Housing Needs of American Indians and Alaska Natives in Tribal Areas:

A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs

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Housing Needs of American Indians and Alaska Natives in Tribal Areas:

A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs

Prepared for:
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and Urban Development
Office of Policy Development
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Disclaimer

The contents of this report are the views of the authors and do not necessarily reflect the views or policies of the U.S. Department of Housing and Urban Development or the U.S. government.

Foreword

In response to Congress's mandate to assess Native American housing needs, the U.S. Department of Housing and Urban Development (HUD) commissioned the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs. The study produced five separate reports, which together contain a comprehensive and authoritative body of information on the current state of housing conditions and resources in Native American communities. The study also provides a broad assessment of how tribes have used the control of HUD housing funds they gained through passage of the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996. This report, *Housing Needs of American Indians and Alaska Natives in Tribal Areas*, presents results of two original and unique data sources produced specifically for this study: (1) a nationally representative survey of housing conditions and needs among American Indian and Alaska Native households in tribal areas and (2) a survey of 110 Tribally Designated Housing Entities, including 22 site visits. Results of these surveys are complemented in this report by analyses of data from decennial censuses, the American Community Survey, the American Housing Survey, and HUD financial and information systems.

This report tells two main stories. First, the housing problems of American Indians and Alaska Natives, particularly in reservations and other tribal areas, are extreme by any standard. Of American Indian and Alaska Native households living in tribal areas, 23 percent live in housing with a physical condition problem of some kind compared with 5 percent of all U.S. households. To measure homelessness in tribal areas this study took a novel approach and asked heads of households if an adult was living in the household who would be living in his or her own housing unit if he or she could. From that question, this study estimates that between 42,000 and 85,000 homeless Native Americans are living in tribal areas. Unlike on-the-street homelessness, in tribal areas homelessness often translates into overcrowding. Of American Indian and Alaska Native households living in tribal areas, 16 percent experience overcrowding compared with 2 percent of all U.S. households.

Second, tribes have produced housing much more quickly under NAHASDA than they did in earlier periods, despite the fact that the buying power of Indian Housing Block Grant funding has been substantially eroded by inflation since it was introduced in 1998.

HUD's first national assessment of Native American housing needs was published in 1996, just as NAHASDA was paving the way for a fundamental reinvention of HUD's Indian housing programs that shifted control to tribes and provided them greater flexibility to respond to local needs. Published 20 years later, the assessment reported here confirms the success of the self-determination that NAHASDA enabled, while emphasizing that the housing needs in tribal areas remain the most severe in the nation and that the resources to address the problems have declined more rapidly than for other federal housing programs.

Katherine M. O'Regan
Assistant Secretary for Policy
Development and Research

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Executive Summary

During the past two decades, although improvements have been made, the overcrowding and physical housing problems of American Indians and Alaska Natives (AIANs) living on reservations and other tribal areas remain strikingly more severe than those of other Americans. Particular circumstances of tribal areas—remoteness, lack of infrastructure, and complex legal and other constraints related to land ownership—make it extremely difficult to improve housing conditions in those areas, although it is important to point out that tribal area housing problems and the barriers to addressing them are much more challenging in some locations and regions of the country than in others.

The nation's central legal framework for providing housing assistance in Indian Country—the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996, which gives the tribes primary responsibility for the use of federal and other assistance in addressing these problems—appears to be working more effectively than did the previous approach. Although the need for further capacity improvements remains widespread, the tribes have demonstrated the ability to construct and rehabilitate housing for low-income families at substantial levels under this framework. Congress has provided a fairly consistent level of funding for its primary delivery mechanism, the Indian Housing Block Grant (IHBG), administered by the U.S. Department of Housing and Urban Development (HUD)—in nominal terms—but this flow has been seriously eroded by inflation. Inadequate funding appears to be a major constraint at this point.

Regardless of the extent to which previous funding levels can be restored, however, HUD and other federal agencies need to assist and encourage the tribes to better leverage the assistance they receive and to foster both economic development and housing improvement. In the move toward self-determination, many tribes have recently been innovative in making progress in both areas. The agencies need to build on these examples, working with the tribes to catalyze further progress, especially in tribal areas where current problems are most severe.

This main final report includes the principal findings and conclusions of the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs, a congressionally mandated study funded by HUD and carried out by the Urban Institute and its subcontractors, Econometrica, Inc.; NORC at the University of Chicago; and Support Services International, Inc.[1]

Conducted between 2011 and 2016, this study is the largest study of AIAN housing

1 This study produced four additional reports (1) on the housing needs of Native Hawaiians (Corey et al., 2016), (2) on the circumstances of the AIAN population living in urban areas (Levy et al., 2016), (3) on mortgage lending on tribal lands (Listokin et al., 2016), and (4) an interim report that summarized census data on the changing circumstances of the AIAN population across the country (Pettit et al., 2014).

conditions and policies ever undertaken in Indian Country.[2] It entailed in-person surveys of individual households in their homes in a representative sample of 38 tribal areas (1,340 completed interviews), a large-scale telephone survey of the tribal departments and other local entities that administer the IHBG for the tribes (Tribal/Tribally Designated Housing Entity [TDHE] Survey, 110 completed interviews), and interviews with a broader array of local leaders in site visits to 22 of the sampled areas. The study also entailed extensive analysis of data from the U.S. Census Bureau and other secondary sources.

This report focuses on conditions in the 617 AIAN tribal areas defined by the U.S. Census Bureau and on the 526 counties that contain or immediately surround them. The report has three parts: (1) Demographic, Social, and Economic Conditions; (2) Housing Conditions and Needs; and (3) Housing Policies and Programs.

Demographic, Social, and Economic Conditions

Three things about a population are most critical to understanding its demand for and effects on housing conditions: (1) whether it is growing, (2) how its economic well-being compares with that of other groups, and (3) whether its socioeconomic conditions are internally uniform or diverse.

The AIAN population in tribal areas and their surrounding counties continues to grow rapidly. Patterns suggest that links to traditional tribal areas and cultures remain strong—most who identify AIAN as their only race are remaining on tribal land or staying close to tribal areas rather than moving to distant cities.

Nationwide, the number of people who identified their race as AIAN grew from 4.1 million in 2000 to 5.2 million in 2010—an increase of 27 percent. In 2010, this population included 2.6 million who said they belonged to other racial groups in addition to AIAN (the "AIAN multirace" population). This group grew most rapidly in urban areas outside Indian Country and grew much more rapidly overall than those who identified AIAN as their only race (the "AIAN-alone" population). Some in the AIAN policy community, however, have suggested that a significant number in the multirace group living in urban areas may not be members of the recognized tribes that are NAHASDA's intended beneficiaries.

It has also been suggested, however, that a high percentage of both the AIAN multiracial and AIAN-alone populations that live in tribal areas and their surrounding counties are likely to be tribal members. Their growth has been somewhat slower, but it is still much stronger than the U.S. population growth overall. The AIAN-alone population grew much faster in tribal areas and the surrounding counties than it did in the rest of the nation—by 10 versus 5 percent. From 2000 to 2010, the total AIAN population (AIAN-alone plus AIAN multirace) grew by 12 percent in the tribal areas and by 31 percent in the surrounding counties (compared with the overall U.S. growth rate of 10 percent). By 2010, the total AIAN population had reached 1.15 million in tribal areas and 1.32 million in the surrounding counties.

The overall economic well-being of the AIAN population remains generally more problematic than that of non-AIANs almost everywhere and is worse for AIANs in tribal areas than for AIANs living in other parts of the country.

For example, the American Community Survey (ACS) shows that, compared with a U.S. average poverty rate of 18 percent in the 2006-to-2010 period, AIAN-alone poverty rates stood at 22 percent in metropolitan

2 The term Indian Country is used in the common colloquial sense to mean tribal areas, including Alaska Native villages, and is not used as a legal term in this report.

counties outside Indian Country, 28 percent in the surrounding counties, and 32 percent in tribal areas (exhibit ES.1). The latter figure is almost double (1.8 times) the U.S. average.

Notable advances in socioeconomic conditions in many tribal areas have occurred during the past two decades, however, offering promising models for change. These advances include improvements in the capacity of the people (higher educational attainment) and vigorous initiatives by tribes exercising their self-determination to drive economic development.

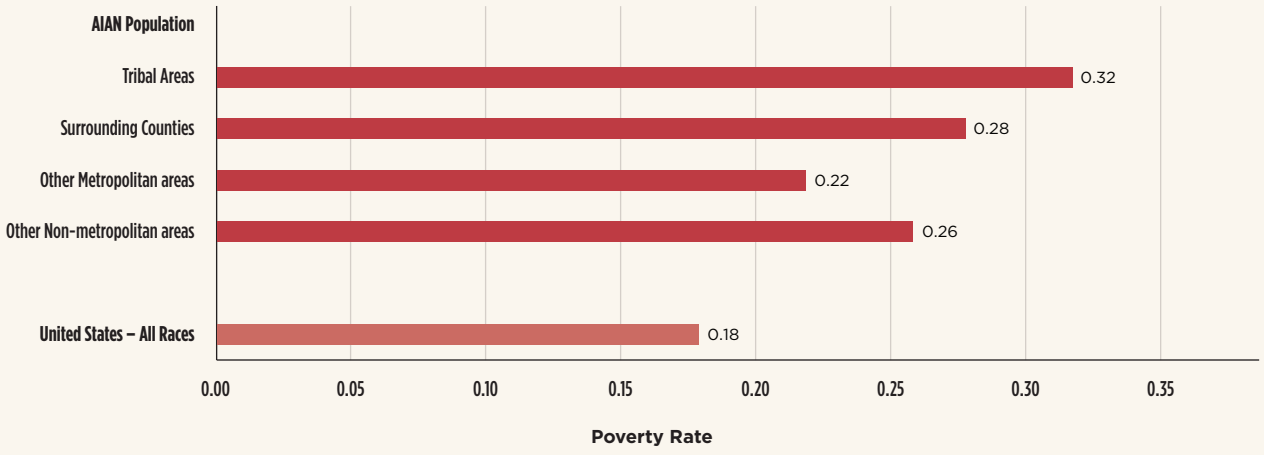
From 2000 to 2006-2010 the share of AIAN adults living in tribal areas that had a bachelor's degree or higher went up only slightly, from 7.8 to 9.2 percent, but this increase narrowed the gap in educational attainment in tribal areas as compared to the non-AIAN population during that period. Since 1990, researchers have seen increasing tribal efforts to create environments supportive of private entrepreneurship—"tribes investing in their own capacities to govern and thereby improving local accountability and encouraging tribal and non-tribal investments in human and other capital" (Harvard Project on American Indian Economic Development, 2008: 111). New economic activity includes large-scale investments by the tribes and a variety of businesses started by private tribal members. Gaming has played a part in this economic activity—substantially increasing wealth in some places—but it has not been the primary driver of development in most areas and has an uncertain future as a basis for economic development.

An important understanding for policy is that conditions in tribal areas are markedly diverse across the nation.

One example indicator that illustrates this point is the share of a tribal area's population that has a private-sector job. The measure is positively correlated with population growth and other indicators of economic well-being and inversely correlated with remote locations. In the top quarter of the 213 largest tribal areas[3] by this measure, private employees accounted for 17 percent or more

3 These 213 are tribal areas the Census Bureau considers large enough to permit the publication of independent estimates for a large number of ACS variables. Together, they account for 89 percent of the total 2010 AIAN-alone population in all tribal areas.

Exhibit ES.1 - Poverty Rates, 2006-10



Source: U.S. Census Bureau, American Community Survey, 2006–10 Five-Year Estimates

of the population. In the bottom quarter, they accounted for less than 7 percent. The top quarter is spread across many parts of the country, although a distinct cluster is in Oklahoma. Regarding the bottom quarter, large clusters are located in the poorest regions of Indian Country: Arizona/New Mexico, the Plains and northwest Alaska. Although the distinction between public- and private-sector jobs is somewhat blurred by tribal and state definitions of certain tribal enterprises, this example does serve to highlight economic diversity in Indian Country.

Housing Conditions and Needs

The central motivation for this study was to determine the extent of housing problems and needs in Indian Country. This study follows standards that HUD uses in its work on worst case housing needs. These standards start with physical problems in three categories:

1. Systems deficiencies—plumbing, kitchen, heating, and electrical.
2. Condition problems, including structural deficiencies, holes in the wall, and so forth.
3. Overcrowding, defined by having more than one person per room.

The analysis then addresses the most rapidly growing problem nearly everywhere—affordability, or *cost burden*—defined as when households are paying more than 30 percent of their income for housing expenses.

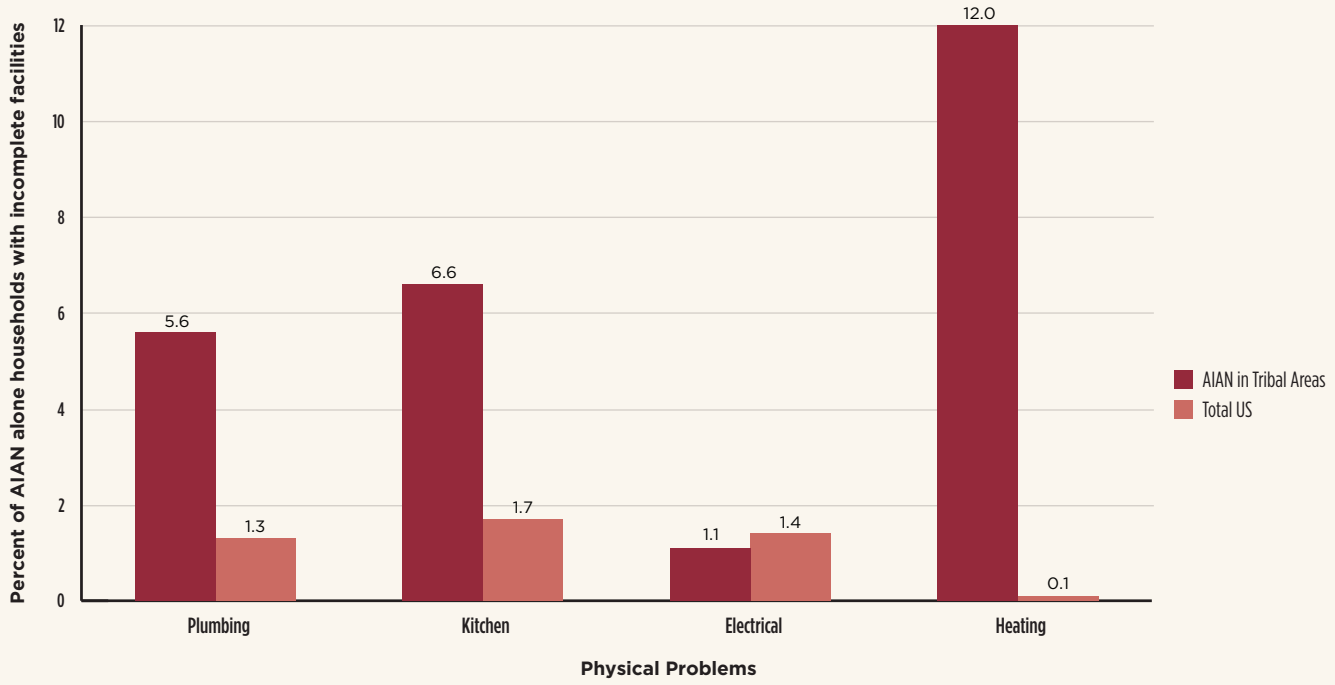
Findings are based on two sources of information. The first source is this project's completed household survey—a nationally representative snapshot of tribal areas as of the time period 2013 to 2015, which provides data on all these problems. The second source is U.S. Census Bureau data. Although the Census Bureau does not collect any data on three of these problems—heating, electrical, or condition deficiencies—it does collect data on all the other indicators and has the benefit of supporting comparisons over time and between geographies, which, because of sample size limitations, cannot be done with the household survey data.

Data from this project's household survey show that physical housing problems for AIAN households in tribal areas remain much more severe than for U.S. households, on average, in almost all categories. The share of AIAN households in tribal areas with a cost burden problem, however, is comparable with that of all U.S. households.

Physical housing problems have declined enough to be negligible for the United States, on average—incidences typically of 1 to 2 percent—but not for American Indians and Alaska Natives in tribal areas. For example, 2013 American Housing Survey data show the U.S. average share of households with plumbing deficiencies was 1 percent, but this study's household survey shows the share for AIAN populations in tribal areas was 6 percent; the share with heating deficiencies was 2 percent for the United States but 12 percent for AIANs in tribal areas; the share that was overcrowded was 2 percent for the United States but 16 percent for AIANs in tribal areas (exhibit ES.2). The only problems in which the incidences were nearly the same were electrical deficiencies (about 1 percent for both) and cost burden (36 percent for the United States versus 38 percent in tribal areas).

Adding up these measures would yield an inaccurate estimate of the number of households affected by one or more of these problems, because it would involve double counting (a single household, for

Exhibit ES.2 – Individual Housing Problems in Tribal Areas and United States



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

example, might have a cost burden problem plus a kitchen or plumbing deficiency and also be overcrowded, and so forth). This study also accordingly calculated incidences in mutually exclusive categories.

These calculations show that 10 percent of AIAN tribal area households had plumbing and/or kitchen deficiencies. Another 13 percent that did not have plumbing or kitchen deficiencies had some mix of heating, electrical, and/or condition problems, and another 11 percent that did not have any of the previous problems were overcrowded. Finally, for another 23 percent, cost burden was their only problem.

Altogether, then, 34 percent of AIAN households had one or more physical problems compared with only 7 percent for U.S. households, on average. Including the cost burden-only measure, 57 percent of AIAN households had one or more identified housing problems of any kind (compared with 40 percent of the U.S. households overall).

Any estimate of the amount of new housing required to address the needs of a population must be based on a set of assumptions, and those assumptions are always open to question and alternative formulations. The assumptions developed by the research team for this study indicate that, as of the 2013–2015 period, it would have been necessary to build around 33,000 new units to eliminate the overcrowding of the AIAN population in tribal areas and another 35,000 new units to replace units that were severely physically inadequate, yielding a total need of around 68,000 new units.

Census/ACS data also confirm that physical housing problems for AIAN households in tribal areas remain much more severe than for U.S. households, on average. They also show that, for low-income AIAN households in tribal areas, the incidence of physical problems is much higher (by about 40 percent) than for the average AIAN household in tribal areas. Finally, they show that marked differences exist in the severity of these problems in different regions and locations. Cost burden problems, however, have grown since 1990 and their locations appear to be inversely correlated with those of physical problems.

The analysis uses data from the ACS for the 2006-to-2010 period (the period just before the housing collapse and the Great Recession), remembering that the only physical problems covered by these data are plumbing/kitchen deficiencies and overcrowding. The data show that one or more of these physical problems affected 13 percent of AIAN households in tribal areas. This number is much higher—by three times—than the comparable number for all U.S. households at that time—4 percent. The share of low-income AIAN households (those with incomes that are less than 80 percent of the local median) in tribal areas with physical problems was much more severe: 18 percent, almost 40 percent more than the AIAN tribal area average.

Substantial variations occurred in the incidence of these problems by region. Physical problems were, by far, the most serious in three of the study regions—the Plains, Arizona/New Mexico, and Alaska (which reaches a high of 36 percent, three times the all-tribal area average of 13 percent). These three regions accounted for 44 percent of all AIAN households in tribal areas, but they accounted for 73 percent of those households that had physical housing problems.

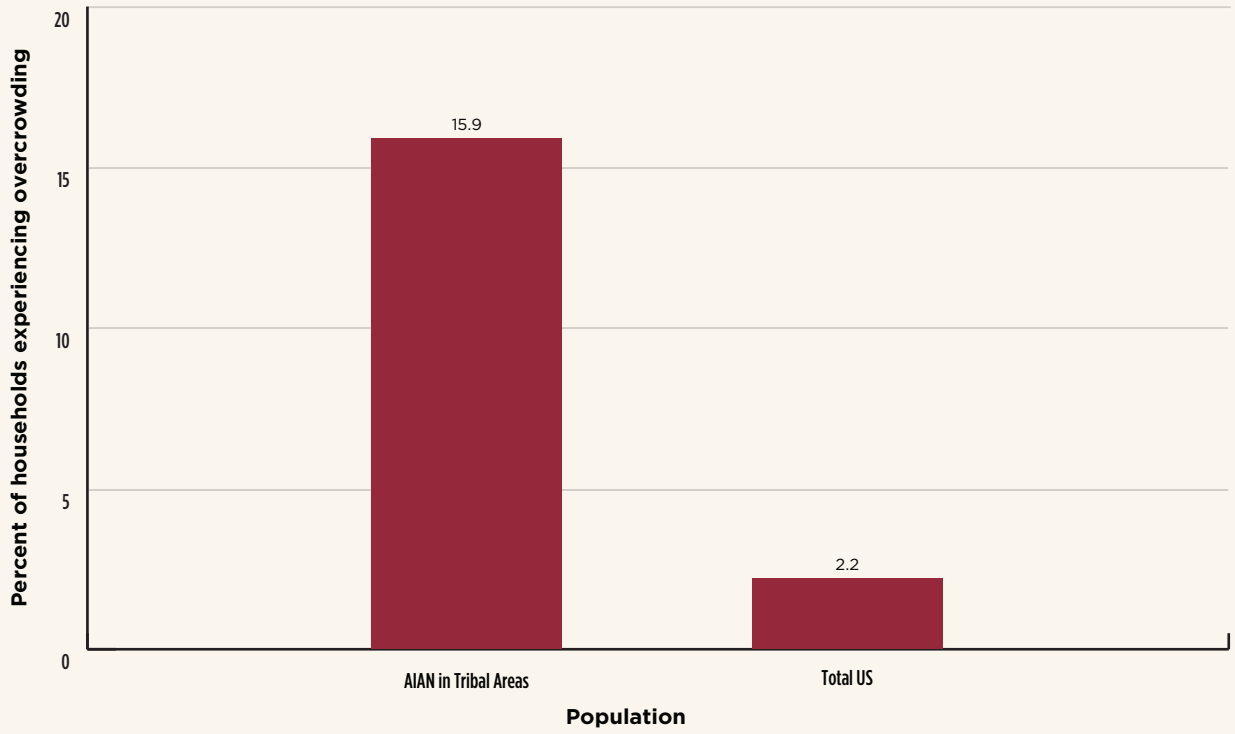
The shares with cost burden-only problems are higher in other regions. In fact, across tribal areas, the incidence of cost burden problems was inversely related to the incidence of overcrowding and other physical problems; in other words, places with the most serious overcrowding problems generally had among the lowest cost burden problems, and vice versa.

Among the 213 largest tribal areas, the quarter with the highest levels of overcrowding—all more than 18 percent—was mostly in the poorest regions—the Plains, Arizona/New Mexico, and Alaska. By contrast, the quarter with the lowest overcrowding—all at less than 4.5 percent—was, in general, in places that came out among the highest in terms of private-sector employment, as discussed earlier.

This study generally confirms what has become the conventional wisdom about homelessness in Indian Country; namely that, in tribal areas, homelessness mostly translates into overcrowding rather than having people sleeping on the street. The study estimates that, at the time of the household survey in 2013–2015, between 42,000 and 85,000 people in tribal areas were staying with friends or relatives only because they had no place of their own; that is, they were homeless.

It is generally understood that AIAN families in tribal areas who do have housing tend to take in family members and others who do not have a place to stay. The tribal/TDHE survey and site visit interviews generally support this conclusion as does the household survey (exhibit ES.3). According to the household survey, 19 percent of household heads said they had more household members than could live in their unit comfortably (somewhat more than the 16

Exhibit ES.3 – Overcrowded Households in Tribal Areas and United States



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

percent that were overcrowded by the HUD standard) and 17 percent said they did have some household members that were there only because they had no other place to stay.

Very few of the heads of these households (19 percent) said they would ask these people to leave, but the vast majority (80 percent) of the people involved would like to get a place of their own if they could. This 17 percent of households represents the first sample-based estimate ever made related to this form of homelessness in tribal areas nationwide. Further, this study estimates that the number of people in these households with no place else to stay (that is, the doubled-up homeless) totaled between 42,000 and 85,000—between 3.6 and 7.2 percent of the total 2013–2015 AIAN population in tribal areas.

This study confirms that a strong preference remains for homeownership in tribal areas. The homeownership rate in tribal areas is already high, but many households are renters, and nearly all want to become homeowners. They face notable barriers, however, in achieving that goal.

This study's household survey reports that 68 percent of AIAN households in tribal areas were homeowners in 2013–2015. It also reports that 90 percent of renters would prefer to own their own home (and 90 percent of them said they would contribute their own labor if it would enable them to do so).

Of current homeowners responding to the household survey, 8 percent had been denied a mortgage, and 9 percent of renters who had applied for a mortgage had been

turned down. Both groups mentioned that the most common reason for being denied a mortgage was a low credit score or lack of a credit history. The next most common reason that renters mentioned was not having a sufficient downpayment.

Those who had never applied for a mortgage also experienced barriers to homeownership. This group of households mentioned additional barriers that include not having sufficient savings, not having a regular source of income, and lack of access to a mortgage lender. Of the households that were interested in homeownership but had never applied for a mortgage, 29 percent also mentioned that they did not know how to buy a home or were unfamiliar with the loan application process, lending terms, or real estate transactions.

Housing Policies and Programs

The U.S. government has a general trust obligation to promote the welfare of AIAN populations by supplying housing along with other services on reservations and other tribal areas. Notable progress began to be made toward this end in housing in the 1960s, with expanded production under two programs implemented under provisions of the Housing Act of 1937: (1) the low-rent program (operated like public housing elsewhere in the nation) and (2) the Mutual Help program (a lease-purchase type of homeownership program). HUD administered these programs and a network of local Indian Housing Authorities (IHAs) implemented them on the ground, operating under strong HUD oversight.

By 1990, the IHAs had developed 67,400 assisted housing units, a number equal to 42 percent of all low-income households living in Indian Country at the time. Dissatisfaction with these programs, however, was present on several levels. Criticisms included overly complex procedures, a lack of flexibility, coordination problems, and the lack of trained personnel. Underlying these criticisms was deeper dissatisfaction with the extent to which HUD controlled these programs, giving tribal leaders insufficient influence over program planning and operations.

Recognizing these problems, in an era in which self-determination had become the central theme of U.S. Native American policy, Congress replaced this approach with a new framework in 1996: the Native American Housing Assistance and Self-Determination Act. NAHASDA brought a new funding delivery mechanism—the Indian Housing Block Grant—allocated to tribes via a needs-based formula. Funds are given directly to the tribes, rather than to IHAs. The tribal governments may run the program themselves or assign operating responsibility to a Tribally Designated Housing Entity that reports to them. The tribes must prepare an Indian Housing Plan (IHP) and annual performance reports and submit them to HUD's Office of Native American Programs (ONAP), which is responsible for overall performance monitoring and quality control.

IHBG funding must cover continuing support for the remaining stock funded under the 1937 Act programs—the Formula Current Assisted Stock (FCAS)—and also assisted housing development (new construction, acquisition, and rehabilitation), planning and administration, and an array of activities that support affordable housing and its residents (for example, housing counseling, energy audits, crime prevention, and safety).

Congress has provided a fairly consistent level of funding for the IHBG in nominal terms, but this flow has been seriously eroded by inflation. Funding for housing development has been especially hard hit.

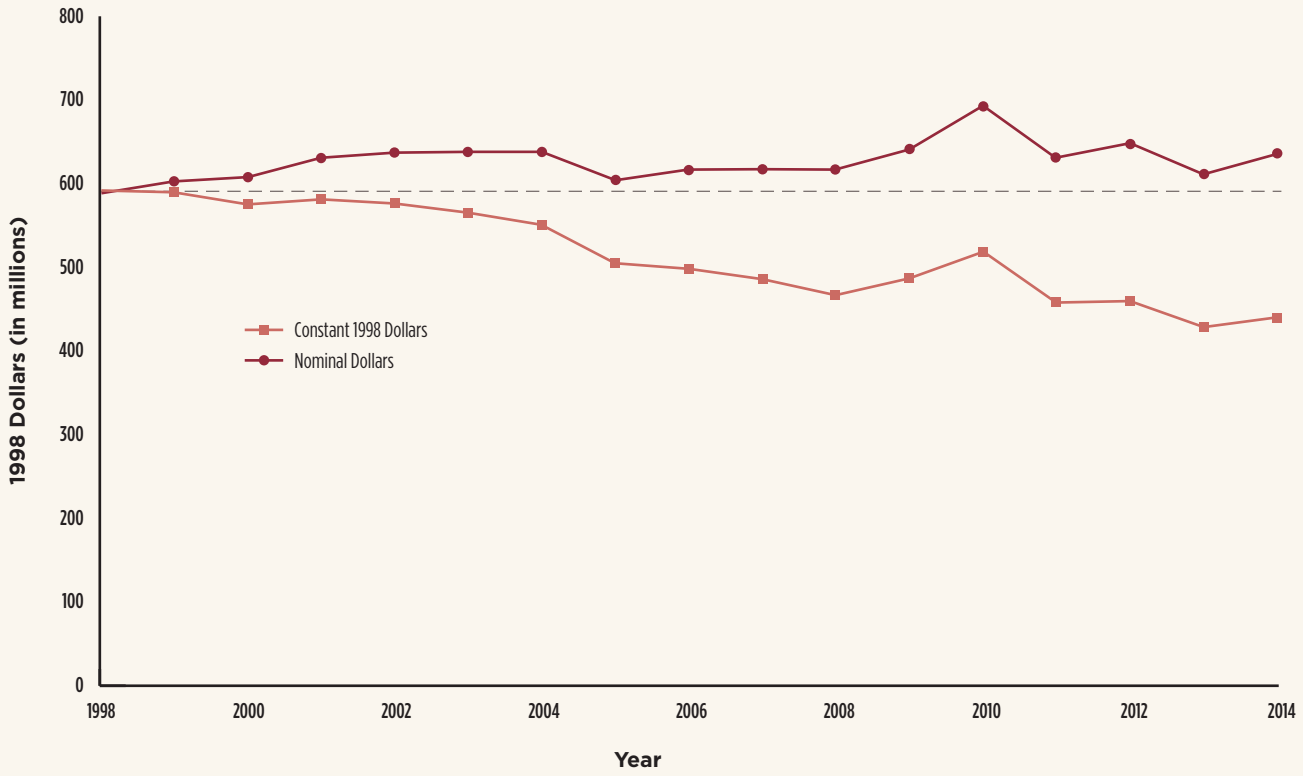
Since 1998, the first year that IHBG became operational, Congress has provided a consistent level of funding annually in nominal terms—an average of about $667 million per year from 1998 through 2014. During 17 years, however, inflation has seriously eroded that level. The 2014 amount ($637 million in nominal dollars) represented only $440 million in 1998 purchasing power (exhibit ES.4).

Funding for housing development has been especially hard hit because other categories of expenditures (including FCAS support) involve comparatively fixed costs and are very hard to reduce proportionally as inflation takes its toll. Amounts available for housing development are squeezed as a result.

During the 1998-to-2006 period, total expenditures averaged $636 million annually in constant 1998 dollars. Mostly because of the effects of inflation, the amount had declined to an average of $429 million per year during the 2011-to-2014 period—a decline of almost exactly one-third. During the 2011-to-2014 period, the tribes were able to spend only $128 million per year for housing development in 1998 dollars, about one-half of the $244 million the program had been able to spend on housing during the 1998-to-2006 period.

The tribes have demonstrated the capacity to construct and rehabilitate housing for low-income families at substantial levels under the NAHASDA framework. Their ability to effectively

Exhibit ES.4 - Amount of IHBG Funds Awarded, 1998 to 2014



Source: HUD ONAP LOCCS Report, current as of June 1, 2015.
Note: The American Recovery and Reinvestment Act of 2009 provided an additional $504,201,481 in IHBG funding.

use an unexpected injection of funding under the American Recovery and Reinvestment Act (ARRA) of 2009 toward these ends in a very limited time period is particularly strong evidence supporting this conclusion.

What has happened to the quantity of assisted housing in Indian Country since NAHASDA was enacted? First, as would be expected, a decline has occurred in the number of FCAS (1937 Act) units available—from 72,000 in 2003 to 49,000 in 2014. Nearly all of this loss was accounted for by conveyances of Mutual Help units to their residents (as called for in the program design) rather than by demolition. Losses to the low-rent program inventory have been negligible.

These reductions in older FCAS units have been more than made up for, however, by new production under the IHBG. In its early years (from 1998 through 2006), the IHBG program supported the building of an average of 1,900 new assisted housing units per year and the rehabilitating of an additional 2,700 units annually. Production then increased to peak levels in the 2007-to-2010 period (2,400 new units and 4,100 rehabilitated units per year). One question raised before the enactment of NAHASDA was whether the tribes would be able to produce as much housing on their own as had occurred under the earlier HUD-directed system. These numbers give an answer clearly in the affirmative.

This conclusion about tribal capacity is strongly reinforced by what the tribes were able to do with an unexpected injection of additional funds from ARRA in 2009. ARRA provided $47.25 million for IHBG activities on top of the regular IHBG allocation, with the proviso that funds would be recaptured if they were not obligated within 1 year of the date they were made available and spent within 3 years. The tribes were able to spend virtually all (more than 99 percent) of these funds consistent with that requirement, yielding an additional 1,954 new construction units and 13,338 rehabilitated units between 2009 and 2012.

Under the regular IHBG allocations, however, the constant dollar funding reductions noted previously caused a different pattern of production during the 2011-to-2014 period. Tribes responded by cutting back new construction (to 2,000 units per year) and expanding the number of rehabilitated units (to 4,800 per year), presumably judging that an emphasis on rehabilitation, given the overall funding constraint, would allow them to reach a larger share of the families in need.

Since the enactment of NAHASDA, large increases have occurred in the number of HUD grantees and in the share of all programs being administered directly by tribal governments. Many indications suggest that these programs generally are meeting basic functional expectations and that the tribes prefer operations under NAHASDA to the previous system.

In 1995, HUD assistance in Indian Country was being administered by 187 IHAs, serving 467 tribes. In fiscal year 2014, 363 compliant IHPs had been submitted to serve 563 tribes. This project's tribal/TDHE survey indicated that offices of tribal governments were administering 41 percent of these programs and TDHEs were administering the rest (96 percent of the latter said they were then, or had been, IHAs).

Despite concerns about administrative capacity, ONAP reports widespread compliance with program requirements and general ability to disburse funds rapidly. The tribal/TDHE survey indicates that, for most programs, the number of full-time

staff remained stable during the past 3 years (although, at 11 of 22 sites visited, administrators said they were understaffed).

Local administrators recognize that they have enhanced flexibility under NAHASDA (for example, 83 percent of survey respondents said it is easier to leverage private funds now). They indicated no call for any major overhaul of IHBG regulations, although some changes were requested, such as those pertaining to program administration (58 percent) and developing new units (50 percent).

When asked about what they would like to change, most respondents suggested they would like to be able to offer assistance to families just above the eligibility line who, even though somewhat better off, still cannot afford decent housing in tribal areas. Survey respondents also said they would like more training; priorities were for training in building maintenance, information/computer systems, and case management support in resident services.

Most tribes and TDHEs rely on partnerships to provide a broader array of services than would otherwise be possible and on contractors to provide administrative and building-related services. Although contracting is a sound business strategy for accomplishing objectives with limited resources, in some cases, these relationships appear to be necessary for reasons of limited organizational capacity and staff capability, which are attributed to sparse local populations, insufficient funding, and limited opportunities for staff training.

Among the sites visited and the tribal/TDHE survey respondents, most organizations offer only housing assistance programs funded under the IHBG program. Among those that do offer other programs, the most commonly cited were the Housing Improvement Program of the U.S. Department of the Interior's Bureau of Indian Affairs and HUD's Low-Income Housing Tax Credit program. Few respondents named the Indian Community Development Block Grant program as a major program for their tribal area.

Although the flexibility of NAHASDA enables tribes to design, develop, and operate their own affordable housing programs based on local needs, tribal housing departments and TDHEs still face significant challenges in carrying out their plans.

Almost all respondents to the tribal/TDHE survey indicated that development costs had increased during the past 3 years, with 40 percent saying costs had increased greatly and 57 percent saying costs had increased somewhat. In addition, 35 percent of tribal/TDHEs reported that development cost was a very serious constraint, and another 15 percent said it was a fairly serious constraint in developing new housing. When asked to name the top three factors that increase the cost of developing new housing, tribes/TDHEs cited the following barriers most frequently: developing infrastructure (70 percent), availability of labor (39 percent), lack of funds (34 percent), and acquiring or assembling land (30 percent). Other challenges reported by tribes included risk of flooding, water shortages, and the aging of existing infrastructure.

The availability of labor is affected because tribal housing agencies do not have enough construction activity to support construction workers (either in-house employees or contractors) on a consistent basis. This scarcity of work results in the need for workers with the necessary skills to travel outside the tribal area for work and then not be available when needed in the tribal area.

Land assembly and acquisition remain as frequent problems that add to the cost

of development. The main source of this challenge is fractionated land, which is the result of allotments that have been divided among heirs through probate. Having many owners makes it hard to assemble large enough parcels for development. To solve this problem, a few tribes have initiated efforts to buy back fractionated land or land adjacent to tribal lands. Other sites try to ensure that the housing agency owns its own land.

Survey respondents suggested that their biggest challenges in operating the rental program were tenants damaging their units (91 percent), controlling criminal activity (74 percent), and tenants not paying rent on time (65 percent).

A changing landscape exists regarding mortgage lending in Indian Country, with greater lending activity and a lessening of once seemingly intractable problems, such as those related to tribal trust land.

Originating mortgages on properties located in Indian Country presents unique challenges that relate to the legal status of lands on reservations; the remote locations of reservations that inhibit the development of an infrastructure that can support mortgage lending; a lack of cultural understanding by mainstream lenders of Native American attitudes toward the use of credit, particularly when used for a land transaction; and, possibly, lenders' discrimination against Native American mortgage applicants.

A number of programs have been developed to address the challenges of lending in Indian Country, including the Section 184 Indian Home Loan Guarantee Program under the Housing and Community Development Act of 1992, as amended by NAHASDA; Section 502 Direct Loan Program (U.S. Department of Agriculture Rural Housing); and U.S. Department of Veterans Affairs Native American Direct Loan Program. The Section 184 loan program, by providing lenders with a 100-percent guarantee for mortgages to AIAN borrowers originated on tribal trust land, essentially eliminates problems with the unique nature of tribal trust land used as collateral. Section 184 serves AIAN borrowers both on and off trust lands. Rather than tribal trust land issues, the lenders interviewed in this study indicated that mortgage lending on tribal trust land remains a time-consuming process that reduces the appeal of lending on tribal trust land, even with the federal guarantee. This process is so long, in part, because of the requirements under the Section 184 loan program for tribes to develop and execute leases for land on which the mortgaged property is located. Therefore, lenders indicate that they prefer to work with tribes that have the capacity to develop leases and get them approved relatively quickly.

The Helping Expedite and Advance Responsible Tribal Homeownership (HEARTH) Act of 2012 is viewed as a promising approach to assist tribes in assembling land for development.

The HEARTH Act of 2012 creates an alternative land leasing process. Tribes are authorized to execute agricultural and business leases of tribal trust lands for a primary term of 25 years and up to two renewal terms of 25 years each without approval by the Secretary of the U.S. Department of the Interior, provided governing tribal leasing regulations have already been submitted to the Secretary. Before 2012, tribes had to submit leases of tribal land to the Secretary of the Interior for approval. Under the HEARTH Act, tribes make their own decisions about land leasing, exercising their right of self-determination. Leveraging trust land was one goal expressed by tribal officials, who were enthusiastic

about the potential of the HEARTH Act to break down barriers to leasing on tribal land.

Tribes have developed programs for potential homebuyers, often in partnership with nonprofit organizations and financial institutions.

In addition to having processing issues, many potential borrowers have creditworthiness issues and insufficient incomes or savings to qualify for mortgages, even those mortgages guaranteed under the Section 184 program that have more flexible underwriting standards than do Federal Housing Administration or conventional loans. Lenders report that prepurchase counseling, particularly counseling provided by organizations familiar with the unique challenges of lending on tribal trust land, is critical to getting borrowers mortgage ready. Moreover, downpayment assistance programs can help borrowers with insufficient savings qualify for Section 184 program mortgages. Many tribes have designed local programs to respond to these barriers to homeownership among their members. The diversity of tribal land requires that homebuyer education be tailored to the unique needs of tribes. Topics addressed in homebuyer education programs include establishing credit and improving a low credit rating, understanding the homebuying process, and responsibilities of homeownership. A number of tribes also offer downpayment assistance programs.

Conclusions and Recommendations

Although needs for capacity improvement remain widespread, the housing assistance system established under NAHASDA appears to be functioning reasonably well and doing what it was intended to do. It represents a marked improvement over the previous approach.

This project was not asked to conduct a formal evaluation of NAHASDA. Nonetheless, it offers many findings pertinent to an understanding of how programs are working in the NAHASDA framework and of opportunities to improve performance.

When NAHASDA was enacted, some in the Native American housing policy community, including some appropriators and IHA officials, expressed uncertainty about tribes' capacity to administer the new program and avoid abuses when federal controls were reduced. This study shows that these challenges have largely been addressed.

- The tribes were able to establish new administrative entities and processes to administer the IHGB and related programs fairly quickly after enactment.
- The new system (IHBG, the NAHASDA block grant) has proven it is able to match or exceed the rate of assisted housing production in Indian Country under the old approach (1937 Act programs). Limits on funding are now a major constraint on production.
- This study could not provide much direct evidence on the quality of IHBG housing or costs per unit, but nothing indicates that these measures under IHBG have been inadequate or different than those produced under the old system.
- As hoped, the mix of housing types and development patterns produced under NAHASDA appears more sensitive to cultural and other local determinants in individual tribal areas than was the case under the old approach.
- Although far from ubiquitous, many examples of leveraging and innovative practice today could not have taken place under the pre-NAHASDA system. Likewise substantial qualitative evidence indicates

that processes are more efficient now than under the previous, more rule-bound approach. In general, the tribes seem to be stepping up to the challenge of self-determination in housing.

- Qualitative evidence also supports the view that the system is now more broadly accountable to tribal members—that tribal members are able to participate more through their tribal governments in planning and other programmatic decisionmaking.
- Although they recommend some changes, tribal leaders and administrators almost uniformly prefer operations under NAHASDA to the system that existed before.

Regardless of the extent to which previous funding levels can be restored, HUD and other federal agencies need to assist and encourage the tribes to better leverage the assistance they receive to generate both economic development and housing improvement in an integrated manner, particularly in the places that need it most.

It is clear that the amount of federal housing assistance provided to Indian Country to this point has not been sufficient to meet the need. In addition, the flow of IHBG funding is now trending down in relation to this need in real terms. At this time, insufficient funding, more than administrative capacity, is the major constraint on providing housing.

In considering policy options, the diversity of conditions across tribal areas is of great importance. Housing problems in some tribal areas are much more severe than in others. The focus must be on innovative technical assistance and training that will encourage the tribes, especially those most in need, to markedly enhance their own development efforts—learning from other tribes that have been most successful in expanding their local economies and channeling resources to address unmet housing needs efficiently.

A new type of targeted approach is recommended then—one that jointly addresses economic and housing development in tribal areas that are most distressed. Although HUD programs in tribal areas have always had the twin purposes of housing and economic development, a stronger focus on this intersection is needed. This approach envisions movement toward an ideal program, while maintaining the current IHBG program. In many cases, this approach may involve helping the tribes make the fundamental institutional changes that have been critical to establishing a dynamic market economy in tribal areas elsewhere: emphasizing the rule of law in dispute resolution and other aspects of tribal activity, separating politics from day-to-day administration and business affairs, and creating an efficient tribal bureaucracy. It would also include, however, practical technical assistance and training on the specific design and operation of programs developed to support the new strategies. Models would be developed based on successful programs implemented in other tribal areas but modified, as appropriate, to address cultural and other differences.

ONAP could play a leading role in this effort. It has a solid track record of long-established relationships helping tribes achieve their housing objectives and could use reporting and technical assistance activities to support efforts that combine housing and economic development. ONAP would need additional resources enabling it to play an expanded role.

HUD should initiate a program to more frequently monitor housing and other conditions of the AIAN population nationwide, primarily taking advantage of the Census Bureau's ACS.

HUD published its first comprehensive national assessment of AIAN housing conditions in 1996. Between that time and this study, 20 years later, all stakeholders concerned with housing conditions in tribal areas have had little information on changing circumstances to guide their policy deliberations. The long time gap is explained by the fact that this study was very expensive—$6.3 million during 6 years. With competing demands for research resources, decisionmakers had a difficult time mobilizing support for a study of this scope.

The high cost of this study was driven mostly by the challenging task of conducting a reliable random sample household survey, particularly in tribal areas, which often lack rural addressing in many places and require intensive fieldwork to build sample frames. There are strong reasons to believe, however, that almost all of the information that needs to be updated for policymaking can be obtained without a separate household survey. ACS data are now released every year, and, although sample sizes are too small to support reliable estimates for smaller tribal areas individually, they are ample to support reports on most needed indicators for tribal areas in total by region and for larger tribal areas individually (as demonstrated by the use of ACS data in this report). A major increase in the national sample size was implemented in 2011, so ACS data in the future will be more reliable than is the 2006–2010 data used in this report.[4]

It is recommended that HUD support studies that rely on decennial census and ACS data in census years (for example, 2020, 2030) and on ACS data alone for the intervening 5-year points (for example, 2015, 2025, 2035). The currency of the data should make a greater contribution to timely and cost-effective adaptations of policies and programs. Two reports are recommended in each reporting year.

1. A report on conditions for AIAN populations nationwide across all geographies. It would compare indicators for AIAN populations in tribal areas and surrounding counties with those in other metropolitan and nonmetropolitan areas. No one else now regularly produces a report like this and it should be of great value to the overall AIAN policy community.
2. A report focused on tribal areas, with the NAHASDA/HUD policy community as its primary audience. This report would examine trends in housing conditions, problems, and needs in tribal areas and also program performance under NAHASDA.

An additional need must be considered. In the course of this study, many tribes said they would like to develop much better data on housing conditions and other circumstances on their own individual reservations to guide program planning. This interest, in part, can be met for the larger tribes (that is, where ACS sample sizes warrant) by sending them standard situation profiles from the ACS each year and encouraging tribal input regarding data presentations and formats. In addition, HUD's Office of Policy Development and Research should work with ONAP to develop efficient guidelines and training programs to help tribes (that can mount the needed resources) conduct sample surveys and use other available data to assess their situations efficiently. This study's household survey is publicly available to tribes for their use, which is consistent with the intent of NAHASDA to enhance tribal capacity and self-determination.

4 This increase raised the national sample to 3.5 million addresses, up from 2.9 million in the 2000s (U.S. Census Bureau, 2014a).

Introduction

Introduction to the Overall Assessment

This document is the final report of the congressionally mandated national Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs. The study was conducted for the Office of Policy Development and Research (PD&R), U.S. Department of Housing and Urban Development (HUD), Contract No. C-CHI-01092/GS-23F-8198H. Urban Institute staff conducted this work with support from three subcontractors: (1) NORC at the University of Chicago; (2) Econometrica, Inc.; and (3) Support Services International, Inc.

The Urban Institute conducted a similar assessment for HUD in 1996 (Kingsley et al., 1996). HUD's statement of work noted this earlier work and stated, "That report presented a complete overview of the housing situation of most American Indians and Alaska Natives. It is proposed that the current study update that work."

The Kingsley et al. (1996) study presented measures showing that the housing problems of American Indians and Alaska Natives (AIAN populations)[5] were substantially more severe than those of non-Indians in all parts of America. It also showed that, although earlier HUD programs serving AIAN households (now often referred to as the 1937 Act programs) had indeed made important contributions to housing conditions, they nonetheless had serious defects.

The current overall assessment had a broad mandate. The scope covered four main topic areas: (1) the situation on and around AIAN reservations and other tribal areas; (2) experiences of lenders under the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996 and key issues related to lending on and around AIAN reservations and other tribal areas; (3) the situation for AIAN populations living in other parts of the United States (mostly urban); and (4) the situation for Native Hawaiians in Hawaii.

HUD recognized that the policy environment and policy relevant conditions and trends are different in each of these four topic areas. It was also recognized that the audiences for the research are different for each topic area. After discussions with many interested parties, it was decided that readers and policymakers would be served best by publishing four separate reports to convey the final results of work under this contract.

- ***Housing Needs of American Indians and Alaska Natives in Tribal Areas*** (this report). This is the main, and final report, focusing on circumstances, needs and policy in and around AIAN tribal areas (the areas that are the focus of NAHASDA and the Indian Housing Block Grant—IHBG). It recasts census data for those areas and presents the results from the two most important primary data collection efforts in this study: (1) a major in-person survey of households in tribal areas and (2) a survey of tribal housing program administrators in those areas. It also presents policy and program reviews related to NAHASDA/IHBG with information derived from interviews, document reviews, and analysis of HUD management data and also two of the surveys conducted for this project. It contains some census data on AIAN populations in urban areas, but only to give perspective on what is happening in Indian Country.[6]

5 Matthew Snipp (1989: 36–40) explains why the phrase "American Indians and Alaska Natives" is the preferred racial designation for the populations that are the subject of this study (precise definitions consistent with census surveys are presented in section 2). This report also uses its acronym—AIAN—and sometimes uses the terms Native Americans and Indians to refer to this same population.

6 "Indian Country" is used in the common colloquial sense to mean tribal areas, including Alaska Native villages. The phrase "Indian Country" is not used as a legal term in this report.

- ***Mortgage Lending on Tribal Land.*** This report presents detailed findings of the lender study, which focused on mortgage lending in tribal areas—findings that are summarized in part 3 of this final report. The report provides up-to-date information about challenges that remain for lenders when originating mortgages on reservations and other AIAN tribal areas. The findings draw from interviews conducted with lenders and other mortgage market observers to determine the factors that now affect tribal trust lending volumes and to ascertain lender practices to facilitate such lending. This study describes contemporary mortgage program availability and activity in Indian Country (focusing on HUD's Section 184 loan guarantee program) and examines how today's lenders view challenges and incorporate best practices for mortgages in Indian Country.
- ***Housing Needs of American Indians and Alaska Natives in Urban Areas.*** This is a full separate report on the housing situation of the AIAN populations living on the U.S. mainland but outside of Indian Country. This work relies mainly on census data and presents information from telephone surveys with urban Indian community center and social service agency staffs in 19 selected urban areas and in-person interviews and focus groups involving relevant groups in 5 selected case study cities.
- ***Housing Needs of Native Hawaiians.*** This is a full separate report on the housing situation of Native Hawaiians in Hawaii. It is based on a comprehensive review of census data for Hawaii, interviews with relevant policy leaders and program staffs in the state, and a sizeable survey of families on the waiting list for housing on the Native Hawaiian home lands.

The overall project produced one other report that already has been published and contains additional information, useful to the work as it was in progress.

- ***Interim Report.*** The project's interim report, *Continuity and Change: Demographic, Socioeconomic and Housing Conditions of American Indians and Alaska Natives* (Pettit et al., 2014), presented an overview analysis of the circumstances of the AIAN population as of 2010 and how those circumstances have changed during the past two decades. It relied primarily on data from products of the U.S. Census Bureau: the decennial censuses of 2000 and 2010 and the American Community Survey (ACS) for various years in the 2000s.

Work on this project began in December 2010. Detailed designs were developed for all components in the first half of 2011, and preliminary research to support the interim report was begun shortly after that. It was decided that the overall study would benefit from a series of formal, government-to-government consultations about its content and approach with tribal leaders across the country before the other components of the work were implemented. Consultation sessions between tribal leaders and HUD accordingly were held in each of the six area offices of HUD's Office of Native American Programs (ONAP) in the spring of 2012, and ideas for improving the study discussed in those sessions were incorporated in revised research designs and implementation plans. The household survey in Hawaii was added to the project's scope of work in 2012.

After its final review of project plans, the U.S. Office of Management and Budget (OMB) gave its approval to proceed with the project's survey agenda (to be explained in more detail in later sections) in September 2012. All surveys fielded under

this project were completed successfully with solid response rates. The Hawaii survey was completed in September 2015 and fieldwork on all surveys related to the Indian Country components of the work were completed in December 2015.

The first draft of this report was submitted to HUD in May 2016 and subsequently reviewed by HUD staff, the project's Expert Panel (see discussion under acknowledgments), and a broad array of representatives of the tribes whose areas were the locations for the household surveys. This draft, revised in response to all comments received, was submitted to HUD in October 2016, and after submission of data files and other closeout tasks, the full performance period under the contract ended in December 2016.

Purpose and Content of This Report

The remainder of this introductory section focuses on background information to help readers better understand this report, the final report on the housing problems and needs of the AIAN populations in and around AIAN reservations and other tribal areas. This section describes the substantive purposes and content of the report. It is followed by a description of the sources of information that were tapped to provide findings in each topical area. The final section defines the geographical subdivisions of the country for which data are presented relating to each research topic.

The central purpose of this report is to assess current housing conditions and quantify housing needs in AIAN communities. To do so, this report presents and discusses findings from a nationally representative household survey and other sources about housing conditions in Indian Country, how those conditions have changed over time, and how they compare with housing conditions for AIAN and non-AIAN populations in other parts of the country. The broader charge of this report is to shed light on factors that interact to shape housing needs and conditions and, in particular, to deepen understanding of the influence of government policies and programs. The main factors that determine housing conditions and needs are demographic and socioeconomic conditions and trends as shaped by the historical and legal context, the cultural context, geographic factors, and the overall economy and housing market.

Federal programs and policies have been developed in response to housing needs and conditions, and substantial programmatic changes have occurred since the Kingsley et al. (1996) study. This is a dynamic system—sociodemographic and contextual factors affect housing conditions; federal programs respond; and this, in turn, has an effect on socioeconomic conditions (housing affordability, for example), infrastructure, and housing conditions. Changes in contextual factors and in housing conditions lead to adjustments in the federal response, such as changes in the way housing programs are funded. To adequately cover these topics, this report has three parts.

Part 1. Demographic, Social, and Economic Conditions

Comparatively little nationwide research has been conducted on trends in AIAN well-being in recent years, and this report fills an important gap in that regard. Part 1 reviews trends in demography, spatial patterns, social and economic conditions, and economic development, all critical to understanding housing conditions (which are measured using a standard framework defining housing problems) and needs. After an introduction, section 1.2 discusses bases for defining AIAN populations

and then reviews how those populations have grown (overall and by subgroup and geography), focusing on change from 1990 to 2010. Section 1.3 examines AIAN social and economic conditions and trends, including a discussion of how the national AIAN population has fared since the Great Recession). Section 1.4 reviews what is known about changes in the productive economies of tribal areas (and their surrounding counties) in recent decades. The materials in the previous sections are adapted from this project's interim report. Section 1.5, however, is new—offering analysis of the dramatic diversity of circumstances that exist for the AIAN population across different tribal areas.

Part 2. Housing Conditions and Needs

Part 2 is the heart of this report. It starts with an analysis of several indicators of housing market conditions in tribal areas, including housing stock growth, vacancy rates, and structure types (section 2.2). It then addresses the central question of the assessment: What are the extent and nature of AIAN housing problems and needs (section 2.3)? This section begins by presenting the framework for assessment and then offers the relevant measures, derived from census files and, more importantly, from the household survey conducted for this study. It then discusses the perceptions of tribal area residents about their housing, and analyzes overcrowding and homelessness in Indian Country in a way that has not been possible before (section 2.4). The final section 2.5 analyzes homeownership and mortgage lending in tribal areas.

Part 3. Housing Policies and Programs

Part 3 turns attention to policies and programs—the key levers that affect the nation's ability to address AIAN housing problems and needs. It has nine sections: After an introduction (3.1), section 3.2 reviews the evolution of federal housing assistance in Indian Country and IHBG financing; section 3.3 presents data about the HUD-assisted housing stock; section 3.4 examines the administration of the IHBG in tribal areas and includes a discussion of the characteristics of the tribes and Tribally Designated Housing Entities (tribes/[TDHEs]) that administer the program; section 3.5 discusses the contributions of other housing and community development programs; section 3.6 focuses on challenges and solutions in IHBG housing development and management; section 3.7 examines the status and performance of programs to enhance mortgage lending; section 3.8 reviews experience in leveraging and strengthening the private market for housing in and around tribal areas; and, finally, section 3.9 summarizes what has been learned about the overall impact of NAHASDA since its inception.

It is important to state that the mandate for this study did not include a formal "evaluation" of NAHASDA. Given the nature and complexity of the work undertaken under NAHASDA, a reliable full evaluation would be almost impossible to carry out. Nonetheless, findings in part 3 have a great deal to say about how the component activities in NAHASDA have been working, offering findings and conclusions that should prove of value to federal and tribal officials in their efforts to improve program effectiveness.

Sources of Information

As described throughout, this report used quantitative and qualitative methods and multiple data sources to address all components of this research agenda. Information sources fall into three major categories: (1) background interviews and literature reviews; (2) existing data sources,

primarily U.S. Census Bureau products and HUD administrative data files; and (3) new data collected specifically for this study. Individual sources are often used to support two or more substantive elements of the research. This section describes each source and notes the substantive section in which it is used most intensively, and then refers to that description as may be applicable in other locations. For example, the most important use of the multisite, nationally representative household survey is in determining housing conditions and needs, so it is discussed primarily in part 2, but it also supports findings in several of the sections of part 3. Exhibit Intro.1 is a matrix identifying a detailed list of substantive topics covered by the research linked to the sources of information used in examining each of them.

Background Interviews and Literature Reviews

This study task entailed reviews of relevant research literature published since the Kingsley et al. (1996) study and interviews with people knowledgeable about conditions and trends in Indian Country and about the evolution of the policy environment, particularly regarding housing and housing services. This work was undertaken as appropriate in all phases of this project.

Relevant literature reviewed is identified in the list of references at the end of this report. Interviewees included officials from HUD (most particularly, from its Office of Native American Programs—ONAP), the Bureau of Indian Affairs, and the U.S. Census Bureau. Interviewees also included representatives of key interest groups (for example, the National American Indian Housing Council (NAIHC) and the National Congress of American Indians (NCAI).

Interviews also involved the members of an Expert Panel (identified in the acknowledgments section), composed of individuals with deep knowledge of trends in the circumstances of Native Americans (in tribal areas and in all other types of locations), and/or programs and policies pertaining to housing in Indian Country.

Data From Census Bureau Products and HUD Administrative Data Files

Two major sources of existing data were used in this study. The first and most extensive data are from the U.S. Census Bureau and included (1) both long-form and short-form (SF1 and SF3) data from the 2000 decennial census; (2) data from the ACS—1- and 3-year data as of 2009 for counties and larger areas, 2006–2010 5-year data for AIAN areas and other smaller geographies; (3) data from the 2010 decennial census (SF1 file for all relevant geographies); and (4) data for selected areas from the American Housing Survey. These census products have been the basis for findings in almost all sections of part 1 of this report and for a number of the sections in part 2. Appendix A contains a more detailed description of the various U.S. Census Bureau products used and how they differ from each other. This appendix also includes a discussion of the quality of the data, including the undercount of American Indians residing in tribal areas.

The second category is composed of various ***HUD administrative data files***. These include files maintained by ONAP, primarily ONAP's Performance Tracking Database (PTD) on performance and financial information related to the IHBG program. The source for this system is the Annual Performance Reports (APRs) submitted by all tribes that are IHBG grantees. These data have been used primarily to support the findings presented in part 3.

