

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	Outlays
2020 Appropriation	825,000 ^{a/}	215,522	300,000 ^{b/}	1,340,522	1,212,267	627,053
2021 Appropriation	825,000	127,227	740,000 ^{c/}	1,692,227	1,670,226	1,023,000
2022 President's Budget	1,000,000	22,001	-	1,022,001	903,000	1,427,000
Change from 2021	175,000	(105,226)	(740,000)	(670,226)	(767,226)	404,000

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

a/ In 2020, \$1 million was transferred 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.

b/ Includes supplemental funds under the Coronavirus Aid, Relief, and Economic Security Act, 2020 (CARES Act).

c/ Includes supplemental funds under the American Rescue Plan Act of 2021 (ARP Act).

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, the Federal Guarantees for Financing Tribal Housing Activities program (Title VI Loan Guarantee program), and the Indian Community Development Block Grant (ICDBG) program. 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 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 2022 President's Budget requests \$1 billion for Native American Programs, which is \$175 million more than the 2021 enacted level (\$76 million more for IHBG formula grants and \$100 million more for Climate Initiatives).

- \$723 million for IHBG formula grants;
- \$100 million for IHBG competitive grants;
- \$100 million for a new climate initiative for Indian Country;
- \$70 million for the ICDBG program; and
- \$7 million for training and technical assistance

JUSTIFICATION

Indian Housing Block Grant Program

The 2022 President's Budget requests \$723 million for the IHBG formula program, which is \$76 million more than the 2021 enacted level. In addition, the request also includes \$100 million for competitive grants and \$100 million for a new Climate Initiative. The IHBG program is the primary

means by which the Federal Government fulfills its trust responsibilities to provide adequate housing to Native Americans. Eligible IHBG recipients are federally recognized Native Americans, Indian Tribes, Tribally Designated Housing Entities (TDHEs), and a limited number of State-recognized Indian Tribes.

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. During the last decade, individual grants have ranged in size from about \$50,000 to about \$91 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 its inception 25 years ago, funding for the IHBG formula program has been largely level funded or even cut in some years in the face of inflation, increased costs, and increased demand. Over this same period of time, funding for other housing programs has increased to address these increases. This severely limits the buying power of the program and its ability to bring new housing units online. Indian Tribes are using more of the funds to operate and maintain existing units, including the 38,000 units originally developed under the U.S. Housing Act of 1937.

In addition to requesting funds for formula grants, HUD requests \$100 million for competitive grants. This competition would give priority to projects that spur construction and rehabilitation of housing units. Since December 2019, HUD has awarded a total of \$300 million to 76 Tribes and THDEs, which will use the funds to construct approximately 1,550 new housing units and encourage economic opportunities in distressed communities.

In 2020, IHBG funds were used to build or acquire over 551 affordable housing units and substantially rehabilitate nearly 5,000 units. Since the inception of the IHBG program, IHBG funds have been used to build or acquire more than 41,000 affordable housing units and rehabilitated more than 102,000 units.

Climate Initiative

As part of the Administration's whole-of-government approach to the climate crisis, HUD's Budget requests \$800 million to assist communities to reduce carbon pollution, increase resilience to the impact of climate change, and deliver environmental justice. The National Climate Assessment has shown that climate change disproportionately impacts low-income communities, the very communities served by HUD programs. HUD's Budget addresses climate change on two fronts: both in lowering the carbon footprint of the 4.5 million units of public and assisted housing (mitigation), and at the same time helping the communities served by HUD programs to better withstand and increase their resilience to future disasters (adaptation). These investments are crucial to assist communities throughout the country to mitigate and prepare for the worst effects of climate change. Please see the "Climate Initiative" justification for more details.

Of the \$800 million in HUD's Budget specifically directed to resilience and energy efficiency, \$100 million is requested for targeted investments in Native American housing. Funds would be

awarded competitively to Indian tribes and TDHEs eligible to receive IHBG funding. Funding would generally be subject to IHBG program requirements and can be used to rehabilitate and retrofit existing affordable housing stock owned, operated, or assisted by Tribes and TDHEs. HUD would fund projects that increase energy efficiency, improve water conservation, and further climate resilience, with priority given to projects designed to sustain these improvements over a longer period. This funding will modernize existing housing, reduce harmful emissions and consumption of energy, and reduce utility costs in tribal housing.

