treaties

Provided that the U.S. would pay a housing annuity to the Tribe for a set number of years.

Established that reservations would be provided with a carpenter and a sawmill to construct housing.

“... maintaining and subsisting the Poncas during the first year after their removal to their new homes ... building houses, and in making such other improvements as are necessary for their comfort and welfare.”

ALLOTMENT ERA, 1880s-1920s

INDIAN LAND FOR SALE

GET A HOME
OF
YOUR OWN
*
EASY PAYMENTS



PERFECT TITLE
*
POSSESSION
WITHIN
THIRTY DAYS

FINE LANDS IN THE WEST

IRRIGATED IRRIGABLE GRAZING AGRICULTURAL DRY FARMING

IN 1910 THE DEPARTMENT OF THE INTERIOR SOLD UNDER SEALED BIDS ALLOTTED INDIAN LAND AS FOLLOWS:

Location.	Acres.	Average Price per Acre.	Location.	Acres.	Average Price per Acre.
Colorado	5,211.21	\$7.27	Oklahoma	34,664.00	\$19.14
Idaho	17,013.00	24.85	Oregon	1,020.00	15.43
Kansas	1,684.50	33.45	South Dakota	120,445.00	16.53
Montana	11,034.00	9.86	Washington	4,879.00	41.37
Nebraska	5,641.00	36.65	Wisconsin	1,069.00	17.00
North Dakota	22,610.70	9.93	Wyoming	865.00	20.64

FOR THE YEAR 1911 IT IS ESTIMATED THAT **350,000 ACRES** WILL BE OFFERED FOR SALE

For information as to the character of the land write for booklet, "INDIAN LANDS FOR SALE," to the Superintendent U. S. Indian School at any one of the following places:

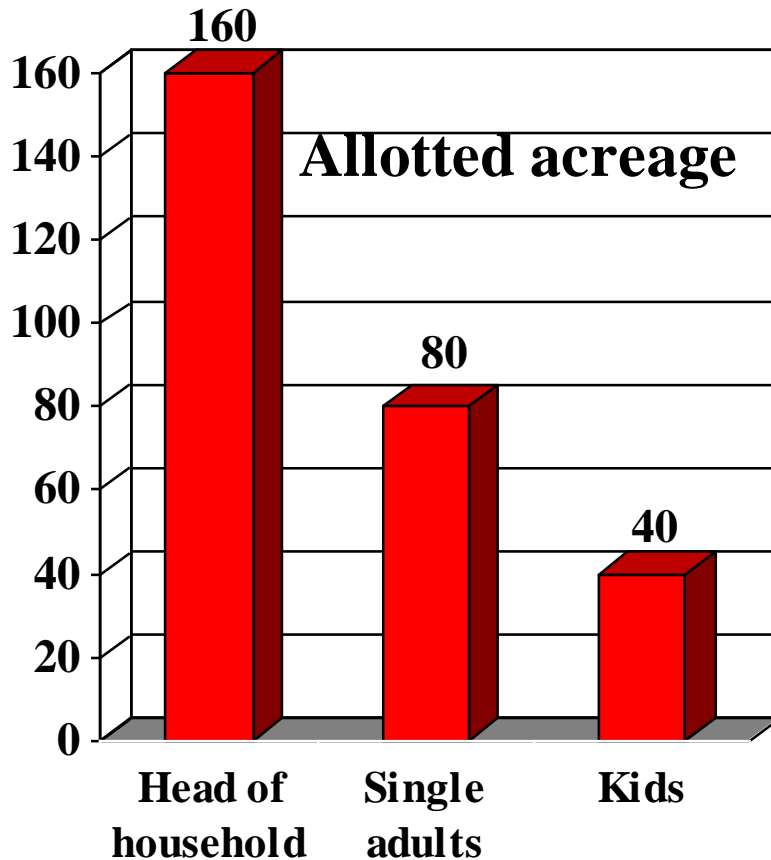
CALIFORNIA: Hoopa. COLORADO: Ignacio. IDAHO: Lapwai. KANSAS: Barton. Nadeau.	MINNESOTA: Onigum. MONTANA: Crow Agency. NEBRASKA: Macy. Sanlee. Winnepago.	NORTH DAKOTA: Fort Totten. Fort Yates. OKLAHOMA: Anadarko. Cartonment. Colony. Darlington. Muskogee, and Pawnee.	OKLAHOMA - Con. Sag and Fox Agency. Shawnee. Wyandotte. OREGON: Klamath Agency. Fossilton. Roseburg. Siletz.	SOUTH DAKOTA: Cheyenne Agency. Crow Creek. Greenwood. Lower Brule. Pine Ridge. Rosebud. Sisseton.	WASHINGTON: Fort Simcoe. Fort Spokane. Tekoa. Tulalip. WISCONSIN: Oaheida.
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WALTER L. FISHER,
Secretary of the Interior.

