NATIONAL COALITION FOR HOMELESS VETERANS

AFFORDABLE HOUSING FINANCE GUIDE

PREPARED WITH THE GENEROUS SUPPORT OF
THE HOME DEPOT FOUNDATION

THIS GUIDE IS BASED ON INFORMATION AS OF MARCH 2021

INTRODUCTION

Affordable housing availability is a crucial part of the solution for veteran homelessness. This housing can be affordable with a preference for veterans of a range of incomes, housing that accepts veterans using a subsidy, and permanent supportive housing. Most of the funding for affordable housing development comes from federal resources. While there is funding available specifically for veterans exiting homelessness and veterans housing, most of the sources available serve the general population. However, there are ways to target more of the resources available towards housing that veterans in your community need. This guide explains existing funding sources, outlines how they can be used, provides project examples, and explores ways your community can channel larger shares towards veteran housing.

The following information and funding described in this guide would help developers, existing housing providers, and veteran serving agencies access more resources to support the construction and operation of housing for veterans in a variety of situations and geographies. The detailed administration of program funds and permissible uses applies to traditional yearly allocations. Throughout the pandemic and into post-pandemic recovery, additional resources have been, and will likely continue to be, dispersed to communities. For those resources, separate guidance is available through The Department of Housing and Urban Development and The Department of Veterans Affairs, which details any additional flexibility, permissible uses and waivers that have been applied to increase the likelihood of immediate utilization.

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TAX CREDITS

Tax credits are used to generate the capital needed to fund large portions of overall affordable housing development costs. Tax credits are awarded to developers for individual projects, and developers typically sell the credits to investors in exchange for project funding.

LOW-INCOME HOUSING TAX CREDIT (LIHTC)

The Low-Income Housing Tax Credit (LIHTC) program is the largest source of federal funding for affordable housing development and preservation.

How is this funding distributed?

These tax credits are distributed and managed by the Internal Revenue Service (IRS). While this funding does supplement the cost of affordable housing development, the Low-Income Housing Tax Credit program is not distributed in the form of a direct subsidy. The IRS distributes this funding to states in the form of credits, which are competitively won and then sold by developers to investors. The capital raised from these transactions goes towards the actual development. Investors then use the tax credits as a dollar-for-dollar reduction in federal income tax liability.

The program has two components, 4 percent, and 9 percent tax credits, which are designed to cover either 30 percent or 70 percent of the costs of developing low-income units in a project. In short, the 9 percent tax credits are more competitive because they are worth more and can cover a larger portion of the development. In most states, 4 percent tax credits are automatically awarded to affordable housing developments depending on their overall financing structure and the inclusion of tax-exempt bonds. The IRS distributes 9 percent credits to states based on population, or the national minimum of roughly $3 million, whichever is greater.[1]

Who manages this funding?

State and local housing finance agencies manage this funding. The plan for how this funding is to be distributed throughout the state and awarded to developers is detailed in each state's Qualified Allocation Plan (QAP). The QAP is updated annually and outlines each state's housing priorities, how properties will be scored, and developments that will be given preference for tax credit allocation. This also allows states to set aside credits to address very targeted and specific housing goals.

Low-Income Housing Tax Credit (LIHTC)

How is this funding accessed?

After states determine their housing priorities and publicize their QAP, they open allocation rounds throughout the year where developers can apply for available tax credits. The highest scoring projects are awarded tax credit equity based on how they rank against other projects, until credits for that round run out.

The amount of tax credits a project receives is based on how it comparatively scores, the share of affordable units up to 100 percent, what incomes the units serve, and several other factors set by the state. Tax credits can only be awarded for eligible portions of the project, meaning units that are affordable.

Permissible projects:

Projects which receive LIHTC funding have a minimum term of affordability of 30 years, although many states and localities push for longer terms of affordability. LIHTC funding can be used for new construction, acquisition, preservation, and rehabilitation of affordable rental housing. As a baseline, projects must set aside 20% or more of their units for households with incomes at or below 50% AMI, or 40% of their units for tenants with incomes at or below 60% AMI. Recent changes also allow properties to serve households with incomes up to 80% percent AMI, but the average income for all units has to remain at or below 60% AMI.

