



215 SW Washington Street, Suite 200
Portland, OR 97204


T 503.242.1745
F 503.242.1072

HOBBSSTRAUS.COM

MEMORANDUM

June 18, 2024

To: TRIBAL HOUSING CLIENTS

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

Re: ***Tribal Consultation: Annual Budget Consultation***

This memorandum provides a summary of the Inaugural U.S. Department of Housing and Urban Development (HUD) Tribal Consultation on its annual budget, held virtually on June 14, 2024.

I. HUD Inaugural Annual Budget Consultation

HUD held the Inaugural Annual Budget Consultation to provide a forum for tribes to collectively share their views and housing funding priorities with senior HUD officials that will help shape HUD's fiscal year (FY) 2026 budget request. HUD is also interested in soliciting ideas for legislative proposals.

Heidi Frechette, the Deputy Assistant Secretary of HUD's Office of Native American Programs (ONAP), Richard Monocchio, Principal Deputy Assistance Secretary (PDAS) of the HUD Office of Public and Indian Housing (PIH), Jad Atallah, Director of ONAP's Office of Performance and Planning, and First Vice President of the Central Council of Tlingit and Haida Indian Tribes of Alaska, Jacqueline Pata gave opening remarks.

Mr. Atallah noted that HUD is specifically seeking tribal feedback on the following questions:

1. What factors should HUD consider while drafting the FY 2026 budget as it relates to tribal communities? Are there economic factors that have restricted tribes' ability to address housing needs?
2. If HUD is able to secure additional funding, where would tribes recommend the funds to go in FY 2026?
3. Do tribes believe that there is adequate ONAP staff and/or training and technical assistance? How should HUD prioritize training and technical assistance in FY 2026?
4. While considering Section 5A of Executive Order 14112, what recommendations do tribes have for HUD to increase the accessibility, equity, flexibility, and utility of federal funding and support programs for tribal nations?

Tribes can submit comments via email to Consultation@HUD.gov. The deadline for submitting comments is **July 12, 2024**.

Mr. Atallah provided an overview of the FY 2024 funding for tribal housing. On March 11, 2024, the President released his FY 2025 Budget Request ("Budget Request"), including his proposal for HUD funding in FY 2025. As we have discussed in prior memoranda, 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). Mr. Atallah noted that this means that 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 lower across the board than the FY 2024 Budget Request (and below the FY 2024 enacted levels as well).

Overall, the President requests \$1.05 billion for tribal housing programs, which is significantly below FY 2024 enacted levels. The decrease comes mostly from the Indian Housing Block Grant (IHBG), which the Budget Request proposes to decrease by \$290 million (26%). The FY 2025 Budget Request would keep funding flat for every other account with the exception of Section 184 Indian Housing Loan Guarantee ("Section 184"), which would receive a \$500,000 (33%) increase. Lastly, the President did not request new funds for HUD-Veterans Affairs Supportive Housing (HUD-VASH). A full breakdown of proposed funding for tribal housing programs is below.

Native American Programs	FY2023	FY2024	FY 2025 Request
Tribal HUD-VASH	\$7.5 million	\$7.5 million	\$0
Indian Housing Block Grant (IHBG)	\$787 million	\$1.11 billion	\$820 million
Competitive Grants	\$150 million	\$150 million	\$150 million
Title VI Loans	\$1 million	\$1 million	\$1 million
Indian Community Development Block Grant (ICDBG)	\$75 million	\$75 million	\$75 million
Training and Technical Assistance	\$7 million	\$7 million	\$7 million
National Organization Funding (per Sec.703 of NAHASDA)	\$2 million	\$2 million	\$2 million
Section 184 Loans	\$5.5 million	\$1.5 million	\$2 million
Imminent threats to health and safety	\$5 million	\$5 million	\$5 million
Native Hawaiian Program			
Native Hawaiian Housing Block Grant (NHHBG)	\$22 million	\$22.3 million	\$22.3 million
Training and Technical Assistance	\$1 million	\$1 million	\$1 million

II. Comments from Participants

HUD then opened up the call to participants to ask questions and provide feedback on the annual budget. The questions and comments provided by participants are noted below. HUD did not provide a response to all comments, but where HUD did provide a response, we note the responses underneath the question or comment.