Based on preliminary estimates, the \$100 million would allow HUD to retrofit approximately 16,600 Indian housing units that require a moderate amount of work to become more energy efficient. This would produce similar results as the U.S. Department of Energy's Weatherization program, which returns \$2.78 in non-energy benefits for every \$1.00 invested in the program.¹ On average, this investment could save Native American families almost \$300 a year.

Buildings account for 68 percent of the total electricity consumed, 12 percent of the total water consumed, and 38 percent of the carbon dioxide emitted in the United States.² By making homes more energy efficient, HUD would be able to provide measurable benefits to Native American families by reducing utility costs and improving the quality of life by providing healthier living environments. A recent report found that Native American households spend 45 percent more than their white non-Hispanic counterparts on energy costs.³ At the same time, low-income households spend three times more of their income on energy costs compared to the median spending of non-low-income households.

Indian Community Development Block Grant Program

The 2022 President's Budget requests \$70 million for the ICDBG program, which is equal to the 2021 enacted level. This includes \$66 million for single-purpose grants and up to \$4 million for imminent threat grants. The ICDBG program funds housing-related projects in Indian Country, such as affordable housing rehabilitation, construction of community buildings, and infrastructure. Single purpose grants are awarded on a competitive basis and imminent threat funds are allocated on a first-come, first-served basis for qualifying disasters and other emergencies.

In 2020, ICDBG funds were used to repair a wastewater lagoon, build the infrastructure necessary for a new housing development, install water and sewer lines, extend powerlines in communities, and build a water tower, all of which have improved the physical environment where low- and moderate-income Indian families live.

ICDBG provides much-needed funding for tribal infrastructure. The lack of basic infrastructure, including running water and sewer systems, in some tribal communities left many Native Americans particularly vulnerable to the COVID-19 pandemic. The effects have been devastating for some communities. This funding will help with addressing these unmet needs and will allow tribal communities to make some progress towards closing the housing and infrastructure gap that was further exacerbated by the COVID-19 crisis.

Training and Technical Assistance

The 2022 President's Budget requests \$7 million for training and technical assistance, which is equal to the 2021 enacted level. These funds are used to help promote best practices that support development in Indian Country, and encourage innovative methods of construction, management,

¹ See https://www.energy.gov/sites/default/files/2021/01/f82/WAP-fact-sheet_2021_0.pdf

² See <https://archive.epa.gov/greenbuilding/web/html/whybuild.html>

³ How High Are Household Energy Burdens? American Council for an Energy-Efficient Economy, September 2020, page 13 <https://www.aceee.org/sites/default/files/pdfs/u2006.pdf>

and finance (e.g., the advantages of leveraging NAHASDA funds with other homeownership programs). In addition, funds are used to help residents of low-income housing to increase their self-sufficiency and life skills.

Title VI Loan Guarantee Program

The 2022 President’s Budget requests no funding for the Title VI Loan Guarantee program, which is \$1 million less than the 2021 enacted level. Based on current program demand, HUD anticipates over \$5 million in carryover credit subsidy will be available in 2022. These unobligated balances from prior years are more than sufficient to meet all program demand at the current subsidy rate and will support the requested \$50 million in loan commitment authority. From 2018 to 2020, annual loan guarantee commitments ranged from \$7 to \$13 million.

The program encourages private 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. 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.

As of September 30, 2020, 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 2021, HUD has guaranteed two loans, and has issued two additional firm commitments. The Title VI program has never experienced a default in its history.

Housing Needs of American Indians and Alaska Natives in Tribal Areas

Federal investment in Native American Programs 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 that was based on the results of the most comprehensive, national study of housing needs in Indian Country conducted since the enactment of NAHASDA.⁴ 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 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. However, the 2017 study also found that

⁴ Housing Needs of American Indians and Alaska Natives in Tribal Areas, (<https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>)

NATIVE AMERICAN PROGRAMS

years of level funding for the IHBG formula has led to reduced construction of new units and expanded the number of rehabilitated units in order to reach a larger share of the families in need.