Opportunities for Action

Every state is required to hold a period of public participation when they draft their QAP for the year, get involved. You can start by locating your ***State Housing Finance Agency*** and familiarizing yourself on whether veterans are currently included in their tax credit planning. You can also familiarize yourself with when they will be holding public comment periods or opportunities for participation, and plan to share ways in which veterans should be included.

Through this drafting period, you should voice veteran housing needs and encourage others to do the same. This can include where and how many homeless veterans are spread throughout your state, and housing priorities you or your organization has identified for veterans. States can also set aside tax credits for specific subpopulations that have pressing housing needs. By providing a voice for veterans you may be able to get your state to set aside funding specifically for housing homeless veterans in your state.

NCHV has put together a guide that analyzes state-level Qualified Allocation Plans and highlights how veterans can be included. The guide also details how to participate in the QAP drafting process and bring veteran housing issues to the forefront. Take a look, ***here.***

NEW MARKETS TAX CREDITS (NMTCS)

New Markets Tax Credits (NMTCs) funding was not designed specifically for affordable housing. Instead, these credits are used to fund economic and real estate investment in low-income communities.[2] ii NMTCs can be used to fund mixed-use affordable housing developments where there is a significant commercial component.

How is this funding distributed?

Congress authorizes the overall amount of credit, and the U.S. Treasury Department Financial Institutions Fund (CDFI Fund) allocates the credits to qualified Community Development Entities (CDEs). CDEs apply annually to the CDFI Fund for allocation authority. Usually, CDEs already have projects in mind when applying for NMTCs.[3]

Who manages this funding?

Local Community Development Entities (CDEs) manage this funding by selling the credits to investors in exchange for capital, and then making loans or investments in projects or entities located in low-income communities.

How is this funding accessed?

CDEs must make investments within 12 months of raising equity from investors. Developers work with CDEs to utilize this funding, as gap funds, along with other public and private sources. CDEs will have already identified priority projects and geographic areas where they can and will invest.[4]

Permissible projects

This credit is primarily used for business and commercial development, or neighborhood improvements. However, projects that include affordable housing can access NMTCs, as long as the funding is used to support other parts of the development outside of the housing units. Typical projects funded through this program include financing, purchasing, or rehabilitating retail, manufacturing, agriculture, community facilities, rental or for-sale housing, or various combinations of these.[5,6]

FEDERAL HISTORIC TAX CREDITS (HTC)

Federal Historic Tax Credits (HTC) are another source not specifically targeted for affordable housing development but instead created to fund the preservation and adaptive reuse of historic buildings. Historical buildings, or buildings located in historically significant districts, that are redeveloped for affordable housing can utilize these tax credits in conjunction with other affordable housing funding. Unlike the LIHTC program, Historic Tax Credits are not competitively won, they are instead qualified for through a rigorous application process.

Who manages this funding?

The HTC program is administered by the National Park Service in partnership with the Internal Revenue Service (IRS). Local State Historic Preservation Offices manage the program and qualify individual developments for receipt.

How is this funding accessed?

There is a 20 percent and 10 percent credit; 20 percent credits apply to properties listed individually on the National Register of Historic Places and the 10 percent credit applies to nonresidential buildings built before 1936. Typically, a developer would build a plan to redevelop a historic building after determining it might qualify for HTC allocation.[7]

State Historic Preservation Offices are the first point of contact and can provide information on which districts or buildings qualify for this credit. State Historic Preservation Offices also work with the developer to refer buildings that constitute a substantial rehabilitation and would qualify for the HTC to the National Park Service for certification. Once the building is certified and the rehabilitation is evaluated against the Secretary of Interior's Standards for the Treatment of Historic Properties, 20 percent Historic Tax Credits can be issued.[8] [9]

Permissible projects

Unlike the other tax credit programs, Historic Tax Credits do not specify how a property should be used. Instead, the application process filters properties out that do not fit the intended purpose of the HTC program, which is to revitalize communities through historic preservation. To receive HTC allocation properties must be listed or added to the National Register of Historic Places, the rehabilitation expense must meet a certain threshold, and the redevelopment must occur according to an approved plan while maintaining the historic character of the building.

