

**United States Department of Housing and Urban Development (HUD)
Tribal Intergovernmental Advisory Committee (TIAC)
Equity in Native American Housing Funding**

Talking Points:

- NAHASDA is the primary mechanism for developing affordable housing in Tribal areas.
- NAHASDA combined 8 Federal programs into a single block grant for ease of delivery and extinguished Tribes’ ability to partake of these.
- For over 20 years NAHASDA funding has been eroded due to inflation while the rest of HUD, including the eight programs that Tribes are not eligible for, particularly Section 8, kept pace with inflation and NAHASDA was flat funded.
- Even after a large increase in 2024, the Indian Housing Block Grant’s purchasing power is at the 2000 level. Compared to the rest of HUD which has had an overall increase of 50% (inflation adjusted).
- We are asking for equity and fairness in funding increases. That should be the standard, not something we have to request.

Introduction

The Native American Housing Assistance and Self Determination Act (NAHASDA) is the primary mechanism for funding affordable housing for Native Americans. NAHASDA’s landmark breakthrough was in recognizing the Self Determination rights of Tribes to respond to their needs for affordable housing rather than waiting for Washington, DC-based staff to adjudicate and approve competitive housing plans. **NAHASDA consolidated eligibility for eight (8) HUD funded programs that were previously available to tribes into a single block grant, at various times called the Indian Housing Block Grant or Native American Housing Block Grant. Importantly, tribes were then not able to apply for or receive the funding streams to which they had been previously eligible.** The unfortunate result is that Native American housing needs were easier to silo and went unaddressed for decades even as HUD’s budget increased both in absolute terms and inflation-adjusted terms. In short, the Indian Housing Block Grant (IHBG) has been severely underfunded compared to the rest of HUD’s programming.

	HUD OVERALL	IHBG
2001 Nominal \$	\$26 BB	\$646 MM
2001 % of HUD Budget		2.5%
2024 Nominal \$	\$70 BB	\$1.111 BB
2024 % of HUD Budget		1.6%
% Change in Funding	169%	72%
Inflation-adjusted change	+50%	0%

As the table above shows, in comparison to HUD’s overall budget the Indian Housing Block Grant has shrunk to half of its dollar value over 20 years. What’s more, HUD’s budget has grown well above the rate of inflation. As the purchasing power of the Indian Housing Block Grant has declined the purchasing power of all other HUD programs has actually increased. This is not equity.

President’s Fiscal Year 2023 Budget Request	President’s Fiscal Year 2024 Budget Request	President’s Fiscal Year 2025 Budget Request
Tenant Based Rental Assistance: +17%	Tenant Based Rental Assistance: +8%	Tenant Based Rental Assistance: +1%
Project Based Rental Assistance: +8%	Project Based Rental Assistance: +7%	Project Based Rental Assistance: +4%
*Indian Housing Block Grant: 0%	*Indian Housing Block Grant: +3%	*Indian Housing Block Grant: -26%

**President’s budget request based on the prior year enacted budget*

Furthering the inequity in existing funding, the Presidential budget requests from the last two years have been favoring higher increases for non-tribal programs. The President’s budget makes the inequity between tribal housing programs and non-tribal programs bigger. This is repeating the prior 20 years of budgets where tribal programs were either increased just slightly or not at all compared to the rest of HUD’s programs.

