

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Native American Programs

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Net Outlays
2022 Appropriation	1,002,086	705,311	-	1,707,397	1,440,732	883,818
2023 Appropriation	1,020,000	266,531	-	1,286,531	1,053,000	1,247,000
2024 President's Budget	1,053,000	233,531	-	1,286,531	1,281,000	1,264,000
Change from 2023	33,000	(33,000)	-	-	228,000	17,000

a/ The table above excludes mandatory authority for upward credit re-estimates.

b/ Includes carryover from supplemental funds under the American Rescue Plan Act of 2021 (ARP Act)

c/ 2021 into 2022 carryover includes \$1.4 million from recaptures.

PROGRAM PURPOSE

The Native American Programs account is the single largest source of funding for Indian housing assistance. The programs funded under this account are the Indian Housing Block Grant (IHBG) program, Indian Community Development Block Grant (ICDBG) program, Federal Guarantees for Financing Tribal Housing Activities (Title VI Loan Guarantee) program, and Training and Technical Assistance. The IHBG program provides grants to 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 families. The Title VI Loan Guarantee program allows IHBG grantees to fund large-scale housing programs. Training and technical assistance support Tribes in realizing their self-determined priorities.

The various programs funded under this account provide critical resources to tribal communities and ensure that Native Americans have equitable access to housing and essential services.

BUDGET OVERVIEW

The 2024 President's Budget requests \$1.1 billion for Native American Programs, which is \$33 million more than the 2023 enacted level. The Budget includes funding for the following activities:

- \$820 million for IHBG formula grants;
- \$150 million for IHBG competitive grants;
- \$75 million for the ICDBG program;
- \$7 million for training and technical assistance; and
- \$1 million for the Title VI Loan Guarantee program

These programs align to HUD 2022-2026 Strategic Objectives 1C: *Invest in the Success of Communities*, 2A: *Increase the Supply of Housing*, 2B: *Improve Rental Assistance*, 4A: *Guide Investment in Climate Resilience*, 4B: *Strengthen Environmental Justice*, and 4C: *Integrate Healthcare and Housing*.

JUSTIFICATION

Federal investment in Native American Programs is critical to ensure the health and safety of tribal communities and uphold the Federal Government's trust and treaty obligations. In January 2017, HUD published *Housing Needs of American Indians and Alaska Natives in Tribal Areas*, a report that was based on the results of the most comprehensive, national study of housing needs in Indian Country conducted since the enactment of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA).¹ The study found that the physical housing problems for households in tribal areas are much more severe than for U.S. households on average. The study estimated that between 42,000 and 85,000 Native Americans are "doubled up." This refers to individuals who have no place else to live – and would otherwise be staying in a homeless shelter – so they live with family or friends out of necessity. Others might be living in a place not meant for long-term human habitation or living on the street. 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 study found that, under NAHASDA, Tribes have matched or exceeded the previous rate of assisted housing production that was accomplished under predecessor HUD 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 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.

However, the study also found that years of level funding for the IHBG formula has led to the reduced construction of new units. Separately, researchers also found ample evidence of partnerships among Tribes and other community stakeholders, not only to leverage funds but also to provide homebuyer education; provide new homeowners with the skills to maintain their homes; 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 Tribes and Tribally Designated Housing Entities (TDHEs) to improve housing conditions in Indian Country.

Indian Housing Block Grant Program - Formula

The 2024 President's Budget requests \$820 million for IHBG formula grants, which is \$33 million more than the 2023 enacted level. The IHBG program is the single largest source of funding for housing in Indian Country, where safe, decent, and affordable housing is desperately needed. IHBG funds can be leveraged and used as a catalyst for community and economic development. The program helps stabilize communities and build healthy economies within American Indian and Alaska Native communities, many of which are in remote, rural areas.

Due to funding limitations, Tribes report a growing percentage of their funding is dedicated to the maintenance and operation of existing housing, as opposed to expanding their housing stock and serving more American Indian and Alaska Native families. Funding at the requested level would help Tribes address the housing shortage rather than just maintaining and operating existing housing units. Increases in funding for this critical program will make up for the lost buying power of the

¹ Housing Needs of American Indians and Alaska Natives in Tribal Areas, (<https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>)

IHBG dollar given the long period of time during which annual appropriations did not keep pace with inflation and increases in construction costs. Funding increases for this program will also further equity in housing for Native American families.

In 2022, IHBG funds were used to build or acquire over 560 affordable housing units and substantially rehabilitate over 4,300 units. Since the inception of the IHBG program, IHBG funds have been used to build or acquire more than 42,500 affordable housing units and rehabilitated more than 110,000 units.

