

**Prepared Testimony of Chelsea E. Fish, Executive Director
National American Indian Housing Council
to the
Committee on Banking, Housing, and Urban Affairs
Subcommittee on Housing, Transportation, and Community Development
for a hearing on the
“State of Native American Housing”**

June 12, 2023

Good afternoon. My name is Chelsea Fish, and I am the Executive Director of the National American Indian Housing Council. I am a citizen of the Seminole Nation. I want to thank Chairwoman Smith, Vice Chair Lummis, and all members serving on this subcommittee for acknowledging Native American housing as a pressing issue and having this hearing today. This is an opportunity to recognize and understand that tribal housing issues and the reauthorization of the Native American Housing Assistance and Self-Determination Act (NAHASDA) are important priorities for tribes, their members, and for this 118th Congress. I also want to thank this Committee, as stewards of government and ally of tribal nations, for continuing to ensure the United States is fulfilling its trust and treaty obligations towards Indian Country with respect to providing safe, affordable housing opportunities in tribal communities and to Native people anywhere in the country.

Background on the National American Indian Housing Council

The National American Indian Housing Council (NAIHC) was created by tribal housing programs in 1974 and for nearly five decades has provided invaluable Training and Technical Assistance (T&TA) to all tribes and tribal housing entities; provided information to Congress regarding the issues and challenges that tribes face in their housing, infrastructure, and community development efforts; and worked with key federal agencies to ensure their programs’ effectiveness in Native communities. Overall, NAIHC’s primary mission is to promote and support American Indians, Alaska Natives, and Native Hawaiians in their self-determined goal to provide culturally relevant and quality affordable housing for Native people.

NAIHC is a membership organization comprised of 293 members representing 493¹ tribes and tribal housing organizations. NAIHC’s membership includes tribes and tribally-designated. There are 574 federally recognized Indian tribes and Alaska Native villages in the United States, all of which are eligible for membership in NAIHC. Other NAIHC members include state-recognized tribes eligible for housing,

¹ There are 574 federally recognized Indian tribes and Alaska Native villages in the United States, all of which are eligible for membership in NAIHC. Other NAIHC members include state-recognized tribes eligible for assistance under the 1937 Housing Act and that were subsequently provided funding pursuant to the Native American Housing Assistance and Self-Determination Act of 1996, and the Department of Hawaiian Home Lands, the state agency that administers the Native Hawaiian Housing Block Grant program.

housing entities across the United States, including Alaska and Hawaii. NAIHC members are constituents of every member of this Committee, either directly through tribes located in your States, or generally through the United States' government-to-government relationship with all tribes within the United States. NAIHC represents our members' unified interests and are deeply appreciative of your work to improve the lives of Indigenous Peoples throughout the Country.

Profile of Indian Country

There are 574 federally-recognized Indian tribes in the United States. Despite progress over the last few decades, many tribal communities continue to suffer from some of the highest unemployment and poverty rates in the United States. Historically, Native Americans in the United States have also experienced higher rates of substandard housing and overcrowded homes than other demographics. The U.S. Census Bureau reported in the 2019 American Community Survey data that American Indians and Alaska Natives were almost twice as likely to live in poverty as the rest of the population — 23.0% compared with 12.3%. The median income for an American Indian Alaska Native household is 30% less than the national average (\$45,476 versus \$65,712).

In addition, overcrowding, substandard housing, and homelessness are far more common in Native American communities. In January 2017, the Department of Housing and Urban Development (HUD) published an updated housing needs assessment for tribal communities. According to the assessment, 5.6% of homes on Native American lands lacked complete plumbing and 6.6% lacked complete kitchens. These are nearly four times than the national average, which saw rates of 1.3% and 1.7%, respectively. The assessment also found that 12% of tribal homes lacked sufficient heating.

The assessment highlighted the issue of overcrowded homes in Indian Country, finding that 15.9% of tribal homes were overcrowded, compared to only 2.2% of homes nationally. The assessment concluded that to alleviate the substandard and overcrowded homes in Indian Country, 68,000 new units need to be built.

In 2018, the United States Commission on Civil Rights updated its "Broken Promises" report first released in 2003, and found that housing conditions had deteriorated, with the number of overcrowded households or households with inadequate plumbing growing by 21%, and the number of families facing severe housing costs growing by 55%.

