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The Indian Community Development Block Grant (ICDBG) Program: An Overview

The Indian Community Development Block Grant (ICDBG) program is a tribal economic development and assistance program administered by the Department of Housing and Urban Development’s Office of Native American Programs. Although its name may suggest an association with the Community Development Block Grant (CDBG) program, the ICDBG program operates distinctively from CDBG. This In Focus provides an overview of the ICDBG program’s structure and program elements, and potential policy considerations for Congress.

ICDBG Structure and Administration

The Department of Housing and Urban Development (HUD) is among the largest sources of federal community and economic development funding, primarily through the CDBG program. Similarly, the ICDBG program provides significant funding to federally-recognized tribal nations and Alaska Native villages to address community and economic development needs, as well as “imminent threats” to community health or safety. Like the CDBG program, the ICDBG program derives its authority under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. §5301 et seq.).

Recent Appropriations

By statute, the ICDBG program receives a one percent set-aside of Title I CDBG appropriations, excluding amounts for use under Section 107. In practice, Congress has enacted larger appropriations separately for ICDBG, exceeding the one percent set-aside. For FY2021, the ICDBG received \$70 million in funding (or approximately 2%). **Table 1** shows ICDBG appropriations from FY2017 to FY2021.

Table 1. ICDBG Appropriations
FY2017 to FY2021

Fiscal Year	ICDBG	CDBG	Public Law
2017	\$60.0 million	\$3.1 billion	P.L. 115-31
2018	\$65.0 million	\$3.4 billion	P.L. 115-141
2019	\$65.0 million	\$3.4 billion	P.L. 116-6
2020	\$70.0 million	\$3.4 billion	P.L. 116-94
2021	\$70.0 million	\$3.5 billion	P.L. 116-260

Source: Tabulated by CRS from appropriations legislation.

Notes: The “CDBG” column provides the base number from which the 1% set-aside would be calculated.

Program Features

The ICDBG program provides both competitive and noncompetitive grants to federally-recognized Indian tribes and Alaskan Native villages to support the development of housing, suitable living environments, and economic opportunities. Like CDBG, program funds are required to principally benefit low-and-moderate-income persons.

Despite its name, the ICDBG program is administered separately from CDBG, though they share authorizing legislation and similar community development goals. Unlike the conventional CDBG program, which is subdivided into entitlement communities and state programs under which sub-awards are administered, ICDBG functions as a single program with two principal grant types. Grants are awarded in two categories:

- Single Purpose competitive grants for community and economic development needs, which may make up as much as 95% of ICDBG funds; and
- Imminent Threat grants, which are allocated on a noncompetitive basis as available to eliminate or mitigate issues posing an imminent threat to the public health or safety of tribal residents.

Eligible entities may apply through an annual Notice of Funding Availability (NOFA). For FY2018, HUD funded \$63 million in ICDBG awards to 85 tribal communities (111 communities were awarded in a combined FY2019 and FY2020 announcement). Single Purpose grants support projects in three broad categories: (1) housing, including construction and land acquisition; (2) community facilities, such as basic infrastructure and community buildings; and (3) economic development, including a variety of commercial, industrial, and agricultural projects owned and operated by the grantee, or a third party.

Funding Allocations

Appropriated funding is administered by HUD’s Office of Native American Programs (ONAP), which allocates ICDBG funding to six area ONAPs, each with specific geographic jurisdictions. Each area ONAP is allocated a base amount of \$1 million and ICDBG program funds (24 C.F.R. §1003.101) based on the following formula:

- 40% based on each area ONAP’s share of the total eligible Indian population;
- 40% based on each area ONAP’s share of the total poverty among the eligible Indian population; and

- 20% based on each area ONAP’s share of the total extent of overcrowded housing among the eligible Indian population.

