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April 12, 2004

The Honorable Christopher Bond
Chairman
Subcommittee on VA, HUD and Independent Agencies
Committee On Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

I am writing to encourage you to support increased funding in fiscal year 2005 for the Native American Housing Block Grant (NAHBG) and Indian Community Development Block Grant (ICDBG) programs, as well as the National American Indian Housing Council (NAIHC), so that Native Americans can have safe, clean, healthy and adequate housing.

As you may know, housing is a serious concern throughout Indian Country. According to the National American Indian Housing Council, 40 percent of current tribal homes are overcrowded, 69 percent of the population must endure severely overcrowded conditions, 37 percent of the population lives in poverty, and 200,000 housing units are needed immediately to address the housing shortage. In light of these alarming statistics, it is clear we need to do more to support initiatives designed to improve Indian housing.

The NAHBG and ICDBG programs are key components of the effort to build and sustain home ownership among Native Americans. The NAHBG program is the largest funding source for Indian housing programs, and requires additional resources in order to meet growing housing needs in Indian Country. In his budget for FY 2005, the President requested \$647 million for the NAHBG program, a decrease of \$7.1 million from what was enacted in FY 2004. Because estimates indicate that existing funding is inadequate, the President's cuts would exacerbate an already dire situation. Accordingly, I request that funding for NAHBG be increased by \$52 million, to \$700 million in FY 2005.

Complimenting NAHBG is the ICDBG program – a set-aside within the broader Community Development Block Grant program – which allows tribes to acquire real property for public use, undertake job-training programs, and assist for-profit businesses with loans and land to help them provide jobs to the community. The President proposes to cut the ICDBG set-aside in his FY 2005

budget request. Due to the extreme need for housing in Indian communities, I request that the ICDBG set-aside be increased to \$150 million.

Finally, the National American Indian Housing Council has played an integral role in increasing the capacity of tribal housing programs, resulting in an impressive 88-percent obligation and spend-out rate over the life of the program – better than most housing construction programs. Unfortunately, despite NAIHC’s stellar record in developing a range of important programs – including scholarships, mentoring, policy development, homebuyer education, and on-site technical assistance – the President has proposed cutting NAIHC’s \$2.2 million set-aside, authorized by the Native American Health and Self-Determination Act, in FY 2005. This set-aside must be restored so that NAIHC can continue to address the many important housing needs that exist throughout Indian country.

Financing for housing is a cornerstone for all community development, and serves as an important economic stimulus for Tribes. Providing Native Americans with the funding levels necessary to make sound investments in their communities will pay off in quality housing, and in stronger, healthier communities. Accordingly, I urge you to join me in making Native American, Alaska Native, and Native Hawaiian housing a top priority for fiscal year 2005 by fully funding these vital housing programs.

With best wishes, I am

Sincerely,

Tom Daschle
United States Senate