



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 8, 2018

H.R. 3864
Native American Housing Assistance and Self-Determination
Reauthorization Act of 2017

*As ordered reported by the House Committee on Financial Services
on December 13, 2017*

SUMMARY

H.R. 3864 would reauthorize the Native American Housing Block Grant (NAHBG) and loan guarantee programs through fiscal year 2022. In addition, the bill would authorize the Department of Housing and Urban Development (HUD) to make new grants in 2018 under the Tribal HUD-VA Supportive Housing (Tribal HUD-VASH) program, which is jointly operated by HUD and the Department of Veterans Affairs (VA). CBO estimates that implementing H.R. 3864 would cost about \$2.7 billion over the 2018-2022 period, assuming appropriation of the necessary amounts.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 3864 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3864 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 3864 is shown in the following table. The costs of this legislation fall within budget functions 600 (income security) and 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					2018- 2022
	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Native American Housing Block Grants						
Authorization Level	650	650	650	650	650	3,250
Estimated Outlays	241	462	585	663	715	2,665
Loan Guarantees for Indian Housing						
Authorization Level	12	12	12	12	12	61
Estimated Outlays	12	12	12	12	12	61
Demonstration Program						
Estimated Authorization Level	1	1	1	1	1	6
Estimated Outlays	1	1	1	1	1	6
Housing for Native American Veterans						
Estimated Authorization Level	0	0	0	0	0	0
Estimated Outlays	-2	*	*	1	1	*
Lands Title Report Commission						
Estimated Authorization Level	1	*	0	0	0	1
Estimated Outlays	1	*	0	0	0	1
Total Changes						
Estimated Authorization Level	664	664	663	663	663	3,318
Estimated Outlays	253	475	599	677	729	2,732

Components may not sum to totals because of rounding; * = between -\$500,000 and \$500,000.

BASIS OF ESTIMATE

CBO estimates that implementing H.R. 3864 would cost about \$2.7 billion over the next five years, assuming appropriation of the necessary funds. For this estimate, CBO assumes that H.R. 3864 will be enacted near the end of fiscal year 2018 and that appropriated funds will be spent at historical rates for the affected programs.

Native American Housing Block Grants

Section 301 would authorize the appropriation of \$650 million annually over the 2018-2022 period for the NAHBG program, which provides funding for tribes to acquire, construct, rehabilitate, or manage affordable housing for Native American families with low incomes. In 2017, the Congress appropriated \$654 million for the program. CBO

estimates that implementing this section would cost \$2.7 billion over the 2018-2022 period.

Loan Guarantees for Indian Housing

Section 502 would authorize the appropriation of a little more than \$12 million annually through 2022 to guarantee loans to Native American families and tribes to construct, acquire, or rehabilitate homes located on tribal land. In 2017, the Congress appropriated \$7 million for the program. CBO estimates that implementing this section would cost \$61 million over the 2018-2022 period.

Demonstration Program

Section 701 would authorize a demonstration program for tribes to form partnerships with other entities to assess the need for and to develop housing. Tribes could pledge NAHBG funds to provide a return on investment to investors. Using information from HUD about the staff time required to carry out similar programs, CBO estimates that the equivalent of seven employees would be needed each year over the 2018-2022 period to review tribal plans for implementing partnerships, audit compliance with the plans, and report to the Congress on the effectiveness of the demonstration program. Based on average personnel costs of \$160,000 per employee and accounting for anticipated inflation, CBO estimates that the personnel costs would be about \$6 million over the 2018-2022 period.

Housing for Native American Veterans

The Tribal HUD-VASH program provides rental assistance to Native American veterans who are homeless or at risk of homelessness. Section 501 would require HUD to allocate 5 percent of the funds made available for the HUD-VASH program to the Tribal HUD-VASH program. On an annualized basis, \$40 million was appropriated for the HUD-VASH program in 2018; therefore, CBO estimates that HUD would allocate \$2 million in 2018 to make new tribal grants. No appropriations are authorized for the underlying HUD-VASH program after 2018, so CBO does not estimate any funding for new grants in those years. Based on information from HUD about the pace of spending in the HUD-VASH and Tribal HUD-VASH programs, CBO estimates that enacting H.R. 3864 would not significantly affect the federal budget.

Lands Title Report Commission

Section 601 would establish a commission to analyze and create a plan to improve the system the Department of the Interior uses for maintaining land ownership records and title documents related to Indian trusts. The commission would consist of 12 members.

Members would serve without pay but would be reimbursed for travel expenses. The bill would authorize the commission to hold hearings, hire staff, and collect information from federal agencies. The commission would submit a final report to the Congress within one year of its initial meeting.

Based on the cost of similar commissions, CBO estimates that implementing section 601 would require about three employees. This estimate reflects the staff time and other resources necessary to convene the commission, support its mission, and prepare the final report. CBO estimates that the total costs would be about \$1 million over the 2018-2022 period; that spending would be subject to the availability of appropriated funds.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 3864 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

MANDATES

H.R. 3864 contains no intergovernmental or private-sector mandates as defined in UMRA. Grants authorized in the bill would benefit tribal governments that participate in housing assistance programs. Any costs those governments bore to comply with grant conditions would be incurred voluntarily.

ESTIMATE PREPARED BY

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