

# The Indian Community Development Block Grant at 50

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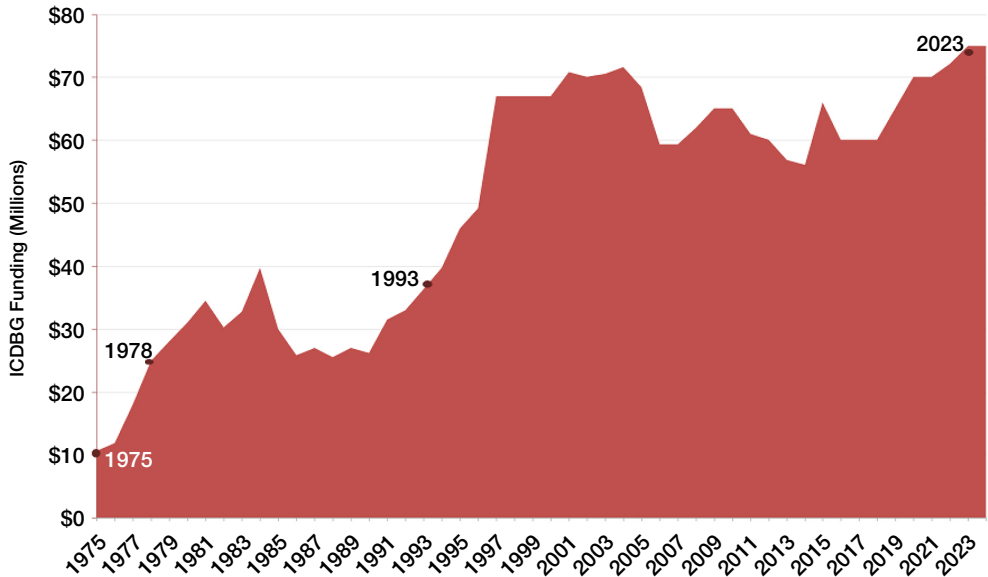
## Introduction

Throughout the nation, Tribes are using resources to foster, construct, and support their communities within their lands and beyond. The work is challenging, rewarding, and impressive. At the heart of much of this effort lies the Indian Community Development Block Grant (ICDBG) program. The program is brought to life by the Tribes and Tribal housing practitioners, and their work is invaluable.

Enacted by Congress as part of the Housing and Community Development Act of 1974 (U.S. Congress, 1974), the Community Development Block Grant (CDBG) unlocked a powerful new resource for states, local governments, and Tribal communities. For the past 50 years, the program has provided critical funding to address infrastructure, economic development, housing, disaster recovery, and other community needs. CDBG also set the stage for a future companion program known as ICDBG, which was launched in 1978. Since that time, the ICDBG program has provided more than \$2.4 billion in federal funding to assist hundreds of Tribal communities across Indian Country (exhibit 1). With these funds, Tribes have bolstered their economies, responded to disasters, strengthened cultural traditions, and addressed critical housing and infrastructure needs.

**Exhibit 1**

Nominal Yearly ICDBG Funding Amounts



**Key Years in the ICDBG Timeline**

- 1975:** First CDBG awarded to 40 Indian tribes.
- 1978:** ICDBG established. Prior to 1978, Tribes were included as units of local government under CDBG.
- 1979:** On December 15, 1978 HUD issues a final rule to establish the first ICDBG program.
- 1993:** The administration of the ICDBG program was moved from HUD’s Office of Community Planning and Development to the newly established Office of Native American Programs.
- 2023:** HUD publishes a Dear Tribal Leader letter to initiate the rulemaking process on the ICDBG program regulations.

*CDBG = Community Development Block Grant. ICDBG = Indian Community Development Block Grant.  
 Note: Key years are identified on the chart, and more information is provided in the timeline.  
 Sources: Data compiled from HUD’s annual CDBG reports to Congress (before 1996) and ICDBG Federal Register notices (1996 to present)*

This article discusses the history, impact, and future of the ICDBG program, which is designed to provide critical community development resources to Tribal communities grounded in the fundamental principles of Tribal sovereignty and self-determination.

## Building the Foundation for ICDBG

To better understand the ICDBG program as it exists today, it is important to acknowledge how the U.S. Department of Housing and Urban Development (HUD) served Tribes before the creation of the CDBG program.

