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MEMORANDUM

March 12, 2024

TO: TRIBAL HOUSING CLIENTS

FROM:  Ed Clay Goodman & Cari L. Baermann
HOBBS, STRAUS, DEAN & WALKER, LLP

RE: ***President Biden Releases FY 2025 Budget Request; Marcia Fudge, Secretary of the Department of Housing and Urban Development, Steps Down***

President’s FY 2025 Budget Request

On March 11, 2024, the President released his fiscal year (FY) 2025 Budget Request, including his proposal for the Department of Housing and Urban Development (HUD) in FY 2025 (enclosed). Importantly, the FY 2025 discretionary budget is capped at roughly FY 2023 enacted levels by the spending limits set by the Fiscal Responsibility Act (P.L.118-5). This means the President cannot request significant increases for discretionary programs without offsetting the boost with cuts elsewhere. As such, the FY 2025 Budget Request is significantly slimmer across the board than its predecessor.

Overall, the President requests \$1.05 billion for Native American Programs, \$287 million (21%) below FY 2024 enacted levels. This cut comes almost entirely from the Indian Housing Block Grant, which suffers a proposed \$290 million (26%) decrease. The FY 2025 Budget Request flat-funds every other account with the exception of Section 184 Loans, which got a significant \$500,000 (33%) boost. Lastly, the President did not request new funds for HUD-Veterans Affairs Supportive Housing (HUD-VASH) because “previously appropriated funds that remain available for carryover are sufficient to fund the anticipated need for new vouchers among veterans experiencing homelessness.” A full breakdown of proposed funding for Tribal housing programs is below.

	FY 24 Enacted	FY 25 Request	Difference
Native American Programs			
Tribal HUD-VASH	\$7,500,000	\$0	-\$7,500,000
Indian Housing Block Grant (IHBG)	\$1,110,000,000	\$820,000,000	-\$290,000,000
Competitive Grants	\$150,000,000	\$150,000,000	\$0
Title VI Loans	\$1,000,000	\$1,000,000	\$0

Indian Community Block Grant (ICBG)	\$75,000,000	\$75,000,000	\$0
Training and Technical Assistance	\$7,000,000	\$7,000,000	\$0
National Organization Funding (per Sec. 703 of NAHASDA)	\$2,000,000	\$2,000,000	\$0
Section 184 Loans	\$1,500,000	\$2,000,000	\$500,000
Imminent threats to health and safety	\$5,000,000	\$5,000,000	\$0
Native Hawaiian Programs			
Native Hawaiian Housing Block Grant (NHHBG)	\$22,300,000	\$22,300,000	\$0
Training and Technical Assistance	\$1,000,000	\$1,000,000	\$0

Secretary Fudge Steps Down

On March 12, 2024, the Secretary of HUD, Marcia Fudge, publicly announced her decision to step down from her role. Her last day is March 22, 2024, after which point HUD Deputy Secretary Adrienne Todman will become Acting Secretary.

Conclusion

If you have any questions about this memorandum or any of the topics discussed in this memorandum, please contact Ed Clay Goodman (egoodman@hobbsstrauss.com) or Cari Baermann (cbaermann@hobbsstrauss.com). Both may also be reached at 503-242-1745.