

**U.S. Department of Housing and Urban Development (HUD)
Indian Housing Block Grant Formula Negotiated Rulemaking Committee**

**Session 3
April 25, 2014**

The session started with an opening prayer.

Welcome and Overview of Day 3

HUD has not made a final decision about how often they will update the ACS data. Since HUD uses five year averages of ACS data, they are considering the option of waiting for a new cycle of five-year data, that is, they would purchase a new tabulation every five years.

The committee went on record that they will look at different data sets. Group members will tell their work group chair if they have a data set they want to present so they can get on the agenda. Then work groups will develop recommendations on alternative data sets and present them to the full committee.

The group established the rule that any member of the committee can call a caucus at any time. The group decided to modify the agenda and reconvene as a full committee after lunch, at 1:30 pm, to check in with each other.

The committee agreed that work group meetings will continue today at least until the scheduled end time, 5:15 pm, although some committee members will be leaving early. They can use an alternate in place of committee members who leave. A committee member asked to continue work groups into the evening if they take time to caucus in the afternoon. HUD stated that the rooms are available until 11:59 pm tonight.

The committee broke into work groups at 9:15 am. They returned to the full committee after lunch. Committee members stressed the importance of regional caucuses to get the views of others in their region before making decisions. Since none of the committee members wanted to caucus, the committee broke into work groups and agreed to return at 3:20 pm for work group reports and public comments.

Work Group Reports

FCAS Work Group

Demolition of units: The drafting work group developed language and, after extensive discussion, the work group finalized proposed language for a new 1000.318(d).

DOFA + 25: The group discussed how long a tribe can receive money for a unit. They discussed the idea of certification to HUD that conveyance will be completed in a certain

time frame. They are still working on this issue. The group is looking at HUD information on reasons for non-conveyance broken into categories (see TA Request 14). The work group agreed to have a subgroup look at the list of issues for non-conveyance from HUD, and teleconference work on the issue before the next Negotiated Rulemaking session.

FCAS factors and definitions: The group discussed this issue and HUD presented the mechanics of the FCAS formula with a focus on local cost adjustment factors. They discussed AEL, FMR and TDC. HUD provided the committee with a study of these factors that was done in 2008. The committee will review the information about AEL and FMR.

Data challenge procedures: The group will look at FCAS, FMR and TDC (see TA Request 8). Tribes are not allowed to challenge AEL or the inflation factor. The work group will look at the HUD document on current challenges to FMR and TDC.

Needs Work Group

The Needs work group collected commentary about data sets in general and ACS specifically. They found a 2001 document comparing data set pros and cons which was very helpful. However, the document did not include ACS because ACS hadn't been developed yet. The group will look at all available data sets.

The group discussed the simulation and instituting a "hold harmless" of some sort. They are exploring what it could look like. They want to figure out what they can do to mitigate outcomes for tribes with the greatest losses.

The Needs work group also discussed how to improve the data since they are not perfect. They suggested two partnerships: work more strongly with census, and work more strongly with tribes.

The Needs group made five TA requests (Requests 9-13). TA requests can be found at:

<http://ihbgrulemaking.firstpic.org/index.php/documents-menu/ta-requests>

The Needs group want to be notified by email when their TA requests are completed and available on the website.

Public Comment

Elena Bassett, Yakama Nation Housing Authority, said that her Tribe would have a big reduction in funding if HUD uses the ACS data, and that a very small tribe in their area would receive \$77,000 less. She feels more at ease given the work of the Needs group. She will fight to prevent tribes from losing money,

Logistics for Future Meetings

HUD wants to have a fourth Negotiated Rulemaking session in June, tentatively during the week of June 8. The meeting would be held in the Southwest, possibly in Phoenix. They are still working on finalizing the dates and location, but there is a strong possibility it will happen

The next scheduled session is July 29-31 in Denver. HUD is trying to find the money to fund an August meeting as well. HUD will send out information on how to book hotel rooms.

Overall, HUD has budgeted for six sessions, and they would like to have eight. The number of sessions will depend on the budget. They encourage the group to meet in June, July, and August. If all three of these sessions are held, the group will have completed six Negotiated Rulemaking sessions.

Other Business

According to the protocols and charters, the committee needs to select co-chairs after every meeting. It was recommended and passed that the committee keep the current co-chairs.

Committee members want to be notified when documents are uploaded to the website. It was determined that, starting on April 28, committee members will be notified when new documents are up on the website. The website is:

<http://ihbgrulemaking.firstpic.org/>

Committee members can check for new documents by date.

The session ended with a closing prayer.