

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Native American Programs¹

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental / Rescission	Total Resources	Obligations	Outlays
2019 Appropriation	755,000	123,790 ^b	-	878,790	663,268	657,017
2020 Appropriation	825,000	215,522 ^b	-	1,040,522	928,000	641,000
2021 President's Budget	600,000	112,522	-	712,522	702,000	685,000
Change from 2020	(225,000)	(103,000)	-	(328,000)	(226,000)	44,000

a/ The table above reflects only discretionary budget authority; mandatory authority for upward credit re-estimates is excluded.

b/ In 2019, and 2020 \$1 million was transferred each year to the Salaries and Expenses account for necessary cost of administering and over-seeing the obligation and expenditure of the additional amount authorized for the Native American Housing Block Grants program.

PROGRAM PURPOSE

The three programs funded under this account are the Indian Housing Block Grant (IHBG) program, the Federal Guarantees for Financing Tribal Housing Activities program, also known as the Title VI Loan Guarantee program, and the Indian Community Development Block Grant (ICDBG) program. The IHBG program funds a wide range of affordable housing activities in Indian Country. The Title VI Loan Guarantee program assists IHBG recipients to finance affordable housing construction and related community development. The ICDBG program provides competitive grants to American Indian and Alaska Native Communities to help develop decent housing, a suitable living environment, and economic opportunities, primarily for low- and moderate-income persons.

BUDGET OVERVIEW

The 2021 President's Budget requests \$600 million for the IHBG program, which is \$225 million less than the 2020 enacted level. The IHBG program is the principal means by which the United States fulfills its trust obligations to low-income American Indian and Alaska Natives by providing them with resources for safe, decent, and sanitary housing. Eligible IHBG recipients are federally recognized, Indian tribes, and tribally designated housing entities (TDHEs), and a limited number of State-recognized Indian tribes. The request does not include funding for training and technical assistance for Indian tribes within this account. Instead, technical assistance and training will be provided in fiscal year 2019 through the Department's Research and Technology account.

While the 2021 request does not include funding for Title VI Loan Guarantee subsidy, it includes up to \$30 million in loan commitment authority which will be utilized against remaining unobligated credit subsidy provided in prior years. The Title VI Loan Guarantee program encourages private

¹ In the 2020 Enacted, Congress changed the title of the "Native American Housing Block Grants" account to "Native American Programs" and included funding for the Indian Community Development Program in this account for the first time. The account title in the 2021 President's Budget was revised this year to align with this new account structure for purposes of consistency with the 2020 Enacted.

lenders to finance tribal housing development activities. An Indian tribe or TDHE pledges a share of its IHBG grant as security to leverage critical private financing to fund large-scale housing projects.

Similar to budget requests from recent years, the 2021 President's Budget requests no funding for the ICDBG program as it duplicates, in part, HUD's larger IHBG program and other Federal programs.

JUSTIFICATION

The IHBG program is the single largest source of funding for housing in Indian Country, where safe, decent, and affordable housing is desperately needed. Flexibility inherent in this self-determination program enables Indian tribes to design, develop, and operate their own affordable housing programs based on local needs and customs. IHBG funds can be leveraged and used as a catalyst for community and economic development. The program substantially contributes to stabilizing communities and building healthy economies within American Indian and Alaska Native communities, many of which are in rural areas. Grants are awarded annually and are based on a formula. During the last decade, individual grants have ranged in size from about \$50,000 to about \$94 million, with a median grant of about \$269,000.

The IHBG formula allocation, developed in consultation with Indian tribes under statutorily mandated negotiated rulemaking, is based on need and the number of existing housing units that were funded under the U.S. Housing Act of 1937 (before the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) was enacted). Need is calculated using several weighted factors, such as the local population's income levels, condition of existing housing, and level of local housing costs.

Since the inception of the IHBG program, recipients have built or acquired almost 41,000 affordable housing units and rehabilitated nearly 97,000 units. In fiscal year 2019, IHBG funds were used to build or acquire over 520 affordable housing units and substantially rehabilitate nearly 3,640 units. Additionally, Indian tribes used IHBG funds to operate, maintain, and renovate over 39,500 units originally developed under the U.S. Housing Act of 1937. Since 2013, the program has also helped more than 4,500 families become homeowners by funding such costs as down payment assistance and closing costs.