Over the past 60 years, Tribal housing programs in Indian Country have undergone a monumental shift (HUD, 1988; Richardson, 2023). In 1962, just 12 years before the CDBG program came about, HUD took its first step toward providing housing resources to Tribes in furtherance of the federal government’s trust and treaty obligations. Although the U.S. Housing Act of 1937 established the Low Rent Public Housing Program to assist several states in remediating the unsafe

and unsanitary housing conditions facing low- to moderate-income persons, it did not provide immediate support for American Indians and Alaska Natives. The 1937 Act provided authority to “vest in local public housing agencies the maximum amount of responsibility in the administration of their programs” and authorized the Secretary of HUD to make loans and annual contributions to public housing agencies to assist in the development and acquisition of low-rent housing projects and in maintaining the low-rent character of such projects (U.S. Congress, 1937). Although the 1937 Act provided the statutory basis for housing programs in Tribal communities, HUD did not administer dedicated Tribal housing programs until 1962. At this time, HUD administratively determined that Indian Tribes had the legal authority to establish, pursuant to Tribal law, Indian housing authorities that could develop and operate low-rent housing projects in areas subject to Tribal jurisdiction (Williams and Leatherman, 1975). This clarification helped lay the foundation for future federal Tribal housing and community development programs such as ICDBG.

Between 1962 and 1974, Congress continued to clarify and expand HUD’s authority and responsibility for assistance to low-income families in Tribal communities. During these years, Tribes became eligible for the [Mutual Help](#), Low Rent, and [Turnkey III](#) affordable housing programs and a variety of categorical programs such as Neighborhood Facilities Grants, Water and Sewer Grants, Model Cities, Historic Preservation, Open Space, and Code Enforcement. Although Tribes received funding under these various programs, funding was sporadic, and the total amount of funds approved for Tribes represented a small, disproportionate amount compared with the total funding available.

With the passage of the Housing and Community Development Act of 1974, Congress consolidated HUD’s various community development programs, folding them into one flexible grant now known as CDBG (Orlebeke and Weicher, 2014). The new program allocated annual CDBG funding to large cities; urban counties, known as entitlement communities; and states, which are responsible for distributing state CDBG funds to smaller communities, known as nonentitlement communities, at their discretion. With this program, Tribes could access CDBG funding by initially qualifying as a “unit of general local government.”

## **The Making of ICDBG**

During the first few years of the CDBG program, a pivotal development occurred with the establishment of HUD’s first office aimed at serving American Indian and Alaska Native communities. The creation of the Office of Indian Programs (OIP) in 1976 laid the foundation for what would later evolve into the Office of Native American Programs (ONAP), marking a significant milestone because OIP provided Tribes with direct support from HUD staff tailored to the specific needs of Indian Country (HUD, 1988).

During 1975 and 1976, the number of Tribes receiving assistance to address their community development needs increased significantly. However, the implementation of the new CDBG program revealed shortcomings that prompted reflection among many Tribes and OIP staff. Although the CDBG program offered flexibility and local autonomy, a pressing need existed for a more responsive approach that accounted for the unique legal, cultural, and economic circumstances of Native American communities. HUD owes a trust responsibility to Tribal nations

and needed the authority to administer Tribal programs in a manner that recognizes Tribal self-determination and self-governance.

Astrid Trauth, who served as the Director of Planning and Development in HUD's regional office in San Francisco, led an effort to gain deeper insight and identify potential solutions. Ms. Trauth worked closely with Tribal leaders and convened meetings in late 1976 and early 1977. HUD's efforts were reflective of the federal policy of self-governance and self-determination, as acknowledged in the passage of the Indian Self-Determination and Education Assistance Act of 1975. Another HUD staffer, Bob Barth, later recounted that the "primary consideration of Tribal representatives and HUD in the design of the CDBG program ... was the development of viable Indian communities within the context of Tribal Self-Determination" (Barth, 1980). Through this close consultation with Tribes in 1977, a legislative strategy was conceived to establish a new "special funding mechanism," which later resulted in the development of a new CDBG set-aside for Indian Tribes and Alaska Natives, now referred to as ICDBG (Trauth, 1980).

This experience underscored the necessity of designing a program that could provide a consistent and reliable level of funding for CDBG grants awarded to Tribes. This program would enable Tribes to effectively plan and implement long-term development initiatives tailored to their specific needs. A collective call for reforms emerged aimed at ensuring a baseline level of funding each year while preserving the flexibility and autonomy inherent in the CDBG program.