Exhibit Intro.1 – Research Topic, by Data Source

Research Questions and Data Collection Topics	Data Sources And Respondents					
	New Data Collection				Existing Data	
	Household Survey	Telephone Survey		Tribal Area In-Person Interviews	Census and ACS	HUD Admin Data
		TDHEs	Lenders			
Sample size	1,600 Total	120	30	8-10 Per Site	Not Applicable	
Completed responses	1,340	110	14	188	Not Applicable	
Scope	38 Tribal Areas*	National Sample	National Sample	22 Tribal Areas	Not Applicable	
Demography, Geography, Economy						
Population growth since 1996 study		X		X	X	
Diversity in living conditions - changes over time		X		X	X	X
Social and economic conditions	X	X		X	X	X
Diversity in liviing conditions across tribal areas	X	X		X	X	
Economic diversity across tribal areas/major industries and employers		X		X	X	
Effects of gaming				X		
Housing Issues						
Changes in living conditions since 1990 Census	X	X		X	X	X
Major housing problems and needs	X	X		X	X	
Issues and conditions leading to greater housing needs	X	X		X		
Appropriate standards for housing needs and problems	X	X		X	X	X
Types of housing structures; constraint on building types	X	X		X		
Land use issues and practices		X	X	X		
Assisted vs. unassisted units	X	X		X		X
Rental vs. Ownership	X	X	X	X		X
Lending issues and the financial crisis		X	X	X		
Federal Issues/NAHASDA						
Implications of NAHASDA on current housing stock and living conditions		X		X		
Effects of funding change on housing needs and quality on leveraging opportunities		X		X		X
Effects of NAHASDA on housing needs — # served, quality, crowding, affordability	X	X		X		X
HUD and other federal housing programs serving tribal people		X	X	X		X

*40 tribal areas were originally selected but 2 were determined to be ineligible by HUD because they were not IHBG grantees.

New Data Collected Specifically for This Study

Understanding what existing data can tell us about AIAN housing problems and needs is critical, but cannot substitute for learning about actual conditions on the ground reported directly by residents and program administrators.

The most important new data collection effort in this project by far was a major ***in-person household survey*** in a sample of AIAN tribal areas. This was one of the largest and most complex surveys ever undertaken in Indian Country. Special care was taken so that the process would not only be technically effective (to ensure reliable results) but also be fully acceptable to the tribes involved. Negotiations were held with tribal leaders in each of the targeted sample of 38 tribal areas selected for the survey; in nine cases it was necessary to obtain approval from the tribe's Institutional Review Board and also from the tribal government. All 38 tribes in the sample ultimately agreed to participate.[7]

Samples of tribal member households[8] were then selected for interviews in each sampled tribal area. Interviews were conducted with 1,340 households in their homes. NORC recruited, hired, and trained tribal members to conduct these housing unit visits and interviews. The interviews included "walk-through" observations of housing conditions and interviews with the head of household or their designated proxy, and were focused on how residents view their own housing conditions and their views on assisted housing programs. Exhibit Intro. 2 lists the tribes that participated in the household survey.

The sample was selected to be representative of tribes nationwide, meaning that characteristics of the population can be inferred from the characteristics of the sample (see the text box, An Overview of Sampling). Fieldwork on the household survey was completed successfully in December 2015. The weighted response rate was 60 percent, a rate considered quite high for a survey of this type.[9] The results are presented and discussed in Parts 2 and 3 of this report.

The second most important new data collection effort was a ***telephone survey of TDHEs***, the entities, including the tribes themselves, that administer the IHBG program under NAHASDA. A national sample of tribes/TDHEs in 120 tribal areas was selected, with one respondent for each sampled tribe/TDHE, but some were responsible for more than one tribe/tribal area, resulting in 116 eligible respondents. Interviews were completed with 110 respondents, or 95 percent of the sample. This survey was aimed at housing directors and managers that have hands-on experience with programs and policies, and sought their opinions on changing housing problems and needs. The survey was completed in July 2015 and results are presented and discussed primarily in part 3.

The samples of sites that were the subjects of the household and tribal/TDHE surveys were selected via one integrated probability sample design to produce reliable national estimates. In brief, this involved proportional stratification by region and size. Within each stratum, tribal areas were selected using probability proportionate to size. This process was used first to select the 120 tribal areas to respond to the tribal/TDHE survey.

7 A sample of 40 tribal areas originally was selected, but HUD deemed that 2 were ineligible because they were not IHBG grantees.

8 Tribal member households were those households in which the owner/renter, their spouse, or custodial child age 17 or younger self-identified as Native American or Alaska Native (alone or multiracial).

9 A weighted response rate is reported for nationally representative surveys, because that is an average of the response rates according to where the population is located.

Exhibit Intro.2 – List of Tribes Participating in the Household Survey

Total Tribes: 38; Tribes in bold participated in site visits

North Central (4 Participating Tribes)

- **Bad River Band of the Lake Superior Tribe of Chippewa Indians of the Bad River Reservation, Wisconsin**
- **Lac du Flambeau Band of Lake Superior Chippewa Indians of the Lac du Flambeau Reservation of Wisconsin**
- **Minnesota Chippewa Tribe, Minnesota White Earth Band**
- Red Lake band of Chippewa Indians, Minnesota

Eastern (2 Participating Tribes)

- Eastern Band of Cherokee Indians of North Carolina
- **Lumbee Tribe of North Carolina**

Oklahoma (8 Participating Tribes)

- **Cherokee Nation, Oklahoma**
- Chickasaw Nation, Oklahoma
- **Choctaw Nation of Oklahoma**
- **Citizen Potawatomi Nation, Oklahoma**
- Kaw Nation, Oklahoma; Ponca Tribe of Indians of Oklahoma
- Muscogee (Creek) Nation, Oklahoma
- Peoria Tribe of Indians of Oklahoma
- Seminole Nation of Oklahoma

Plains (7 Participating Tribes)

- **Arapahoe and Shoshone Tribes of the Wind River Reservation, Wyoming**
- **Blackfeet Tribe of the Blackfeet Indian Reservation of Montana**
- Cheyenne River Sioux Tribe of the Cheyenne River Reservation, South Dakota
- **Oglala Sioux Tribe of the Pine Ridge Reservation, South Dakota**
- **Sisseton-Wahpeton Oyate of the Lake Traverse Reservation, South Dakota**
- Standing Rock Sioux Tribe of North & South Dakota
- **Omaha Tribe of Nebraska**

Arizona - New Mexico (9 Participating Tribes)

- **Gila River Indian Community of the Gila River Indian Reservation, Arizona**
- Navajo Nation, Arizona, New Mexico, and Utah
- **Pueblo of Acoma, New Mexico**
- Pueblo of Santa Clara, New Mexico
- Salt River Pima-Maricopa Indian Community of the Salt River Reservation, Arizona
- San Carlos Apache Tribe of the San Carlos Reservation, Arizona
- **Tohono O'odham Nation of Arizona**
- White Mountain Apache Tribe of the Fort Apache Reservation, Arizona
- **Zuni Tribe of the Zuni Reservation, New Mexico**

California – Nevada (1 Participating Tribe)

- **Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony, California**

Pacific Northwest (4 Participating Tribes)

- **Confederated Tribes and Bands of the Yakama Nation, Washington**
- Confederated Tribes of the Warm Springs Reservation of Oregon
- **Lummi Tribe of the Lummi Reservation, Washington**
- **Makah Indian Tribe of the Makah Indian Reservation, Washington**

Alaska (3 Participating Tribes)

- Agdaagux Tribe of King Cove
- **Chickaloon Native Village**
- **Native Village of Unalakleet**

The sites targeted for the household survey were a representative subsample of the 120.

In addition to the two surveys described previously, ***in-person interviews with tribal/TDHE officials, tribal and community leaders and program staff*** were conducted during site visits to a purposive sample of 22 of the 38 tribal areas that participated in the household survey. These onsite interviews, separate from the tribal/TDHE survey, provided more extensive qualitative information on perceptions of conditions and local institutional arrangements, particularly as they relate to housing, housing problems and the implementation of housing programs. In total, interviews were conducted with 188 individuals, an average of 8-9 per site.

Overview of Sampling

What is sampling? Sampling is a statistical method of obtaining representative data or information from a population. Sampling is used when a census (that is, collecting data from every unit or person in a population) is cost prohibitive. As long as a sampling method is used in which each unit or person in the population has a known and positive chance (probability) of being selected, the sample is called "representative," because the characteristics of the population can be inferred from the characteristics of the sample.

Why is it used? First, collecting data for a sample is less expensive than for a census. Second, having to collect data from fewer people can be done faster than having to collect data from every person. Third, when collecting data for a sample, more attention can be given to each person than would be possible when collecting for a census. More attention to each person can result in more accurate data of higher quality and higher response rates.

How does it work? The sampling process involves six stages.

1. Defining the population of interest.
2. Identifying a *sampling frame* or list of individuals or households to measure (as much of the population of interest as possible).
3. Specifying a *sampling method* for selecting individuals or households from the frame.
4. Determining the sample size.
5. Implementing the sampling plan to select the sample.
6. Collecting data from each sample member (that is, conducting the survey).

How does sampling apply to the housing needs assessment? To achieve a nationally representative sample, 38 tribal areas were selected, using population counts to guarantee that every tribal member had an equal chance of being included in the sample. Having a diverse selection of tribal areas allows estimates from the sample to be nationally representative. Estimates based on the interviews from a group of households in the 38 sampled tribal areas can be used to create national estimates of housing needs across Indian Country. Because they are national estimates, they cannot be applied to any particular reservation, native village, or tribal service area.

Finally, one other new data collection effort was undertaken: a ***telephone survey of lenders*** that originate home loans in Indian Country. This effort was a purposive sample of 30 lenders, Native CDFIs and credit unions, and other organizations selected because of special knowledge and/or experience in AIAN lending; 14 extensive interviews were completed. Results are discussed in parts 2 and 3 of this report and in the separate report on lending noted previously (Listokin et al., 2016).

Geographies

In this study, key geographic divisions are used that help describe a diverse, growing population. Kingsley et al. (1996) introduced a typology based on tribal area status, adjacency to tribal areas, and metropolitan status to illustrate how the characteristics and needs of the AIAN population vary across the United States. Because this breakdown revealed several meaningful differences relevant to AIAN housing needs, the same categories are used for this analysis. This typology is applied to the 617 "American Indian and Alaska Native Areas" defined by the U.S. Census Bureau in 2010.[10]

- *AIAN Counties*: At least part of the county is considered to be an American Indian or Alaska Native tribal area by the U.S. Census Bureau. In 2010, 523 out of the 3,138 counties included in ONAP regions fell into the "AIAN Counties" group.[11] This category is divided into two subgroups.

  1. *Tribal Areas*: AIAN counties or parts of AIAN counties considered to be reservations and other areas with concentrations of tribal population and activity. This study uses boundaries as defined by the U.S. Census Bureau. The 2010 decennial census identifies a total of 617 AIAN tribal areas nationwide (221 of which are Alaska Native villages). Appendix B defines the different types of tribal areas included in the Census Bureau data and presents counts pertaining to each type. It also explains the methods used in this study to define tribal area geographies that are comparable in 2000 and 2010.

  2. *AIAN Surrounding Counties*: The parts of AIAN counties outside of tribal areas. A major finding of the Kingsley et al. (1996) study is the importance of areas outside of tribal land, but near enough for residents to have ties to the tribal area. American Indians in surrounding counties may have left the tribal area for economic, personal, or other reasons, but are close enough to have interactions with a federally or state-recognized tribal land base. Of the 523 AIAN counties, 453 are only partially tribal areas and, thus, contain areas that fall into the "surrounding counties" category.

- *Non-AIAN Counties*: The counties that do not contain tribal areas are referred to as "other counties." These are divided between counties within and outside of officially defined metropolitan areas. For the remainder of this report, non-AIAN counties within metropolitan areas (947 counties) are referred to as "other metropolitan counties" and those outside officially defined metropolitan areas (1,668 counties) are referred to as "other nonmetropolitan counties."

Official AIAN tribal area boundaries are not static, and boundaries can change for several reasons. As geographic information

10 These areas are identified by summary level 280 in census data files, but this report excludes Hawaiian Home Lands from the analysis. Appendix B defines the five different types of tribal areas: Federally Recognized Reservations, State-Recognized Reservations, Joint-Use Areas, Tribally Designated Statistical Areas, and Alaska Native Village Statistical Areas.

11 The counts for each geographic type exclude tribal areas and counties in Hawaii and Puerto Rico.

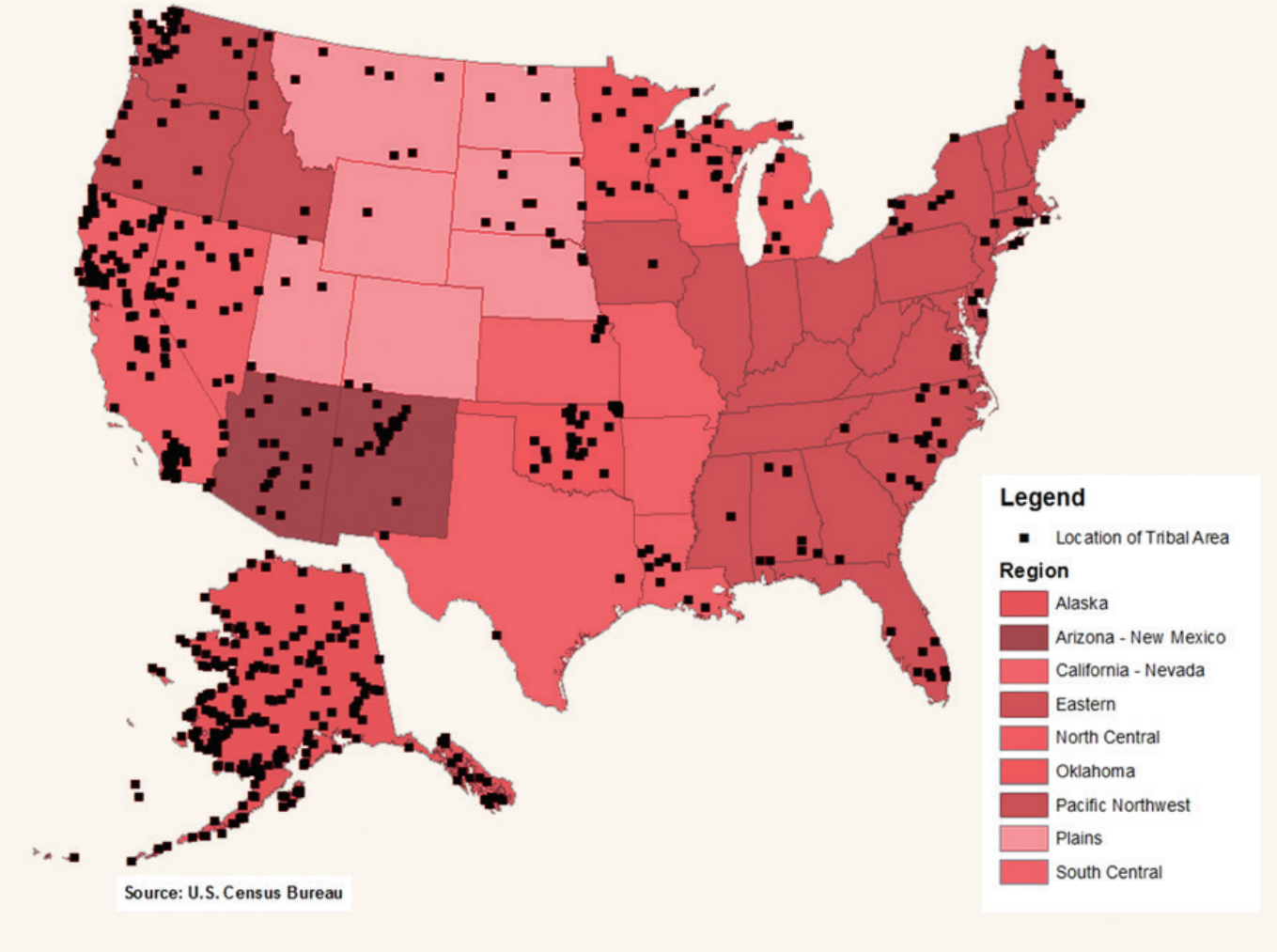
system technology has advanced, tribes, states, and the U.S. Census Bureau have been able to clarify AIAN boundaries, resulting in minor changes to the official Census Bureau boundary lines over time. Land disputes between tribes or a modified legal status may also cause tribal boundaries to be changed.

New tribal areas are also being recognized; 31 new AIAN areas were added to the Census Bureau list this past decade alone. One goal of this report is to explore the changing characteristics of AIAN areas during the past decade. To reflect change for a consistent set of boundaries, the research team created a geographic crosswalk from tribal areas as defined in 2000 to the tribal areas as defined in 2010. For notes on this methodology, see appendix B.

Another aspect of the geography also needs to be recognized: region. Native Americans living in tribal areas generally have more economic and housing challenges than those living in metropolitan areas, but even among tribal areas, the level of household problems differs widely across regions. This report accordingly reviews demographic, social, economic, and housing conditions in each previously mentioned geographic category, further subdivided by region. As in the Kingsley et al. (1996) study, the study regions are based on the service areas of HUD's six ONAP areas. For purposes of this study, three of these areas were considered to be too heterogeneous and were split, which results in a total of nine study regions (exhibit Intro. 3). The study regions and their respective ONAP field offices are:

1. North Central (Chicago Office—Eastern/Woodlands)
2. Eastern (Chicago Office—Eastern/Woodlands)
3. Oklahoma (Oklahoma City Office—Southern Plains)
4. South Central (Oklahoma City Office—Southern Plains)
5. Plains (Denver Office—Northern Plains)
6. Arizona/New Mexico (Phoenix Office—Southwest)
7. California/Nevada (Phoenix Office—Southwest)
8. Pacific Northwest (Seattle Office—Northwest)
9. Alaska (Anchorage Office—Alaska)

Exhibit Intro.3 – Location of Tribal Areas



Part 1. Demographic, Social, and Economic Conditions

Introduction

Part 1 of this report reviews the demographic, social and economic circumstances of American Indians and Alaska Natives (AIAN), focusing on the AIAN population residing in tribal areas and their surrounding counties. Most of the information presented is derived from surveys that the U.S. Census Bureau conducted. Materials in sections 1.2 through 1.4 are adapted from Pettit et al. 2014, this project's interim report; the analysis in section 1.5 is new, prepared for this final report.

Section 1.2 describes how the AIAN population has grown during the past several decades and compares population trends for the geographies defined in the Introduction during the past two decades. The analysis generally focuses on data for those who chose AIAN as their only race (AIAN-alone), but also includes the size of the AIAN multiracial population (those who identify as being AIAN in combination with other races) and examines the shares who characterize themselves as Hispanic within each of those categories. This section relies most extensively on decennial census data for 2000 and 2010.

Section 1.3 reports the social and economic characteristics of the AIAN-alone population and how they compare across geographies and time and against those of other Americans (the non-AIAN population) in the same categories. Topics include the age structure of the population, household size and type, educational attainment, employment levels, and income and poverty.

The comparative years in this analysis vary based on data availability. When 2010 decennial census data are available, the analysis compares 2000 with 2010. When 2010 decennial census data are not available, the analysis uses the 2006–2010 American Community Survey (ACS) 5-year estimates. These estimates represent an average of surveys collected monthly during the 5 years from 2006 to 2010. To assess changes in conditions for the AIAN population before and after the Great Recession compared with the rest of the U.S. population, the analysis uses 1-year ACS data at the regional level.

The analysis discussed previously examines the changing economic circumstances of AIAN households. A separate topic, however, is how the productive economies in Indian Country (AIAN tribal areas and surrounding counties) have evolved. Section 1.4 covers this topic and examines growth in business establishments and jobs in these areas. It uses the U.S. Census Bureau's County Business Patterns data to document the expansion of AIAN-owned businesses nationwide and show the industry and employment changes in Indian Country. This section also discusses the nature of new tribally owned businesses in Indian Country, including a brief examination of gaming's influence on tribal economies.

The final section in part 1 (1.5) addresses one of the most striking features of the AIAN experience in America: the dramatic diversity of circumstances across tribal areas. Kingsley et al. (1996) showed that socioeconomic and also housing experiences varied markedly in differing AIAN settlements. Governance, cultural context, and land use of areas also vary across tribal areas and affect the housing needs of residents.

1.2. Population Growth and Distribution

To assess the housing needs of AIAN people, it is necessary to understand the size of the population, where people live, and how these characteristics have changed over time. This section reviews trends in the overall size of the AIAN population in the United States for the basic geographies and important racial/ethnic subcategories. The final subsection looks at the population distribution across tribal areas in more detail.

Defining the American Indian and Alaska Native Population

How this report defines the AIAN population is clearly important for interpreting its findings, particularly because the population is defined in different ways for different purposes. Almost all sections of this report rely on the U.S. Census Bureau's definition because much of this report's analysis relies on its data products (as explained in later sections).

This approach is not ideal as it does not align with the definition used in the context of the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996,[12] the law that establishes the terms and conditions under which federal housing assistance is provided in Indian Country and the primary concern of this report. NAHASDA states that "The term 'Indian' means any person who is a member of an Indian tribe" and specifically authorizes the Secretary of HUD to make "grants under this section on behalf of Indian tribes." The Act also states that "the term 'Indian tribe' means a tribe that is a federally recognized tribe or a State-recognized tribe. The term 'federally recognized tribe' means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975." The Act further clarifies that the only state-recognized tribes that qualify are those that received HUD 1937 Act assistance before the effective date of NAHASDA.[13]

Even though NAHASDA defines Indians in terms of tribal membership, however, no nationally available, reliable, and/or uniform data about the number of tribal members exist for the United States as a whole, let alone for more detailed geographies. Given this limitation, this study must rely on census surveys, because they offer the only data on the AIAN population that are uniformly defined nationwide and provide both the racial and geographic detail required to answer this study's research questions.

In U.S. Census Bureau surveys, respondents self-report on their race and ethnicity. This report uses that definition, which defines *Indian* as those respondents who have identified their race as AIAN. Tribal leaders have also recognized that this is the only feasible approach to reliably depict the population nationwide, as indicated by their acceptance of using this definition in the formula by which NAHASDA grant funds are allocated.[14]

12 Native American Housing Assistance and Self-Determination Act of 1996 (P.L.104–330 as amended). Definitions are drawn from sections 4, 101, and 302.

13 The text specifically refers to tribes that have been "recognized as an Indian tribe by any State," and "for which an Indian Housing Authority has, before the effective date under section 705, entered into a contract with the Secretary pursuant to the United States Housing Act of 1937 for housing for Indian families and has received funding pursuant to such contract within the 5-year period ending upon such effective date."

14 See section 3.2 of this report for an explanation of the NAHASDA formula. The Act specifies that one of the key "factors for the determination of need" must be "the extent of poverty and economic distress and the number of Indian families within Indian areas of the tribe." Census data are the basis for these determinations in operationalizing the formula.

Population Growth

Kingsley et al. (1996) noted the rapid increase from 1970 to 1990 of people who self-identified as AIAN. This analysis updates that work with information from the 2000 and 2010 decennial censuses. The decennial census, although intended as a 100-percent count of the population, historically has undercounted hard-to-reach populations (see appendix A for more detail). Although imperfect, census data are the only complete national source of population counts by race.

Comparisons between the 1990 and later decennial censuses are further complicated because, starting with the 2000 decennial census, the questionnaire permitted people to identify themselves as belonging to more than one race. This change in racial identification implies the need to examine the AIAN population in two components: (1) those who identified AIAN as their only race ("AIAN-alone") and (2) those who identified themselves as being AIAN and one or more other races ("AIAN multiracial").

Research comparing survey responses that contain both single-race and multiple-race questions supports the interpretation that people who identified themselves as AIAN-alone are more likely to be tribal members or otherwise more closely aligned with U.S. tribal cultures than the AIAN multiracial population overall. Studies show that people who identify as AIAN and other races, are generally more likely to choose a non-AIAN race in the single-race responses. For instance, for the largest multiracial combination of AIAN and White, only 21 percent of the group chose AIAN when asked to choose only one race (Parker et al., 2004).

The distinction is important in this study's effort to accurately portray the size and growth of the Indian population in this country. Between 2000 and 2010, the AIAN-alone population grew from 2.47 million to 2.92 million, an increase of 18 percent, almost twice the 9.7 percent increase during that decade for the U.S. population as a whole. The AIAN multiracial population, however, grew even faster: from 1.62 million to 2.56 million, an increase of 39 percent.

Given the purposes and context of this report, which center on the NAHASDA definition, it is most appropriate to primarily use the AIAN-alone population as the basis for the analyses of AIAN population characteristics and growth, at the national level and in comparisons between major geographies; although, as explained later in this section, this report looks at the multiracial population as well in some analyses related to tribal areas.

Consistent with this decision, exhibit 1.21 shows the historical context of AIAN population growth in this country since 1890, reporting totals and estimates only for the AIAN-alone population starting in 2000. AIAN population levels remained low through most of the 20th century, but then began to accelerate in the 1960s and 1970s. Even without the multiracial group, the growth has been impressive. The total jumped from 827,000 in 1970 to 1.96 million in 1990, reached 2.9 million in 2010, and is expected to more than double again to hit 4.2 million in 2030. Rates of growth, however, have been declining. The decennial growth rate was 38 percent in the 1980s, but it dropped to 26 percent by the 1990s and again to 18 percent from 2000 to 2010. AIANs, of course, still represent a very small share of the total U.S. population, increasing slightly during the past 10 years from 0.88 to 0.95 percent.

The intersection between race and ethnicity has emerged as a larger issue over time.[15] The Hispanic share of the AIAN population was 6.6 percent in 1980, climbed to 8.4 percent by 1990, and then grew rapidly to reach 23

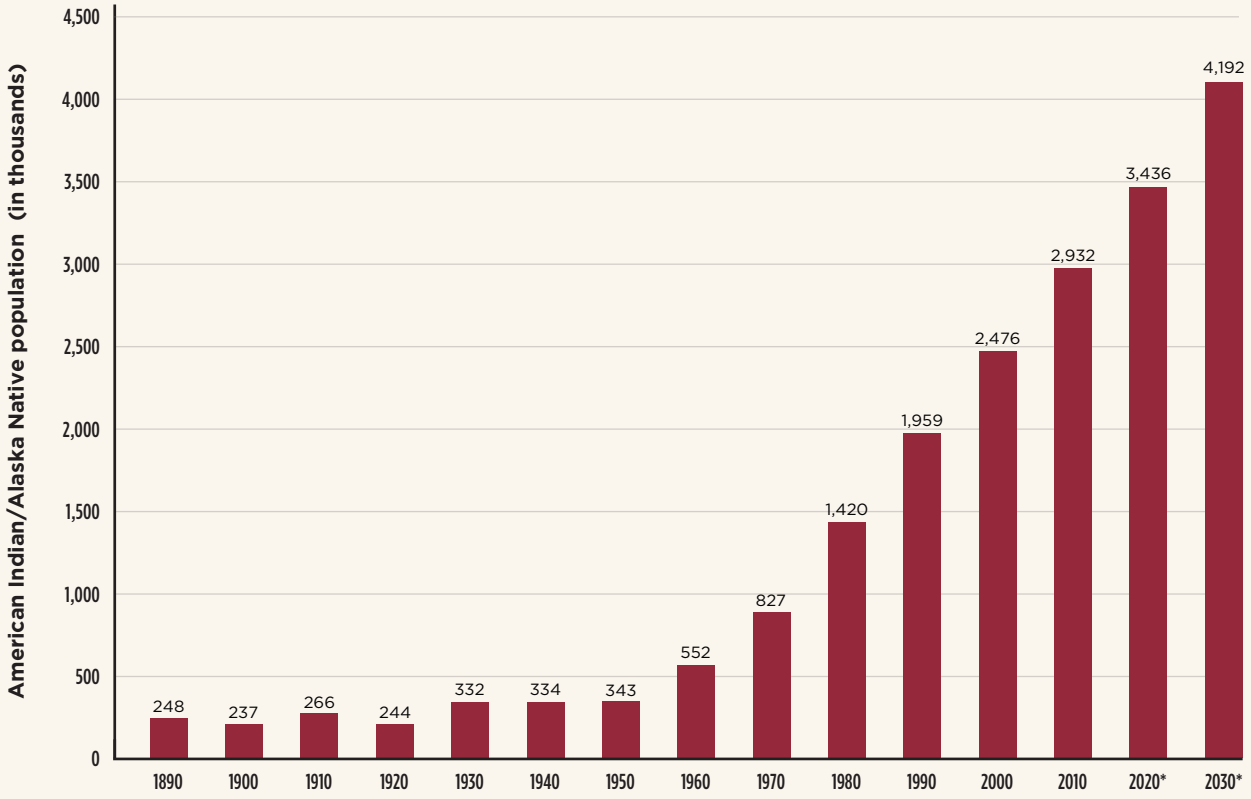
15 In the decennial census, the question about race (White; African American; Asian; Pacific Islander and Native Hawaiian; Native American and Alaska Native) is separate from that of ethnicity (Hispanic or Latino/not Hispanic or Latino).

percent of the AIAN-alone population in 2010 (exhibit 1.22). The additional 278,000 Hispanic AIAN-alone population drove much of the AIAN growth from 2000 to 2010, accounting for 61 percent of the total AIAN population increase. The shift in ethnic composition is critical to understanding the shifting growth patterns of Native Americans, which are described in more detail in later sections.

The overall Hispanic population, however, has shown relatively small changes in how often they identify as AIAN. In 1980 and 1990, about 0.7 percent of Hispanics self-identified as AIAN-alone. By 2010, 1.4 percent of Hispanics self-identified as AIAN-alone, twice the rate of 20 years earlier but still small relative to the entire Hispanic population. Even with this low share of Hispanics that self-identify as AIAN, the large size of the Hispanic population in the United States (50.5 million) and its rapid growth (43 percent from 2000 to 2010) explains the jump in percentage of self-identified AIAN people who are Hispanic.

It is interesting that growth in the Hispanic AIAN-alone population is not primarily driven by recent immigration—7 out of 10 were born in the United States, and only about 2 out of 10 of the Hispanic AIAN-alone immigrants moved to the United States after 1990. It must be recognized that a sizeable component of the AIAN-Hispanic population nationwide may not be closely tied to U.S. tribes. Nevertheless,

Exhibit 1.21 – American Indian and Alaska Native Population, 1890 to 2030



* Indicates population projections.
Note: Beginning in 2000, individuals could choose more than one race. For 2000 and later years, these figures represent the AIAN Alone population.
Sources: U.S. Census Bureau, decennial census 2010 and Population Projections as published in December 2009.

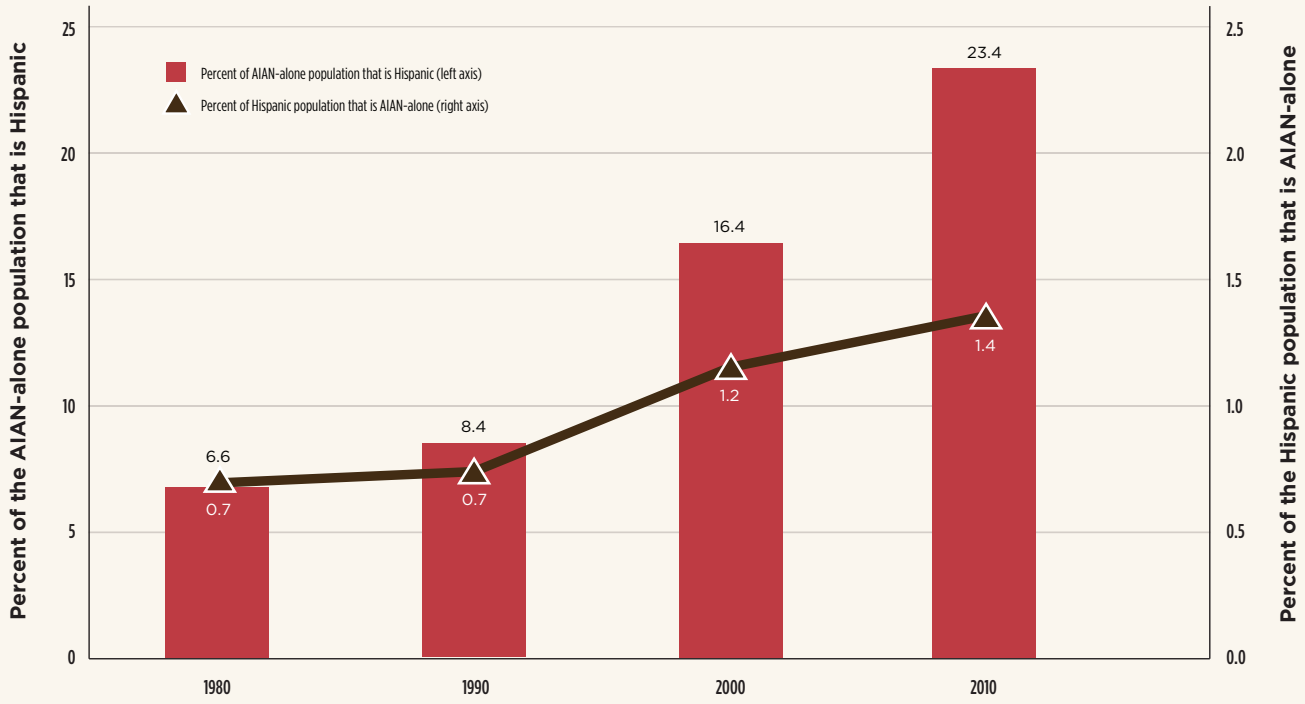
the heritage of large numbers in this group might relate to Indian cultures in Central or South America, rather than tribes in the continental United States.

Broad Spatial Patterns

Whether the non-Hispanic AIAN-alone population dominates the AIAN population varies depending on the geography. About equal shares of the AIAN population were in the AIAN multiracial and non-Hispanic AIAN-alone groups (44 and 43 percent, respectively) nationwide, but the Hispanic AIAN-alone group comprised a much smaller portion (13 percent) in 2010 (exhibit 1.23). In tribal areas, however, the non-Hispanic AIAN-alone (the group this report assumes is the closest approximation of the U.S. tribal Indians) group still dominated, making up 85 percent of the AIAN population. That group, however, accounted for only 27 percent in non-AIAN counties (rest of the United States). In those areas (mostly metropolitan), the AIAN multiracial group accounted for 56 percent and Hispanic AIAN-alone group for another 17 percent. The shares in the counties surrounding tribal areas fell in-between. In 2010, the non-Hispanic AIAN-alone group (again, the group likely to contain the highest concentration of U.S. tribal members in our view) accounted for 44 percent of the AIAN population in the surrounding counties.

Although the AIAN multiracial population and the Hispanic AIAN-alone populations experienced rapid growth (39 and 68 percent, respectively) compared with only 9 percent for the non-Hispanic AIAN-alone group, growth patterns differed markedly in different geographies. Between 2000 and 2010, the non-Hispanic AIAN-alone population growth rate was 7 percent in tribal areas and an even faster 14 percent in the

Exhibit 1.22 - Trends in AIAN-Alone and Hispanic Populations, 1980 to 2010



Source: U.S. Census Bureau, decennial census 1890 to 2010

surrounding counties, but only 6 percent in the rest of the United States.

Although the AIAN multiracial and AIAN Hispanic groups in urban areas and non-AIAN counties may be less likely to have direct links to U.S. tribal cultures, it has been argued that is not true for members of those groups who live in tribal areas. In this study's consultations with tribal leaders[16] attendees emphasized that many multiracial and Hispanic AIAN individuals residing within tribal area boundaries are, in fact, tribal members and are, thus, NAHASDA eligible. This means that when looking at tribal areas separately, it may be more appropriate for some purposes to use data on the "total" AIAN population (AIAN-alone plus AIAN multiracial) than data only for the AIAN-alone group. This is especially important for the assessment of housing needs presented in part 2. The 2000-to-2010 growth rate of the total AIAN population in tribal areas was 12 percent, considerably more than that for the AIAN-alone group (8 percent).

Despite earlier concerns, the non-Hispanic AIAN-alone population continues to grow most rapidly near tribal areas. In the early 1990s, some in the policy community were concerned about AIAN growth rates being more rapid outside tribal areas than within them, which warned of

16 Tribal Leader Consultation on HUD's Housing Needs Assessment: Proceedings and Notes. Denver, Colorado, May 10, 2012. https://www.huduser.gov/portal/consultations/Consultation_Notes_May_10_Denver_final.pdf.

Exhibit 1.23 –AIAN Population Growth, 2000–2010, by Geographic Area

	Total U.S.		Tribal Areas		Surround. Counties		Rest of U.S.	
	2000	2010	2000	2010	2000	2010	2000	2010
Population (000)								
Total	4,094	5,187	1,021	1,148	1,012	1,321	2,061	2,718
Multiracial	1,622	2,259	129	180	395	560	1,098	1,519
AIAN-alone	2,472	2,928	893	967	617	762	963	1,199
Hispanic	406	684	21	33	111	184	274	468
Non-Hispanic	2,066	2,244	872	934	506	578	689	732
Percent of Population								
Total	100	100	100	100	100	100	100	100
Multiracial	40	44	13	16	39	42	53	56
AIAN-alone	60	56	87	84	61	58	47	44
Hispanic	10	13	2	3	11	14	13	17
Non-Hispanic	50	43	85	81	50	44	33	27
Pct. Change, 2000-2010								
Total		27		12		31		32
Multiracial		39		40		42		38
AIAN-alone		18		8		23		25
Hispanic		68		59		65		71
Non-Hispanic		9		7		14		6

Source: U.S. Census Bureau, decennial census 2000 and 2010.

the deterioration of tribal cultures. Kingsley et al. (1996), however, found that most rapid AIAN growth occurred in the counties surrounding tribal areas; not the larger cities farther away. When economic conditions on the reservation could not support them adequately, many moved just across the boundary, but not far away, suggesting that tribal ties remained strong. The data from the 2000 and 2010 censuses support basically the same conclusion for that decade. The non-Hispanic AIAN-alone growth rate in the surrounding counties (14 percent) was more than twice the rate for that group in tribal areas (7 percent) and in urban centers and other counties outside of Indian Country (6 percent).[17]

As noted, the remainder of this report focuses on the AIAN population in and around tribal areas. The circumstances of those with AIAN self-identification living in non-AIAN counties are touched on for reference in some later sections of this report (section 1.3 in particular), but they are examined in more detail in Levy et al. (2016), this project's separate report on the AIAN population living in urban areas.

Population Trends for Tribal Areas by Region

Tribal areas are an essential geographic area of focus when evaluating the challenges faced by the American Indian population. A complex web of historical and political events has affected the way that the United States has determined which areas legally belong to Indian nations and which areas do not. As these events are closely intertwined with American expansionism and interact with a very diverse American Indian population, characteristics of tribal areas vary remarkably in different regions of the country.

The introduction noted that for the 2010 decennial census, the Census Bureau had identified and mapped 617 AIAN tribal areas. Altogether, these areas encompassed

17 As discussed in *Housing Needs of American Indians and Alaska Natives in Urban Areas* (Levy et al., 2016), AIANs who participated in the study said they have maintained strong ties to their tribal culture even though they live some distance away. Those who participated in that study, however, were most likely to maintain cultural ties because recruitment was done through AIAN entities.

Exhibit 1.24 – Population and Characteristics of AIAN Tribal Areas, 2010

	United States	North Central	Eastern	Oklahoma	South Central	Plains	Arizona N.Mexico	Calif. Nevada	Pacific Northwest	Alaska
Number Tribal Areas	617	36	68	30	17	31	42	130	42	221
Area (Sq. Miles, 000)	187.1	4.8	5.3	52.1	1.5	46.9	43.7	2.8	9.4	20.5
Density (Pop./ Sq. Mi.)	25.8	23.2	156.7	49.0	169.0	5.0	7.2	26.3	21.6	11.9
Population (000) 2010										
Total all races	4,819	111	828	2,557	251	233	317	74	203	244
AIAN Total	1,148	46	116	407	17	135	271	28	48	79
AIAN-alone	967	42	102	280	13	128	266	25	42	67
Percent of Population										
Total all races	100	100	100	100	100	100	100	100	100	100
AIAN Total	24	42	14	16	7	58	86	38	24	33
AIAN-alone	20	38	12	11	5	55	84	34	21	27

Source: U.S. Census Bureau, decennial census 2010.

187,100 square miles of land accommodating a total AIAN resident population of 1.15 million, which implies an average size of 303 square miles and 1,860 AIAN residents per tribal area (see exhibit 1.24).

As noted, however, major variations occurred in these and other characteristics across the nine study regions. In the California/Nevada and Alaska regions, tribal areas were generally quite small with an average of 214 and 359 AIAN residents per area, respectively. Oklahoma and Arizona/New Mexico fell at the other extreme. There, the average AIAN population was 13,583 and 6,458 AIAN residents per area, respectively. The total square miles of tribal area land varied from 46,900 in the Plains and 43,700 in Arizona/New Mexico down to 1,500 in the South Central Region and 2,800 in California/Nevada.

It is important to note that in most regions, the non-Indian populations living in tribal areas in 2010 were larger than the total AIAN populations. Overall, AIAN residents accounted for only 24 percent of the total populations in tribal areas. AIAN people made up a majority of the population in only two regions: (1) the Plains, where 58 percent of tribal area residents were AIAN, and (2) Arizona/New Mexico, where nearly all residents (86 percent) were AIAN. In all other regions, AIAN residents were in the minority, with their population shares ranging from only 7 percent in the South Central up to 42 percent in the North Central region.

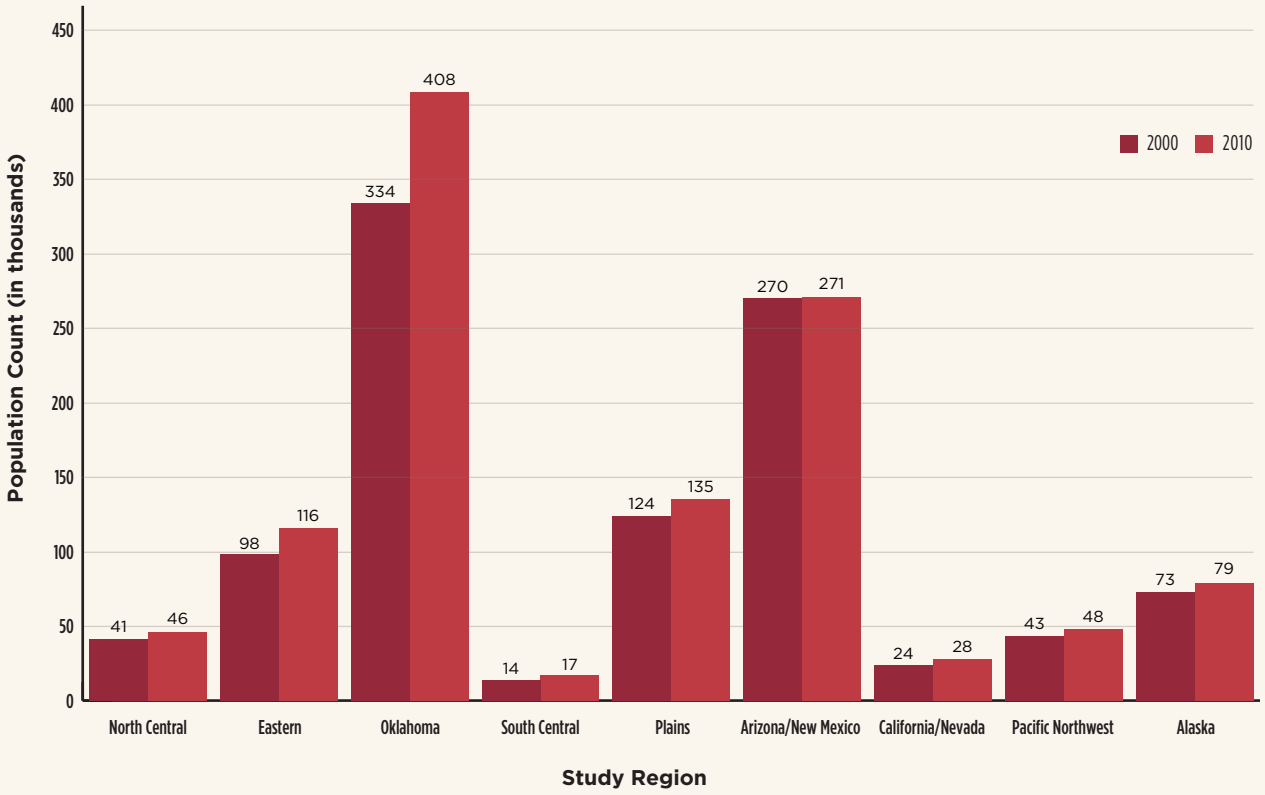
Total tribal area population densities (including AIAN and non-Indian populations) were generally low as well: an average of 25.8 persons per square mile, with a range from 5.0 in the Plains up to a high of 169.0 in the South Central region. Despite this variation, all regions classify as rural, on average, as areas with densities less than 200 persons per square mile are generally considered to be rural. In contrast, the average density of the urbanized portions of all U.S. metropolitan areas according to the 2010 U.S. census was 2,343 per square mile.

Exhibit 1.25 – 2000–2010 Population Change in Tribal Areas

	United States	North Central	Eastern	Oklahoma	South Central	Plains	Arizona N.Mexico	Calif. Nevada	Pacific Northwest	Alaska
Population (000) 2000										
AIAN Total	1,021.1	40.9	97.9	334.1	14.1	124.4	269.8	24.2	43.1	72.6
AIAN-alone	892.6	38.1	90.3	238.3	11.8	120.7	266.1	22.8	39.5	65.0
Population (000) 2010										
AIAN Total	1,147.6	46.2	115.8	407.5	16.6	135.0	271.2	27.8	48.0	79.4
AIAN-alone	967.1	42.2	102.5	280.1	13.4	128.4	265.9	25.4	42.1	67.1
AIAN-alone percent of total										
2000	87	93	92	71	84	97	99	94	92	90
2010	84	91	89	69	81	95	98	91	88	84
Percent growth 2000-2010										
AIAN Total	12	13	18	22	18	9	1	15	11	9
AIAN-alone	8	11	13	18	14	6	(0)	12	7	3

Source: U.S. Census Bureau, decennial census 2000 and 2010.

Exhibit 1.26 – Tribal Area Growth in Total AIAN Population (AIAN-Alone + Multiracial), 2000–2010



Source: U.S. Census Bureau, decennial census 2000 and 2010.

Although it is declining at both the national and regional levels, considerable variation exists across tribal areas in the AIAN-alone share of total AIAN populations (exhibits 1.25 and 1.26). The AIAN multiracial group generally grew more rapidly than the AIAN-alone population during the 2000-to-2010 decade, causing the national AIAN-alone share in tribal areas to drop from 87 to 84 percent. The AIAN-alone share also declined in each region. In 2010, the AIAN-alone share of the overall AIAN population was more than 80 percent in all but one region. The highest shares were found in Arizona/New Mexico (98 percent) and the Plains (95 percent). Oklahoma was the exception, where only 69 percent of the AIAN population identified as single race.

Mobility

The previous sections examine residence as of April 2010, but households may move in response to changes in family or financial status or to be closer to amenities or employment opportunities. About 81 percent of the AIAN population in the 2006–2010 ACS reported living in the same house they had lived in 1 year before (a rate slightly less likely than for non-AIAN households). AIAN people living in tribal areas are less likely to move than are AIAN people overall: 88 percent reported living in the same house as in the previous year.

Although move-in dates cannot be differentiated by race, a greater share overall of homeowners on tribal lands (58 percent)

moved into their homes before 2000 than did so nationwide (55 percent). For renters, the difference is negligible—15.1 percent of renter households in tribal areas moved into their homes before 2000, less than one-half of 1 percentage point different than the rate for all households.

1.3. Social and Economic Conditions

Section 1.3 of this report is an adapted excerpt from Pettit et al. (2014), this study's interim report (see section 3, Social and Economic Conditions, in Pettit et al., 2014).

Population growth is a central driver of change in housing needs, and the last section has shown that considerable diversity exists in growth rates in Indian Country. Growth, however, tells only part of the story. The nature of the housing needs in two places with similar growth trajectories would differ substantially if one area has a much higher unemployment rate, share of young children, or marriage rate than the other, as will be explained in more detail throughout this section.

The first part of this section explores variations in a number of socioeconomic characteristics like these that help shape an area's housing need. As noted in section 1.1, the main topics include age structure, household size and type, educational attainment, employment levels, and income and poverty. Throughout, conditions and trends are compared for the AIAN-alone population against those for non-Indians. This section also looks at variations across area types and study regions as in the preceding section. Consistent with the previous chapter, Hawaii is excluded from the analysis in this chapter, so all national estimates exclude Hawaii unless otherwise noted.

For some variables, changes can be compared during the 2000-to-2010 period because decennial census data for both years are available (age structure, household size and type). For the others (educational attainment, employment levels, and income and poverty), the analysis is limited to comparing 2000 decennial census long-form values with the 5-year averages in the 2006–2010 ACS. The ACS has a smaller sample size than the 2000 long form, and thus wider confidence intervals, particularly for smaller or more rural geographies like many tribal areas.[18] The methodology of summing the tribal areas together should minimize the error involved, but any small changes in indicators should be viewed with caution.[19]

For most of this section, using the decennial census long-form and the ACS limits detailed geographic analysis to the entire AIAN-alone population, which includes both Hispanic and non-Hispanic Native Americans.[20] The implications of including both Hispanics and non-Hispanics will vary for the different geographic areas. As noted in section 1.2, Hispanics account for a small share of the AIAN-alone population in tribal areas, so the statistics presented for tribal areas largely reflect conditions for the non-Hispanic AIAN-alone population. In contrast, the growth of the Hispanic AIAN population could have more influence on the changes in the AIAN social and economic characteristics in non-AIAN counties. To help interpret the patterns and trends by geographic area, differences are noted between Hispanic and non-Hispanic AIAN-alone populations nationwide for selected indicators.

18 See DeWeaver (2010) for more information on the limitations of the ACS in providing complete, timely, and reliable data for Indian Country.

19 It was not possible to accurately calculate the margin of error (MOE) by geographic area types because the Census Bureau advises that the approximation formula provided to calculate MOEs for calculated indicators seriously breaks down when aggregating more than four estimates (Alexander, 2011).

20 The researchers do not distinguish between the Hispanic and Non-Hispanic AIAN-alone populations in most of the analysis in this section-because the Census Bureau publishes only summary tables for the standard 2006–2010 ACS for the total AIAN-alone population.

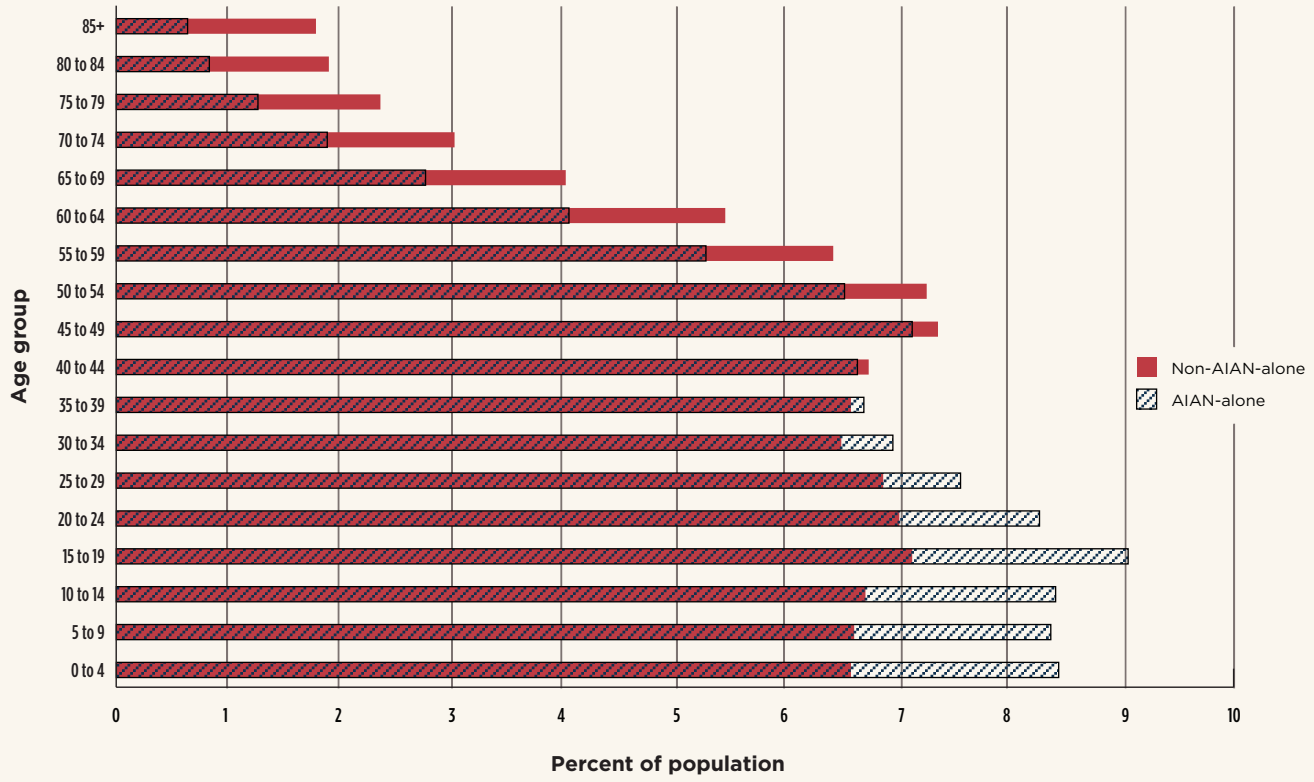
An important question not answered by the analysis that uses 2000 as the benchmark is how the AIAN population fared before and after the onset of the Great Recession. The 5-year ACS data cannot be used to answer this question because they represent surveys collected monthly from 2006 to 2010, which spans both the period of economic expansion and the Great Recession. More recent data are available from the 1-year ACS, although data from that source cannot be presented in much detail geographically. The period from 2008 to 2010 is examined to look at the impact of the Great Recession on the AIAN-alone population compared with non-Indians for the United States as a whole, and the four main Census Bureau regions. (This analysis includes Hawaii because it was not possible to exclude that state from the West region in the particular census data used here.)

Age Structure

The age structure of a population, along with different household type patterns, which are discussed later, affects household formation and housing need because it is tied to major life-cycle events (for example, moving out on one's own, getting married, having children). The Kingsley et al. (1996) study noted that AIANs were younger, on average, than the non-AIAN population. The most recent decennial census confirms that this is still the case.

As shown in exhibit 1.31, the AIAN-alone population is more heavily concentrated in

Exhibit 1.31 – Share of Population by Age Group and Race, 2010



Source: U.S. Census Bureau, decennial census 2010.

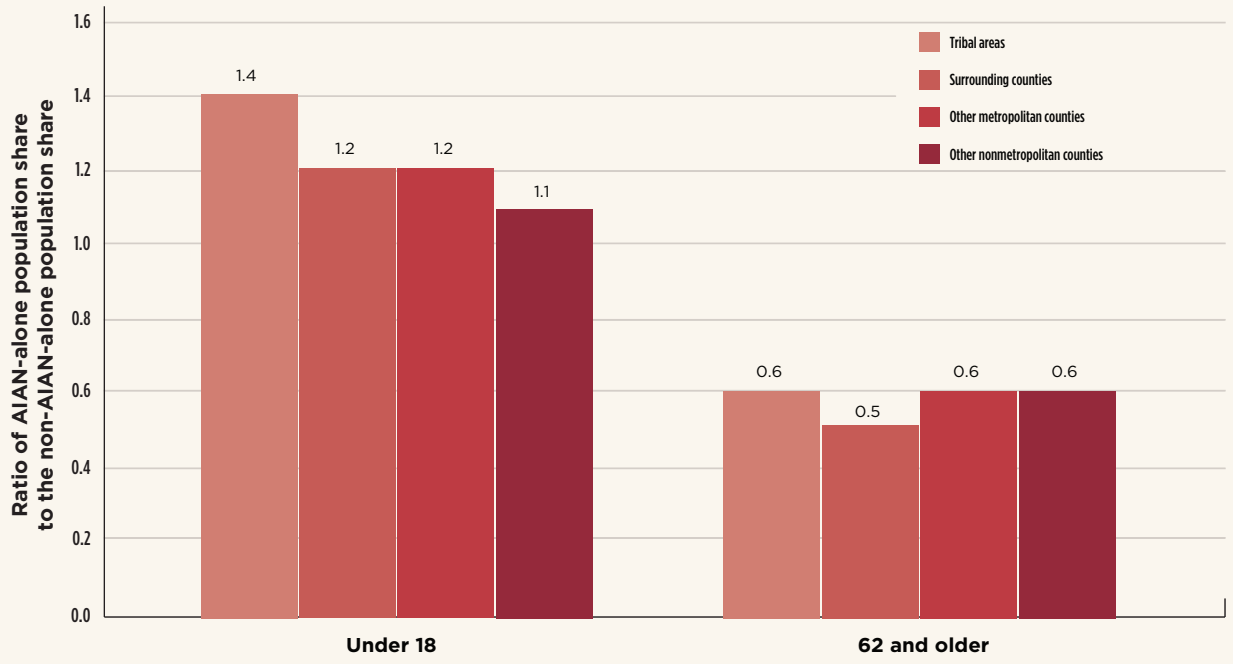
younger age groups as compared with the non-AIAN population. Up to age 40, the AIAN population share for each age group exceeds that of the non-AIAN population, but after age 40, the non-AIAN population shares surpass the AIAN population shares.

Overall, 30 percent of the AIAN population in 2010 was younger than 18 compared with 24 percent of the non-AIAN population. Having a higher share of children has important implications for AIAN housing needs. For example, households with children will require a larger house or apartment in areas with such options and may also be concerned with access to quality schools and parks (McAuley and Nutty, 1982).

Although still higher than the non-AIAN share, the percentage of the AIAN population younger than 18 fell 4 percentage points from 2000 to 2010. This reflects the overall aging of the population; the under-18 shares dropped for both the AIAN and non-AIAN populations in the 2000s across all area types. The AIAN decrease was larger than for the non-AIAN population, and as a result the gap narrowed. The percentage of the AIAN population younger than age 18 fell from 1.33 times the non-AIAN level in 2000 to 1.26 times that level in 2010. The highest share of children is found in tribal areas (34 percent), but they also experienced the greatest shift in age distribution—a drop of 4.8 percentage points since 2000 (exhibit 1.32).

Looking at the age differences by Hispanic origin, the Hispanic AIAN population more closely mirrors the Hispanic non-AIAN population than non-Hispanic Native Americans. For example, about 10 percent of the Hispanic non-AIAN population is younger than 5 compared with 9.3 percent

Exhibit 1.32 - Gap Between AIAN and Non-AIAN Population Under 18 and 62 and Older by Area Type, 2010



Source: US Census Bureau, decennial census 2010.

of Hispanic Native Americans and only 7.5 percent of non-Hispanic Native Americans.

Understanding the trends in the elderly is also important for assessing housing needs. The AIAN-alone elderly population has high disability rates, increasing the importance of the accessibility of housing. In 2011, more than one-half (51 percent) of the AIAN-alone population age 65 and older was disabled as compared with 47 percent for the United States as a whole.[21] Frail or disabled elderly households may require adapted features (for example, safety features like grab bars in bathrooms). They also often live on fixed incomes, making the continued affordability of their housing an important factor (Spillman, Biess, and MacDonald, 2012).