Veterans housing example

The Milwaukee VA Soldier's Home developed by The Alexander Company in partnership with the Housing Authority of the City of Milwaukee, utilized both Federal and State Historic Tax Credits as part of their financing stack. The adaptive reuse project costs roughly $40 million and will produce 100 units of permanent supportive housing for veterans on the grounds of the Clement J. Zablocki VA Medical Center.

NCHV sat down with the development team and their partners, Historic Tax Credit experts, and the State Historic Preservation Office to discuss the project in greater detail. To learn more, check out The Road Home Podcast's episode: The Soldiers Home in Milwaukee, Wisconsin Part ***1*** **&** ***2***, available here.

BLOCK GRANTS

Block grants are awarded to both states and local jurisdictions. While these funds are also distributed to individual projects, the way a community spends block grant funding is based on a much larger assessment of community needs and housing objectives.

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

The HOME Investment Partnership Program (HOME) targets low and very-low-income households and can be used for both homeownership and rental opportunities. HOME funding can be used to serve households at or below 80% AMI; however, when this funding is used for rental purposes, 90% of the HOME assisted units must be occupied by individuals or families with incomes less than 60% AMI.

How is this funding distributed?

This block grant is typically distributed to states. However, some localities receive HOME funding, either individually or as a consortium. The funds are distributed according to a formula indicative of local housing needs, or as a $3 million minimum, whichever is greater. This funding is distributed by the U.S. Department of Housing and Urban Development.

Who manages this funding?

Local jurisdictions receive and manage this source of funding. Prior to spending HOME funds, local communities conduct a needs assessment to establish priorities and outline the most effective ways to allocate this resource. Included in this assessment are things like a description of community assets, a demographic analysis, data on rents and housing availability, an assessment of the local economy and existing infrastructure, an analysis of which neighborhoods have the most pressing community development needs and feasibility studies.

A needs assessment is part the much larger Consolidated Planning (ConPlan) process which coordinates community-wide development objectives. In addition to this assessment, local stakeholders and residents can participate in public participation periods to give input on what the community wants and needs. Community development staff complete the Consolidated Planning (ConPlan) process by penciling out a long-range plan, usually over 5-years, for community development and affordable housing.

The Consolidated Plan is broken into Annual Action Plans, which details how federal and nonfederal resources will be used to address priority needs and specific goals identified in the Consolidated Plan. The Consolidated Plan is used to manage the HOME Investment Partnership Program (HOME), the Community Development Block Grant (CDBG), and National Housing Trust Fund (HTF).[10]

HOME Investment Partnership Program (HOME)

How is this funding accessed?

The way communities choose to use this funding can be decided either by program or by project. However, only priorities outlined in the ConPlan can receive funding. States may allocate funds to local governments that do not receive their own HOME allocation to carry out projects. States may also evaluate and award individual projects throughout the state themselves. Local governments that receive HOME funding either as a direct recipient or subrecipient may choose to undertake projects themselves or award funding to applicants through a Notice of Funding Availability (NOFA). Eligible applicants for HOME funds include cities, counties, developers, tribal entities, and state-certified nonprofit Community Housing Development Organizations (CHDOs).

Permissible projects:

HOME funds can be used for homeowner rehabilitation, homebuyer activities, acquisition, rehabilitation or construction of affordable rental housing and tenant-based rental assistance. Furthermore, HOME funds can be used for site acquisition, site improvements demolition, relocation and other activities related to the construction of affordable housing. The HOME program has an established minimum and maximum award amount, and the project's required term of affordability is contingent upon how much HOME funding is received. Participating jurisdictions must provide a 25 percent match for HOME funded projects and programs.[11]

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Community Development Block Grant (CDBG) funding is a more flexible source that can be used for both affordable housing and various community or economic development activities.