- **Tribal comments:** One of the participants commented that the Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA) IHBG funding appropriations remained flat for years after NAHASDA was passed in 1996. Since 1996, the minimal increases in funding for IHBG funding did not keep pace with inflation. While the FY 2024 appropriations increased the IHBG funding to \$1.11 billion, which equates to 1.9% of HUD's budget, that amount is still not enough for tribal housing. She advocated that the IHBG funding be increased by \$1.8 billion, or 2.5% of HUD's budget, to match inflation. While the FY 2025 funding amounts are lower than the FY 2024 amounts for tribal housing, the participant commented that that decrease should not be considered the baseline funding level for FY 2026. Instead she recommended that HUD advocate to Congress that the FY 2024 IHBG funding of \$1.11 billion should be the minimum amount of appropriations for tribal housing going forward.
- **Tribal Comment:** The participant recommended that HUD advocate that Congress standardize the HUD budget, so that the percentage allocated for tribal housing remains consistent. He noted that annual fluctuations in the funding amount allocated to tribal housing makes it difficult for TDHEs to plan their own housing budgets and take on multi-year construction projects. He noted that the FY 2024 increase allowed his tribe to provide housing assistance to a greater number of tribal members, resulting in an immediate benefit to tribal members
- **Tribal Question:** Another participant commented on the cumulative and compounding effects of funding levels for tribal housing. The fact that the percentage of HUD's budget allocated for tribal housing funding decreased over the last 20 years, and that it did not keep pace with inflation, has a significant cumulative detrimental impact on tribal housing programs. Each year that tribes receive an inadequate level of funding worsens the harmful effects of prior years of inadequate funding. As a result, the FY 2024 budget increase will not overcome the compounding effects of receiving inadequate funding for the past 20 years. Additionally, he commented that there should be equity between tribal and nontribal HUD programs, given that the population of Native Americans and Alaska Natives has increased since 1996. He also requested that HUD leaders do more to advocate to Congress on tribes' behalf that tribal housing consistently be a higher percentage of HUD's budget. He noted that that message will have more of an impact if it comes directly from HUD, instead of only from tribes.
- **Tribal Question:** One of the participants commented that the current NAHASDA eligibility requirements that housing only be provided to low-income families punish the success of individual tribal members. She recommended that the regulations be revised so that TDHEs can provide more housing assistance to families with household incomes above 80% of the area median income or national median income. She commented that there are many families with median household incomes that still cannot afford adequate housing, due to the current high costs of housing and high inflation.
 - **HUD Response:** Mr. Atallah responded that the income eligibility requirements are statutory, so HUD cannot change those requirements by amending the regulations. However, Mr. Atallah also noted that HUD is holding this consultation to request

legislative proposals. HUD will therefore take note of those comments on the burdens of the income eligibility requirements, to propose a statutory change as part of the reauthorization of NAHASDA.

- **Tribal Question:** Another participant commented that Congressional appropriations for tribal housing should take into account the impact of climate change on housing. They noted that tribes often face additional hurdles in dealing with climate change, such as flooding and rising ocean tides in remote tribal areas. Tribes also face additional obstacles in building and repairing housing, due to factors such as the remote locations of tribal reservations, the high costs of transporting materials to tribal areas, racial barriers, and low employment rates. The participant recommended that Congress take these factors into account when appropriating funding for tribes.
- **Tribal Question:** Another participant reiterated the impact that the high costs of housing are having on tribal areas. He noted that tribes do not have enough funding to build enough housing for all tribal members, so overcrowding is still a significant problem in tribal areas. He also noted that many tribal members cannot afford the costs of homeownership, and HUD should do more to reduce barriers to homeownership for tribal members.

HUD staff made closing remarks, noting that they look forward to receiving written comments from tribes and tribal advocates.

Conclusion

If you have any questions about this memorandum, please contact Ed Clay Goodman (egoodman@hobbsstrauss.com) or Cari Baermann (cbaermann@hobbsstrauss.com); both may be reached by phone at 503-242-1745.