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.

The funding requested for the various programs under this account will help Tribes make progress towards ensuring housing equity for Native Americans.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2020 Budget Authority	2019 Carryover Into 2020	2020 Total Resources	2020 Obligations	2021 Appropriation	2020 Carryover Into 2021	2021 Total Resources	2022 President's Budget
Formula Grants	646,000	11,522	657,522	651,732	647,000	5,283	652,283	723,000
Loan Guarantee - Title VI (Credit Subsidy)	2,000	4,000	6,000	461	1,000	5,703	6,703	-
Technical Assistance	5,000	2,000	7,000		7,000	7,316	14,316	7,000
National or Regional Organization NAIHC	2,000	-	2,000	-	-	2,000	2,000	
Competitive Grants	100,000	198,000	298,000	205,987	100,000	91,013	191,013	100,000
Indian Community Development Block Grants	70,000	-	70,000	59,445	70,000	10,555	80,555	70,000
Indian Housing Block Grant - CARES ACT	200,000	-	200,000	197,043	-	2,957	2,957	-
Indian Community Development Block Grant - CARES ACT	100,000	-	100,000	97,600	-	2,400	2,400	-
Indian Housing Block Grant (ARP Act)	-	-	-	-	450,000	-	450,000	-
Indian Community Development Block Grant (ARP Act)	-	-	-	-	280,000	-	280,000	-
Training and Technical Assistance (ARP Act)	-	-	-	-	10,000	-	10,000	-
ONAP Climate Initiative	-	-	-	-	-	-	-	100,000
Total	1,125,000	215,522	1,340,522	1,212,267	1,565,000	127,227	1,692,227	1,000,000

Notes:

1. The table above only reflects discretionary budget authority; mandatory authority for upward credit re-estimates have been excluded.
2. In 2020, \$1 million was transferred 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

None.

APPROPRIATIONS LANGUAGE

The 2022 President's Budget includes proposed changes in the appropriation language listed below. New language is italicized, and language proposed for deletion is bracketed.

Native American Programs

For activities and assistance 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~~]~~\$1,000,000,000~~, to remain available until September 30, [2025] 2026: Provided, That the amounts made available under this heading are provided as follows:

(1) [~~\$647,000,000~~] ~~\$723,000,000~~ 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 NAHASDA 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 will notify grantees of their formula allocation within 60 days of the date of enactment of this Act];

(2) ~~\$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] *such* amount for competitive grants to eligible recipients authorized under NAHASDA that apply for funds: Provided further, That in awarding [this additional] *such* amount, the Secretary shall consider need and administrative capacity, and shall give priority to projects that will spur construction and rehabilitation of housing: [Provided further, That a grant funded pursuant to this paragraph shall be in an amount not less than \$500,000 and not greater than \$10,000,000:]Provided further, That any funds 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) *\$100,000,000, in addition to amounts otherwise made available for such purpose, shall be for competitive grants under the Native American Housing Block Grants Program, as authorized under title I of NAHASDA, to make housing units owned, operated, or assisted by recipients under NAHASDA more energy efficient and to further climate resilience: Provided, That the Secretary shall obligate this amount for competitive grants to eligible recipients authorized under NAHASDA that apply for funds;*

[~~\$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 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 for fiscal year 2021 funds made available in this Act for the cost of guaranteed notes and other obligations and any unobligated balances, including recaptures and carryover, remaining from amounts appropriated for this purpose under this heading or under the heading "Native American Housing Block Grants" in prior Acts 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 \$45,649,452];

(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; and

(5) \$7,000,000, in addition to amounts otherwise made 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, 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, in addition to other amounts made available for such purpose: 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 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 amounts made available in prior Acts under this heading or under the heading "Native American Housing Block Grant" for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA, including carryover and recaptures, shall be available to subsidize the total loan principal amount of any such notes and other obligations, any part of which is to be guaranteed, not to exceed \$50,000,000: 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. (*Department of Housing and Urban Development Appropriations Act, 2021.*)