



## National American Indian Housing Council's Briefing Paper Recommended Fiscal Year 2019 Funding Levels for Tribal Housing Programs

**FUNDING SUMMARY:** Funding for Indian housing and related community development activities is appropriated annually to a variety of Federal agencies, primarily 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 and the Department of Agriculture.

**Administration's FY 2019 Budget Request:** The FY 2019 budget is woefully insufficient to provide for the unmet housing needs found across Indian Country. The Budget proposes funding the Indian Housing Block Grant, the primary tribal housing funding stream, at only \$600 million which was the same level in 1998. Additionally, the Administration's request eliminates the Indian Community Development Block Grant, Treasury's CDFI programs, the Bureau of Indian Affairs Housing Improvement Program, the USDA's Single Family Housing Direct Loan program and substantially reduces other programs that affect tribal housing development. In short, if funded at the Administration's proposed levels, tribal housing programs would be devastated. Adequate funding is essential to making these programs work effectively in Indian Country.

**IHBG: Indian Housing Block Grant:** Fund the IHBG at \$915 million but no less than \$700 million. The IHBG is the single largest source of Federal funding for housing development, housing-related infrastructure, and home maintenance in Indian Country. However, IHBG appropriations have been relatively stagnant since funding began under NAHASDA in FY1998. Current year funding of \$654 million has approximately only two-thirds the buying power as it did in 1998. To adjust for inflation since NAHASDA was enacted, FY19 appropriations should be approximately \$915 million to match the purchasing power of original NAHASDA funding. Funding at \$700 million would match the highest annual IHBG funding level, attained in 2010, which tribes were able to utilize effectively. Additionally, in January 2017, HUD published an updated Housing Needs Assessment that showed Indian Country continues to see levels of overcrowded homes and substandard housing at rates well in excess of the national average.

**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.

**Training and Technical Assistance (T/TA):** Congress should appropriate funds under the Section 703 T/TA authority at \$4.8 million, and no less than the current year funding of \$3.5 million. 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.

**Section 184 Loan Guarantee:** This key mortgage financing tool should be funded at \$10 million. The Section 184 Program has shown enormous success. However, it has been less successful in Indian communities where housing economies are less developed, where employment and income levels are lower, and where residents live on restricted or trusted lands. NAIHC further urges changes to the program to simplify and to make it more available to prospective homebuyers. Our Pathways Home trainings across the country have prepared thousands of Native Americans for homeownership and is highly acclaimed by HUD and Tribal housing officials. ***NOTE:*** *The Administration's FY 2019 budget requests zero funding due to a negative subsidy rate allowing for guarantees to be issued without additional appropriations. While NAIHC does not support any funding cuts to the program, if any are made, the funds should simply be re-allocated to other tribal housing programs, such as the IHBG.*

**Title VI Loan Guarantee:** Continue to fund Title VI at \$2 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 funding for the NHHBG should be increased to at least \$20 million to address the significant needs for low-income and affordable housing on the Native Hawaiian Home Lands. 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 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.

**Bureau of Indian Affairs' Housing Improvement Program (HIP):** The BIA HIP program should be funded at its historical 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 Administration's FY 2019 budget eliminates the program, despite the continuing high levels of unmet housing needs in Indian Country.

**Department of Veteran Affairs Native American Direct Loan Program (NADLP):** A \$10 million set-aside should be established along with statutory authority allowing TDHEs and other entities such as Native Community Development Financial Institutions (CDFIs) to provide greater homebuyer education and act as intermediary lenders in tribal communities. The Administration's FY 2019 request of \$1.15 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 573 distinct federally-recognized tribes.

**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 FY 2016, only .17% (12 of 7,113) of direct loans made by Rural Development went to American Indians or Alaska Natives on tribal lands, despite AI/AN comprising 1.3% of the population.