ROBERT G. VALENTINE,
Commissioner of Indian Affairs.

- General Allotment Act, 1887 (Dawes Act)
- Privatized Indian lands to create farmers
- Non-Indians "checkerboarded" most reservations

Allotment, 1887-1934



- Each tribal member received allotment (in trust 25 years)
- Surplus land sold to white settlers
- Many allotted lands taken through fraud (via language, kids, etc.)
- Gov'ts foreclosed lands for unpaid taxes

Indian Reservation Land Base

138 million acres in 1887

48 million acres in 1934

(90 million fewer acres)

Indian Housing Block Grant (IHBG)

- Rental housing programs
- Dwelling cost and equipment limits
- Rents and leases
- Homebuyer programs
- Homeowner rehabilitation programs
- Housing services

IHBG Sources

Four Options

- HBG Formula
- IHBG Competitive
- IHBG CARES Act
- IHBG American Rescue Plan

Formula Mechanics

- Formula Current Assisted Stock (FCAS)
- Need
 - Variables & Weights
 - Formula Area
 - Minimum Needs Funding
- Minimum Grant Funding
- Adjustments for prior year over/under-funding

FCAS Subsidy

Operations

- Subsidy per Unit
 - ✓ \$2,440 for LR Units
 - ✓ \$528 for MH/TKYIII Units
 - ✓ \$3,625 for Section 8 Units
- Inflation
- Local Area Cost Adjustment (AEL/FMR Index)

Modernization

- Subsidy per Unit
 - ✓ \$1,974 for LR Units
 - ✓ \$1,974 for MH/TKYIII Units
 - ✓ \$0 for Section 8 Units
- Inflation
- Local Area Cost Adjustment (Total Development Costs)

What Counts as FCAS?

Count

- Units Funded under 1937 Act
- Conversions before 10/1/97
- Conveyance Eligible but Beyond Tribes Control
- Anticipated DOFAs
- Section 8 Expired Contracts but still in Mgm't
- Demolished/Replaced in Year
- Burnt & Rebuilt w/Proceeds

Do Not Count

- NAHASDA Units
- HOME, ICDBG, State Units
- Non-Dwelling Units
- Conversions after 10/1/97
- Conveyances
- Conveyance Eligible w/TARs
- Units over ACC with DOFA after 10/1/97
- IHA Financed Units
- Section 8 not in Mgm't

Need Variables

- 0.11 AIAN Persons
- 0.13 AIAN Households < 30% Median Income
- 0.07 AIAN HH 30%-50% Median Income
- 0.07 AIAN HH 50%-80% Median Income
- 0.25 AIAN HH Overcrowded or No Kitchen/Plumb
- 0.22 AIAN HH Paying > 50% of Income for House
- 0.15 AIAN HH <80% Median Income-Assisted Units

Indian Housing Block Grant - Competitive

- Housing construction/acquisition
- Housing rehabilitation
- Infrastructure projects including streets, roads, water and sewer projects
- \$130 million next round

Title VI Loan Guarantee Program

- Applies only to eligible affordable housing activities in Section 202 of NAHASDA
- Tribe is required to pledge as security for repayment:
 - current and future IHBG
 - program income
 - insurance proceeds
- Funds obtained from the Lender have a 95% guarantee backed by the full faith and credit of the US Government

Section 184

- A guarantee of a mortgage loan made to Native families, Tribes, or Tribal-Designated Housing Entities (TDHEs)
- With low down payment
- Can do multi-unit development
- Available on and off reservation
- Lender receives a 100% guarantee from HUD via ONAP's Office of Loan Guarantee (OLG)

