



# Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs

## Briefing on Study Findings

January 23, 2017

# Welcome & Introduction

# CONTEXT

## Background

This briefing will review the main findings of the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs:

- Housing Needs of American Indians and Alaska Natives in Tribal Areas
- Mortgage Lending on Tribal Land
- Housing Needs of American Indians and Alaska Natives in Urban Areas
- Housing Needs of Native Hawaiians

## Goal

Provide clear, credible, and consistent information that can inform policy in ways that enable tribes to more effectively use resources to improve housing conditions

# HOUSING NEEDS IN TRIBAL AREAS

Main final report focusing on circumstances, needs and policies in and around AIAN tribal areas

## **Data Sources:**

- Census data
- HUD management data
- New data collection in tribal areas:
  - Nationally representative in-person household survey
  - Nationally representative telephone survey of housing administrators (Tribal/TDHE officials )
  - Site visits including on-site interviews

# FINAL REPORT OUTLINE

## **Part 1 - Demographic, Social, Economic**

Population; social conditions; economic conditions;  
tribal area diversity

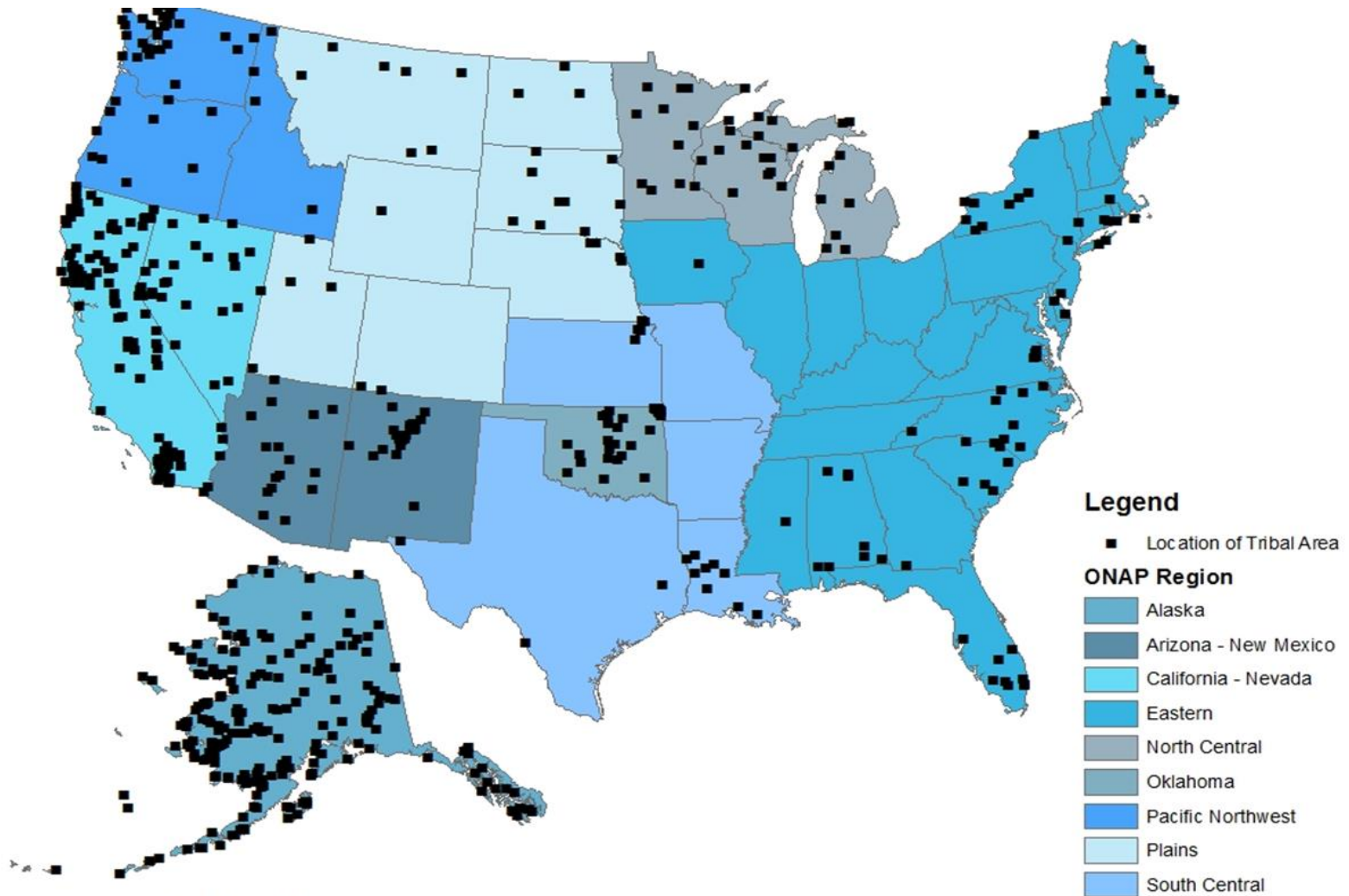
## **Part 2 – Housing Conditions & Needs**

Conditions nationally; problems & needs in tribal  
areas; overcrowding & homelessness;  
homeownership

## **Part 3 – Housing Policies & Programs**

Federal housing assistance & NAHASDA; IHBG  
production & administration; challenges;  
conclusions