Federal investment in the IHBG program is critical to ensure the health and safety of tribal communities. In January 2017, HUD published *Housing Needs of American Indians and Alaska Natives in Tribal Areas*², a report was based on the results of the most comprehensive, national study of housing needs in Indian Country conducted since the enactment of NAHASDA. The study found that the physical housing problems for Indian households in tribal areas are much more severe than for U.S. households on average. It estimated that between 42,000 and 85,000 Native Americans are "doubled up." This means they are living with family or friends because they have no place else to stay and would otherwise be staying in a homeless shelter, a place not meant for human habitation, or living on the streets. In tribal areas, homelessness often translates into overcrowding, and 68,000 units of new affordable housing are needed to replace substandard or overcrowded units. With few exceptions, American Indian and Alaska Native communities rank below other groups when comparing statistical indicators of social and economic well-being, including poverty rates.

The 2017 study also found that, under NAHASDA, Indian tribes have matched or exceeded the previous rate of assisted housing production that was accomplished under predecessor HUD

² *Housing Needs of American Indians and Alaska Natives in Tribal Areas*, (<https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>)

programs (before 1998). Tribal leaders and administrators that were interviewed for the study almost uniformly prefer operations under NAHASDA to the prior system. The tenets of the tribal self-determination policy, as embodied in the IHBG program, give Indian tribes greater flexibility to tailor their affordable housing programs to their local needs, and determine what types of services, programs and projects they will carry out. This approach has worked well in Indian Country, where geographies, climates, customs, resources, and economic conditions vary widely.

Separately, researchers also found ample evidence of partnerships among Indian tribes and other community stakeholders, not only to leverage funds, but also to provide homebuyer education, teach home maintenance, improve home energy efficiency, and provide training and employment in the building trades. To further these goals, HUD continues to work diligently to disseminate information on best practices and strategies to leverage funds to allow Indian tribes and TDHEs to learn best practices from each other and improve housing conditions in Indian Country.

Title VI Loan Guarantee Program

As of September 30, 2019, a cumulative total of 104 loans worth over \$252 million have been guaranteed to fund affordable housing and housing-related community development projects. Throughout the history of the program, the average Title VI loan guarantee has been \$2.4 million. In the first quarter of 2020, HUD has guaranteed two loans, and has issued two additional firm commitments, and has several additional loans in the pipeline.

The 2021 President’s Budget does not request additional budget authority. Due to the availability of unobligated credit subsidy, no additional budget authority is needed, and the Budget requests \$30 million in additional commitment authority should allow the program to meet all program demand in 2021.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2019 Budget Authority	2018 Carryover Into 2019	2019 Total Resources	2019 Obligations	2020 Appropriation	2019 Carryover Into 2020	2020 Total Resources	2021 President's Budget
Formula Grants	646,000	13,349	659,349	649,975	646,000	11,522	657,522	600,000
Loan Guarantee - Title VI (Credit Subsidy)	2,000	3,591	5,591	1,442	2,000	4,000	6,000	-
Technical Assistance	5,000	4,850	9,850	7,851	5,000	2,000	7,000	-
National or Regional Organization NAIHC	2,000	2,000	4,000	4,000	2,000	-	2,000	-
Competitive Grants	100,000	100,000	200,000	-	100,000	198,000	298,000	-
Indian Community Development Block Grants	-	-	-	-	70,000	-	70,000	-
Total	755,000	123,790^b	878,790	663,268	825,000	215,522^b	1,040,522	600,000

a/ The table above reflects only discretionary budget authority; mandatory authority for upward credit re-estimates is excluded. In the 2020 Enacted, Congress changed the title of the “Native American Housing Block Grants” account to “Native American Programs” and included funding for the Indian Community Development Program in this account for the first time. The account title in the 2021 President’s Budget was revised this year to align with this new account structure for purposes of consistency with the 2020 Enacted.

b/ In 2019, and 2020, \$1 million was transferred each year to the Salaries and Expenses account for necessary cost of administering and over-seeing the obligation and expenditure of the additional amount authorized for the Native American Housing Block Grants program.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Legislative Proposals

The 2021 Budget supports the following legislative proposal(s) and will seek changes through the authorization process rather than the appropriations process:

- HUD seeks to modify its authority to address unexpended IHBG funds, hearing procedures, and misallocated funds, resulting in programmatic improvements. HUD will seek the changes through the authorization process rather than the appropriations process. HUD intends to seek these legislative changes as part of the ongoing Native American Housing Assistance and Self-Determination Act Reauthorization process.