Section 184

THE TRIBE OR TDHE AS A BORROWER

- When the Tribe or TDHE are the borrowers for the construction/purchase of rental property, they must demonstrate:
 - Property management skills
 - Rental and maintenance plan
 - Renters able to pay

Indian Community Development Block Grant - Competitive

- Housing rehabilitation (to be discussed in housing section)
- Infrastructure projects including streets, roads, water and sewer projects
- Public facilities and improvements (e.g. shelters for the homeless; convalescent homes, clinics, nursing homes; temporary housing)

ICDBG Imminent Threat (IT)

- A portion of ICDBG funds are reserved for “Imminent threats.” Imminent Threat (“IT”) grants are intended to alleviate or remove threats to health and safety. According to program guidance, **the threat “must be unique and unusual and not something that the tribe has known about for a long time. It must also impact the entire tribal service area, not just a few homes.”**

Supportive Housing for Vets

- Provides for rental assistance for homeless American Indian or those at risk of homelessness, and living on or off tribal lands (within the authorized tribal/tribally designated housing entities (TDHEs) service areas.
- Grants ranged from \$123,288 to \$391,740. VA provides case management and supportive services.
- HUD rental assistance which may be tenant-based or project-based, is generally subject to all requirements of the NAHASDA and its regulations.

Non-Targeted HUD Resources

- CDBG
- HOME
- Homeless
- Vouchers
- Insurance Programs

Office of Community Planning and Development

- Formula Block Grant Programs
 - Community Development Block Grant Program (CDBG)
 - Home Investment Partnerships Program (HOME)
 - Emergency Solutions Grant Program (ESG)
 - Housing Opportunities for Persons with AIDS (HOPWA)
- Competitive Grant Program
 - Continuum of Care Program (CoC)

Formula Block Grant Funds

- These funds are accessed through the cities, states and counties that receive them each year.
- Participants of projects funded through these programs must be low or moderate-income as defined by HUD

CDBG Program

- Potential housing-related uses
 - Homeowner rehabilitation
 - Downpayment assistance
 - Housing Counseling
 - Acquisition of land where housing will be built
 - Site preparation for new housing construction

The HOME Program

- HOME funds can be used for
 - Homeowner rehabilitation
 - Homebuyer activities: Finance the acquisition, and/or rehabilitation or new construction of homes for homebuyers
 - Rental Housing: Affordable rental housing may be acquired and/or rehabilitated, or constructed
 - Tenant-based rental assistance (TBRA): Financial assistance for rent, security deposits and, under certain conditions, utility deposits.

HUD-Continuum Of Care

- The Continuum of Care Program (CoC) provides competitive funding available to homeless services organizations across the country for supportive services and housing programs for people experiencing homelessness.
- Indian Tribes and Tribally Designated Housing Entities (TDHE) are now eligible to be Collaborative Applicants, eligible entities, or subrecipients of the CoC Program in addition to amending title IV section 401 to add the terms "Formula Area" and "Indian Tribe." These amendments mean that not only may Tribes and TDHEs apply for grants through other CoCs, but that formula areas are eligible to be added to the geographic areas of existing CoCs or may be included in

HUD Rental Assistance Programs

- Project-Based Section 8 Housing
- Section 8 Housing Choice Vouchers
- HUD-VASH (Veterans Administration Supportive Housing)

Project-Based Section 8 Housing

- Building-based rental assistance for low-income people
- Buildings are privately owned and managed
- Applications are made at the individual buildings
- Some units are reserved for seniors or people with disabilities
- In most cases tenants pay 30% of household adjusted income
- Waiting lists can be long or closed

Section 8 Housing Choice Vouchers

- Tenant-based rental assistance for low-income people
- Tenant finds their own unit in a private building
- Applications for the assistance are made at a local PHA
- Rents are 30% to 40% of a household's adjusted income
- Waiting lists can be long or closed
- Vouchers can expire if you can't find a unit within the established "shopping period"

Mortgage Insurance Programs

- Rental and Cooperative Housing -Section 221(d)(4)
- Residential Care Facilities Program - Section 232 and Section 232/223(f)