# Location of tribal areas



Source: U.S. Census Bureau

# AIAN GEOGRAPHIES

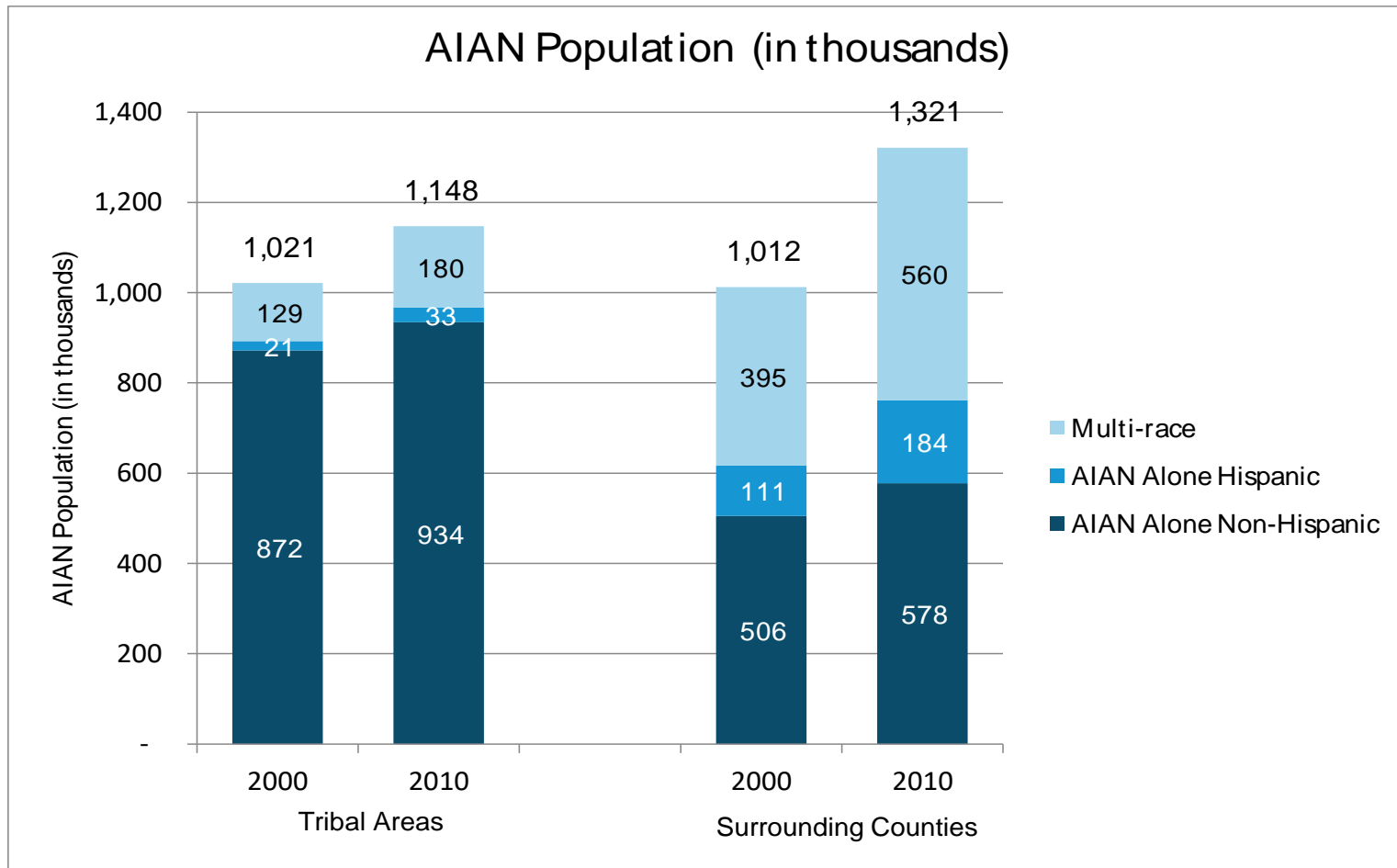
- **AIAN Counties (526 counties)**
  - American Indian/Alaska Native Tribal Areas (617 areas)
  - Surrounding Counties (480 counties)
- **Non-AIAN Counties (2,612 counties)**
  - Other Metropolitan
  - Other Non-metropolitan

**Main Findings on**

**SOCIO-ECONOMIC CONDITIONS**



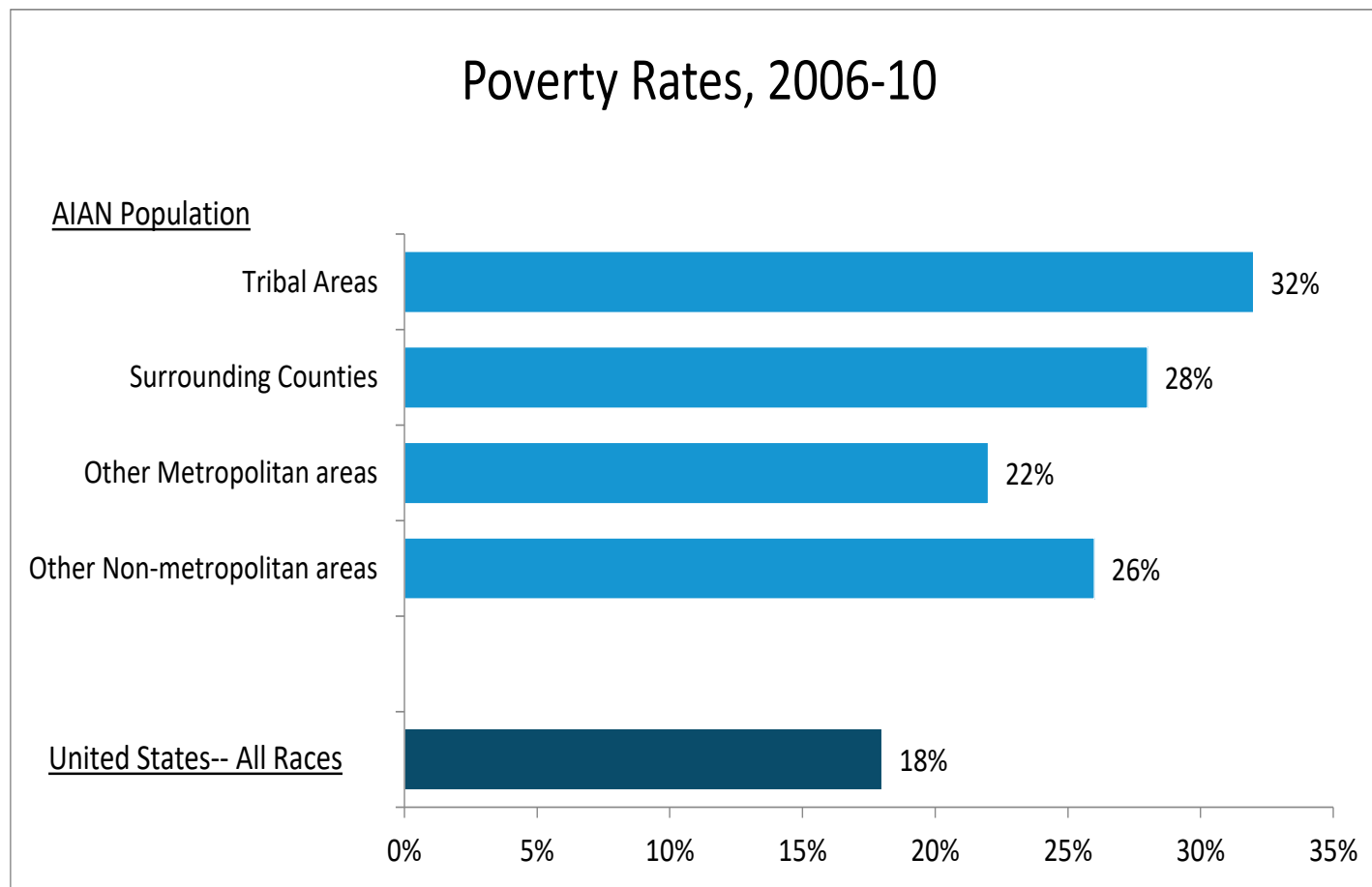
# Significant population growth continues *in tribal areas & surrounding counties*