How is this funding distributed?

CDBG is an annual grant to states, cities and counties through the U.S. Department of Housing and Urban Development. The grant amounts are determined in one of two ways, using U.S. Census data bed on overcrowded housing, population and poverty or using U.S. Census data based on the overall age of housing, population growth lag and poverty.[12] Smaller units of local government receive direct allocation based on population, or the state will use its allocation to grant CDBG funds to smaller units of local government and rural communities. At a minimum 70% of the funding received must be spent to improve the quality of life for low- and moderate-income households.

Who manages this funding?

States and local jurisdictions receive and manage this source of funding. Before spending CDBG funds, local communities conduct a needs assessment to establish priorities and outline the most effective ways to allocate this resource. CDBG is spent based on a community-wide needs assessment, the Consolidated Plan, and Annual Action Plans.

The Consolidated Plan is used to manage the HOME Investment Partnership Program (HOME), the Community Development Block Grant (CDBG), and National Housing Trust Fund (HTF).[13]

How is this funding accessed?

Much like HOME funding, geographic recipients choose how to administer their allocations of CDBG funding. Some state and local governments undertake projects themselves or through contracts, and some reallocate the funding through a Notice of Funding Availability (NOFA). However, projects and programs that receive CDBG funding are determined through the priorities outlined in the Consolidated Plan.[14]

Community Development Block Grant (CDBG)

Permissible projects:

CDBG can be used for a variety of community development activities including addressing blight, improving public facilities, providing public services, neighborhood revitalization and economic development. This funding can also be used for a variety of housing related activities. Eligible programs and projects related to housing include homeownership assistance, rental rehabilitation, housing services connected to the HOME program, housing improvements including lead-based paint abatement, acquisition, disposition, demolition, code enforcement and historic preservation.[15] [16]

Veterans housing example

Victory Gardens is a newly proposed affordable housing complex, being developed by the Housing Authority of the County of San Joaquin. The project is $27 million development and will include 49 units of housing for veterans. In addition to the donated land, the project has received Community Development Block Grant and HOME Investment Partnerships Program funds from the County.

NCHV spoke with the Housing Authority of the County of San Joaquin to discuss the project in greater detail. To learn more, check out The Road Home Podcast's episode: Housing Authorities and Housing Vouchers, available ***here.***

NATIONAL HOUSING TRUST FUND (HTF)

The National Housing Trust Fund (HTF) program supports the development and operation of affordable rental housing for extremely and very low-income households.

How is this funding distributed?
Unlike other HUD programs, this source is not funded through competitive appropriations. Instead, the National Housing Trust Fund is a dedicated source of funding, distributed as a block grant to states based on the volume of new business done by Fannie Mae and Freddie Mac and the housing needs of qualified renter households.

Who manages this funding?
Typically, the State Housing Finance Agency or State Department of Housing receives this allocation. The state agency also oversees distribution and decides which projects to fund through this program.

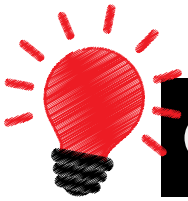
How is this funding accessed?
How states plan to spend their HTF allocations is determined through the Consolidated Planning process, which outlines each state's priority housing needs. In addition to the Consolidated Plan which outlines a state's longer-term strategy, Annual Action Plans more specifically lay out priorities year-by-year. The allocation plan will also describe how states will evaluate applications and award HTF money. A State must use at least 80 percent of each annual grant for rental housing; up to 10 percent for homeownership; and up to 10 percent for the grantee's reasonable administrative and planning costs.[17]

Housing Trust Fund assistance may be distributed as equity investments, no interest or deferred payment loans, or grants. Recipients can include owners and developers, organizations, agencies, for profit and nonprofit entities, as long as they present the ability to correctly and effectively use the HTF award. Applications are evaluated based on similar factors other federal sources use, including affordability, the project's accessibility, the population served, how long the property will remain affordable, and sustainability.

