

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANT  
2020 Summary of Resources**

*(Dollars in Thousands)*

	<b>Enacted/ Requested</b>	<b>Carryover</b>	<b>Supplemental/ Rescission</b>	<b>Total Resources</b>	<b>Obligations</b>	<b>Outlays</b>
2018 Appropriation	755,000	50,658	-	805,658	682,100	635,046
2019 Annualized CR	755,000	123,558	-	878,558	685,000	614,698
2020 Request	600,000	193,558	-	793,558	641,000	589,555
Change from 2019	(155,000)	70,000	-	(85,000)	(44,000)	(25,143)

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

**1. Program Purpose and Budget Overview**

The 2020 President’s Budget request for Native American Housing Block Grants is \$600 million, which is \$155 million below the 2019 Annualized Continuing Resolution (CR) level. The two programs funded under this account are the Indian Housing Block Grant (IHBG) program, and the Federal Guarantees for Financing Tribal Housing Activities program, also known as the Title VI Loan Guarantee 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.

**2. Request**

The request includes \$598 million for the IHBG program, which 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 Native Americans, Indian Tribes, and tribally designated housing entities (TDHEs), and a limited number of state-recognized Indian Tribes.

## Native American Housing Block Grants

The request also includes \$2 million for the Title VI Loan Guarantee program, which encourages private lenders to finance tribal housing development activities. An Indian Tribe or TDHE pledges its IHBG grants as security to leverage critical private financing to fund large-scale housing projects. HUD has updated its credit model for Title VI, which will allow HUD to nearly double the value of loans guaranteed from \$17 million to \$32 million.

### **3. Justification**

#### **IHBG Program**

The IHBG program is the single largest source of funding for housing in Indian Country, where safe, decent, 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. Grant awards are distributed annually, by formula, to eligible Indian Tribes and TDHEs, to fund a wide range of affordable housing activities that primarily benefit low-income Native American families living in Indian Country. 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 allocation formula, 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. In November 2016, HUD published a Final Rule that marked the completion of three years of work by the negotiated rulemaking committee charged with developing regulatory changes to the allocation formula of the IHBG program. Starting in FY 2018, the formula data are drawn from the Decennial Census and the American Community Survey, with adjustments to spread the impact on individual grantees' yearly funding levels over several years.

In fiscal year 2018, IHBG funds were used to build or acquire 777 affordable housing units, and substantially rehabilitate another 4,747 units. Additionally, Indian Tribes used IHBG funds to operate, maintain, and renovate approximately 37,325 units originally developed under the U.S. Housing Act of 1937. Since the inception of the IHBG program, recipients have built or acquired more than 40,000 affordable housing units and rehabilitated more than 92,000 units. Since fiscal year 2013, the program has also helped more than 3,000 families become homeowners by funding such costs as down payment assistance and closing costs.

## Native American Housing Block Grants

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*, 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,” which, in other words, is meant to be 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 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, 2018, a cumulative total of 101 loans worth \$245 million have been guaranteed to fund affordable housing and housing-related community development projects. Historically, private lenders have been hesitant to provide much needed capital on tribal lands. Programs like the Title VI Loan Guarantee program allow Indian Tribes and TDHEs to overcome these lending barriers by using their IHBG funds as collateral to leverage private capital. This request includes \$2 million to be set aside as a credit subsidy to support loan guarantee authority of \$32 million.

## Native American Housing Block Grants

### **Other Legislative Proposals and Programmatic Improvements**

The 2020 Budget supports the following legislative changes that will result in programmatic improvements. HUD will seek the changes through the authorization process rather than the appropriations process. These legislative changes will modify HUD's authority to address unexpended IHBG funds, hearing procedures, and misallocated funds. The Department intends to seek these legislative changes as part of the ongoing NAHASDA Reauthorization process.

Native American Housing Block Grants

**PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANT  
Summary of Resources by Program**

*(Dollars in Thousands)*

<b>Budget Activity</b>	<b>2018 Budget Authority</b>	<b>2017 Carryover Into 2018</b>	<b>2018 Total Resources</b>	<b>2018 Obligations</b>	<b>2019 Annualized CR</b>	<b>2018 Carryover Into 2019</b>	<b>2019 Total Resources</b>	<b>2020 Request</b>
Formula Grants	646,000	41,735	687,735	674,937	646,000	12,799	658,799	598,000
Loan Guarantee - Title VI (Credit Subsidy)	2,000	1,833	3,833	241	2,000	3,591	5,591	2,000
Technical Assistance	3,500	3,590	7,090	3,422	3,500	5,168	8,668	-
National or Regional Organization	3,500	3,500	7,000	3,500	3,500	2,000	5,500	-
Competitive Grants	100,000	-	100,000	-	100,000	100,000	200,000	-
<b>Total</b>	<b>755,000</b>	<b>50,658</b>	<b>805,658</b>	<b>682,100</b>	<b>755,000</b>	<b>123,558</b>	<b>878,558</b>	<b>600,000</b>

Native American Housing Block Grants

**PUBLIC AND INDIAN HOUSING  
NATIVE AMERICAN HOUSING BLOCK GRANT  
Appropriations Language**

The 2020 President’s Budget includes the appropriation language listed below:

*For 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.), \$600,000,000, to remain available until September 30, 2024: 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 of the amount provided under this heading, \$2,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: 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.*

*Note.—A full-year 2019 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2019 (Division C of P.L. 115–245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.*