Sources: U.S. Census Bureau, Decennial Censuses 2000 and 2010

## Socio-economic problems for AIAN, typically:

- *Worse than for non-Indians everywhere*
- *Worse in tribal areas than other places*



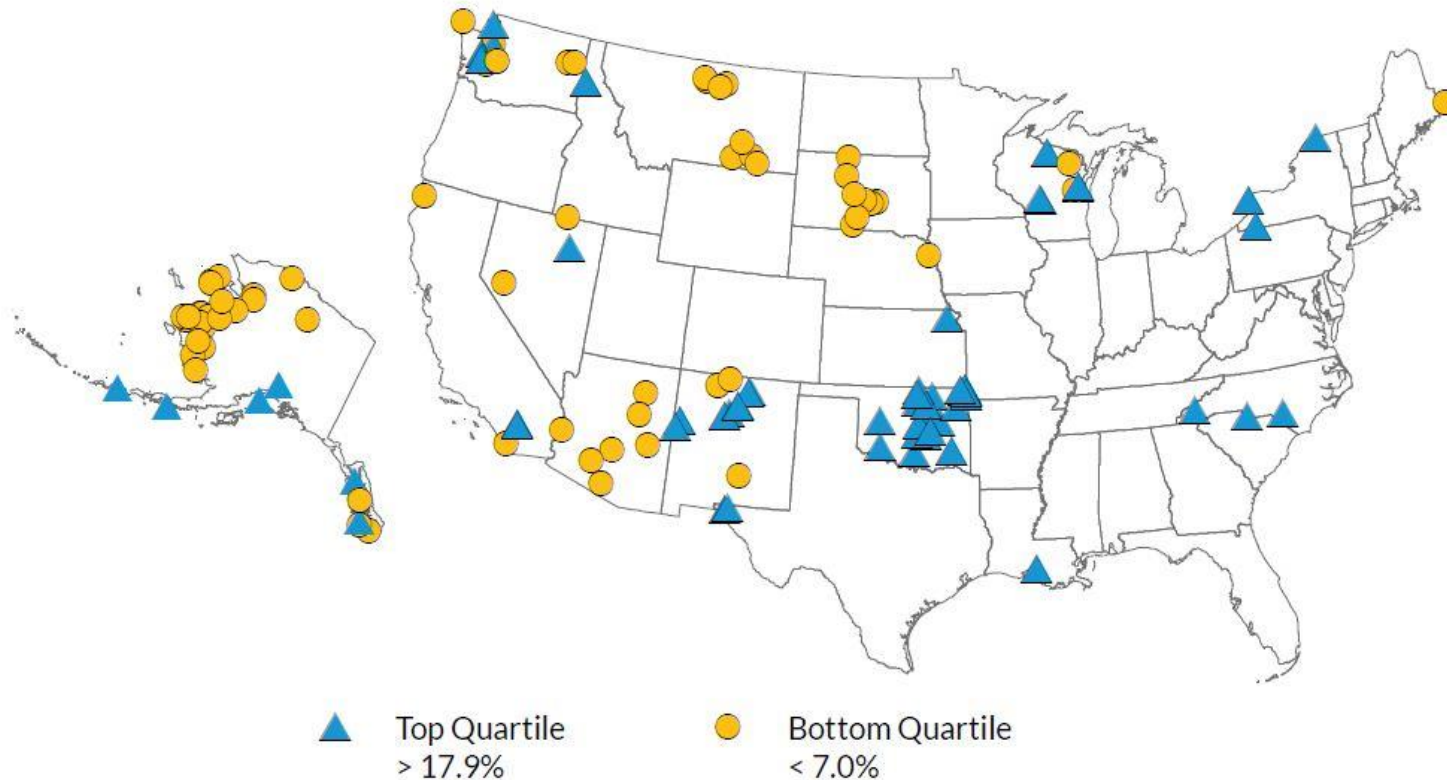
Source: U.S. Census Bureau, Decennial Census 2010

# Socio-economic conditions

## *Great diversity across tribal areas*

Highest and Lowest Percent of Population Employed  
in Private Sector, 2006-2010

AIAN alone households, 213 Larger Tribal Areas



Source: Analysis of 2006-10 American Community Survey Data

**Main Findings on**

**HOUSING CONDITIONS  
AND NEEDS**

# Housing problems – standards & sources

## Follow HUD standards

- Physical problems
  - Systems deficiencies: plumbing, kitchen, heating, electrical
  - Condition
  - Overcrowding
- Cost-burden

## Sources

- Our household survey – a snapshot - all problems but can't compare across times and places
- Census/ACS – no data on heating, electrical or condition deficiencies, but can make comparisons

# Survey results - AIAN housing problems in tribal areas

*Problems still much worse than for non-Indians nationwide (except for electricity, cost-burden)*

INDIVIDUAL HOUSING PROBLEMS % with problem	AIAN in Tribal Areas 2013-15 Household Survey	Total  US (AHS- 2013)
	Percent	
FACILITIES PROBLEM		
Plumbing	5.6	1.3
Kitchen	6.6	1.7
Electrical	1.1	1.4
Heating	12.0	0.1
CONDITION PROBLEM	8.1	0.8
OVERCROWDED	15.9	2.2
COST BURDEN	37.5	36.1

Source: Urban Institute Household Survey 2013-2015. American Housing Survey, 2013.

# When indicators are combined:

***34% have one or more physical problems***

***57% have physical or cost problem***

	AIAN in Tribal Areas 2013-2015 Household Survey	Total US (AHS- 2013)
<b>HOUSING PROBLEMS COMBINED</b>		
% with problem		
<b>FACILITIES/CONDITION PROBLEMS</b>		
Plumbing/Kitchen	10.2	3.0
Other Heating/Electrical/Cond.	13.0	2.0
Subtotal	23.0	5.0
<b>OTHER OVERCROWDED</b>	10.8	2.0
<b>SUBTOTAL - PHYSICAL PROBLEMS</b>	34.0	7.0
<b>COST BURDEN ONLY</b>	22.7	33.0
<b>TOTAL WITH ANY PROBLEM</b>	56.7	40.0

Source: Urban Institute Household Survey, 2013 -2015

Note: mutually exclusive categories, individual households can be counted only once

