



**U. S. Department of Housing and Urban Development
Public and Indian Housing**

Special Attention of:

Tribes,
Tribally Designated
Housing Entities, and
Office of Native American
Programs Administrators

Notice PIH 2011-23 (HA)

Issued: April 28, 2011

Expires: April 30, 2012

Cross Reference(s):
24 CFR Part 1000
NAHASDA
PIH Notice 2009-50 (ONAP)

Subject: Indian Housing Plan/Annual Performance Report Form – Form HUD-52737

- 1. Purpose:** The purpose of this Notice is to inform tribes and tribally designated housing entities (TDHE) of the new combined Indian Housing Plan/Annual Performance Report (IHP/APR) form that will replace the individual IHP (HUD-52735) and APR (HUD-52735-AS) forms beginning in Federal Fiscal Year (FFY) 2012 for the Indian Housing Block Grant (IHBG) program. Grants funded under the American Recovery and Reinvestment Act of 2009 (ARRA) are excluded from this Notice (see page 6, paragraph 16).
- 2. Background:** Each recipient of funding under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) must submit a compliant IHP prior to grant award. In addition, each recipient of IHBG funding must report to the Office of Native American Programs (ONAP) annually outlining program accomplishments for each individual grant award.

During a consultation session held in St. Paul, Minnesota, in July 2001, tribes recommended that the IHP and APR be revised to combine all information into one form and change reporting from a grant-based to a program year-based system. In response to this recommendation from tribes, HUD held eight tribal consultation meetings throughout the country from January to May 2005 to solicit comments and recommendations on the existing IHP and APR. Once all comments were received from the consultation sessions, a tribal workgroup was established consisting of 12 tribal representatives selected by their respective Regional Housing Associations to work with HUD staff to incorporate the suggestions

gathered at the tribal consultations into a revised form. The draft IHP/APR was presented to tribal leaders at HUD's Native American Homeownership Summit in September 2005 and at the National American Indian Housing Council Convention in May 2007 and May 2009.

On February 11, 2008, ONAP sent a letter to tribal leaders and TDHEs providing a copy of the proposed changes to the IHP and APR forms. The letter requested feedback on the forms. The Negotiated Rulemaking Committee, established to implement the statutory revisions to NAHASDA, was consulted regarding the draft form during the negotiated rulemaking sessions conducted last year. Comments and feedback were gathered and final revisions were made to the draft form.

3. **Impact of Statutory Changes:** On October 14, 2008, the Native American Housing Assistance and Self-Determination Reauthorization Act of 2008 (Public Law 110-411) (NRA) became law. The NRA amended several provisions in section 102 of NAHASDA related to the IHP and section 404 related to the APR. On December 3, 2009, HUD issued PIH Notice 2009-50 (ONAP). The purpose of that Notice was to provide information on how HUD would address the amendments made to NAHASDA by the NRA. This PIH Notice will provide additional information on the cumulative changes to the IHP and APR processes triggered by the NRA including the following:
 - **Title I, Section 102(a)(1)(A)** – Revised IHP Due Date;
 - **Title I, Section 102(b)** – Removal of 5-Year Plan and Revised 1-Year Plan;
 - **Title I, Section 103(d)** – Fiscal Year Changed to Tribal Program Year; and
 - **Title IV, Section 404(b)** – Revised APR Requirements.

4. **Major Changes to the IHP and APR Processes:** The following major changes are being made in connection with the implementation of the new IHP/APR form:
 - The IHP and APR forms are now combined into one form;
 - Many items no longer required by statute have been eliminated;
 - Instead of planning and reporting for each open grant, the new process calls for one plan and one report for the 12-month program year;
 - A comprehensive listing of eligible activities and proposed outcomes are included on the form; and
 - Program results will be collected in a standardized manner to facilitate reporting of accomplishments under NAHASDA.

5. **Transitional Period - IHP:** Grant recipients will begin using the new IHP/APR form for the program year starting October 1, 2011. This means that all IHPs for FFY 2011 will be due no later than July 1, 2011, and will use the old form, HUD-52735. All IHPs submitted after that will be for FFY 2012 and will be on the new form and will be required to meet the new statutory due date. **IHPs will be due no later than 75 days prior to each grantee's program year start** (see Title I, Section 102(a)(1)(A) of NAHASDA (as amended)).

The following chart includes IHP submission deadlines for each calendar quarter of Federal Fiscal Year (FFY) 2012 (October 1, 2011 – September 30, 2012). The submission deadline for each grantee will depend on the start of their respective program year. If the IHP submission deadline falls on a weekend or holiday, the IHP will be due on the working day immediately after the weekend or holiday.

