



HOUSING

Housing infrastructure in Indian Country continues to lag behind the rest of the United States. Over 70 percent of existing housing stock in tribal communities is in need of upgrades and repairs, many of them extensive. In 2017, The U.S. Department of Housing and Urban Development (HUD) reported that, “the lack of housing and infrastructure in Indian Country is severe and widespread, and far exceeds the funding currently provided to tribes.”¹⁰⁷ The lack of affordable housing contributes to homelessness and overcrowding in Native households and in tribal communities.¹⁰⁸ Fifteen years after the U.S. Commission on Civil Rights’ initial 2003 report on federal funding and unmet need in Indian Country, the Commission found that the housing crisis in Indian Country has deteriorated even further.¹⁰⁹ These findings underscore the need for robust funding increases through flexible programs that allow tribal nations to address the diverse and extensive housing infrastructure and financing needs of their communities.

The Native American Housing Assistance and Self-Determination Act (P.L. 104-330) (NAHASDA), first enacted in 1996, was a major authorization for tribal nations to self-determine their housing programs. It gave flexibility for tribal nations to develop, construct and maintain housing for their members, transforming how federal housing programs addressed housing needs in tribal communities. NAHASDA consolidated existing housing funds into a single block grant – the Indian Housing Block Grant (IHBG) – resulting in tens of thousands more housing units being constructed, as well as increased tribal capacity to address related infrastructure and economic development challenges. The IHBG is a formula-based grant that provides certainty and security for long-term housing and community development. Unfortunately, the IHBG has been mostly level-funded for 20 years, failing to even keep pace with inflation as housing needs continue to increase. Funding is vital for the IHBG; Indian Community Development Block Grant (ICDBG); Sections 184 and 184A Guaranteed Loan Programs; Title VI Guaranteed Loan Program; NAHASDA’s Training and Technical Assistance Funding; and Title VIII Housing Assistance for Native Hawaiians.

While the IHBG is the largest single source of federal funding for housing development and assistance, programs promoting housing development, maintenance, and rehabilitation in tribal communities are also found at the U.S. Department of Veterans Affairs, U.S. Department of Agriculture, and U.S. Department of the Interior.¹¹⁰

Key Recommendations

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Transportation, HUD Appropriations Bill

- Fund the IHBG program at \$955 million but not less than \$755 million.

IHBG funding is important for housing development, construction, infrastructure, maintenance, and repair in tribal communities. These funds also assist tribal nations and tribally designated housing entities (TDHEs) to leverage other funds, such as low-income housing tax credits. However, the IHBG has seen mostly level funding over the past two decades. The IHBG would receive nearly \$1 billion if funding had kept pace with inflation since its creation in 1996. At current levels, tribal nations' purchasing power with IHBG funds is less than it was 20 years ago, as reports continue to highlight the deteriorating housing conditions in Indian Country.¹¹¹

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Transportation, HUD Appropriations Bill

- Fund the ICDBG at not less than \$100 million.

ICDBG funding provides tribal nations with the resources to improve infrastructure in their communities, which promotes economic and community development. The ICDBG funds provide key support to tribal economies and community development efforts that enable tribal nations to increase the variety of commercial, industrial, and agricultural projects on their lands and in their communities.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Transportation, HUD Appropriations Bill

- Fund the NAHASDA Title VI Loan Guarantee Program at \$2 million.

Title VI of NAHASDA assists IHBG recipients to secure financing from private lending institutions at favorable rates with the assistance of a federal guarantee. Eligible activities under Title VI assistance include rental assistance, development services, management services, crime prevention and safety activities, and model activities. This program provides favorable lending rates that allow recipients to better leverage limited IHBG funds for housing development.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Transportation, HUD Appropriations Bill

- Fund the Section 184 Loan Guarantee Program at \$10 million.

The Section 184 Loan Guarantee Program provides a 100 percent guarantee to private lenders in cases of home loan default. Tribal nations have successfully participated in this program with an extremely low default rate. Using Section 184, tribal nations and citizens can purchase an existing home, obtain single-close construction loans for stick-built or manufactured homes on a permanent foundation, obtain rehabilitation loans, or obtain both a purchase and rehabilitation loan.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Transportation, HUD Appropriation Bill

- Fund the Tribal HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program at not less than \$7 million.

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program has been a national success because of its combination of rental assistance, case management, and clinical services for at-risk and homeless veterans. Unfortunately, this program is not fully available to Native veterans living on tribal lands. Prior to the creation of a Tribal HUD-VASH pilot program, tribal nations and TDHEs were not allowed to administer HUD-VASH vouchers, which resulted in greater hardship for Native veterans experiencing

or at risk of experiencing homelessness. The Tribal HUD-VASH program seeks parity in treatment of veterans by allowing this successful program to be made available to Native veterans living on tribal lands. Congress decreased funding for the Tribal HUD-VASH Program in FY 2020 by 75 percent. NCAI joins the National American Indian Housing Council in calling on Congress to restore funding to its initial levels and allow more tribal nations to participate in the program.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Transportation, HUD Appropriations Bill

- *Fund NAHASDA's Training and Technical Assistance at no less than \$7 million.*

Building tribal capacity is essential for tribal nations to enhance their housing and community development projects. The training and technical assistance provided through NAHASDA to address Native housing needs is an indispensable resource for tribal nations and TDHEs to run their programs more efficiently and in compliance with applicable laws and HUD regulations. Training and technical assistance includes developing model policies that save tribal nations tens of thousands of dollars each year by sharing information about successful efforts undertaken by other tribal nations.

