



National American Indian Housing Council's Briefing Paper
Recommended Fiscal Year 2024 Funding Levels for Tribal Housing Programs
March 28, 2023

FUNDING SOURCES: Funding for Indian housing and related community development activities is appropriated annually to a variety of Federal agencies, but primarily through the Indian Housing Block Grant through the Department of Housing and Urban Development's Office of Native American Programs (HUD-ONAP). To a lesser extent, funding also comes from the Bureau of Indian Affairs, the Department of Agriculture and others.

ADMINISTRATION'S FY 2024 BUDGET REQUEST: The Administration's FY 2024 budget request was released in March 2023. The Administration's FY24 budget included the highest request ever for the Indian Housing Block Grant, the primary tribal housing funding stream, at \$820 million. That requested level continued the gains provided by Congress through FY23 appropriations, which marked the highest level of IHBG funding. However increased funding has yet to provide the resources needed to spur affordable housing development in tribal communities. Additionally, the Administration's FY24 Budget largely maintained funding levels for the Indian Community Development Block Grant, Competitive IHBG program, Treasury's CDFI programs, and Native Hawaiian Housing programs. The Bureau of Indian Affairs Housing Improvement Program does request a smaller increase. While the budget would provide much needed boosts across tribal housing programs, much more is needed to counteract the overall stagnant funding of tribal housing programs for over two decades and to fully address the unmet housing needs in Indian Country.

IHBG: Indian Housing Block Grant: Fund the IHBG at \$1.833 billion but no less than \$1.111 billion. The IHBG was established by NAHASDA in 1996 and is the single largest source of Federal funding for housing development, housing-related infrastructure, and home maintenance in Indian Country. However, investment in tribal housing as compared to the entire HUD budget has decreased by half since 2001. In 2001, NAHASDA funding comprised 2.5% of the overall \$26 billion HUD budget. In 2022, NAHASDA funding represents just 1.17% of the now \$65.7 billion HUD budget. Restoring investment in tribal programs back to 2.5% of HUD's FY24 request of \$73.3 billion would provide tribal housing programs \$1.833 billion.

The investment in tribal programs has been relatively stagnant in dollar terms as well since funding began under NAHASDA in FY1998 at the level of \$600 million. Current block grant formula funding of \$787 million is just 71% of the buying power tribes had under NAHASDA *in 1998*. While relative funding is down, Native populations, and their housing needs have continued to rise over the past 20 years as indicated by the 2020 census. To adjust for inflation since NAHASDA was enacted, current appropriations should be approximately \$1.111 billion to match the purchasing power of original

NAHASDA funding. **Note, inflation calculations based on Department of Labor's CPI Inflation Calculator as of 01-01-2023.*

Additionally, funding needs to be improved beyond simply keeping pace with inflation. A January 2017 HUD Housing Needs Assessment found that Indian Country continues to see levels of overcrowded homes and substandard housing at rates well in excess of the national average and that 68,000 new housing units are needed in tribal communities. Current funding levels only provide for approximately 1,000 new units a year, as the bulk of funding goes to rehab and maintenance of the existing housing stock in tribal communities. Through the creation of NAHASDA in 1996, the United States recognized that improving the housing conditions in Indian Country advances the United States' fulfillment of its treaty and trust responsibilities to tribal nations. However, the continued stagnant investment in these housing programs counteracts the gains provided by NAHASDA.

ICDBG: Indian Community Development Block Grant: Fund the ICDBG at \$100 million. The ICDBG is a competitive grant program through which tribes can conduct community-wide planning and development that incorporates housing, community facilities, and economic development. These are often shovel-ready projects that address specific community needs that are not allowable expenses under IHBG. Additionally, a small portion of the fund (5%) is set aside for projects that eliminate imminent threats to public health and safety in tribal communities. In FY23, Congress increased the level of appropriations for ICDBG to \$75 million, up from \$70 million. Yet there is still unmet need, as evidenced by the number of applications for both ICDBG and the competitive IHBG program that go unfunded each year. Additionally, the ICDBG supplementals received through the CARES and ARP covid packages totaling \$380 million have also been fully utilized by tribes with some applications going unfunded, further indicating unmet need while also displaying tribal capacity to fully utilize these funds.