# Illustrative estimate: 68,000 new units needed

## *33,000 to eliminate overcrowding*

## *35,000 to replace severely inadequate units*

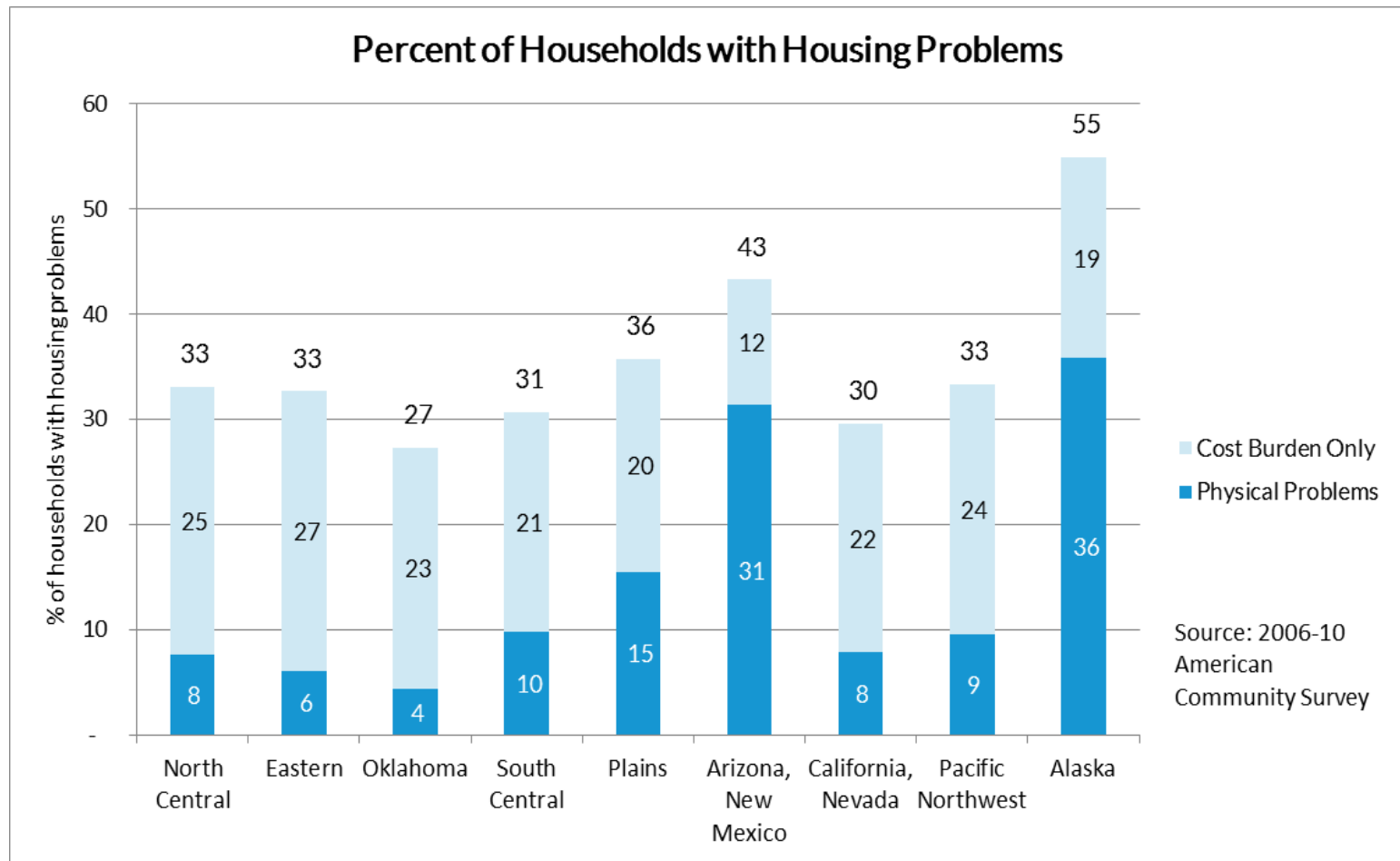
	Total Households	Rooms/ unit	Persons/ unit	New units needed to eliminate		
				Over- crowding	Severely Inadequate	Total
All households (000)	399	5	4	33	35	68
Overcrowded but not severely inadequate	53	4	7	27	na	27
Overcrowded & severely inadequate	11	4	7	6	11	17
Severely In adequate but not overcrowded	24	5	3	na	24	24

