



# HOUSING

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The need for abundant, affordable housing has been a long-standing challenge in Indian tribal communities. Prior to the enactment of the Native American Housing and Self-Determination Act (NAHASDA) in 1996, federal housing programs and activities were provided to tribal communities in a piecemeal – and ineffective – fashion that failed to meet the needs of those communities. Since 1996, tribal housing entities have made great strides in improving housing conditions because NAHASDA authorizes once-disparate housing programs to be block-granted to tribes. This has strengthened tribal self-determination and resulted in more and better housing for tribal members. Despite the progress made in the last two decades, addressing the need for adequate, affordable housing for low-income Indian people continues to be a challenge.

According to the U.S. Census Bureau's 2006-2010 American Community Survey (ACS), there are approximate 142,000 housing units in tribal communities, and those homes often lack the most basic utilities, amenities, and physical infrastructure. The ACS reveals that approximately 8.6 percent lack complete plumbing facilities, 7.5 percent lack kitchen facilities, and 18.9 percent lack telephone service. Close to 30 percent of Indian households rely on wood for their source of heat.

Over 70 percent of existing housing stock in tribal communities is in need of upgrades and repairs, many of them extensive. A fast growing population in tribal communities will intensify existing housing needs. For example, from 2000 to 2010, the population of American Indians/Alaska Natives has risen 18 percent, which is almost twice the population growth rate of the U.S. population in general. Poverty and unemployment rates – already high – have risen and remain consistently higher than the American population in general. The poverty rate is 25 percent – nearly six times the official unemployment rate.

The fact is that without adequate federal funding levels, additional private capital, and creative development tools, these conditions will only continue to worsen. Indian tribes and their Tribal Designated Housing Entities (TDHEs) have used the block grant and financing tools of the NAHASDA to address housing and related physical infrastructure development for low-income Indian households. Indian tribes and TDHEs have been able to construct tens of thousands of housing units, repair and maintain even more units, and all the while increase tribal capacity to address related infrastructure and economic development challenges. The tools afforded by the NAHASDA include the Indian Housing Block Grant; Indian Community Development Block Grant; Sections 184 and 184A Guaranteed Loan Program; Title VI Guaranteed Loan Program; and NAHASDA's Training and Technical Assistance Funding.

## Key Recommendations

### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### Transportation, HUD Appropriations Bill

- *Fund the Indian Housing Block Grant (IHBG) at not less than \$700 million.*

IHBG funding is important for housing development, construction, infrastructure, maintenance, and repair in tribal communities. These funds also assist tribal governments and TDHEs to leverage other funds, such as low-income housing tax credits.

### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### Transportation, HUD Appropriations Bill

- *Fund the Indian Community Development Block Grant (ICDBG) at not less than \$70 million.*

ICDBG funding provides tribes with the resources to improve the overall economic and community development groundwork of their communities. The ICDBG funds also provide key support to tribal economies and community development efforts and enable tribes to increase the variety of commercial, industrial, and agricultural projects on their lands.

### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### Transportation, HUD Appropriations Bill

- *Fund Title VI's 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 tribes with an additional resource to leverage limited dollars.

### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### Transportation, HUD Appropriations Bill

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

The Section 184 loan program provides a 100 percent guarantee to private lenders in cases of home loan default. Indian tribes have successfully participated in this program with an extremely low default rate. Using Section 184, Indian tribes or tribal members 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 \$7 million.*

The HUD-VASH program is a successful program combating veterans' homelessness; however, it does not provide direct funding opportunities for Native veterans. Indian Tribes would like the same opportunity afforded to other local governments in providing affordable housing for its veterans.

In FY 2015, Congress appropriated funding for a tribal HUD-VASH demonstration project to address at-risk, homeless Native veterans on tribal lands. This funding was the first time tribes and tribal veterans' organizations could apply for HUD-VASH funding. HUD funded this program in FY 2015 at \$5.9 million.

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Transportation, HUD Appropriations Bill

- *Fund NAHASDA's Training and Technical Assistance no less than \$4.8 million.*

Building tribal capacity is essential for tribes 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 tribes and TDHEs to run their programs more efficiently and in compliance with applicable laws and HUD regulations. Training and technical assistance also includes developing model policies, which saves tribes tens of thousands of dollars each year by sharing information about successful efforts undertaken by other tribes.

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. Over 14,400 housing professional 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 demonstration relending program for Indian Country.*

Rural Development has limited staff resources to provide Single Family Housing direct loans on tribal land. In FY 2016, of the 7,113 direct loans made nationally by Rural Development, only 12 of them were to American Indians or Alaska Natives on tribal land. Native community development financial institutions (CDFIs) have experience operating on tribal land. In addition, they provide extensive financial and homebuyer education to help their clients to become self-sufficient, private homeowners. The proposed demonstration relending 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 enabling them to relend to eligible families for the construction, acquisition, and rehabilitation of affordable housing.

## DEPARTMENT OF THE INTERIOR

### Interior – Environment Appropriations Bill

#### Bureau of Indian Affairs

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

The Housing Improvement Program is a home repair, renovation, replacement and new housing grant program administered by the Bureau of Indian Affairs and federally-recognized Indian tribes 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 very 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 \$12 million and maintain funding for the Section 184A Loan Guarantee at \$500,000.*

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 a portion of the proceeds from the VA guaranty funding fee to compensate third parties such as Tribally Designated Housing Entities, homeownership nonprofits, Native community development financial institutions (CDFIs), housing counseling agencies, and Tribal Veteran Service Officers to provide outreach, homebuyer education training, housing counseling, and other technical assistance as needed to Native American veterans seeking to become homeowners through mortgage financing.*
- *Authorize the Secretary of Veterans Affairs to designate a portion of the proceeds from the VA guaranty funding fee to compensate third parties such as Native community development financial institutions, Tribally Designated Housing Entities, and other homeownership nonprofits for providing loan packaging services for the Native American Direct Loan through an origination fee paid by the VA, calculated as one percent of the loan principal.*
- *Set-aside \$10 million of existing program allocation from the VA's Native American Direct Loan Program to establish a demonstration relending program for Indian Country which would allow Native community development financial institutions to borrow an intermediary loan through the Native American Direct Loan program and relend to qualified Native American veterans.*

The Native American veteran housing loan program is authorized by 38 U.S.C. chapter 37, section 3761 to provide direct loans to Native American 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 in order to lower the interest rate.

The program began as a pilot program in 1993 and was made permanent by Public Law 109-233, the Veterans Housing Opportunity and Benefits Act of 2006. However, the Department of Veterans Affairs lacks adequate staff resources to conduct outreach and provide the required level of technical assistance to deploy the Native American Direct Loan program to qualified Native American veterans.

By providing the appropriate authority to access a budget-neutral source of funding, the Secretary of Veterans Affairs can follow the practice of other federal direct loan programs to partner with and compensate third parties to provide homebuyer education, loan packaging, and other necessary technical assistance to help Native American veterans to fully access their VA benefits by obtaining mortgage financing through the Native American Direct Loan program. In addition, by setting aside \$10 million of existing program allocation, 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 much needed mortgage capital to qualified Native American veterans on trust land.