Training and Technical Assistance (T/TA): Congress should continue to appropriate funds under the Section 703 T/TA authority at \$7 million, the same level as current year funding. Section 703 of NAHASDA expressly authorizes appropriations for “a national organization representing Native American housing interests for providing training and technical assistance to Indian housing authorities and tribally designated housing entities[...].” T/TA services are vital to ensure tribes and tribal housing entities utilize best practices to ensure compliance with federal program regulations while also providing opportunities for tribal housing entities to share innovative practices for leveraging their federal and private sector resources. In addition to level funding, more flexibility should be provided to HUD or directly to the T/TA providers to address tribal requests for T/TA more quickly and in a way that provides T/TA for general housing activities and not limited specifically to NAHASDA. As NAHASDA funding remains rather stagnant, tribes are largely looking to leverage other housing resources so Section 703 T/TA should be allowed to develop that capacity further and not be limited strictly to NAHASDA activities.

Section 184 Loan Guarantee: This key mortgage financing tool should be funded at \$10 million. The Section 184 Program has shown enormous success providing between 3,000-4,000 mortgage loans each year. However, it has been less successful in spurring new homeownership in tribal communities where housing economies are less developed, where employment and income levels are lower, and where residents live on trust or restricted lands. NAIHC further urges changes to the program to streamline the process to encourage more lenders to participate in the program and to make it more available to prospective Native homebuyers. NAIHC host Pathways Home homebuyer trainings across the country which have helped prepare thousands of Native Americans for homeownership and is highly acclaimed by HUD and Tribal housing officials.

Title VI Loan Guarantee: Continue to fund Title VI at \$1 million. The Title VI Loan Guarantee is a key financial tool for Indian tribes and their housing authorities to spur housing and community development efforts by creating better access to private capital.

NHHBG: Native Hawaiian Homelands Block Grant: The NHHBG should be funded at least \$20 million annually to address the significant needs for low-income and affordable housing on the Native Hawaiian Home Lands. Congress provided over \$20 million for the first time in FY22 appropriations, an increase from \$2 million annually for the prior years. Similarly, the Section 184A Loan Guarantee Program should be funded at the \$1 million level.

Tribal HUD-VASH: The funding for the Tribal HUD-VA Supportive Housing program should receive no less than \$7.5 million. Tribal HUD-VASH recipients are having success placing tribal veterans into local supportive housing but any reduction or elimination of appropriations would leave those veterans without affordable housing options that include support services. While Congress had decreased funding down to only \$1 million in FY20, it returned funding to original levels in FY23. NAIHC recommends keeping the restored level of funding and allow more tribes to participate in the program. Following tribal feedback gathered during the summer of 2019, HUD has extended the program to new and existing participants. Continued levels of funding for the program will be needed to expand the program to serve Native veterans in other tribal communities.

Bureau of Indian Affairs' Housing Improvement Program (HIP): The BIA HIP program should be funded at its past levels of \$23 million. HIP funds allow tribes to provide housing assistance to individuals who cannot access other forms of housing resources. These often include emergency home repairs that would otherwise go unaddressed. The BIA recently expanded the scope of HIP to also provide for down payment assistance, which leverages the modest federal investment with private or other public mortgage lending. The current Administration's budget request of \$14 million is an improvement over prior years.

Department of Veteran Affairs Native American Direct Loan Program (NADLP): Increased appropriations paired with statutory authority allowing TDHEs and other entities such as Native Community Development Financial Institutions (CDFIs) to act as intermediary lenders in tribal communities and provide greater homebuyer education, would greatly increase the effectiveness of the NADLP. The Administration's FY23 request of \$1.19 million is insufficient, as it only provides for seven FTEs to carry out a nation-wide lending program that needs to reach Native American veterans of 574 distinct federally-recognized tribes. The budget request does not ask for any funding related to new loans due to the programs negative subsidy rate. However, the lack of new appropriations would continue the relatively low volume of 15-25 new loans per year for a national program.

Department of Agriculture Rural Development Lending Programs: A set-aside for direct loans and guarantees in tribal communities should be established along with statutory authority allowing TDHEs and other entities such as Native Community Development Financial Institutions (CDFIs) to act as intermediary lenders. In FY16, only .17% (12 of 7,113) of direct loans made by Rural Development went to American Indians or Alaska Natives (AI/AN) on tribal lands, despite AI/AN comprising 1.3% of the population. NAIHC is pleased to see the Administration's FY24 budget included a request for additional funding for the ongoing demonstration program re-lending USDA 502 funds to Native CDFIs for mortgage lending in tribal communities. The demonstration has proven successful and deployed twice the number of mortgages in the impacted tribal communities in 2 years than the normal USDA program had in the prior decade.