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## MEMORANDUM

May 28, 2021

TO: Housing Clients

FROM: HOBBS, STRAUS, DEAN & WALKER, LLP

RE: *President Biden Releases FY 2022 Budget*

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On Thursday, President Biden released the Administration’s proposed FY 2022 budget, the Housing and Urban Development (HUD) component of which contains proposed funding levels for Indian housing. This includes funding for 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. Overall, the budget requests \$1 billion for Indian housing programs, over \$175 million more than the amounts appropriated for FY 2021. You can find the “Congressional Justification” provisions from the Budget that explain the funding proposals for Public and Indian Housing at this link: [https://www.hud.gov/sites/dfiles/CFO/documents/13\\_2022CJ-Program-NativeAmericanPrograms.pdf](https://www.hud.gov/sites/dfiles/CFO/documents/13_2022CJ-Program-NativeAmericanPrograms.pdf)

The Budget would provide \$723 million for the IHBG formula program, which is \$76 million more than FY 2021. This Budget request includes an additional \$100 million for competitive IHBG grants and another \$100 million—\$50 million in Tenant-Based Rental Assistance and \$50 million in Project-Based Rental Assistance—for a new Climate Initiative, part of the Administration’s “whole-of-government” approach to the climate crisis to “assist communities to reduce carbon pollution, increase resilience to the impact of climate change, and deliver environmental justice.” This additional \$100 million would come from the \$800 million in HUD’s Budget specifically directed to resilience and energy efficiency, and is targeted solely at Indian housing. This funding proposal would allow HUD to “retrofit approximately 16,600 Indian housing units that require a moderate amount of work to become more energy efficient.”

The Budget would also provide \$70 million for the ICDBG program, which is equal to the FY 2021 enacted level. This amount includes \$66 million for single-purpose grants and up to \$4 million for imminent threat grants. The Budget also requests \$3.5 million for the Indian Housing Loan Guarantee Fund (also known as Section 184) program, which is \$1.5 million more than the 2021 enacted level. The Budget also requests \$7 million for training and technical assistance, which is equal to the FY 2021 enacted level. Within the Public Housing Fund, the Budget provides \$25 million for grants to remove lead-based paint hazards from public housing and \$25 million to help Housing Authorities to identify and eliminate other housing-related hazards, such as mold, carbon monoxide, pest infestation, radon, lead-based paint, and other housing hazards.

Additionally, the Budget proposes \$175 million for Self-Sufficiency Programs: \$120 million for Family Self-Sufficiency (FSS), which will fund approximately 1,500 coordinators to “support the FSS program aim of increasing participants’ earned income and reducing or eliminating their need for assistance[;]” \$20 million for the Jobs Plus Initiative (JPI), to fund up to 10 grants for JPI, “in order to increase employment opportunities and earnings of public housing residents through employment services, rent-based work incentives, and community support for work[;]” and \$35 million for the Resident Opportunity and Self-Sufficiency (ROSS) to fund existing ROSS service coordinators who provide resident services. The Budget also adds in \$268.9 million for salaries and expenses, which in combination with FY 2021 funding, HUD hopes to support 1,448 fulltime equivalents.

In contrast, Budget does not request any funding for the Title VI Loan Guarantee program, down from the \$1 million appropriated in FY 2021. According to the Congressional Justification, HUD anticipates over \$5 million in carryover credit subsidy to be available in FY 2022. HUD believes that the 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.”

HUD seems hopeful that the funding should help reduce “doubling up” of tribal members in Indian housing, and notes the need to replace and add units to replace substandard or overcrowded units. The Administration is not proposing any legislative changes to NAHASDA provisions or language in this Budget proposal.

We note that this Budget request from the Administration simply kicks off the appropriations process, and is not a final commitment or appropriation of funds. The Budget must still head to Congress where the House and Senate Budget Committees will examine and refine the details of the proposed budget, and then develop their own budget resolutions to be voted upon individually, which must be adopted by both the House and the Senate. The adopted budget resolution must then be crafted into appropriations bills that will fund the individual programs. At this stage, the Administration is only making public its specific desired funding priorities, which may be changed by the time appropriations legislation is enacted. However, now that a proposed budget has been put on the table, it is time to begin outreach to your Congressional delegation to let your priorities be known.

Questions regarding this memorandum may be directed to Ed Clay Goodman at [egoodman@hobbsstrauss.com](mailto:egoodman@hobbsstrauss.com) or (503) 242-1745.