As a result of these efforts, commencing with the 1977 amendments to the Housing and Community Development Act of 1974, Congress has made various revisions over the years regarding how it funds Tribal programs. By 1989, Congress removed Tribes from the discretionary fund and created a dedicated source of ICDBG funding in the form of an annual mandatory 1-percent set-aside from the larger CDBG pot reserved for Tribes (U.S. Congress, 1989). Tribal applicants would compete for this funding, which would be administered by ONAP separately from the CDBG program.

In addition to establishing a special funding mechanism, the changes allowed the Secretary of HUD to waive the labor standards requirements of CDBG (principally Davis-Bacon Act requirements) for ICDBG projects in recognition of Tribal labor laws that govern Tribal lands. The changes also mandated nondiscrimination requirements that were appropriately tailored to Tribes. Because funding to Tribes would subsequently be provided separately from funding provided to states and units of local government, Indian Preference requirements also applied to ICDBG grants. Consistent with what was then a new federal policy, first codified in Section 7(b) of the Indian Self-Determination and Education Assistance Act, Tribes were required to give a preference to Indians, Indian organizations, and Indian-owned economic enterprises when providing training opportunities, employment, and contracts funded under ICDBG. Thus, the ICDBG program as it exists today was born.

## **ICDBG Today**

Like its predecessor (CDBG), the ICDBG program provides direct grants to support the development of viable communities, including decent housing, a suitable living environment, and

economic opportunities, primarily for low- and moderate-income persons. Eligible applicants include Tribes and Tribal organizations designated by Indian Tribes to apply for an ICDBG grant on their behalf. Tribes and Tribal organizations apply for funding for specific projects under a Notice of Funding Opportunity (NOFO) process. Under the ICDBG NOFO, HUD assesses applications on the basis of the following rating factors: capacity, need/extent of the problem, soundness of approach, leveraging of resources, and comprehensiveness and coordination.

ICDBG Single Purpose grants are competed for and awarded on a regional basis. Funds appropriated by Congress annually are first allocated to six area ONAP regions, each receiving an initial base amount of \$1 million, with the remaining ICDBG program funds awarded on the basis of a formula. That formula allocates funding by factoring in the total eligible Indian population, the total extent of poverty, and the share of the total extent of overcrowded housing. Each area ONAP reviews and scores applications submitted by Tribes and Tribal organizations in its service area. In most years, the program is highly oversubscribed and very competitive. As a result, many strong Tribal projects go unfunded due to limited appropriations.

The ICDBG program has evolved significantly over the years to better meet the needs of Indian Tribes and Alaska Native villages. Today, the ICDBG program provides countless opportunities for Tribal communities to provide a wide range of critical projects and services to their Tribal members. Here are some examples:

**Expansion of Eligibility and Funding:** Initially, ICDBG primarily focused on housing and community infrastructure projects. Over time, more Tribes have used the program to carry out a wider range of community development projects, such as economic development, healthcare facilities, community centers, and educational facilities.

**Integration with Other Programs:** The program has been integrated with other federal initiatives and funding sources to leverage resources and maximize impact. This integration includes coordination with housing programs, healthcare initiatives, and educational grants.

**Focus on Sustainability and Resilience:** In recent years, ICDBG-funded projects have had a stronger emphasis on sustainability and resilience. These initiatives include projects that promote energy efficiency, environmental conservation, and disaster resilience.

**Streamlined Application and Reporting Processes:** HUD has taken steps to streamline the application, approval, and reporting processes associated with ICDBG funding, making it easier for Tribes to access and manage funds effectively.

## **ICDBG for Disaster Recovery**

ICDBG has also been a critical program for disaster recovery in Tribal communities. Although relatively small, ICDBG Imminent Threat grants are HUD's primary source of funding for Tribes that are affected by disasters or other emergencies. The ceiling for Imminent Threat grants is \$450,000 for disasters that are not presidentially declared and \$900,000 for presidentially declared disasters. Immediately following a disaster, HUD works closely with each affected Tribe

and other agencies, such as the Federal Emergency Management Agency, to assess damage and loss to Tribal communities. HUD then awards these grants to help Tribes with their recovery efforts and to supplement nonduplicative funding provided by other agencies. Imminent Threat grants provide critical and immediate funding to provide rental assistance to displaced families, rehabilitate damaged homes of low- and moderate-income families, remove debris, repair damaged infrastructure, and more. Historically, Congress has appropriated \$5 million for Imminent Threat grants annually.