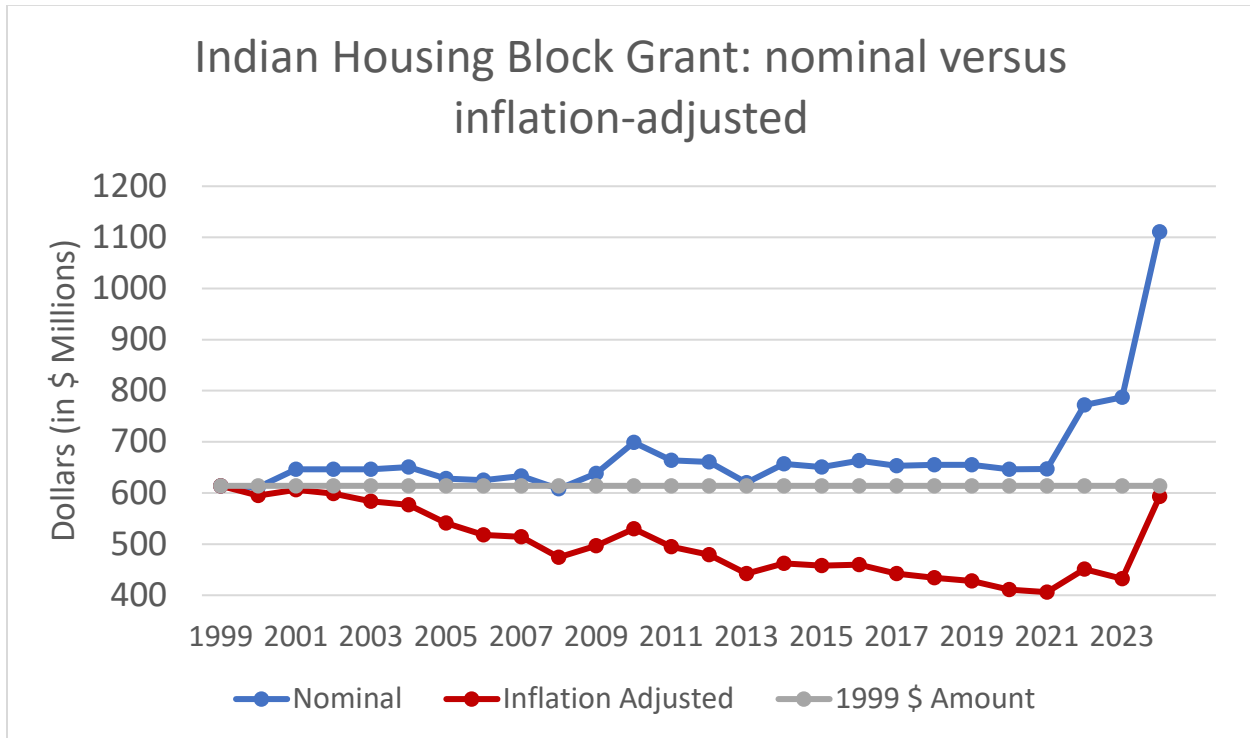
Federal Trust Responsibility

This is particularly worrisome, as it is Trust responsibility of the Federal government to see to the housing needs of Native Americans addressed. The US Commission on Civil Rights report *Broken Promises: Continuing Federal Funding Shortfall for Native Americans* released in 2018 makes clear that **affordable housing is part of the US Government’s Trust responsibility to Native Americans**. That Trust responsibility goes beyond the social contract theory underpinning many of the aid programs for people living in poverty. The Trust responsibility to Native Americans was assumed by the US Federal Government because Native Americans were warred upon, displaced, disenfranchised, and even had their Tribes’ Federal recognition terminated as late as the 1950’s.

President Biden’s recent Executive Order 14112 “Reforming Federal Funding and Support for Tribal Nations to Better Embrace Our Trust Responsibilities and Promote the Next Era of Tribal Self-Determination” provides a framework for righting this historical injustice. Section 4 states “The Director of the Office of Management and Budget (OMB) and the Assistant to the President and Domestic Policy Advisor (Domestic Policy Advisor) shall lead an effort, in collaboration with WHCNA, to identify chronic shortfalls in Federal funding and support programs for Tribal Nations, and shall submit recommendations to the President describing the additional funding and programming necessary to better live up to the Federal Government’s trust responsibilities and help address the needs of all Tribal Nations” This Executive Order has clear timelines and reporting requirements to address the funding inequities that previously existed. **The TIAC recognizes this historic commitment and encourages policy makers to live up to this commitment in budget formulation and in budget enactment.**

History of Underfunding and Impact

Looking solely at the Indian Housing Block Grant versus inflation, we can see a pattern of underinvestment for decades. That pattern was only broken beginning in Fiscal Year 2021 thanks to Congressional members recognizing the immense need and underinvestment in Tribal housing. Due to a large increase in FY '24 the Indian Housing Block Grant is finally inflation-adjusted to the year 2000.



It has been thoroughly documented that the housing conditions are substantially worse in Native American and Alaska Native households than all U.S. households. HUD’s own study tribal housing needs found that 68,000 new homes were needed to relieve the incredible overcrowding and unsafe or unsanitary conditions for Native Americans.¹ For example, in Western Alaska, which has the highest concentration of Alaska Native people and indigenous first-language speakers in the country, nearly 40% of homes are overcrowded, a rate 10X higher than the rest of the United States.² This was not always the case. **HUD’s 2017 study found that tribal housing providers had been producing housing at rates equal to pre-NAHASDA days, but starting less than a decade after the Indian Housing Block Grant was created, housing production began slowing greatly.** The study concluded that “Limited funding is a key constraint for many tribes who could increase their rate of housing production if they had more funding.”³ **A Quite**

¹ Housing Needs of American Indians and Alaska Natives in Tribal Areas: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs dated January 2017- <https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>

² Alaska Housing Finance Corporation, 2018 Alaska Housing Assessment, <https://www.ahfc.us/pros/energy/alaska-housing-assessment/2018-housing-assessment/ancsa-overcrowding>

³ Housing Needs of American Indians and Alaska Natives in Tribal Areas: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs dated January 2017- <https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>

Crisis, a 2003 report by the US Civil Rights noted that “[p]laced in context of HUD’s overall budget authority, the housing needs of Native Americans are disproportionately underfunded.”⁴

One of the most pernicious ways that underfunding has eroded new housing construction is the tradeoff between maintenance & operation and capital construction for every dollar of federal funding. Affordable housing does not pay its own maintenance & operations from rent. Services such as snow removal (which cost Cook Inlet Housing Authority over \$150,000 in a one-week period in November 2023), electricity for common areas, and compliance staff are all expenses that are not fully covered by rent charged to low-income tenants. With a nearly stagnant Block Grant eaten away by inflation over 20 years, TDHEs are required to ensure their existing units are safe, decent, and affordable. That means capital construction is the last consideration. The knock-on effect of fewer dollars to construction is that there are fewer dollars for leveraging, further reducing the opportunity for TDHEs to develop new housing that is sorely needed across the US.

Total Impact of Funding Inequity

In total terms, what does all of this add up to in lost housing units and total budget authority? The IHBG appropriation for FY 2024 at \$1.111 Billion was the inflation-adjusted appropriation of \$611 Million from the year 2000. What is missing is the 23 years between 2000 and 2024 that were not inflation adjusted at the same level as the rest of HUD’s programs. The cumulative loss from that disparity between HUD and the IHBG is over \$4 Billion. That has real impacts on housing development. In the early 2000s, HUD’s own report showed an average of 1,900 homes constructed or renovated. By FY 2022 that had fallen to 562. In total, the loss of houses developed or renovated is over 7,000, or over 10% of the 68,000 homes needed to alleviate overcrowding and unsafe conditions in Tribal communities.⁵

⁴ A Quiet Crisis – US Civil Rights Report dated July 2003- <https://www.usccr.gov/files/pubs/na0703/na0204.pdf>

⁵ Housing Needs of American Indians and Alaska Natives in Tribal Areas: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs dated January 2017- <https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>