State of Housing Development in Indian Country

Since the Native American Housing Assistance and Self-Determination Act (NAHASDA) was enacted in 1996, tribes have built over 37,000 new units according to HUD. Between FY2007 and 2010, tribes were averaging over 2,400 new unit construction, but it dropped significantly in recent years to only 2,000 new units between 2011 and 2014. HUD estimates less than 1,000 new units will be built in future years as tribes focus on maintaining existing housing stock over new development.

The problem is evident. Indian Country needs to build more housing units to meet its persistent and growing need which is largely due to the lack funding and insufficient resources. The solution is simple, and it starts with Congress fulfilling its trust obligation but instead Congress has kept funding for the Indian Housing Block Grant (IHBG) (established by NAHASDA) at stagnant levels for more than 20 years. Lawmakers have been decreasing the amounts of housing assistance to tribal communities each year by leveling funding for NAHASDA programs while inflation has grown over the last two decades. In that

time, inflation has diminished the purchasing power of those dollars and new unit construction has drastically declined as tribes must shift their efforts to rehabilitating existing units.

In FY20, Congressional IHBG formula funding was \$650 million which provided roughly two-thirds the purchasing power that tribes received at the inception of NAHASDA in FY98 (\$600 million in FY 1998). In IHBG funding tracking since NAHASDA's passage has revealed that annual appropriations compared to inflation-adjusted levels have caused tribal housing programs to lose \$3.4 billion since FY 1998. Recent funding additions to NAHASDA programs, such as the competitive IHBG funding, are welcome and encouraging, but alone are insufficient to make up for the loss of funding over time.

Since 1997, tribes have used IHBG funding to create almost 41,500 affordable housing units and restored an additional 105,000 units. Autonomy over IHBG funds allows tribes to leverage private investments alongside federal dollars to create more affordable housing for tribal citizens and families. However, higher costs of construction and land acquisition remain the largest hurdle for tribes and increased development costs and loss of purchasing power has motivated many tribes to shift its priorities away from constructing new units and focus instead on rehabilitating and maintaining existing housing units.

According to HUD's Housing Needs Study, an estimated 68,000 units are needed to address Indian Country's overcrowded and substandard housing conditions, though with new housing construction or acquisition fairly stagnant at around 1,000 new units per year in tribal communities, it is highly likely that the need has only increased. It is the responsibility of this Committee and Congress to uphold treaty and trust obligations that includes funding and resources for housing opportunities across Indian Country.

To put the funding into perspective, the FY2021 IHBG funding levels provide 379 tribes/grantees with less than \$500,000 to operate their housing program, which includes managing their existing housing units, providing low-income rental assistance, other housing services AND developing new housing units. Further, 175 of the IHBG grantees received less than \$100,000 a year to carry out these activities. Tribes simply cannot build more homes with the inadequate funding from IHBG and ICDBG alone.

Geographic challenges continue to impede housing efforts on tribal lands. Isolated areas often lack a developed housing and lending market, leaving them almost entirely dependent on federal funding. Building costs in rural areas surge as a result of the need to transport materials, as well as their need to accommodate workers. Many reservations are not in close proximity to power, water, roads, and other services which not only adds to their overall building costs, but also discourages outside funding and development interests.

NAHASDA was passed in 1996 to streamline tribes' access to housing programs dollars by consolidating multiple programs into a single block grant. However, with the lack of increased appropriations to NAHASDA programs, tribes are again piecing their housing programs together by finding resources from different programs across the federal government. In a 2018 survey conducted by NAIHC, only 17% of our members who responded indicated they planned to utilize non-HUD funds in their programs. So, while there are various resources available to tribes, it takes a lot of work to gather these pieces and leverage it with multiple funding opportunities, while also operating the day-to-day housing program and caring about the community.

The Laguna Housing Development and Management Enterprise (LHDME) has established one of the most effective housing authorities in Indian Country by leveraging different sources of funding and utilizing programs such as Low-Income Housing Tax Credits (LIHTC) to build homes for their members. The “Laguna #3” Housing Project is currently underway and will provide housing for 20 families by fall 2024.