Each year, hundreds of tribal housing professionals attend training courses to enhance their management skills and broaden their knowledge of tribal housing operations and management. More than 14,400 housing professionals have been trained over the last fourteen years.

DEPARTMENT OF AGRICULTURE

Agriculture Appropriations Bill

Rural Development, Rural Housing and Community Facilities Programs

- *Set-aside \$50 million of program allocation from the Rural Development 502 Direct Loan Program to establish a relending program for Indian Country that is national in scope.*

U.S. Department of Agriculture (USDA) Rural Development (RD) has limited staff resources to provide Single Family Housing Direct Loans on tribal land. In FY 2019, of the 6,194 direct loans made nationally by USDA RD, just 127 were issued to Native American borrowers, and only six of those were for homes on tribal lands. In 2018, a 502 Direct Loan relending pilot program was announced, providing \$2 million to two Native Community Development Financial Institutions (CDFIs) to relend to eligible Native families in North and South Dakota.¹¹²

In partnership with USDA-RD, the Native CDFIs were able to deploy more loans in two months than USDA-RD did in the same two reservation communities in the previous nine years. This pilot program has been successful, in part, due to Native CDFIs' experience operating on tribal lands. In addition, Native CDFIs provide extensive financial and homebuyer education to help their clients become self-sufficient private homeowners. The proposed expanded relending pilot program would increase the flow of mortgage capital to Indian Country by allowing Native CDFIs to be eligible borrowers under the 502 Direct Loan Program and enable them to relend to eligible families for the construction, acquisition, and rehabilitation of affordable housing. By expanding and making this pilot program permanent, USDA-RD will be able to partner with other Native CDFIs nationwide to deploy much-needed mortgage capital throughout Indian Country.

DEPARTMENT OF THE INTERIOR

Interior - Environment Appropriations Bill

Bureau of Indian Affairs

- *Return the BIA's Housing Improvement Program (HIP) to its previous funding level of \$23 million so that it can be fully leveraged to support self-sufficiency through private homeownership.*

HIP is a home repair, renovation, replacement, and new housing grant program administered by the BIA and federally recognized tribal nations for American Indians and Alaska Native individuals and families who have no immediate resource for standard housing. In 2015, the BIA updated its regulations and expanded the eligible use of HIP funds to include down payment

assistance for low-income working families seeking to become private homeowners. This new activity expands homeownership opportunities for Native families and allows leveraging of federal housing funds to increase the number of families served and projects funded. To maximize this opportunity to improve self-sufficiency through private homeownership, the HIP program should be funded at \$23 million, returning to its FY 2005 appropriations level.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Transportation, Housing and Urban Development Appropriations Bill

- *Fund the Native Hawaiian Housing Block Grant at \$20 million and maintain funding for the Section 184A Loan Guarantee at \$1 million.*

Since 2000, Native Hawaiian Housing Block Grant (NHHBG) funding has been the primary source for housing assistance for Native Hawaiians eligible to reside on Hawaiian Home Lands. The Department of Hawaiian Home Lands, the sole recipient of NHHBG funds, uses these funds to increase the supply of affordable housing units or rehabilitate existing units to relieve some of the overcrowding pressures and substandard living environments experienced in many low-income Native Hawaiian households.

DEPARTMENT OF VETERANS AFFAIRS

Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill

Veterans Benefit Administration

Native American Direct Loan Program

- *Authorize the Secretary of Veterans Affairs (VA) to designate \$1 million of the VA's program income generated from funding fee proceeds to compensate third parties to provide loan packaging and homebuyer education to Native veteran homebuyers.*
- *Authorize the VA Secretary to designate \$10 million of existing program allocation from the Native American Direct Loan (NADL) program to establish a Native Veterans Home Loan Relending program that would allow Native CDFIs to obtain intermediary loans through the NADL program and relend to qualified Native American veterans.*

The NADL program is a home loan program authorized by 38 U.S.C. § 3761 to provide direct loans to Native veterans living on trust lands. The loans are available to purchase, construct, or improve homes to be occupied as veteran residences, or to refinance a loan previously made under this program to lower the interest rate. The program began as a pilot program in 1993 and was made permanent by P.L. 109-233, the Veterans Housing Opportunity and Benefits Act of 2006.

However, the VA lacks adequate staff and resources to provide the required level of technical assistance to help qualified Native American veterans to fully access this VA benefit. According to a 2019 study conducted by the South Dakota Native Homeownership Coalition, 75 percent of Native veterans interested in purchasing a home reported having no understanding or minimal understanding of the NADL program.¹¹³ In addition, 62 percent of those respondents were not even aware that the NADL program existed.¹¹⁴

By providing the appropriate authority to access a budget-neutral source of funding, the Secretary can follow the practice of other federal loan programs to partner with and compensate third parties to provide homebuyer education, loan packaging, and other homebuyer readiness services. In addition, by setting aside \$10 million of existing program allocation, the VA can pilot a relending program that would allow Native CDFIs, who are more familiar with Native communities and the mortgage lending process on trust land, to deploy this much needed mortgage capital to qualified Native veteran homebuyers.