APPROPRIATIONS LANGUAGE

The 2021 President's Budget includes proposed changes in the appropriation language listed below. New language is italicized, and language proposed for deletion is bracketed.

For [activities and assistance] *the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), [title I of the Housing and Community Development Act of 1974 with respect to Indian tribes (42 U.S.C. 5306(a)(1)), and related training and technical assistance, \$825,000,000] \$600,000,000, to remain available until September 30, [2024] 2025*], unless otherwise specified: *Provided*, That the amounts made available under this heading are provided as follows:]

[(1) \$646,000,000 shall be available for the Native American Housing Block Grants program, as authorized under title I of NAHASDA]: *Provided*, That, notwithstanding NAHASDA, to determine the amount of the allocation under title I of such Act for each Indian tribe, the Secretary shall apply the formula under section 302 of such Act with the need component based on single-race census data and with the need component based on multi-race census data, and the amount of the allocation for each Indian tribe shall be the greater of the two resulting allocation amounts: *Provided further*, That [the Department will notify grantees of their formula allocation within 60 days of the date of enactment of this Act;]

[(2) \$2,000,000 shall be] *funds made available in prior Acts for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA, are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, up to \$30,000,000: Provided further*, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended [: *Provided further*, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$32,000,000;]

[(3) \$100,000,000 shall be available for competitive grants under the Native American Housing Block Grants program, as authorized under title I of NAHASDA: *Provided*, That the Secretary shall obligate this additional amount for competitive grants to eligible recipients authorized under NAHASDA that apply for funds: *Provided further*, That in awarding this additional amount, the Secretary shall consider need and administrative capacity, and shall give priority to projects that will spur construction and rehabilitation: *Provided further*, That a grant funded pursuant to this paragraph shall be not greater than \$10,000,000: *Provided further*, That up to 1 percent of this additional amount may be transferred, in aggregate, to "Program Offices-Public and Indian Housing" for necessary costs of administering and overseeing the obligation and expenditure of this additional amount and of additional amounts provided in prior years, to remain available until September 30, 2025: *Provided further*, That any funds transferred pursuant to the previous proviso in prior Acts may also be used for the purposes described in the previous proviso;]

[(4) \$70,000,000 shall be available for grants to Indian tribes for carrying out the Indian Community Development Block Grant program under title I of the Housing and Community Development Act of 1974, notwithstanding section 106(a)(1) of such Act, of which, notwithstanding any other provision of law (including section 203 of this Act), up to \$4,000,000 may be used for emergencies that constitute imminent threats to health and safety: *Provided*, That not to exceed 20 percent of any grant made with funds appropriated under this paragraph shall be expended for planning and management development and administration: *Provided further*, That funds provided under this paragraph shall remain available until September 30, 2022; and]

[(5) \$7,000,000 shall be available for providing training and technical assistance to Indian tribes, Indian housing authorities and tribally designated housing entities, to support the inspection of Indian housing units, contract expertise, and for training and technical assistance related to funding provided under this heading and other headings under this Act for the needs of Native American families and Indian country: *Provided*, That of the funds made available under this paragraph, not less than \$2,000,000 shall be available for a national organization as authorized under section 703 of NAHASDA (25 U.S.C. 4212): *Provided further*, That amounts made available under this paragraph may be used, contracted, or competed as determined by the Secretary: *Provided further*, That

[(6) notwithstanding the provisions of the Federal Grant and Cooperative Agreements Act of 1977 (31 U.S.C. 6301-6308), the amounts made available under this paragraph may be used by the Secretary to enter into cooperative agreements with public and private organizations, agencies, institutions, and other technical assistance providers to support the administration of negotiated rulemaking under section 106 of NAHASDA (25 U.S.C. 4116), the administration of the allocation formula under section 302 of NAHASDA (25 U.S.C. 4152), and the administration of performance tracking and reporting under section 407 of NAHASDA (25 U.S.C. 4167): *Provided further*, That of the funds made available under this paragraph, not more than \$1,000,000 shall be available to support utilization, outreach, and capacity building with tribes and tribal housing organizations for the Tribal HUD-VASH program]. (*Department of Housing and Urban Development Appropriations Act, 2020.*)