Rental and Cooperative Housing -Section 221(d)(4)

- Insures lenders against loss on mortgage defaults
- Mortgages are for the new construction or substantial rehabilitation of multifamily rental or cooperative housing
- Eligible structures are detached, semidetached, row, walkup, or elevator-type rental or cooperative housing containing five or more units
- Loans must be made through a HUD-approved MAP lender:
<https://www.hud.gov/sites/documents/APRVLEND.PDF>

Residential Care Facilities Program- Section 232 and Section 232/223(f)

- Insures lenders against loss on mortgage defaults
- Mortgages are for the purchase, refinance, new construction or substantial rehabilitation of a facility
- Examples of “residential care facilities” are assisted living facilities, nursing homes, intermediate care facilities, and board and care homes
- Loans must be made through a HUD-approved lender:
<https://www.hud.gov/sites/documents/APRVLEND.PDF>

Other Federal Resources

- USDA – Rural Development
- EPA
- IHS
- VA
- FHLB
- Treasury

Rural Development



Direct



Guaranteed

Home Ownership



HVAC Systems

New windows



Roof Repairs



Siding

Home Repair and Rehabilitation

USDA Rural Development

Single Family Housing

- 502 Direct Loan Program
- 504 Home Repair Program
- 502 Guaranteed Loan Program



502 Direct Loan Program



To help low-income individuals or households purchase homes in rural areas.

We can finance existing homes, modular homes, stick-built new construction, or manufactured homes, 2006 or newer

Loan funds come directly from Rural Development to buy, build, and repair homes.

Apply directly with local Rural Development office.

502 Direct Loan Program

- 100% financing based on appraised value
- Existing or new construction
- Not limited to first time homebuyers



504 Direct Loans/Grants



504 Home Repair Program

To provide loans to homeowners to repair, improve, or modernize their homes or provide grants to elderly very-low income homeowners to remove health and safety issues

Owner occupied homes only

Applicants may not own another home

Apply with local Rural Development Office

504 Direct Loans/Grants

504 Home Repair Loans and Grants

Loans

- for repairs to improve, modernize, or increase energy efficiency in a home
- make it safer or more sanitary, or remove health and safety issues
- pay connection fees for public water and/or sewer.
- 1% interest rate, 20 years, maximum outstanding balance of \$40,000.

Grants

- For homeowners 62 and over who cannot repay a loan, grant funds are available to remove health or safety hazards, or remodel dwellings to make them accessible to household members with disabilities.
- \$10,000 maximum lifetime grant.

502 Guaranteed Loans

Guaranteed Loan Program

To assist moderate income (115% of median income) applicants to purchase new or existing homes.

This is made possible by the 90% guarantee of loans made by conventional lenders.

Eligible rural areas are the same as the Direct 502 program.

Homebuyers make application with participating lender.



502 Guaranteed Loans

Major Advantages

- 100% of appraised value - can include repairs
- Lower fees – 1% initial fee rolled into the loan, then .35 Annual Fee
- No cap on purchase price, max based on applicant income
- Not limited to 1st time home buy