Recipient Program Year Beginning	IHP Submission Deadline
October 1, 2011	July 18, 2011
January 1, 2012	October 18, 2011
April 1, 2012	January 17, 2012
July 1, 2012	April 17, 2012

Waiver of IHP Submission Deadline: IHPs must be submitted no later than 75 days prior to each recipient's program year start. The chart provided above indicates when each IHP is due by calendar quarter. Title I, Section 101(b)(2) of NAHASDA (as amended), provides authority for HUD to waive the requirements of Section 101(b)(1) for up to 90 days if the Secretary determines that an Indian tribe has not complied with, or is unable to comply with, the requirements due to exigent circumstances beyond the control of the Indian tribe. Section 101(b)(1) is the requirement for IHP submission.

Requests for waiver of the deadline for IHP submission should be submitted to the appropriate Area ONAP. The waiver request can be submitted at any time before or after the IHP submission deadline; however, an extension may only be granted for up to 90 days after the original deadline. For example, a grantee that has an IHP due on July 18, 2011, (for program year beginning October 1, 2011) may submit the request prior to or after July 18th but the waiver of the submission due date can only be approved for up to 90 days after the original due date, or until October 16, 2011. In addition, grantees should indicate that a waiver of the due date has been requested in Section 16 of the IHP/APR form when it is submitted.

6. **Grant Amount:** Grant recipients with a program year beginning October 1, 2011, can use their FFY 2011 grant amount as an estimate of their FFY 2012 grant amount if the IHP is submitted prior to the issuance of the FFY 2012 estimates which are mailed on August 1, 2011. All other grant recipients should use the estimate that is issued in August until the final grant amounts are available. If the actual grant amount is different than the estimated amount and an IHP amendment is required in accordance with 24 CFR § 1000.232, an amended IHP must be submitted. Any other changes can be reflected in the APR submission. To amend the IHP, the grant recipient should only submit the Cover Page and the two page amendment (sections 1 and 2 of the IHP/APR).
7. **Transitional Period - APR:** The transitional period for submitting APRs using the new IHP/APR form (HUD-52737) will begin with the APRs that are due for grant recipients whose program year **ends September 30, 2012**. APRs for the calendar quarters ending September 30, 2011, through June 30, 2012, must be submitted using the old APR form (HUD-52735-AS) because the old IHP form (HUD-52735) was in use for this period. APR

due dates have not changed; therefore, APRs will continue to be due 90 days after the grantee's program year ends. APR information will be reported on the same form as the corresponding IHP information for each program year (if the old IHP form was used then the old APR form should be used).

- 8. Single Grant Numbering System:** In conjunction with the implementation of the new IHP/APR form, grant numbers will no longer change from year-to-year. Starting with grant recipients whose program year begins October 1, 2011, a single grant number beginning with the digits "55" (rather than "09", "10", etc.) will replace the traditional IHBG numbering system. Any grants with undisbursed amounts in the Line of Credit Control System (LOCCS) at the time of transition will be rolled into the new grant number. For instance, if a grantee has funds remaining in both its FFY 2010 and 2011 grants at the time of transition, these amounts will be combined into a single grant amount under a single grant number. Subsequently awarded IHBG funds will be added under the same grant number in LOCCS. LOCCS will automatically disburse the oldest funds first.
- 9. LOCCS Transition:** In order to complete the transition from multiple to single grant tracking in LOCCS, as described above, LOCCS access will be briefly interrupted at the beginning of each calendar quarter of FFY 2012 for affected IHBG recipients. Therefore, affected grant recipients are encouraged to draw down enough funds to cover anticipated expenses for up to **three weeks** after the beginning of their program year. For instance, if a grantee's program year begins on October 1, 2011, it is recommended that a LOCCS drawdown be made by **September 24, 2011**, in an amount that will cover anticipated expenses through **October 15, 2011**. This will **only affect** those grantees that are transitioning to the new single grant numbering system within that calendar quarter.

Once the transition is complete, no further interruptions in LOCCS access are anticipated. Due to the unusual circumstances, the 3-day rule for disbursing funds drawn down from LOCCS will be temporarily suspended for those grantees affected by an interruption in LOCCS access as a result of this programmatic change.