## **ICDBG for COVID Relief**

In the early days of the COVID-19 pandemic, Congress worked closely with HUD and Tribal housing stakeholders to identify ways to provide immediate relief for Tribal communities. Given Tribes' familiarity with the ICDBG program and its community focus, the ICDBG program became a clear choice to deliver pandemic relief funding. In 2020, Congress provided \$100 million in emergency ICDBG funding to help Tribes prevent, prepare for, and respond to the pandemic under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Congress later provided an additional \$280 million in emergency ICDBG funding under the American Rescue Plan Act of 2021. Congress directed HUD to distribute this emergency funding to Tribes on a noncompetitive basis. HUD awarded all funding in the form of ICDBG Imminent Threat grants and used special authority granted by Congress to waive statutes and regulations and set alternative requirements to facilitate and expedite the use of these important dollars during a critical time.

Tribes have shared that these supplemental funds were a vital lifeline for facing an unprecedented public health challenge. Tribes used COVID-19 ICDBG funding for these and other purposes:

- Construct food pantries and food banks.
- Acquire new housing to alleviate severe overcrowding.
- Bring clean water to Tribal communities.
- Purchase ambulances and operative medical units.
- Provide emergency rental and mortgage assistance to struggling families.
- Purchase and convert motels to housing for people experiencing homelessness.
- Renovate community centers to distribute emergency food and supplies.
- Acquire facilities and convert them into daycare centers for children or coordination centers for essential workers.

The structure of ICDBG funding played a pivotal role in addressing COVID-19 by offering flexibility, local control, and efficient deployment of resources to meet the diverse needs of communities during a rapidly evolving public health emergency. This expedited response was crucial in providing timely support to communities.

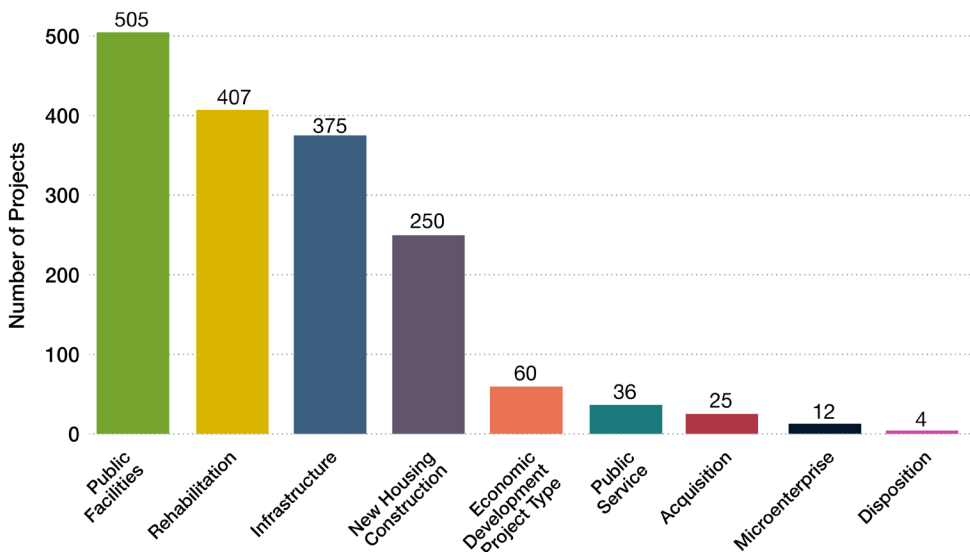
This experience demonstrates that not only has ICDBG been a reliable and important resource for Tribes over the past 50 years, but it has also served as a key tool to address emergencies using an existing programmatic framework that allowed HUD to quickly deploy funding to Indian Country. Tribes are uniquely positioned to serve the needs of their members, especially in times of crisis and disaster. Provided with adequate funding, Tribes have made a significant impact under the ICDBG program model, highlighting innovation and effective leadership in Indian Country.

## ICDBG in Action in Tribal Communities

Like the CDBG program, a key feature of the ICDBG program is the broad menu of eligible activities that Tribes can carry out. Exhibit 2 highlights the diversity of project types and funding priorities over 20 years.

### Exhibit 2

ICDBG Projects by Type, 2004–23



ICDBG = Indian Community Development Block Grant.

Source: Data submitted by ICDBG grantees via the Annual Status and Evaluation Report and compiled by the author using the Office of Native American Programs Performance Tracking Database

The ICDBG program has adapted to the changing needs and priorities of Indian Tribes and Alaska Native communities. Through the ICDBG program, Tribes have provided critical support for community development, [sustainable construction practices](#), investing in [infrastructure improvement](#), driving economic growth, [combating climate change](#), preserving important [cultural sites](#), and [much more](#).