502 Guaranteed Loans

Eligible Loan Purposes

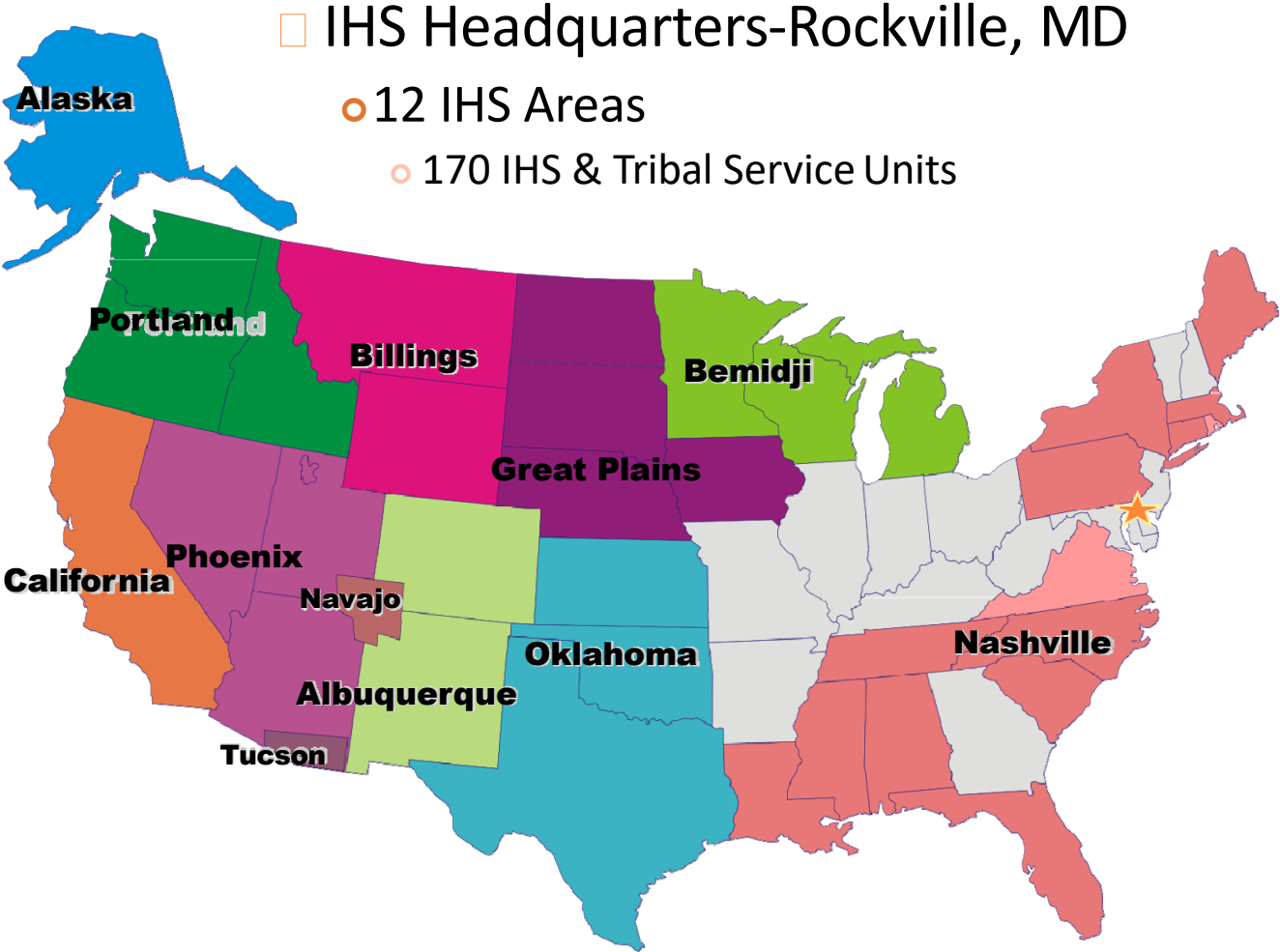
- Purchase a new or existing single-family dwelling.
- Refinance existing GRH loans
- New construction – Single Close option available
- Must meet property standards of HUD Handbook 4000.1
- Home must be located in an eligible area

Indian Health Service

s



INDIAN HEALTH SERVICE



Division of Sanitation Facilities Construction (DSFC)

- Funds sanitation facility design and construction for new and existing homes for Indian Communities.
- Typical projects range from individual home on-site water/sewer facilities to large scale wastewater treatment and collection facilities

Division of Sanitation Facilities Construction (DSFC)



Division of Sanitation Facilities Construction (DSFC)



HEALTH CARE FACILITIES

The IHS supports facilities in 36 States

- **45 Hospitals**
 - 27 Federally Operated + 18 Tribally Operated
- **343 Health Centers (Including school health centers)**
 - 59 Federally Operated + 284 Tribally Operated
- **111 Health Stations**
 - 32 Federally Operated + 79 Tribally Operated
- **163 Village Built Clinics in Alaska**
- **Youth Regional Treatment Centers**
 - 5 Federally Owned + 7 Tribally Owned