Source: Estimates based on Urban Institute household survey, 2013-2015



# Housing problems in tribal areas -

## *Physical problems concentrated in three regions*

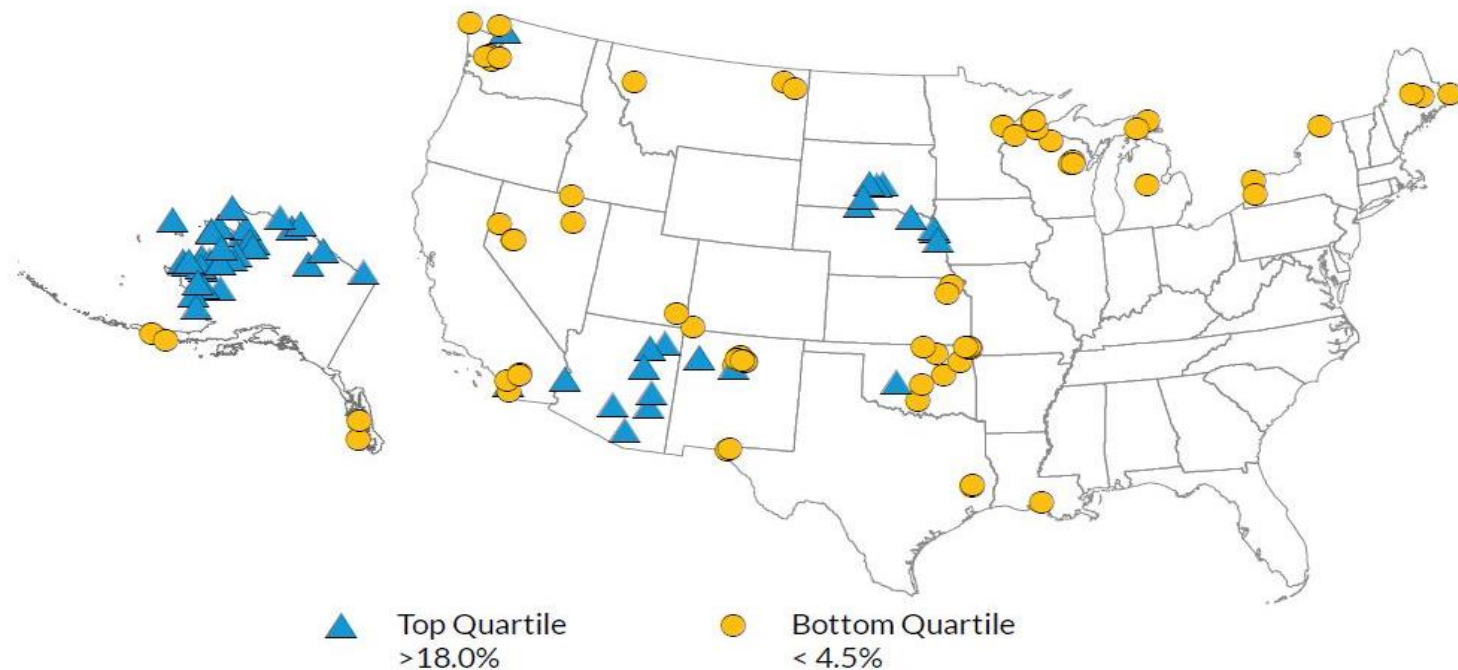


## **Housing problems - overcrowding**

*Again, great diversity across tribal areas*

## Highest and lowest percent of households overcrowded, 2006-2010

AIAN alone households, 213 Larger Tribal Areas



Source: Analysis of 2006-10 American Community Survey Data

# Homelessness in tribal areas:

*Serious, and often translates into overcrowding*

- **Culture supports taking in family members and others who need a place to stay**
  - All TDHEs say doubling-up occurs; 63% say it is major problem
  - Very few say literal homelessness significant
- **Household heads recognize the problem but only a minority would ask people to leave**
  - 39% of all households are extended families; 19% of total said they had more members than can live in unit comfortably
  - 17% have members who are there only because they have no place else to go (“doubled up”); only 19% of this group would ask people to leave if they could
  - However, 80% of interviewed household heads believed that doubled-up members would like to move to their own unit if they could
- **Estimate of doubled-up persons in tribal areas: 42,100 – 84,700**

# Strong preference for homeownership in tribal areas; not yet adequately addressed

- **Homeownership rate in tribal areas already high, but many are renters & almost all want to be owners**
  - Survey indicates 68% of households were owners 2013-15
  - 90% of renters said would prefer to own their home (90% of those said would contribute own labor to do so)
- **Would-be-owners face barriers**
  - 9% of renters had applied for mortgage but were denied
  - Most common reasons: low credit score (or lack of credit history) & insufficient funds for down payment
  - Those who had never applied noted additional barriers: no regular income and no access to a mortgage lender
  - 29% said did not know how to buy a home or were unfamiliar with loan application process

**Main Findings on**

**NAHASDA – PERFORMANCE AND  
IMPLICATIONS**

# Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA)

## Earlier HUD housing assistance in tribal areas

- 1937 Act programs – Low Rent & Mutual Help
- 1960s to early 1990s – substantial production
- Strong HUD influence, through IHAs

## NAHASDA

- Funds go directly to Tribes that design and operate programs
- Indian Housing Block Grant (IHBG) allocated by formula

# Native American Housing Assistance and Self-Determination Act of 1996 (*NAHASDA*) —continued—

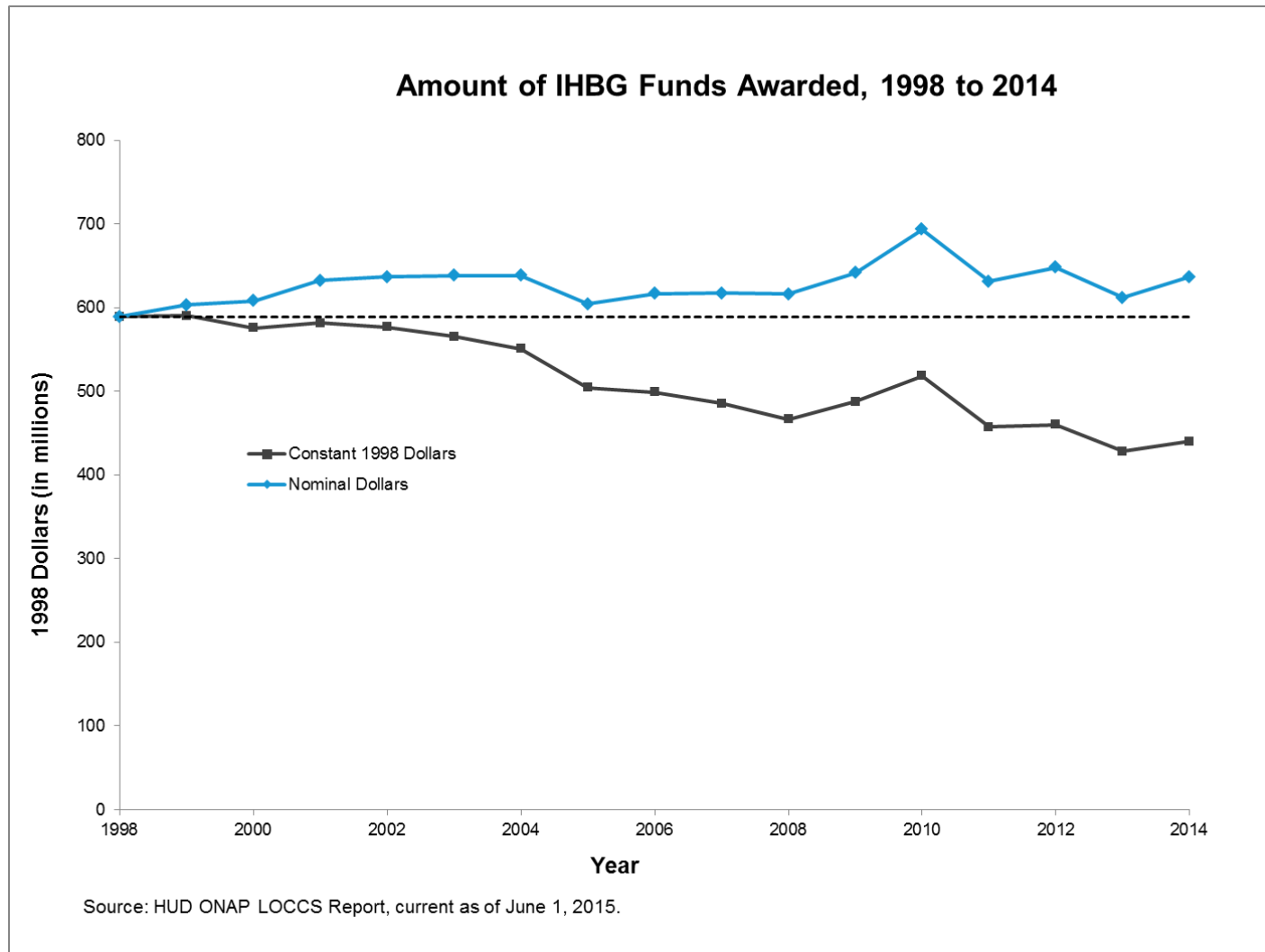
## **Strengthening tribal influence**

- Negotiated Rule Making
- Tribes prepare Indian Housing Plans (IHPs) and Annual Performance Reports (APRs)