National Housing Trust Fund (HTF)

Permissible projects:

The HTF program supports the creation, acquisition, rehabilitation, preservation, and operation of permanent affordable housing. Individual units within a project, or an entire development can be funded through the HTF program. Units funded using the HTF program must remain affordable for at least 30 years. Manufactured housing, and in some cases the land where manufactured housing sits, can also be financed using the HTF program. Vacant land or demolition properties can only be financed through the HTF program if construction can start within a year. This program funding can not be used for transitional or emergency housing.



Opportunities for Action

While HOME is often used in conjunction with CDBG, two different entities may oversee this funding. Find out who controls the state allocation and if any local cities or counties receive HOME or CDBG funding. Review their current Consolidated Plan (ConPlan). Determine when the next drafting period will occur. Also review whether the current goals and priorities identified in the Consolidated Plan include veterans. If so, in what ways, and if not, why not?

Make a plan to participate in the next planning process, where you can share detailed information on what would benefit veterans in your community. Advocating for larger shares of CDBG to be used to address veteran housing shortages will look differently than advocating for HOME funds to be used in this way. Since CDBG is not solely for affordable housing, it may be more beneficial to instead share where more community resources, infrastructure improvements, or service centers might result in increased housing stability or more housing choice for veterans.

To direct funding from the Federal HTF program towards veteran housing issues, take similar steps but start by reaching out to your state and local HFAs to see how they currently manage the program.

To figure out who administers the HOME Investment Partnership Program (HOME), the Community Development Block Grant (CDBG), and National Housing Trust Fund (HTF) in your area or for your state, please visit ***this link.***

PROPERTY-BASED AND TENANT-BASED HOUSING VOUCHERS

PROPERTY-BASED AND TENANT-BASED HOUSING VOUCHERS

Property-based rental assistance, or Project-based Housing Choice Vouchers (PBV) support the long-term operational costs of affordable housing developments. **Tenant based rental assistance, or Housing Choice Vouchers (HCV),** support housing choice and long-term tenancy for those needing supplemental funding to remain stably housed. The primary difference is that project-based vouchers are attached to a unit, while tenant-based vouchers move with the individual or family.

Who manages this funding?

Both project-based and tenant-based vouchers are managed by the state or local Public Housing Authority (PHA).

How is this funding distributed?

PHAs apply for voucher funding, through a notice of funding availability, and receive yearly allocations from the U.S. Department of Housing and Urban Development to administer the program.[18]

PHAs can choose to project base up to 20% of their total voucher allocation, by including this initiation in their PHA plan. Project based vouchers are not funded, or applied for separately, the housing authority simply makes this delegation once they are initially awarded vouchers. PHAs can raise this 20% threshold to 30% if they are using project-based vouchers to provide housing for elderly, homeless, veteran, and disabled households, or units in higher opportunity areas.[19]

How is this funding accessed?

While tenant-based vouchers can be applied for by individuals, project-based vouchers are applied for by developers. Generally, 75% of all tenant-based vouchers are reserved for households at or below 30% AMI, and the remaining 25% can serve households up to 80% AMI. The PHA will specify how they plan to award project-based vouchers, in their HCV administrative plan. Developers can apply for project-based vouchers through a NOFA posted by the PHA.

How do vouchers work?

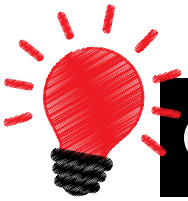
Tenant based vouchers are awarded to individuals or families and cover the difference between the total rent amount and the tenant's payment, which is typically 30% of their income. Where tenants move is usually determined by what they can afford, since the voucher amount sets the max rent price. When the tenant moves, the voucher moves with them.[20]

PROPERTY-BASED AND TENANT-BASED HOUSING VOUCHERS

Project based vouchers work similarly, in that tenants still pay a portion of their income to rent and the voucher covers the difference. However, contractually project-based vouchers are tied to a unit, so that the rent is always supplemented whether someone occupies the unit or not. Additionally, tenants may turnover, but the voucher never moves from the unit, so that more households may be served by that same supplemental rent payment.