Elevating the State of Native American Housing

The success of tribal housing programs was evident early on in NAHASDA, when tribes were producing new housing units at rates similar to or higher than HUD prior to NAHASDA’s enactment. The success of NAHASDA and tribal housing programs stems from NAHASDA’s self-determination roots that allow tribes themselves to develop their own Indian Housing Plan for the communities. Tribes tailor these plans to their housing needs and priorities and are able to provide the flexibility tribes need to carry out their programs. For example, a tribe can prioritize senior assisted housing, rental assistance, or homeownership by incorporating those services in their Indian Housing Plan. Tribes know best how to take care of their own citizens which is the main reason lawmakers should focus their efforts to empower tribes by reauthorizing NAHASDA.

Reauthorization of NAHASDA means increased resources: NAHASDA was last reauthorized in 2008 and expired in 2013. While Congress has continued to provide funding to NAHASDA programs, and even increased some program funding in the last few years, there are some programmatic changes that recent reauthorization bills contain that could streamline various aspects of HUD and IHBG programs. For example, one long-standing fix would address duplicative environmental reviews, which tribes often face when they leverage multiple federal funding sources. Recent reauthorization bills have also contained provisions to create an Assistant Secretary for Indian Housing to provide enhanced attention at the senior leadership of HUD.

The Senate reauthorization bills from the 117th Congress also has several important leveraging provisions that allow tribal housing projects to utilize the Indian Health Service’s Sanitation funds, provide access to HUD Housing Counseling grants, and encourage leveraging other federal funds by relaxing match requirements. Other smaller fixes include simplifying Total Development Cost allowances, clarifying the rent-to-ownership process and allowing tribes to assist with student housing. One provision related to promoting tribal sovereignty and self-determination, a key component of NAHASDA, would allow tribes to set minimum rent rates for its housing units, and NAIHC supports its continued inclusion in NAHASDA reauthorization efforts.

NAIHC recognizes the progress that has been made on getting NAHASDA reauthorization enacted, and particularly would like to thank the Chair and Vice Chair of the Senate Committee on Indian Affairs for their efforts.

Example: *Housing Situation of Nulato, Alaska*

Nulato, Alaska is located on the west bank of the Yukon River 310 air miles west of Fairbanks. It lies in the Nulato Hills, across the river from the Innoko National Wildlife Refuge. There are no roads that lead in or out of the community. The Population of Nulato, according to the 2020 US Census, is 239 people. The price of a gallon of unleaded gasoline is \$7.20, heating oil is \$6.80 and shipping from Fairbanks via airline is \$1.80 per pound of cargo, groceries or otherwise. A round trip air ticket to Fairbanks, the closest urban community, is \$500 per person. \$2500 for a family of 5.

Nulato has 4 homeless elders, 12 homeless young adults and a housing need of 20 homes. Much of the adult community live with their parents or relatives. Most homes were built in the early 80s and are up to 70's code. Windows are not Egress as they either do not open or cannot fit an adult in case of emergency. Electrical systems are corroded or also out of code. There are no electricians, nor plumbers who live in Nulato so contracted rehabilitation is out of the question.

Current housing construction of a single-family home is estimated to cost \$670,000. The current income level for NAHASDA for the Nulato Tribal Council is \$200,101. At which rate 29% of a home can be built in one year's time. That is not including any cost of real estate. That means it would take 3.3 years of program income in order to complete one home.

Example: Comanche Nation, OK

On trend with most tribes and tribal housing programs that are shifting focus from housing development to housing rehab, in 2022, the Comanche Nation Housing Authority (CNHA) expended its IHBG funds mainly on modernizing and rehabilitating existing homes for tribal citizens living within the five-county service area in Oklahoma.