- 10. Prior Grant Closeouts:** Beginning with APRs that are due by **December 30, 2011**, and extending through APRs that are due by **September 30, 2012**, (all of which will be submitted on form HUD-52735-AS), each open IHBG will be closed. Any unexpended grant amounts at the end of the grantee's previous program year should have already been included as carryover funding on the first IHP/APR form submitted for the upcoming program year. Previous grant activities that have yet to be completed may also be included on the first IHP/APR form.

For instance, a grantee with a program year ending September 30, 2011, will submit an APR using the old form on or before December 30, 2011. Any open grants as of September 30, 2011, will be closed with that APR. Any carryover funding from all open grants as of September 30, 2011, will be budgeted on the new IHP/APR form for the program year that began October 1, 2011. Thereafter, IHBGs will not be closed out. Subsequent IHBG

funding will be added to the existing single grant number and the oldest funds will be disbursed first.

11. Special Instructions for Final APR (HUD-52735-AS): As mentioned in the previous paragraph, all open IHBG's will be closed with the submission of the final HUD-52735-AS. Therefore, the following special instructions are provided for completion of Part I of the final APR using the old form:

- Check “yes” to the question, “Is this the final APR for this grant?”
- For each goal, indicate whether it was fully accomplished, partially accomplished or will not be accomplished. For those goals that are partially accomplished, indicate whether or not the uncompleted activities associated with the goal have been/will be included on the IHP/APR form for the current or a future program year.
- Questions 2 and 3 related to the 5 year goals and objectives are no longer applicable.

With the exception of the special instructions listed above, the final HUD-52735-AS should be completed as normal.

12. Spending Caps: At present, there are two spending caps associated with the use of IHBG funds. The first is a cap on the percentage of grant funds that may be used for administrative and planning expenses set at 20 percent (see 24 CFR § 1000.238). The second is a cap on the percentage of grant funds that may be used to assist families whose incomes fall within 80 to 100 percent of the median without prior HUD approval set at 10 percent (see 24 CFR § 1000.110). Currently, these caps are based on the annual grant amount awarded to each recipient and are tracked separately by grant number/amount.

Under the new system, it is possible that more than one year's worth of grant funding may be budgeted and tracked together on a 12-month program year basis. In order to accommodate this transition, these caps will be evaluated based on the total amount of grant funds that the recipient received for the FFY. For instance, if a recipient receives an FY 2012 IHBG grant of \$200,000 then the caps will be evaluated against that amount. In this case, administrative and planning expenses would be capped at \$40,000 ($\$200,000 \times .20$) for the recipient's upcoming program year and the use of grant funds to assist families whose incomes fall within 80 to 100 percent of the median without prior HUD approval would be capped at \$20,000 ($\$200,000 \times .10$) for the upcoming program year. An explanation should be provided on the IHP/APR form if either of the spending caps will be exceeded and additional documentation may be requested. This may simply involve identifying previous year grants where the caps have not yet been reached.

Note: The Negotiated Rulemaking Committee established to implement the statutory revision to NAHASDA has proposed revisions to the regulations at 24 CFR § 1000.238 affecting the cap on administrative expenses. The proposed revisions have not been finalized and are not in effect. Grantees must comply with the 20% limitation or request approval from HUD for a higher percentage.

- 13. IHP/APR Format:** The IHP/APR form for FFY 2012 (program years beginning October 1, 2011, through July 1, 2012) will be in a fillable word format. For FFY 2013 and thereafter, the IHP/APR form, in addition to being fillable, will be partially automated with certain drop down boxes for ease of completion.
- 14. Location of Form and Instructions:** The IHP/APR form and instructions are located at: http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/hudclips/forms
- 15. IHP/APR Form Training:** A series of training opportunities are being provided on the IHP/APR form and instructions with at least one session being held in each region over the fiscal year. These trainings will be marketed by the Area ONAPs and registration for the training sessions is available at <http://registration.firstpic.org>.
- 16. Effect on American Recovery and Reinvestment Act (ARRA) Grants:** Grants awarded under ARRA must be excluded from the processes described in this Notice. ARRA grantees will continue to use the stand alone APR, HUD-52735-AS, to report accomplishments and closeout grants.
- 17. Records Retention:** The records retention requirements provided at 24 CFR § 1000.552 remain in effect for the new IHP/APR form.
- 18. Paperwork Reduction Act:** The information collection requirement contained in this notice has been approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. §§ 3501-3520), and has been assigned OMB control number 2577-0218. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.
- 19. Additional Guidance:** Contact your Area ONAP if you have any questions.

/s/
Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing

Attachment:
Form HUD-52737