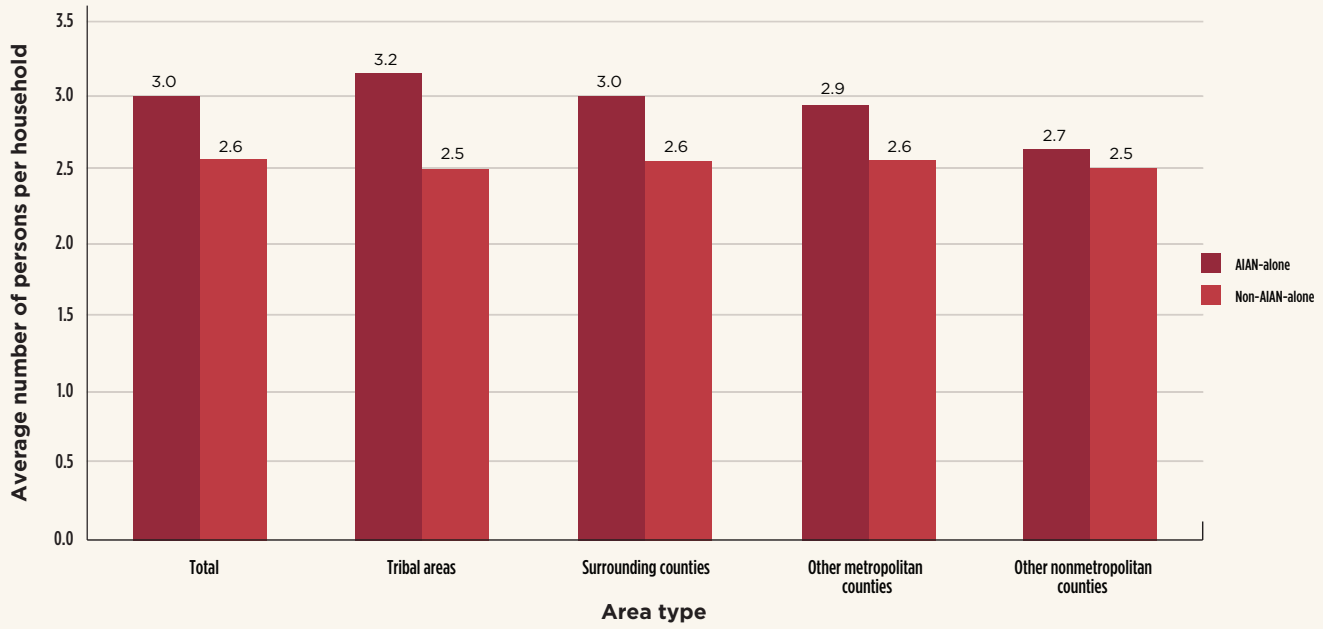
American Indians and Alaska Natives still had a considerably smaller share of their population 62 and older than the non-Indian population. In 2010, 9.3 percent of the AIAN population was age 62 and older compared with 16 percent for the non-AIAN population. Tribal areas and other nonmetropolitan counties had larger shares of both their AIAN and non-AIAN populations in this elderly group compared with surrounding counties and other metropolitan counties.

The percentage of the population in the age 62 and older category increased during the past two decades across all area types for both the AIAN and non-AIAN population. The increase from 2000 to 2010 in elderly share for AIANs exceeded the growth in the non-AIAN share, so again the gap between the AIAN and non-AIAN populations narrowed. Overall, the ratio of AIAN to non-AIAN shares of people age 62 and older rose from 0.48 in 2000 to 0.57 in 2010. This pattern held across all area types.

21 Disability statistics are from the 2011 ACS 1-year estimates.

22 The indicators presented for household size and type define AIAN-alone households as those with an AIAN-alone householder.

Exhibit 1.33 – Average Household Size by Race and Area Type, 2010



Source: U.S. Census Bureau, decennial census 2010

Household Sizes and Types

Household size has a direct link to what size housing units are in demand in a given area, and AIAN-alone households tend to be larger than non-AIAN households.[22] In 2010, the average AIAN household size was 3 persons, although the average non-AIAN household size was 2.6 persons. This pattern persisted across all area types (exhibit 1.33). From 2000 to 2010, little change occurred in the average household size of either AIAN or non-AIAN households in any of the area types.

The Kingsley et al. (1996) study found that large households (those with five or more people) made up a larger share of all AIAN households than in non-AIAN households. Consistent with higher average household sizes, the percentage of AIAN households

23 The analysis of household type conducted for the Kingsley et al. (1996) report is not directly comparable with the analyses presented here, but the overall pattern holds. The previous analysis used a data source that defined AIAN households as households with an AIAN-alone householder or AIAN spouse, whereas the data used in these analyses define AIAN-alone households as those with an AIAN-alone householder.

Household Definitions According to the 2010 Census

household: A social unit that includes all the people who occupy a housing unit (that is, is a house, an apartment, a mobile home, a group of rooms, or a single room occupied as separate living quarters).

large household: Households with five or more people

family or family household: A social unit that includes the head of the household, or householder, and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. A family household may include people not related to the householder. Families are classified as married-couple families, single-parent families, or other families.

married-couple family: A family social unit in which the householder and his or her spouse are enumerated as members of the same household. Married-couple families with children can include the householder's own biological children, stepchildren, or children through adoption.

single-parent family: A family social unit in which the head of the household is not married, but the household includes the householder's own biological children, stepchildren, or children through adoption. These households are classified as male-headed or female-headed based on the sex of the householder.

other family: A family social unit in which the household is male- or female-headed without children under the age of 18.

nonfamily household: A social unit that includes a single person only or a single person with nonrelatives only.

single-person household: A social unit with only one member.

multigenerational household: A social unit that contains three or more parent-child generations.

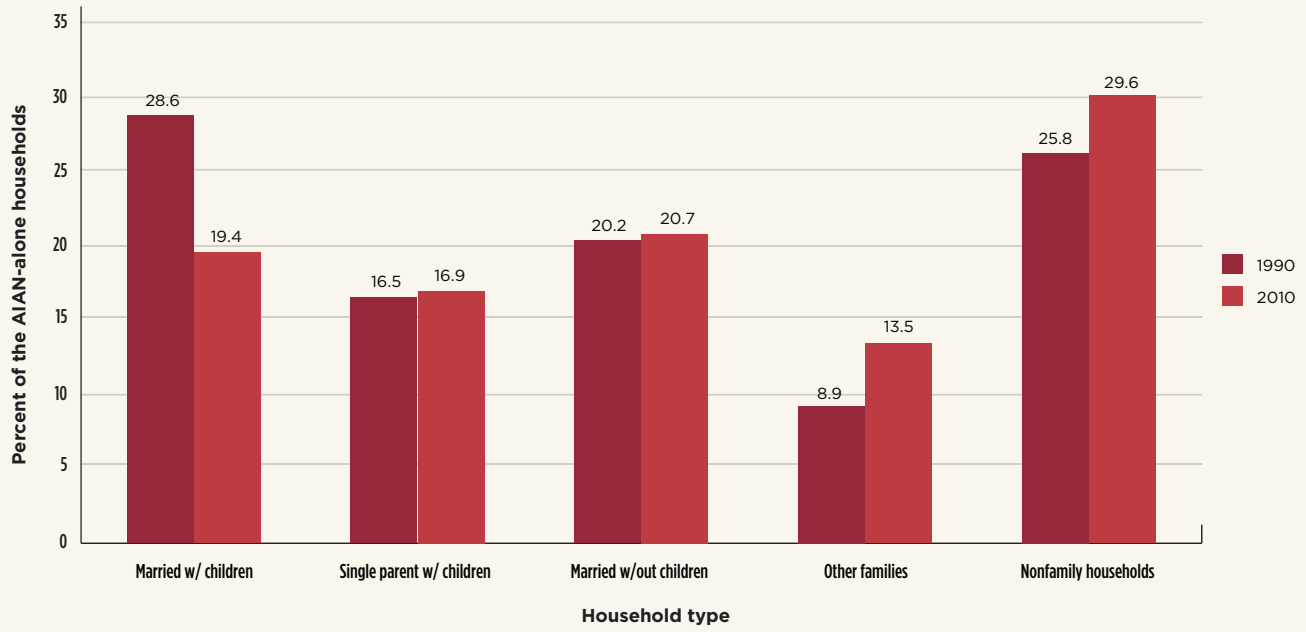
Source: U.S. Census Bureau, decennial census 2010, Summary Social, Economic, and Housing Characteristics, Selected Appendixes: 2010, B–4 Definitions of Subject Characteristics and https://www.census.gov/prod/cen2010/briefs/c2010br-14.pdf.

with five or more people in 2010 (19 percent) was much higher than the comparable figure for non-AIAN households (11 percent).[23] The AIAN large-household share dropped 0.8 points from 2000 to 2010, but the non-AIAN share stayed about the same.

Although the patterns of household size changed little since the Kingsley et al. (1996) study, the mix of AIAN types of households has changed in absolute terms and in relation to non-AIAN households. As mentioned in the previous discussion of age structure, household type has important implications for housing need, with housing demand and preferences varying by household type, particularly with the presence of children. (See the text box, Household Definitions According to the 2010 Census.)

Further, housing instability is particularly prevalent among low-income families with children (Phinney et al., 2007). In 2010, 70 percent of AIAN households were family households, in contrast to only 66 percent of non-AIAN households. The share of non-AIAN households in families varied little across area type—from 66 to 68 percent. In contrast, the family share of AIAN households ranged widely from 66 percent in other nonmetropolitan counties up to 75 percent in tribal areas. The family share of both AIAN and non-AIAN households decreased across all area types from 2000 to 2010, but the variation across area types was similar in both years. AIAN households correspondingly had lower shares in nonfamily household arrangements (30 percent) than non-AIAN households (34 percent) in 2010. This varied by geography: AIAN households in tribal areas had the lowest share of nonfamily households (25 percent), and AIAN households in other nonmetropolitan counties had the highest share (34 percent). AIAN households are also less likely to live in single-person households than the non-AIAN population.

Exhibit 1.34 – AIAN Households by Household Type, 1990 and 2010



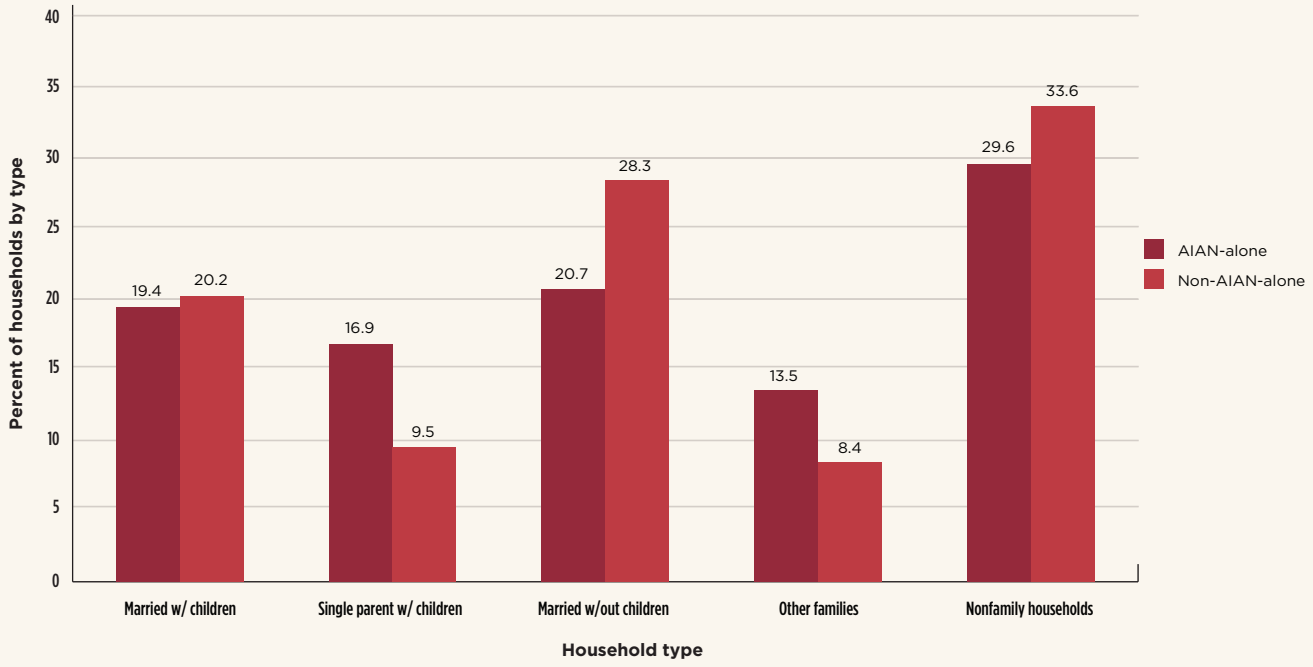
Source: U.S. Census Bureau, decennial census 1990 and 2010

Nationwide in 2010, 23 percent of AIAN-alone households consisted of a single person compared with 27 percent of non-AIAN households.

The most dramatic change among household types from 1990 to 2010 was the precipitous drop in the share of AIAN households that were married couples with children (exhibit 1.34). In 1990, 29 percent of AIAN households consisted of married couples with children; this figure dropped to 19 percent by 2010. Although the comparable share for non-AIAN households also declined (from 26 percent in 1990 to 20 percent in 2010), the drop was not as large. By 2010, AIAN households were just about as likely to consist of married couples with children as non-AIAN households (exhibit 1.35).

In 2010, the percentage of AIAN households that consisted of single-parent families (17 percent) was much higher than that of non-AIAN households (9.5 percent). This relationship held for both female-headed households and male-headed households. Overall, 12 percent of AIAN households consisted of female-headed families with children compared with 7.1 percent of non-AIAN households, and 4.6 percent of AIAN households consisted of male-headed families with children compared with 2.4 percent of non-AIAN households. The relatively high share of AIAN female-headed households is of particular concern because they are more likely to experience housing hardship and instability than married parents (Manning and Brown, 2006; Nelson, 2004).

Exhibit 1.35 - AIAN and Non-AIAN Households by Household Type, 2010



Source: U.S. Census Bureau, decennial census 2010

In 2010, the prevalence of single-parent families was higher in tribal areas and their surrounding counties than in non-AIAN counties. Single-parent families with children made up 18 to 19 percent of AIAN households on tribal areas and in surrounding counties, but they accounted for only 15 percent in other metropolitan counties and 13 percent in other nonmetropolitan counties. In contrast, the single-parent family share varied little by area type for non-AIAN households (ranging from a much lower 8.9 to 9.9 percent).

Since 2000, the percentages of AIAN single-parent family households decreased slightly, both overall and across all area types, but the percentages of non-AIAN households consisting of single-parent families increased slightly both overall (0.3 percent increase) and across all area types. Thus, the gap in single-parent family shares between AIAN and non-AIAN households narrowed during the 2000s. The AIAN single-parent share was 1.8 times the non-AIAN share in 2010, down slightly from 1.9 in 2000.

The "other family" category is defined as male- or female-headed family households without children under the age of 18. In 2010, these other families accounted for 14 percent of all AIAN households, much more than the 8.4 percent rate for non-AIAN households. The share of households in this family arrangement increased from 1990 for all groups, but at a much faster pace for AIAN households than non-AIAN households. As a result, the AIAN share in this category jumped from 1.3 times the non-AIAN share in 1990, to 1.6 times in 2010.

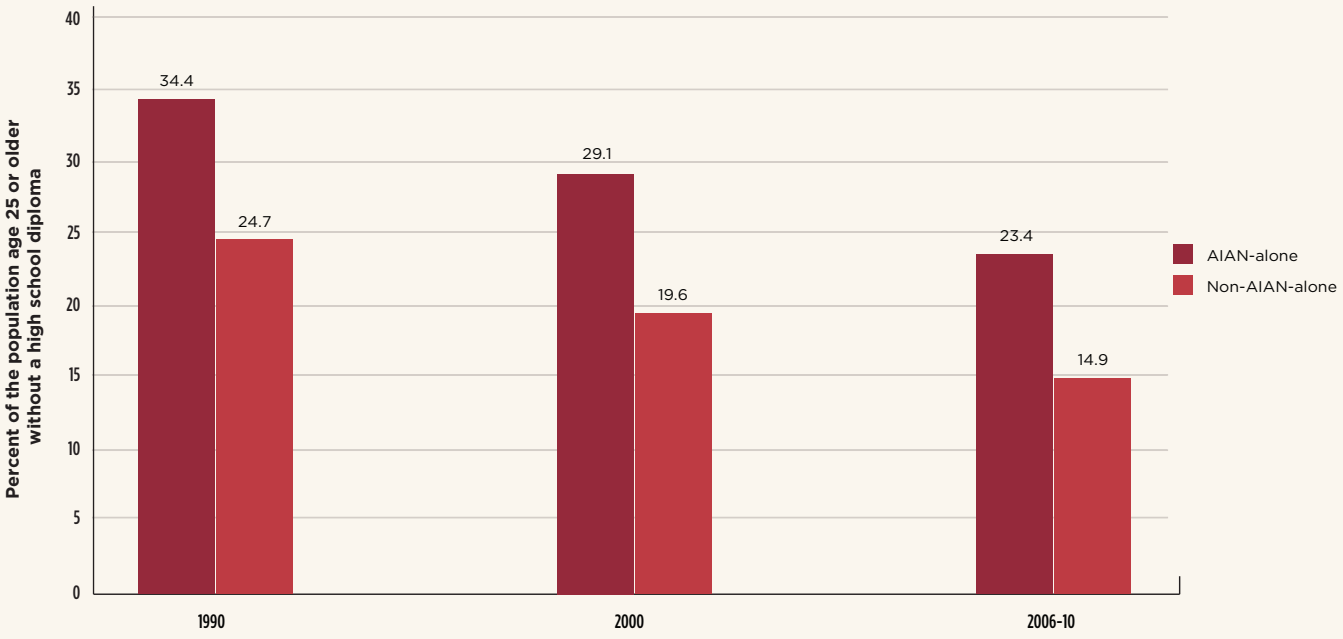
The increase in the share of other family households could be due to an increase in the number of multigenerational households—either with elderly family members moving into the household or children older than the age of 18 continuing to live in the household or returning to the household. Other research has documented that AIAN households are more likely than the population in general to live in multigenerational arrangements. Using 2009–2011 ACS 3-year estimates, the U.S. Census Bureau finds that AIAN households have a larger share of families living in multigenerational households (about 11 percent) than the total population (5.6 percent) (Lofquist, 2012). Shares of AIAN families in multigenerational households are larger in states with large AIAN populations.

Educational Attainment

Educational attainment affects an individual's ability to find and retain employment. Those with less education are more likely to experience difficulties in these areas, which can lead to housing instability (Phinney et al., 2007). In general, the AIAN population has lower levels of educational attainment than the non-AIAN population. The proportion of AIAN adults (age 25 and older) without a high school degree, however, has fallen significantly during the past decade. During the 2006-to-2010 period, this share was 23 percent, down 6 percentage points from the 2000 share (29 percent) (exhibit 1.36).

Despite these gains, the 2006-to-2010 rate was still much higher than the 15 percent for non-AIAN adults, and the gap is widening. In 1990, the share of the AIAN population without a high school diploma was 1.4 times the non-AIAN share. This figure increased to 1.5 times in 2000, and again to 1.6 times during the 2006-to-2010 period. The share of adults without a high school diploma was slightly higher in tribal areas and other nonmetropolitan areas, but the gap with non-AIAN rates persisted across all area types.

Exhibit 1.36 – Share of Adults Without a High School Diploma by Race, 1990 to 2006–10



Sources: Kingsley et al. 1996; U.S. Census Bureau, decennial census 2010, and American Community Survey, 2006–10 Five-Year Estimates

The growth of Hispanic AIAN population contributed to the growing gap in education. About 19 percent of AIAN non-Hispanics older than 25 during the 2006-to-2010 period did not have a high school degree. The share for Hispanic AIAN adults is almost twice as high at 37 percent, close to the 36 percent rate for non-AIAN Hispanics.

In a similar way, English proficiency provides another contrast among AIAN Hispanics and non-Hispanics. About 30 percent of AIAN Hispanics do not speak English very well. This is lower than the 37 percent for non-AIAN Hispanics, which makes sense given the smaller share of AIAN Hispanics that is new immigrants, as mentioned in section 1.2. The share of AIAN non-Hispanics not speaking English very well is comparatively quite small—about 4 percent.

Noteworthy variations in educational attainment existed across regions. Overall, the shares without a high school diploma were highest in Arizona/New Mexico (27 percent) and the Eastern and California/Nevada regions (25 percent) and lowest in the Oklahoma and North Central regions (17 and 18 percent, respectively). The regional distributions of this measure were similar for AIAN and non-AIAN counties.

During the 2006-to-2010 period, the share of the AIAN adult population with a bachelor's degree or higher was 13 percent overall, but this indicator varied considerably by area type. AIAN adults in tribal areas were least likely to have completed a college education (only 9.2 percent), but the percentage for AIAN population living in other metropolitan counties was

much higher, at almost 17 percent. The 2006-to-2010 share of AIAN adults with a bachelor's degree was only slightly higher than the 2000 level—an increase of only 1.5 percentage points.

Even with these gains, the share of AIAN adults who had completed college is still far lower than the 28 percent for non-AIAN adults. Overall, the gap between the AIAN and non-AIAN population on this measure has shown little change since 1990. The 2000 and 2006-to-2010 percentage of the AIAN population obtaining a bachelor's or graduate degree was only 47 and 46 percent of the non-AIAN share, respectively, about the same as the 1990 comparison.

The gap between the AIAN and non-AIAN populations, however, widened in some area types and narrowed in others from 2000 to the 2006-to-2010 period. In tribal areas, the gap is widest, but it has improved the most: the percentage of the AIAN population with a bachelor's or higher degree was 44 percent of the non-AIAN percentage in 2000 and 46 percent in the 2006-to-2010 period. In other nonmetropolitan areas, the gap is much smaller, but it increased during that period. In 2000, the share of the AIAN population with at least a bachelor's degree was 71 percent of the non-AIAN share and decreased to 68 percent of the non-AIAN share in the 2006-to-2010 period.

Employment

Labor force participation and employment generally determines household income, which is the primary determinant of a family's ability to address its housing needs. The formation of new households (for example, young adults moving out of their parents' homes and starting their own households) is suppressed when unemployment is higher, which lessens housing demand (Masnick, McCue, and Belsky, 2010). The employment situation of the AIAN population generally worsened during the 2000s. Three indicators related to employment were examined in this section: (1) the share of the AIAN population older than 16 in the labor force—either working or looking for work (labor force participation rate), (2) the percentage of the population older than 16 that was employed (employment rate), and (3) the share of the labor force that was unemployed (unemployment rate). (See the text box, Employment Indicators.)

The labor force participation rate fell slightly from 61 percent in 2000, to 60 percent in the 2006-to-2010 period. The non-AIAN participation rate increased slightly during

Employment Indicators

labor force participation rate: the share of the population age 16 and older in the labor force that was either working or looking for work in either civilian jobs or in the military.

employment rate: the percentage of population age 16 and older that was employed in civilian jobs.

unemployment rate: the share of the civilian labor force that was unemployed.

Source: U.S. Department of Labor, Bureau of Labor Statistics. *Glossary*. http://www.bls.gov/bls/glossary.htm

Exhibit 1.37 – AIAN Employment Indicators by Study Region and Area Type, 2006–10

	United States	North Central	Eastern	Oklahoma	South Central	Plains	Arizona N.Mexico	Calif.-Nevada	Pacific Northwest	Alaska
AIAN-Alone Labor Force Participation Rate (population 16 and older)										
Total	59.9	62.1	60.4	62.1	62.9	60.5	54.0	61.1	62.3	59.3
Tribal Areas	55.3	62.1	56.1	61.3	58.0	57.5	47.4	49.3	56.5	59.4
Surrounding Counties	62.0	63.0	61.2	67.7	57.0	63.5	63.2	59.3	62.7	59.3
Other metropolitan counties	64.4	63.4	63.5	NA	65.3	65.5	59.0	64.5	69.1	58.1
Other nonmetropolitan counties	53.7	53.2	51.4	58.7	56.7	54.3	48.3	55.7	58.3	NA
AIAN-Alone Employment Rate (population 16 and older)										
Total	51.6	51.5	52.8	56.1	56.9	49.7	46.1	52.4	52.9	46.4
Tribal Areas	46.5	48.8	49.3	55.5	53.4	44.7	39.1	40.1	45.8	45.1
Surrounding Counties	53.6	53.2	53.4	60.3	53.2	54.1	55.6	50.5	53.5	49.4
Other metropolitan counties	56.2	52.8	55.7	NA	59.1	54.5	47.0	55.8	60.3	46.8
Other nonmetropolitan counties	47.1	46.2	44.0	53.0	50.3	49.2	44.0	52.0	49.9	NA
AIAN-Alone Unemployment Rate (civilian labor force age 16 and older)										
Total	13.9	17.0	12.5	9.7	9.6	17.9	14.7	14.3	15.1	21.7
Tribal Areas	15.9	21.3	12.2	9.5	7.9	22.2	17.6	18.7	18.8	24.0
Surrounding Counties	13.6	15.5	12.9	11.0	6.7	14.7	12.0	14.9	14.7	16.7
Other metropolitan counties	12.7	16.7	12.2	NA	9.4	16.8	20.4	13.4	12.7	19.3
Other nonmetropolitan counties	12.3	13.1	14.3	9.7	11.3	9.4	9.0	6.7	14.4	NA

NA: Not applicable.

Source: U.S. Census Bureau, American Community Survey, 2006–10 Five-Year Estimates.

the same time period, from 63 to 65 percent. As a result, the gap widened, with the AIAN rate moving from 3 percentage points below the non-AIAN rate to 5 percentage points lower during this period. The AIAN labor force participation rates are considerably higher in other metropolitan counties (64 percent) and lower in tribal areas (55 percent) and other nonmetropolitan counties (54 percent).

By region, the AIAN labor force shares (across all area types) varied from a low of 54 percent (Arizona/New Mexico) to highs in the 62-to-63-percent range in four regions (North Central, Oklahoma, South Central, and Pacific Northwest) (exhibit 1.37). Disparities with non-Indians also varied by region. Overall labor force participation was the same or almost the same for AIAN and non-AIAN populations in the Oklahoma and South Central regions, but the AIAN rate was 8 to 11 percentage points lower than the non-Indian rate in the Plains, Arizona/New Mexico, and Alaska regions.

Looking at the second employment-related indicator, a little more than one-half of the AIAN population 16 and older was employed, according to the 2006–2010 data compared

with almost 60 percent for non-AIAN (exhibit 1.38). This pattern of lower employment rates for AIAN compared with non-AIAN holds true in all the geographic areas. AIAN employment rates are lowest in the tribal areas and other nonmetropolitan counties (47 percent).

Tribal areas also had the largest gap in employment compared with the non-AIAN rate (about 10 percentage points). The employment rate in other metropolitan counties was 61 percent for non-Indians compared with 56 percent for AIAN-alone people in those counties.

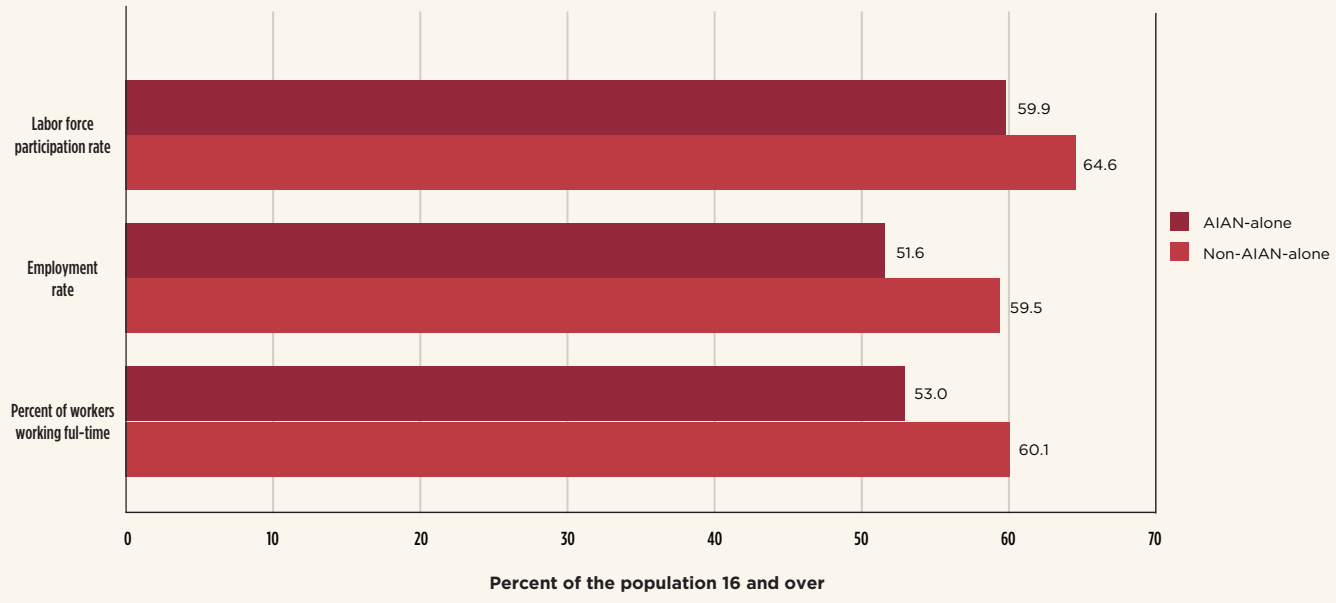
AIAN workers are also less likely than non-AIAN workers to work full time. Only 53 percent of AIAN workers reported full-time employment in the 2006-to-2010 period compared with 60 percent of non-AIAN workers. These rates were similar across geographic areas.

The unemployment rate is the final indicator used to understand AIAN employment patterns. About 14 percent of the AIAN labor force was unemployed in the 2006-to-2010 period. The AIAN unemployment rate was highest in tribal areas (16 percent) in contrast to the 12 to 14 percent unemployment rates for AIAN people in other areas.

As with the other indicators, unemployment rates are worse for AIAN than for non-AIAN people; the AIAN rate was about 6 points higher than the non-AIAN rate in the 2006-to-2010 period. The gap overall, however, has been declining during the past two decades. In 1990, the AIAN unemployment rate was 2.3 times the non-AIAN rate. The ratio fell to 2.2 in 2000 and then fell again to 1.8 in the 2006-to-2010 period. The decline is mostly due to the increase in the non-AIAN unemployment rate (up 1.7 points over

24 Lack of health insurance estimates are from the 2011 ACS 1-year estimates.

Exhibit 1.38 – Employment Indicators by Race for Population 16 and Over, 2006–10



Source: U.S. Census Bureau, American Community Survey, 2006– 10 Five-Year Estimates.

the 20 years) rather than the improvement in the AIAN rate (which fell only 0.3 points).

In addition, these employment conditions result in lower rates of health insurance coverage for the AIAN-alone population than for the non-AIAN population. The share of the AIAN-alone population that lacked health insurance was 28 percent, which is 13 percentage points higher than the non-AIAN share for the Nation as a whole in 2011.[24] This means that the AIAN-alone population faces added healthcare costs on top of already lower income levels (as will be discussed in the next section), which leads to greater challenges in affording housing.

Income and Poverty

Household income affects both housing preferences and needs and also the ability to satisfy them. For example, higher-income households are more likely to prefer owning a single-family home and are more able to achieve that, but lower income households are more likely to rent (Katz and Turner, 2007; Skaburskis, 1999). Lower income households are also more likely to experience housing hardship (Nelson, 2004). The average AIAN household income in the 2006-to-2010 period was $49,000, which was about $22,000 less than the non-AIAN average. Although average income varied by geography for both groups, the average AIAN household income was less than that of non-AIAN households across all geography types. The surrounding counties and other metropolitan counties exhibited the highest average income for both AIAN and non-AIAN households, but also exhibited the largest disparity between the groups at $20,000. Tribal areas and other nonmetropolitan counties conversely had lower average income levels—$42,000 and $38,000, respectively—but they had the smallest gap between AIAN and non-AIAN households of about $14,000.

Average household income decreased since 2000 for both AIAN and non-AIAN households overall—by $3,500 for AIAN households and $3,300 for non-AIAN households, after accounting for inflation. The average household income also fell in each geography type; however, the size of the decrease varied. For AIAN households, average household income fell by the largest amount in other nonmetropolitan counties ($9,500). In other metropolitan counties, average household income dropped by about $6,000, and in surrounding counties it fell by about $2,900. In tribal areas the average household income fell by a much smaller amount—only by about $130. For non-AIAN households, the average household income dropped by the smallest amount in tribal areas as well (about $870), but the decrease in the other geography types ranged from $2,700 in the surrounding counties to $3,800 in other metropolitan counties.

The ratio of AIAN income to non-AIAN income fell slightly more over the decade, from 0.71 to 0.69 overall. AIAN households lost the most ground compared with non-AIAN households in non-AIAN counties. In other metropolitan counties, the ratio fell from 0.78 to 0.74, and in other nonmetropolitan counties the ratio fell by an even larger margin—from 0.84 to 0.71.[25]

Among all gaps between Native American and non-AIAN well-being, that in the poverty rate may be the most troubling. (See the text box, Poverty Rate.) More than one-fourth (26 percent) of the AIAN population lived below the poverty line in 2000 and in the 2006-to-2010 period. This is almost twice the rate for non-AIAN individuals in both of these periods. In the

25 By contrast with education and language, economic indicators reveal similarities among the groups. AIAN households have similar income levels whether Hispanic or non-Hispanic ($49,000 to $50,000).

Poverty Rate

The poverty rate is the percentage of people living in households that have money incomes that fall below the poverty threshold for their family size and composition, as defined by the U.S. Office of Management and Budget.

2006-to-2010 period, the poverty rate for the AIAN-alone population in tribal areas was 32 percent, substantially more than the 18 percent national rate for non-Indians (exhibit 1.39). The AIAN-alone rate was 28 percent in surrounding counties and 22 percent in other metropolitan counties compared with 14 and 13 percent for non-Indians in those areas, respectively. The poverty rate is even higher for AIAN children. One in three AIAN children was poor in the 2006-to-2010 period compared with one in five non-AIAN children (exhibit 1.310). Among geographic areas, AIAN children in tribal areas were most likely to be poor (39 percent).

Poverty rates for AIAN working-age adults and the elderly during the 2006-to-2010 period were lower than for children (24 and 20 percent, respectively), but the difference in rates for AIAN and non-AIAN people in these groups are wider than the differential in child poverty rates. For example, the AIAN elderly poverty rate was more than twice (2.1 times) the non-AIAN rate overall and almost 2.5 times the non-AIAN rate in tribal areas.

Regional differences in AIAN poverty were substantial. Across all area types, the 2006-to-2010 rates ranged from the 20-to-22-percent range at the low end (South Central, California/Nevada, and Alaska), to 36 percent (Plains), and 33 percent (Arizona/New Mexico) at the upper end. In tribal areas, the rates varied from 23 percent (Oklahoma and Alaska), to 41 percent (Plains), and 37 percent (Arizona/New Mexico).

Exhibit 1.39 – Poverty Rates, 2006-10

Source: U.S. Census Bureau, American Community Survey, 2006–10 Five-Year Estimates

Notable regional differences also occurred in the poverty gaps between the AIAN and non-AIAN populations. The AIAN poverty rate was 3.1 times the non-AIAN rate in the Plains region and 2.9 times the non-AIAN rate in Alaska. At the other extreme, the AIAN rate was only 1.3 times the non-AIAN rates in the South Central region.

How the AIAN Population Fared in the Great Recession

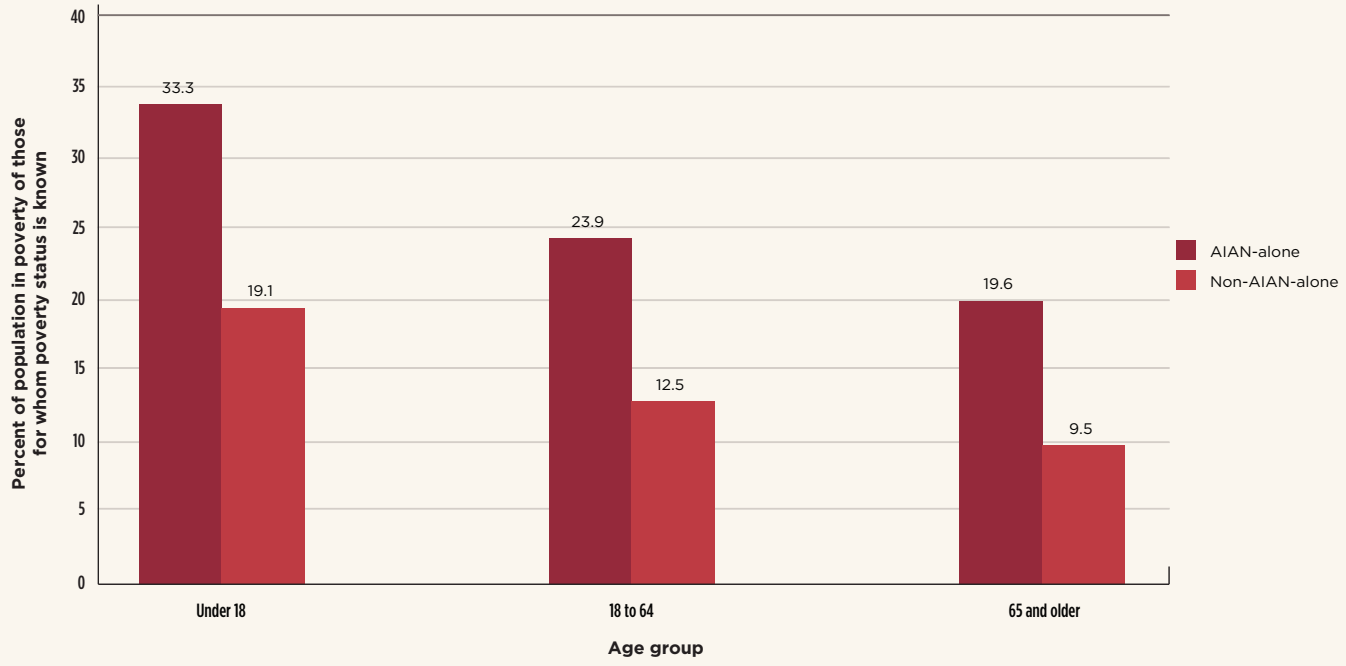
The earlier parts of this section have reported on socioeconomic conditions and trends for American Indians and Alaska Natives by comparing 2000 decennial census data with those from the 2006–2010 ACS 5-year data. This base is important for understanding, but it does not answer the question of how America's AIAN population weathered the Great Recession of the past decade.

To respond to that question, the analysis relies on the ACS 1-year estimates for 2008 and 2010 (the latest data available at the time of analysis). Three indicators summarize the main trends: (1) labor force participation rates, (2) unemployment rates, and (3) poverty rates.

The National Story

The earlier parts of this section showed that trends for the AIAN-alone population from 2000 to the 2006-to-2010 period by these economic indicators were mixed. The period saw almost no change in the AIAN labor force participation rate, and the ratio of the AIAN rate to the non-AIAN rate had dropped slightly. Modest improvements occurred, however, in the AIAN unemployment rate and poverty rate and, in both cases, gaps between AIAN and non-AIAN levels narrowed during the decade.

Exhibit 1.310 - Poverty Rates by Age and Race, 2006–10



Source: U.S. Census Bureau, American Community Survey, 2006–10 Five-Year Estimates

The Native American population was more economically vulnerable in 2008 at the start of the Great Recession than was the non-AIAN population, putting them in a worse position in the face of the rising unemployment and falling earnings brought on by the economic downturn. The pace of the economic deterioration, however, was not much worse than it was for the non-AIAN population, and during the decade as a whole, gaps between AIAN and non-AIAN performance had been reduced on some measures.

- The AIAN labor force participation rate (as a percentage of the population older than 16) dropped slightly from 61 percent in 2008 to 59 percent in 2010. This represented 0.93 of the non-AIAN rate in both years, down modestly from the 0.95 ratio achieved in 2000.
- The AIAN unemployment rate went up sharply from 11 percent in 2008 to 18 percent in 2010, yet this measure for the non-AIAN population increased from 6.3 to 11 percent. Although the gap between the two groups narrowed with the AIAN unemployment rate falling from 1.8 times the non-AIAN rate in 2008 to 1.7 times the non-AIAN rate in 2010 (a sizable improvement over the 2.2 ratio in 2000), the AIAN unemployment rate was still 7 percentage points higher than that of the non-AIAN population.
- The AIAN poverty rate also saw considerable deterioration, rising from 24 percent in 2008 to 28 percent in 2010, as compared with an increase from 13 percent in 2008 to 15 percent in 2010 for the non-AIAN population. In this case the AIAN/non-AIAN gap increased slightly. The AIAN poverty rate went up from 1.85 times the non-AIAN rate in 2008 to 1.87 times the non-AIAN rate in 2010. Although this represented a substantial improvement in relation to the 2.1 ratio of 2000, disparities between the two groups persist.

Regional Variations

Because of sample-size limitations, reliable data are not available for the detailed geographies examined earlier in this section. This analysis accordingly reviews data only for the United States as a whole and for the four major Census Bureau regions: (1) Northeast, (2) Midwest, (3) South, and (4) West. The pattern of the 2008-to-2010 change for the four major U.S. regions seems consistent with what might be expected, given discussion of the variations in AIAN conditions among regions earlier in this section. It is most disturbing that Native Americans in the West region (which contains the two most distressed study regions—Plains and Arizona/New Mexico—and 46 percent of the total AIAN population) were hit hardest by the Great Recession (exhibit 1.311). Although not directly comparable, Austin's (2009) analysis of the effects of the Great Recession on the AIAN population finds a similar pattern: the West experienced the largest increase in the employment rate disparity between the AIAN and White populations between 2007 and 2009.[26] The Great Recession effects alternatively appear mildest in the South (which contains the Oklahoma and South Central study regions and also the southern half of Eastern Woodlands).

26 Austin (2009) uses different definitions of region than those used by the U.S. Census Bureau; he breaks the United States into eight regions, of which the West (California, Hawaii, Oregon, and Washington) and Southwest (Arizona, Colorado, Nevada, New Mexico, and Utah) are entirely contained within the U.S. Census Bureau's definition of the West region. Part of Austin's Northern Plains region (Idaho, Montana, and Wyoming) is also contained within the U.S. Census Bureau's West region, although he also includes Nebraska, North Dakota, and South Dakota in the Northern Plains region. The largest disparity increases were found in the Northern Plains and Southwest. Austin's West region had the third largest disparity increase.

- Over this 2-year period, the AIAN labor force participation rate in the West dropped by 3 percentage points to reach 57 percent. That decline was more than twice the next largest (minus 1.4 percent in the Northeast and Midwest), but the decline for the South was only 0.27 percent. In 2010, the rates for the other three regions were in the 60-to-62-percent range, well over that for the West. AIAN labor force participation was almost as high as for non-AIAN in the South (0.99), but only 0.89 of the non-AIAN level in the West.
- The West also saw by far the largest spike in unemployment—an increase of 8.6 percentage points to reach a 21-percent rate at the end of the period. The 2010 rates for the other regions were 14 percent (South), 15 percent (Northeast), and 19 percent (Midwest)—increases for these three were all in the 5.2-to-5.6-point range. In 2010, AIAN unemployment rates were higher than were non-AIAN rates in all regions, but the range was wide: 1.3 higher in the South, 1.5 in the Northeast, and 1.8 in the Midwest and West. Those ratios, however, were slightly better than they had been in 2008 in all regions.

Exhibit 1.311 – AIAN Economic Indicators, 2008 to 2010

	Percent 2010	Percentage Point Change 2008 to 2010	Ratio to Non-AIAN 2010	Change in Ratio 2008 to 2010
AIAN-Alone Labor Force Participation Rate (Population 16 and Older)				
United States	59.26	-1.77	0.93	-0.01
Northeast	61.28	-1.43	0.95	-0.01
Midwest	60.14	-1.41	0.92	0.00
South	62.04	-0.27	0.99	0.02
West	56.92	-3.00	0.89	-0.03
AIAN-Alone Unemployment Rate (Civilian Labor Force Age 16 and Older)				
United States	17.88	6.73	1.66	-0.10
Northeast	14.67	5.65	1.48	-0.02
Midwest	18.58	5.22	1.76	-0.31
South	13.48	5.45	1.25	-0.02
West	21.15	8.56	1.81	-0.12
AIAN-Alone Poverty Rate				
United States	28.44	4.20	1.87	0.02
Northeast	24.58	3.26	1.91	0.07
Midwest	33.02	2.59	2.29	-0.17
South	24.68	3.82	1.46	0.03
West	29.75	5.17	1.97	0.03

Source: U.S. Census Bureau, American Community Survey, One-Year Estimates, 2008 and 2010.

- The Great Recession yielded sizable increases in AIAN poverty in all regions, but, again, the change for the West was the most severe: an increase of 5.2 percentage points to reach an overall rate of 30 percent in 2010. The 2010 poverty level was actually higher in the Midwest (33 percent), but the increase there was not as large (2.6 points). Poverty rates in 2010 reached 25 percent in the Northeast (up 3.3 points from 2008) and in the South (up 3.8 points). Regarding poverty at the end of the Great Recession, the AIAN/non-AIAN gap was also highest in the Midwest (AIAN rate 2.3 times the non-AIAN rate). The comparable ratios were 2.0 in the West, 1.9 in the Northeast, and 1.5 in the South. In this case, these ratios were modestly higher than they had been in 2008 in all regions except the Midwest, where the ratio dropped from 2.5 to 2.3.

Implications

The social and economic conditions of Native American families are major drivers of the housing needs and challenges discussed in part 2 of this report. Larger families, additional children, and the multigenerational households all relate to the desired housing size and structure. Policymakers should track the significant shifts, such as the fall in the share of households with children younger than 18, to project future demand for various housing types. Education levels and resulting employment opportunities for AIAN adults determine the income available to pay for housing. Although it is good news that the AIAN community was not disproportionately hit by the Great Recession, the fact remains that the economic situation for AIAN families has worsened considerably in the past few years; and as will be shown in part 2, this translates to high levels of housing problems.

1.4. Economic Development

Section 1.4 of this report comprises adapted excerpts from section 4, Economic Development, of Pettit et al. (2014), this study's interim report.

The most important driver of economic well-being (and the ability to improve housing conditions) in any area is the state of the local economy. This section looks more closely at economic development trends for that part of the AIAN population that traditionally has been most distressed: those living on reservations and in other tribal areas, and those living in the areas that immediately surround them.

The section begins by reviewing research by others that examined how private enterprise progressed in Indian Country throughout the 1990s. Only partial information is available on what has happened since then, but some new evidence is presented that offers updates in two topical areas, and the section discusses implications of those findings. These areas are employment growth in the 2000s and tribally owned businesses and enterprises, including gaming.

Background: Expansion of Economic Development in the 1990s

At the end of the 1980s, the status of economic enterprise in Indian Country was uneven. Some tribes had achieved considerable economic success by taking advantage of a rich resource base, and others had been successful in stimulating other forms of private business, but many generated very few private-sector jobs (Cornell and Kalt, 1989, 1992). A large number of tribal areas had significant dependent populations (high ratios of children to working-age adults), high unemployment, and federal jobs making

27 Private employees include those working for private firms and self-employed workers.

up a large share of all employment. A good measure of independent economic health for an area is how many private employees[27] it has per 1,000 population. In 1990, the national average for this ratio was 255; for AIAN tribal areas it was only 158 (Kingsley et al., 1996).

According to the Harvard Project on American Indian Economic Development (2008) (referred to, going forward, as the Harvard Project), changes occurred over the subsequent decade to the effect that "Economic development is taking root in Indian Country, albeit unevenly across tribes and industry sectors" (Harvard Project, 2008: 111). They noted that—

> ***Past approaches to development by assimilation, by project-based job creation or by pursuing federal grants are on the wane, largely because of their repeated failure. Contemporary nation-building approaches are in the ascendancy, with tribes investing in their own capacities to govern and thereby improving local accountability and encouraging tribal and non-tribal investments in human and other capital. Over 1990–2000, for both Indian nations with gaming enterprises and those without such operations, real per capita income in Indian Country grew at two to three times the rate experienced by the general U.S. population. (Harvard Project, 2008: 111)***

In their view, the shift in U.S. government policy furthering self-determination for Indian tribes (of which NAHASDA was a part—see discussion in section 3.2) was vital among the underlying causes of this change. With expanded freedom to select their own path, many tribes have chosen to strengthen their own governance in ways that establish a foundation for entrepreneurialism. These ways include the following:

- **Emphasizing the rule of law** means ensuring an environment in which the rules are clear about how collective decisions will be made and how disputes will be resolved and in which there is confidence the rules will be enforced. The rule of law encourages private business investment.
- **Separating politics from day-to-day administration and business affairs** refers to institutional change to reinforce the separation of powers in tribal governance—for example, ensuring an independent judiciary—or creating independent boards of directors for tribal enterprises.
- **Creating an efficient tribal bureaucracy** entails efficient and reliable administration, good recordkeeping (taking advantage of today's computer technology), and actions to facilitate business creation and operation (such as speeding up permitting processes).

Gaming has been one important force behind economic growth in Indian Country. Robinson (1995) estimated that only 81 Indian gaming operations were active nationwide in 1992. The number went up rapidly after that, however, reaching 311 in 2000.

Gaming profits have often been reinvested in tribal enterprise, and significant shares have been distributed to tribal members through per-capita payments, creating substantial wealth in some places; however, proceeds have been very uneven. The Harvard Project (2008) concludes—

> ***A disproportionately large share of the total casino revenue in Indian Country accrues to tribes that represent a small share of the Indian population (near population dense metropolitan areas).... [gaming] is having only a limited effect on the economic fortunes of households among large tribes remote from customer markets. (Harvard Project, 2008: 148)***

Furthermore, the focus on gaming in the press has created a distorted view of Indian economic development over this period. Tribal area economies have also seen substantial expansion of other types of private enterprise.

> ***Nongaming enterprises are proliferating rapidly in Indian Country. Some of these are large and visible (developed by tribes)... But development is also founded on businesses owned by private tribal citizens—from Burger King franchises and Hampton Inns to paving companies, construction firms, automobile repair shops, and cattle ranches. (Harvard Project, 2008: 117)***

Total enterprise growth for the AIAN population has been impressive. Government reports showed a total of 102,000 Native-owned businesses nationwide in 1992. Over the subsequent decade, the number had doubled, reaching 201,000 in 2002. Native-owned businesses had increased at an annual rate of 7 percent compared with 2.9 percent for all U.S. businesses (U.S. Minority Business Development Agency, 2006).

Employment Growth in the 2000s

Available evidence suggests that the economic environment for the AIAN population continued to be strong through 2007, but then the Great Recession hit Indian Country very hard, as it did the rest of the Nation.

The number of AIAN-owned enterprises continued to grow rapidly in the middle years of the decade, reaching 237,000 by 2007. The 2002-to-2007 annual growth rate of 3.3 percent was clearly below the comparable AIAN rate for the 1992-to-2002 period, but equal to the average for all U.S. businesses for that period (U.S. Census Bureau, 2011; U.S. Minority Business Development Agency, 2006).

Other evidence comes from the U.S. Department of Commerce County Business Patterns series. This series shows total U.S. employment at 113.1 million in 2000; 20.7 million (or 18 percent) of those jobs were located in AIAN counties. From 2000 to 2007, however, employment in AIAN counties grew by 303,000 per year, 48 percent of total U.S. job growth. The AIAN county growth rate was 1.4 percent per year, dwarfing the 0.36 percent average for all non-AIAN counties (exhibit 1.41).

Most (87 percent) of the AIAN county jobs in 2000 were within the boundaries of metropolitan areas, and these grew much faster during the 2000-to-2007 period than did those outside of metropolitan areas: an annual rate of 1.5 percent compared with 0.68 percent (exhibit 1.42).

During the Great Recession, the patterns reversed. Places that performed best earlier in the decade typically faced the sharpest reversals later on. The total number of jobs in AIAN counties dropped by 3.0 percent per year from 2007 to 2010 compared with a drop of 2.3 percent annually for non-AIAN counties. Among AIAN counties, annual rates of decline were 3.1 percent in metropolitan areas and 2.5 percent in other areas.

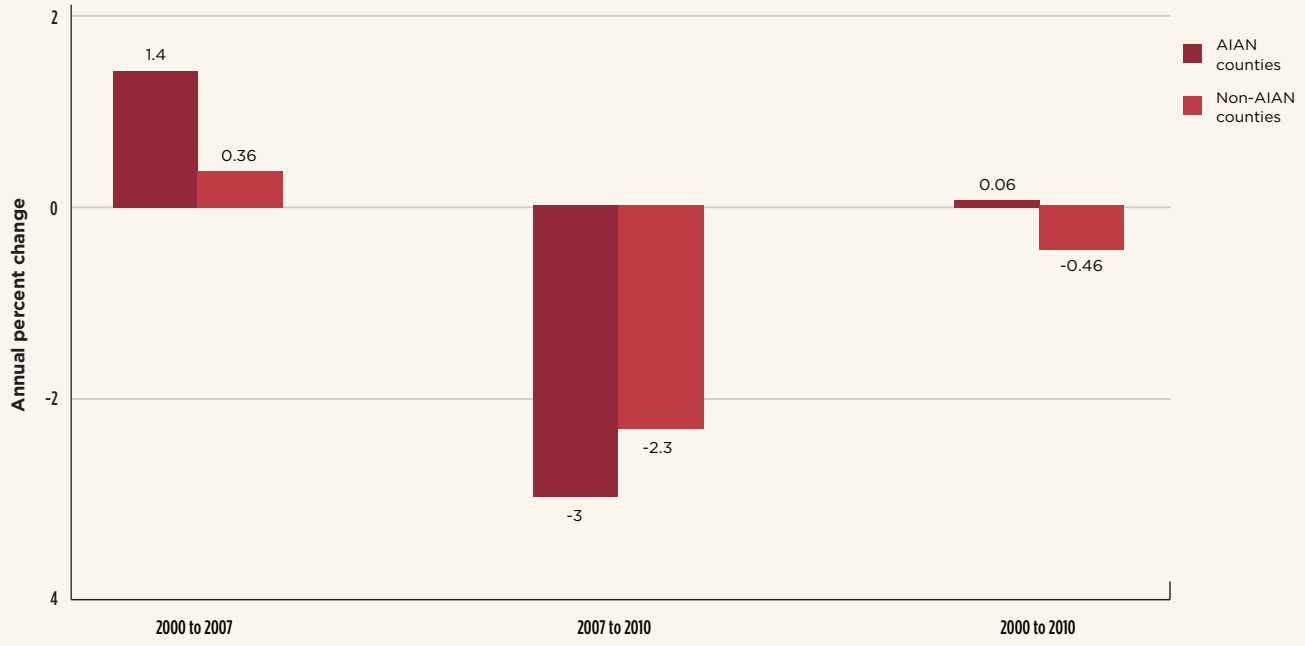
This national picture, however, masks sizable variations in performance across regions. During the 2000-to-2007 period, annual employment growth was by far fastest in AIAN counties in Arizona/New Mexico and California/Nevada—averaging 2.7 percent, more than three times the average national rate. The next closest among AIAN counties was Alaska (2.4 percent), but the absolute numbers there were quite small. After that came the Plains states (1.8 percent) and the Pacific Northwest (1.3 percent). The lowest rate for AIAN counties was in the North Central and Eastern regions (0.44 and 0.43 percent, respectively) (exhibit 1.43).

Among non-AIAN counties during this period, the fastest rate of expansion was 3 percent per year in Arizona/New Mexico. It is interesting that those in California/Nevada did not fare nearly as well (0.17 percent). Intermediate growth rates were realized in the Pacific Northwest (1.6 percent) and the Plains (1.2 percent)—not much different from the rates for AIAN counties in those regions. Non-AIAN counties in the North Central region (the main rust-belt states) actually lost employment, even more than this prerecession growth period (by 0.64 percent per year).

During the Great Recession, similar variation existed across regions, and the rule generally held that those that had performed best earlier in the decade had the worst record in the Great Recession years. Among AIAN counties, annual employment loss rates in Arizona/New Mexico and California/Nevada were in the 4.4-to-4.5-percent range. Alaska actually registered a modest increase, but again the amount was small (1.4 percent or 9,100 jobs). Rates of decline almost everywhere else were more than 2 percent. AIAN counties in the South Central region registered the best record (a decline of 0.16 percent per year) and Oklahoma (a decline of 1.7 percent per year).

What has been the net effect of these changes on employment from 2000 to 2010? During the full decade, employment in AIAN counties grew slightly (by about 0.65 percent), whereas the number of jobs in non-AIAN counties actually declined (by almost 4.5 percent).

Exhibit 1.41 – Employment Trends in AIAN Counties from 2000 to 2010



Source: U.S. Census Bureau, County Business Patterns 2000, 2007, 2010

Tribally Owned Businesses and Enterprises

The expansion and diversification of tribally owned businesses noted earlier for the 1990s continued into the 2000s. This has occurred both on and off the reservations. Types of businesses include hotels and resorts, golf courses, manufacturing, oil extraction companies, mining, coal and natural resources, timber, and wild game hunting. Examples include—

- The Seminole Tribe of Florida purchased the Hard Rock Hotel Café and Restaurant chain for $965 million—the first time an Indian tribe had ever purchased a major international corporation. The tribe continued to make news when it announced that it is expanding globally, focusing on Latin America, Eastern Europe, and Asia (De la Merced, 2006; Stuts, 2012).
- Tulalip Tribes in Washington built Quil Ceda Village, a highly successful commercial development that includes outlets, anchor stores such as Home Depot and Walmart, and a number of other retail businesses (Harvard Project, 2003).
- Menominee Tribal Enterprises (MTE), a lumber production company operating since 1908, employs about 300 people. MTE practices sustainable yield forestry and operates a mill. In recent years, the tribe has been branching out, exporting some products as far as China, and using

Exhibit 1.42 – Employment in AIAN and Non-AIAN Counties by Study Region, 2000, 2007 and 2010

	Study Region									
	United States	N. Central	Eastern	Oklahoma	S. Central	Plains	AZ/NM	CA/NV	Pacific NW	Alaska
Number of Employees (thousands)										
Total, 2000	113,138	8,863	63,966	1,194	14,039	4,591	2,450	13,760	4,071	203
Total, 2007	117,597	8,635	65,248	1,282	14,961	5,022	2,955	14,756	4,496	241
Total, 2010	109,083	7,878	60,566	1,221	14,431	4,767	2,588	13,240	4,146	247
AIAN counties, 2000	20,690	2,159	6,992	1,154	411	679	2,284	4,223	2,609	178
AIAN counties, 2007	22,810	2,226	7,207	1,238	441	772	2,751	5,104	2,861	211
AIAN counties, 2010	20,822	2,085	6,660	1,176	439	732	2,397	4,458	2,655	220
Non-AIAN counties, 2000	92,448	6,704	56,974	40	13,628	3,912	166	9,537	1,462	25
Non-AIAN counties, 2007	94,787	6,410	58,041	45	14,520	4,250	204	9,652	1,636	30
Non-AIAN counties, 2010	88,261	5,793	53,906	44	13,992	4,035	191	8,782	1,491	27
Percent of Employees, 2010										
Total	100.0	7.2	55.5	1.1	13.2	4.4	2.4	12.1	3.8	0.2
AIAN counties	100.0	10.0	32.0	5.7	2.1	3.5	11.5	21.4	12.8	1.1
Non-AIAN counties	100.0	6.6	61.1	0.1	15.9	4.6	0.2	10.0	1.7	0.0

Source: U.S. Census Bureau, County Business Patterns 2000, 2007, 2010

sophisticated logging machinery to ensure that all parts of the tree are used. MTE is also planning a biomass electrical plant that will use forest waste to produce electricity (Thornton, n.d.; Trosper, 2007).

- The Chickasaw Nation owns and operates a wide variety of businesses. In 2000, the tribe purchased Bedré Fine Chocolate. The production facility, in Davis, Oklahoma, uses state-of-the-art machinery to ensure the ingredient mix is controlled, guaranteeing a superior and more consistent product. The Chickasaw Nation opened Bank2, a full-service community bank, in 2002. Headquartered in Oklahoma City since January 2002, the bank's assets have grown from $7.5 million to more than $100 million (Bank2, n.d.; Bedré Fine Chocolate, 2006; Chickasaw Nation, 2013).

The institutional infrastructure supporting the expansion of tribally owned enterprise has also strengthened since 2000. This includes new supports for networking and collaboration. One advance was the establishment of the American Indian Business Network (AIBN). The AIBN provides an opportunity for tribal businesses to showcase their products and interact with other business owners and potential customers. It also allows for networking among tribal leaders, Indian entrepreneurs, and other tribal government businesses.

Indian gaming—when tribes own and operate casinos—also continued to play an important role in the 2000s. In 2001, 201 of the 561 federally recognized tribes (36 percent) operated one or more gaming operations (Hillabrant, et al., 2004). According to the National Indian Gaming Association (NIGA) (2009), by 2006, 224 tribes (40 percent) operated gaming facilities. By the end of 2009, that number increased to 237 (42 percent).

The total number of gaming operations has also grown. The National Indian Gaming Commission (NIGC) reported in 2000 that about 311 tribal gaming enterprises were operating throughout the United States; by the end of 2006, the number rose to 394 nationwide. The number reached 421 at the end of fiscal year (FY) 2011 (NIGC, 2012b).