## **HUD's Office of Native American Programs (ONAP)**

- Provides TA/Training, other supports
- Strong performance monitoring system

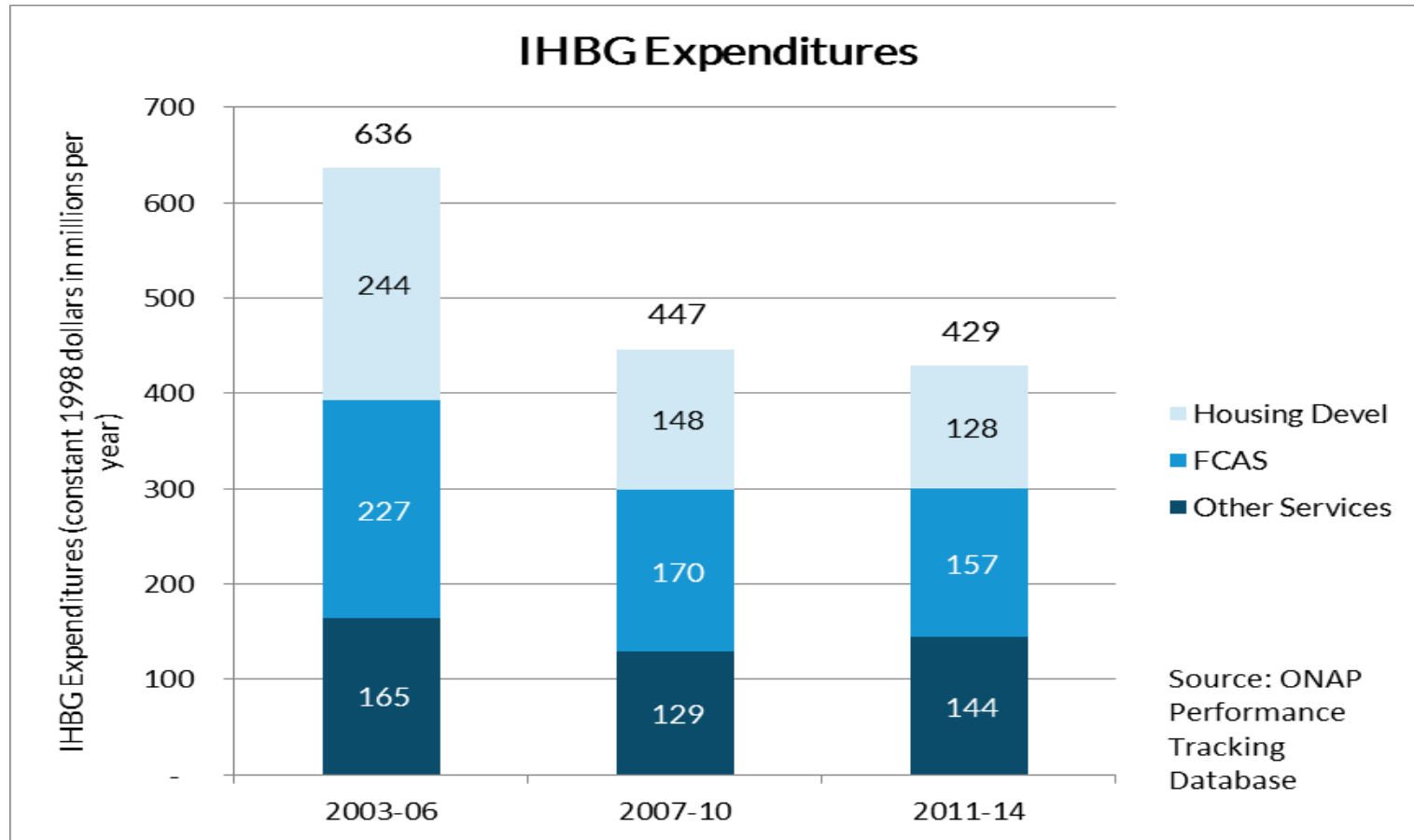
# Consistent IHBG funding in nominal \$ - but notable decline in constant \$



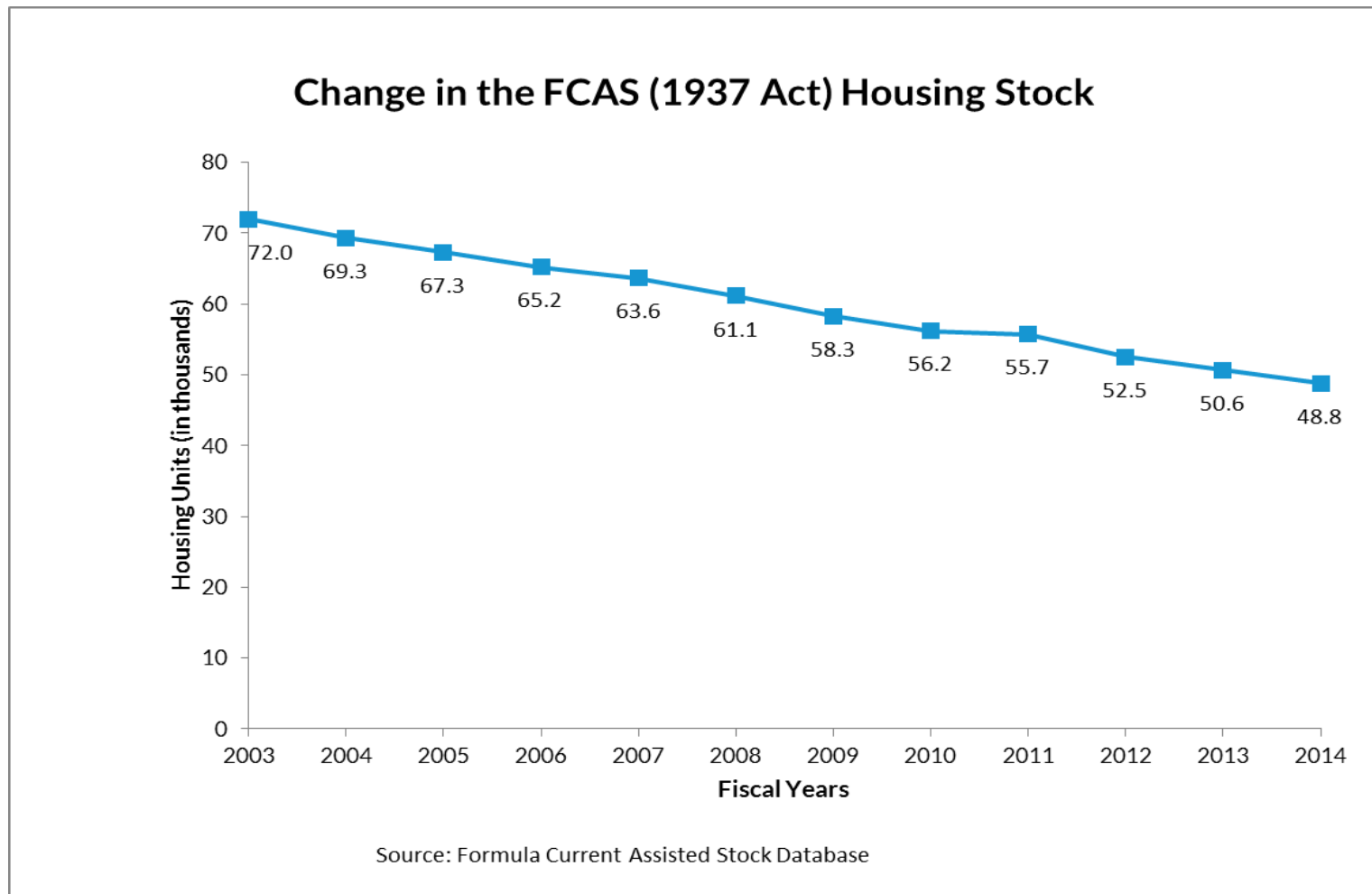


# IHBG expenditures eroded by inflation

Housing development \$/year in 2011-14 about half of 1998-2006 level in constant \$