Exhibits 3, 4, and 5 illustrate how the ICDBG program has made an impact in Indian Country with investments in health and wellness.

### Exhibit 3

#### Hospital Annex

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*Notes: The hospital annex is for the San Carlos Apache Tribe, and it is in Peridot, Arizona. The facility provides health care for 3,500 patients annually.  
Photo credit: San Carlos Apache Tribe*

### Exhibit 4

#### Child Development Center

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*Notes: The Child Development Center in Chickasaw.  
Photo credit: Chickasaw Nation*



Exhibit 5 illustrates how the ICDBG program has made an impact in Indian Country with investments in critical infrastructure.

### Exhibit 5

#### Water Infrastructure

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*Notes: This project benefits the Native Village of Nanwalek with the replacement of water mains, installation of new service lines to homes, and heating elements to make clean water available throughout the year.*

*Photo credit: Native Village of Nanwalek*

## Success Stories...in Their Own Words

### Jacqueline Pata, Central Council of the Tlingit and Haida Indian Tribes of Alaska



The ICDBG-CARES funding was a game changer for Tribes. The funds significantly helped Tribal communities by alleviating financial stresses and expanding project opportunities. Communities established food pantries, which were crucial during the pandemic and continue today. In addition, Tribes used grants for vital HVAC upgrades to improve air quality, recognizing new health needs. Innovatively, some Tribes embarked on residential construction, enabled by relaxed funding rules, fostering sustainable housing and job creation. Infrastructure projects, such as land development, were also funded and are crucial for future community growth.

Overall, these funds sparked a transformative shift, promoting long-term planning, leveraging additional grants, and empowering Tribes to meet evolving community needs effectively.

### Cindy Logsdon, CEO/Director, Citizen Potawatomi Community Development Corporation



In 2002, with the support of the ICDBG program, the Citizen Potawatomi Nation (CPN) established the Citizen Potawatomi Community Development Corporation (CPCDC) in Shawnee, Oklahoma. CPCDC was incorporated in 2003 and received its Native Community Development Finance Institution (CDFI) certification in 2004. For 20 years, we have helped CPN members and employees navigate a wide variety of financial decisions by offering financial education, consumer and commercial loans, and supported the establishment of new businesses to become more competitive and profitable. During this time, we have utilized the ICDBG program five times to administer

microenterprise development programs. The ICDBG program has significantly increased economic development opportunities for CPN and continues to make a difference today.

## Neil Whitegull, Ho-Chunk Nation, Area Administrator, Eastern Woodlands Office of Native American Programs



Neil remembers the Dells Dam Community Center ICDBG project, which was initially conceived as a safety facility, its purpose transcended mere functionality. Utilizing solar panels and geothermal heating, the center became a great example of sustainable design. When winter came, there were doubts about its capabilities, but the true testimony was the \$95 electric bill—a feat unheard of in Wisconsin during the winter. Beyond the innovative features, the center embodies cultural pride, with doors facing west in reverence to Tribal leaders. Today it is a gathering place, and over the years, our community centers have become woven into the fabric of Tribal life. They host meals, community celebrations, and educational workshops. It's a place to gather, connect, and remember.