Exhibit 1.43 – Employment Trends in AIAN and Non-AIAN Counties by Study Region, 2000 to 2010

	United States	North Central	Eastern	Oklahoma	South Central	Plains	Arizona/ N. Mexico	Calif./ Nevada	Pacific Northwest	Alaska
Percent Employment Change per Year, 2000 to 2007 (Growth Period)										
Total	0.6	-0.4	0.3	1.0	0.9	1.3	2.7	1.0	1.4	2.4
AIAN counties	1.4	0.4	0.4	1.0	1.0	1.8	2.7	2.7	1.3	2.4
Non-AIAN counties	0.4	-0.6	0.3	1.4	0.9	1.2	3.0	0.2	1.6	2.7
Percent Employment Change per Year, 2007 to 2010 (Great Recession)										
Total	-2.5	-3.0	-2.5	-1.6	-1.2	-1.7	-4.3	-3.5	-2.7	0.9
AIAN counties	-3.0	-2.2	-2.6	-1.7	-0.2	-1.8	-4.5	-4.4	-2.5	1.4
Non-AIAN counties	-2.3	-3.3	-2.4	-0.2	-1.2	-1.7	-2.2	-3.1	-3.0	-3.2

Source: U.S. Census Bureau, County Business Patterns 2000, 2007, 2010

Gaming revenues have flourished as well. By the end of FY 2000, NIGC found that AIAN gaming enterprises generated about $11 billion in total revenues. Six years later, NIGC reported that revenues increased to about $24.9 billion for the 394 gaming facilities at the time. After that, gaming revenues rose and then leveled off in the $26 to $27 billion range. In 2011, revenues reached $27.2 billion from 421 gaming operations (NIGC, 2012b).

As noted earlier, gaming operations and revenues were very uneven across tribal areas in the 1990s. That continued to be the case in the 2000s. Exhibit 1.44 shows that a small number of enterprises have been highly successful, but the great majority has not been as fortunate. Of the 421 gaming facilities operating in 2011, one in every three generated less than $3 million in gaming revenues. Close to one-half generated between $10 million and $100 million, and less than one-fifth generated more than $100 million in gaming revenue.

Among the tribal gaming facilities, the 23 largest tribal enterprises (5 percent) generated about 38 percent of the total Indian gaming revenues, and the 78 largest (18 percent) accounted for close to 75 percent of all tribal gaming revenues.

NIGA (2011) conducted a more in-depth analysis and found that in addition to the $26 billion generated from gaming revenue in 2009, tribal governments also generated billions in other gaming-related services and taxes. For example, they report that tribal governments generated about $3.2 billion from gaming-related hospitality and entertainment services (that is, resorts, hotels, restaurants, golf, entertainment complexes, and travel centers); approximately $9.4 billion in federal taxes and revenue savings (including employer and employee Social Security taxes, income taxes, excise taxes, and savings on unemployment and welfare payments); and about $2.4 billion in state taxes, revenue sharing, and regulatory payments (including state income, sales, and excise taxes; regulatory payments; and revenue sharing pursuant to tribal-state compacts).

Tribal governments allocated the largest share of gaming revenues (20 percent)

Exhibit 1.44 – Gaming Operations by Revenue Size Category, 2011

			Percent		Dollar Amount (in Thousands)	
Gaming Revenue Range	Number of Tribal Gaming Operations	Revenues (in Thousands of Dollars)	Operations	Revenues	Mean	Median
Total	421	27,153,808				
$250 million and over	23	10,421,992	5.5	36.4	453,130	378,397
$100 to $250 million	55	9,065,678	13.1	33.4	164,831	156,252
$50 to $100 million	52	3,639,595	12.4	13.4	69,992	66,151
$25 to $50 million	55	1,902,860	13.4	7.0	34,597	32,784
$10 to $25 million	98	1,629,551	23.6	6.0	16,628	15,753
$3 to $10 million	70	413,441	16.6	1.5	5,906	5,525
Under $3 million	68	80,691	16.2	0.3	1,187	1,010

Note: Data are compiled from gaming operation audit reports received and entered by the NIGC through June 20, 2012.
Source: National Indian Gaming Commission 2012a.

toward education, children and the elderly, culture, charity, and other purposes; 19 percent to economic development; 17 percent for both healthcare and police and fire protection; and 16 percent for infrastructure. Housing received the smallest share (11 percent) (NIGA, 2009).

Gaming has also had an impact on employment. Tribal gaming created more than 628,000 direct and indirect jobs for tribal and surrounding communities (NIGA, 2009). These numbers are based on estimates derived from economic models of regional economies that use multipliers to estimate the impacts of inputs such as dollars invested. These jobs include level-one jobs (jobs that are directly created by Indian gaming facilities themselves, the ancillary businesses connected to the gaming facilities, and other tribal government and enterprise positions); level-two jobs (those supported by tribal employees spending their wages); and level-three jobs (those created indirectly, assuming that 75 percent of goods and services were purchased locally and 25 percent outside the region).

The benefits from Indian gaming may not be as secure as in the past, however, as the future appears to hold more competition. In some places, it seems likely that state government prohibitions will be relaxed to permit the expansion of private casino-style gaming outside of Indian areas. More threatening, perhaps, may be the movement toward legalizing Internet gaming (which would give states the ability to regulate and tax online gaming, even on reservations). This would allow people to play games like poker on their mobile devices whenever and wherever they want. In June 2012, Delaware became the first state to legalize casino-style gambling on the Internet. These shifts highlight the importance of efforts to diversify tribally owned enterprises and encourage entrepreneurship among the AIAN population more broadly.

1.5. Diversity Among Tribal Areas

The last two sections offer some grounds for optimism. Since 2000, the gaps for some measures (for example, unemployment rate, poverty rate) have narrowed somewhat, and a vigorous new spirit of enterprise in many tribal areas seems to be creating a foundation for better times ahead; however, troubling conditions remain. As has been the case since reliable measurement in this country began, the economic circumstances of the AIAN population remain more problematic than those of other Americans almost everywhere, and those in tribal areas remain more dire than for AIAN people in the rest of the United States.

As Kingsley et al. (1996) pointed out, however, conditions in tribal areas vary from each other dramatically. Some are much better off, and are on significantly better growth trajectories, than others. This section uses selected demographic, economic, and other indicators, to examine tribal area diversity in this new century and to see if these conclusions still hold. A regression analysis was conducted to test the association of these indicators, described in later sections, with three dependent variables: (1) percent of households considered overcrowded, (2) percent of households considered cost burdened, and (3) percent of households without complete plumbing facilities.

To analyze such diversity, Kingsley et al. (1996) used 1990 census data that covered virtually all tribal areas. Smaller sample sizes in the ACS prevent reliable reporting of conditions in many smaller tribal areas; yet, as explained by Pettit et al. 2014, p.50), the Census Bureau's selected population tables

for the 2006–2010 ACS do report relevant indicators individually for tribal areas with sufficiently large AIAN populations. Such data are available for 230 of the 617 total tribal areas, which account for a very high share of the total tribal area AIAN-alone population nationwide.

This analysis assesses tribal diversity using a slightly smaller group: 213 of the 230 tribal areas (records were deleted for state-designated tribal areas that are not IHBG grantees and for others where major redefinitions of boundaries between 2000 and 2010 made it impossible to present reliable comparisons over time). These 213 areas had a 2010 AIAN-alone population of 861,000, the equivalent of 89 percent of the total AIAN-alone population in tribal areas. The 2010 AIAN-alone populations of these areas ranged from the smallest at 155 to 166,800 (Navajo, which, as pointed out earlier, is by far the nation's largest tribal area).

Indicators and Hypotheses

For these 213 tribal areas, the analysis includes eight indicators that might influence tribal economic well-being and, thereby, housing conditions, and analyzed their association with three direct measures of housing conditions. Data for all but gaming were derived from the 2000 census, the 2010 census, and/or the 2006–2010 ACS. The source of gaming data is NIGC (2012b).

The eight indicators are—

1. ***Population size*** (the area's total 2010 AIAN-alone population). As shown on exhibit 1.51, the median population was 890. The middle half of the distribution ranged from 494 (25th percentile) to 2,906 (75th percentile).

2. ***Population growth*** (percentage change in the area's AIAN-alone population from 2000 to 2010). The median growth rate was +6.2 percent but the rates for the middle half of the distribution ranged from -2.5 to +17.1 percent.

3. ***Income ratio*** (ratio of the tribal area's AIAN-alone median household income to the median household income for rural areas in its state as of the 2006-to-2010 period). The median value was 0.52 with the middle half of the distribution falling between 0.42 and 0.68.

4. ***Income change*** (percent change in the area's AIAN-alone median income from 2000 to the 2006-to-2010 period). The median value was -2.0 percent but the middle half of the distribution ranged from -20.3 to 14.7 percent.

5. ***Private employment*** (among the area's AIAN-alone population, the percent that are private-sector employees—as of the 2006-to-2010 period). The median was 11.8 percent but the middle half fell between 7.0 and 17.2 percent.

6. ***High school graduates*** (among the area's AIAN-alone population 25 years of age or older, the percentage that have high school diplomas—as of the 2006-to-2010 period). The median value was 79.6 percent but the middle half of the distribution ranged from 72.2 to 85.0 percent.

7. ***Gaming*** (Yes, if the tribe had at least one gaming establishment as of March 2011).

8. ***Remoteness*** (the distance in miles between the centroid of the geography of the tribal area and the nearest census "place" with a 2010 population of 100,000 or more). The median value was 88 miles with the middle half of the distribution falling between 48 and 258 miles. As an indicator of "remoteness," Kingsley et al. (1996) found that a similar distance measure was a significant predictor of 1990 economic outcomes in tribal areas.

The analysis also included three indicators of housing problems whose values are likely to be influenced by the indicators noted previously. All of these indicators are derived from the 2006–2010 ACS. These indicators will be examined in much more depth in section 2 of this report.

- ***Cost burden*** (the tribal area's share of AIAN-alone households paying more than 30 percent of their income for housing. The median value was 24 percent, with the middle half of the distribution ranging from 17 to 30 percent).
- ***Overcrowding*** (the percent of AIAN-alone households in the tribal area with more than one person per room). The median was 8.9 percent with the middle half ranging from 4.5 to 17.9 percent.
- ***Lack of plumbing*** (the share of the tribal area's AIAN-alone households that lack complete plumbing facilities). Median of 1.3 percent, with the middle half ranging between 0.0 and 6.0 percent.

Regarding the first eight indicators, the hypothesis is that a tribal area is likely to be better off with respect to the three indicators of housing problems if it has a large AIAN-alone population, if that population is growing rapidly, if its AIAN-alone income is more than that for the rural portions of its state, if that income is growing rapidly, if private-sector employees make up a large share of its population, if high school graduates account for a large share of its adult population, if it has at least one gaming establishment and if it is located close to a large city. The private-sector employment indicator should be interpreted with caution, however, because three types of employment exist in Indian Country: (1) private, (2) public, and (3) state-owned or tribally owned enterprise. Employment data for this last category is not available separately, and may be included in totals for private- and public-sector employment, depending on definitions used by tribes or states. Such definitions are not uniformly applied. For

Exhibit 1.51 – Indicators Related to Tribal Area Diversity

	Mean	Median 50th Percentile	25th Percentile	75th Percentile	Coeff. Of variation	Standard deviation	Minimum	Maximum
Independent variables								
Population size	4,041	890	494	2,906	3.59	14,499	155	166,824
Population growth	9.0	6.2	(2.5)	17.1	2.28	20.4	(33.6)	113.0
Income Ratio	0.57	0.52	0.42	0.68	0.37	0.21	0.20	1.38
Income change	(0.6)	(2.0)	(20.3)	14.7	(54.24)	29.9	(67.5)	146.7
Private employment	13.3	11.8	7.0	17.2	0.58	7.7	2.3	44.2
High school graduates	78.5	79.6	72.2	85.0	0.12	9.1	52.6	96.1
Gaming	0.6	1.0	-	1.0	0.81	0.5	-	1.0
Remoteness	202	88	48	258	1.12	225	3	857
Housing problem indicators								
Cost burden	23.6	23.6	16.7	29.7	0.44	10.4	3.9	58.6
Overcrowding	14.5	8.9	4.5	17.9	1.08	15.6	-	70.7
Lack plumbing	7.3	1.3	-	6.0	2.40	17.6	-	100.0

Note: Data cover 213 larger tribal areas. See text for explanation and definition of indicators.

Sources: U.S. Census Bureau, decennial census 2000 and 2010, American Community Survey 2006-10 5-Year Estimates, 2006-10 Selected Population Tables, and NIGC address data.

example, New Mexico classifies gaming employment as government employment.

Regarding the housing indicators, the hypothesis is that physical housing problem measures (overcrowding and lack of plumbing) are positively correlated with each other and negatively correlated with cost burden. Cost burdens are generally higher in places where economies are strong and housing costs are high—the opposite of the pattern for physical housing problems.

Diversity and Correlation Analysis

The data indicate that conditions in U.S. tribal areas remain extremely diverse. This was suggested by the previous discussion, showing the wide interquartile ranges (range between values at the 25th and 75th percentiles, covering the middle half of the distribution of larger tribal areas) for most of the indicators. The conclusion is strongly reinforced by the data in exhibit 1.51 on coefficients of variation (standard deviation divided by the mean) for each indicator.

The smallest of these (indicating the least variation or diversity) is for the percent of adults that have high school degrees (0.12). Other coefficients that fall below 1.00 are for the income ratio (.37), cost burden (0.44), the private-employment percentage (0.58), and gaming (0.81). At the other extreme, those that exhibit the most diversity are income change (54.24), population size (3.59), lacking plumbing facilities (2.40), and population growth (2.28).

Although many of the relationships between individual indicators on the correlation matrix (exhibit 1.52) are weak, these numbers generally confirm most of the hypotheses noted previously. The strongest relationship on the table, as expected, is the high correlation between overcrowding and lack of plumbing facilities (correlation coefficient of 0.66). Although the coefficients are low, these two variables are negatively correlated with cost burden—again as expected.

Fairly strong correlations also exist between the physical housing problems and several other indicators. A strong, positive relationship exists between overcrowding and remoteness (0.62), and inverse relationships are evident between overcrowding and gaming (-0.44), high school graduation rates (-0.37), and private-employment rates (-0.43). In other words, physical housing problems are likely to be worse in tribal areas that are more remote and not as bad in tribal areas that have gaming and higher rates of high school graduation and private employment.

Mapping Analysis

The maps in exhibits 1.53 through 1.56 plot the geographical distributions of the top and bottom quartiles of the 213 larger tribal areas for four of these indicators.

Comparative ***rates of population change*** do not show a distinct regional pattern (exhibit 1.53). Tribal areas with the fastest population growth and those with the sharpest population losses are in all parts of the country, although some concentrations exist. Many of the most rapidly growing areas are in the Midwest (from Oklahoma north through Minnesota and Michigan) and in the Pacific Northwest, and many with the most serious loss rates are in Arizona and Alaska.

Regional patterns are clearer regarding the ***share of the tribal area population with private-sector jobs***. This is a reasonably good indicator of economic well-being (exhibit 1.54), keeping in mind the caveat that classification of employment in tribally owned enterprises is likely to vary across the country. The top quartile for private-employment percentage (17 percent or more) is most clustered in Oklahoma, with secondary clusters in New Mexico, Michigan

and the Carolinas. Clusters from the quartile ranking lowest by this indicator (less than 7 percent) are in Arizona and the Plains states. It is interesting that Alaska has clusters at both ends of the spectrum for this measure. Several tribal areas with high private-sector employment are found along the state's southern coast, but those with lower private-sector employment are found along the state's north and northwest coasts.

The pattern for ***overcrowding*** is essentially the reverse of that for private employment. Many of the tribal areas with the highest rates of overcrowding are in Arizona, the Plains states and the north/north west coast of Alaska. As noted in section 1.3, these same regions also stand out in terms of high AIAN poverty rates. Clusters in the lowest quartile for overcrowding occur in Oklahoma, the north central and northeast regions, Nevada and the Pacific Northwest.

As expected, areas with high overcrowding rates tend to have lower rates of **housing cost burden**. Clusters of tribal areas with the highest cost burdens occur in Oklahoma, Minnesota and Michigan, and the Pacific Northwest. Those where the cost burden problem is least serious are most clustered in Arizona/New Mexico and Alaska.

Regression Analysis

To further test these relationships, this study conducted a regression analysis, assigning the three housing problem indicators (cost burden, overcrowding, and lack of plumbing) as dependent variables, and all other indicators as independent variables.

The analysis is presented in full in appendix C. It generally confirmed expectations based on the previous discussion. Results were strongest for the relationship between the independent variables and overcrowding,

Exhibit 1.52 – Correlation Matrix: Indicators Related to Tribal Area Diversity

	Independent variables								Housing problem indicators		
	Popul. size	Popul. growth	Income ratio	Income change	Private employ.	High school	Gaming	Remote-ness	Cost burden	Over-crowded	Lack plumbing
Independent variables											
Population size	1.00	-	-	-	-	-	-	-	-	-	-
Population growth	0.01	1.00	-	-	-	-	-	-	-	-	-
Income ratio	(0.46)	0.17	1.00	-	-	-	-	-	-	-	-
Income change	0.00	0.11	0.56	1.00	-	-	-	-	-	-	-
Private employment	0.12	0.16	0.19	(0.03)	1.00	-	-	-	-	-	-
High school graduates	(0.10)	(0.00)	0.09	0.04	0.27	1.00	-	-	-	-	-
Gaming	0.12	0.14	(0.01)	0.06	0.17	0.18	1.00	-	-	-	-
Remoteness	(0.13)	(0.31)	(0.06)	(0.13)	(0.26)	0.00	(0.59)	1.00	-	-	-
Housing problem indicators											
Cost burden	0.03	(0.01)	(0.36)	(0.27)	0.12	0.13	0.08	(0.03)	1.00	-	-
Overcrowded	(0.05)	(0.07)	(0.04)	0.09	(0.43)	(0.37)	(0.44)	0.62	(0.14)	1.00	-
Lack plumbing	(0.01)	(0.13)	(0.10)	0.05	(0.28)	(0.21)	(0.39)	0.52	(0.11)	0.66	1.00

Note: Data cover 213 larger tribal areas. See text for explanation and definition of indicators.

Sources: U.S. Census Bureau, decennial census 2000 and 2010, American Community Survey 2006-10 5-Year Estimates, 2006-10 Selected Population Tables, and NIGC address data.

Exhibit 1.53 – Highest and Lowest Percent Change in Population, 2000–2010

AIAN-alone households, 213 Larger Tribal Areas

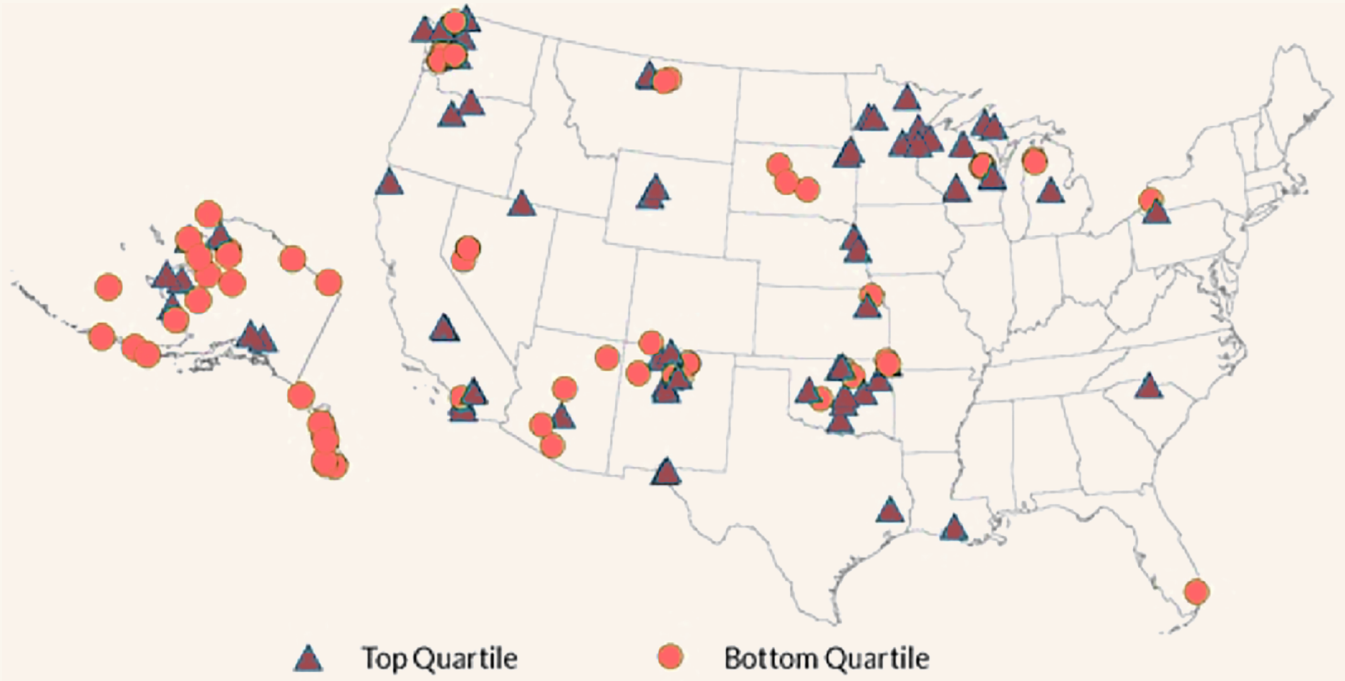


Exhibit 1.54 – Highest and Lowest Percent of Population Employed in the Private Sector, 2006 to 2010

AIAN-alone households, 213 Larger Tribal Areas

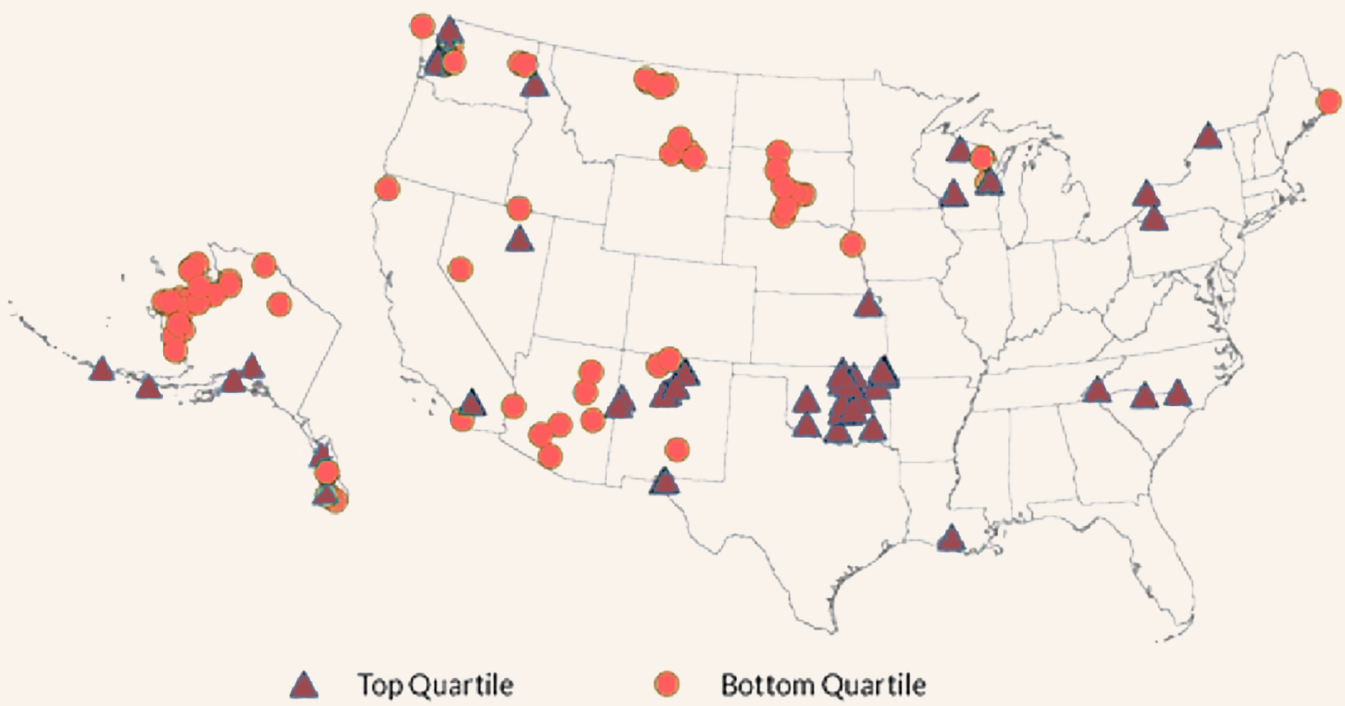


Exhibit 1.55 – Highest and Lowest Percent of Households Overcrowded, 2006 to 2010

AIAN-alone households, 213 Larger Tribal Areas

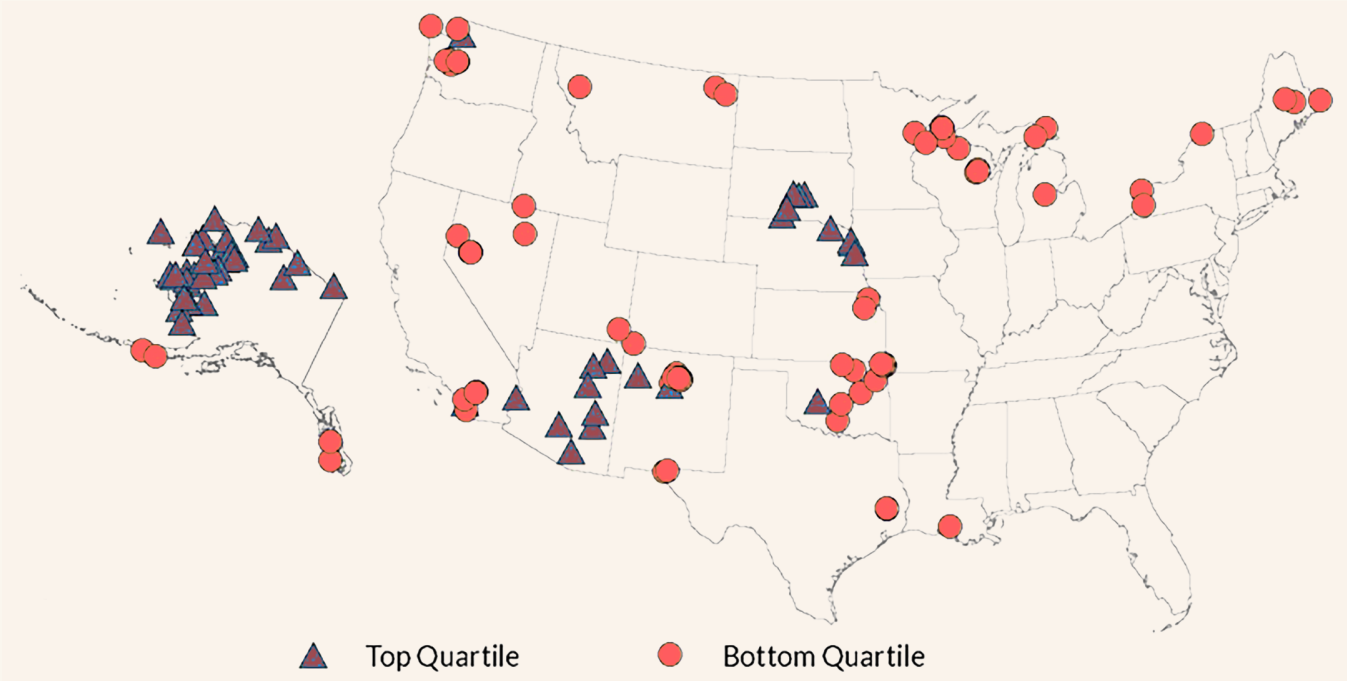
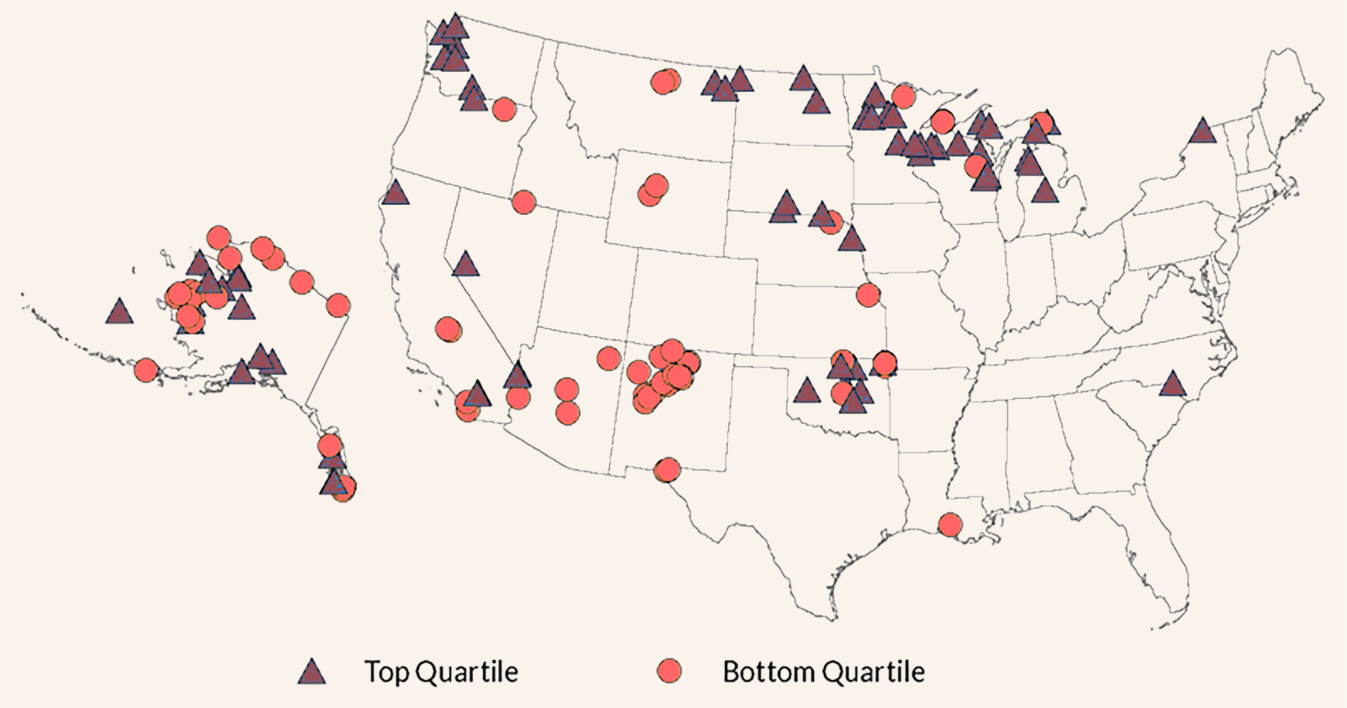


Exhibit 1.56 – Highest and Lowest Percent of Households Paying More Than 30 Percent of Income for Housing, 2006 to 2010

AIAN-alone households, 213 Larger Tribal Areas



producing an adjusted R^2 of 0.52. Median income growth, population growth, the percent of the AIAN population with at least a high school education, the rate of AIAN private employment, and remoteness were all statistically significant (0.05 level). The relationship between overcrowding and both remoteness and population growth was positive, indicating that overcrowding increased as distance from the nearest large population center increased and population growth increased. Private employment and the percent of the population with a high school education, on the other hand, had a negative relationship with overcrowding. The relationship between income growth and overcrowding was positive (higher growth rates are associated with higher rates of overcrowding), which is unexpected, but the effect was relatively small.

Exhibit 1.57 – Diversity Among Tribal Areas, Regression Results

	Dependent Variable								
	Overcrowding			Plumbing Deficiency			Cost Burden		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Intercept	37.97***	35.65***	61.08***	20.39**	16.64	41.87***	18.39***	19.25***	19.93***
	-7.458	-7.351	-7.992	-10.061	-9.944	-10.038	-6.571	-6.442	-6.090
Ratio of AIAN median income to state rural median income	-5.40	-5.03	-2.95	-14.52**	-13.93**	-12.24	-18.63***	-18.76***	-18.46***
	-4.511	-4.523	-5.197	-6.085	-6.119	-6.527	-3.974	-3.964	-3.960
Pct growth AIAN median HH income	0.1***	0.1***	0.07	0.12***	0.12***	0.09**	-0.02	-0.02	-0.02
	-0.031	-0.031	-0.036	-0.042	-0.042	-0.045	-0.027	-0.027	-0.027
AIAN private employees per 100 AIAN population	-0.49***	-0.5***	-0.6***	-0.25	-0.26	-0.35**	0.21**	0.21**	0.2**
	-0.107	-0.108	-0.123	-0.145	-0.146	-0.155	-0.095	-0.095	-0.094
AIAN population (norm.)	0.08	0.07	0.02	0.13	0.11	0.07	0.00	0.01	0.00
	-0.088	-0.088	-0.102	-0.119	-0.120	-0.128	-0.078	-0.078	-0.077
Pct growth AIAN population	0.11***	0.11***	0.02	0.04	0.04	-0.04	0.02	0.02	0.02
	-0.039	-0.039	-0.044	-0.053	-0.053	-0.055	-0.035	-0.034	-0.033
Pct of AIAN population 25+ with at least HS degree	-0.26***	-0.27***	-0.38***	-0.07	-0.08	-0.19	0.15	0.15	0.14
	-0.089	-0.089	-0.101	-0.119	-0.120	-0.127	-0.078	-0.078	-0.077
Gaming	-3.08		-11.62***	-4.99		-12.92***	1.14		0.58
	-1.892		-1.836	-2.553		-2.305	-1.667		-1.399
Remoteness (norm.)	0.31***	0.35***		0.29***	0.35***		0.02	0.01	
	-0.038	-0.032		-0.051	-0.043		-0.033	-0.028	
Adjusted R^2	0.52	0.52	0.36	0.31	0.31	0.21	0.16	0.16	0.16

Model 1: All Indicators; Model 2: Gaming indicator excluded; Model 3: Remoteness indicator excluded

***p<0.01

** p<0.05

Source: Urban Institute Household Survey 2013-2015

The impact of gaming operations on overcrowding was not significant. Given the relatively strong negative correlation between gaming and remoteness, it appears that remoteness is the more decisive factor affecting overcrowding.

The AIAN populations most likely to experience overcrowded conditions are in more remote communities where private-sector employment is at the lower end of the range, education levels are low, and population growth is relatively high; communities with higher-income growth also tend to be more overcrowded.

Part 2. Housing Conditions and Needs

2.1. Introduction

Part 2 is the heart of this report. It examines evidence from several sources on the changing housing circumstances of American Indian and Alaska Native (AIAN) populations. It looks at general conditions of the housing in which AIAN families reside and also their housing problems and needs. It focuses on conditions in tribal areas and the counties that surround them. It offers new insights on the definition of overcrowding and homelessness in Indian Country.[28] In addition, because homeownership is seen as a key policy issue, it looks in some depth at homeownership trends in tribal areas and how the residents of those areas regard the importance of owning their own homes.

Section 2.2 reviews general characteristics that describe housing in Indian Country. The section begins by presenting data on the growth of the total housing stock and changes in vacancy rates in tribal areas between 1990 and 2010, contrasting trends in different regions. It then reviews trends in several descriptive characteristics—the distribution of the stock by tenure, structure type, age of structure, unit size, and home values and rent levels—also considering regional variations when possible. Although much of the material in this section is based on census data adapted from this project's interim report (Pettit et al., 2014), it also adds interpretive information on these topics, when possible, from the surveys and interviews in Indian Country.

Section 2.3 presents findings related to the central questions that motivated this assessment: What are the housing problems and needs of tribal area AIAN populations and how have they changed during the past two decades? It opens with a framework that defines the various attributes of housing that, consistent with national standards, are regarded as problems, and how they may be looked at together. The section next presents the objective findings at the national level drawn from the household survey. The household survey is the only data source that provides authoritative information on all dimensions of housing problems and needs in Indian Country. The household survey uses a nationally representative sample to create national estimates of housing needs for all of Indian Country, including the Alaska tribal areas. Census data cover only some of the dimensions, so are reviewed next because they permit analysis of regional variations, which the national household survey sample does not.

This section then presents information from the household survey on how tribal area residents view their current housing conditions, including levels of satisfaction overall and their views about the extent to which their housing reflects and is sensitive to their tribal culture. The section closes by examining the views of tribal area housing administrators on housing conditions in tribal areas.

One of the most complex sets of housing issues in Indian Country lies in the relationship between overcrowding and homelessness. AIAN households are larger, on average, than non-AIAN households, in part due to the fact that more of them are multigenerational by choice. Some say that AIAN families are often willing to accept some overcrowding to keep their extended families together under one roof, but more housing options might allow families to stay together without overcrowding. The belief is

28 "Indian Country" is used in the common colloquial sense to mean tribal areas, including Alaska Native villages.

common, however, that some households are also taking in individuals who are not family members and would otherwise be homeless. What are appropriate guidelines for policy in these circumstances? These interrelated issues are explored in section 2.4, bringing together census data on household types and sizes along with household survey data on variations in household composition in various types of housing, and views on these topics gleaned from the tribal/TDHE survey and onsite interviews.

After a more complete examination of homeownership levels and trends by region using census data, part 2 closes with section 2.5, drawing mostly on the household and tribal/TDHE survey and interviews conducted with officials and community leaders on site visits. It reviews the extent of preferences for homeownership in Indian Country and the factors that influence the degree to which those preferences are being realized (for example, land problems and other barriers to mortgage lending). Again, current conditions are explored, while considering recent trends and future potential.

2.2. Housing Characteristics

This section describes general characteristics of housing occupied by American Indians and Alaska Natives. As such it provides understanding of the overall housing context that sets the stage for our deeper analysis of housing problems and needs in the section to follow. This section covers a range of topics that are key to understanding context: the overall size of the housing stock, vacancy rates, tenure (renter versus owner), structure type, age of structure, unit size, home values, and rent levels. The focus is on tribal areas and their surrounding counties, but the section compares conditions there with those in other parts of the country where it seems most valuable to do so.

Full decennial census data (2000 and 2010) fortunately are available for three of these measures (housing stock size, vacancy rates and tenure) and the Census Bureau releases data for all the geographies of interest on structure type. For the other measures, however, the Census Bureau releases American Community Survey (ACS) data only via its selected population tables (noted in section 1.5 and explained more fully in later sections), and this means the data are not available for all tribal areas but only for 230 of the larger areas.

The Housing Stock in Indian Country

Because 6 out of 10 AIAN people live in tribal areas or the surrounding counties, understanding AIAN housing conditions should begin with reviewing the context of the overall housing markets in those areas—housing stock that accommodates non-AIAN and also AIAN households. The number of housing units in tribal areas totaled 2.1 million in 2010, representing an 8.1 percent increase over the number in 2000. This growth rate was considerably slower than the 14 percent experienced for the U.S. housing stock as a whole, but this is to be expected given the slower rate of overall population growth in tribal areas.

Tribal areas in some regions, however, did experience more rapid net increases in total housing stock (exhibit 2.21). The number of tribal area housing units in Alaska increased by a rapid 24 percent. At the other extreme, about 1,000 units were lost in Arizona/New Mexico tribal areas, a 0.7 percent reduction. The growth rates for tribal areas in the remaining regions ranged from 1.5 (South Central) to 15 (Pacific Northwest) percent.

By contrast with the slower tribal area increases, the surrounding counties experienced higher growth than the national average. In these counties, units increased by

15 percent, climbing to a total of 25 million housing units in 2010. The high growth rate of housing in surrounding counties was driven largely by growth in three regions: Plains and California/Nevada saw growth rates of 22 percent, and those in the Arizona/New Mexico region rose by 29 percent.

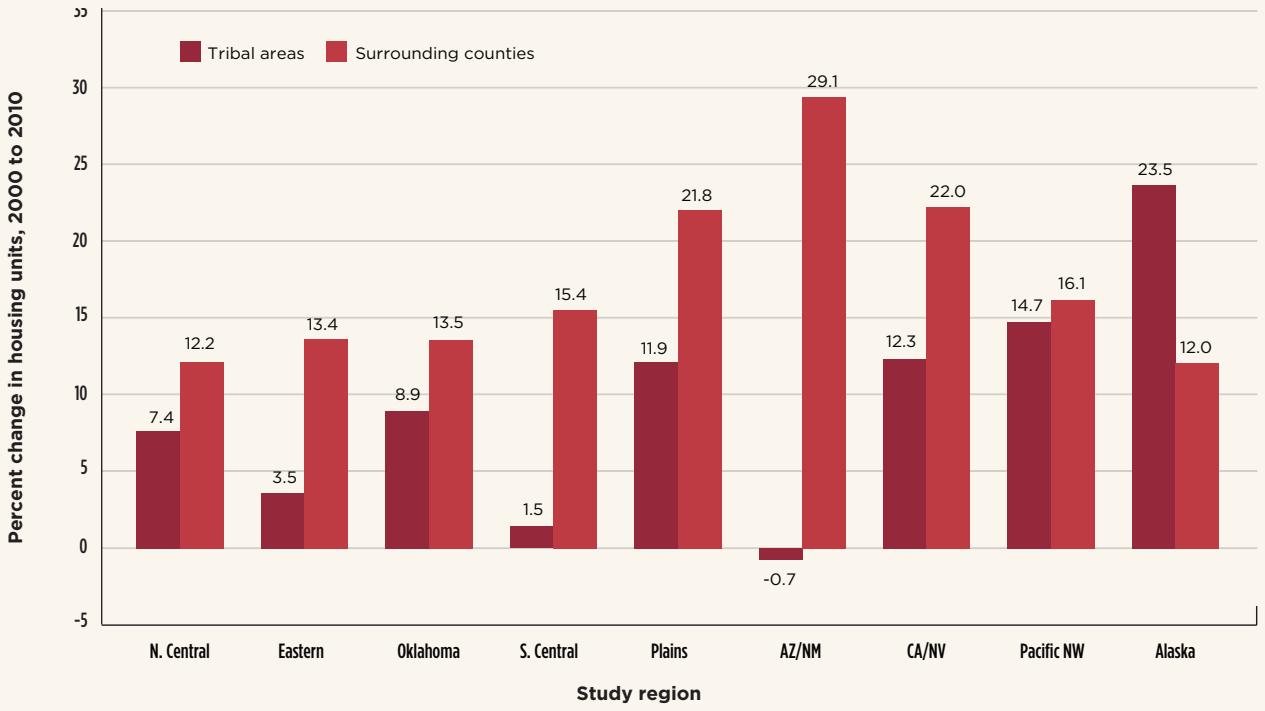
Vacancy Rates

The last decennial census defined vacant housing units as those habitable units that were absent of occupants as of April 1, 2010. The vacancy rate for tribal areas reached 14 percent in 2010, higher than the average U.S. rate of 11 percent. The vacancy rate for surrounding counties was in between, at 13 percent. The vacancy rate in tribal areas went up a very small 0.4 percentage points from 2000 to 2010, but the surrounding counties and the U.S. rates rose by about 2.4 percentage points (exhibit 2.22). The tribal areas' comparatively slow building rate during the decade may have cushioned them somewhat from the severe damage related to overbuilding (for example, vacancies due to unfinished units or foreclosures) felt in many areas due to the U.S. housing market crash.

Like changes in housing stock, the vacancy rates for tribal areas vary widely by region (exhibit 2.23). The highest vacancy rate for tribal areas in 2010 was found in California/Nevada, where 31 percent of housing units stood empty (a slight decline from 34 percent in 2000). The lowest vacancy rates occurred in South Central tribal areas: 9.3 percent, which was lower than the national average.

South Central was one of four regions where vacancies decreased during the decade.

Exhibit 2.21 – Percent Change in Housing Units by Area Type and Study Region, 2000 to 2010



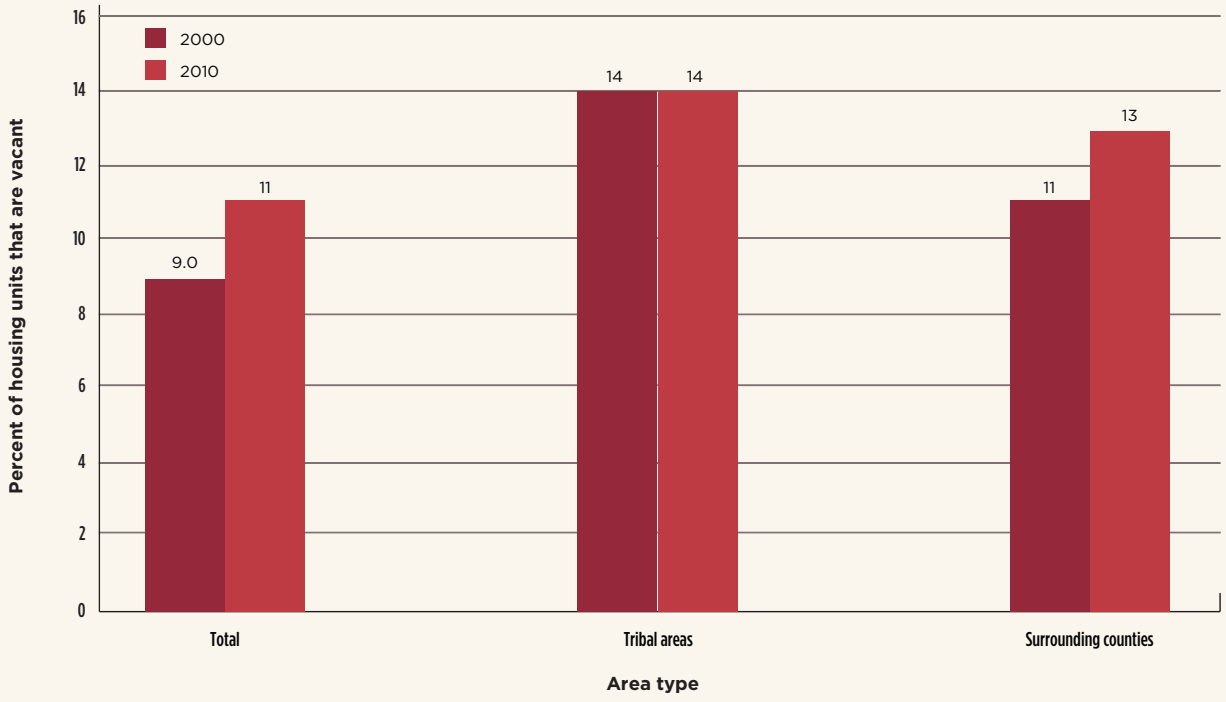
Source: U.S. Census Bureau, decennial census 2000 and 2010

Tribal areas in Arizona/New Mexico present the most extreme case—the vacancy rate dropped by 5.4 points to a still high 19 percent in 2010. This improvement went counter to the overall experience in this region, where the average vacancy rate rose by 2.2 percentage points.

On the other hand, the vacancy rates rose for tribal areas in the North Central region (up nearly 2 points to 24 percent). That region also saw the highest overall increase in vacancy rates, up by 3.4 points to 13, according to U.S. census data.

A high vacancy rate in a given area does not preclude a shortage of housing existing for particular groups in that area. The units that are vacant might not be useable by low-income AIAN families for cost, structural, or locational reasons. The vacant units may be too expensive, too small for larger households, of poorer quality than other housing stock in the area, or far from employment centers. In fact, analysis later in this section indicates a shortage of affordable housing for the low-income AIAN population in tribal areas. This finding is consistent with an interim evaluation of the Indian Housing Block Grant (IHBG) program that found that 70 percent of the tribal areas in their study reported vacancy rates of less than 5 percent for IHBG housing (Van Otten et al., 2009). The interviews of local housing officials and community leaders conducted as part of this study reported housing shortages due to budget constraints, inadequate infrastructure, planning and permitting delays, and lack of developable land. Understanding the dynamics of tribal housing markets may inform plans on how to address AIAN housing problems discussed later in the section.

Exhibit 2.22 – Vacancy Rates by Area Type, 2000 to 2010



Source: U.S. Census Bureau, decennial census 2000 and 2010

Exhibit 2.23 – Housing Market Indicators by Area Type and Study Region, 2000 to 2010

	United States	North Central	Eastern	Okla-homa	South Central	Plains	Arizona N.Mexico	Calif.-Nevada	Pacific Northwest	Alaska
Percent Change in Housing Units, 2000 to 2010										
Tribal Areas	8.1	7.4	3.5	8.9	1.5	11.9	-0.7	12.3	14.7	23.5
Surrounding Counties	17.8	12.2	13.4	13.5	15.4	21.8	29.1	22.0	16.1	12.0
Vacancy Rates, 2010										
Tribal Areas	14.4	24.1	10.4	13.3	9.3	19.9	18.6	31.3	16.6	21.8
Surrounding Counties	13.0	17.4	13.9	9.4	9.6	12.2	15.4	11.1	9.2	12.6
Percentage Point Change in Vacancy Rates, 2000 to 2010										
Tribal Areas	0.4	1.9	-0.7	1.2	-1.8	2.0	-5.4	-2.5	2.7	1.0
Surrounding Counties	2.5	2.8	2.9	0.4	-0.8	1.2	2.9	2.6	1.8	0.1

Source: U.S. Census Bureau, decennial census 2000 and 2010.

Tenure (Renter versus Homeowner Occupancy)

As of 2010 more than 509,000 AIAN households owned their homes nationwide. This number increased significantly from 2000 to 2010, up by 16 percent compared with an 8 percent increase for non-AIAN households. The national AIAN homeownership rate of 54 percent, however, is still considerably lower than the non-AIAN rate of 65 percent.

AIAN homeownership rates in tribal areas are quite high—67 percent in 2010.[29] The tribal area rate dropped by about 1 percentage point from 2000 to 2012, similar to the overall change for the nation. Although the AIAN homeownership rate decreased in the United States as a whole, rates actually increased in some regions. AIAN homeownership rates in tribal areas ranged from 54 percent in the Plains region in 2010 to 77 percent in the Arizona/New Mexico region (exhibit 2.24). Tribal area homeownership rates declined notably during the decade in the North Central, Eastern, South Central, Pacific Northwest, and Alaska regions while remaining steady or increasing slightly in other regions.

As discussed in the Kingsley et al. (1996) report, the lower homeownership rate is due to many barriers experienced by AIANs. These barriers include economic and geographic isolation; legal issues stemming from limited rights over land; reluctance of private lenders to engage a tenuous market; and low incomes, poor credit histories, and lack of financial literacy among potential homebuyers, among other barriers (Kolluri and Rengert, 2000; Listokin, Leichenko, and King, 2006; Todd and Burlon, 2009).

The causes of a lower homeownership rate vary greatly by region and area type. For example, research found that

29 The U.S. Census Bureau defines a unit as being owner occupied if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. This definition includes HUD Mutual Help homes, because a family's monthly payments are credited to an equity account that is used to purchase the home.

Exhibit 2.24 – Tenure, AIAN-Alone Households in Tribal Areas, 2000–2010

	US Total	North Central	Eastern	Oklahoma	South Central	Plains	Arizona-New Mexico	California-Nevada	Pacific Northwest	Alaska
Households (thousands)										
2000										
Renter	81.2	4.9	7.7	25.2	1.4	14.8	16.3	2.3	4.0	4.7
Homeowner	177.9	6.9	23.6	50.3	4.0	16.7	52.7	5.4	7.5	10.8
Total	259.1	11.8	31.3	75.5	5.5	31.5	69.0	7.6	11.5	15.5
2010										
Renter	95.8	6.1	10.5	30.3	1.3	16.1	17.3	2.7	4.8	6.8
Homeowner	198.1	7.7	25.7	59.9	3.1	18.6	56.9	6.3	7.8	12.1
Total	293.9	13.8	36.2	90.2	4.4	34.7	74.2	8.9	12.6	18.9
Percent Homeowner										
2000	68.7	58.5	75.5	66.6	74.0	53.1	76.3	70.3	65.4	69.7
2010	67.4	55.9	70.9	66.4	71.0	53.6	76.7	70.2	61.9	64.0
2000-2010 Pct. Change										
Renter	18.0	24.5	37.6	20.4	(10.4)	8.8	5.7	17.6	21.0	44.9
Homeowner	11.4	12.1	8.8	19.2	(23.0)	11.0	8.1	17.1	3.9	12.3
Total	13.5	17.2	15.8	19.6	(19.7)	10.0	7.5	17.2	9.8	22.2

Source: U.S. Census Bureau, decennial census 2000 and 2010.

in the Ninth Federal Reserve District, the low ownership rate for American Indian households is explained only in part by low incomes. Even when controlling for income and housing quality, gaps in the homeownership rates remain between reservations in this district and those in other areas, and between large and small reservations (Todd and Burlon, 2009).[30]

Structure Type

Across the area types and racial groups, more households reside in single-family, detached homes than other types of housing, and this rate has grown during the past decade. (See text box, Housing Structures.) About 63 percent of all U.S. households lived in detached homes during the 2006-to-2010 period, and about 60 percent of AIAN households did so. This rate has risen by 2.6 percent for AIAN and 1.8 percent for non-AIAN households since 2000.

The gap nationwide between AIAN and non-AIAN likelihood of living in single-family detached homes is relatively small, but the overall values mask major geographic differences. In tribal areas, nearly three-fourths of AIAN-alone households live in single-family detached homes (exhibit 2.25). In the surrounding counties and other metropolitan areas, a little more than one-half of the AIAN households live in single-family detached homes. The greatest difference is between AIAN households and non-AIAN households in surrounding counties, where the AIAN rate is about 12 percentage points below the non-AIAN rate.

30 See section 2.5 for a discussion of factors affecting homeownership.

Another striking difference in housing type between AIAN and non-AIAN households is in the shares that live in "other types of housing," which includes mobile homes and recreational vehicles (RVs). During the 2006-to-2010 period, 13 percent of AIAN households resided in these types of homes, twice the rate of non-AIAN households. Across area types, the share of AIANs living in mobile homes or other housing was highest in tribal areas (17 percent) and other nonmetropolitan counties (18 percent). The shares in surrounding counties and other metropolitan areas were lower at 13 and 8 percent, respectively. The rates of AIAN households living in these other structure types are higher than those for non-AIAN households in all area types, but the largest difference of 6.3 points is in the surrounding counties.

AIAN households residing in mobile homes or RVs have decreased by 1.6 percentage points overall and in all area types since 2000. The biggest decrease was seen in nonmetropolitan areas, where the percent residing in other types of housing dropped from 23 in 2000 to 18 in the 2006-to-2010 period. The rates in the remaining area types each dropped between 1 and 2 points.

Mobile homes are often the cheapest form of housing and are easiest to acquire in rural areas due to the limited availability of traditional housing contractors and developers (George et al., 2002). Further, the regulatory environment in tribal areas is generally not conducive to private land ownership; most land is held in trust by the U.S. government, so financing for housing construction is challenging. Nonpermanent housing structures offer a solution to this common problem. Although such housing might provide the population with needed low-cost shelter, these homes are less valuable as an asset than more permanently built homes and more vulnerable to environmental elements (Cooper, 2011).

Other Indicators

As mentioned previously, the Census Bureau does not provide full ACS estimates for standard geographies used for the remaining indicators reviewed in this subsection (age of structure and unit size; home values and rents). This study accordingly reports data on these indicators from the 2006–2010 ACS selected population tables. In these tables, the data for the AIAN-alone population are provided only for the tribal areas and counties that have a population of at least

Housing Structures

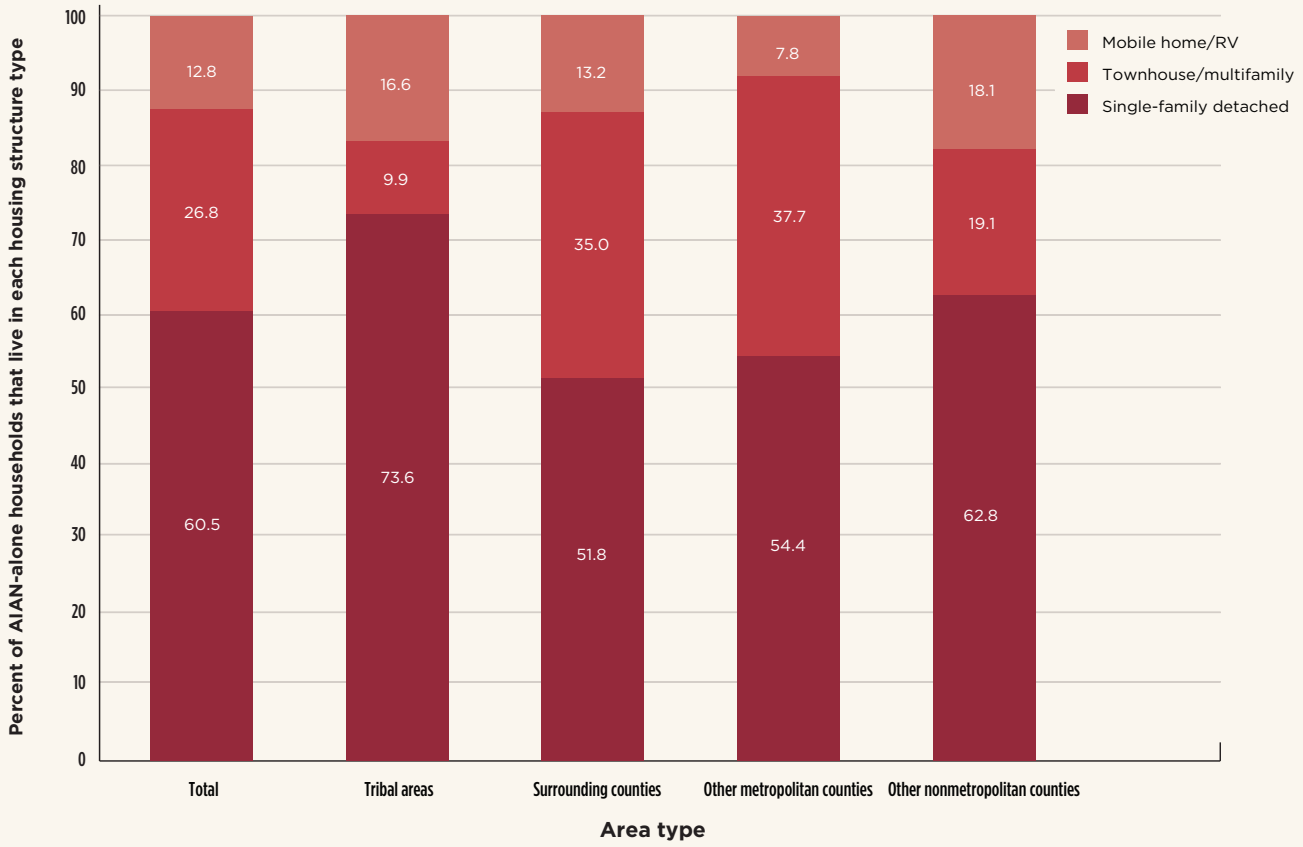
mobile home: A movable dwelling, 8 feet or more wide and 40 feet or more long, designed to be towed on its own chassis, with transportation gear integral to the unit when it leaves the factory and without need of a permanent foundation.

single-family detached home: One housing unit not attached to other units that is intended for one family.

townhouse: A dwelling that is one of several side-by-side housing units.

Multifamily housing: Residential buildings with units built one on top of another and those built side by side that do not have a ground-to-roof wall but may have common facilities (that is, attic, basement, heating plant, plumbing, and so on.)

Exhibit 2.25 – AIAN-Alone Housing Structure Type by Area Type, 2006–10



Sources: U.S. Census Bureau, American Community Survey, 2006–10 Five-Year Estimates

50 AIAN-alone individuals. These areas are referred to as *larger tribal areas*, *selected AIAN counties*, and *selected non-AIAN counties*, to distinguish these area types from those used in earlier analyses.

The larger tribal areas account for 93 percent of AIAN-alone households in all tribal areas in the 2006-to-2010 period. The selected AIAN counties and non-AIAN counties account for 95 and 64 percent, respectively, of the AIAN-alone households in all counties in their categories. Thus, the indicators from this source capture the housing conditions for the vast majority of AIAN households, although they do not necessarily reflect the conditions in tribal areas and counties with smaller AIAN populations.