Indian Housing Block Grant Program - Competitive

The 2024 President's Budget requests \$150 million for IHBG competitive grants, which is equal to the 2023 enacted level. These grants would prioritize projects that spur the construction and rehabilitation of housing units. They would also be able to prioritize projects that further climate resilience, increase energy efficiency, improve water conservation, and sustain these improvements over a long period. This will modernize existing housing, reduce harmful emissions and consumption of energy, and reduce utility costs in tribal housing.

To date, HUD has provided IHBG competitive grants through three Notice of Funding Opportunity (NOFO) cycles and is starting to see more new housing construction projects being completed across Indian Country. Funding this important program at the requested level will help make it possible for Tribes to continue to construct new housing units and address the severe housing shortage in Indian Country.

Since December 2019, HUD has awarded over \$400 million to 93 Indian Tribes and THDEs to construct approximately 1,550 new housing units and encourage economic opportunities in distressed communities.

Please see the "Climate Initiative" justification for more details.

Indian Community Development Block Grant Program

The 2024 President's Budget requests \$75 million for the ICDBG program, which is equal to the 2023 enacted level. This includes \$70 million for single-purpose grants and up to \$5 million for imminent threat grants. The ICDBG program funds a wide range of housing, community development, and economic development activities in Indian Country, such as the construction of community buildings, development of infrastructure and public facilities, housing rehabilitation, various public services, and much more. The COVID-19 pandemic illustrated how the lack of basic infrastructure, including running water and sewer systems, in some tribal communities has left many American Indian and Alaska Native families particularly vulnerable. The program provides much-needed funding for critical tribal infrastructure and has played a major role in ensuring the well-being, health, and safety of tribal communities.

Single-purpose grants are awarded on a competitive basis and imminent threat grants are allocated on a first-come, first-served basis for qualifying disasters and other emergencies. In May 2022, HUD announced the most recent round of single-purpose awards. Some of the projects planned include building a community center and tsunami shelter, building a youth center, replacing a potable water distribution system, and improving home sites to make them suitable and available for new housing.

Training and Technical Assistance

The 2024 President's Budget requests \$7 million for training and technical assistance, which is equal to the 2023 enacted level. Tribal sovereignty and self-determination drive HUD's Indian housing programs, which enable Tribes to design, develop, and operate their own affordable housing

programs based on local needs and customs. Training and technical assistance is how HUD supports Tribes in realizing their self-determined needs. These funds can be used to help promote best practices that support development in Indian Country and encourage innovative methods of construction; management; finance (e.g., the advantages of leveraging IHBG funds with other homeownership programs); and train and build the capacity of tribal housing staff. In addition, these funds can be used to help residents of low-income housing to achieve their self-determined goals and improve general life skills.

Title VI Loan Guarantee

The 2024 President's Budget requests \$1 million in credit subsidy for the Title VI Loan Guarantee program, which is equal to the 2023 enacted level. It also requests \$25 million in loan commitment authority. This program encourages private lenders to finance tribal housing development activities. A Tribe or TDHE pledges a share of its IHBG grant as security to leverage critical private financing to fund large-scale housing projects. Historically, private lenders have been hesitant to provide much-needed capital on tribal lands. Programs like the Title VI Loan Guarantee program allow Tribes and TDHEs to overcome these lending barriers by using their IHBG funds as collateral to leverage private capital.

Since the inception of the program in 1996, HUD has guaranteed 117 loans worth over \$290 million and has never experienced a default. This has resulted in the development, rehabilitation, or installation of infrastructure for approximately 3,560 affordable housing units. In 2022, HUD guaranteed four loans.

Administration Priorities

This investment helps increase equity for American Indians and Alaska Natives by increasing the production of and access to affordable housing, creating economic opportunities for Tribes and their residents of assisted housing, and creating sustainable communities.