In addition, there are also project-based HUD VASH vouchers and Tenant-based HUD VASH vouchers, which are only available to veterans. These vouchers are similar to Housing Choice Vouchers, except that they are co-managed by the Public Housing Authority and the local VA medical center. HUD VASH vouchers are unique in that they not only offer housing support but combine case management and supportive services for the tenants enrolled.

Not all communities manage HUD VASH vouchers along with Housing Choice Vouchers, additionally not all communities that operate HUD VASH offer a project-based portion of vouchers.



Opportunities for Action

If your housing authority receives and operates Housing Choice Vouchers but does not operate the HUD VASH program, it's time to figure out why. PHAs can apply for both mainstream and special-purpose housing vouchers, if they feel is within their capacity to manage the various types. Additionally, there must be a VA medical center campus that can and is willing to deliver case management services for HUD VASH recipients. If you work to create a relationship with both entities in your community, you can also facilitate further consideration on this issue.

Having the PHA and local VAMC undertake managing tenant-based HUD VASH vouchers, also opens the door to adding project-based HUD VASH in your community. The PHA making project-based HUD VASH available will directly result in more affordable and supportive units for veterans.

PROPERTY-BASED AND TENANT-BASED HOUSING VOUCHERS

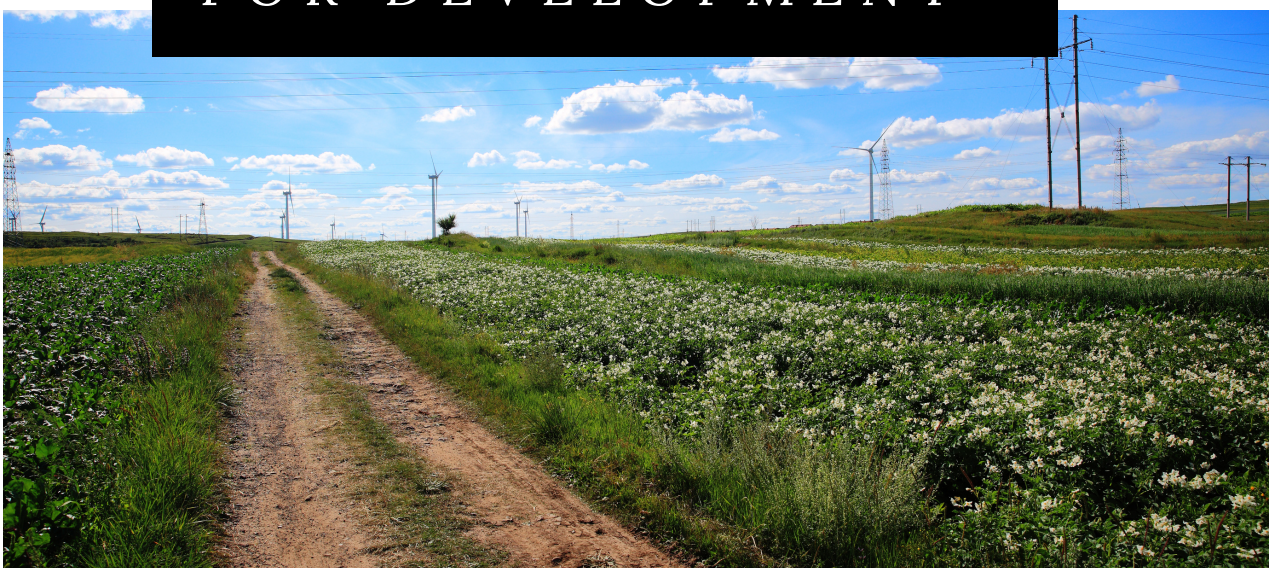
While managing the mainstream HCV program, housing authorities can add a preference for veterans. This results in shorter wait times, quicker housing placements and a priority for veterans as this limited resource becomes available. This opens the opportunity for housing veterans who do not qualify for HUD VASH. Work to build a relationship with your housing authority, present concerns for veterans in your community, and voice why veterans should be given preference for this and other mainstream housing programs.