Environmental Protection Agency

Possible EPA – Housing Authority Intersections



- ❖ Indoor/Outdoor Air Quality
- ❖ Lead-Based Paint
- ❖ On-site Drinking Water and Wastewater
- ❖ Pesticides
- ❖ Solid Waste

Indoor/Outdoor Air Quality Concerns



- ❖ Asthma Triggers
- ❖ Radon
- ❖ Wood Smoke
- ❖ Diesel Emissions

Non-regulatory, voluntary programs

Funding: General Assistance Program;
Clean Air Act

Radon

- ❖ Naturally occurring across U.S.
- ❖ Can't see, smell, or taste
- ❖ Causes thousands of lung cancer deaths annually
- ❖ EPA recommends that all homes be tested
- ❖ Bad River Tribe Indoor Radon Program

Funding: General Assistance Program;
State Indoor Radon Grants Program

Wood Smoke



- ❖ Contains fine particles and toxics such as benzene and formaldehyde
- ❖ Can trigger asthma attacks and increase risk of heart attacks and stroke
- ❖ BurnWise Health and Safety Awareness Kit
- ❖ Wood stove changeout programs

Funding: General Assistance Program;
Clean Air Act

Diesel Emissions

- ❖ Protect health and improve air quality by reducing harmful emissions from diesel engines
- ❖ Tribal Diesel Emissions Reduction Act (DERA) Program
 - Funding to replace older, more polluting engines with newer, cleaner models
 - Engines related to fishing vessels, construction, agriculture, school buses, generators, electrified parking spaces
 - Next application cycle to open in early August
- ❖ Ho-Chunk Nation 2021 DERA Project

Lead-Based Paint

Lead can be found throughout a child's environment.



1 Homes built before 1978 (when lead-based paints were banned) probably contain lead-based paint.

2 Certain water pipes may contain lead.

3 Lead can be found in some products such as toys and toy jewelry.

4 Lead is sometimes in candles imported from other countries or traditional home remedies.

5 Certain jobs and hobbies involve working with lead-based products, like stain glass work, and may cause parents to bring lead into the home.

- ❖ EPA has enforcement responsibilities involving training and certification for workers; work practices; notifying occupants of lead-hazards prior to renovations; and disclosing lead-based paint to buyers/renters
- ❖ Encourage tribes to develop their own lead-based paint programs
- ❖ Funding available under Toxic Substances Control Act

On-Site Drinking Water and Wastewater

- ❖ Safe Drinking Water Act regulates public water supplies and protects underground sources of water
- ❖ Public water supply provides water for human consumption to at least 15 service connections or serves at least 25 people
- ❖ Large-size septic systems are considered Class V Underground Injection Control wells and should be placed on the EPA inventory

Pesticides

- ❖ Substances that prevent, destroy, and/or repel plant or animal life
- ❖ Enforce when pesticides are not used in accordance with their labels
- ❖ Certify applicators of “restricted use pesticides (RUPs)” to ensure protection of human health and the environment
- ❖ Provide technical assistance, education/outreach on the safe use of pesticides, and pest-control alternatives
- ❖ Work with tribal governments to develop their own pesticide programs

Solid Waste Management



- ❖ Manage solid waste generated on the reservation
- ❖ Promote waste reduction and recycling
- ❖ Prevent illegal dumping and clean-up any sites that are identified
- ❖ Limited EPA authorities for solid waste management; look to tribal governments to develop administrative and enforcement programs



Veterans Administration

- VA provides direct loans for the purchase, construction, or improvement of a home to eligible Native American Veterans, or Veterans married to Native American non-Veterans, who reside on Federal Trust land. (Includes the refinance of existing NADLs). Program created in 1992.
- Most mortgage lenders will not make loans on Trust Land for several reasons:
 - Tribes are Sovereign Nations.
 - State Laws do not control Real Estate Transactions on Federal Trust Land.
 - Obtaining a Security Interest on Trust Lands is difficult.



Determining Veteran Eligibility

- Native American Veterans with sufficient entitlement i.e. length of service, character of service.
 - The tribal organization has a *standing Memorandum of Understanding (MOU)* with the Secretary of Veterans Affairs.
- The home is on trust/lease/allotted land.
- The Veteran or spouse is a member of the tribe.