Age of Structure and Unit Size

In the 2006-to-2010 period, one-fourth of all AIAN households lived in buildings built before 1960. The share is much lower for larger tribal areas (15 percent) and selected AIAN counties (18 percent). In the selected non-AIAN counties, the rates of living in housing built before 1960 are very similar for AIAN and all households—about one-third. For AIAN households, these rates do not vary much by tenure; 23 percent of AIAN owners live in homes built before 1960, and 27 percent of renters do as well.

With larger household sizes, as discussed in section 1.3, one might expect that AIAN households would live in larger housing

units. About 57 percent of AIAN households lived in units with three or more bedrooms in the 2006-to-2010 period, lower than the 62 percent for all households. About 74 percent of AIAN owners lived in the larger units, also lower than the rate for all owner households. AIAN renters were considerably more likely to live in these larger units, however, than were all renter households (37 versus 29 percent).

Across area types, AIAN housing unit size does not vary much for owners but does vary considerably for renters. Of AIAN renters in larger tribal areas, 54 percent lived in units with three or more bedrooms compared with 41 percent in the selected AIAN counties and 29 percent in other counties. This range aligns with the general pattern of larger families in tribal areas. It also reflects the type of housing available in larger tribal areas because all households in these areas live in a similar higher share of large units.

Home Values and Rents

The average home value for AIAN homeowners in the 2006-to-2010 period was $175,000—about 66 percent of the average for all U.S. households. The gap has increased since 2000, when the average value for AIAN owner-occupied homes was 69 percent of the average for all owner-occupied homes.

The home values for AIAN homeowners in larger tribal areas and in selected AIAN counties overall were much lower than the U.S. average, $112,000 and $152,000, respectively. Given that these values are from a period that includes the end of the housing boom and its aftermath, values for all area types were lower in regions that were hard hit by the crash, such as California and other parts of the West.

Relatively slower growth in home values for AIAN households in the selected AIAN counties led to the widening of the gap relative to the average home value for all households. After adjusting for inflation, home values rose by 46 percent from 2000 to the 2006-to-2010 period for all households in the selected AIAN counties, but rose only 29 percent for AIAN homeowners in the same areas. The growth rates in larger tribal areas and non-AIAN counties were similar for AIAN owners and all owners.

AIAN renter households, on average, paid $700 in gross rent during the 2006-to-2010 period. Like home values, these rents were lower than for all U.S. renter households. AIAN gross rents, however, were about 80 percent of those for all renters, a smaller gap than was found for home values. Rents averaged a very low $440 in the larger tribal areas, rising to $630 in selected AIAN counties. AIAN households experienced a much smaller increase in rents than all renters, with an increase of 5.6 percent compared with 42 percent for all renters, after controlling for inflation.

2.3. Housing Problems and Needs

This section presents findings related to the central questions that motivated this assessment: What are the housing problems and needs of tribal area AIAN populations and how have they changed during the past two decades? It presents answers to these questions based on the household survey (the only source that provides authoritative information on all dimensions of housing problems and needs in Indian Country) and from Census Bureau sources. First, however, this section offers a framework that defines the various attributes of housing that are regarded as problems, and how they may be looked at together.

Framework and Standards

Attributes of the Framework

The Urban Institute's first report on AIAN housing (Kingsley et al., 1996) reviewed the history of U.S. concern with housing conditions since the late 1800s and presented a framework for understanding the measures that together define "inadequate" housing. That framework was used in this project's interim report (Pettit et al., 2014) and is again adopted for this report. The framework notes three defining attributes: (1) quality, (2) quantity, and (3) price.

Quality. This attribute is most complex because it has three aspects, two of which are difficult to define and measure reliably.

1. ***Facilities problems:*** This aspect is the easiest to measure objectively. Problems exist when a unit (1) lacks adequate plumbing, kitchen, electrical and/or heating facilities; or (2) such facilities do not function properly; or (3) they constitute a safety hazard.
2. ***Condition problems:*** These occur when the unit was built inadequately (or has since deteriorated) such that it is structurally unsafe or offers inadequate protection from the elements. These problems have been hard to rate in an objective manner.
3. ***Design problems:*** These problems relate to the physical arrangement and characteristics of external features and interior spaces, whether they are deemed to be attractive and functionally convenient. For several reasons—including the fact that tastes vary—an objective rating scheme for this aspect has never been devised.

Quantity. At the market-wide level, this attribute relates to whether the number of housing units can accommodate the number of households that will live in the area (taking into account vacancies and likely future growth). Within an existing unit, this attribute relates to the relationship between the number of people living in the unit and the amount of space available, that is, the extent of *overcrowding*.

Price. Under this attribute, problems exist when families are forced to pay a higher percent of their income for housing expenses than they can reasonably afford, such that they do not have enough money left over for adequate food, clothing, and other necessities of life.

Specific Standards Used in This Report

The actual rating of housing conditions in an area requires defining specific standards related to each of the attributes previously discussed. This study relies on well-accepted standards used by HUD in its recurrent "Worst-Case Housing Needs" reports to Congress (Hardiman et al., 2010; Steffen et al., 2011, 2013). These standards relate to all elements of the framework presented previously, except for "design problems," for which, as noted, an objective rating scheme has never been devised.

Data are presented on housing problems in tribal areas from two sources, representing two points in time: (1) the household survey, as of 2013–2015, which provides data on all the problem categories noted previously except for "design problems"; and (2) the 5-year ACS for 2006–2010, which provides data covering the same topics except for heating facilities, electrical facilities, and condition.

The household survey provides a detailed snapshot of conditions in all categories for the total of all tribal areas nationwide. Because of sample size limitations (see appendix D), it cannot provide information on individual tribal areas or even regional

breakdowns, and it cannot present data for different income groups or show change over time. That is why the ACS data are needed. They allow for presentation of such comparisons that are comparable with data provided in the earlier report (Kingsley et al., 1996), even though they do not have information on heating facilities, electrical facilities, or condition.

This section also compares household survey results with measures provided in the American Housing Survey (AHS) as of 2013 for the nation as a whole. The relevant definitions in the AHS are comparable with those in the household survey, but again, survey sample sizes are small and no information can be provided for small geographies like tribal areas, even in the aggregate. Although each individual measure used here is defined consistently with those in the "Worst Case Needs" reports based on the AHS, the measures are combined here in a somewhat different way to be consistent with categories used in Kingsley et al. (1996), as explained in the following sections.

Quality Standards. The specific inadequacies in this group that are enumerated in the household survey are as follows:

- ***Plumbing problem:*** Lacking piped hot water or a flush toilet, or lacking both bathtub and shower for the exclusive use of the unit.
- ***Kitchen problem:*** Lacking a sink, range, or refrigerator for the exclusive use of the unit.
- ***Heating problem:*** Having been uncomfortably cold during the past winter for 24 hours or more, or three times for 6 hours each, because of broken down heating equipment.
- ***Electrical problem:*** Having no electricity or having all of the following three electrical problems—(1) exposed wiring, (2) a room with no working wall outlet, and (3) three or more blown fuses or tripped circuit breakers in the past 90 days.
- ***Condition problem:*** Having any five of the following six maintenance problems: (1) leaks from outdoors, (2) holes in the

House on the Navajo Reservation. Image courtesy Elizabeth Rudd, Program Evaluation Division of the Office of Policy Development and Research, HUD

floor, (3) holes or open cracks in the walls or ceiling, (4) more than 1 square foot of peeling paint or plaster, (5) rats in the past 90 days, or (6) leaks from inside (such as broken pipes or water heaters, backed up plumbing, or water from another unit).

In the Worst Case Needs reports, a unit is considered to have "severe physical inadequacies" if it has any one of the following problems as defined previously: plumbing, heating, electrical, or condition problems. This report adds in kitchen problems (which HUD considers to be a "moderate" rather than a "severe" problem) to be consistent with the framework employed in Kingsley et al. (1996). Again, of this group, the decennial census and the ACS provide data only on plumbing and kitchen problems.

At the end of this section, this study provides an estimate of the total number of "severely inadequate" housing units in tribal areas at the time of the household survey. For this study, severely inadequate units are defined based on the previously discussed categories to include (1) all units having a condition problem and (2) all other units having three of the four possible systems deficiencies (plumbing, kitchen, heating, and electrical).

Quantity Standards. In the HUD standard, and in U.S. Census Bureau reports, a housing unit is defined as being overcrowded if it houses more than one person per room. The denominator of total rooms include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms. The Worst Case Needs framework considers overcrowding to be a "moderate" problem, but this problem generally is regarded as severe in Indian Country policy circles, so it is treated as such in this report.

Price Standards (Cost Burden). In the HUD standards, a household is deemed to pay an excessive amount for housing (have an excessive "housing cost burden") if its outlays for housing exceed 30 percent of its income.

Housing Problems and Needs—Survey Results

Exhibit 2.31 shows the results of the household survey for each housing problem independently. It shows what percent of all AIAN households in Indian Country (household head or spouse identify as AIAN-alone or multirace in the 2013-15 survey) have that problem compared with all

Exhibit 2.31 - Individual Housing Problems in Tribal Areas

INDIVIDUAL HOUSING PROBLEMS % with problem	AIAN in Tribal Areas 2013-15 Household Survey		Total US (AHS-2013)
	Percent	Confid. Interval	
FACILITIES PROBLEM			
Plumbing	5.6	± 4	1.3
Kitchen	6.6	± 3	1.7
Electrical	1.1	± 1	1.4
Heating	12.0	± 3	0.1
CONDITION PROBLEM	8.1	± 3	0.8
OVERCROWDED	15.9	± 6	2.2
COST BURDEN	37.5	± 5	36.1

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

Notes: Estimates are weighted to be nationally representative of American Indians and Alaskan Natives. The confidence interval is computed at the 95% level.

households in the United States (2013 AHS). The contrasts for all but one of the physical problems are dramatic. For plumbing deficiencies, the incidences are 5.6 percent for AIAN tribal area households versus a 1.3 percent U.S. average. The comparisons are 6.6 to 1.7 percent for kitchen deficiencies, 12.0 to 0.1 percent for heating, 8.1 to 0.8 percent for condition, and 15.9 to 2.2 percent for overcrowding. The exception was electrical deficiencies—1.1 to 1.4 percent. Physical housing problems clearly have been all but eliminated for U.S. households nationwide, but that is certainly not true for AIAN populations in tribal areas, where problems remain widespread.

Cost burden, or affordability, is the housing problem whose rapid growth has been well publicized in most of the United States since 2000. The incidence of cost burden is similar between AIAN and all households; 37.5 percent of AIAN households in tribal areas had a cost burden problem versus 36.1 percent for all U.S. households.

This way of looking at the data is valuable but, because individual households can be affected by several of these problems at once, it does not provide a number that is more important for policy considerations: the total number of households affected by one or more of these housing problems. From this perspective, adding up the numbers on exhibit 2.31 would entail double counting. Numbers that avoid that are provided in exhibit 2.32, which shows mutually exclusive categories.

It shows that 10.2 percent of AIAN tribal area households had plumbing and/or kitchen deficiencies; another 13.0 percent that did not have plumbing/kitchen deficiencies had some mix of heating, electrical, and/or condition problems; and another 10.8 percent that did not have any of the previously discussed problems were overcrowded. Altogether, then, 34.0 percent had one or more physical problems (compared with only 7.0 percent for U.S. households, on average).

Exhibit 2.32 – Housing Problem Summary, AIAN Households in Tribal Areas

HOUSING PROBLEMS COMBINED % with problem	AIAN in Tribal Areas 2013-15 Household Survey		Total US
	Percent	Confid. Interval	(AHS-2013)
FACILITIES/CONDITION PROBLEMS			
Plumbing/Kitchen	10.2	± 4	3.0
Other Heating/Electrical/Cond.	13.0	±4	2.0
Subtotal	23.0	± 8	5.0
OTHER OVERCROWDED	10.8	±2	2.0
SUBTOTAL - PHYSICAL PROBLEMS	34.0	± 9	7.0
COST BURDEN ONLY	22.7	± 6	33.0
TOTAL WITH ANY PROBLEM	56.7	± 5	40.0

Source: Urban Institute Household Survey 2013-2015

Note: mutually exclusive categories - individual households are counted only once

Finally for another 22.7 percent of AIAN tribal area households, cost burden was their only housing problem (compared with a U.S. average of 32.7 percent). In total, 56.7 percent of AIAN tribal area households had one or more identified housing problems of any kind (compared with 40.0 percent for the United States overall). These are national estimates based on the household survey. Information on representativeness of the household survey sample is provided in the text box, Is the Sample of Tribes Selected for the Household Survey Representative of All Tribes Nationwide?

Housing Problems as Reported by the U.S. Census/ACS

As noted, although the decennial census and the ACS lack data on some important housing problems (heating facilities, electricity, and physical condition), they have benefits not shared by the more complete housing survey results just reviewed; that is, they can show regional variations and changes over time and break out results for low-income households. This section relies on special tabulations of the 2006–2010 ACS provided by the U.S. Census Bureau to HUD for formula analysis.

These special tabulations differ from the files used earlier in this report in two ways: (1) they provide data only for tribal areas; and (2) they define AIAN households with a householder *or spouse* who identifies as AIAN, either alone or multiracial.

Exhibit 2.33 presents the results at the national level. The main findings are total number of AIAN households in tribal areas (AIAN-alone plus AIAN multiracial) grew from 234,400 in 1990 to the 370,900 reported in the 2006–2010 ACS; an increase of 58 percent. Changes in the housing indicators during this period were even more noteworthy.

- ***These data confirm that the physical housing problems in AIAN tribal areas are still much more severe than those faced by U.S. households, on average.*** According to these Census Bureau sources, the share that had either plumbing/kitchen deficiencies and/or were overcrowded reached a level of 13 percent in the 2006-to-2010 period. The 2006–2010 ACS indicates that the U.S average share with these problems (4 percent) was less than one-third the AIAN tribal area share (13 percent).

Is the Sample of Tribes Selected for the Household Survey Representative of All Tribes Nationwide?

A comparison of the rates of housing problems in sampled tribal areas and nonsampled tribal areas was performed to check the representativeness of the survey sample. The comparison used measures of housing problems (overcrowded households or households lacking complete kitchen facilities or plumbing, and households with a severe cost burden) and economic distress (number of households with incomes that are less than 30 percent of Area Median Income [AMI], 30 to 50 percent of AMI, and 50 to 80 percent of AMI) reported in the American Community Survey, covering the years from 2010 to 2013. This analysis found that the measures for the two groups are very close, with no significant differences between the sampled and nonsampled tribal areas, showing that the survey sample frame is representative of all tribes nationwide (although the circumstances of any given tribal area can differ from the national estimate). The sampled tribal areas encompassed 60 percent of the AIAN population of all tribal areas.

Exhibit 2.33 – Housing Problem Summary, Census/ACS Data

	AIAN households in Tribal Areas		Total U.S. all races ACS 2006-10
	Census 1990	ACS 2006-10	
ALL HOUSEHOLDS			
Number of households (000)	234.4	370.9	113,794
Percent			
Physical Problems			
Plumbing/Kitchen Deficiency	14	6	1
Other Overcrowded	14	8	3
Subtotal	28	13	4
Cost Burden Only	17	21	33
Total One or More Problems	44	34	37
Total No Housing Problems	56	66	63
Total	100	100	100
LOW INCOME HOUSEHOLDS (<80 % of median income)			
Number of households (000)	144.9	193.4	46,213
Low income as % of total	62	52	41
Percent			
Physical Problems			
Plumbing/Kitchen Deficiency	19	8	2
Other Overcrowded	15	9	5
Subtotal	34	18	7
Cost Burden Only	25	36	60
Total One or More Problems	59	55	67
Total No Housing Problems	41	45	33
Total	100	100	100

Source: HUD Special Tabulations of Census and ACS data (1990 data as reported in Kingsley et al, 1996)

Note: AIAN households = those where householder or spouse identifies as AIAN. In 1990, AIAN included those who identified AIAN as their only race. In 2006-10, this category included AIAN-Alone plus AIAN multiracial.

- ***By contrast, according to ACS data, the AIAN tribal area share with a housing cost burden was less than the average for the United States in the 2006-to-2010 period.*** The sizeable increases in housing affordability problems across the United States of late have been widely recognized. In 1990, 22 percent of U.S. households had a cost burden-only problem; that is, they did not have the physical problems noted previously, but spent more than 30 percent of their income for housing expenses. By the 2006-to-2010 period, that figure had gone up to 33 percent. Among AIAN households in tribal areas, the cost-burdened-only group reached 21 percent in the 2006-to-2010 period.

The AIAN tribal area share of households with "one or more housing problems" (a traditional marker for monitoring housing problems) is now actually lower than that for U.S. households overall: 33 versus 37 percent. This measure, however, is no longer a very useful way to monitor overall comparative need because of the marked divergence in trends between its two components: physical problems versus cost burden problems.

Problems for Low-Income Households

How do these relationships differ for AIAN tribal area households that have low incomes (those with incomes that are less than 80 percent of median in their areas, the target beneficiaries for NAHASDA funding)? During the 2006-to-2010 period, 193,400 such households existed, representing 52 percent of all AIAN tribal area households (the low-income share had been a higher 62 percent in 1990).

The patterns regarding housing problems are similar to those for all AIAN tribal area households, but as would be expected, the problems are much more prevalent for low-income groups in all categories. Their share with the physical problems noted on exhibit 2.31 (plumbing/kitchen deficiencies and overcrowding) was 18 percent in the 2006-to-2010 period, much more than the 13 percent for all AIAN tribal area households. This level was 2.6 times the 7 percent share with these problems among all low-income groups nationwide. The gap remains significant.

The low-income share in the cost-burdened-only group went up to 36 percent during the 2006-to-2010 period. The latter figure is much worse than the 21 percent for all AIAN tribal area households, but much better than the 60 percent of low-income households that faced such problems nationwide.

Variation by Region

Another noteworthy finding of this analysis is the enormous variation in the extent of AIAN tribal area housing problems by region during the 2006-to-2010 period (exhibit 2.34). The share of all AIAN households in tribal areas with the physical problems highlighted was very close to the all-race national average in the Eastern and Oklahoma regions (6 and 4 percent respectively). The share was in a higher, but intermediate, range (8 to 10 percent) in four regions (North Central, South Central, California/Nevada, and Pacific Northwest). These housing problems are concentrated in the remaining three regions: Plains (15 percent), Arizona/New Mexico (31 percent), and Alaska (36 percent). These three regions account for 44 percent of all AIAN households in tribal areas, but they account for 73 percent of those households that had physical housing problems.

The share of low-income AIAN households in tribal areas with these problems also was dominant in these regions: 18 percent in the Plains, 36 percent in Arizona/New Mexico, and 44 percent in Alaska (compared with 8 percent or less in the North Central, Eastern, and Oklahoma regions). The three regions

Exhibit 2.34 – Housing Problem Summary, AIAN Households in Tribal Areas, by Region (ACS 2006–10)

	United States	North Central	Eastern	Okla-homa	South Central	Plains	Arizona N.Mexico	Calif.-Nevada	Pacific Northwest	Alaska
ALL HOUSEHOLDS										
Number of households (000)	370.9	15.8	38.9	160.8	5.8	33.8	69.5	8.7	13.7	23.8
Percent										
Physical Problems										
Plumbing/Kitchen Deficiency	6	2	1	1	1	3	17	2	1	21
Other Overcrowded	8	6	5	3	9	13	14	6	8	15
Subtotal	13	8	6	4	10	15	31	8	9	36
Cost Burden Only	21	25	27	23	21	20	12	22	24	19
Total One or More Problems	34	33	33	27	31	36	43	30	33	55
Total No Housing Problems	66	67	67	73	69	64	57	70	67	45
Total	100	100	100	100	100	100	100	100	100	100
LOW INCOME HOUSEHOLDS (<80 % of median income)										
Number of households (000)	193.4	9.8	20.3	69.1	2.9	21.8	42.8	5.3	7.4	14.0
Low income as % of total	52	62	52	43	50	65	62	61	54	59
Percent										
Physical Problems										
Plumbing/Kitchen Deficiency	8	2	1	2	1	4	22	2	2	29
Other Overcrowded	9	6	7	5	12	14	14	7	10	15
Subtotal	18	8	8	6	14	18	36	9	12	44
Cost Burden Only	36	38	46	46	38	30	19	33	40	26
Total One or More Problems	55	48	57	54	52	50	58	43	53	70
Total No Housing Problems	45	52	43	46	48	50	42	57	47	30
Total	100	100	100	100	100	100	100	100	100	100

Source: U.S. Census 2006-2010

Note: AIAN households are those where householder or spouse identifies as AIAN-Alone or AIAN multiracial

House with horse trailer on the Navajo Reservation. Image courtesy Elizabeth Rudd, Program Evaluation Division of the Office of Policy Development and Research, HUD

1937 Act house on the Pine Ridge Indian Reservation designated for rehabilitation using Indian Community Development Block Grant funds for mold remediation.

Image courtesy Kevin Turnau, Northern Plains Office of Native American Programs, HUD.

with the most serious problems were also among those where low-income households dominated the total population in the area: 65 percent in the Plains, 62 percent in Arizona/New Mexico, and 59 percent in Alaska.

Less variation was evident in the share in which cost burden was the only housing problem and, consistent with the findings in section 1.5, places with the most prevalent physical problems often had the lowest cost burden problems. The cost-burdened-only shares among all AIAN households in tribal areas were 12 percent in Arizona/New Mexico, 19 percent in Alaska, and 20 percent in the Plains. They were highest in the Eastern (27 percent) and North Central (25 percent) regions.

Change in Tribal Area Housing Problems Over Time

The authors of this report think the data available for this study do not allow a definitive conclusion as to whether housing conditions in Indian Country have improved since 1990. Kingsley et al. (1996) used special tabulations of the 1990 census data to present an overall figure for the percent of AIAN households in tribal areas with physical problems defined as in exhibit 2.33 (the share that had either plumbing/kitchen deficiencies and/or were overcrowded). This figure was 28 percent, substantially more than the 13 percent figure for the 2006-to-2010 period derived from ACS data. This study's 2013-15 household survey, however, yields a point estimate of 24 percent (instead of 13 percent) in the comparably defined category (with a confidence interval of plus/minus 7.8 percentage points). It could well be that after declining from 1990 through the 2006-to-2010 period (the period just before the national housing market collapse) this problem indicator went up again to the higher level by 2013-15 (after the collapse), but given the margins of error, it is difficult to draw precise conclusions about the extent of the change. Other reasons cause concern about comparisons with the 1990 census figure: tribal area boundaries have changed, and technical differences exist between the 1990 census and the 2006–2010 ACS. This report accordingly does not offer a firm answer to questions about the nature and extent of the change in housing problems since 1990.

Overcrowding and Physical Deficiencies

This project's household survey shows that as of 2013-15, the overcrowding and physical housing problems of AIAN populations living on reservations and other tribal areas remain strikingly more severe than those of other Americans.

How many additional units of good quality housing would be needed to eliminate overcrowding and replace severely inadequate housing in Indian Country? The answer could vary depending on assumptions about standards and other factors, and any such assumptions are always open to question and alternative formulations. These assumptions, however, lead to at least a plausible set of estimates providing a rough answer to the question.

The first step in this process was to estimate the total number of AIAN households residing in tribal areas at the time of the household survey, 2013-2015 (mid-point = 2014). This was accomplished using a straight-line method. Between the mid-point of the 2006-to-2010 period and 2010, total AIAN households in Indian Country grew by 4,750 per year.[31] Extending that annual increment through 2014 (the mid-point of the survey period) yields an estimate of 399,400 total households in 2014 (exhibit 2.35).

31 The project team compiled totals for 2006–2010 (ACS) and 2010 (census) for tribal areas consistent with methods used throughout this report and described in appendix A.

The next step was to divide this total into four policy-relevant groups using percentages derived from household survey data.

1. Severely inadequate housing, but not overcrowded.
2. Overcrowded and but not severely inadequate.
3. Overcrowded and severely inadequate.
4. Other.

Severely inadequate housing includes all occupied units that have condition deficiencies, plus all other units that have three out of the four possible systems deficiencies, consistent with definitions earlier in this section. Survey data show that such units that were not also overcrowded account for 6 percent of the total, or 24,000 units. All these need to be replaced.

In these calculations, it is assumed that a unit is overcrowded when it is housing more than one person per room (consistent with the HUD standards noted previously). Survey results show that 16 percent of all AIAN occupied units in tribal areas were overcrowded in the 2013-to-2015 period. This amounts to 64,000 households out of the 399,400 households that were estimated to be residing in Indian Country at the time. In exhibit 2.35, this total is broken down into two subgroups: (1) 53,000 households for which units were overcrowded but not severely inadequate and (2) 11,000 households for which units were both overcrowded and severely inadequate.

Regarding the first group, no need exists to replace all these units, because they do not have major condition problems. The need is to add only enough additional units to enable the residents to spread out and eliminate overcrowding in this group; however, it is very difficult to estimate the number of additional units required without more data on the mix of household types and sizes in this group than the survey sample will support. Some of these households now contain two or more separate family units living together and would prefer enough new units to enable each separate family to have its own unit. For others, however, the current households may be one extended family

Housing in a New Mexico Pueblo.

Image courtesy Roberta Youmans, Office of Native American Programs, HUD.

that wants to continue to live together. In this case the need is for one larger unit, not separate units.

The survey provides data on households in each category that say they are sheltering some people only because they have no other place to go (the "near homeless" as will be discussed in section 2.4). These account for an average of 16.6 percent of all households in tribal areas, but very high shares for the two overcrowded categories: 43.1 and 42.4 percent respectively. It is reasonable to assume that new separate units should be provided in these cases. The estimate presented assumes that, overall, expanding the number of units in these two categories by 50 percent would be enough to add these new units and provide for other size related adjustments to the stock. To eliminate overcrowding in the first group, then (overcrowded but not severely inadequate),

Exhibit 2.35 – Needs to Address Overcrowding and Physical Deficiencies

	Total	Overcrowded not severely inadequate	Overcrowded severely inadequate	Severely inadequate not overcrowded	Other
NEW UNITS NEEDED					
Percent of households	100	13	3	6	78
No. of households (000)	399	53	11	24	312
To eliminate overcrowding					
No. of rooms/unit	5	4	4	5	6
No. of persons/unit	4	7	7	3	3
No. additional rooms needed (000)	144	114	29	na	na
No. additional units needed (000)	33	27	6	na	na
To replace severely inadequate					
No. additional units needed (000)	35	na	11	24	na
Total new units needed (000)	68	27	17	24	na
POSSIBLE REHABS (not in the above)					
Condition moderate	23	4	na	na	19
Other w/ 1 or more facil. probs.	7	2	na	na	5
Total	30	6	na	na	24

Source: Authors calculations based on Urban Institute Household Survey 2013-2015

this yields an estimate of 27,000 additional units needed (50 percent of 53,000 units).

For the second group (overcrowded and severely inadequate), first the need exists to replace all these units because of their physical condition—a need for 11,000 new units. Then additional units are needed to prevent the new units from being overcrowded. Again, using the 50-percent assumption, 50 percent of 11,000 units equals about 6,000 additional units.

The estimated total new units needed, therefore, includes (1) 24,000 to replace units in the severely inadequate but not overcrowded group; (2) 11,000 to replace units in the severely inadequate and overcrowded group; (3) 27,000 to eliminate overcrowding in the overcrowded-only group; and (4) 6,000 to eliminate overcrowding in the overcrowded and severely inadequate group. This adds to a total need of 68,000 additional units to both replace severely inadequate units and eliminate overcrowding in tribal areas as of 2013-15.

The bottom panel on the table uses survey data to estimate the number of other units that are appropriate candidates for rehabilitation. It assumes that these should include units with moderate condition problems and others with 1 or more facilities problems. This works out to a total of an additional 30,000 units needing rehabilitation—7,000 in the formerly overcrowded housing stock and 23,000 in the stock that had no other physical housing problems.

It is important to remember that the previously discussed estimates relate only to census-based population for recognized tribal areas, and only as of 2014. Related estimates could be made that would yield a considerably larger figure for total need. For example, NAHASDA is designed to allow tribes to provide housing services to "Indian Areas" (a tribal area plus normally adjacent lands in which tribal members reside and where additional housing needs may be substantial). The total need in all Indian Areas nationwide could be a considerably larger figure than the one presented previously. Also, when calculating housing needs, it makes sense for tribes to estimate needs for the future (for example, 5- to 10 years into the future when the local Indian Area population may have grown substantially).[32]

The authors of this study do not have any factual basis for making such broader estimates, a necessary limitation to a national study. The approach and data offered previously (for tribal areas and 2014 only), however, should provide information and guidance to tribes in making their estimates. This approach ideally can contribute to developing a widely accepted methodology and objective criteria for determining housing shortage that can be implemented at the tribal level.

2.4. Housing Composition, Overcrowding, and Homelessness

In the United States, the prevalence of homelessness is driven by problems of poverty and lack of affordable housing. Research shows that the single biggest individual-level predictor of homelessness is being extremely low income (Burt, 2001), and the key systemic driver of homelessness is the availability of affordable housing, or lack thereof (Cunningham, 2009). American Indians and Alaska Natives face these issues at higher rates than non-AIAN households (Pettit et al., 2014). In the face of these pressures, literal homelessness (that is,

32 Several individual tribes have made their own estimates of housing needs based on tribal or regional surveys. The larger sample sizes and/or more detailed information obtained about housing conditions that can be collected in such studies may support different assumptions about the percent of units that need to be replaced or that are needed to alleviate overcrowding. For example, Navajo Nation's housing needs assessment (RPI Consulting, The Jones Payne Group, Native Home Capital, and Alternative Marketing Solutions, 2011) estimated that 34,100 units were needed to replace housing due to poor condition and to increase capacity to alleviate overcrowding.

living on the street, in emergency shelter, or someplace not meant for human habitation, according to the HUD definition) and taking in family and friends who would otherwise be homeless (doubling up or near homelessness) are almost universal. Nearly all (99.8 percent) of tribal/TDHE respondents said that households double up. Despite doubling up, most tribes/TDHEs (88 percent) noted that literal homelessness still occurs. To better understand the full extent of homelessness in Indian Country, which includes both literal homelessness and doubling up, this section examines tribal household composition and the relationship between overcrowding and homelessness in Indian Country in addition to the extent of literal homelessness in tribal areas, availability of homeless services, and prevalence of homeless risk factors. It also estimates the size of the population that would be homeless if people were not taken in by another household.

Household Composition

Although living in larger households can be a way to cope with housing affordability challenges or prevent homelessness, AIAN households may also choose larger households or extended family living arrangements (that is, households that include members beyond the household head, spouse, and children) because they are valued in their tribe's culture or because the household prefers the arrangement for other reasons. To parse this complex issue, it is important to first examine household composition trends using data from the household survey conducted for this study.

The household survey shows that, although AIAN households most commonly include members of the core family (for example, spouse and children), AIAN households also include other members, particularly grandchildren, with some regularity. Most households in tribal areas (59 percent) include the respondent's spouse, and 57 percent include the respondent's child. About 14 percent of AIAN households include the household head's grandchild, and 7 percent include a sibling and 5 percent include a parent. On rare occasions, households include the head's aunts and uncles (0.6 percent of households) and grandparents (0.5 percent). Further, about 8 percent of households include a household member related to the household head in some other way.

These members form households in a diverse array of living arrangements. To better understand these arrangements, this section of the study uses more nuanced household type definitions than the U.S. Census Bureau definitions used in section 1 of this report (see the text box, Definition of Survey Household Composition Types, for definitions of the types of households used in this section).

Most households in Indian Country form either core families or extended households; single-person households and nonfamily households are relatively rare (exhibit 2.41). About 45 percent of households are core households and another 39 percent are in an extended household. In contrast, 13 percent are single-person households, and 3 percent are nonfamily households.

Of all core families, about 85 percent are headed by a married couple, and more than one-half of those households include children (exhibit 2.42). The remaining 15 percent of core family households consist of single parents with children. Most of these households (75 percent) are headed by a female, and 25 percent are headed by a male.

About two-thirds (67 percent) of extended households are broader extended family households (exhibit 2.43). Of these, more than one-half (56 percent) include children. Three-generation family households

Definition of Survey Household Composition Types

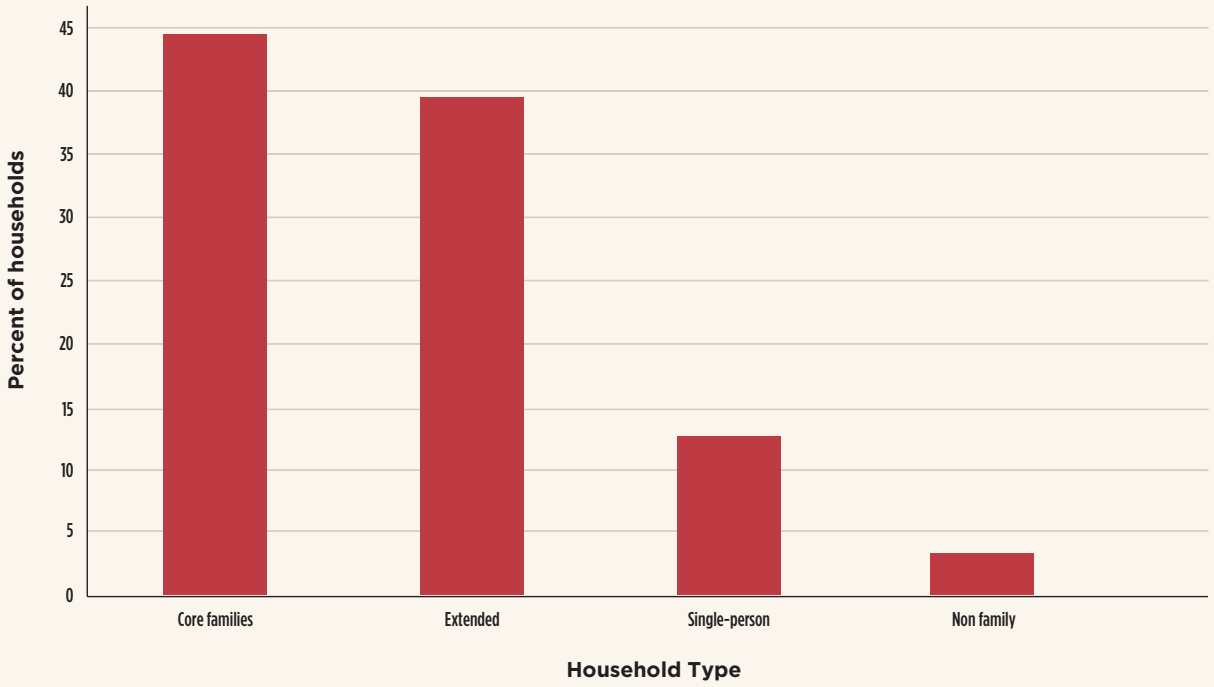
- ***core families:*** households with or without children when the only adult(s) in the household is the respondent or the respondent and his/her spouse. These families include married couples with or without children and also single-parent household types.
- ***extended households:*** households that include related family members beyond the core family structure and may or may not include a core family. This category includes the following subtypes:
  - ***three-generation families:*** households that include three generations of the same family (that is, grandparent, his/her child, and his/her grandchild) with no other family members. This differs slightly from the Census Bureau definition of multigenerational households, which cannot include other household members and can include more than three parent-child generations.
  - ***broader extended families:*** households that include related household members beyond the core family or three-generation household members (for example, the respondent's siblings, aunts, uncles, nieces, nephews) but no nonrelated household members
  - ***extended households with relatives and nonrelatives:*** households that include both related and nonrelated household members.
- ***single-person households***: households in which the respondent is the only household member.
- ***nonfamily households:*** households in which the respondent lives with at least one nonrelative and does not live with any relatives or a spouse.

comprise a smaller, but still substantial, share (22 percent). Extended households with relatives and nonrelatives are rare, making up only 11 percent of extended households, most of which (75 percent) include children. Across the entire extended households group, the majority (68 percent) includes children.

Household Size

AIAN households tend to be larger than households in the United States overall (Pettit et al., 2014), and this study finds that, within tribal areas, extended households tend to be larger than core households. Overall, AIAN households include an average of 3.6 persons. Core households are somewhat smaller, including only 3.2 persons, on average, while extended households include 4.7 persons, on average. These estimates are pulled up by some exceptionally large households. Using the median, however, the same trend persists. Overall, the median tribal area household includes 2.7 persons. The median core household is smaller (2.3 persons), and the median extended household is larger (3.9 persons). Further, extended households have much larger shares of very large households than do core families: 16.1 percent of extended households include more than 6 persons, which is more than six times the 2.5 percent rate for core households.

Exhibit 2.41 – Tribal Area Households by Type



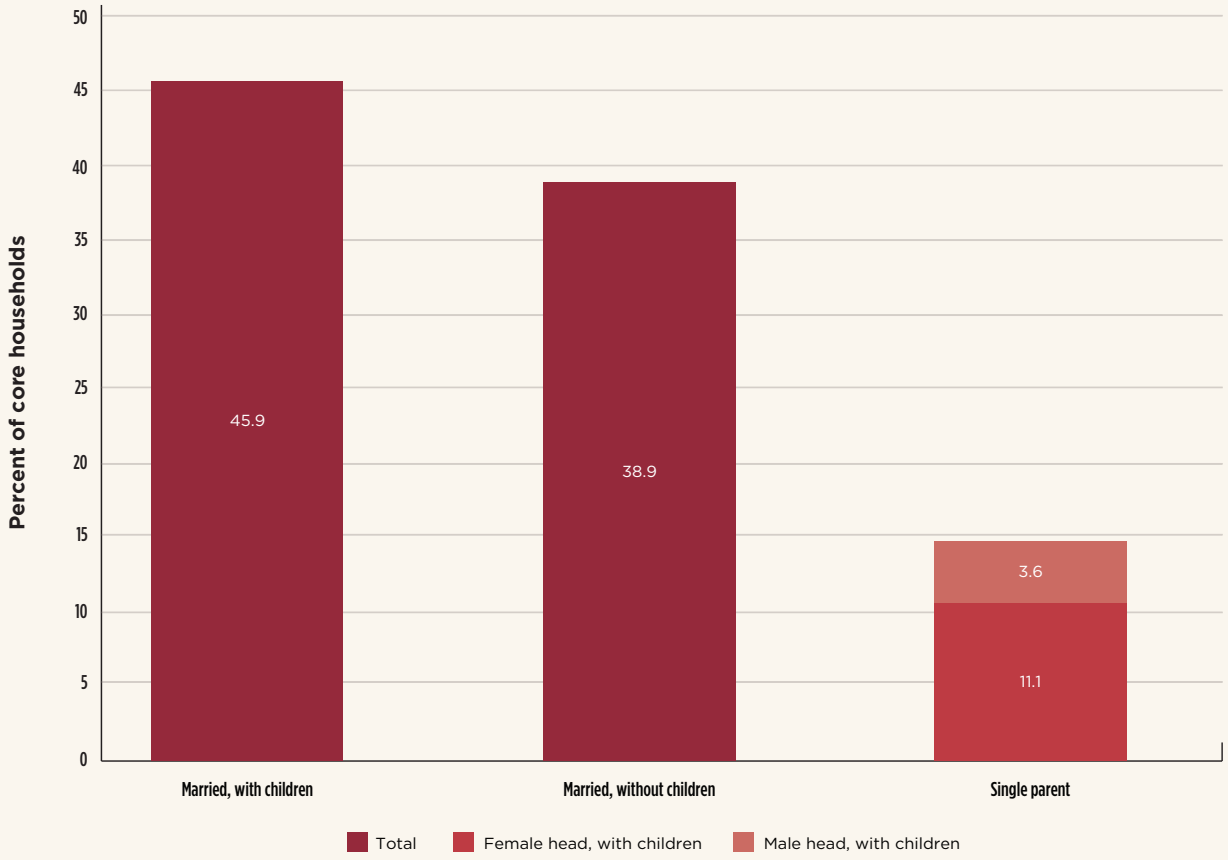
Source: Urban Institute Household Survey 2013-2015
Notes: Survey data have been weighted to be nationally representative.

The Relationship Between Overcrowding and Homelessness

In Indian Country, literal homelessness and, to some extent, overcrowding are two components of the same problem: an insufficient stock of affordable housing. Because households take in friends and family who cannot afford their own housing or for whom no housing is available, staying with others, or doubling up, often prevents literal homelessness (that is, sleeping outside, in an emergency shelter, or in some place not meant for human habitation) on tribal lands. In its study of homelessness among six Minnesota tribes, Wilder Research (2014) defined homelessness as being without housing of one's own and describes doubling up as "near homelessness." The study found that near homelessness was far more common than literal homelessness: only 11 percent of the homeless people they surveyed were literally homeless, and the remaining 89 percent were doubled up. Because these people would have been homeless if they were not able to stay with friends or family members, a true measure of the extent of homelessness on tribal areas must include them in addition to those who are literally homeless.

The tribal/TDHE survey and site visit interviews confirm the widespread use of doubling up or overcrowding as a strategy to prevent literal homelessness. Nearly all tribes/TDHEs (99.8 percent) reported that doubling up occurs in their service areas, and nearly two-thirds (63 percent) said it was a major problem. The site visit respondents reinforced this point. Respondents in 17 of the 22 sites visited

Exhibit 2.42 – Core Family Households by Type



Source: Urban Institute Household Survey 2013-2015
Notes: Survey data have been weighted to be nationally representative.

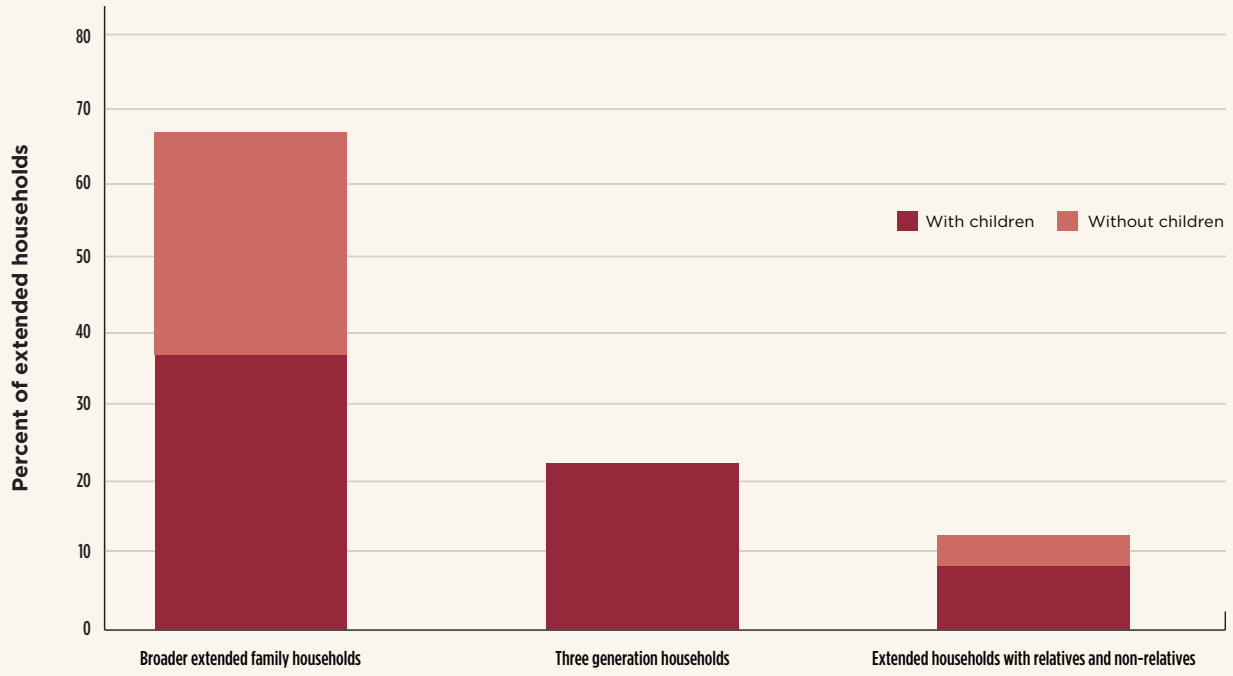
said that homelessness primarily takes the form of doubling up or overcrowding. When asked about homelessness, some site visit respondents included doubling up in their definitions of the problem. One respondent from the Pine Ridge Reservation said—

> ***People go from one family member's home to another; everyone's homeless around here—but, they just stay with family members and extended families until they get kicked out—it's not good—they are not living in the street, but it's still not good.***

Other site visit respondents seemed to have literal homelessness in mind as their definition of homelessness. They said that they did not have much homelessness, but they noted the bigger problem was overcrowding. For example, a Cherokee respondent explained—

> ***There is not a lot of homelessness. What we do experience is two, three, four families under one roof; Native American families take care of each other. They will not let a family member be homeless.***

Exhibit 2.43 – Extended Households by Type



Source: Urban Institute Household Survey 2013-2015
Notes: Survey data have been weighted to be nationally representative.

As the Cherokee respondent's comment suggests, households in tribal areas take in families and additional households that would otherwise be homeless and experience overcrowding as a result. Site visit respondents in some sites explicitly stated that the lack of affordable housing was driving this need to double up. For example, a respondent from the Choctaw Nation said—

> ***Overcrowding is a serious problem. To avoid some members being homeless, it is not uncommon to have multiple generations residing in a single residence. There's a huge unmet need for safe affordable housing.***

Extent of Overcrowding and Overlapping Cost Burden

Overcrowding is more common on tribal lands than in the United States as a whole. Pettit et al. (2014) found, based on analysis of ACS data, that 11 percent of AIAN households in larger tribal areas were overcrowded compared with only 3 percent of households nationwide. This study's household survey finds an even higher rate of overcrowding among tribal area households. About 16 percent of AIAN households were overcrowded, meaning their household included more than 1 person per room, and about 6 percent were severely overcrowded (that is, more than 1.5 persons per room). As might be expected given their larger household size, overcrowding is particularly common among extended households. About 28 percent of extended households were overcrowded compared with about 9 percent for core families.

Further, the standard overcrowding measure may not fully capture housing

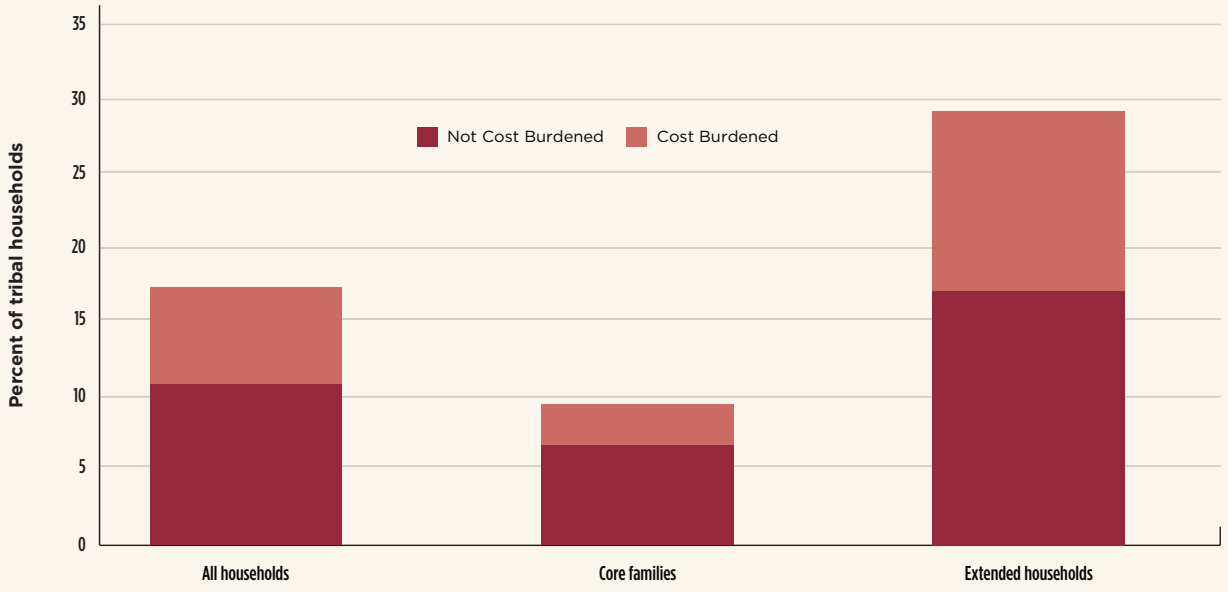
quantity constraints. About 19 percent of tribal area households in the survey said they include more members than "can live in the unit comfortably." Although highly related to overcrowding, this question provides the respondent's impression as to whether they have adequate space, and it is notable that the share reporting this is slightly higher than the rate of overcrowding. Core households were much more likely to say "yes" to this question than to be overcrowded according to the standard measure: 17 percent of core households had more members than could live comfortably in the unit, nearly double the rate of overcrowding. The share for extended households (29 percent) aligned with overcrowding rates. Taken together, however, this suggests that space constraints may be more severe than the standard overcrowding measure captures.

Most overcrowded households do not face housing affordability problems, which suggests that adding more household members and the incomes that come with them may relieve cost burden to some degree. A small share of households grapples with both overcrowding and housing cost burden, however, leaving them particularly vulnerable (exhibit 2.44). Across all AIAN households, about 7 percent are both overcrowded and cost burdened. More extended households face this situation than core families. Although 4 percent of core families are both overcrowded and cost burdened, three times as many extended families (12 percent) face this situation.

Extent of Literal Homelessness

Although overcrowding is more common, literal homelessness does still happen in Indian Country. In the tribal/TDHE survey, a substantial majority of respondents (88

Exhibit 2.44 – Percent of Tribal Households that are Overcrowded by Presence of Cost Burden and Household Type, 2013–2015



Source: Urban Institute Household Survey 2013-2015
Notes: Survey data have been weighted to be nationally representative.

percent) said that their reservation had literal homelessness, and respondents from 12 of the 22 sites visited observed literal homelessness in their communities. Further, respondents from 3 of the 22 sites said that a significant number of people in their communities were literally homeless.[33]

Prevalence of Homelessness Risk Factors

To understand the level of homelessness risk in Indian Country, this section examines the prevalence of deep poverty (that is, living below 50 percent of the federal poverty line), the largest individual-level risk factor for homelessness, and access to housing subsidies, which research shows is an important protective factor against homelessness (Burt, 2001; Cunningham, 2009).[34]

A substantially larger share of AIAN households lives in deep poverty than U.S. households overall. Nearly one out of four AIAN households surveyed (23 percent) had family incomes that are less than 50 percent of the federal poverty line. This figure stands in stark contrast to the 6.6 percent rate in the United States as a whole (DeNavas-Walt and Proctor, 2015), indicating substantially higher prevalence of this risk factor in the tribal area population than elsewhere. This risk factor is particularly concentrated among extended households: 29 percent of AIAN extended households live in deep poverty compared with 16 percent among AIAN core family households.

Only about 12 percent of AIAN households receive housing assistance through IHBG. This exceeds the 4 percent of households nationwide that receive rental assistance (Irving and Loveless, 2015). Because of the greater poverty in Indian Country, however, more AIAN households are eligible for housing assistance than in the population generally.

Perceived Characteristics of Homeless and Near Homeless People

According to site visit respondents, homelessness and near homelessness are particularly common among people with substance use issues, veterans, and families. Of the 13 sites where site visit respondents discussed the characteristics of those facing literal and near homelessness in their areas, respondents in eight sites noted the prevalence of substance use issues. Because people with histories of substance use can be ineligible to receive housing assistance or live with an assisted family member or friend, they are particularly vulnerable to homelessness. A respondent from Lac du Flambeau described one such situation.

> ***We had a call yesterday from a young woman who was booted out of her home by the housing authority, probably by misguided information, and is living in the woods. The housing authority won't allow her to live with her father because he lives in housing authority property. She had a drug-related infraction and is basically living in the woods.***

Literal and near homelessness among veterans and families also was noted in multiple sites. Respondents from 4 of the 13 sites that discussed the issue noted the problem of homelessness among veterans. American Indian veterans nationwide tend to be overrepresented among the homeless veteran population. According to *Veteran Homelessness: A Supplemental Report to the 2010 Annual Homeless Assessment Report to Congress*, 2.5 percent of the 2010 homeless veteran population identified as

33 The household survey did not ask about literal homelessness, but, later in this section, new data collected in that survey are used to estimate the size of the homeless population.

34 The household survey did not collect data on other elements of homelessness risk, which include health disparities and exposure to domestic and other violence, but these issues are known to be significant in Indian Country (USICH, 2012).

American Indian compared with only 0.7 percent of the veteran population overall (USICH, 2012). Respondents at two sites also noted homelessness among AIAN families.

Availability of Homeless Services on Tribal Lands

Despite the vast majority of tribal areas having literally homeless individuals (88 percent according to the tribal/TDHE survey as noted previously), the tribal/TDHE survey and site visits indicate that having homeless services is far less common. Only 46 percent of tribes/TDHEs reported that their community uses homeless shelters; respondents from only 11 of the 22 sites visited said that their reservation had a homeless shelter within its boundaries. Respondents from some areas without shelters said that they referred people to mainstream shelters in the nearest town, but those were often distant. For example, the Lummi Nation refers households to homeless services in Forks, Washington, which is a 1-hour drive away. The Oglala Sioux Tribe has a shelter for homeless veterans in Pine Ridge. The tribe owns the shelter building and the land that it is on, and the U.S. Department of Veterans Affairs funds the operations. The shelter facility has 12 beds and, when the research team visited in November 2014, 18 veterans were on the waiting list. The Lumbee Tribe maintains five homes for transitional housing. If someone is homeless and they are eligible, they can stay up to 90 days free of charge. The homes are fully furnished, with the cost of utilities included.

Estimating the Size of the Literal and Near Homeless Population on Tribal Lands

Estimating the size of the homeless population (both those who are literally homeless and those who are doubled up) on tribal lands is difficult, but this study provides new data to help approximate the scope of the problem.

HUD tracks the size of the literally homeless population nationwide through the Point-in-Time Count, an annual effort held on a single night in January that counts people staying in emergency shelters and other homeless services and those sleeping unsheltered. Unsheltered counts are particularly difficult in rural areas, including tribal areas, because homeless people are spread out over large geographic areas (Housing Assistance Council, 2013). Given this challenge, the Point-in-Time Count provides a lower-bound number of American Indians and Alaska Natives who are literally homeless on a single night. According to the 2015 Point-in-Time Count, 15,136 American Indians and Alaska Natives were literally homeless across the United States on a single night in January of that year. American Indians and Alaska Natives were overrepresented in the literally homeless population. Although American Indians and Alaska Natives comprise only 1 percent of the overall population, about 3 percent of homeless people identified American Indian or Alaska Native as their only race (HUD, 2015a). Further, about 0.5 percent of the AIAN-alone population was homeless in the 2015 Point-in-Time Count compared with 0.1 percent of the total population that is homeless (HUD, 2015a). These data, however, are limited in two ways: (1) publically available data do not allow researchers to estimate homelessness only on tribal areas, and (2) they do not capture the doubled-up population.[35]

Although it cannot provide an estimate of the size of the literally homeless population, the household survey provides the first sample-based estimate of the doubled-up population across all tribal areas in

35 Publically available Point-in-Time Count data are aggregated at the continuum of care (CoC) level. CoCs are organizing bodies for homeless services and vary in their geographic scope. Some CoCs cover one urban area or one county; others cover a collection of counties; others cover an entire state. Data on tribal jurisdictions are not collected. Because of this variation, researchers cannot identify homelessness within tribal boundaries.

the United States. About 17 percent of AIAN households include some household members that were staying with them only because they had no other place to stay. Although only a small share of the heads of these households (19 percent) would ask these people to leave, the vast majority of them (80 percent) thought that those members of their household would like to get a place of their own if they could. Together, the data suggest that these doubled-up situations are not the household's first choice and that those members would otherwise have been literally homeless. In other words, they are near homeless.

To estimate the number of near homeless people, this analysis examines the composition of the households that include them. Overall, these households tend to be large, with 5.5 people, on average, and include nonrelatives and distant relatives (that is, uncles, aunts, nieces, nephews, in-laws, and more distant relatives). This analysis assumes that all nonrelatives and at least some of the distant relatives are most likely to be the near homeless household members, those who had no other place to go. On average, 0.62 people per household were nonrelatives, and 0.63 were distant relatives, which means 0.62 people per household at minimum and 1.25 people at maximum are near homeless.

Based on an estimated 399,400 households in tribal areas at the time of the household survey, 67,900 households include a near homeless member. This yields an estimate of 42,100 near homeless people, using the average number of nonrelatives per household, and 84,700 near homeless people using the average number of nonrelatives and distant relatives per household. This translates to a near homeless rate for AIAN households between 3.6 and 7.2 percent (exhibit 2.45).

Data from the AHS suggest that near homelessness is more common among AIAN households than among the general population, though exactly comparable data for the U.S. population overall are not available. The 2013 AHS estimated that 4.4 million households, or 3.8 percent of all households, were doubled up using

Exhibit 2.45 – Estimating the Size of the Doubled Up Population

	N	Percent
AIAN Households in Tribal Areas	399,400	100
With a member with no other place to stay	67,900	17
AIAN Population in Tribal Areas	1,198,000	100
House hold members with no other place to stay		
Minimum	42,100	3.6
Maximum	84,700	7.2

Source: American Community Survey for AIAN tribal households and AIAN Population in Tribal Areas; Urban Institute Household Survey 2013-2015

Notes: The minimum estimate of household members with no other place to stay was calculated by multiplying the number of households with a member of this type by the average number of nonrelatives in those households (0.62 people). The maximum number was estimated by multiplying the number of households with a member with no other place to stay by the average number of nonrelatives and distant relatives in these households (1.25 people). The total number of AIAN households residing in tribal areas at the time of the household survey (mid point = 2014) was calculated using a straight-line method based on the growth in total AIAN households in Indian Country from the midpoint of the 2006-2010 period and 2010, extending that growth percentage to 2014.

a much broader definition of doubled up (that is, households with at least one member who had moved out in the past year, which includes college students living at home for the summer, elderly household members who have since moved to assisted living, and other non-near homeless people) (HUD, 2015b; AHS 2013 estimates). Because the AHS doubled-up rate is close to the minimum tribal area estimate even though the AHS definition of doubling up is not restricted to near homeless situations, the data comparison suggests that near homeless doubling up is more common on tribal areas than in the United States overall.

2.5. Demand for and Barriers to Homeownership and Mortgage Lending

This section presents more recent and detailed national information about AIAN homeownership, demand for homeownership, and barriers to homeownership in tribal areas.

The census data presented in section 2.2 shows that AIAN homeownership rates in tribal areas were 67 percent in 2010.[36] Findings of the nationally representative survey of households in tribal areas conducted for this study in 2013-2015 are very similar, estimating that the AIAN homeownership rate in tribal areas was 68 percent. Based on the household survey, most homes (62 percent) were privately owned and on nontrust land, and 20 percent of homes were on land owned by the tribe, and 14 percent were on individual allotted trust land. Based on the survey, 66 percent of all AIAN homeowners in tribal areas do not currently hold a mortgage (exhibit 2.51).

Both tribal/TDHE survey respondents and AIAN household survey respondents living in tribal areas report a strong demand for homeownership. Of the tribes/TDHEs, 75 percent reported that demand for homeownership was high, 21 percent reported that demand for homeownership was moderate, and only slightly more than 4 percent reported low or no demand for homeownership. Furthermore, 76 percent of tribes/TDHEs said demand for homeownership had increased during the past 3 years (exhibit 2.52).

In the household survey, 90 percent of renters responded that they would prefer to own their own home. In addition, 90 percent of all respondents said they would be willing to contribute labor (from a family member or their own) to build their house if it meant they could own a home. AIAN households face a number of barriers to homeownership. Both current homeowners and renters were asked about barriers to homeownership and responses were similar (exhibit 2.53). Of current homeowners, 8 percent had been denied a mortgage, and 9 percent of renters had been denied a mortgage. The most common reason for being denied mentioned by both groups was a low credit score or lack of a credit history. The next most common reason mentioned by renters (35 percent) was not having a sufficient downpayment. Of the renters, 29 percent said they did not make enough money to pay the mortgage. Both renters (35 percent) and homeowners (30 percent) indicated that they were denied mortgages because they had too much debt.

Those who have never applied for a mortgage also can experience barriers to homeownership (exhibit 2.54). The responses of the 90 percent of renters indicating that they would prefer to own a home are similar to those that have applied for mortgages and been denied, but these responses also capture the experiences of earlier stages in the homeownership decision process, such as having sufficient savings, a regular source of income, and access to a mortgage lender.