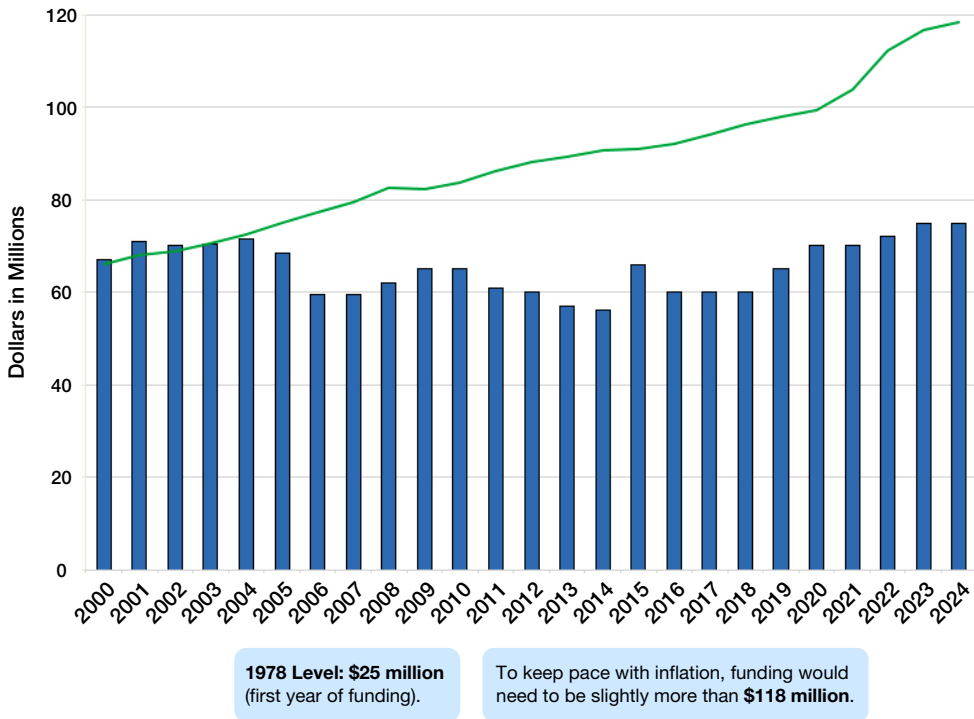
## Program Challenges

Over the years, a variety of challenges have impacted the overall effectiveness of the ICDBG program. For example, as noted by HUD's 2017 *Housing Needs of American Indians and Alaska Natives in Tribal Areas* report (Pindus et al., 2017), the effect of inflation on construction costs and the persistent lack of basic infrastructure in many Tribal communities remain a key challenge. Also, as shown in exhibit 6, funding for the ICDBG has not kept pace with inflation over the history of the program. The combination of increased construction costs along with stagnant funding has resulted in fewer awards to Tribes while necessitating an increase in the award ceiling to account for rising costs.

Diminished investments in the Indian Housing Block Grant (IHBG) since its inception have had unintended impacts on the ICDBG project applications over the years as Tribes and Tribally designated housing entities struggle to maintain aging housing stock with flatlined funding. As a result, more and more ICDBG applications are for housing rehabilitation and new construction rather than public facilities or infrastructure projects. This shift has pulled funding away from Tribes' ability to address critical infrastructure and public facility needs. However, this trend comes amid a historic increase in IHBG formula funding and the establishment of the IHBG Competitive program in 2018, which prioritizes grants for new housing construction. HUD ONAP will be tracking whether this increased funding will lead to a shift in Tribes' use of ICDBG grants, potentially directing more ICDBG resources back toward infrastructure needs rather than housing rehabilitation and development.

**Exhibit 6**

ICDBG Effect of Inflation, 2000–24



ICDBG = Indian Community Development Block Grant.

Sources: Data compiled by authors from HUD’s annual Community Development Block Grant reports to Congress (before 1996) and ICDBG Federal Register notices (1996 to present); inflation data compiled from the Department of Labor’s Consumer Price Index

## Conclusion: Looking to the Future

The ICDBG program has, without a doubt, made a lasting impact on Indian Tribes and Alaska Native communities over the past 50 years. Tribal museums, daycare centers, health and wellness facilities, and investments in infrastructure and public safety buildings stand as testaments to the critical importance of this funding. For many Tribal planners, the ICDBG program serves as an important tool to leverage additional funding resources that spearhead many of their community projects and economic development initiatives. Even in the most rural of areas, the impact of ICDBG can be seen—whether it is a travel plaza enticing travelers to stop in for a quick bite or a Tribal museum highlighting the rich culture and history of a Tribe—ICDBG has and continues to play an important role in key community development initiatives.

The ICDBG program will continue to be a vital resource for Tribes because data show a continued need for community development and infrastructure in Indian Country. To strengthen the program, HUD is updating the ICDBG regulations, which have not been revised in nearly 2 decades. Many of these regulations were modeled after CDBG and are not reflective of—nor were they intended

for—a sovereign government. In recognition of the government-to-government relationship, HUD is consulting with Tribes on what changes should be made to further improve the program and ensure that the updated regulations honor and respect Tribal sovereignty and self-determination.

Astrid Trauth and the countless Tribal housing leaders may not have realized it at the time, but their work and advocacy ensured that the ICDBG program was born out of consultation with Tribes. With this strong legacy of dedication and respect, HUD remains committed to respecting Tribal sovereignty and self-determination, working alongside Tribes to strengthen and build upon the success of this program for future generations.

Given the clear success of the program over the first 50 years, HUD looks forward to what Tribes will achieve in the years to come.

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## Author

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