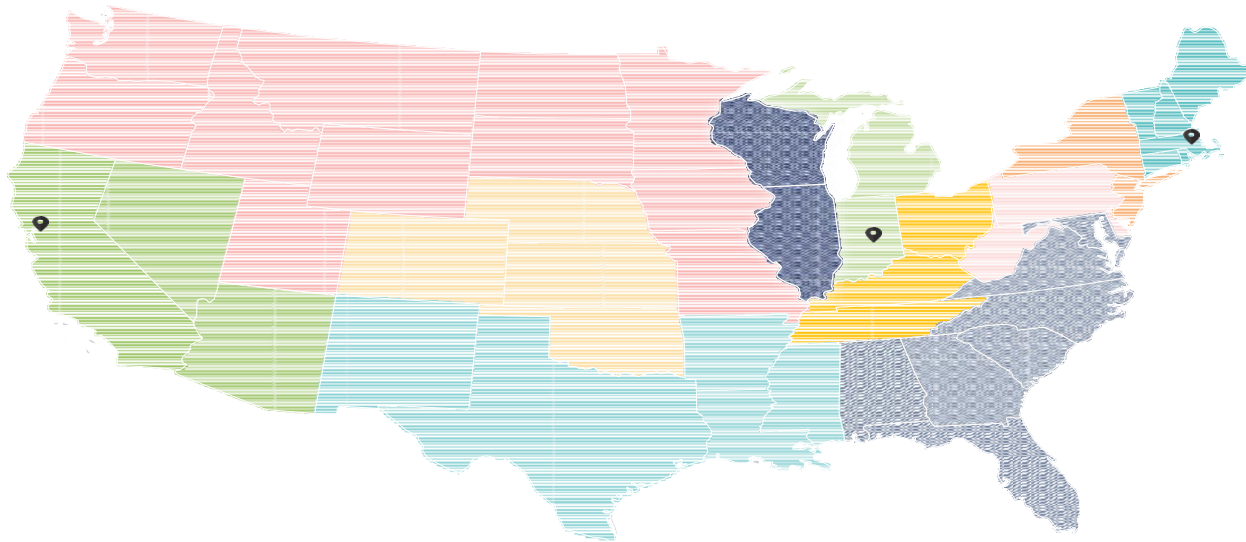


Comparing VA Home Loan Programs

- Native American Veterans may use either loan.
- Typically, no down-payment is required on either type of loan.

NADL	VA-Guaranteed Loan
VA processes the loan	VA approved lender processes the loan
VA sets the interest rate	Interest rate is negotiated with the lender
Low closing costs	Closing costs are negotiated with the lender within limits
VA originates the loan	Lender originates the loan and VA guarantees the loan

Federal Home Loan Bank (FHLB)



FH LBank Overview

- Chartered by Congress in the 1930's to bolster homeownership
- 11 districts across the US
- Each Bank is a member cooperative that provides liquidity to its members to support their housing and community lending activities
- Regulated by the Federal Housing Finance Agency
- Significant contributors to **affordable housing** and **economic development** initiatives across the nation

 DALLAS

**Members include banks, thrifts, credit unions and insurance companies*



AHP General Fund: Impact in Tribal Communities



116 projects



\$51 million granted

AHP General Fund Projects Serving Native American Communities



Eligible Projects

Rental Projects

- Purchase, construction, or rehabilitation of a rental project

Owner-Occupied Projects

- Purchase, construction, or rehabilitation of an owner-occupied projects by or for very low-, low-, or moderate-income households

Eligible Uses of Funds

Rental Projects

Hard or soft costs directly related to acquisition or development of housing:

- Land acquisition
- Construction of new units
- Acquisition and/or rehabilitation of existing units

Owner-Occupied Projects

Hard or soft costs directly related to acquisition or development of housing:

- Construction of new units or rehabilitation of existing units
- Down payment assistance (acquisition projects) and closing costs
- Homebuyer education and counseling

Down Payment Assistance

- Grants for down payment, closing cost, or rehabilitation assistance for low-to-moderate income homebuyers
- Provides an important tool for homeownership
- Programs tailored by each FHLBank for its region

BOSTON FHLB PRIORITY PROJECT

- What is the Housing Our Workforce program?
- Housing Our Workforce (HOW) provides down-payment and closing cost assistance to homebuyers earning more than 80% and up to 120% of the area median income. Through HOW, grants are made to eligible borrowers when they close on mortgages with participating member financial institutions.
- What is the maximum amount I can receive in HOW funds?
- For 2023, the maximum grant is 10% of the sales price or up to \$25,000 (lesser of the two). Each year, FHLBank Boston determines the maximum amount, therefore, the amount can vary on a yearly basis.