Veterans housing example

Dunlap Pointe is a campus-style permanent supportive housing development, which was developed by Native American Connections in Phoenix Arizona. The project costs $24 million and consists of 54 units with a preference for formerly homeless Native American Veterans. This property utilized Low Income Housing Tax Credits and National Housing Trust Fund dollars allocated through the Arizona Department of Housing. This funding was paired with several others including a project-based HUD VASH voucher allocation and support from The Home Depot Foundation.

NCHV sat down with the developer, Native American Connections, and the Arizona Department of Housing to discuss the project in greater detail. To learn more, check out The Road Home Podcast's episodes: Dunlap Pointe: Campus Style PSH & Funding Supportive Housing in Arizona, available ***here.***

GEOGRAPHIC SPECIFIC FUNDING FOR DEVELOPMENT



There are additional sources of funding available specifically for rural and tribal communities. For rural communities, the **USDA Rural Development** programs cover both single family and multifamily housing development and preservation, in addition to providing rental assistance for multifamily projects.[21] In tribal communities, the **Indian Housing Block Grant (IHBG)** program provides formula grants for a range of affordable housing activates on Indian reservations and Indian areas.[22]

Rural Housing Service Programs support a variety of housing initiatives for communities that fall outside of urban and suburban markets.

USDA RURAL DEVELOPMENT

The USDA Rural Rental Housing Programs for multifamily housing include loans, grants, guarantees, rental assistance, or financing for loan restructuring. These programs are targeted to low- and moderate-income households as well as farmworkers.

How is this funding accessed?

Financing available through the USDA Rural Development programs for multifamily housing are applied for through an Annual Notice of Funding Availability (NOFA) posted in the Federal Register. Qualified applicants for the various funding sources are unique to the program. For example, Multi-family Housing Direct Loans can be applied for by a range of applicants who but for the loan could not develop affordable housing using a commercial loan. However, the Multi-family Housing Rental Assistance program can only be applied for in conjunction with new construction financing applications. Similarly, Revitalization Demonstration Loans and Grants can only be applied for by existing Rural Rental Housing and Off-Farm Labor Housing project owners.[23]

Permissible Projects

For Multi-family Housing Direct Loans admissible projects include new constriction, acquisition, and rehabilitation of housing for low-income, elderly and disabled households. This loan can also be used to buy and improve land or develop infrastructure for housing.[24] Multi-family Housing Loan Guarantees may also be used on similar projects and in similar ways. The USDA Rural Development Multi-family Housing Rental Assistance works like other forms of tenant assistance, in that payments are made to property owners to offset tenant responsibilities and pay property operational expenses.[25]

USDA RURAL DEVELOPMENT

USDA Rural Development single-family programs offer loans and loan guarantees to buy, rehabilitate, repair and refinance homes. One major difference between these programs and the multifamily programs, is that qualified individuals or organizations can apply for single-family financing year-round.

Single Family Housing Direct Home Loans and Single Family Housing Repair Loans and Grants work in similar ways. Financing under these programs can be used to buy and repair housing but are all subject to income limitations. Grants under the Single Family Housing Repair Loans and Grants program can also be used to modernize homes or make homes accessible. Through the USDA Rural Housing Site Loan program, private organizations and nonprofits can purchase and develop housing sites for low- and moderate-income families. Mutual Self-Help Housing Technical Assistance Grants provide funding to organizations to help them carry out local self-help housing construction projects.[26] These projects allow organizations to offer technical assistance to groups of very-low- and low-income individuals and families as they construct their own homes.[27]

*Questions about available multifamily programs and eligibility can be answered by local USDA RD offices, find yours **here.** Applications for the single-family programs are accepted by these local offices year-round.*

Veterans housing example

NCHV sat down with the Housing Assistance Council (HAC) to talk about rural housing for veterans. The Housing Assistance Council (HAC) is a national nonprofit organization that helps build homes and communities across rural America. Through its various services and products, HAC works with organizations in rural communities to help ensure that they have the funding, technical knowledge, training and information they need. To learn more, check out The Road Home Podcast's episode: Rural Housing for Veterans-Partnerships and Funding, available **here.**

INDIAN HOUSING BLOCK GRANT (IHBG)

The Indian Housing Block Grant (IHBG) program can be utilized by Indian tribes or tribally designated housing entities (TDHEs) for affordable housing activities that benefit low-income Indian families.