Each area ONAP uses its allocation to award grants to eligible entities in its jurisdiction. The six area ONAPs are:

- **Alaska** (serving the State of Alaska);
- **Eastern Woodlands** (Alabama, Connecticut, Florida, Iowa, Massachusetts, Maine, Michigan, Minnesota, Mississippi, North Carolina, New York, Rhode Island, South Carolina, Virginia, and Wisconsin);
- **Northern Plains** (Colorado, Montana, North Dakota, Nebraska, South Dakota, Utah, and Wyoming);
- **Northwest** (Idaho, Oregon, and Washington);
- **Southern Plains** (Kansas, Louisiana, Missouri, Oklahoma, and Texas); and
- **Southwest** (Arizona, California, New Mexico, and Nevada).

The ONAP headquarters and the ONAP in Hawaii are not allocated ICDBG funds for distribution. Native Hawaiian communities are not eligible for ICDBG funding. Hawaii’s Department of Hawaiian Home Lands receives dedicated funding for housing activities through HUD’s Native Hawaiian Housing Block Grant program.

Table 2 shows recent area ONAP allocations.

Table 2. Area ONAP Allocations
FY2018 to FY2020 (Dollars in Millions)

ONAP	FY2018	FY2019	FY2020
Alaska	\$7.85	\$7.89	\$8.86
Eastern Woodlands	\$4.95	\$5.03	\$5.42
Northern Plains	\$9.51	\$9.26	\$10.40
Northwest	\$3.35	\$3.38	\$3.71
Southern Plains	\$15.01	\$14.87	\$16.82
Southwest	\$21.75	\$21.07	\$23.90

Source: Tabulated by CRS from HUD data.

Notes: FY2017 allocations were not publicized because of appropriations delays. FY2021 allocations have not yet been released.

ICDBG Emergency Supplemental Appropriations

Following an emergency, disaster, or other major contingency, Congress has sometimes enacted supplemental appropriations to the ICDBG program to provide additional assistance to ICDBG-eligible entities. Indian communities are also often eligible for supplemental CDBG funding for disaster recovery (CDBG-DR).

In response to the COVID-19 pandemic, for example, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) appropriated \$300 million for HUD’s Native American Programs account, of which one-third, or \$100 million, was set-aside for the ICDBG program, in what became known as ICDBG-CARES. This funding was primarily allocated to the noncompetitive Imminent Threats grant program to address community and economic impacts of the pandemic.

Previously, ICDBG also received supplemental allocations in response to the 2008 financial crisis. The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) appropriated \$1 billion in supplemental funds to the CDBG program account, of which \$10 million was set aside (per the 1% set-aside) for ICDBG. According to the NOFA, ICDBG Recovery funds were only available to tribal organizations that received ICDBG Single Purpose grants in FY2008.

Policy Considerations

HUD’s ICDBG program is sometimes compared to the larger Indian Housing Block Grant (IHBG) program, which received \$646 million for formula grants for all 570+ federally recognized tribes and Alaska Native villages, and \$100 million for competitive grants in FY2021. The Trump Administration considered the IHBG and ICDBG programs to be duplicative and requested no funds for ICDBG in its FY2021 budget. However, the IHBG is more narrowly focused on housing, and does not allow for the breadth of projects potentially fundable under ICDBG (For more information on IHBG and related programs, see CRS Report R43307, *The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA): Background and Funding*, by Katie Jones.)

To provide greater tribal economic development resources, Congress may consider reforming the ICDBG program to more closely resemble IHBG or its CDBG namesake by providing more substantial and regular formula funding to eligible tribes and organizations. Despite its name, the ICDBG program is not a categorical block grant program. As such, tribes and other eligible applicants cannot depend on ICDBG as a consistent source of community and economic development funding. As a block grant, grantees would have greater flexibility to address community and economic development priorities, and could also use anticipated long-term formula funding to finance larger, more strategic projects through commercial or nonprofit lenders, or through a program like HUD’s Section 108 loan program. Increased funding could also broaden the pool of grantees without affecting funding levels for frequent users of the ICDBG program. Alternatively, ICDBG could be subsumed within the larger IHBG program, but with increased flexibilities for non-housing community and economic development uses, including imminent threats.

Michael H. Cecire, Analyst in Intergovernmental Relations and Economic Development Policy

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