



The Honorable Charles Schumer
Majority Leader
U.S. Senate
S-221 U.S. Capitol Building
Washington, D.C. 20510

The Honorable Kevin McCarthy
Speaker of the House
U.S. House of Representatives
H-232 U.S. Capitol Building
Washington, D.C. 20510

March 6, 2023

Re: Calling on Congress to Increase Funding for the HUD Section 4 Program to \$50 Million and Establish a 10% Set-Aside for Tribal Communities for FY 2024

Dear Senator Schumer and Speaker McCarthy,

On behalf of the **National American Indian Housing Council**, **Native CDFI Network** and **Sovereign Council of Hawaiian Homestead Associations**, we write to you today regarding the **HUD Section 4 Capacity Building for Community Development and Affordable Housing (Section 4) Program**, which is the *only* federal program explicitly designed to increase and enhance the capacity of community-based non-profit organizations to effectively serve the affordable housing and community development needs of low-income communities.

Specifically, we call upon Congress to pass a FY 2024 Appropriations package that features the following:

- **Increasing Section 4 Program funding to \$50 million:** In real dollars, Congressional funding for the Section 4 Program has decreased by more than 25 percent since 2004, despite the fact the low-income population served by Section 4 dollars has grown considerably. In addition, low-income families are disproportionately bearing the brunt of surging housing, transportation, and food costs related to rising inflation. A significant increase to \$50 million is justified for these reasons, but also because the Section 4 Program *works*. Over the past five years, Section 4 dollars have been deployed to construct and rehabilitate more than 40,000 affordable homes for low-income households. Critically, every \$1 in Section 4 funding leverages *more than \$20 in additional public and private investments*, which vastly exceeds the 3-to-1 match the law requires. The Office of Management and Budget and the General Accountability Office have given the Program their stamp of approval as a cost-effective federal program. *We call upon Congress to fund the Section Program at \$50 million for FY 2024.*
- **The establishment of a 10% set-aside for tribal communities:** Section 4 dollars have largely bypassed Indian Country since the Program's inception, based on extensive anecdotal evidence provided by Native non-profit organizations dedicated to addressing the affordable housing and community development needs of tribal communities. A 10% set-aside for tribal communities (\$5 million total) will ensure that Section 4 funding *equitably* serves low-income communities across the country based on the relative breadth and severity of their documented needs for affordable housing and community development resources. This 10% set-aside could be effectively administered through direct cooperative agreements between HUD and national Native intermediary organizations – such as the National American Indian Housing Council and Native CDFI Network – that support affordable housing and community development entities across Indian Country and possess an intimate

knowledge of the distinct challenges facing tribal communities and the proven solutions that need to be scaled to effectively address them. Within these cooperative agreements, HUD should waive the matching requirements for the participating Native organizations. *We call upon Congress to establish a 10% set-aside from Section 4 Program funding for tribal communities.*

We further call on Congress to increase the transparency and accountability of *all* HUD Section 4 grant recipients in the form of a report to the Senate Committee on Indian Affairs every two years documenting their deployment of Section 4 awards.

We thank you in advance for your consideration of these requests and we look forward to discussing them with you further.

Sincerely,



Tony Walters
Executive Director
National American Indian Housing Council



Pete Upton
Board Chair/CEO
Native CDFI Network



KipuKai Kualii
Board Chair
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