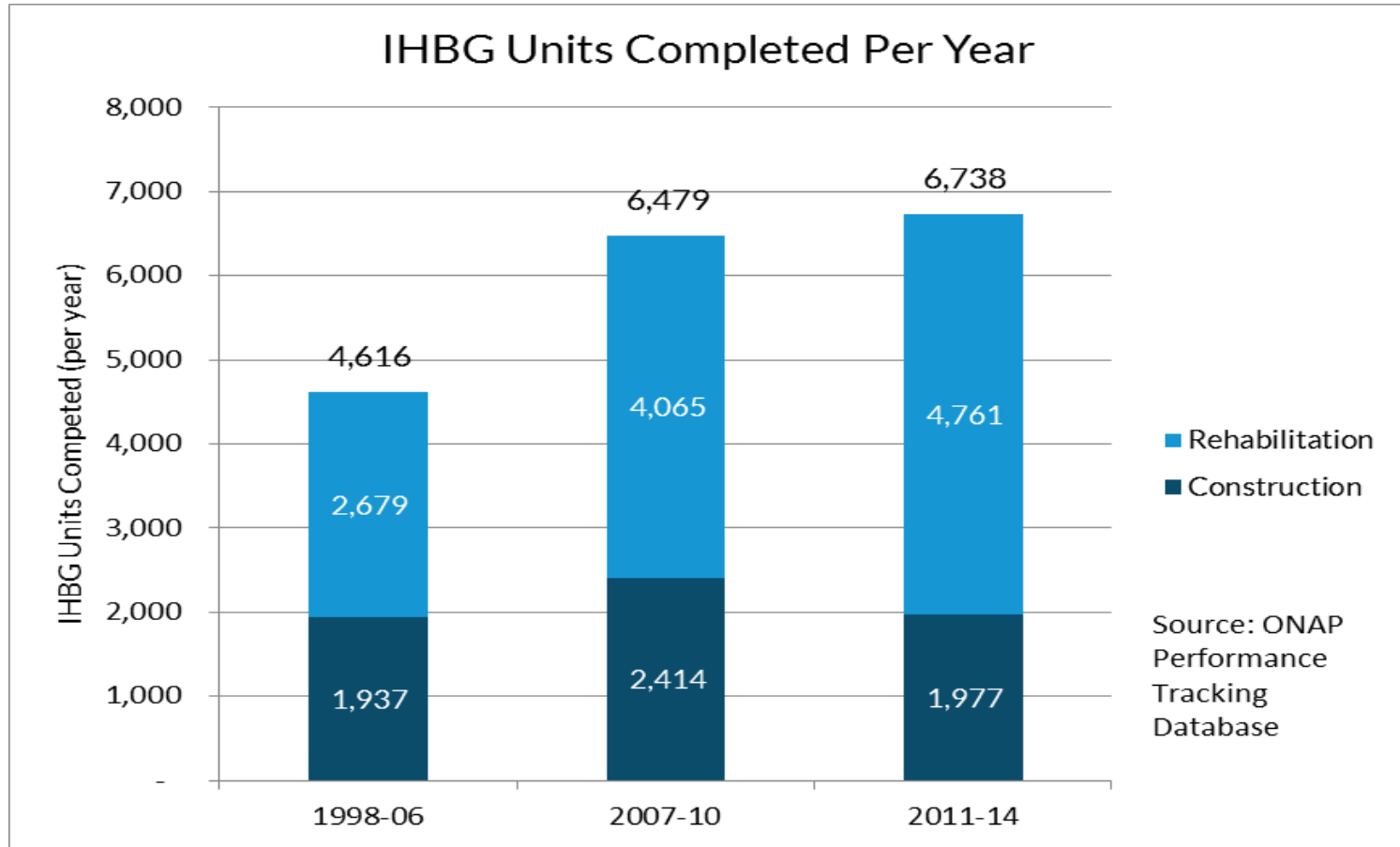


# Decline in pre-NAHASDA assisted stock - *Mostly due to conveyance of Mutual Help units to residents*



# Substantial IHBG housing production

## *Reduction in new construction share in later years*



# Tribes/TDHEs and NAHASDA : Major administrative challenge met

- Large increase in number of grantees and in share that are tribal offices
- Tribes/TDHEs functioning reasonably well
- Recognize enhanced flexibility under NAHASDA (e.g., 83% say easier to leverage private funds now)
- While tribal offices & TDHE's do not call for major overhaul of IHBG regulations, some changes requested:
  - general administration (58%) & developing new units (50%)
- Most would like to offer assistance to families just above eligibility line (who can't afford decent housing in tribal areas either)
- Do want more training: priorities are building maintenance, information/computer systems, and case management with residents.

# Tribes/TDHEs still see major unmet need and major challenges

## **Virtually all say significant unmet need remains**

- 94% report high unmet need for housing assistance
- 87% say need grew over past 3 years; 99% have waiting list

## **Critical challenges still to be faced**

- Virtually all say inadequate funding is the primary barrier holding them back
- Report major barriers to development including: high and rapidly increasing development cost (50%); infrastructure development (70%); availability of trained labor (39%); land assembly (30%)
- Note biggest challenges in operating rental program: tenants damaging unit (91%), controlling criminal activity (74%), tenants not paying rent on time (65%)

# NAHASDA - Conclusions and Implications

**This project was not asked to evaluate NAHASDA, but it offers findings pertinent to policy**

**Overall, NAHASDA appears to be doing what it set out to do**

- Administrative/political challenges in transferring power to Tribes have been met over time
- Tribes have been able to mount and sustain high levels of new production and rehab (higher rates than before)
- No indication of major quality problems or efficiency (cost) problems
- Many examples of innovations by tribes

# Conclusions and Implications (continued)

## **Opportunities now: more emphasis on leverage and link to economic development**

- Means HUD partnering with others to help Tribes address challenges re: infrastructure, complex regulations, rule of law, difficulties in leasing land and accessing capital – priorities suggested for both housing and economic development by Harvard project and others
- Explore new ways to target this assistance to places that need it most (noting diversity of conditions in tribal areas)