IHBG grant - \$2,872,935 fully expended in 2022.	
Activity Type	Units Completed
Major Modernization of CNHA homes	15
Elder Home Rehabilitation	44
Down Payment/Closing Cost Grant	5
Acquisition of New Homes	2
Properties Managed	308
Maintenance of Properties Managed	637 Work Orders
ICDBG Home Rehabilitation Matching Funds	84
Comanche families served	760

HUD Office of Native American Programs. Tribes across Indian Country rely heavily on assistance from HUD Office of Native American Program (ONAP) Headquarters and regional offices to help clarify NAHASDA programming and funding eligible activities. Tribes utilize and benefit from many HUD housing programs and resources, some general, some tribe-specific, including the Indian Community Development Block Grant (ICDBG), the HUD 184 Native American Loan Guarantee Program, NAHASDA Title VI Loan Guarantee Program, the formula funded and competitive IHBG programs, and Native Hawaiian programs. Other HUD programs have varying levels of eligibility for tribes. Because tribes depend on funding and services from these programs, it is imperative that Congress and federal partners improve tribal access on a more national scope.

HUD ONAP has opportunities to strengthen its partnership with tribes and tribal housing programs with policy flexibilities and fixes. The best example is the HUD Housing Counseling program, which tribes are currently ineligible to apply for funds but may soon find themselves subject to housing counseling regulations not tailored for tribal communities. Another example is the Continuum of Care program, which was addressed by Congress through the inclusion of the Tribal Access to Homeless Assistance Act in the FY2021 Consolidated Appropriations Act in which tribes are now eligible to participate in. In addition to HUD, tribes can find housing resources at the U.S. Treasury, such as tax credit programs and the recently created Emergency Rental Assistance Program and Homeowner Assistance Funds; the U.S. Department of Agriculture and its Rural Housing programs; the Veterans Administration and its Native American Direct Loan Program; and others.

Homeownership. There are many barriers to homeownership in Indian Country namely the that federal trust land cannot be used to secure a home loan. Instead, tribes can issue a leasehold interest to the borrower that can be used as collateral. Generally, banks see doing business with tribes and/or tribal citizens as a risk because if the borrower defaults on the loan, the lender cannot seize the land from a tribe to recoup monies. Other socioeconomic determinants like isolation and poverty also factor into inequitable lending practices among Native American families. The history of subjugation, expropriation, assimilation, and the undermining of tribal self-determination are evident in the long standing prejudices and traumas which have contributed to systemic issues that continue to disadvantage Native Americans and impeded mortgage lending on reservation lands.

In addition, Native borrowers on average pay approximately 2% more than borrowers off-reservation which can total an additional \$100,000 over a 30-year mortgage. Investment from lenders is often hindered by a lengthy review process that is needed when investing in federal trust land. As a result, approximately 93% of loans granted through HUD programs have been on fee land. Lack of investment from lenders can also be attributed to a disparity in professional resources needed to plan and implement larger housing developments. However, lawmakers have the ability to strengthen housing programs that expand and enhance homeownership opportunities for tribal citizens and veterans.

Example: *Salish and Kootenai Housing Authority | Flathead Indian Reservation, MT*

The Salish and Kootenai Housing Authority's (SKHA) Homebuyer Readiness Program offers tribal citizens the tools and resources need to become responsible homeowners. SKHA offers down payment and closing cost assistance for tribal members and sees approximately 155 clients annually. Every applicant must complete the *Pathways Home* curriculum, a comprehensive homebuyer education program sponsored by the National American Indian Housing Council. SKHA learned that working with local banks and lenders builds trust with the borrower. Though not all interested clients qualify or get approved, SKHA continues to assist with credit repair to prepare them for homeownership.

HUD Section 184 Loan Guarantee Program: The 184 Loan Guarantee program helps a tribe or tribal member secure a mortgage for an existing or new-construction home by providing a loan guarantee to a private sector bank or lending institution. While the program is targeted to tribal communities and nearby service areas, the program has struggled to incentivize mortgages on trust lands in tribal communities, where many families reside on land that their families have held for generations. Obstacles include a slow and burdensome title process involving the Department of the Interior's Bureau of Indian Affairs and banks and lenders general preference to work with the more familiar

property held “in fee,” Improvements include streamlining the process at the BIA, encouraging more private lenders to participate in the program generally and participate through mortgages specifically on trust lands.