How is this funding distributed?

The IHBG program is distributed as a single block grant by the U.S. Department of Housing and Urban Development, through the Office of Public and Indian Housing. Yearly allocations are made using a needs-based formula.

How is this funding accessed?

Each year for qualifying tribes and TDHEs to receive this funding they must submit an Indian Housing Plan (IHP) and complete an Annual Performance Report (APR). These are submitted electronically through HUDs Emergency Performance and Information Center (EPIC) or physically through the local Office of Native American Programs (ONAPs). These are used for HUD's review of compliance to determine how the recipient plans to use the grant and achieve outlined housing goals through the grant period.[28]

If tribal communities or their housing partners have questions about accessing this funding or how to verify eligibility, they should contact the appropriate Area ONAP office, ***here.*** [29]

Permissible Projects

A range of affordable housing activities are eligible, including housing development, assistance to units previously developed under the Indian Housing Program, and funding management services for affordable housing. Also, eligible are general activities related to housing security and stability like providing housing services, safety and other housing activities determined by the tribe.[30]

THE NATIVE HAWAIIAN HOUSING BLOCK GRANT (NHHBG) PROGRAM

The Native Hawaiian Housing Block Grant (NHHBG) Program provides funding for affordable housing activities for low-income native Hawaiians eligible to reside on Hawaiian home lands. This funding is administered by HUD's Office of Native American Programs.[31]

How is this funding distributed?

The Hawaii State Department of Hawaiian Home Lands (DHHL) is the sole recipient of NHHBG funds. Prior to receiving funds, DHHL must submit an annual Native Hawaiian Housing Plan to HUD for review. This plan includes a variety of affordable housing activities identified by DHHL as critically needed to address the housing needs of native Hawaiians throughout the state. The funding DHHL receives under this program is in direct response to this plan and covers activities outlined in this plan.[32]

How is this funding accessed?

Bringing identified housing needs to the attention of DHHL is the best way to have projects considered through this program. Projects are identified internally, however past annual Native Hawaiian Housing Plans have included serving Native Hawaiians experiencing homelessness, families living in overcrowded housing, seniors, individuals with disabilities and low-income renters ready for homeownership. DHHL currently partners with housing agencies and organizations, both for subject matter meetings and through formal MOUs to carry out projects.[33]

Permissible Projects

NHHBG funds can be used for new construction, rehabilitation, acquisition, infrastructure and various supportive services. Projects can include either rental or homeowner housing. DHHL has used NHHBG funds to provide housing services including homeownership counseling, and technical assistance to prepare low-income families for purchase and ownership.[34]

For more information on this Native Hawaiian Program, contact a native Hawaiian Program Specialist in the HUD Honolulu Field Office. Contact information can be found through ***this website.***

SOURCES

1. https://www.localhousingsolutions.org/fund/federal-funding-for-affordable-housing/
2. https://www.cdfifund.gov/programs-training/programs/new-markets-tax-credit
3. https://www.taxpolicycenter.org/briefing-book/what-new-markets-tax-credit-and-how-does-it-work
4. https://en.wikipedia.org/wiki/New_Markets_Tax_Credit_Program
5. https://www.taxpolicycenter.org/briefing-book/what-new-markets-tax-credit-and-how-does-it-work
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7. http://historiccredit.com/about/the-historic-tax-credit/
8. https://www.nps.gov/tps/tax-incentives/before-you-apply.htm
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12. https://files.hudexchange.info/resources/documents/HOME-CDBGGuidebook.pdf
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