Stakeholders

Stakeholders include American Indian and Alaska Native families, Tribes, TDHEs, Tribal entities, and Title VI-approved lenders. ONAP works with the tribal nations and other governments, Federal agencies, community organizations, and the private sector to provide a coordinated and comprehensive response to housing and community development needs in Indian Country. In addition, ONAP works with Tribes and TDHEs through meaningful consultation and a negotiated rulemaking process to design programs that provide maximum flexibility to Tribes to serve their communities.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2022 Appropriation	2021 Carry over Into 2022	2022 Total Resources	2022 Obligations	2023 Appropriation	2022 Carry over Into 2023	2023 Total Resources	2024 President's Budget
Formula Grants	772,000	4,678	776,678	768,146	787,000	8,532	795,532	820,000
Loan Guarantee - Title VI (Credit Subsidy)	1,000	5,495	6,495	305	1,000	6,056	7,056	1,000
Technical Assistance	5,000	5,317	10,317	7,350	5,000	2,967	7,967	7,000
National or Regional Organization NAIHC	2,000	4,000	6,000	-	2,000	6,000	8,000	[2,000]
Competitive Grants	150,000	95,000	245,000	115,752	150,000	129,248	279,248	150,000
Indian Community Development Block Grants	72,086	76,849	148,935	53,369	75,000	95,566	170,566	75,000
Indian Housing Block Grant - CARES ACT	-	2,044	2,044	-	-	2,044	2,044	-
Indian Community Development Block Grant - Indian Housing	-	1,310	1,310	-	-	1,310	1,310	-
Indian Housing Block Grant (ARP Act)	-	230,618	230,618	217,800	-	12,818	12,818	-
Indian Community Development Block Grant (ARP Act)	-	280,000	280,000	278,010	-	1,990	1,990	-
Total	1,002,086	705,311	1,707,397	1,440,732	1,020,000	266,531	1,286,531	1,053,000

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Legislative Proposals

The 2024 Budget supports the following legislative proposal and will seek changes through the authorization process:

Flexibility for New Housing Construction by Indian Tribes in the ICDBG Program: Under current law, ICDBG funds cannot be used for new housing construction unless administered through a community-based development organization (CBDO). In many Tribal communities, particularly those in remote areas, there are no CBDOs operating. Accordingly, this requirement is not compatible with the housing conditions in many Tribal communities. Further, through Tribal feedback, Tribes have indicated to HUD that this requirement is burdensome and serves less of a purpose in rural areas. Therefore, HUD proposes to eliminate the CBDO requirement for the ICDBG program.

APPROPRIATIONS LANGUAGE

The 2024 President's Budget includes proposed changes in the appropriations language listed below. New language is italicized, and language proposed for deletion is bracketed.

[(INCLUDING RESCISSION)]

For activities and assistance authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (in this heading "NAHASDA") (25 U.S.C. 4111 et seq.), title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) with respect to Indian tribes, and related training and technical assistance, [\$1,020,000,000]*\$1,053,000,000*, to remain available until September 30, [2027] *2028*: Provided, That of the sums appropriated under this heading—

(1) [~~\$787,000,000~~]*\$820,000,000* 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 Secretary shall notify grantees of their formula allocation not later than 60 days after the date of enactment of this Act];

(2) \$150,000,000 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 such amount for competitive grants to eligible recipients authorized under NAHASDA that apply for funds: Provided further, That in awarding amounts made available in this paragraph, the Secretary shall consider need and administrative capacity, [and] shall give priority to projects that will spur construction and rehabilitation of housing, *and may give priority to projects that improve water or energy efficiency or increase climate or disaster resilience for housing units owned, operated, or assisted by eligible recipients authorized under NAHASDA*: [Provided further, That a grant funded pursuant to this paragraph shall be in an amount not greater than \$7,500,000:]Provided further, That any amounts transferred for the necessary costs of administering and overseeing the obligation and expenditure of such additional amounts in prior Acts may also be used for the necessary costs of administering and overseeing such additional amount;

(3) \$1,000,000 shall be available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: Provided, That such costs, including the cost of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a): Provided further, That amounts made available in this and prior Acts for the cost of such guaranteed notes and other obligations that are unobligated, including recaptures and carryover, shall be available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed [\$50,000,000]*\$25,000,000*, to remain available until September 30, [2024: Provided further, That any remaining loan guarantee limitation authorized for this program in fiscal year 2020 or prior fiscal years is hereby rescinded] *2025*;

(4) \$75,000,000 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), not more than \$5,000,000 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 amounts made available in this paragraph shall be expended for planning and management development and administration; and

(5) \$7,000,000, in addition to amounts otherwise available for such purpose, 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, for contract expertise, and for training and technical assistance related to amounts made available under this heading and other headings in this Act for the needs of Native American families and Indian country: Provided,

That of the amounts made available in this paragraph, not less than \$2,000,000 shall be for a national organization as authorized under section 703 of NAHASDA (25 U.S.C. 4212): Provided further, That amounts made available in this paragraph may be used, contracted, or competed as determined by the Secretary: Provided further, That notwithstanding chapter 63 of title 31, United States Code (commonly known as the Federal Grant and Cooperative Agreements Act of 1977), the amounts made available in 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). (*Department of Housing and Urban Development Appropriations Act, 2023.*)