VA Native American Direct Loan Program: The Veteran Affairs Native American Direct Loan Program (NADLP) provides loans to eligible Native American veterans to purchase, construct, or improve homes on certain types of land. However, according to a 2022 GAO Study, in FY2012–2021, the VA NADL issued only 89 loans to veterans across the United States, 91 loans in Hawaii, and none in Alaska. This represents loans to less than 1% of the estimated potentially eligible population of 64,000–70,000 veterans in these areas. The NADL loans don't require down payments or mortgage insurance, and closing costs are limited, according to the announcement. The VA has poorly upheld its obligations to Native veterans though recently the VA lowered its loan interest rate from 6% to 3.5% for Native veterans. This effort is appreciated but is only a start to addressing the housing needs for Native veterans who bravely served this country. It is well known that Native Americans have served in the United States Armed Forces at higher rates than any other demographic, so it is vital that Native veterans are provided the support they deserve and have earned through their service.

Further incentivize private investment in tribal communities: Indian Country is almost always last to receive the attention of private, commercial banking. The lack of economies of scale in tribal communities, increased development costs, and the complexities of tribal lands and communities (both actual and perceived) simply lead private banking to avoid tribal areas. While there have been national tax credit programs or other incentives available for years to spur development in underserved areas, the programs have generally been less effective for Indian Country. Strengthening incentives for development in Indian Country or creating specific set-asides or mandates through these programs is needed to ensure that tribal communities are not left further behind.

Urban Indian Housing. There is little research on the housing experiences of American Indian and Alaska Native people in urban areas, but the need is evident with the high number of unsheltered or homeless Native Americans. The Indian Health Service states that about 70% of AIAN people live in urban areas.

Example: *Siletz Tribe of Oregon*

The Siletz Tribe of Oregon and the Native American Youth Association (NAYA) partnered to open the Mamook Tokatee “Making Beautiful,” a housing community for artist and American Indians and Alaska Natives living in Portland who are experiencing homelessness or struggling with addictions. Siletz filled in the financial gaps using funding from the Indian Housing Block Grant to set aside 20 units for tribal members which helps alleviate stress on the housing needs for American Indians and Alaska Natives living in urban areas. Mamook also offers resident and support services and is only one of several projects that NAYA has partnered with tribes to support housing services through IHBG.

Make HUD-VASH Permanent and Expand to All Tribes: Currently, only 26 tribes have participated in the Tribal HUD-VASH program, which provides both housing and supportive services to tribal veterans and their families that are homeless or at-risk of homelessness. HUD-VASH is another example of a larger, national housing program that originally left tribal communities out when it was created in 2008. Congress expanded the program through a tribal demonstration project beginning in FY 2015. The program has identified obstacles, such as the lack of housing stock in tribal communities to house veterans through the program and the need for greater supportive services from the VA to native

veterans in tribal communities. Many of the tribes participating in the pilot have found ways to provide these supportive services through various partnerships between the VA and tribal or IHS professionals and tribes may be more able to secure housing units for the program if it was made permanent and tribes had more certainty for future funding of the program.

Restore Access to Section 8 Vouchers: Prior to NAHASDA, many tribes have been receiving tenant-based vouchers to provide low-income rental assistance to members in tribal communities. With NAHASDA providing the single block grant to tribes, NAHASDA expressly restricted tribes from accessing vouchers moving forward. However, with NAHASDA funds remaining stagnant (or decreasing due to inflation), tribes find it difficult to provide the same low-income rental assistance year-to-year or to expand that assistance as new housing units come online in their communities. Congress routinely adds vouchers to the larger national program to keep pace with the need, or to fund existing vouchers adequately each year, while tribal programs have no similar mechanism. While the restriction on section 8 vouchers could be removed entirely, past NAIHC resolutions have called for the specific restoration of vouchers for LIHTC projects in tribal communities, as the two programs work together well in the non-tribal setting.

Conclusion

NAIHC thanks the members of this Subcommittee for holding this important hearing and we want to thank all the members of Congress who have introduced and sponsored bills and supported efforts to improve housing opportunities in tribal communities. Tribes have consistently shown how far they can stretch their housing dollars to help the most members of their community as possible, and NAIHC and tribal housing programs look forward to working with our partners in Congress and Federal agencies to continue building safe, affordable housing in our communities. NAIHC asks for the full Committee's support to reauthorize NAHASDA, increase funding to critical tribal housing programs, and help address the incredible need for housing units and developments across Indian Country.