36 As noted previously, this includes HUD Mutual Help homes.

Exhibit 2.51 – Homeownership

Percent of Households	AIAN Households in Tribal Areas (Household Survey 2013-2015)					
	Total	N	n missing	Percent of Total Sample Missing	Standard Error	Confidence Interval
Own Home or Lease to Purchase		1,340	30	2.2%		
Buying home or apartment with lease/purchase or similar	57.1	764			4.64	±9.1%
Own their own home	10.8	149			1.65	±3.2%
Neither	32.1	397			3.44	±6.7%
Mortgage Status		913	10	1.1%		
Currently holds mortgage	33.6	225			6.21	±12.2%
Currently does not hold mortgage	66.4	678			6.21	±12.2%
Type of Land*		913	33	3.6%		
Privately owned, non-trust land	62.4	427			10.27	±20.1%
Allotment land (individual trust land)	13.5	138			5.04	±9.9%
Land owned by the tribe (whether in trust or not)	21.1	279			5.98	±11.7%
Other	3.0	36			0.86	±1.7%
Type of unit*		913	17	1.9%		
Farm	3.5	25			1.04	±2.0%
Ranch	2.0	19			0.78	±1.5%
Mobile home	13.7	162			3.01	±5.9%
Manufactured home	9.3	76			2.15	±4.2%
House/townhouse/ apartment/other	71.5	614			4.82	±9.4%

Source: Urban Institute Household Survey 2013-2015

Notes: * denotes question asked only of current homeowners.

The barrier most often mentioned by this group (60 percent) was the inability to save enough for a downpayment, followed by low credit score or no credit history (46 percent), and inability to afford the monthly mortgage payment (32 percent). It is interesting that 29 percent of this group mentioned that they did not know how to buy a home or were unfamiliar with the loan application, lending terms, or real estate transactions; and 17 percent mentioned that they could not find a mortgage lender in the area. Respondents also mentioned a lack of available and affordable homes for sale.

Results from the tribal/TDHE survey reflect similar perceptions to those reported by AIAN households. Tribal/TDHE survey respondents were asked to state the three most important barriers to getting AIAN households in tribal areas to apply for a mortgage, with the following results: insufficient income (reported by 77 percent of those surveyed), no or blemished credit history (reported by 72 percent), lack of savings (by 61 percent), wariness of lenders (by 33 percent), and paperwork issues (by 31 percent).

Tribes/TDHEs reported the following sources of mortgage lending in their respective service areas: private lenders (85 percent); rural housing services (46 percent); tribe and tribal lenders (41 percent); other (36 percent); and Federal Home Loan Bank (27 percent). When asked to state the top three barriers to attracting lenders, tribes/TDHEs mentioned: (1) uncertainty about recovery of mortgaged property in the event of foreclosure (77 percent), trust land status (58 percent), and lack of mortgage institutions (44 percent). A separate survey of lenders in Indian Country conducted as part of this study finds that lenders report much the same challenges as those reported by tribes/TDHEs.[37] Major challenges to mortgage lending in Indian Country reported by lenders were blemished borrower credit, fractional property ownership, challenged borrower finances (lower income and savings and higher debt), and processing hurdles (delays in environmental review and land title reports).

Lender discrimination was mentioned as one of the top three barriers by a relatively small percentage of tribes/TDHEs (8 percent) and AIAN households interested in homeownership, but it was mentioned as a barrier by 16 percent of renters that are interested in homeownership. Another report completed for this study, *Mortgage Lending on Tribal Land* (Listokin et al., 2016), describes a changing landscape regarding mortgage lending in Indian Country with greater lending activity and a lessening of once seemingly intractable problems, such as those related to tribal trust land. Section 3.7 of this report describes housing policies and programs designed to address many of the barriers identified in the tribal/TDHE and household surveys.

Exhibit 2.52 – Homeownership Preference as Reported on the Tribal/TDHE Survey

Strength of Preference for Homeownership	
	Percent reporting
High	75.0
Moderate	20.7
Low	4.2
Share of Response	100
N	110
Trend in Preference Over Past 3 Years	
	Percent reporting
Increased	76.1
Decreased	4.1
Stayed the Same	19.8
Share of Response	98.2
N	110

Source: Tribal/TDHE Survey 2014-2015

37 See Listokin et al. (2016).

Site visits documented a diverse set of homeownership challenges and solutions for AIAN households. Most sites reported demand for homeownership. Housing agency and other respondents reported that the greatest barriers were tribes' and individuals' lack of funds and capacity in developing homes, credit issues, high infrastructure costs, tribal politics, and reluctance to deal with the stresses of maintaining a home. Many respondents stressed the difficulties in obtaining a deed or proving ownership (needed for a mortgage) in Indian Country. In some cases homebuyers need to install basic infrastructure (electricity, septic, and so on) when they purchase a house, adding to the expense. One Lac du Flambeau respondent noted that getting such costs covered was very important: "...what helped me was Indian Health Service. They funded the well and septic at 100 percent [of the cost]. That was a big part, as we could use that as our downpayment."

For some sites, such as Gila River, Makah, and Acoma Pueblo, the concepts of homeownership and mortgages are quite new, and as discussed in section 3, a number of tribes are turning attention to homebuyer education. Several tribes mentioned that land is still held in tribal trust or kept in families, so few houses are available for purchase. At other sites, however, a variety of programs were used to help clients with homeownership and develop new housing. For example, the Choctaw Nation has its own purchasing and financing program (Choctaw Home Finance

Exhibit 2.53 – Barriers to Obtaining a Mortgage

	AIAN Households in Tribal Areas (Household Survey (2013 - 2015)					
	HOMEOWNERS			RENTERS		
	Total	N	n missing	Total	N	n missing
Mortgage denied		913	5		427	15
Yes	8.4	59		8.6	43	
No	91.6	849		91.4	369	
Reasons mortgage was denied		59			43	
Didn't have a sufficient down payment	14.8	9	0	35.4	14	0
Don't make enough money to pay the mortgage	9.7	5	0	28.9	13	0
Don't have a job	10.0	4	0	7.6	4	0
Don't have a long/good job history	3.5	4	0	16.0	9	0
My credit score was too low/ didn't have a credit history	45.7	27	0	60.7	23	0
Too much debt (credit cards, student loans, medical/ health care costs)	29.8	13	0	34.6	16	0
There were issues about the title to the land or property rights	5.0	6	0	3.3	3	0
I felt I was discriminated against because I am American Indian/Alaska Native	10.0	7	0	15.4	5	0
Other	17.2	13	0	19.6	8	0

Source: Urban Institute Household Survey 2013-2015

Cooperative) developed with Wells Fargo and PMI Mortgage Insurance, and the Lac du Flambeau Reservation works with a CDFI that operates a loan fund.

In conclusion, part 2 describes housing market conditions in tribal areas and addresses the central question of this assessment: What are the extent and nature of AIAN housing problems and needs? It examines evidence from census data, a survey of households in tribal areas, a survey of tribal/TDHE directors, and onsite interviews with housing staff. From the 1990 census to the 2006–2010 ACS, the total number of AIAN households in tribal areas (AIAN-alone plus AIAN multiracial) increased by 58 percent to a total population of 370,900. Although physical housing problems (such as plumbing/kitchen deficiencies) and overcrowding of AIAN households in tribal areas appear to have improved since 1990, these problems are still much more severe than those faced by U.S. households, on average. The 2006–2010

Exhibit 2.54 – Barriers to Homeownership Reported by Renters

Percent of Households	AIAN Households in Tribal Areas (Household Survey 2013-2015)					
	Total	N	n missing	Percent of Total Sample Missing	Standard Error	Confidence Interval
Barriers faced when buying home **		1,266				
Can't save enough for a house/can't afford down payment (down payment)	60.0	510	410	32.4%	2.01	±3.9%
Can't afford the monthly mortgage payment	32.4	272	410	32.4%	2.44	±4.8%
Can't find a mortgage lender in the area	17.5	156	410	32.4%	2.34	±4.6%
Can't resolve land rights (property rights)	10.5	103	410	32.4%	3.41	±6.7%
Don't have collateral to get a loan because my land is held in trust	13.5	148	410	32.4%	2.11	±4.1%
Don't have a job	25.5	235	410	32.4%	2.80	±5.5%
Don't have a long/good job history	13.3	124	410	32.4%	1.39	±2.7%
My credit score was too low/didn't have a credit history	45.6	388	410	32.4%	3.22	±6.3%
Too much debt (credit cards, student loans, medical/health care costs)	27.3	227	410	32.4%	2.05	±4.0%
No housing available in a location I want to live	19.8	212	410	32.4%	2.67	±5.2%
No affordable housing in my area	20.2	183	410	32.4%	1.66	±3.3%
No houses are available for sale or being built that are suitable for me/my family	18.5	187	410	32.4%	2.22	±4.3%
Don't know how to buy a home/unfamiliar with loan application process, lending terms, or real estate transactions	28.6	249	410	32.4%	1.79	±3.5%
Lenders are more likely to deny applications from American Indian/Alaska Native	16.2	183	410	32.4%	2.42	±4.7%

Source: Urban Institute Household Survey 2013-2015

Notes: * denotes question asked only of current renters

ACS indicates that the U.S. average share of households with these problems (4 percent) was less than one-third the AIAN tribal area share (13 percent). Although the AIAN tribal area rate had dropped from being 5.6 times worse than the U.S. average, to 3.3 times that average, the gap was still substantial. Housing problems and conditions vary across tribal areas and are far more severe in three geographic areas: New Mexico/Arizona, the Plains, and northwestern Alaska villages.

Using census data on household types and sizes along with household survey data on variations in household composition, and views on these topics gleaned from the tribal/TDHE survey and onsite interviews, part 2 provides new information about the nature of overcrowding and homelessness in tribal areas. Overcrowding in many tribal areas is strikingly more severe than elsewhere in the United States as a whole (11 percent of AIAN households in larger tribal areas compared with only 3 percent of households nationwide). The household survey finds an even higher rate of overcrowding among tribal area households. About 16 percent of tribal households were overcrowded, meaning their household included more than 1 person per room, and about 6 percent were severely overcrowded (that is, more than 1.5 persons per room). In the household survey, 17 percent of household heads said they did have some household members that were living with them only because they had no other place to stay, yielding an estimate of between 42,000 and 85,000 people in tribal areas who are doubled up because they have no place else to stay.

Choctaw -- http://www.choctawhousing.com/services/affordable-rental-housing.aspx

The household survey uses a nationally representative sample to create national estimates of housing needs for all of Indian Country, including the Alaska tribal areas. The research team estimates that, as of 2014-2015, a total of 68,000 new units were needed to replace severely inadequate units and eliminate overcrowding.

The household survey also confirms that a strong preference for homeownership exists in tribal areas. Most renters want to become homeowners but face barriers due to low credit score, lack of a credit history, or not having a sufficient downpayment.

Part 3 turns to housing policies and programs that address housing needs and conditions and the program options for addressing demand for homeownership in Indian Country.

Part 3. Housing Policies and Programs

3.1. Introduction

Parts 1 and 2 of this report described the circumstances of American Indians and Alaska Natives (AIANs), and changes during the past two decades. Key points are—

- The AIAN population continues to grow fairly rapidly in Indian Country nationwide.
- While the gaps have been diminishing for some measures, the socioeconomic well-being of the AIAN population remains considerably less than that of most Americans.
- AIAN housing problems and needs, particularly in tribal areas, are still much more serious than those of other Americans generally.

Part 3 reviews U.S. housing policy under what is now the dominant structure for providing federal housing assistance in Indian Country: the Native American Housing Assistance and Self-Determination Act (NAHASDA), enacted in 1996. As noted in the introduction to this report, this study did not formally evaluate performance under NAHASDA. Nonetheless, findings have a great deal to say about how the component programs have been working, offering many findings and conclusions that should prove of value to federal and tribal officials in their efforts to improve program effectiveness.

This part of the report begins by providing information on the historical and institutional context that will help readers understand the more substantive findings to follow. Section 3.2 reviews the evolution of federal housing assistance in Indian Country since it began, culminating in a full description of NAHASDA—its purposes and the way it is administered. The final paragraphs of this section review program funding (sources and uses of funds). Section 3.3 reviews the changes in the size and composition of the HUD-assisted housing stock in tribal areas, and the way both program administrators and residents view the quality and adequacy of this housing. These sections naturally give emphasis to the Indian Housing Block Grant (IHBG) program, which is the central vehicle for providing housing assistance under NAHASDA.

This is followed by a deeper look at the organizations that administer and manage operations under NAHASDA in tribal areas, including discussions of how they are organized and staffed, their activities, and how they perform this work (section 3.4). Section 3.5 reviews the contributions of other federal programs that provide housing assistance in Indian Country, supplementing efforts under the IHBG.

An examination of the challenges of developing new housing in Indian Country under the IHBG is provided in section 3.6, based largely on information provided by tribal/Tribally Designated Housing Entity (TDHE) leaders and staff (via surveys and onsite interviews). This section also highlights a number of production success stories that have been identified. Section 3.7 is similar, but focuses on efforts to expand homeownership, including the role played by the changing availability of mortgage lending.

NAHASDA contains a charge not present in earlier legislation, namely that tribes use their federal resources in part to strengthen the private housing markets in their areas. Section 3.8 explains how this is working out, covering both challenges and solutions. Finally, section 3.9 draws from this study as a whole to discuss the overall impact NAHASDA has had since it was enacted two decades ago.

3.2. The Evolution of Federal Housing Assistance in Indian Country

The Kingsley et al. (1996) report provided a fairly complete history of how federal housing assistance in AIAN tribal areas was first developed and then evolved. This section provides a brief summary of that history before 1996 and then tells a more complete story of the subsequent establishment and operation of activity under NAHASDA.

The "1937 Act" Programs

The deep poverty and deplorable living conditions in tribal areas were recognized as a concern by policymakers early in the 20th century. The Snyder Act of 1921 authorized the U.S. Department of the Interior Bureau of Indian Affairs (BIA) to provide a broad range of assistance to those areas, which could have included housing; however, no action was taken on the housing front for four decades after that.

Initiating Federal Housing Assistance

Federal housing assistance was not available to any low-income Americans until the passage of the United States Housing Act of 1937, which created the Public Housing Program; many expected that form of assistance to be extended to Indian Country. Public housing development soon proceeded rapidly in many urban areas, but it was not until 1961 that the Office of the General Counsel of the Public Housing Administration determined that American Indian tribal governments were eligible "municipalities" that could receive public housing support.

After that determination was made, the Public Housing Administration (with help from BIA) began to work with the tribes to establish a network of Indian Housing Authorities (IHAs) capable of developing and managing assisted housing in Indian Country.[38] Two major programs were mobilized under the aegis of the 1937 Act.

1. ***The Low-Rent Program***—essentially the national public housing program, implemented in Indian Country. HUD grants went to IHAs who used them to acquire the rights to land and build new units, or acquire and rehabilitate existing ones, for rent by low-income families. The IHAs then managed the properties and received additional federal funds to cover the difference between allowable operating costs and tenants' payments toward rent (set not to exceed 30 percent of the tenant's adjusted income).

2. ***The Mutual Help Program***—one of a very few federal programs that have offered homeownership opportunities to low-income families. As in the rental program, IHAs developed new housing with HUD grants, but purchasers were responsible for all operating and maintenance costs. The purchasing household had to make an initial $1,500 contribution (but tribes often met this requirement on behalf of the household by contributing the land), and make a monthly "homebuyer payment" (set by the IHAs at between 15 and 30 percent of household income) for up to 30 years. The program was actually a "lease-purchase" arrangement. A portion of the monthly payment made by the families covered an administrative fee, but the remainder was credited to an equity account that was used to purchase the home. Families do not actually gain title to their properties until all of their payment obligations have been met (expected to happen within 25 years).

The central management of these two programs was transferred to HUD when it was created in 1965. At HUD, the programs were simply administered as a part of the

38 The IHAs were similar to the public housing authorities that administer public housing elsewhere. They are appointed by local officials but operate under federal rules and oversight.

public housing program until a separate Office of Indian Housing was established in the mid-1970s. In 1976, the first Indian housing regulations were published separate from those for public housing. During subsequent years, pressure increased for an even more distinct approach to Indian housing. Congress passed the "Indian Housing Act of 1988," which, for the first time, established a statutory commitment to the provision of Indian housing assistance outside of the general framework of the 1937 Act. HUD then developed new consolidated regulations for Indian housing.

Through the 1970s and 1980s, substantial operating capacity was built in the IHAs in tribal areas and the low-rent and Mutual Help programs developed rapidly. Although these two programs were by far the dominant forms of federal housing assistance in Indian Country, other forms were also being made available at a smaller scale. These included tenant-based assistance (called Section 8 certificates or housing vouchers, initiated nationwide in 1974); the BIA's Housing Improvement Program (HIP—a production program for very low-income families, established in 1965); funds from two national block grant programs that could be used for housing—the Community Development Block Grant (CDBG) and the HOME program; assistance from the Farmers Home Administration (FmHA); and financing assistance through the Federal Housing Administration (FHA) Section 248 mortgage insurance program, established in 1987. More will be said about how these programs work and their contributions later in part 3.

Important Accomplishments, but Residual Issues

The contribution of the 1937 Act programs in Indian Country in its first quarter century has not been well recognized. By 1990, the low-rent program had 24,500 housing units in management and Mutual Help had another 42,900, for a total of 67,400. These two programs were then housing *more than one-fourth* (25.9 percent) of the 234,400 total AIAN households living in tribal areas nationwide; 42 percent of low-income AIAN households in tribal areas (Kingsley et al., 1996: table 3.5).

Dissatisfaction with these programs also existed on several levels. A 1978 U.S. General Accounting Office report (GAO, 1978) stated that the programs remained underfunded in relation to the need but also addressed overly complex procedures, a lack of flexibility, coordination problems, and the lack of sufficiently trained personnel. Underlying the problems of complexity and lack of flexibility, of course, was the unhappiness of many tribal leaders with the extent to which HUD controlled program plans and operations. HUD officials had to approve the details of housing plans submitted by the IHAs, and tribal governments thought they had insufficient influence over IHA activities.

In 1989, Congress designated a National Commission on American Indian, Alaska Native and Native Hawaiian Housing to investigate the situation. It presented its findings in a 1992 report (National Commission, 1992) concluding that many of these problems persisted. HUD then moved aggressively to try to address the issues, implementing a number of administrative changes the commission had recommended. In addition, HUD revised program regulations to significantly reduce and simplify operating rules and provide more flexibility to local implementers.

In May 1993, action was taken to further consolidate the coordination of AIAN programs within HUD. Since 1982, much of HUD's interaction with the tribes and IHAs

had taken place via six regional Offices of Indian Programs (OIPs). In the 1993 changes, (1) the OIP title was replaced with Office of Native American Programs (ONAP—better reflecting the inclusion of natives from Alaska); (2) responsibility for the Indian CDBG program was transferred from HUD's Office of Community Planning and Development to ONAP; and (3) the six field offices (now called Area Offices of Native American Programs—AONAPs) would thereafter report directly to ONAP, rather than to HUD Regional Administrators.

These changes by HUD were generally much appreciated in Indian Country, but they still fell short of expectations in an era in which "self-determination" had become the central theme of U.S. Indian policy.

The Kingsley et al. (1996) report provided a comprehensive assessment of the 1937 Act programs and HUD's administration of them. It recognized both the contribution these programs had made, and HUD's efforts to streamline regulations and make them work more effectively. Nonetheless, one of its central conclusions strongly reinforced the arguments for self-determination:

> ***...mostly because of categorical constraints inherent in their authorizing legislation, the Rental and Mutual Help programs provide neither the incentives nor the flexibility needed for tribal and IHA officials to apply federal funds creatively to address housing needs in Indian Country efficiently and effectively. (Kingsley et al., 1996: 189)***

In addition, the Kingsley et al. (1996) report drew attention to the need for economic development to support housing development. The call for economic development reflected a theme that turned out to be important in subsequent legislation:

> ***Federal assistance in and of itself will never be a sufficient or appropriate way to deal with the full range of housing problems and opportunities in Indian Country. Further priority needs to be given to economic development in tribal areas with related policy thrust to encourage more private investment in Indian housing. (Kingsley et al., 1996: 232)***

The Native American Housing Assistance and Self-Determination Act

With this background, tribal leaders, Congress, and HUD worked collaboratively in the mid-1990s to craft new legislation that would transform the way housing assistance would be delivered in tribal areas. The result was NAHASDA, signed into law on October 26, 1996 (P.L. 104-330, as amended).[39]

The Act opens with several congressional "findings" that, among other things, explicitly reaffirm the "unique trust responsibility of the United States to protect and support Indian people," including its "special role in providing affordable homes in a safe and healthy environment." These findings also state that "...the Federal government shall work to assist in the development of private housing finance mechanisms on Indian land," and that "Federal assistance shall be provided in a manner that recognizes Indian self-determination and tribal self-governance."

Basic Objectives, Activities, and Eligibility

Under NAHASDA, the tribes have both more responsibility and more flexibility. They have greater flexibility to determine what types of products and services they offer, how they will deliver programs and projects, and whom they serve (although, with certain specified exceptions, they are

39 Materials in this section are adapted from documents prepared by ONAP: its *NAHASDA Essentials* (HUD/ONAP, 2011) and its annual *Report to Congress* (most recently, HUD/ONAP, 2014).

still required to serve low-income families as required under the U.S. Housing Act of 1937—see further discussion in later sections). Perhaps most notably, NAHASDA ***changed the delivery mechanism***.[40]

- It provided for an ***IHBG***. Both the annual grant received by tribes and the program that directs the use of this grant are known as IHBG. IHBG is a program that provides funding to eligible tribes nationwide; funding is allocated according to a formula.
- It provided that IHBG funds and other assistance would be given directly to Indian tribes rather than to IHAs. Tribes may run the program directly or may designate a TDHE to administer it on their behalf. The tribes may designate their old IHA to administer the program, and many have done so; in that case, the IHA thereafter works directly for the tribe. More than 580 tribes receive IHBG funding (HUD/PD&R, 2015b).

The law states that the primary ***objectives*** of NAHASDA are to—

- Assist and promote affordable housing activities to develop, maintain and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families.
- Ensure better access to private mortgage markets for Indian tribes and their members and promote self-sufficiency of Indian tribes and their members.
- Coordinate activities to provide housing for Indian tribes and their members with federal, state, and local activities to further economic and community development for Indian tribes and their members.
- Plan for and integrate infrastructure resources for Indian tribes with housing development for Indian tribes.
- Promote the development of private capital markets in Indian Country and allow such markets to operate and grow, thereby benefiting Indian communities.

Section 202 of the statute permits a variety of ***activities*** to provide affordable housing and to assist low-income families living in affordable housing units.

- ***Indian Housing Assistance.*** This includes modernization and operating assistance for housing previously developed or operated under the 1937 Act programs. Rent and utility subsidies for this housing are also in this category.
- ***Housing Development.*** This can include property acquisition, new construction of affordable housing, reconstruction, moderate or substantial rehabilitation, site improvements, the development of utilities and utility services, demolition, and other rehabilitation and construction activities.
- ***Housing Services.*** This is the provision for services related to affordable housing, which can include housing counseling, the establishment and support of resident management organizations, energy auditing, and other services related to assisting owners, tenants, contractors and other entities that participate in the program.

40 The statute contains seven title sections: I—Block Grants and Grant Requirements (covers the Indian Housing Plan [IHP] and other federal requirements), II—Affordable Housing Activities (covers eligible activities, low-income targeting, and other program requirements), III—Allocation of Grant Amounts (covers the annual allocation and the formula), IV—Compliance Audit and Reports (covers remedies for noncompliance, monitoring, and performance reports), V— Termination of Assistance for Indian Tribes Under Incorporated Programs (covers repealed programs), VI—Federal Guarantees for Financing for Tribal Housing Activities (covers the provisions for the loan guarantee program), and VII—Other Housing Assistance for Native Americans (covers loan guarantees, leasehold interests in trust or restricted lands for housing, training and technical assistance, and Public and Assisted Housing Drug Elimination Act of 1990).

- ***Housing Management Services.*** This includes preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, operation and maintenance of units developed with IHBG funds and management of affordable housing projects.
- ***Crime Prevention and Safety.*** This covers safety, security and law enforcement measures to protect residents of affordable housing from crime.
- ***Model Activities.*** This category includes activities supportive of affordable housing within the goals of the statute that are not explicitly included in the previously discussed activities. Examples include the construction of community buildings, daycare centers, job training centers, and maintenance storage buildings.
- ***Administration and Planning.*** Recipients may spend up to 20 percent of their grant amount on administration and planning of IHBG related activities.

NAHASDA regulations (§ 1000.1040) define *eligible beneficiaries* to specifically include (1) low-income Indian families whose income does not exceed 80 percent of the median income for the area; (2) non low-income Indian families whose income exceeds 80 percent of the area median, but may be assisted by NAHASDA funding under certain specified circumstances; and (3) non-Indian families whose housing needs cannot be met without IHBG assistance and the grant recipient agrees that the family's presence is essential to the well-being of the Indian families living in the tribal area.

The ***IHBG formula*** is used to allocate grant funding in a manner intended to be equitable and fair to eligible recipients.[41] The grantee may be the tribe or a TDHE that administers the program on behalf of the tribe.[42] The formula is calculated annually, depending upon the annual IHBG appropriation from Congress. The first IHBG formula run produces estimated allocations that are sent to both tribes and TDHEs (completed on June 1). Final allocations are completed after appropriations are announced and a previous year carryover is determined. The date of the final formula run varies each year depending on when the President signs the appropriations into law. The formula contains two components.

1. ***Formula Current Assisted Stock (FCAS)*** relates to funding for the continued management of housing units still operated by the tribes that were previously developed under the 1937 Act programs. Tribes update information on the FCAS stock they continue to manage each year. Two elements are considered in calculating the FCAS portion of the formula: an operating subsidy and an allocation for modernization.
2. ***Need*** is calculated using seven weighted factors, which consider the local population's income levels, the condition of existing housing, and the level of housing costs. The need allocation is adjusted for local area cost differences. Data on these components are drawn from the census and from HUD sources. Tribes may challenge data through a specified process. The amount that any one tribe will receive is determined by its formula numbers and by the overall programmatic funding for that year.

Grant recipients are allowed to provide benefits in an *Indian Area*, which refers to the area within which an Indian tribe

41 Regulatory requirements that implement the formula are in Subpart D. Allocation Formula, §§ 1000.301-1000.340.

42 NAHASDA states that "the term 'Indian tribe' means a tribe that is a federally recognized tribe or a State-recognized tribe," but further clarifies that the only state-recognized tribes that qualify are those that received HUD 1937 Act assistance before the effective date of NAHASDA.

operates affordable housing programs or the area in which a TDHE is authorized by one or more Indian tribes to operate. This includes the tribes own tribal area (the geographic area over which the Indian tribe can exercise court jurisdiction), and may include other (normally adjacent) areas where the tribe can document that it has formally agreed to provide housing services under a Memorandum of Agreement with that jurisdiction.

Regulations and Amendments

To interpret and implement NAHASDA, regulations are developed by HUD and tribes nationwide through negotiated rulemaking. The process of developing the regulations was mandated by Section 106(b) of the statute. The original regulations were developed using a 58-member Negotiated Rulemaking Committee, which included tribal leaders from across the country, and also HUD staff. This unusual way of writing regulations is significant because this was the first step in implementing the "self-determination" intention of NAHASDA. The IHBG regulations replace the U.S. Housing Act of 1937 regulations (at § 950), and set forth the necessary policies and procedures for the administration of grants made to eligible recipients under the IHBG program. HUD is in the fourth round of negotiated rulemaking: (1) 1997 to 1998 for implementation, (2) 2004 for the formula, (3) 2010 to 2012 for implementing reauthorization, and (4) 2013 and ongoing for the formula.

NAHASDA, which was signed into law in 1996, was further amended on October 21, 1998; December 27, 2000; November 13, 2002; October 30, 2004; December 22, 2005; August 8, 2005; and October 14, 2008. The Act of 2008 (Pub. L. 110-411, approved October 14, 2008) reauthorized NAHASDA through September 30, 2013, and amended Section 106 to require that HUD initiate a negotiated rulemaking in January 2010 (75 FR 423). An important amendment to the law in 2000 added Title VIII, providing for a new Native Hawaiian Housing Block Grant (NHHBG) program, operated separately by the State of Hawaii Department of Hawaiian Home Lands.

Federal Guarantee for Financing Tribal Housing Activities

Private lenders and investors historically were reluctant to do business in Indian Country (due to remote locations, cumbersome procedures related to trust lands, and other reasons). Title VI of the Act, allows HUD to guarantee 95 percent of outstanding principal and interest on a loan made by a private lender to an IHBG recipient for affordable housing activities. Borrowers pledge a portion of their current and future IHBG funds as security.

The guarantee has proven to be a workable incentive to private lenders. Since the program began operating (in fiscal year [FY] 2000), through FY 2015, HUD issued 86 Title VI loan guarantees, totaling more than $220 million. Under these guarantees, 3,080 housing units have been built, rehabilitated, or supported with new infrastructure.

Operating and Monitoring Activities Under NAHASDA

A number of procedural steps are specified to secure accountability and effectiveness in program operations. First, all recipients of IHBG funds are required to prepare, and submit to HUD (ONAP), an annual ***Indian Housing Plan (IHP)*** that spells out how they intend to use the funds they receive under their IHBG and from other sources for housing related activities in the coming year. The IHP must describe the recipient's existing housing stock, assess housing needs, and determine how resources will be expended.

Second, all recipients must also prepare and submit an ***Annual Performance Report (APR)***. These cover the financial side of operations for the year (with breakdowns of sources and uses of funds), and quantify what the recipient has accomplished under the program. Until 2013, grantees were required to submit one APR for each open grant. In 2013, HUD revised this policy so that grantees now have to submit only one overall APR per year.

Performance monitoring is the responsibility of both the recipients and ONAP. Recipient self-monitoring requires all grant recipients to annually assess their own programs for compliance with program rules, and to report the results to their constituents and also to HUD. ONAP has prepared (and regularly updates) a *Self-Monitoring Guidebook* to assist grantees with this task.

ONAP monitoring occurs in several ways through processes designed to "respect tribal sovereignty and self-governance" (see the ONAP *Grants Evaluation Guidebook*). First, the data in all APRs are entered into a Performance Tracking Database (PTD) that yields a variety of reports. These reports are analyzed by ONAP staff to assess performance comprehensively (covering program accomplishments, how activities are being carried out, and financial performance).

Second, ONAP reviews and assesses activities of selected recipients in depth and on site, using a "risk-based approach." Each year, a risk-assessment process identifies grant recipients considered to have the greatest potential for using funds inappropriately or otherwise failing to meet statutory or regulatory requirements. After the selected recipients have been assessed, ONAP issues a report to them that recognizes their accomplishments and also provides recommendations on how to correct or remedy any noncompliance that has been discovered. ONAP may provide technical assistance at that point to help the recipient deal with the issues at hand. ONAP then monitors steps taken to resolve the issues and, when results are not satisfactory, may impose remedies or sanctions as deemed necessary and appropriate. In FY 2013, ONAP completed 72 onsite monitoring reviews of this kind.

Technical assistance and training, however, is an even greater emphasis for ONAP (provided to its own staff and also to grant recipients and their staffs). ONAP's TA/Training agenda touches on almost all topics related to the development and operation of affordable housing under NAHASDA. Much of it is arranged and delivered locally without using outside contractors. At this level, Area ONAP staff train tribal and TDHE staff as needed, routinely responding to tribal requests. This entails preparing explanatory and training materials, and conducting local workshops and training sessions.

Other training is developed at the national level, and does often involve outside contractors and consultants. Topics covered in FY 2013 included, for example, "NAHASDA Essentials," "Indian Housing Plan and Performance Report," "Environmental Review," "Procurement," and "Youth Organization Development."

In 2012, ONAP switched from traditional contracting to a Notice of Funds Availability (NOFA) process to procure outside services in these areas, and this has enabled a notable program expansion. The number of trainings and technical assistance engagements reached 99 in FY 2013 (45 completed and 54 in process) compared with 23 per year under the previous contracting process.

Funding and Financial Performance

The following paragraphs first describe the levels of funding Congress has provided for the IHBG since the program became operational. They then review the sources of income for tribal activities under the overall NAHASDA umbrella, and how IHBG funds have been spent, by category.

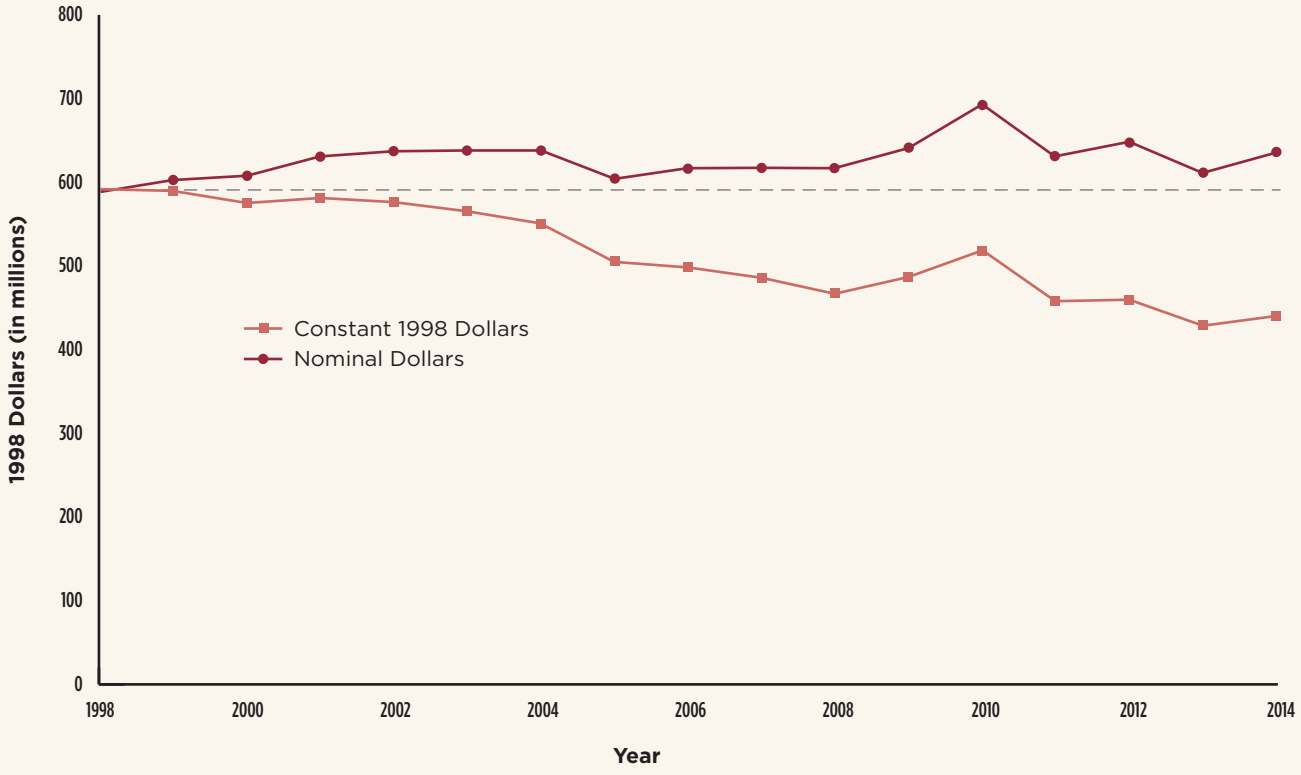
IHBG Funding

The top line in exhibit 3.21 shows the IHBG funding appropriated by Congress year-by-year since the program became fully operational in 1998 through FY 2014. After the 1998 grant ($589 million) the annual levels have remained relatively constant in the $600 to $650 million range (nominal dollars, that is, not adjusted for inflation) during the life of the program. In FY 2009, the American Reinvestment and Recovery Act (ARRA) of 2009 provided an additional $497.25 million in IHBG funds.[43] In total, $11.3 billion was appropriated from FY 1998 to FY 2014, an average of $667 million per year. In both FYs 2015 and 2016, Congress appropriated $650 million to the Block Grant account.

In every year, some set-asides have been available, but the vast majority of the funds have been awarded to grant recipients via the formula. Set-asides in recent years have typically ranged from approximately $4 million to $8 million, and are used to (1) fund the

43 The ARRA provided funds for housing programs in Indian Country in addition to the amounts authorized by Congress for IHBG directly. This included a $255 million addition to the formula distribution and a separate $242.25 million under a competitive distribution. For a more complete explanation, see ONAP (2012: 9).

Exhibit 3.21 – Amount of IHBG Funds Awarded, 1998 to 2014



Source: HUD ONAP LOCCS Report, current as of June 1, 2015.
Note: The American Recovery and Reinvestment Act of 2009 provided an additional $504,201,481 in IHBG funding.

Title VI loan guarantee program (usually $2 million annually); (2) cover HUD expenses on inspections, contracting, and other program assistance; and (3) contract with national and regional organizations to provide technical assistance and training to IHBG recipients.

It is extremely important to point out, however, that the program's buying power has declined markedly over the years. The lower line in exhibit 3.21 shows grant amounts each year in *constant (1998)* dollars. The totals go down from the $599 million of 1998 to a low of $428 million in 2013, only 73 percent of what the program could have purchased at the 1998 level. The 17-year constant dollar total was $8.8 billion, an average of $516 million annually, which is much less than the average of allocated nominal dollars not adjusted for inflation ($667 million per year).

Two other factors further contribute to the reduced buying power of NAHASDA funding amounts since 1998: (1) population growth and (2) increased construction costs.

1. Not only has IHBG funding not kept pace with inflation, but it also has not kept pace with population growth in tribal areas. During the period of 1999 to 2014, the AIAN population grew 59 percent. Because of this growth, the per capita IHBG allocation in nominal dollars went from $573 to $386.

2. Construction costs have outpaced inflation-related price increases, and to the extent that IHBG is used to fund construction, the Consumer Price Index understates the erosion of the grant's value. The average total development cost (TDC)[44] for a 3-bedroom housing unit grew from $183,937 in 2006 to $329,839 in 2014, an increase of 79 percent.[45]

Total Funding by Source (Sources of Funds)

In the spirit of NAHASDA, tribes use their IHBG resources for direct housing investment, but also in ways that can leverage a larger pool of resources for housing improvement in their service areas.

Exhibit 3.22 is a summary of APR data on all NAHASDA-related funding the grantees have been awarded from the start of the program through FY 2013 (nominal dollars). The IHBG total is $7.4 billion, which represents 71 percent of the IHBG awards to recipients through FY 2014.

The table shows a total of $9.0 billion in total related funding to these recipients during this period. Grantees are required to report all the HUD funding they receive in their APR. Tribes/TDHEs typically report related funds they receive from other sources on this form as well. However, the totals in exhibit 3.22 probably understate the true totals awarded from all sources. Nonetheless, it is worth reviewing the amounts reported because they do show amounts substantially in excess of the IHBG alone.

The IHBG grant itself is clearly dominant, accounting for 82 percent of the $9.0 billion reported total. The most understandable way to talk about the amounts in the other categories may be to express them as a function of the IHBG amount. For example, the grantees had been awarded $121.65 in total funding for

44 TDC is calculated by averaging the current construction costs for a moderately designed house as listed in not less than two nationally recognized residential construction cost indices. These indices draw their data from surveys of construction costs in a geographic area. Multipliers for each area are applied against these basic numbers to provide costs that are specific to a geographic location. A second multiplier is then applied to account for nonconstruction costs (administration, planning, site acquisition, financing, and so on). Site-based utility costs are included. Off-site costs such as water, sewer, roads, and so on, are excluded. http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/regs/notices.

45 TDCs vary considerably across tribal areas. The average TDC is calculated using the share of total unadjusted allocation for each tribal area as a weight.

every $100 in IHBG funds they received (third column on the table). What are the sources of this additional $21.65?

The largest component ($9.46 or 44 percent) came from additional resources received directly from HUD. Most prominent among these is the Indian Community Development Block Grant (ICDBG—$6.49), but the category also includes amounts for the Title VI and Section 184 loan guarantees and grants to cover drug elimination activities.

The next largest item is NAHASDA Program Income ($5.26 per $100 of IHBG grants). This is made up of funds the grantees receive related to their operations of programs under NAHASDA, such as rents received from tenants in NAHASDA supported housing.[46] The grantees also gain some other resources from their continued

46 The categories of Program Income include income from fees for services, income from the use/rental of property, funds from the sale of units developed with HUD assistance, sale of equipment, loan principal and interest, sale of loans or obligations, investment income, and income from funds pending use.

Exhibit 3.22 – NAHASDA Funding by Source, Through 2013

	Total awarded ($ mill.)	Percent	$ per $100 of IHBG
Total	9,021.7	100.0	121.65
NAHASDA Block Grant (IHBG)	7,416.1	82.2	100.00
Other HUD Direct	701.9	7.8	9.46
Indian Comm. Development Block Grant	481.5	5.3	6.49
NAHASDA Title VI (Federal Guarantee)	182.7	2.0	2.46
Section 184 Loan Guarantee	8.2	0.1	0.11
Drug Elimination	6.8	0.1	0.09
Prior year funds and other	22.6	0.3	0.30
NAHASDA Program Income	390.4	4.3	5.26
1937 Act & Other Existing Prog. Resources	219.1	2.4	2.95
Other Federal or State Resources	128.3	1.4	1.73
Private Resources and Other	156.3	1.7	2.11
Tribe	25.3	0.3	0.34
Financial Institution	14.2	0.2	0.19
Other	116.8	1.3	1.58

Source: ONAP Performance Tracking Database (PTD).

Note: Universe includes all grants whether they were open or closed based on their most recent APR.

operation of 1937 Act and other existing programs, adding another $2.95.

The remaining sources account for comparatively small shares. The grantees received only $1.73 (per $100 of IHBG grants) from other federal and state programs. Finally, they received $2.11 from all other sources. This includes private-sector investment, but also investment made by the tribes themselves from their own resources ($0.34).

Expenditures (Uses of Funds)

Exhibit 3.23 shows all IHBG expenditures reported by the grantees from FY 2003 through FY 2014, broken down by NAHASDA program activity categories

Exhibit 3.23 – IHBG Program Expenditures, 2003–2014

	Expenditures, ($ mill.)		
	Total	Ave/yr.	Percent
Total	7,789	649.0	100
Housing Assistance (FCAS)	2,856	238.0	37
Modernization 1937 Act Housing	1,013	84.5	13
Operation 1937 Act Housing	1,842	153.5	24
Housing Development (Rental)	759	63.3	10
Acquisiition	82	6.8	1
Construction	547	45.6	7
Rehabilitation	117	9.7	1
Other	14	1.1	0
Housing Development (Homeowner)	1,898	158.2	24
Acquisition of units and land	264	22.0	3
Construction	1,081	90.1	14
Rehabilitation	514	42.8	7
Other	39	3.3	1
Housing Services	470	39.2	6
Housing Management Services	457	38.1	6
Crime Prevention & Safety	156	13.0	2
Model Activities	142	11.8	2
Reserve Accounts	10	0.8	0
Planning & Administration	1,040	86.6	13

Source: ONAP Performance Tracking Database (PTD).

defined earlier in this section.[47] Total expenditures during this period amounted to $7.8 billion, or an average of $649 million per year.

The largest individual category by far was FCAS Housing Assistance, covering the costs of the continued operation and modernizing of the housing stock built under the pre-NAHASDA 1937 Act programs. The amount for this category was $238 million annually, 37 percent of the total; almost two-thirds of this went for operations, the rest for modernization.

Subtracting expenditures relating to reserves and planning and administration (bottom of the table) means that $324 million per year had been spent directly to cover the newer activities originated under NAHASDA itself. The largest component of this was Housing Development, with an annual total of $222 million (34 percent of the grand total), including $63 million (10 percent) for rental units and $158 million (24 percent) for homeownership units. Within both of these categories, most of the outlays were for new construction (57 percent in the homeownership program), rather than the acquisition or rehabilitation of existing units.

In the remaining accounts, 6 percent of the grand total was spent on Housing Services, 6 percent on Housing Management Services, 2 percent on Crime Prevention and Safety, and 2 percent on Model Activities. The amounts set aside in reserve accounts amounted to less than 1 percent of the grand total. Expenditures for Planning and Administration amounted to $87 million per year, representing 13 percent of the grand total. It is noteworthy that this share is considerably less than the 20 percent that is allowable for these purposes.

Have any important changes occurred in the composition of these expenditures over time? The analysis in exhibit 3.24 responds to this question. Because of the way the data are reported by the tribes in their APRs, it is to be expected that substantial variations will occur year to year. One can make more meaningful comparisons by averaging expenses during multiyear periods. The table shows expenditures for one 5-year period (1998 to 2002) and three 4-year periods (2003 to 2006, 2007 to 2010, and 2011 to 2014).

The top panel on the table shows the percentage distribution of expenditures by category in each period. APR data are not available for the 1998-to-2002 period, but percentages for those years can be reported because ACKCO, Inc., and Abt Associates Inc. made estimates for them in an earlier assessment of the program (Van Otten et al., 2009). First, the share devoted to operating and modernizing the 1937 Act stock (Housing Assistance, FCAS) increased from 33 percent in the first period to 36 percent in the second, but it has since leveled off (36-to-38-percent range). The share spent on Planning and Administration has increased regularly, from 10 percent in the first period to 15 percent in the last.

The percentages spent on the remaining smaller categories have also gone up (Housing Services, Housing Management Services, Crime Prevention and Safety, and Model Activities), together accounting for 13 percent in the first period, going up to 19 percent in the last period. The implication of the numbers noted previously is that the share devoted to the remaining activity, NAHASDA Housing Development, has had to decrease, and by a sizeable amount. The share for both subcategories (rental plus homeowner development) dropped from 44

47 These expenditures are of IHGB funds only (that is, they do not include expenditures from other NAHASDA-related resources reported in exhibit 3.22). Complete records on expenditures for the early years of the program (1998 to 2002) are not available (although rough estimates have been made and are discussed further in later sections).

percent in the 1998-to-2002 period, to 30 percent in the 2011-to-2014 period, a decline of 14 percentage points.

The lower panel on the table explores these changes in dollar terms. The situation in the Housing Assistance (FCAS) category is complicated. On one hand, the number of units in this 1937 Act housing stock has been declining (as would be expected with the aging of the stock and the conveyance of Mutual Help units to their occupants).[48]

On the other hand, the per-unit cost of managing and modernizing this stock has gone up. The effect was that average annual expenditures for this function decreased in nominal terms, from $268 million in the 2003-to-2006 to $222 million in the 2011-to-2014 period (not shown on the exhibit), but inflation has been important here. The real expenditure on this function (in constant 1998 dollars as shown on the bottom panel) declined by much more proportionally, from $227 million per year in the 2003-to-2006

48 Numbers on the decline of this stock will be presented in the first part of the next section.

Exhibit 3.24 – Analysis of IHBG Program Expenditures, 2003–2014

	1998-02	2003-06	2007-10	2011-14
Percent of total expenditures				
Total	100	100	100	100
Housing Assistance (FCAS)	33	36	38	37
Housing Development (Rental	14	10	10	9
Housing Development (Homeowner)	30	28	23	21
Housing Services	5	5	7	7
Housing Management Services	6	6	5	7
Crime Prevention & Safety	1	2	2	3
Model Activities	2	2	2	2
Reserve Accounts	-	0	0	0
Planning & Administration	10	12	14	15
Ave. Expenditures/Year ($ millions, constant 1998 $)				
Total	NA	636	447	429
Housing Assistance (FCAS)	NA	227	170	157
Housing Development (Rental	NA	65	44	38
Housing Development (Homeowner)	NA	179	104	90
Housing Services	NA	31	30	30
Housing Management Services	NA	39	21	29
Crime Prevention & Safety	NA	10	7	13
Model Activities	NA	11	8	8
Reserve Accounts	NA	1	1	0
Planning & Administration	NA	74	62	64

Source: ONAP Performance Tracking Database (PTD).

period to $157 million annually in the 2011-to-2014 period, a drop of 31 percent. Thus, even though expenses for these activities have increased markedly as a share of all IHGB-related outlays, the real amounts being spent on them have decreased.

The absolute amounts spent for Planning and Administration increased between the 2003-to-2006 and 2011-to-2014 periods nominally, from an average of $84 to $91 million per year. These costs, however, have also declined in real dollars between these periods, from $74 to $64 million per year in constant 1998 dollars. Many of the costs in this category are relatively fixed, so it is not surprising their total did not decline more in proportion to overall real declines in program size.

The other smaller categories have also declined in constant 1998 dollars, from 91 million per year in the 2003-to-2006 period down to 80 million per year in the 2011-to-2014 period (Housing Services, Housing Management Services, Crime Prevention and Safety and Model Activities).

The declines noted so far, however, have been comparatively modest. Again, the implication is most serious for Housing Development. Taking the two development categories together (rental plus homeownership), expenditures dropped in nominal dollars from $287 million per year in the 2003-to-2006 period to $182 million annually in the 2011-to-2014 period. The decline between these periods, however, was truly dramatic in constant 1998 dollars—from $244 million per year to $128 million, a decline of 48 percent. Thus, in real terms, the average amount of funding available to be spent on NAHASDA housing development each year in the 2011-to-2014 period was only about one-half of what it had been in the 2003-to-2006 period.

3.3. The Assisted Housing Stock

This section examines the outputs of the grants and other assistance provided under NAHASDA to improve housing conditions in AIAN tribal areas, that is, the results yielded by the flows of NAHASDA funding reviewed in the last section.

The analysis begins by looking at the housing stock that was produced under the 1937 Act programs (FCAS units), and how it has changed during the 17 years since IHBG funds began to flow (from 1998 to 2014). It then looks at the new housing investments that have been made under NAHASDA during this period, new construction and the acquisition and rehabilitation of existing housing. The next subsection puts these two strands together and quantifies the total IHBG-assisted housing stock in Indian Country as it existed in 2014. Following that, this section reviews data provided by the tribes in their APRs on the physical condition of that stock.

In considering the implications of these numbers, it is important to remember that these "products" can be quite different from each other. Under the 1937 Act, it was expected that the owners of the assisted units (now the tribal governments or TDHEs or other institutions controlled by them) would continue to operate and maintain them until the end of their useful lives (or until their titles were transferred to new owners). New units produced under NAHASDA do not necessarily offer that expectation. Many of them do, but the choice now depends on the tribe's programmatic strategy.

The last part of this section reviews what the survey findings say about the HUD-assisted housing stock in tribal areas. This covers the views and insights of tribal housing officials (tribal/TDHE survey) and of tribal

area residents (household survey—both the families who live in HUD housing units and other residents of these areas).

Change in the FCAS (1937 Act) Housing Stock

As noted in section 3.2, HUD and the IHAs built a substantial housing stock in tribal areas under the first three decades of the 1937 Act programs. By 1990, 67,400 units were under management in Indian Country, the equivalent of 42 percent of all eligible households living in tribal areas at that time. During the subsequent 7 years, they continued to expand that stock until 1998, the year when production under NAHASDA began. In that year, total remaining 1937 Act (Formula Current Assisted Stock—FCAS) units stood at 71,144, which was 7 percent more than the 1990 total. In the next few years, a few more units in the pipeline were completed, raising the total slightly to 71,980 in 2003.

Homes being built by the Choctaw Nation in Durant, Oklahoma using green building standards and funded by the American Recovery and Reinvestment Act of 2009. Image courtesy Southern Plains Office of Native American Programs staff.

Homes built by the Muckleshoot Indian Tribe in Washington state using funds from the American Recovery and Reinvestment Act of 2009.

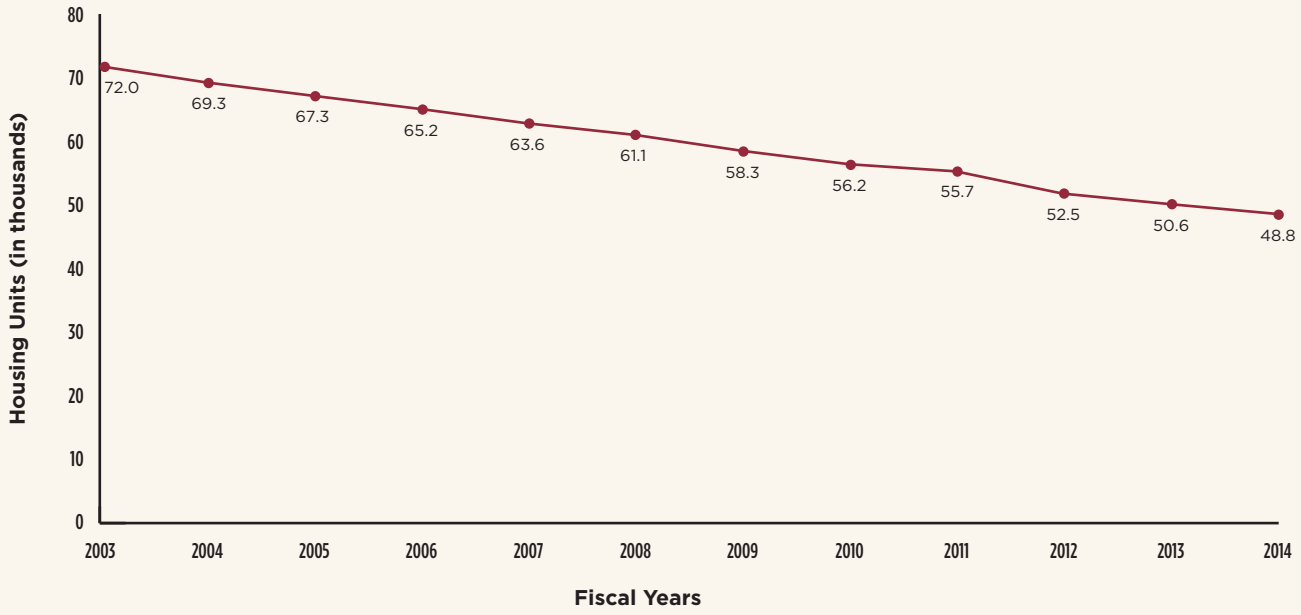
After that, however, because funding for new units was not provided under these programs after 1998, this total could only decline, and that is indeed what has occurred. As housing stock ages, it is inevitable that some units will deteriorate and ultimately be demolished. ONAP staff thinks, however, that very few assisted units in tribal areas have been removed from the stock in this way. If units are well maintained, and in some cases rehabilitated along the way, they can be kept alive for a very long period of time. Units can also be lost from the assisted stock because of a change in ownership, and this factor is highly relevant here. For Mutual Help units, transferring ownership to the residents (conveyances) after they have built up sufficient equity during the years, is central to the program's design. As shown in exhibit 3.31, the declines in FCAS have been substantial, from 71,980 units in 2003, to 48,756 in 2014—a decline of 2,111 units per year, on average, 32 percent overall.

Exhibit 3.32 shows the composition of these declines by program component and by region. Almost all the FCAS units are the products of the two main assistance programs in Indian Country: (1) the low-rent and (2) Mutual Help programs. The table shows a small "other" category involving other forms of assistance that are included in the formula calculations.[49] All these other forms of assistance are being phased out and, together, they are too small to influence the findings and conclusions reported in later sections of this report.

The most striking finding to be drawn from exhibit 3.32 is that almost all the losses occurred in the Mutual Help stock, a drop

49 These other forms of assistance include Turnkey III (a lease-purchase type of program authorized by administrative action in the 1970s; see Kingsley et al., 1996), Section 8 assistance (provided to households living in private rentals—like the housing voucher program), and units "in development" (in projects supported under the main programs that have never been formally completed so remain on the books).

Exhibit 3.31 – Change in the FCAS (1937 Act) Housing Stock



Source: FCAS Formula data files

of 60 percent from 2003 to 2014 (from 31,469 units to only 13,803 units). Although the reasons for these losses are mixed, ONAP staff indicate that the bulk of the decline is explained by conveyances to residents consistent with rules built into the program's structure.

The complementary result is also striking. The stock in the low-rent program hardly declined at all during this 11-year period, by only 1 percent, from 31,469 units in 2003 to 31,000 in 2014. Through maintenance and modernization, the tribes/TDHEs have been able to keep almost all these rental units in operation. They have strong incentives to keep these units adequately maintained and occupied since, given the commitment of ongoing federal operating support, this may be the least expensive way to provide continued affordable housing in Indian Country.

Among regions in 2014, the Plains had the largest share of the FCAS stock (12,308 units or 25 percent), followed by Arizona/New Mexico (21 percent) and Oklahoma (18 percent). At the other extreme, South Central region had only 299 units (less than 1 percent) followed by the Eastern (5 percent) and California/Nevada (6 percent) regions.

Declines in the FCAS stock from 2003 to 2014 ranged from 42 percent in the Eastern region to 21 percent in the North Central. The North Central was the only region with

Exhibit 3.32 – FCAS Housing Units 2014 and 2003–2014 Change, by Region

	US Total	North Central	Eastern	Oklahoma	South Central	Plains	Arizona N.Mexico	Calif.-Nevada	Pacific Northwest	Alaska
Total units, 2014										
Total	48,756	4,573	2,476	8,846	299	12,308	10,448	3,096	3,507	3,203
Low Rent	31,000	3,970	1,482	2,982	172	9,907	7,305	1,946	2,069	1,167
Mutual Help	13,803	518	757	3,139	127	2,075	3,053	1,078	1,116	1,940
Other	3,953	85	237	2,725	-	326	90	72	322	96
Percent of total units, 2014										
Total	100	100	100	100	100	100	100	100	100	100
Low Rent	64	87	60	34	58	80	70	63	59	36
Mutual Help	28	11	31	35	42	17	29	35	32	61
Other	8	2	10	31	-	3	1	2	9	3
2003-2014 Pct Change.										
Total	(32)	(21)	(42)	(39)	(38)	(22)	(35)	(38)	(29)	(39)
Low Rent	(1)	(1)	(17)	(3)	(8)	(1)	0	4	(0)	(0)
Mutual Help	(60)	(67)	(62)	(61)	(50)	(60)	(63)	(62)	(55)	(50)
Other	(31)	(61)	(53)	(14)	(100)	(43)	(76)	(77)	(20)	(36)

Source: FCAS Formula data files.

a sizeable decline in the rental stock (17 percent)—none of the others saw declines in low-rent units of more than 8 percent. Across the regions, declines in Mutual Help housing all fell in the 50-to-67-percent range, mostly due to conveyances as explained previously. By 2014, the share of total FCAS housing accounted for by Mutual Help ranged from 11 percent (North Central region) to 61 percent (Alaska).

Housing Production Under NAHASDA

When the tribes took over full responsibility for their housing strategies under NAHASDA in 1998, new systems, procedures, and habits had to be developed to enable them to account for their own performance. Basic reporting requirements were established via the APR, but it took time before this system was working reliably across all grantees. An interim assessment of the IHBG program by ACKCO, Inc., and Abt Associates Inc. in the late 2000s examined the program records of a sample of 28 IHBG grantees and was able to use that sample as a basis for estimating total national IHBG production for the early years (Van Otten et al., 2009).[50]

ONAP considers that the APR system is now reporting production numbers reliably but, even though partial APR data were available for the early years, it thinks that the estimates in Van Otten et al. (2009) still represent the most reliable numbers for the 1998-to-2006 period. The summary in exhibit 3.33 accordingly reports those estimates for the 1998-to-2006 period and APR data for the 2007-to-2014 period.

New Construction/Acquisition. The exhibit shows that 17,436 units were added to the stock (new construction plus acquisition of existing units) from 1998 through 2006; an average of 1,937 units per year. The majority of this stock (12,147 units or 70 percent) were homeownership units. Based on more complete information available from their survey, Van Otten et al. (2009) characterizes production during that period as follows:

> ***...it appears that the peak rental construction and acquisition occurred in the first 3 years of NAHASDA, and then tribes placed more emphasis on homeownership. Homeownership production appears to have peaked with the 2002 and 2003 grants, although it remains a sizeable activity after this period. Some tribal housing administrators reported that production was lower in the earlier years because it was a new program and it took time to develop plans and implement new programs. Production has gone down in more recent years because tribes are spending an increasing share of IHBG funding on FCAS and NAHASDA rental units. (Van Otten et al., 2009: 24–25)***

Exhibit 3.33 shows that output increased again after 2006. Regular new construction and acquisition added another 17,563 units during the next 8 years (2007 to 2014), an average of 2,195 units per year. Again, the majority of these were homeownership units, 11,269 or 64 percent. It was during this period that ARRA provided its one-time increment of additional funding for NAHASDA housing, and that led to the addition of another 1,954 units.[51] Total 2007-to-2014 production then stood at 19,517 units (an average addition of 2,440 units per year). All told, the program had added 36,953 housing units in Indian Country via new construction and acquisition during the first 17 years under NAHASDA.