Low-Income Housing Tax Credits (LIHTC'S)

- Allocated to State agencies:
- Qualified Allocation Plan (QAP):
 - Required annually prepared by the state housing agency
 - Incorporates constituent Input via testimony/public hearings
 - Sets Program priorities and summarizes modifications

What Are Tax Credits?

- A way to get private money for affordable housing development
 - Created by Tax Reform Act of 1986
 - Section 42 of the IRS Code
- Developer or non profit doesn't have to pay it back
- Impacts 30%-40% of multifamily construction

What Can It Be Used For?

- Acquisition and Conversion of existing housing
- New construction
- Mixed use development
- Different types of projects
 - Tax credit only projects
 - Mixed financed projects
 - Bond finance projects

Incentives of Tax Credits

- Benefits those who pay a lot of taxes
 - More attractive than tax deductions
 - Dollar-for-Dollar tax reduction in taxes
- Investor gets tax credit and most of depreciation allowance

Benefits of LIHTC

- Brings “free money” into the project
- Allows PHA to build better developments
- Allows PHA to build/rehab more units
- Allows PHA to leverage money for more impact
- Can be combined with other grants and loans and programs (i.e., Section 8)

How Do They Work?

- Different rates for LIH Tax Credits
 - 9% and 4%
- Acquisition only qualifies for 4% tax credits
- New Construction and Rehab may qualify for 9% tax credits

9% LIHTC

- Competitive
- Used with Conventional Financing
 - No federally-subsidized financing

4% LIHTC

- Non-Competitive
- Used with tax exempt Bond financing
- May be used with federally subsidized financing

Treasury Department Tax-Exempt Bonds

- Under the Indian Tribal Government Tax Status Act of 1982, Indian tribes have the ability, like states and municipal governments, to issue an unlimited amount of tax-exempt bonds to finance projects relating to essential government functions, such as schools, roads, and water systems.
- Tribal subdivisions, including TDHEs, to which tribes have delegated essential governmental functions, may apply to the IRS for the same authority and many have done so.

- When using their pre-2009 authority under the Tribal Governmental Tax Status Act, tribes (or their political subdivisions) can issue tax exempt bonds only if substantially all (at least 90%) of the proceeds are used for “essential government functions” customarily provided by state or local governments.
- Such bonds may be used to finance facilities owned and operated by a tribal government for the general benefit of tribal members, including **housing projects**, schools, health care facilities, water, sewer, police and fire, convention halls, administration buildings, child welfare, drug and alcohol treatment centers, etc.

Department of Defense IRT

- The Department of Defense's **Innovative Readiness Training (IRT) program** was established to “produce mission-ready forces through military training opportunities that provide key services for American communities.”
- **IRT projects must have both community value and military training value.** Projects must avoid competing with private section entities. The procedures for applying for assistance are set forth at <https://irt.defense.gov/>

Congressionally Directed Spending

- **Congressionally directed spending provides federal lawmakers the ability to demonstrate priorities at home and their fight for constituents' interests.**
- **Eligible grantees include Indian tribes or tribal organizations, or other public or nonprofit agencies and organizations.**

Sample Request

As you draft fiscal year 2023 appropriations legislation, I write to request consideration of the following Community Project Funding request submitted to my office:

Brodhead Senior Village Rehab & Solar Energy Development

- o Amount: \$1 million

- o Recipient: Southwestern Wisconsin Community Action Program (SWCAP)

- o Address: 149 N. Iowa St.
Dodgeville, WI 53533

- o Purpose: To improve the affordability of Brodhead Senior Village, reduce the property's carbon footprint, and add on-site renewable energy generation.