## **Regular monitoring of tribal area conditions in the future**

- More frequent national studies like this one (with expensive household survey) not needed or feasible
- Studies based primarily on ACS and ONAP administrative data every 5 years
- Capacity building to support tribal assessments of housing

# Mortgage Lending on Tribal Land

**Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs**



# Study Overview

## **Focus: Mortgage lending in Indian Country**

- Underserved market
- Unique challenges –trust land, fractionated land ownership, limited access to financial institutions

## **How has mortgage lending and access changed since the 1996 study?**

- Descriptive analysis of Section 184 data: 1994 –May 2015
- New data collection: survey of lenders
  - In-depth telephone interviews
  - Purposive sample
  - 14 interviews completed—including lenders , Native CDFIs, and other organizations

Limited scope—more on homeownership and mortgage availability from the TDHE survey and household survey is included in the main final report

# Key Findings: Lender-recommended Strategies

- Homebuyer education and pre-purchase counseling
- Working with Tribes, TDHEs, and other tribal-linked CDFIs and credit unions
- Providing affordable and flexible lending products
- Using flexible and culturally-sensitive underwriting
- Senior management commitment to lending in Indian country
- Lender presence in /near Indian country
- Expedite mortgage processing on tribal trust and allotted lands

# Key Findings: Conclusions

- While tribal trust land status is no longer considered a major barrier since implementation of Section 184, the volume of mortgage lending on tribal trust land is still quite small.
- There is a changing landscape regarding mortgage lending in Indian country, with greater lending activity and a diminution of once seemingly intractable problems, such as those related to land.
- But, difficult challenges linger, some of which are unique to tribal lands (e.g., fractional owners) and other hurdles related to economic and social constraints that more broadly impede the expansion of mortgage credit to underserved populations.
- Overall, the lenders interviewed agreed that Section 184 helped maintain lending to Native Americans during the recent financial crisis.

# Housing Needs of American Indians and Alaska Natives in Urban Areas

**Assessment of American Indian, Alaska Native, and Native  
Hawaiian Housing Needs**

# Overview of the Urban Study

- Focus: Housing conditions and housing-related opportunities and challenges experienced by AIAN who live in metro areas (mostly) off reservation or tribal lands
- Purposive sample of 24 study sites based on AIAN population
- Telephone interviews with staff from an ICC or other organization in 19 metro areas
- Site visits to 5 metro areas: Anchorage, Billings, Boston, Phoenix, and Reno
- Secondary data: ACS, Decennial Census, HMDA

# Key Findings

## **Metropolitan areas are home to a majority of the AIAN-alone population in the US**

- AIAN metro population is becoming more geographically diverse
- Perception that growth in metro population is driven by increasing numbers of youth and young families moving to cities from reservations or villages

## **Data on the social, economic and housing conditions among AIAN living in the sampled metro areas indicate disadvantage**

- Higher median rate of housing cost burden and worse housing conditions – more likely to live in housing that lacks complete kitchen or plumbing facilities
- Lower rate of homeownership and access to home purchase financing
- In metros hard hit by recession, rental demand rose along with rent costs while new construction slowed

## Key Findings (continued)

- Homelessness among AIAN is identified as a growing problem in many of the study sites
- AIAN face challenges associated with differences between tribal and metro areas
- A limited number of organizations target housing assistance to AIAN or serve them exclusively
- Factors influencing mobility to or from metropolitan areas include housing availability, health status and access to healthcare services, educational and employment opportunities, and family ties

# Housing Needs of Native Hawaiians

**Assessment of American Indian, Alaska Native, and Native  
Hawaiian Housing Needs**



# Overview of the Native Hawaiian Study

***Focus:*** Housing conditions and housing-related opportunities and challenges experienced by Native Hawaiians

***Context:*** Unique relationship with federal housing assistance

- Hawaiian Homes Commission Act (HHCA) established the Hawaiian Home Lands Trust, land set aside for those who are 50 percent or more Native Hawaiian by blood quantum
- The Native Hawaiian Housing Block Grant (NHHBG), authorized under an amendment to NAHASDA , supports housing for income-eligible HHCA beneficiaries.
- Demand for homestead leases has consistently outstripped supply

# Data Sources

- In-person household survey of 516 HHCA beneficiary households on the waiting list for leases on the Hawaiian home lands
- Site visit interviews with key informants about: housing market, housing stock, and housing-related challenges for Native Hawaiians
- Census data, including Decennial Census and American Community Survey
- Department of Hawaiian Home Lands (DHHL) administrative data

# Key Findings: Demographic, Social, and Economic Conditions

- Native Hawaiian households tend to be larger households, families with children, and single-parent households.
- Native Hawaiians in Hawaii continue to be more economically disadvantaged than residents of Hawaii.
- In particular, HHCA beneficiary households on the waiting list are more economically disadvantaged than are Native Hawaiian households overall, residents of Hawaii households, or Native Hawaiian households living on the home lands.
- Native Hawaiians in Hawaii were disproportionately hurt by the Great Recession.

# Key Findings : Housing Conditions

- Native Hawaiian households live in older housing with lower values and higher rates of facilities problems.
- Native Hawaiian homeownership rate lags behind that of residents of Hawaii.
- Native Hawaiian households experience higher rates of overcrowding.
- Affordability challenges are more acute in Hawaii than in the United States overall.
  - Ways of coping: extended-family living or overcrowding, taking on additional jobs, or moving to less expensive areas farther from employment.
- HHCA beneficiary households on the waiting list face more significant housing challenges across all dimensions than do the other groups.

## Key Findings : Housing Needs

- Homelessness among Native Hawaiians is prevalent and often attributed to lack of access to affordable housing.
- Native Hawaiians tend to prefer owning a single-family home.
- Barriers to assuming a lease: inability to secure a loan, perceptions about qualifying for a loan, location preferences, and inability to relocate.
- The higher cost of turnkey DHHL developments makes it harder for low- and moderate-income HHCA beneficiaries to have a lease.
- Private lenders often unwilling to lend to a home lands homebuyer because of trust land status.

# Native Hawaiian Housing Block Grant

- NHHBG funds are used for capital improvement; mortgage and home-repair loan financing; loss mitigation; financial literacy; and grants for model activities.
  - Survey findings suggest a need for increased homeownership support among HHCA beneficiary household on the waiting list
- NHHBG is limited to serving only income-eligible HHCA beneficiaries. Other sources of assistance serving all residents of Hawaii have closed waiting lists throughout the state.
- This study finds benefits to home lands housing and the need for continued funding for infrastructure, housing development, and housing assistance.
- But, current eligibility rules restrict this program to about 30 percent of the total Native Hawaiian population in Hawaii.