A shift in trends since 2007, however, has been important for policy. As noted, the number of IHBG-funded units added during

50 The sample and the estimating procedures are described in Van Otten et al. (2009: 21–25).

51 Year-by-year breakdowns of ARRA production are not available.

the 2007-to-2014 period averaged 2,195 per year. As shown in exhibit 3.34, however, the rate declined sharply during this period. New construction and acquisition added 2,414 units annually during the 2007-to-2010 period, but that rate dropped by 18 percent to 1,977 units per year during the next 4 years. A decline was to be expected given shifts in funding. As pointed out in section 3.2, IHGB funds available for housing production also declined markedly in real dollars between these two periods.

Tenure proportions also changed between these periods. Homeownership units declined as a share of total production as the rental share increased (from 33 percent in the 2007-to-2010 period to 39 percent in the 2011-to-2014 period).

Rehabilitation. The type of rehabilitation accounted for in exhibit 3.34 is "substantial rehabilitation"—in HUD parlance, a substantial transformation in the quality of a badly deteriorated unit, not just minor refurbishment. How should this type of production be valued? Press accounts normally treat the rehabilitation of a housing unit as less of a contribution than the construction of a new unit, and rehabilitation is indeed generally less costly per unit than new construction. The difference in either quality or cost, however, is not always large.

The right measure is not the number of units in standard condition that have been produced but, rather, how much the program has added in terms of the number of years of useful life of units in standard condition. Substantial rehabilitation can, and often does, yield as

Exhibit 3.33 - Housing Production Under NAHASDA, 1998-2014

	Total	1998-06	2007-2014		
			Total	2007-10	2011-14
CONSTRUCTION AND ACQUISITION					
Regular IHBG					
Rental	11,583	5,289	6,294	3,176	3,118
Homeownership	23,416	12,147	11,269	6,481	4,788
Subtotal	34,999	17,436	17,563	9,657	7,906
ARRA	1,954	-	1,954	n.a.	n.a.
Total	36,953	17,436	19,517	n.a.	n.a.
REHABILITATION					
Regular IHBG					
Rental	n.a.	n.a.	9,267	2,888	6,379
Homeownership	n.a.	n.a.	26,035	13,372	12,663
Subtotal	59,410	24,108	35,302	16,260	19,042
ARRA	13,338	-	13,338	n.a.	n.a.
Total	72,748	24,108	48,640	n.a.	n.a.

Sources: 1998-06 from ACKCO and Abt Associates, 2009, p. 24, and ONAP Performance Tracking Database

many added unit-years of useful life as new construction. The estimates presented here assume that the value added by rehabilitation per unit is only slightly less, on average, than that yielded by construction and acquisition.[52]

Exhibit 3.33 shows the number of units substantially rehabilitated under NAHASDA since the start of the program. This includes 24,108 units during the 1998-to-2006 period (Van Otten et al., 2009) and 48,568 during the 2007-to-2014 period (including 13,338 that were ARRA funded). The total is 72,676 units, almost exactly twice the number of units added under construction/acquisition. Of the 35,302 units rehabilitated in the 2007-to-2014 period, 74 percent were homeownership units.[53]

Important shifts occurred in the rehabilitation program after 2006 (exhibit 3.34). Production volumes under the construction/acquisition component declined in the face of shrinking program resources, but rehabilitation volumes increased. Units rehabilitated went up from 4,065 per year in the 2007-to-2010 period to 4,761 per year in the 2011-to-2014 period, an increase of 17 percent. It appears that tribes cut back the more expensive construction/acquisition component of their programs and devoted more resources to the rehabilitation component.

Another interesting shift in this period is a marked increase in the rehabilitation of rental (as opposed to homeownership) units (exhibit 3.34). Rental rehabilitation production more than doubled from 722 units annually during the 2007-to-2010 period to 1,595 units per year during the 2011-to-2014 period. The rental share of the rehabilitation pipeline went up from 18 percent in the first of these periods to 34 percent in the second, and the homeownership share declined proportionately.

Cumulative Assistance as of 2010 and 2014

Exhibit 3.35 presents data on the cumulative number of assisted units in tribal areas in 2010 and in 2014. Some of

52 The data needed to support reliable estimates of unit-years of useful life added by each of these two types of production streams are not available.

53 These are units occupied by households transitioning to homeownership, such as mutual help homes.

Exhibit 3.34 – IHBG Funded Housing Production, 2007-2014

	Units per Year			Percent of Total		
	2007-14	2007-10	2011-14	2007-14	2007-10	2011-14
CONSTRUCTION AND ACQUISITION						
Rental	787	794	780	36	33	39
Homeownership	1,409	1,620	1,197	64	67	61
Total	2,195	2,414	1,977	100	100	100
REHABILITATION						
Rental	1,158	722	1,595	26	18	33
Homeownership	3,254	3,343	3,166	74	82	66
Total	4,413	4,065	4,761	100	100	100

Source: ONAP Performance Tracking Database (PTD)

these units are more deeply subsidized than others because of the variety of forms of housing assistance used, particularly under NAHASDA. Nonetheless, it is useful to estimate the quantity of housing that has been produced, and for this purpose, counting the number of units added to the assisted housing inventory is a reasonable approach.

Accurate totals are available for FCAS units that existed in each of these years because HUD requires the tribes to keep track of units that are demolished or otherwise removed from that stock. The analysis suggests, however, that removals from NAHASDA-produced stock are likely to be negligible to this point (see the text box, Why Removals From the NAHASDA Housing Stock Are Likely To Be Negligible).

Why Removals From the NAHASDA Housing Stock Are Likely To Be Negligible

In efforts to account for change in a housing inventory, it is almost always prohibitively expensive to record removals (demolitions, changes in use, and so on) as they occur. Removals accordingly usually have to be estimated. The method the U.S. Census Bureau uses to estimate removals for its annual estimates of the U.S. housing stock is fully documented by the Census Bureau (U.S. Census Bureau, 2014b). The most critical element relies on nationwide measures of actual losses during 2-year intervals by age cohort obtained via analysis of American Housing Survey (AHS) data (the most recent analysis for the 2009-to-2011 period is presented and explained in Eggers and Moumen [2015]).

As would be expected, annual loss rates are very small for housing built recently and get larger for older age cohorts. The annual loss rates derived from the AHS analysis that the Census Bureau applied in its 2014 estimates were 0.03 percent for units in structures built from 1990 to 1999, 0.06 percent for those built from 1980 to 1989, and 0.17 percent for those built between 1970 and 1979, and a much larger 0.38 percent for those built between 1940 and 1949. For example, to estimate the number of units remaining in the 1990-to-1999 cohort as of 2014, the Census Bureau started with the number of units in that cohort as of the 2010 census and then applied the 0.03 percent annual loss rate during 4 years. The losses of units built after 1999 in the AHS analysis were so small that the Census Bureau assumes a removal rate of zero for that cohort.

Applying the Census Bureau method to Native American Housing Assistance and Self-Determination Act (NAHASDA) production, removals would be very close to zero, because the vast majority of NAHASDA production has occurred since 1999. As an alternative, the Census Bureau approach can be applied, but in a more conservative manner that does not apply only one rate of removal but assumes that the rate of removal for housing units built in a given period will increase over time. In particular, (1) for NAHASDA units produced from 1998 to 2006, assume annual removal rates of zero during the 1998-to-2006 period, 0.03 percent during the 2007-to-2010 period, and 0.06 percent during the 2011-to-2014 period; (2) for units produced from 2007 to 2010, assume annual rates of zero during the 2007-to-2010 period and 0.03 percent during the 2010-to-2014 period; (3) for units produced after 2010, assume zero losses by 2014. Even this approach yields total removals of only 181 NAHASDA-produced units by 2014, or 0.17 percent of the total produced by then. This analysis suggests that removals from NAHASDA-produced units to this point are likely to be so small that a formal estimate is not warranted.

As shown in exhibit 3.35, cumulative assistance through 2010 amounted to 124,300 units. The majority of these (68,100 or 55 percent) had been produced under NAHASDA, with the rest made up of units in the FCAS inventory. Of the total, 83,900 (66 percent) were construction or acquisition units and the rest (40,300) were rehabilitation units.

By 2014, 4 years later, these estimates indicate that the total had grown to 158,100 units—an increase of 27 percent. The NAHASDA share had increased to 69 percent (109,300 units) as the FCAS inventory continued to decline. The construction/acquisition share had dropped to 54 percent because rehabilitation units accounted for a larger percentage of output during those years.

This record marks a substantial increase in assisted housing in Indian Country since NAHASDA started production in 1998. The total number of 1937 Act units in tribal areas peaked at around 82,500 units in 1998, after 30 years of activity. Under NAHASDA, the estimates presented indicate that the cumulative number of assisted units grew to 1.5 times that number by 2010, and to 1.9 times that number in 2014, 17 years after NAHASDA production began. In terms of units added per year, in the period just before NAHASDA (from 1990 to 1998), around 1,800 units per year were added to the 1937 Act inventory. The first 17 years under NAHASDA yielded annual averages of 2,200 construction or acquisition units and 4,300 rehabilitation units. As noted, these numbers are not strictly comparable, but they leave no doubt that the rate of assisted housing production under NAHASDA so far has matched or exceeded that of the decade that preceded it. This is an important finding, because a major concern about the feasibility of NAHASDA before its enactment, was whether the tribes would be able to produce as much as the more professionalized IHA/HUD system had done earlier.

Exhibit 3.35 – Cumulative Assisted Units, 2010 and 2014

	2010		2014	
	Housing Units	Pct. Of Grand Total	Housing Units	Pct. Of Grand Total
GRAND TOTAL				
Construction/Acquisition	83,278	67	85,709	54
Rehabilitation	40,368	33	72,748	46
Total	123,646	100	158,457	100
FCAS INVENTORY				
Low Rent	31,200	25	31,000	20
Mutual Help & Other	24,985	20	17,756	11
Total	56,185	45	48,756	31
NAHASDA INVENTORY				
Construction/Acquisition	27,093	22	36,953	23
Rehabilitation	40,368	33	72,748	46
Total	67,461	55	109,701	69

Sources: Exhibits 3.32 and 3.33

Grantee Reports on Housing Stock Quality

In table 3 of the APR, HUD asks that IHBG grantees submit data on the number of units in their inventories (by program type), the number of those that have been inspected and, among those, the numbers that are in standard condition, or alternatively, need to be replaced or rehabilitated.

These reports face three types of problems. First, as noted, tribal housing staffs do not maintain ongoing control over all their NAHASDA units after they are built as they did for FCAS units. Therefore, many NAHASDA-produced units are not subsequently subject to inspection by those grantees. Second, the method used to rate the quality of units does not follow an "objective observation" approach like that used in the AHS (explained in part 2), so the ratings cannot be expected to be reliably comparable over time or location. Third, for the previously discussed reasons, ONAP does not use this table 3 data actively in program management.

Nonetheless, it should be useful to look at these data to get a rough sense of how tribal housing staffs view the quality of their assisted housing stocks. Data come from a special run of APR table 3 data in ONAP's PTD as of the end of FY 2012 (exhibits 3.36 and 3.37). Exhibit 3.36 presents the information by program types. Data in this file cover 59,300 FCAS units,[54] of which all but 2 percent were in the low-rent program (59 percent) or Mutual Help (39 percent). The share of all units reported as being inspected was fairly high, 81 percent overall, with a higher inspection rate for the low-rent program than for the Mutual Help program.

The tribes had rated 73 percent of the FCAS units overall as being in standard

54 Only 52,000 units actually were still in the official FCAS inventory at that point, so this file must include table 3 records for some units that had been phased out at that point.

Exhibit 3.36 – Grantee Reported Condition of HUD Assisted Housing, 2012

			Percent of inspected units by condition				
					Need rehabilitation		
	Percent of Units	Percent Inspected	Total	Standard condition	<$20K	>$20K	Need replace.
FCAS (1937 Act) units	100	81	100	70	19	10	2
Mutualhelp	39	73	100	75	17	8	1
Low rent	59	89	100	66	21	11	2
Turnkey & other	2	26	100	87	6	6	1
NAHASDA funded units	100	85	100	90	7	2	1
Recipient owned/manag.	13	62	100	80	18	2	0
Homeownership	44	85	100	91	5	3	1
Rental	32	90	100	91	7	2	0
Temporary housing	1	71	100	76	22	2	-
Other	11	98	100	91	6	3	0

Source: ONAP Performance Tracking Database (PTD).

Exhibit 3.37 – Condition of FCAS (1937 Act) Housing by Region, 2012

	United States	North Central	Eastern	Okla-homa	South Central	Plains	Arizona N.Mexico	Calif.-Nevada	Pacific Northwest	Alaska
Percent of total units	100.0	8.1	5.2	14.8	1.0	16.1	32.9	7.0	7.8	7.0
Percent of units inspected	81	85	87	79	95	69	84	95	89	87
Percent of units by condition										
Total	100	100	100	100	100	100	100	100	100	100
In standard condition	70	73	82	68	86	64	77	74	82	78
Less than standard condition	29	32	22	31	14	36	24	26	18	23
Needing rehab. (<$20K)	19	23	15	27	11	21	10	19	14	14
Needing rehab. (>$20K)	10	9	6	3	3	14	11	6	4	9
Needing replacement	2	0	0	1	-	1	3	1	0	0

Source: ONAP Performance Tracking Database (PTD).

condition. A larger share of the Mutual Help units was in standard condition (75 percent) than were the rental units (66 percent). It is somewhat surprising that the tribes stated that only 2 percent of these units needed to be replaced (the rest could be brought up to standard through rehabilitation).

Data in this file cover only 15,500 NAHASDA units as of the end of FY 2012, which is only about one-half of all NAHASDA construction/acquisition units that existed at that point. It is likely that these are the units under programs structured such that the tribes retain some ongoing management and/or assistance responsibilities. The APRs indicate that 85 percent of these units had been inspected. Inspection rates were highest for units produced under tribal rental and homeownership programs (85-90 percent) and lowest for units that were owned and managed by recipients (62 percent).

As would be expected, because all of this housing is newer than the FCAS stock, the share of units rated as being in standard condition is higher, 90 percent overall. Only the "temporary housing" component of this stock has a much lower share rated as standard (71 percent). The tribes indicate that only 1 percent of these units need to be replaced, and 2 percent more need rehabilitation costing more than $20,000.

Exhibit 3.37 shows APR data on the condition of the FCAS portion of the inventory by region. The patterns are similar, but the extent of variation is not trivial. The share of units that had been inspected ranges from a low of 69 percent (Plains) to a high of 95 percent (South-Central and California/Nevada). The region with the lowest share of units in standard condition was the Plains (64 percent), followed by Oklahoma (68 percent) and North Central (73 percent). The region with the highest share in standard condition was South Central (86 percent), followed by Eastern and Pacific Northwest (both at 82 percent).

3.4. Administration of the IHBG Grant

This section of the report reviews the types of organizations that have evolved in tribal areas to administer the IHBG. It examines their size and stability, contractual relationships and partnerships with other organizations, and staff priorities for organizational improvements. Findings draw predominantly from the tribal/TDHE survey data and data from site visit respondents.

Grantee Types and Evolution in the Administration of the IHBG Program

Before passage of NAHASDA, IHAs developed and managed assisted housing units according to ordinances that had to be federally approved. After passage of NAHASDA, which provided local decisionmaking and priority-setting authority to tribes, the organizational landscape began to change significantly.

In the mid-1990s, before NAHASDA was enacted, 187 IHAs represented 267 American Indian tribes and 200 Alaska Native villages—a total of 467 tribal areas (Kingsley et al., 1996). The number of tribes receiving housing assistance grants has grown substantially since then, as has the number of entities administering the program. In FY 2014, 585 tribes or tribal organizations were eligible to receive IHBG funds; 32 of these tribes chose not to participate (HUD/ONAP, 2015). ONAP received 363 compliant Indian Housing Plans (IHP) representing 553 tribes (exhibit 3.41).

After NAHASDA was enacted, tribes had to choose who would apply for and administer IHBG funds for them (Section IV of the statute). They could decide to administer the program themselves through a unit of tribal government, or they could choose to have some other organization administer the program on their behalf. All such organizations in the latter case are termed TDHEs. In many instances the old IHAs were designated to serve as the TDHE under NAHASDA, but other outside organizations (for example, other nonprofit organizations) could be designated to take on this work. In all cases, the designation of administrative responsibility had to be certified in the IHP submission.

A majority of the 110 respondents (58 percent) from the nationally representative tribal/TDHE survey said their organization was a TDHE separate from the tribal government and 41 percent identified as an office of the tribal government.

Exhibit 3.41 – IHBG Grantees and Tribal Beneficiaries, FY 2014

ONAP Regions	Eligible Participants	Actual Recipients	Fund Assignments ($ mil.)
Alaska (Anchorage)	237	55	99.24
Eastern/Woodlands (Chicago)	62	56	90.95
Northern Plains (Denver)	32	34	177.69
Northwest (Seattle)	42	42	54.48
Southern Plains (Oklahoma City)	47	47	96.37
Southwest (Phoenix)	165	129	123.77
All Areas	585	363	646.52

Source: ONAP Performance Tracking Database (PTD)

Data from the tribal/TDHE survey and the site visit interviews shed light on changes in the organizational structure of program administration. Three-fourths of survey respondents said their organization had always administered IHBG for their respective reservation.[55] Among respondents whose organization was distinct from the tribal government, the vast majority (95.5 percent) said that they were or previously had been an IHA.[56]

Site visit respondents talking about the evolution of IHBG program administration provided examples of the diversity in organizational structure and changes over time. For example, in the Zuni Tribe, housing administration was based in a TDHE until 2004, when administrative responsibility was assumed by the tribe. Three years later, the tribe designated the Zuni Housing Authority as the TDHE, which has administered the IHBG program since 2007. A site visit respondent said that because administration was shifted back to a TDHE from a tribal department, activities were better coordinated across housing programs and there was more funding. Seven housing departments administered the IHBG grant program in Cherokee Nation before those departments were consolidated into one department. A site visit respondent said the consolidation improved administrative performance by reducing redundancy and clearly identifying responsibility for particular tasks. The housing department did not administer all NAHASDA funds, however; administration was split between the housing department, which reports to its board of commissioners, and the community services department, which reports to the tribal chief of staff. The Lummi Nation transferred IHBG administration to a TDHE. Interview respondents at the Lummi Nation said they think this change led to improved administration because funds are guided by one consolidated plan, which was not the case under tribal administration.

At the Lumbee Tribe, the tribal council administers the NAHASDA budget and directs the use of funds run through the housing department. Based on comments from site visit respondents, it appears that this structure has led to decisions that differed from those the housing department would have made were they to set priorities on the use of grant funds. According to respondents, the council prefers to direct funds to housing rehabilitation because such work benefits more people, whereas the housing department would prefer to direct funds to homeownership efforts.

By and large, IHBG administrative entities manage the program solely for their own tribal area. ONAP Performance Tracking data for 2003–2014 show only 8 regional corporations, though it is possible that at least some of the other grantee types administered the IHBG program for more than one tribal area. The tribal/TDHE survey found that only 3 percent of respondents, a total of 9, said their organization administers IHBG for tribal areas in addition to their own. These respondents' organizations administer the program for a total of 166 other tribal areas. Two respondents said they administer IHBG grants for 49 other tribal areas; others said they administer the grants for from 1 to 29 areas. Together these data suggest that more tribes are administering the program themselves or designating it to a local entity than what appears to have been the case in the mid-1990s.[57]

55 An organization could have administered the grant as one grantee type, such as an IHA, and then been designated as the TDHE after NAHASDA was passed.

56 Respondents were asked whether their organization currently was or ever had been considered an IHA; data do not specify the percent of respondents who had been but no longer were an IHA.

57 Kingsley et al. (1996) reported that 187 IHAs represented approximately 467 American Indian tribes and Alaska Native villages, as noted, but, because the report does not specify the percent of the IHAs that administered housing programs for other tribes or villages, it is not possible to compare data directly.

NAHASDA increased opportunities for self-determination and the work that comes with such opportunities. Tribal/TDHE survey respondents familiar with how HUD housing assistance was administered before the start of block grants in 1998 said that the block grants require more work. Of those respondents able to draw a comparison, 57 percent said current administrative procedures under the IHBG program required more work than was necessary before NAHASDA and the block grant program began. About one-fourth of respondents (24 percent) thought the block grants required less administrative work.

Characteristics of the Organizations That Administer the IHBG Program

A majority of survey respondents (66 percent) said their organization had its own board of directors or commissioners. One-half of respondents (50 percent) said their organization's board selected the executive director, 33 percent said the executive director was selected by the tribal government, and 11 percent said their organization used a formal hiring process, but did not specify what that meant beyond soliciting applications.

As might be expected, a higher percent of respondents from tribal housing authorities indicated their director was selected by the tribal government compared with respondents from TDHEs (39 and 8 percent, respectively), whereas considerably more TDHE respondents said their director was named by the organization's board of directors (52 percent compared with 4 percent, respectively).

Leadership, the number of staff positions, and staff members have exhibited a degree of stability for at least 3 years. A majority of survey respondents said that their organization has had one director in the previous 3 years (63 percent) but 28 percent said they have had two directors in that time. Fewer turnovers have occurred in directors among TDHEs. A higher percentage of respondents from TDHEs said they've had only one director in 3 years (77 percent) compared with respondents from tribal housing authorities (44 percent). Overall, 10 percent of respondents said their organization has had three or more executive directors in the past 3 years.

Of the tribal/TDHE respondents whose organizations had full-time staff, 35 percent had 4 to 6 staff, 27 percent had 7 to 10, and 29 percent had 11 or more. The number of staff does not track tightly to the size of an organization's budget, as one might expect. One-half of the organizations with grants of less than $1 million (51 percent) had 11 or more staff and only 4 percent of these organizations had 1 to 3 staff. Among organizations with grants of $3 million or more, 11 percent had 3 or fewer staff and only 21 percent had 11 or more.

Most respondents said that the number of staff members had stayed the same during the past 3 years (60 percent). About the same percent indicated the number of staff had increased (21 percent) as said it had decreased (19 percent). In addition to the retention of staff positions, staff members have remained on the job. About 68 percent of respondents said that between 75 percent and 100 percent of full-time staff had been on staff for 3 or more years. Another 21 percent of respondents said that 51 to 75 percent of their organization's full-time staff had been on the job for 3 or more years.

Slightly less than one-half of the respondents (44 percent) said their organization did not have part-time staff. Respondents from organizations that did have part-time staff were evenly split

between those who said they had 1 to 10 part-time staff members (27 percent) and 11 to 100 part-time staff members (28 percent).

Site visit respondents from 11 organizations did discuss problems with understaffing. Among these respondents, four said their organization has had to reduce the number of staff in response to budget cutbacks. Staff from other organizations discussed staffing and funding needs in response to questions about organizational improvements.

Most of the organizations with at least three full-time staff have specialized staff. For example, 93 percent of respondents indicated that their organization had staff who specialized in case management with residents, 92 percent said they had staff who specialized in finances and budgets, and 92 percent said they had staff who specialized in building maintenance. On the lowest end, 59 percent of respondents said their organization had information management and computer systems specialists and 63 percent said they had specialists in public relations and communication with the public.

Nearly three-fourths of respondents (73 percent) said their organization partners or collaborates with other agencies or organizations to provide housing services in conjunction with the use of IHBG funds. Among these organizations that partner with other entities, 58 percent partnered with local nonprofit and service-provider organizations. About one-half of respondents (52 percent) partnered

Partnering

Partnering to maximize resources. Blackfeet Housing has created relationships with other programs and funders to work in partnership on some programs. For example, Blackfeet Housing offers an emergency repair program for elders, veterans, and people who have a disability. Funds are capped at $500 for each participating household, but respondents say this amount is insufficient to make any substantial repairs. Blackfeet Housing is working with the U.S. Department of Agriculture and the Bureau of Indian Affairs' Home Improvement Program to pool resources. This partnership would allow for up to $20,000 to be spent on needed repairs.

Partnering to reduce service gaps. The Choctaw Nation of Oklahoma developed a client-centered, interagency approach to service delivery that seeks to meet clients' needs and reduce any service gaps. The collaboration includes several tribal departments and programs—housing, community health representatives, community-based home visitors, Temporary Assistance for Needy Families, transportation services, domestic violence, Food Distribution Program on Indian Reservations, adult protective services, and emergency services. This interagency cooperation includes the State of Oklahoma and municipalities located within the Choctaw Nation service area. This collaborative approach to service delivery helps to identify clients' needs and reduce gaps in services.

Partnering to access staff training and funding for energy services. The Tribal Energy Group of the Bonneville Power Administration partners with a number of local power companies serving a number of tribes, including Blackfeet, Lummi, Makah, and Yakama. The Tribal Energy Group supports training and funding for energy audits and weatherization projects for low-income households.

with other tribal programs. Another 25 percent partnered with a nontribal local jurisdiction and 20 percent partnered with a local nontribal public housing authority. More than two-thirds of respondents (68 percent) identified other partners, including state and federal organizations and nonprofit organizations such as Habitat for Humanity. The text box, Partnering, provides examples of various partnerships.

Contracting Out Administrative Functions

Nearly all survey respondents (92 percent) said their organization contracts out for a range of administrative and building-related functions. Among respondents whose organizations contract out services on a regular basis, more than one-half said they contract out legal help (92 percent), construction work (67 percent), and information management and computer systems (56 percent). About 43 percent contract out maintenance services. Nearly one-third of respondents (30 percent) contract out finance and accounting services; 28 percent of respondents said they contract out building management and operations. Other contracted administrative and building services included rent collection, human resources services, project management, and grants consulting.

Survey data show some differences in contracting practices by type of IHBG administrator. TDHEs are more likely to contract out information management and computer systems services than are tribal housing authorities (77 compared with 27 percent, respectively) whereas TDHEs are less likely than tribal authorities to contract out construction services (46 compared with 96 percent, respectively), though nearly one-half of them do contract out for such services. Differences based on grant size were not as stark.

Contracting can be a sound business practice that frees staff to focus on areas of in-house expertise while ensuring all work functions are accomplished. Given the high percent of TDHEs and tribal housing authorities that contract out work, it is likely that some number of tribes and TDHEs do so strategically. Interviews with IHBG grant administrators suggest, however, that contracting decisions in some organizations are driven by limited organizational capacity or staff capabilities—that some administrators contract out work because of need rather than strategic preference. For example, in Wind River, Eastern Shoshone, a staff member said that it is less expensive at present to contract out certain tasks because staff does not have the necessary capabilities to carry out the work. An effort is under way to increase capabilities and productivity so that more work can be done in-house. Staff from the housing authority in Bad River, which serves as the TDHE, said that the authority contracts out for a number of services to cover needs that staff could not take on and to gain the expertise of specialists. Contracted services have included information technology support, auditing, legal assistance, surveying and architectural services, and maintenance that required more than the standard skill set.

Priorities for Organizational Improvements

Survey respondents identified the highest priorities for improving the effectiveness of their organization. A plurality identified increased training (48 percent) to address a lack of skills or work efficiency and to ensure new staff are equipped to carry out their jobs. This response echoes findings from a U.S. Government Accountability (GAO) study that reported limited administrative capacity was a commonly cited problem (GAO, 2014). Respondents also called for increased funding (42 percent).

All respondents were asked about the types of training staff would like to receive. Training needs mentioned most frequently included building maintenance (26 percent), administrative tasks (20 percent), information and computer systems (12 percent) and case management with residents (10 percent). Other topics cited by at least 5 percent of respondents included public relations and communications, finances and budgeting, and construction and building management.

Differences existed in the types of training that survey respondents from tribal housing authorities and those from TDHEs identified. Among tribal housing authorities, 37 percent said staff needed training in administrative tasks compared with 8 percent of TDHE respondents; and 25 percent cited information management and computer systems compared with 3 percent of TDHEs. TDHE respondents gave higher priority to public relations and communications training than did respondents from tribal housing authorities, 13 percent compared with 2 percent; and 33 percent of TDHEs cited building maintenance compared with 16 percent of housing authorities.

Site visit respondents identified similar training needs and were able to offer more detailed examples of what staff need. The variety of training needs they identified can be clustered into six groups, divided by type of staff and topics, as shown in exhibit 3.42.

Interview respondents from many sites said they take advantage of trainings to the extent possible, but costs for offsite

Exhibit 3.42 –Training Needs

Leadership	Specializations
Management training for supervisors	Housing counselor certification
How to find other funding	Credit counseling
Public relations campaigns/events	
Communications / public relations	
Front-line Staff	**Maintenance**
HUD requirements and NAHASDA	Maintenance training for staff without construction backgrounds
Occupancy, collections, inspections, and supervisor training	Additional maintenance training
Procurement	Specialty training for maintenance staff
Updates on new processes and procedures	
Safety (fire drills, fire extinguishers, OSHA, first aid, CPR)	
Energy / environmental	**General**
Additional training on geothermal units	Refresher trainings for experienced staff
Energy audits	Professional development for staff with no workforce experience
Additional training on energy efficiency	
LEED certification	
Environmental review training	

Source: Site Visit Interviews, 2013-2015

trainings, especially travel costs, are a hindrance to getting the training that staff need and to maintaining staff certifications. Another barrier is finding the time to take off from work without creating staff coverage problems. A number of respondents who cited cost challenges identified approaches they have taken to meet at least some training needs, such as inviting trainers to offer onsite sessions; coordinating with nearby tribes to offer regional sessions; sending one staff member to an offsite training who then trains other staff after returning; having experienced staff mentor newer staff; and making use of various media CDs, DVDs, books) and materials via the Internet in place of formal training sessions. (See text box, Choctaw Nation: Staff Training and Education)

Beyond staff development and training needs, interview respondents identified a number of organizational improvements they would like to realize. Improvements respondents mentioned related to organizational/administrative practices (rather than service improvements), and include improving staff capacity and efficiency and improving electronic systems, software, and use of technology, which would help to improve staff efficiency and organizational practices, such as rent collection. Respondents also mentioned interest in improving communications and coordination with other tribal services providers.

Interview respondents from seven tribes discussed issues of staffing, training needs and other needed improvements in the context of budget challenges and the effects of budget and staff cutbacks on services. Respondents from three tribes talked about staffing restrictions that result from low funding. For example, the executive director position of the TDHE for Chickaloon Native Village is part time and the director has little time to spend on efforts to leverage funds. In Gila River Indian Community, low funding has led to insufficient staffing, which impedes their ability to complete construction projects on time. The respondent also said the organization has not been able to purchase equipment needed for building and demolishing housing.

Respondents from four tribes discussed the effects of funding cuts, in particular. A respondent from Sisseton-Wahpeton Oyate of the Lake Traverse Reservation, said the organization can rehabilitate only one house at a time because budget restrictions led to staff layoffs. At the Wind River Reservation, Eastern Shoshone, budget cuts resulted in the layoff of four maintenance workers. Other respondents discussed ways in which their organizations have weathered staff layoffs due to budget reductions. A respondent from Choctaw Nation said the number of staff positions was reduced from 162 in 2004 to 98 at the time of the site visit. The organization's ability to continue its work was attributed to stability of tribal and TDHE governance and staff knowledge of program policies and procedures. At the Wind River Reservation, Northern Arapaho, a respondent said that housing authority staff that remained after cutbacks in 2003 received training to help them increase their productivity.

3.5. Contributions of Other Housing and Community Development Programs

This section of the report focuses on federal funding other than the IHBG program for housing related activities undertaken by tribes and TDHEs. Findings draw from the tribal/TDHE survey data and information provided by ONAP.

Choctaw Nation: Staff Training and Education

Site visit respondents described the priority and resources the Choctaw Nation and its various departments and agencies put toward staff training and education. Some staff are mandated to attend training sessions, and other staff are encouraged to attend relevant sessions. Leaders allocate time during the workday for training and ongoing education. Sessions are offered by the "Choctaw University" and serve staff from across departments and programs. The sessions focus on inculcating a client-centered work ethos, skill acquisition, and development of ways to improve work production and results through collaborative efforts.

Publicly Funded Non-IHBG Housing and Community Development Programs Operating in Indian Country

Most of the tribal/TDHE survey respondents (61 percent) said their organization offers only housing assistance programs funded under the IHBG program. From the 39 percent of organizations that offer other programs, survey respondents most often identified the BIA's Housing Improvement Program and the Low-Income Housing Tax Credit (LIHTC) Program as the largest programs in their portfolio. Respondents mentioned other programs, including HUD's ICDBG program; Weatherization Assistance Program funded by states with U.S. Department of Energy (DOE) resources; and activities funded by ARRA stimulus grants from HUD. Respondents also mentioned rental assistance programs funded by the tribes and NAHASDA.

BIA initiated HIP in 1965 under the Snyder Act of 1921 (DOI/BIA, 2015). HIP offers grants to the most disadvantaged households for home improvements or replacement. BIA provides HIP funds to tribes or to BIA regional housing offices, which then review applications and disburse grants. BIA describes the program as a secondary safety-net to tackle substandard housing and homelessness. Grant recipients must be members of federally recognized tribes or Alaska Natives who live in approved tribal service areas[58] and whose income does not exceed 150 percent of the U.S. poverty guidelines. Recipients live in substandard housing and must have no other resource for housing assistance. Further, criteria stipulate that recipients must not have received assistance since October 1, 1986, for home repairs, renovation, or replacement or downpayment assistance, and did not acquire their current housing through a federally sponsored housing program that includes such assistance.

The LIHTC was established as part of the U.S. Tax Reform Act of 1986 (Novogradic & Company, n.d.). LIHTC is an indirect federal subsidy intended to incentivize the private market to finance the development of affordable rental housing units. Developers apply for LIHTC through state housing agencies, which administer the program in accordance with guidelines set by the IRS. If awarded the tax credits, most developers pass the credits along to equity investors, directly or through a syndicator, who realize dollar-for-dollar reduction in their federal tax liabilities for a 10-year period in exchange for project financing. Affordable units built or rehabilitated with LIHTC financing must remain affordable for at least 30 years.

58 An approved tribal service area is a geographical area designated by a tribe and approved by the BIA where HIP services can be delivered. http://www.bia.gov/WhoWeAre/BIA/OIS/HumanServices/HousingImprovementProgram/index.htm.

The Housing and Community Development Act of 1974 was amended in 1977 to set aside 1 percent of CDBG appropriations for allocation to American Indian tribes and Alaska Native villages (HUD n.d.). ICDBG grants are used for housing, community facilities, and economic purposes. Housing activities may include housing rehabilitation, land acquisition for new construction, and limited new construction. Community facilities activities may include construction of community infrastructure and community buildings. Economic development efforts may be commercial, industrial or agricultural in nature. ICDBG also offers a small number of noncompetitive grants to be used to address problems that pose an imminent threat to public health or safety. All activities are meant to support AIAN communities and primarily benefit low- and moderate-income people. The program is administered regionally through six HUD Area ONAP offices. The offices receive applications from eligible tribes and villages through a competitive NOFA process.

DOE's Weatherization Assistance Program, which began in 1976, provides grants to increase the energy efficiency of low-income households' homes (DOE/OEERE, n.d.). Grant funds are provided to American Indian tribes, states and territories, which contract with local governments and nonprofit organizations to provide the weatherization upgrades.

As noted in sections 3.2 and 3.3, as part of ARRA, HUD distributed grants through the Native American Housing Block Grant Stimulus Program (HUD, n.d.). Tribes and TDHEs' eligible for funding under NAHASDA could apply to a NOFA to compete for ARRA funds that were obligated in September 2009. The grants were to be used for acquisition, new construction or rehabilitation of affordable housing, site improvements and infrastructure construction, energy retrofits and healthy homes improvements, administration and planning costs, and investments made to leverage private capital. Funds had to be spent within 3 years. See section 3.3 for additional discussion of the ARRA grants that went to Indian Country.

Housing Provided in Indian Country by Other Major Housing Programs

Of the tribal/TDHE survey respondents, 17 identified HIP as a major housing assistance program they operate. Activities supported by HIP include home improvement and housing rehabilitation efforts, homeownership programs, and housing construction. At the time the survey was conducted, respondents estimated the number of affected units annually to be 0 to 5.[59] A couple of respondents commented that the number of HIP affected units was very low, with one respondent wondering whether the small amount of HIP funding was worth the effort the program requires. The 14 respondents who identified LIHTC as a major program their organization operated said their organization uses the LIHTC funds for rental and homeownership programs, including rental-housing renovations. At the time of the survey, respondents estimated that from 40 to 104 units of housing had been affected by LIHTC.

Six respondents identified the DOE's Weatherization Assistance Program as a major program. Funds from this program were used to renovate owner-occupied and rental housing. Respondents estimated between 25 and 60 units of housing had been affected by this program. Four respondents identified the ICDBG as a major

59 Responses to the survey question on the number of units affected by each major program included annual and total counts. The type of response was unclear in some cases so the data reported here should be read with that limitation in mind.

program, with funding used for remodeling and rehabilitating homes. Each respondent estimated that roughly 25 units of housing had been affected by this program.

Three respondents cited ARRA as a major program or source of funds. ARRA funds were used with rental housing efforts. Respondents estimated about 22 housing units had been affected by ARRA funding. Seven respondents also said they operated tribal rental assistance programs. Responses varied in detail; no program offering type appears to be dominant, though all seven respondents said the tribal programs supported rental housing. The estimated number of units affected ranged from 13 to 73.

Other Publicly Funded Non-IHBG Housing Programs Operating in Indian Country

A majority of tribal/TDHE survey respondents (82 percent) said other organizations offered housing assistance programs in their area. These programs, offered by tribes, local or state programs, and federal agencies, support home improvement and rehabilitation activities, homeownership efforts, and rental assistance programs. Respondents said funding for the programs offered by other organizations comes from tribes and federal agencies, including the U.S. Department of Agriculture (USDA), BIA, HUD, and DOE.

A new affordable housing production program is the Housing Trust Fund (HTF), established under Title 1 of the Housing and Economic Recovery Act of 2008, Section 1131 (Public law 110-289).[60] This program was not mentioned by tribes/TDHEs because the first allocations of these grants were not allocated until May 2016. HUD will allocate grant funds annually to states and state-designated entities based on a formula. The funds may be used for the production or preservation of affordable housing through acquisition, new construction, and/or rehabilitation of nonluxury housing with suitable amenities. HTF offers a new opportunity for tribes to partner with states, because funds are to be used for extremely low-income families or families at or below the poverty line, and even small population states will receive the minimum $3 million grant.

3.6. IHBG Housing Development and Management

Under NAHASDA, HUD plays an administrative and oversight role in delivering housing benefits to Native Americans and providing funding through a single, tribally negotiated grant allocation formula. Grantees (tribal housing departments or TDHEs) submit an IHP for each program year. In the IHP, grantees identify their affordable housing needs and describe the housing activities they plan to pursue to address those needs. At the end of the program year, grantees also must submit an APR that outlines accomplishments, and, if federal fiscal year expenditures are $500,000 or more, the results of an independent audit. In addition to reporting, grantees must follow requirements for environmental reviews, procurement and labor standards, family eligibility, and accounting for program income. Although the flexibility of NAHASDA enables tribes to design, develop, and operate their own affordable housing programs based on local needs, tribal housing departments/TDHEs face challenges in carrying out their plans. This section describes challenges in developing new housing and in maintaining existing housing stock, presenting findings from the tribal/TDHE survey and site visits, followed by promising practices and solutions implemented or suggested by tribes.

60 https://www.hudexchange.info/programs/htf/.

Challenges in New Housing Development

Tribal housing departments/TDHEs face a wide range of challenges that may affect the cost and also the time it takes to develop new IHBG housing. Almost all respondents to the tribal/TDHE survey indicated that development costs had increased during the past 3 years, with 40 percent saying cost had increased greatly and 57 percent saying cost had increased somewhat. Of the tribes/TDHEs, 35 percent reported that development cost was a very serious constraint, and another 15 percent said it was a fairly serious constraint in developing new housing. When asked to name the top three factors that increase the cost of developing new housing, tribes/TDHEs cited the following barriers most frequently (exhibit 3.61): developing infrastructure (70 percent), availability of labor (39 percent), lack of funds (34 percent), and acquiring or assembling land (30 percent). Regarding barriers that increased the time to develop new housing, the factors named most frequently were environmental review process (71 percent), satisfying HUD administrative requirements (56 percent), locating and securing outside financial support (33 percent), and addressing property rights/leasing issues (27 percent).

The factors affecting cost and time do overlap, and site visit respondents mentioned many of these factors as well, offering descriptions and examples of the barriers (exhibit 3.62).

Infrastructure

IHBG funding includes within it "total development costs," but these are not identified separately under the block grant. The sources of funding for infrastructure as mandated by law remain the same: Indian Health Service (Sanitation Facilities Construction, and so on), USDA, Environmental Protection Agency (EPA), ICDBG, and others, and the IHBG can be used specifically for infrastructure as well. Nevertheless, infrastructure provision was mentioned as a barrier to developing new housing by 14 of the 22 sites visited. The most commonly cited infrastructure issues across sites were the need for expanded water and sewage treatment facilities, access to electricity, and access to roads. According to one Acoma Pueblo respondent, "the biggest issue we have regarding housing is the development of infrastructure." For the Makah Tribe, finding land close to existing infrastructure can be difficult, especially because most of the land is surrounded by forests used for timber production. Respondents from the Northern Arapaho Tribe on the Wind River reservation

Exhibit 3.61 – Barriers to New Housing Development Most Frequently Reported by Tribes/TDHEs

Barriers that increase cost		Barriers that increase time	
	% reporting that barrier		% reporting that barrier
Developing infrastructure	70.4	Environmental review process	70.9
Availability of labor	38.9	HUD administrative requirements	56.1
Lack of funds	34.1	Securing outside financial support	32.5
Acquiring or assembling land	29.7	Property rights and leasing	27.4

Notes: Respondents were asked to name the top three barriers in separate questions about cost and time.

Source: Tribal/TDHE survey 2014-2015

Exhibit 3.62 – Factors Mentioned by Sites that Affect Development Costs

Cost-related barriers to development	Number of sites Mentioning this barrier
Not enough funds	13
Infrastructure	14
Acquiring/assembling land	12
Weather or climate	11
Environmental Review Process	9
Increasing development costs	8
Availability of labor	3

Source: Site visit interviews 2013-2015. N=22

also noted that it is hard to get land close enough to infrastructure, specifically gas, water, and highways.

Site visit respondents described physical challenges to building infrastructure, and difficulty in obtaining funds for infrastructure updates and expansion. At some sites, the terrain makes it difficult to run the necessary pipes needed for water and sewage treatment. Risk of flooding also presents a problem for building infrastructure in some locations (Tohono O'odham Nation, Zuni Tribe), while in others (Lummi Nation, Makah Tribe, Native Village of Unalakleet), water shortages limit infrastructure expansion. Respondents at Bad River and at Bishop Paiute noted that their sewage systems were at capacity. At the Lummi Nation, the sewer system was originally built in 1976 and needs to be upgraded. At the Pine Ridge (Oglala Sioux Tribe) reservation, respondents reported that some infrastructure dates from the 1930s and is disintegrating.

Site visit respondents reported that it has been difficult to obtain funds for necessary infrastructure updates. NAHASDA funds do not include separate funding for infrastructure expansion and development. This has been a challenge for development, and a criticism voiced by many TDHEs. To compensate for the lack of infrastructure provided, homeowners often must find a way to fund necessary infrastructure themselves. Multiple respondents noted that residents were paying for their own septic tanks and electricity lines. At Citizen Potawatomi Nation, the tribal Office of Environmental Health (OEH) builds water wells and septic tanks for tribal members purchasing or building a home in the service area. A tribal official said, "This program enhances our housing because, if you have a plot of land that you want to build on, then OEH can come in and help. Wells and septic tanks cost a lot of money. Any tribal member residing in the service area qualifies for this service. Program staff do any of the design work, which is pretty much cut and dry. The program will drill you a well if you don't have access to city or county water. It is pretty expensive to drill a well, more than $5000."

Some tribes/TDHEs have been successful in obtaining loans or developing partnerships with local utility providers. Although assistance is available from IHS, many respondents reported that the funds were not sufficient. For example, Bad River Band of Chippewa respondents reported

that IHS is providing engineering services for their new water system, but a funding source to build the system has not yet been established. On the other hand, respondents from White Earth Band of Chippewa reported that tribal water and sewage authorities collaborate with IHS to build needed infrastructure. Loans and grants are also available from USDA and the U.S. Army Corp of Engineers. At Gila River Indian Community, the tribe has developed a profitable partnership with Verizon to provide members with Internet and telephone service. To obtain funding, one Pine Ridge reservation respondent noted that the tribe has been trying to include infrastructure costs in the project budgets for new homes, and they have received assistance from USDA loans for rural development. Lake Traverse reservation respondents stated that USDA Rural Development is a very important partner for infrastructure funds, and they had received several USDA grants for infrastructure.

Availability of Labor

Although availability of labor was mentioned at only a few sites visited, a common theme associated with this barrier appears to exist. Tribal housing departments and TDHEs do not have enough construction activity to support construction workers (either in-house employees or contractors) on a consistent basis. This results in workers with the necessary skills traveling outside the tribal area for work and then not being available when needed in the tribal area. At Pine Ridge reservation, for example, site visit respondents explained that skilled workers go to Rapid City where they can get steady work at higher pay. At Bishop Paiute, site visit respondents reported a shortage of workers that have the necessary skills. At three sites, a limited construction season due to weather is a challenge because paying contractors higher fees during a short construction season can lead to higher development costs.

The combination of irregular employment for construction workers on tribal land, limited training opportunities in some remote locations, and higher paying employment outside of tribal areas leads to worker shortages and higher costs, further limiting the volume of new construction that can be initiated. One Yakama Nation respondent explained the problem: “Our costs have increased a lot during the past 3 years. This has had a great effect on how much we can get done. We use a lot of carpenters and their rate has doubled in the last few years. That lowers the number of houses that can be built. That is just one example—all labor and materials costs have risen.”

Lack of Funds and Rising Development Costs

Lack of sufficient funding for new development was a barrier mentioned by respondents at 13 of the 22 sites visited. This concern was often raised in combination with discussions of rising development costs.

At Chickaloon Native Village, funding shortages, timing of receipt of funds, the limited season when construction is possible, and increasing costs result in serious challenges to development. One respondent at Chickaloon said, “We have to make sure we have funds from last year, and we are dealing with seasons when the money finally comes in. There has been a big decrease in funds over the last 5 years, and a 30-percent increase in development costs—just in materials. Some items such as lumber and concrete have increased 50 percent.” A respondent at Yakama Nation said, “all labor and materials costs have risen.”

The increasing cost of material was also mentioned at Omaha Tribe, “One problem

we face is that the cost of materials has tripled in the last couple of years. One thing that would be helpful would be to have HUD do some bulk buying and storage to lower our costs." A respondent at Lumbee Tribe noted that funding constraints delay development, stating that the tribe can afford to build only 12 to 15 houses per year, although the need is much greater and land is available.

Land Assembly and Acquisition

The process of land assembly and land acquisition was noted as a barrier to new development by respondents at 12 of the 22 sites visited. The source of this challenge is fractionated land, which is the result of allotments that have been divided among heirs through probate. Although title ownership was divided among all the heirs, the land itself was not physically divided, and each Indian heir received an undivided interest in the land. With each generation, the number of owners increases, resulting in the highly fractionated ownership of much of Indian land today. To do anything with the land (that is, develop the property or sell it), an interest owner must gain consent from a majority of the parcel's other owners. Unless a tribe owns at least a majority interest in a fractionated tract, the tribe must seek the approval of the other owners to use the tract for development purposes.[61]

Having so many owners makes it hard to assemble large enough parcels for development. One Lummi Nation respondent noted that "there is a divided interest in the land here—the allotments may have a thousand heirs to a small parcel of land. You can only mitigate that with 51 percent of owners deciding something.... The goal of any tribal member here is to have housing on their own land, but they can't due to the divided interests." Site visit respondents at Wind River reservation (Eastern Shoshone) indicated that some families are not willing to give up land they are not using.

A few sites have initiated efforts to buy back fractionated land or land adjacent to tribal lands. At Gila River, the tribe is seeking to buy back land that is owned by non-members, especially land originally allotted to a tribal member that has passed into ownership by a non-member. The Oglala Sioux tribe (Pine Ridge) also has a land buy-back program to help ensure that land goes back to the tribe. Other sites try to ensure that the housing authority owns its own land. In addition to the costs of finding and obtaining agreement from owners of parcels, four sites stated that they did not have enough funds to purchase land or build housing even though land was available. Citizen Potawatomi Nation has established a Realty Department to conduct title searches and sets aside funds specifically for the purchase of fractionated land (see the text box, Addressing the Challenges of Fractionated Land: Citizen Potawatomi Nation).

Environmental Review Process

The environmental review process required for development is a consistent challenge that was mentioned by respondents at 9 of the 22 sites. The National Environmental Policy Act (NEPA) of 1969 requires agencies to undertake an assessment of the environmental effects of their proposed actions, consider reasonable alternatives to proposed actions, and allow for public participation before taking actions and making decisions. All projects entirely or partly financed, assisted, conducted or approved by federal agencies must comply with NEPA and other applicable, related federal laws and authorities (HUD, 2015c). The involvement of multiple federal agencies,

61 Some 4.1 million fractionated interests are in 99,000 land parcels on 10 million acres of Indian trust land (Kendall, 2011).

Addressing the Challenges of Fractionated Land: Citizen Potawatomi Nation

Citizen Potawatomi Nation established a Tribal Realty Department to conduct title searches and other activities related to housing. A tribal leader said, "We do our own title searches. Our Realty Department can do a lot. We still have to work with the BIA [Bureau of Indian Affairs] closely on trust land. I point those things out because they enhance housing and our ability to provide housing for our people…."

The tribe has taken advantage of a U.S. Department of the Interior program to help tribes recover allotments that have many owners/descendants with small, fractional ownership. A tribal official described the situation: "Let's say that my grandfather's original allotment (under the Dawes Act) is inherited by his children. Some of these heirs may marry a non-Native. When these heirs (second-generation) die, the land may pass on to many owners. Once the land goes out of a Native American's hand, it gets more complicated. What our tribe does is we allocate $2 million per year to our Realty Department to purchase fractionated land." Working with their Realty Department, the tribe has developed ways to purchase fractionated land and maintain flexibility in the uses of that land: "Let's say that someone is selling a house next to or near the Nation's land, and we want to buy it…. The Nation buys the property; however, that house is not owned by the Housing Authority, rather it is owned and operated by the Nation, which may rent or sell the house to a tribal member without doing so under the stringent NAHASDA [Native American Housing Assistance and Self-Determination Act] regulations. Whenever we acquire land, the Realty Department is involved."

and their associated regulations and procedures, has resulted in a complex and cumbersome process. In a 2014 report, the GAO recommended the establishment of a "coordinated environmental review process for all agencies overseeing tribal housing development" (GAO, 2014: 34). This recommendation was made to "increase consistency and reduce time and predevelopment cost for Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) grant recipients" (GAO, 2014: 34). In response to this recommendation, HUD formed a workgroup composed of all affected agencies to discuss barriers and solutions to completing environmental reviews for Indian housing and housing-related infrastructure. In a report released in December 2015, the interagency workgroup recommended a series of improvements to assist in expediting the environmental review process. Site visits for this study reflect conditions in 2013-2015, including some of the issues that were considered by the working group.

The length of time and the cost associated with the environmental review process were common concerns across sites. At some sites, every house built requires an environmental review, which can involve soil samples and other environmental work for each lot. This can be a lengthy process and delays development. Several sites mentioned that an environmental review is required when rebuilding on a site as well as for a previously undeveloped site.

Multiple respondents noted that submitting applications to the BIA to build on sites was particularly time consuming. The process is not automated, and

respondents noted it could take as long as 5 years to get an approval. At Northern Arapahoe on the Wind River Reservation, a respondent said the application goes to 14 different offices as part of the approval process. Some respondents mentioned the need for BIA to approve the placement of electrical lines, which can create further delay. The requirements often are not consistent across agencies. For example, respondents at Gila River noted a conflict between the BIA and EPA requirements. Respondents at Zuni Tribe pointed out that BIA does not accept the HUD format for the paperwork. According to one Yakama Nation respondent, all required governmental approvals and requests move very slowly: "Regulations and approval—everything in the government works at a snail's pace. Too many levels of approval all taking a long time. Everyone has a different concern or questions and things just generally get bogged down."

Some respondents were aware that plans exist at the federal level to improve these processes. In the meantime, they note that having to use NAHASDA funds to cover environmental and cultural assessments and surveys limits what tribes can do with their remaining funds.

Challenges in Maintaining Existing Housing Stock

Tribes/TDHEs surveyed were asked to report their top three maintenance challenges for rental units and for Mutual Help units (exhibit 3.63). The same three challenges were mentioned most frequently for both types of housing units: (1) tenants or residents causing damage to the unit, (2) controlling criminal activity, and (3) tenants or residents not paying rent or mortgage payment on time. Comparing the two types of housing, damage to the units and controlling criminal activity were mentioned more frequently for rental units, but late payment was mentioned more frequently as a challenge for Mutual Help units.

Site visits provide additional insight into some of these maintenance challenges. Substance abuse, domestic violence, and severe overcrowding were mentioned as causes of difficult maintenance challenges. Methamphetamine ("meth") was noted for causing serious damage to units. One site visit respondent explained that the housing agency has to test the housing units for meth exposure. If the level of exposure is within certain levels, it can be remedied by an extensive washing process for all

Exhibit 3.63 – Housing Maintenance Challenges Most Frequently Reported by Tribes/TDHEs, by Type of Housing

Percent of respondents who indicated the following were one of their 3 biggest challenges:		
	Rental Housing %	Mutual Help Housing %
Causing damage to unit	90.9	79.7
Controlling criminal activity	73.8	64.5
Not paying rent/mortgage on time	65.3	87.8
Lack of trained staff	25.3	13.7
Lack of operations funds for Indian Housing	20.4	26.6
Performance problems with contractors	3.9	6.4

Notes: Respondents were asked to name the top three barriers in separate questions about rental and mutual help

Source: Tribal/TDHE Survey, 2014-2015

the walls and other surfaces. In extreme cases, all walls, floors, and insulation must be removed. Although housing agencies regularly inspect units, and evidence of meth use is grounds for eviction, sometimes the evidence is not detected until a tenant moves out. Holes in the walls (sometimes associated with incidents of domestic violence) add to maintenance challenges and at least one tribe noted that such damage also triggers a call to social services. Overcrowded housing places additional strain on homes, especially in bathrooms and kitchens, increasing the incidence of mold and insects.

Weather conditions added to maintenance challenges at several sites: flooding (Blackfeet, Omaha, Gila River, Bad River), high winds or tornados (Cherokee, Lake Traverse, Bad River), severe heat (Gila River, Cherokee), and severe cold (Unalakleet, Pine Ridge) can cause weather-related emergencies that take priority over routine maintenance. Sites also frequently mentioned that the age of the housing stock increases maintenance costs.

Most sites that commented on maintenance challenges reported a shortage of staff (related to lack of funding) that keeps them from doing all the maintenance and repairs that they would like, or that requires longer waits for service. Most use some type of work order system to schedule and track requests for maintenance and repairs. One site, Blackfeet, developed an app so that work orders can be managed electronically, and they have shared this with other tribes. Some sites have tried to limit maintenance service to homeowners. For example, at Blackfeet, the maintenance team provides landscaping services only to elderly and handicapped residents. Able-bodied residents are expected to do this themselves, and the housing authority makes equipment (for example, weed trimmers, lawnmowers) available for check-out. At Pine Ridge, the housing authority prioritizes heating, stoves, refrigerator, and furnace problems and will make referrals to other programs when the housing authority does not have the resources to make the repair. In light of maintenance challenges and limited resources, several tribes have initiated programs to educate residents on basic home maintenance and repairs. Two examples from Zuni Tribe and Lummi Nation are included in the text boxes, Housing Education and Supportive Services: Zuni Tribe and Tenant Education and Citizen Participation: Lummi Nation.

Housing Education and Supportive Services: Zuni Tribe

The Zuni Housing Authority (ZHA) partners with other programs for specific clients or families. Its goal is to help families become self-sufficient with rentals and homebuyer programs. ZHA provides classes to give renters and homeowners the knowledge and skills to manage finances and take care of their homes (for example, draining water tanks, caulking windows). ZHA's hope is for families to be self-sufficient while maintaining healthy homes. ZHA holds classes several times a year during the day and in the evening. Classes are oriented toward seasonal changes that affect home maintenance and annual inspections. "We do our best to work with our clients. We tell them that we are in the business of providing housing. We identify problems in the early stages for prevention and to be proactive. We collaborate with other Pueblo of Zuni divisions and on referrals."

Tenant Education and Citizen Participation: Lummi Nation

The Lummi Nation's Housing Department hosts an annual housing forum on a Saturday in February. The Housing Department staff provide exhibits relative to their responsibility—planning, security, maintenance, advocates, and so on. Tribal members attend the event to socialize and learn; the Housing Department gives out educational pamphlets and door prizes and solicits input for the next year's Indian Housing Plan. They provide food, and participants can bring their children. The Executive Director of the Housing Department estimates that 200 people or so come during the course of the 8-hour event.

3.7. Homeownership and Mortgage Lending Programs

Mortgage lending to any traditionally underserved market is challenging, as lenders must reach out to populations that may not have experience dealing with mainstream financial institutions, have very limited funds for downpayments, and little or no credit history. In addition to these problems, which are present for many lower income households, originating mortgages on properties located in Indian Country presents unique challenges that relate to the legal status of lands on reservations; the remote locations of reservations that inhibit the development of an infrastructure that can support mortgage lending; a lack of cultural understanding by mainstream lenders of Native American attitudes toward the use of credit, particularly when used for a land transaction; and, potentially, lenders' discrimination against Native American mortgage applicants.

These challenges have been documented in a number of studies, and changes have occurred at the policy level and tribal level to home mortgage lending to address these problems. This section focuses on the changing availability of mortgage lending and its impacts on expanding homeownership on tribal lands.

Background

It is important to consider the political history related to land status in Indian Country to understand the current landscape, challenges, and successes in mortgage lending.[62]

History of Legal Status of Land in Indian Country

The challenge of mortgage lending on tribal trust land is that the United States holds such land in trust for a tribe and the land cannot be readily sold or mortgaged. As a result, mortgages are secured by a leasehold interest in the trust. The legal status of land in Indian Country has an important bearing on the ability to secure a mortgage.

The General Allotment Act of 1887 (or the Dawes Act) and a series of other historical events establish that land in Indian Country may be held in trust by the federal government for the tribe or individual Native Americans.[63] This differs from the remainder of the United States where the vast majority of land is in fee-simple ownership. Trust status offers some advantages to native communities (for example, trust land is not subject to local,

62 This section is a modified excerpt from *Mortgage Lending on Tribal Land* (Listokin et al, 2016), which was prepared as part of this study.

63 With the vast territorial expansion of the United States during the mid-1800s, the notion of placing American Indians beyond the bounds of White civilization became untenable. So, the federal government developed and refined a reservation policy. One central legislative piece of the period was the General Allotment Act of 1887, which authorized the breakup of communal tribal lands on reservations into individual ownership parcels. The individual parcels were to be placed under federal trust for a period of time, and lands remaining after allotment (the "surplus" lands) could then be sold off to non-Indian homesteaders.

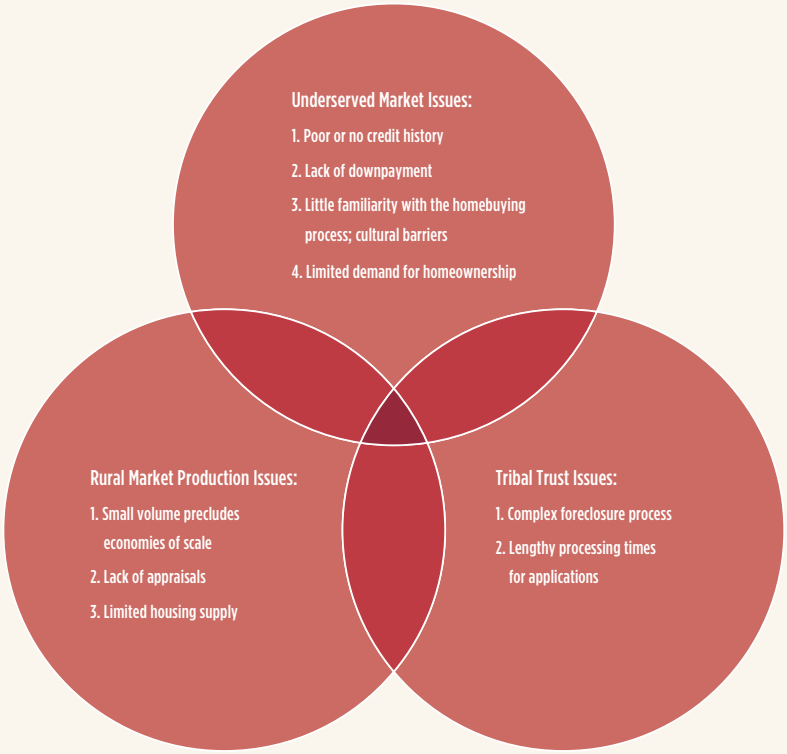
state, or federal taxation), but trust lands can be difficult to use for collateral for financing homes or economic enterprises, and they are subject to considerable oversight by the federal government. Although other legal issues in Indian Country impede the ready use of land for homeownership and other purposes (for example, the legacy of allotment sometimes resulted in fractionation of ownership), trust land status is a major hurdle.

Implications and Challenges for Homeowners and Lenders

Although Native Americans share characteristics of other members of traditionally underserved markets, originating mortgages on Indian land includes unique challenges relating to the legal status of lands on reservations (exhibit 3.71). Another challenge arises from the disproportionately rural location of Indian Country. In general, rural areas have considerable "housing distress" (affordability, structural inadequacy, and overcrowding), especially among low-income and minority households, and rural areas further confront "substantial problems" as described by the Housing Assistance Council regarding mortgage access and credit cost (Housing Assistance Council, 2012). Therefore, successfully originating mortgages on tribal trust land requires lenders to work within an environment in which three types of issues intersect: those related to (1) underserved markets, (2) tribal trust land, and (3) rural mortgage production.[64]

64 A recently taken position of the U.S. Department of Justice is that its attorneys will not proceed with tribal foreclosures unless brought in federal court. The hesitancy of tribes to cede their jurisdiction to the federal courts may result in a reduction of lending in tribal areas and was noted especially by the Northern Pueblos Housing Authority and Santa Clara Pueblo Housing Authority.

Exhibit 3.71 – Understanding Tribal Trust Land Mortgage Lending



Source: Laderman and Reid 2010.

Mortgage Lending Programs[65]

To address these issues, a number of programs have been developed to facilitate mortgage lending in Indian Country, including Section 184, Section 502 Direct Lending, and U.S. Department of Veterans Affairs (VA) Direct Lending.

Section 184 (NAHASDA)

The Section 184 program provides lenders with a 100 percent guarantee in the event of a borrower's foreclosure. It is available for single-family housing of one to four units located on tribal trust land, allotted trust land or fee simple land in an Indian area. The borrower may be an individual tribal member, tribe or TDHE. Unlike the Rural Housing Service (RHS) Section 502 program described in later paragraphs, Section 184 guarantees are not reserved for moderate- and low-income homebuyers. Section 184 loans can be made only to borrowers who are members of a federally recognized tribe, a regional or village corporation as defined in the Alaska Native Claims Settlement Act, or one of the following five state (and not federally recognized) tribes: Coharie Tribe (North Carolina), Haliwa-Saponi Tribe (North Carolina), Lumbee Tribe (North Carolina), Waccamaw Siouan Tribe (North Carolina), and MOWA band of Choctaw (Alabama). Tribes interested in participating in the Section 184 program must have leasing, eviction, foreclosure, and other procedures and provisions in place (for example, tribal court jurisdiction over real property).

The Section 184 program can be used only for mortgages on properties located in an approved Indian Operating area (sometimes called Eligible Areas [EAs]). Exhibit 3.72 shows the location of EAs by state. The map shows that some states contain no EAs and that for 23 states, the entire state is an EA. For the remainder, EAs are restricted to certain counties.

Because some EAs constitute an entire state, the Section 184 program is not used only for mortgage lending on tribal trust land. As long as a property is located in an EA, a Section 184 loan can be originated for properties located on fee simple, tribal trust, or allocated land. Moreover, in late 2004, HUD issued guidance that allowed tribes more flexibility in designating eligible areas so that they correspond to their IHBG formula area. As a result, the size of EAs increased around 2005 to 2006, thereby creating a larger potential market for Section 184 loans, particularly for areas where fee simple lending was the predominant type of transaction.

Section 502 Direct Lending (USDA Rural)

Under the Section 502 direct loan program, RHS provides loans at below-market interest rates to homebuyers whose household incomes do not exceed 80 percent of Area Median Income (AMI).[66] Loan terms are up to 33 years and, for households with income less than 60 percent of AMI, may extend longer. The program offers subsidies, based on the homebuyer's income, that reduce the interest rate to as low as 1 percent. Although the monthly payment rises as the homeowner's income rises, the note rate establishes a cap on monthly payments. Loans may cover 100 percent of the cost of purchasing a new or existing home, and also costs of appraisal, title insurance, and other closing costs. Funds may also be used to repair or relocate a home, prepare a site, or provide water and sewer facilities.

Homebuyers must show that they are unable to obtain financing from conventional sources on reasonable terms but can afford to repay the loan. A low-

65 This section is a modified excerpt from the *Mortgage Lending on Tribal Land* report of this study (Listokin et al., 2016).

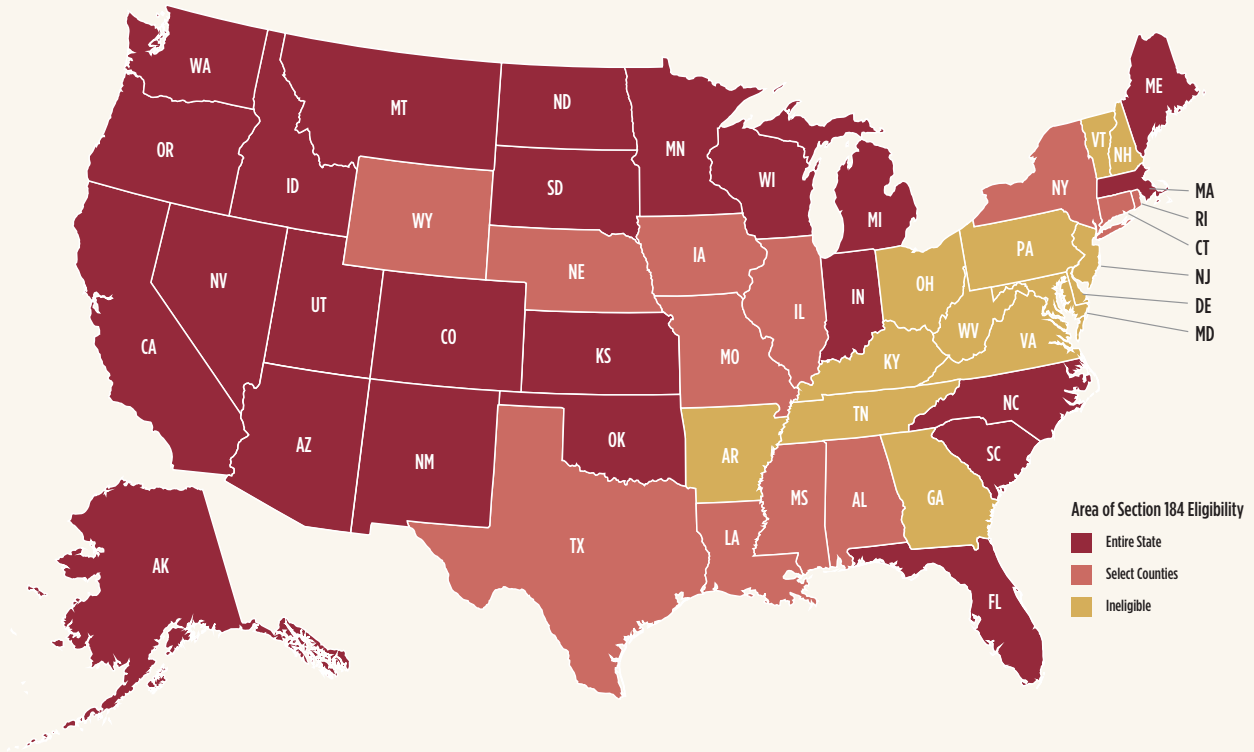
66 The RHS also has a Section 502 guarantee program. This program is not generally used to support lending on tribal trust land.

income applicant's repayment ability generally is demonstrated if principal, interest, taxes, and insurance do not amount to more than 29 percent of income (front-end ratio) and total monthly debt (for housing and all other purposes) does not exceed 41 percent of income (back-end ratio). For low-income borrowers, the percentages are 33 percent (front-end ratio) and 41 percent (back-end ratio). The homebuyer signs a note promising to repay the RHS loan at the "note rate" (a current rate of interest) and gives RHS a mortgage on the home. As discussed previously, actual monthly payments are subsidized. The homebuyer also enters into a retention agreement under which, when title is transferred to a third party, the homebuyer must repay the amount of the interest assistance or 50 percent of the value of the appreciation of the home, whichever is less.

VA Direct Lending

Since 1992, the Native American Veteran Direct Loan (NADL) program has provided eligible Native American Veterans and their spouses the opportunity to use their VA home loan guaranty benefit on federal trust land. By statute, before VA may make a loan to any Native American veteran, the veteran's tribal or other sovereign governing body must enter into a memorandum of understanding (MOU) with the VA. The MOU details the conditions under which the program will operate on trust lands (for example, that

Exhibit 3.72 – Map of Eligible Areas for Section 184 loans



Source: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/homeownership/184. Accessed February 3, 2014

the tribe has established standards and procedures that apply to the conveyance of a leasehold interest in real property by a Native American borrower to a lender).

Native American veterans who are eligible for VA home loan benefits and whose tribal or other sovereign governments have signed an MOU, may then apply directly to VA for a 30-year fixed rate loan to purchase, build, or improve a home located on federal trust land. They may also refinance a direct loan already made under this program to lower their interest rate. If the property is not located on federal trust land, the Veteran can use the traditional VA-guaranteed Home Loan program.

Federal Programs To Address Land Status and Property Rights Issues

Given the various challenges of mortgage lending related to tribal land status and property rights issues, recent federal legislation addressed these barriers in hopes of expanding homeownership on Indian Country.

Helping Expedite and Advance Responsible Tribal Homeownership (HEARTH) Act

The HEARTH Act of 2012 creates an alternative land leasing process. Tribes are authorized to execute agricultural and business leases of tribal trust lands for a primary term of 25 years and up to two renewal terms of 25 years each without approval by the Secretary of Interior, provided governing tribal leasing regulations have already been submitted to the Secretary. Before 2012, tribes had to submit leases of tribal land to the Secretary of Interior for approval (DOI/BIA, n.d.). Under the HEARTH Act, tribes are empowered to make decisions about land leasing as they see fit, in the spirit of self-determination.

Leveraging trust land was one goal expressed by tribal officials, who were enthusiastic about the potential of the HEARTH Act to break down barriers to leasing on tribal land. On one site visit, tribal leaders illustrated how the new legislation was rolling out on the ground. As required by the act, the Citizen Potawatomi Nation secured approval of its leasing regulations by the Secretary of Interior not long before the site visit. A tribal leader said, "The Act allows a tribal member the right to lease a home on trust land.... We have not been able to do a lease home mortgage until now. Nobody would perfect that until now. Before, all our bricks and mortar belonged to us, and we couldn't mortgage it at all. We've been trying to do that and, now, I have it on my desk!"

Other Programs To Assist Homebuyers

Beyond federal legislation, many tribes have designed local programs to respond to the particular barriers to homeownership amongst their members.

Homebuyer Education

As mentioned in section 2.5, 29 percent of survey respondents who had never applied for a mortgage mentioned that they did not know how to buy a home or were generally unfamiliar with the processes, highlighting a demand for homebuyer education across tribal lands. Site visit interviews reinforced the importance of homebuyer education, as multiple respondents across sites spoke about this need, as well the need to better educate tribal leadership and tribal housing department/TDHE staff on the programs available to assist members.

The diversity of tribal land requires that homebuyer education be tailored to the unique needs of tribes. Many tribes are responding to the lack of knowledge around

buying homes in customized ways. Lac du Flambeau partnered with a local loan fund in an innovative homebuyer education program presented in the text box, Lac du Flambeau: Homebuyer Education. Another example from the Lumbee Tribe is presented in the text box, Lumbee Tribe: Homeownership Program.

Downpayment Assistance

To encourage homeownership, tribes also designed programs to help households that could not afford downpayments. (As reported in section 2.5, 35 percent of renters surveyed mentioned this as a barrier and 60 percent of survey respondents who had never applied for a mortgage noted this as a barrier). In another innovative program to support households that want to be homeowners, the Lumbee Tribe can provide a one-time loan from $4,000 up to $10,000 for a downpayment for a home. The amount is based on income and the interest rate is based on credit score (lower credit score, higher interest). The downpayment can be used to build or to buy an existing stick built or manufactured home (the only trailers that qualify are double-wides). Respondents at Lumbee indicated that a lot of manufactured homes are purchased through this program. As one respondent noted, "We could be helping and hurting them at the same time. But it gives them housing, and that's the bottom line."

The Lumbee Housing Department will also help a homebuyer with their mortgage if they are behind in their payments. The program provides 2 payments of up to $1,500 each to help them catch up. The homeowner has to be delinquent with their mortgage and provide evidence of documented hardship.

Lac du Flambeau: Homebuyer Education

The Lac du Flambeau Band of the Lake Superior Tribe of Chippewa Indians works with the Wisconsin Native Loan Fund, Inc. (also known as Wigamig Owners Loan Fund, Inc., or WOLF). The Wisconsin Native Loan Fund is a nonprofit 501(c)(3) Certified Community Development Financial Institution, or CDFI, located in downtown Lac du Flambeau. Wigamig means "home" in the Ojibwa language. The mission of the Wisconsin Native Loan Fund is to provide tribal members with access to mortgage lending opportunities that include home improvement, downpayment assistance, and debt consolidation loans, as the Wisconsin Native Loan Fund seeks to encourage homeownership and self-sufficiency among tribal members and their families in and around the Lac du Flambeau Indian Reservation. The Wisconsin Native Loan Fund, Inc. offers a selection of financial development classes, one-on-one technical assistance, and revolving loan fund home products to improve economic and social conditions on poverty-stricken reservations such as Lac du Flambeau. They do this by providing financial literacy on the reservation and working closely with key tribal members and entities. They also have programs to expose tribal members to credit counseling/credit repair and to promote good habits around money management and the use of credit.

As seen in this example, a core component of Lac du Flambeau's program is the provision of financial literacy and financial development classes. Other important aspects to homebuyer education, seen in the other creative programs across sites, focused on assistance in financing the home after a client is ready to purchase. The Lumbee Tribe is one such example.

Lumbee Tribe: Home Ownership Program

The Lumbee Tribe's Home Ownership Program provides safe, affordable housing for tribally enrolled first-time homebuyers who cannot obtain financing with a conventional lender. The tribe contracts out to build the homes within its service area and serves as the lender, providing a 30-year, low-interest mortgage (1 or 2 percent interest, depending on income). To qualify, the buyer must have a credit score of 550 or more and demonstrate the ability to afford a house. The Housing Department has three subdivisions where houses can be built, or the Housing Department will build the home on a lot owned by the client. The tribe will build only on land that has state-maintained road frontage, because they want to build a marketable home. At Lumbee, all land is fee simple, so there is no issue regarding using the home for collateral when obtaining financing, as there is in the case of tribal trust lands.

Home Repair/Rehabilitation Loans

Another important strategy for improving homeownership, is offering home repair and rehabilitation assistance. This is particularly helpful for substandard housing conditions, when home rehabilitation can become costly. The Bureau of Indian Affairs administers the Housing Improvement Program, a safety-net program that provides grants for repairing, renovating, or replacing existing housing and for providing new housing. HIP funds are distributed on the basis of the number of eligible applicants and their estimated cost of program services (DOI/BIA, 2015).

On-the-Ground Efforts Since NAHASDA

Interview respondents spoke about many challenges and successful efforts to improve homeownership, particularly around the Section 184 program and initiatives around homebuyer readiness, because the concept of homeownership and mortgage was new for many. Although demand for homeownership exists, barriers regarding access to lenders, tribal capacity, and credit issues still remain.

Access to and Response by Lenders

Five sites visited did not have eligible areas for the Section 184 program and were frustrated by the lack of options available to them to aid in buying a home. These sites noted that in some cases, lack of resources for housing has led to people moving off the reservation. In sites where the program did operate, some noted that they had trouble finding a lender to participate and issues with predatory lending. In Acoma Pueblo, one respondent shared that some of the tribal citizens were "paying exorbitant interest rates to buy mobile homes, which depreciate quickly…" At Wind River reservation/Eastern Shoshone, interview respondents highlighted difficulty in finding lenders, despite the intended advantages of Section 184 program. Respondents said that some banks still do not want to be involved with trust land, so people have to go to South Dakota for mainstream banks to get a Section 184 loan.

Beyond perceived discrimination, some logistical concerns existed with lenders. One respondent at Lummi Nation said, "We struggle with the banks where they sell loans and the banks buying the loans aren't familiar with 184 and owners have to

keep up with where to send the payment." Furthermore, multiple sites mentioned that the paperwork associated with getting titles and using Section 184 was too lengthy and was a deterrent for some people.

Tribal Capacity and Innovative Approaches

Tribes have demonstrated the capacity to implement useful programs that respond to local needs, as seen in the homebuyer education and financing programs discussed previously. They have initiated partnerships with other organizations; see the example presented in the text box, Choctaw Nation: Home Purchasing and Financing Program. In site visit interviews respondents also described alternative ways that members are finding homes when homeownership barriers cannot be immediately overcome.

At Tohono O'odham Nation, site visit respondents suggested that a lease-to-purchase option should be offered to assist people in obtaining affordable housing. The tribe could purchase the home and lease to own to a given member until they are qualified for Section 184. At Bishop Paiute, downpayment assistance is offered for purchasing mobile homes to overcome the challenge of buying a traditional home on the reservation. Some sites, however, explicitly mentioned that they did not offer downpayment assistance for mobile homes.

Alongside the tribal capacity shown in many areas, tribal politics remained a barrier for some sites. One site mentioned that elders of the tribal religious clan do not allow Section 184 mortgages due to concerns of potential foreclosures. The respondent shared the following concern: "The bank will have first claim on the allotment and thus the land will be alienated from tribal control." There is "fear that 184 would lead to a class system on the reservation." Interview respondents at Tohono O'odham also noted that the local district had some concerns that they could lose some of their authority using Section 184 if the bank held the lease on the land.

3.8. Leveraging and Strengthening the Private Market: Challenges and Solutions

NAHASDA changed the system for funding and developing housing, with a focus on tribal self-determination and flexibility to accommodate the diversity of needs and cultural preferences across Indian

Choctaw Nation: Home Purchasing and Financing Program

Working in collaboration with the Wells Fargo Bank and PMI Mortgage Insurance, the Choctaw Nation developed a home purchasing/financing program—Choctaw Home Finance Cooperative. One instrument used to finance housing is the Section 184 Loan Guarantee Program. Described as the "best tool," this program has had regulatory changes that have made it closer to conventional lending. Employed Choctaw tribal members nationwide can use this streamlined program. It provides favorable rates (3-percent loans) and can cover closing costs. The program has surpassed $100 million in loans to tribal members across the nation. The default rate is low (2 percent) and occurs mostly outside the state of Oklahoma). The Choctaw Nation can lend to cover closings, certifications, appraisals, and downpayments (so far, though, no members have used it for downpayments).

Country. One intention of NAHASDA was to enable and encourage tribes to secure much more private investment and be less dependent on government support to increase the supply of appropriate housing. Another underlying goal was to foster innovation in housing development. Section 3.2 presented APR data submitted by NAHASDA grantees showing that grantees received less than $2 per $100 of IHBG grants from private-sector investment. The flexibility and complexity of leveraging private investment, which is often combined with other government and/or tribal funds, however, makes reporting this information especially difficult. This section presents qualitative information from the tribal/TDHE survey and site visits about successful examples of leveraging private investment, other innovative initiatives undertaken in the spirit of NAHASDA, and barriers that constrain private investment in housing and community development in Indian Country.

Tribal/TDHE Survey Findings About Leveraging

When asked about the percent of all housing and rehabilitation projects carried out or under way in the past 5 years that involved sources other than IHBG finds, the level of such activity reported by tribes/TDHEs is limited. Almost 69 percent of respondents indicated that the percent of housing construction or rehabilitation projects that used housing subsidies other than IHBG Funds was 25 percent or less (including zero subsidy), and almost 18 percent of respondents reported subsidies in the range of 26 to 50 percent of projects. These subsidies include other HUD and state or federal subsidies. When asked what proportion of these projects were carried out jointly with private developers who invested their own capital, most of the respondents (89 percent) reported private subsidies were included in 25 percent or fewer projects (including zero subsidy). Thus, the proportion of projects subsidized by funds other than IHBG is small, and of that group, the proportion with private investment is even smaller. The activity that is under way, however, is significant and promising, given that this activity is new for most tribes and that many challenges remain. The barriers to leveraging that were most frequently reported by tribes/TDHEs are lack of interest from other organizations or financial institutions (45 percent); lack of availability of programs (42 percent); political tensions between the tribe, TDHE, and other organizations (35 percent); administrative constraints (33 percent); and differing priorities (31 percent).

Site Visit Responses, Examples of Leveraging, and Promising Approaches

Site visit respondents at 18 of 22 sites discussed leveraging, reporting varying experiences and degrees of success.[67] The findings and examples that follow include leveraging of other government funds, partnerships, and other promising approaches and also examples of leveraging private investment. These activities all demonstrate the motivation and creativity that tribes are drawing upon to address housing and economic development needs with severely limited resources. In general, even at sites that had limited experience or no projects that leveraged funds outside of IHBG, the flexibility to leverage funds to expand housing development and housing services was viewed positively. Respondents at many sites, however, noted challenges with leveraging NAHASDA funding because, after they cover their operating and maintenance costs, little or no funding remains to

67 These topics were not asked about systematically across all sites. Rather, these are issues raised by respondents during site visit interviews, so the problems and solutions might be particular to a small number of programs.

leverage. A respondent from Pine Ridge said, "The purpose of NAHASDA was to leverage funding, but you need funding to leverage more, and show you have the resources to borrow—this doesn't work if people are too poor to pay rent."

LIHTC was the program most mentioned by site visit respondents in connection with leveraging, and was used at nine sites.[68] Two other sites had applied for LIHTC, but at the time of the site visit, had not yet heard whether they had been approved. Bad River is one site that has embraced the opportunity offered by LIHTC. As stated by one respondent, "The prospect of leveraging money for new development through programs like LIHTC has created the possibility of new development—this has changed the focus of the housing authority from exclusively perpetuating existing stock." Even with two successful experiences, however, criticisms remained regarding the state's LIHTC quality assurance plan, which the tribe thought favored urban projects. It was also noted that many projects require a minimum match of 20 percent. The application requirements and paperwork are such that Bad River appointed a project manager specifically for tax credit and ARRA projects because the process required too much work for regular staff. A respondent at White Earth, a tribe that is working on its fifth LIHTC project, noted that more investors and developers are interested in building with LIHTC monies, such as the Greater Minnesota Housing Fund. It was also pointed out, however, that LIHTC does have restrictions, such as set aside requirements for single parents, homeless, veterans, and elders. The Lumbee Tribe has also successfully used LIHTC and other sources for development (see the text box, Lumbee Tribe: Leveraging NAHASDA Funds To Expand Housing Opportunities). A respondent at the site said, "NAHASDA helps to leverage other funds when we need to pool resources to create projects."

Other examples of leveraging include an EPA grant obtained by Bishop Paiute that required a 50 percent match that was difficult for the tribe to come up with. Chickaloon Native Village used a USDA loan to purchase a gravel pit needed for construction. Their plan is to build a project and then pay off the loan with revenue from the project. Wind River Eastern Shoshone obtained a Federal home loan bank grant in 2000 that was used for renovation of 50 homes. In addition, eight tribes mentioned using the Title VI loan guarantee. These varied opportunities do not always bring in new private investment, but use other federal funds such as ICDBG, and sometimes the tribe provides funds or land to support a project. A number of site visit respondents mentioned the need to work with experts, hire additional staff, or obtain more training to improve their ability to leverage funding and combine multiple funding sources.

The flexibility allowed under NAHASDA and the diverse circumstances of tribes offer a wide range of examples for consideration by other tribes and also policymakers. The text boxes in the remainder of this section provide some illustrative examples from the Lumbee Tribe (Leveraging NAHASDA Funds To Expand Housing Opportunities), Blackfeet Nation (Leveraging and Private Market Development), Zuni Tribe (Leveraging Funding Sources and Partners), Makah Tribe (Makah's Supportive Housing Project: Leveraging Funds To Meet Needs of Tribal Members), and Pine Ridge Indian Reservation (Partnership Helps To Build a New Vision for Oglala Sioux).

68 A fuller examination of LIHTC in Indian Country could be undertaken using LIHTC data. Although LIHTC data are geocoded to latitude and longitude, and to census tract, they are not identified as being within tribal lands or not. To be of use, the data would have to be geocoded using tribal land shape files, a task that was beyond the scope of this project.

Lumbee Tribe: Leveraging NAHASDA Funds To Expand Housing Opportunities

The Lumbee Tribe works closely with its community partners, the local bank, and the city (Pembroke, North Carolina) to develop funding packages for housing that serves the needs of tribal members. Using these partnerships, along with the Low-Income Housing Tax Credit (LIHTC) and Title VI, the tribe is providing new, energy-efficient housing and accommodating the needs of elders and those with disabilities. Examples include— a $7.2 million rental housing project supported by LIHTC through the State of North Carolina. The tribe built 50 rental homes. The homes are two- and three-bedroom ENERGY STAR homes. The timing of this project initially was problematic. In 2008, when the housing market crashed, nobody would buy the credits, but then the stimulus (American Reinvestment and Recovery Act) came in and the tribe was able to use that funding to buy the tax credits. Because the project used only Native American Housing Assistance and Self-Determination Act, or NAHASDA, and stimulus funds, it did not cost the Lumbee Tribe any additional money. Of the 50 houses, 7 are designed for accessibility: built at ground level or with ramps and with accessible showers and toilets.

The Lumbee Tribe recently received approval for a 50-unit elderly (age 55 or older) rental building. The project is funded by $5 million through the LIHTC Program and with a $2 million Title VI loan.

Blackfeet Nation: Leveraging and Private-Market Development

Through the Montana Housing Tax Credit Program, Blackfeet Housing leveraged resources to build affordable housing. Working in partnership with Blackfeet Housing on the Tax Credit Initiative are Raymond James Financial and Travois, Inc. Blackfeet Housing applied to the Montana Housing Board and was funded. The Housing Authority worked with a consultant to sell the tax credits for the maximum amount. Blackfeet Housing received $5.7 million in tax credits from the state, which translated to $5.3 million for new construction. The tax credit homes are for low-income housing (20 to 40 percent less than median income). Operational costs are paid through Indian Housing Block Grant (IHBG) funds. Funds must be committed up front to begin the project. Blackfeet Housing used $20,000 per unit from IHBG and will build 30 tax credit homes. The Executive Director of Blackfeet Housing Authority said, “We can’t afford to not take advantage of this.” The Montana Housing Tax Credit Program has the support of the Blackfeet Tribal Business Council.

Zuni Tribe: Leveraging Funding Sources and Partners

The Zuni Housing Authority (ZHA) leveraged funds from multiple partners to build new housing on the reservation. The Zuni Tribe, the Federal Highway Administration, the ZHA, and the Bureau of Indian Affairs all contributed funds, along with American Recovery and Reinvestment Act funds, to develop the Bluebird subdivision. Zuni homeowners obtain mortgages through U.S Department of Veterans Affairs loans, Section 184, New Mexico Mortgage Finance Authority, and the U.S. Department of Agriculture (USDA) Rural Self-Help. Wells Fargo provides assistance for helping homebuyers become credit worthy. ZHA leveraged Indian Housing Block Grant and Indian Community Development Block Grant funds that are targeted for housing rehabilitation and reconstruction. Zuni was the first tribe in New Mexico to get a USDA Rural Self-Help grant to help families build their own homes using "sweat equity." A $279,000 USDA Section 523 grant served as seed money for technical assistance for the project. The homes were financed with USDA Section 502 direct mortgages, at about $90,000 each.

Makah's Supportive Housing Project: Leveraging Funds To Meet Needs of Tribal Members

Respondents in Makah described a new development called Sail River Heights, which is a 51-acre subdivision built on higher ground outside the vulnerable tsunami flood zone where most of the community of Neah Bay, Washington, is located. This development includes the tribe's first permanent supportive housing project to provide rental housing, health care, jobs, and counseling to formerly homeless families and individuals. To finance construction, the tribe used a variety of sources, including the Low-Income Housing Tax Credit Program, or LIHTC; a loan from the Washington State Trust fund; funding from the Federal Home Loan Bank; a predevelopment loan from Enterprise Community Loan Fund; and tribal resources. The project consists of 21 units of affordable, permanent supportive housing for members of the community requiring access to social services. The project includes 12 one-bedroom units, 4 two-bedroom units, and 4 three-bedroom units to accommodate different size families and also an apartment for the manager. The final supportive housing idea for Makah was born out of a regional tribal meeting that occurred in Seattle in March 2011, where participants included representatives from a supportive housing homeless shelter developed on a reservation in Minnesota. The sharing of the Minnesota experience of a successful supportive housing concept helped to inspire the supportive housing project developed in Makah's Sail River Heights development.

Pine Ridge: Partnership Helps To Build a New Vision for Oglala Sioux

The Native American Housing Assistance and Self-Determination Act's (NAHASDA's) influence extends beyond the number of homes built. The Oglala Sioux provide an example of how work distinct from NAHASDA-funded activities has been made possible, in part, through the partnerships formed with NAHASDA grantees and a broadened sense of who is responsible for addressing housing needs. The Oglala Sioux Tribe Partnership for Housing (OSTPH) is a partnership of the Oglala Sioux Lakota Housing Authority (OLHA), Oglala Sioux Tribe (OST), and Thunder Valley Community Development Corporation (TVCDC) to support housing and a sustainable community. OSTPH is a nonprofit organization founded in 1999. Partners serve different segments of the population and have varying missions and funding sources, but all embrace housing as a responsibility. OSTPH is a subgrantee under NAHASDA, and its funding supports board administration and homebuyer education. OLHA, the prime NAHASDA grantee, provides assisted housing, primarily on tribal trust land, and works with the partnership to assist prospective homebuyers (for example, credit repair, homebuyer education, lease issues related to fractionated land) and to assist homeowners with repairs and rehabilitations. TVCDC is developing a planned community on 34 acres owned by its nonprofit organization. Although the project does not receive funding from NAHASDA, all the partner organizations collaborate to create a more efficient process toward homeownership and community development.

TVCDC is premised on "how to build a system to meet the need, not just a roof over the head, but to empower the community." The planned community is a project designed by the Oglala Lakota people and guided by elders. In 2010, the community received a grant from HUD to help develop the project and it continues to receive funding from foundations, donors, the U.S. Department of Agriculture and other federal agencies, and individuals. It will provide mixed-income single-family and multifamily housing with both rental and homeownership opportunities, and it will include a youth shelter, food-growing operations, community and education facilities, and retail spaces for local businesses. The project also uses innovative programs to train the local workforce, including youth, in green building practices and to guide families to build their own homes.

The first project completed was to build an energy-efficient straw bale house in partnership with the University of Colorado at Boulder and Oglala Lakota College. Housing built in this area must withstand a harsh environment—high heat in summer and bitter cold winters. Youth working on the building project receive assistance to obtain a general educational development, or GED, certificate followed by training in green construction methods. The longer-term goal is to move youth into employee-owned construction firms.

TVCDC hired a homeownership coordinator to work with families through the homebuying process and is also working with the OSTPH and OLHA on homebuying and credit counseling. TVCDC works with Mazaska Owecaso Otipi Financial, a Native Community Development Financial Institution (CDFI), that provides housing loans and assistance.

3.9. Conclusions and Recommendations

This project was not asked to conduct a formal evaluation of NAHASDA. Nonetheless, it offers many findings pertinent to an understanding of how programs are working in the NAHASDA framework and of opportunities to improve performance.

This section begins by offering a framework for assessing performance under NAHASDA and then notes, for each element of the framework, (1) relevant findings from this study that shed light on results so far; and (2) other information that would be needed to round out a more satisfying assessment. Then, based on the partial assessment just presented, the section offers recommendations about improving system performance. Finally, it offers recommendations on steps that could be taken to monitor housing and other relevant conditions in Indian Country more frequently and efficiently as a basis for effective adaptations to policies and programs.

System Performance Under NAHASDA

What questions would be asked by a performance assessment of NAHASDA? It would begin with information on whether the administrative capacity needed to operate the program could be established. It would then look at conventional measures related to program outputs: quantity, quality, cost efficiency, and whether the mix of outputs responded to the varying needs of the beneficiaries. Next, it would offer measures of client satisfaction. Given the specific hopes for NAHASDA, it would also offer information pertaining to innovation and leveraging. Finally, it would have to examine information on program integrity and accountability.

This study has produced partial evidence on most of these criteria. This evidence is reviewed in subsequent paragraphs, along with a discussion of what is insufficient or missing.

Administrative capacity: The tribes were able to establish new administrative entities and processes to administer the IHBG and related programs fairly quickly after enactment.

When NAHASDA was enacted, uncertainties were expressed (by legislators, appropriators, and some Indian housing stakeholders) as to whether the tribes would have the capacity to take over the administration of demanding housing programs. This study shows that, even though administrative capacity does remain an issue at some level in many places (see section 3.4), these basic challenges have largely been met (see section 3.4 and 3.6). The evidence is provided by the ONAP monitoring system and information from the tribal/TDHE survey and site visit interviews (see section 3.4). Responsibilities were transferred to new tribally controlled entities reasonably soon after NAHASDA was enacted. In addition, as noted in section 3.4, the task entailed developing capacity in many more places. In 1990, 187 IHAs were providing HUD-assisted housing in 467 tribal areas. In FY 2014, 363 IHBG grant recipients provided assisted housing to 553 tribes.

It took a few years before the APR system was functioning adequately, but ONAP staff report almost 100 percent compliance with APR reporting requirements after that. The APRs document what and how much was produced or accomplished under each program element and the amount of funds spent on them (see section 3.2). ONAP's quality control system verifies the results.

Quantity. The new system has proven able to match or exceed the previous rate of assisted housing production in Indian Country under the old approach. Limits on funding are now a major constraint on production.

Tabulations presented in section 3.3 show that the tribes' production under IHBG ramped up to peak levels (2,400 hard units and 4,100 rehabilitated units per year) in the 2007-to-2010 period. Output expanded even more rapidly from those levels as ARRA funds became available (an additional 2,000 hard units and 13,300 rehabilitated units between 2009 and 2012). Production declined after that as funding was reduced so much in real terms that reductions in output were necessitated.

Quality: This study does not provide direct evidence of the quality of IHBG housing.

Nothing indicates that housing produced under IHBG is inadequate or different than that produced under the old system. Survey results reported in section 3.3 show that the incidence of one or more severe physical housing deficiencies in assisted housing in tribal areas in 2014-15 (22 percent of units) was the same as that for unassisted housing. The survey does not support estimates of the share of those deficiencies that existed in housing produced under NAHASDA versus that under the earlier 1937 act programs that were still occupied. (Higher point estimates of overcrowding now in assisted housing compared with unassisted housing indicate not that differences in the quality of the housing produced existed but that not enough assisted housing was produced in relation to the need.) APRs from the tribes indicate that, in their assessment, only 1 percent of units produced under NAHASDA through FY 2012 are of such low quality that they need to be replaced and 9 percent need to be rehabilitated (exhibit 3.37).

Cost Efficiency: This study does not address cost efficiency but does offer some insights for future assessments.

An assessment of the development of cost performance under IHBG was beyond the scope of this study, so no data are presented on that topic. Based on working with the APR data and visiting many IHBG grantees for this study, the research team thinks that providing meaningful comprehensive data on quality and cost through the APR system would be expensive and not cost-effective. A more effective way to provide useful data on these topics in the future would be for ONAP to select a random sample of IHBG developments completed each year, and hire experienced independent contractors to do thorough analyses of the quality and costs of those developments. Such analyses are difficult because specific development barriers in individual tribal areas need to be factored in. For example, costs that seem excessive by the standards of cities in the same state may well be deemed reasonable after specific conditions in an area are understood.

Mix of housing types and development patterns: The mix of housing types and development patterns produced under NAHASDA appears more sensitive to local determinants, including culture, in individual tribal areas than was the case under the old approach.

One major criticism of HUD's pre-NAHASDA production program was that its products were not always sensitive to the needs and desires of the populations at hand. Each tribal area has its own cultural preferences and its own situation determines the best design for the housing development agenda. The pre-NAHASDA system had many examples of mismatches in this regard, such as instances in which HUD used standardized "tract house" models across many types of tribal areas

without regard to differences in local cultures, conditions, and preferences.

This study did not assemble exhaustive information on this topic, but substantial anecdotal evidence indicates that having the tribes become directly responsible for making housing type and pattern choices has made a critical difference (see, for example, the discussion in section 3.3; HUD/PD&R, 2015a).

Leveraging funds: Although far from ubiquitous, many examples of leveraging show that it could not have taken place under the old system.

The promise of NAHASDA was not just more assisted housing development per se, but rather a fundamental change to the system by which housing would be developed in Indian Country. The new system was to produce more appropriate and ample housing because it would secure much more private investment (like outside market-oriented systems) and be less dependent on government support. The data on leveraging in section 3.2 and many of the development examples cited in sections 3.6 through 3.8 indicate that this sort of change has been at least initiated in many tribal areas. Not enough reliable information is being generated, however, to support firm judgments on where and how much progress is being made. Pinning down progress in this area seems worth additional effort by ONAP. First, a more explicit and serious review of the data provided in table 1 of the APRs (see the previous discussion regarding exhibit 3.22) should occur, with more extensive probing of the entries on this table. Next, coupling evidence from these reviews with additional anecdotal evidence, ONAP should consider establishing a balanced, but systematic, approach to rating the tribes on their efforts at leveraging and entrepreneurialism in housing and economic development more broadly.

Innovation: Substantial anecdotal evidence indicates that processes are better aligned with tribe and resident needs now than under the old, more rule-bound approach. In general, the tribes seem to be stepping up to the challenge of self-determination in housing.

Evidence of partnerships, not only to leverage funds, but also to provide homebuyer education, teach home maintenance, improve home energy efficiency, and provide training and employment in the building trades was an important finding of this study's site visits. As with leveraging, a more systematic review of these activities, along with continued opportunities for sharing ideas among tribes, will document progress and build on these successes.

Accountability. The tribal/TDHE survey and site visit interviews support the view that the system is now more broadly accountable to tribal members—that tribal members are able to participate more through their tribal governments in planning and other programmatic decisionmaking.

As noted in section 3.5, a substantial majority of tribes/TDHEs reports active consultation with community residents in planning and other aspects of their work—71 percent with IHBG housing residents and 65 percent with other community residents. Almost all (90 percent) tribes/TDHEs say they hold community meetings and 69 percent say they conduct informal visits and discussions with various groups. In the preponderance of site-visit interviews that dealt with the subject, interviewees indicated that the level of resident engagement is higher than it was before NAHASDA. Some of this is to be expected, because decisions about the housing agenda are now under the provenance

of tribal governments, which in itself implies residents' voices would have more of a chance to make a difference than under the old HUD/IHA system. Many site interviewees noted, however, that resident voice was making more of a difference in tribal deliberations in general with the emphasis on self-determination.

Although they recommend some changes, tribal leaders and administrators almost uniformly prefer operations under NAHASDA to the system that existed before.

Program administrators do call for some changes in the regulations—for example, in general administration (58 percent) and developing new units (49 percent)—but nothing major. The only frequent criticism of NAHASDA is that a sizeable number of tribes/TDHEs think it may be offering them less funding than under the previous approach.

This study offers little evidence in two areas: (1) beneficiaries' satisfaction with assisted housing and (2) program integrity.

The household survey did ask about satisfaction with housing, but the results were similar for those living in assisted housing and other residents of tribal areas. This study was not funded to conduct research on the topic of program integrity, such as assuring that funds are not misused.

Although gaps remain in the information base, all the findings of this study support the overall conclusion: Although needs for capacity improvement remain widespread, the housing assistance system established under NAHASDA appears to be functioning reasonably well and is doing what it was intended to do. It represents a marked improvement over the previous approach.

Recommendations for Improving Performance Based on the Findings of This Study

Regardless of the level of IHBG funding provided, HUD and other federal agencies need to help tribes better leverage the assistance they receive to generate both economic development and housing improvement in an integrated manner, particularly in the places that need it most.

It is clear that the amount of federal housing assistance provided to Indian Country to this point has not been sufficient to meet the need. In real terms, the flow of IHBG funding is now trending down in relation to this need. Further, it is evident that at this time, insufficient funding, more than administrative capacity, is the major constraint on providing housing.

In considering policy options, the diversity of conditions across tribal areas is of great importance. Housing problems in some tribal areas are much more severe than in others. This means that the focus must be on innovative technical assistance and training that will encourage the tribes, especially those most in need, to markedly enhance their own development efforts—learning from other tribes that have been most successful in expanding their local economies and channeling resources to address unmet housing needs efficiently.

A new type of targeted approach is recommended then—one that jointly addresses economic and housing development in tribal areas that are most distressed. Although HUD programs in tribal areas have always had the twin purposes of housing and economic development, a stronger focus on this intersection is needed. This approach envisions movement toward an ideal program, while maintaining the current IHBG program. In many cases,

this approach may involve helping tribes make the fundamental institutional changes that have been critical to establishing a dynamic market economy in tribal areas elsewhere: emphasizing the rule of law in dispute resolution and other aspects of tribal activity, separating politics from day-to-day administration and business affairs, and creating an efficient tribal bureaucracy; however, it would also include practical technical assistance and training on the specific design and operation of programs developed to support the new strategies. Models would be developed based on successful programs implemented in other tribal areas, but modified as appropriate to address cultural, regional, and other differences.

HUD's ONAP could play a leading role in this effort. It has a solid track record of long-established relationships helping tribes achieve their housing objectives. ONAP would need additional resources enabling it to play an expanded role.

Monitoring AIAN Housing and Socioeconomic Conditions More Effectively

A second recommendation is that HUD initiate a program to more frequently monitor housing and other conditions of the AIAN population nationwide, primarily taking advantage of the Census Bureau's decennial census and American Community Survey.

HUD published its first comprehensive national assessment of AIAN housing conditions in 1996. Between that time and this study, 20 years later, all stakeholders concerned with housing conditions in tribal areas have had little information on changing circumstances to guide their policy deliberations. The long time gap is explained by the fact that a study of this kind is very expensive. (This study cost more than $6 million and took more than 6 years to complete.) With competing demands for research resources, decisionmakers had a hard time mobilizing support for a study of this scope.

The high cost of this study was driven mostly by the challenging task of conducting a reliable random sample household survey, particularly in tribal areas that often lack rural addressing in many places and require intensive fieldwork to build sample frames. In some cases, surveys of this kind are the only options, but, in this case, strong reasons indicate that nearly all the information that needs to be updated for policymaking can be obtained without a separate household survey.

ACS data products are now released every year, and although sample sizes are too small to support reliable estimates for smaller tribal areas individually, they are ample to support reports on most needed indicators for tribal areas in total by region, and for larger tribal areas individually (as demonstrated by the use of ACS data in this report). It is also noteworthy that a major increase in the national ACS sample size was implemented in 2011, so ACS data in the future will be more reliable than the 2006–2010 data used in this report.[69]

It is recommended that HUD support studies that rely on decennial census and ACS data in census years (for example, 2020, 2030), and on ACS data alone for the intervening 5-year points (for example, 2015, 2025, 2035). The cost should be less than that for this study, and spreading it over the years should make it even more palatable for a cost-conscious legislature to support. The currency of the data should make a greater contribution to timely and cost-effective adaptations of policies and programs.

69 This increase raised the national sample to 3.5 million addresses, up from 2.9 million in the 2000s (U.S. Census Bureau, 2014a).

Two reports are recommended in each reporting year. The first could be called *The Changing Circumstances of American Indians and Alaska Natives: National Review*. This report would look at conditions for AIAN populations nationwide across all geographies. It would compare indicators for AIAN populations in tribal areas and surrounding counties with those in other metropolitan and non-metropolitan areas (in short, it would resemble part 1 of this report). No one else now regularly produces a report like this and it should be of great value to the overall AIAN policy community. The second report could be called: *The Changing Circumstances of American Indians and Alaska Natives: Housing Conditions and Needs in Indian Country*. This report would focus on tribal areas, with the NAHASDA/HUD policy community as its primary audience (like this current final report overall). These reports, as envisioned, are further described in subsequent paragraphs.

The Changing Circumstances of American Indians and Alaska Natives: National Review

In census years, this report would begin with a review of changes in AIAN population totals during the past decade, similar to that presented in section 1.2. Data would be reported for the main racial categories (AIAN alone and AIAN multiracial) for the following basic geographies: tribal areas, surrounding counties and other metropolitan and non-metropolitan areas, national total, and totals for each ONAP region. The report would include explicit comparisons with the rates of non-Indian (or all race) populations, addressing questions such as—Is the AIAN population growing faster or slower, by how much, and where? For the in-between years, this population analysis would not be included, because the ACS does not offer comparable data for this purpose.

It is recommended that comparisons of other circumstances and trends in this report be made using the AIAN alone group (as has been done in part 1 of this current report). These analyses start from the view that forming sound policy related to AIAN populations needs to be based on an understanding of how they differ from non-Indians along many dimensions, not just economic. The substantive scope of the census and ACS fortunately can answer questions across a very broad range. Again, in each instance, information is needed to compare—

- Circumstances for AIAN populations across the different geography types and regions.
- Circumstances over time, comparing current information to 5-10 years ago.
- Housing problems and other indicators for the AIAN population to the same indicators for non-Indians.

On the sociodemographic side, topics of concern include population age, household size and composition, and education levels. Economic indicators include those related to labor force participation and employment (by type and sector as appropriate), and a second group of economic indicators pertaining to income and poverty rates.

Then, the report could present available data on changes in housing conditions. At this point, these data include only basic descriptors from regularly published ACS data: vacancy rates, tenure, and structure type. In this current report, the research team was able to take advantage of the ACS selected population tables made available from the 2006–2010 ACS survey which contained many more housing-related indicators for larger tribal areas (see discussion in section 2.2). The Census Bureau unfortunately has not released these tables since that time, and does not now

plan to do so in the future. It is recommended that HUD urge the Census Bureau to prepare these selected population tables again, at least at 5-year intervals consistent with the timing of the recommended AIAN reports. The 2006–2010 reports began with several important descriptive topics: age of structure, unit size, home values, and rent, including the basic ACS housing problem indicators: plumbing/kitchen deficiencies, overcrowding, and housing cost burden.

The Changing Circumstances of American Indians and Alaska Natives: Housing Conditions and Needs in Indian Country

This report would be structured and written for audiences concerned primarily with housing problems in Indian Country and performance under NAHASDA. It would present evidence on changing circumstances of the AIAN population in tribal areas, with some information being offered on the surrounding counties (it would contain no information on conditions in metropolitan or nonmetropolitan locations outside of Indian Country).

It would begin with a summary of findings from the National Review report for the same year, but then focus the discussion on tribal areas and surrounding counties. This part would explain the demographic and socioeconomic context, which must be understood to assess the dynamics behind how housing needs in Indian Country are changing, and also trends in the ability of this population to afford decent housing. In census years, emphasis would be given to analysis of the growth rates of AIAN populations in tribal areas (past decade) compared with those of non-Indians—nationwide and by region. Comparative population growth rates have a great deal to do with understanding potential future housing needs.

The next major section of the report would examine trends in housing conditions, problems, and needs in tribal areas. This analysis would rely primarily on HUD's "special tabs" data provided by the Census Bureau—the same data analyzed in section 2.3 of this report. Data would cover AIAN multirace households in tribal areas. Again, these data permit presenting the key indicators in the combined form: plumbing/kitchen deficiencies and/or overcrowding and/or cost burden). They also permit analysis of conditions and trends for low-income AIAN households in contrast to AIAN households in higher-income groups. In this current report, the research team looked at only the NAHASDA-eligible group (less than 80 percent of median income). In future reports, it is recommended that HUD also examine the situation for yet lower income subgroups (less than 50 percent of median and less than 30 percent of median). Trends (changes in all key indicators during the past 5-10 years) would be analyzed by ONAP region.

The report would then move to program performance under NAHASDA, including updates of the ONAP-PTD tables presented here in sections 3.2 and 3.3. This would start with Line of Credit Control System data on grant amounts during the past 5 years, both in nominal and real terms—the question is whether the IHBG grant has lost purchasing power in real terms and if so, by how much. Next, data would be presented on expenditure levels by activity category (exhibits 3.23 and 3.24). The purpose is to find out which categories have been growing or declining, both proportionally and in real dollars. An obvious question is whether amounts spent on housing production have been squeezed down because of continued expenditures in other categories that are harder to cut (as observed during the past 10-15 years).

This would be followed by analysis of housing production (in units) during the past 5 years broken down by tenure and by acquisition/construction versus rehabilitation. It has been noted in this report how difficult it is to interpret these production numbers because they are made up of different program types. For example, building 100 units in the same format as the 1937 Act rental program (in which the tribe retains ownership and obligations for maintenance), is a very different thing from providing an upfront capital subsidy to a private owner in which the tribe will have no further involvement in the project after construction. The most valuable change to the APR would be a requirement that the tribes report production levels for 5 to 6 basic program types and also totals in the future.

In each of these efforts, the data tables would be supplemented by interviews with key stakeholders at all levels and reviews of new program reports and other literature, possibly with a simpler survey of tribes/TDHEs and other key stakeholders in some years.

Analysis for Individual Tribal Areas

An additional need that should be considered. In the course of this study, many tribes said they would like to develop better data on housing conditions and other circumstances for their own individual reservations to guide program planning. This interest can in part be met for the larger tribes (that is, where ACS sample sizes warrant) by sending them standard situation profiles from the ACS each year (formats and indicators as per the national review suggested previously) and encouraging tribal input regarding data presentation and formats.[70] In addition however, PD&R should work with ONAP to develop efficient guidelines and training programs to help tribes (that can mount the needed resources) conduct sample surveys and use other available data to assess their own situations efficiently. This study's household survey instrument is publicly available to tribes for their use. This is an important responsibility consistent with the intent of NAHASDA to enhance tribal capacity and self-determination.

70 The Census Bureau relies on stakeholders and advisory committees for feedback on AIAN matters. Feedback can be provided to the Census Bureau National Advisory Committee on Racial, Ethnic, and Other Populations at https://www.census.gov/about/cac/nac.html.

Glossary

AIBN: American Indian Business Network. Provides an opportunity for tribal businesses to showcase their products and interact with other business owners and potential customers. It also allows for networking among tribal leaders, Indian entrepreneurs, and other tribal government businesses.

Alaska Native Claims Settlement Act: Authorized Alaska Natives to 44 million acres of public land in Alaska and $962,000,000 in cash as settlement of their aboriginal claim to land in the state. It established Alaska Native villages and regional Alaska Native corporations to oversee the lands and payments.

AONAP: Area Offices of Native American Programs. Six offices that report directly to ONAP and manage a variety of AIAN programs funded through HUD.

APR: Annual Performance Report. Submitted by tribes to HUD's Office of Native American Programs as a part of performance monitoring and quality control.

CDFI Fund: Community Development Financial Institutions Fund. Created for the purpose of promoting economic revitalization and community development through investment in and assistance to community development financial institutions. The CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994. Native American CDFIs and a special CDFI Native Initiative Fund stimulate and aid these CDFIs.

CHR: Community Health Representative. American Indians and Alaska Natives selected, employed, and supervised by their tribes and trained by IHS to provide specific healthcare and outreach services at the community level.

child poverty rate: The percentage of individuals under the age of 18 living in households that have money incomes that fall below the poverty threshold for their family size and composition, as defined by the U.S. Office of Management and Budget.

EA: Eligible Area for Section 184 Loans. Participating tribes determine the areas where the Section 184 loan can be used. Many states are eligible in their entirety, although only select counties are eligible in other states.

FCAS: Formula Current Assisted Stock. Funding to maintain and operate the older 1937 Act units built before NAHASDA.

FHA: Federal Housing Administration. Provides mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories. FHA insures mortgages on single family and multifamily homes including manufactured homes and hospitals. FHA mortgage insurance provides lenders with protection against losses as the result of homeowners defaulting on their mortgage loans. The lenders bear less risk because FHA will pay a claim to the lender in the event of a homeowner's default. Loans must meet certain requirements established by FHA to qualify for insurance.

fractionated ownership: The term used to note ownership of a property in the name of more than one individual. It is typically used in conjunction with allotted or individual trust lands to describe situations in which, over time and through division of inheritance, multiple parties have claim to a single property.

FY: Fiscal year. The federal fiscal year is October 1–September 30.

GED: General educational development tests are a group of four subject tests which, when passed, provide certification that the test taker has achieved American or Canadian high school-level academic skills.

HEARTH Act: Helping Expedite and Advance Responsible Tribal Homeownership. The HEARTH Act of 2012 creates an alternative land leasing process. Tribes are authorized to execute agricultural and business leases of tribal trust lands for a primary term of 25 years and up to two renewal terms of 25 years each without approval by the Secretary of the U.S. Department of the Interior, provided governing tribal leasing regulations have already been submitted to the Secretary.

household composition: This term refers to living arrangements of households. In this report, examined household types include—

- ***Core families:*** households with or without children in which the only adult(s) in the household is the respondent or the respondent and his/her spouse. These include married couples with or without children and also single-parent household types.
- ***Extended households:*** households that include related family members beyond the core family structure. This category includes the following subtypes:
  - ***Three-generation families, also called multigenerational families.*** Family households, which are households that include at least two members related by blood, adoption, or marriage, that include members of at least three generations (for example, the householder, his or her parent, and his or her child or a householder, his or her child, and his or her grandchild). This is the same definition used by the U.S. Census Bureau.
  - ***Broader extended families:*** households that include other related household members (for example, the respondent's siblings, aunts, uncles, nieces, nephews), but no nonrelated household members.
  - ***Extended households with relatives and nonrelatives:*** any noncore family household that includes the respondent with at least one relative and one nonrelative.
- ***Single-person households:*** households in which the respondent is the only household member.
- ***Nonfamily households:*** households in which the respondent lives with at least one nonrelative and does not live with any relatives or a spouse.
- ***Other family arrangements:*** The "other family arrangements" category is defined by the U.S. Census Bureau as male- or female-headed households without children under the age of 18.

HIP: Housing Improvement Plan. A housing assistance program funded under the IHBG program and administered by the Bureau of Indian Affairs.

Indian Self-Determination and Education Assistance Act of 1975: This piece of legislation redistributed power from the federal government to tribes in education and program administration. Later amendments in the 1980s and 1990s established block grants from the Indian Health Service and Bureau of Indian Affairs to cover other programs.

Indian Country: The definition of "Indian Country" has changed throughout history, but the term is used here in the common colloquial sense to mean tribal areas, including Alaska Native villages. The term "Indian Country" is not used as a legal term in this report.

IHA: Indian Housing Authorities. Responsible for implementing federal policies on a local level.

IHBG: Indian Housing Block Grant. A formula grant that provides a range of affordable

housing activities on Indian reservations and Indian areas. The block grant approach to housing for Native Americans was enabled by the Native American Housing Assistance and Self Determination Act of 1996.

IHP: Indian Housing Plan. Submitted by tribes to HUD's Office of Native American Programs as a part of performance monitoring and quality control.

LIHTC: Low-Income Housing Tax Credit. Created by the Tax Reform Act of 1986, the LIHTC program gives state and local LIHTC-allocating agencies the equivalent of nearly $8 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.

LOCCS: Line of Credit Control System. The U.S. Department of Housing and Urban Development's primary grant disbursement system.

MTE: Menominee Tribal Enterprises. A tribally owned lumber production company.

Native American Credit Unions: A credit union is a financial cooperative, owned entirely by its members. A Native American credit union typically has Native American members and provides financial services to Native American communities.

NAHASDA: Native American Housing Assistance and Self Determination Act. Signed on October 26, 1996, NAHASDA replaced the myriad programs that had previously provided housing assistance to Native American tribes under the U.S. Housing Act of 1937 with a block grant that allowed tribes or their Tribally Designated Housing Entities (also called TDHEs) more flexibility to decide whom to serve, what services to offer, and how to deliver programs and services. As with the 1937 Act, under NAHASDA, tribes are still required to primarily serve low-income families.

NEPA: National Environmental Policy Act. Requires federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions. To meet NEPA requirements federal agencies prepare a detailed environmental impact statement.

NADL: Native American Veteran Direct Loan program. Provides eligible Native American Veterans and their spouses the opportunity to use their VA home loan guaranty benefit on federal trust land.

NOFA: Notice of Funds Availability. Process used by agencies, including HUD, to procure outside services.

OEH: Office of Environmental Health. Builds water wells and septic tanks for tribal members purchasing or building a home in the service area at Citizen Potawatomi Nation.

ONAP: Office of Native American Programs within HUD. Administers housing and community development programs that benefit American Indian and Alaska Native tribal governments, tribal members, the Department of Hawaiian Home Lands, Native Hawaiians, and other Native American organizations.

overcrowding: A household that has more than one occupant per room. This includes households that are severely overcrowded (that is, those with more than 1.5 occupants per room).

poverty rate: The percentage of people living in households that have money incomes that fall below the poverty threshold for their family size and composition, as defined by the U.S. Office of

Management and Budget.

PTD: Performance tracking database. Used by Office of Native American Programming to monitor performance and financial information related to the Indian Housing Block Grant program.

RHS: Rural Housing Service of the U.S. Department of Agriculture. Administers Section 502 Direct Lending program.

RV: Recreational vehicle. A large vehicle that often has a bathroom, kitchen, and beds for use during travel and camping.

Section 184 Indian Home Loan Guarantee Program: Loan Guarantees for Indian Housing (see 24 CFR part 1005), commonly referred to as the Section 184 Program, is a home mortgage program specifically designed for American Indian and Alaska Native families, Alaska villages, tribes, or Tribally Designated Housing Entities. Section 184 loans can be used, both on and off native lands, for new construction, rehabilitation, purchase of an existing home, or refinance. The program is managed by the U.S. Department of Housing and Urban Development (HUD). Section 184 home loans are guaranteed 100 percent by the Office of Loan Guarantee within HUD's Office of Native American Programs.

Section 502 Guaranteed Rural Housing Loan Program: The Section 502 Guaranteed Rural Housing Loan Program is designed to serve rural residents who have a steady, low or modest income, and yet are unable to obtain adequate housing through conventional financing. The program is managed by the Rural Housing service, which is part of Rural Development in the U.S. Department of Agriculture.

severe overcrowding: A household that has more than 1.5 occupants per room.

Snyder Act: Public Law 67-85, November 2, 1921 authorized the Bureau of Indian Affairs, under the supervision of the Secretary of the Interior, to "direct, supervise, and expend such moneys as Congress may from time to time appropriate, for the benefit, care, and assistance of the Indians throughout the United States" for purposes including education; health; general administration of Indian property; extension, improvement, operation, and maintenance of existing Indian irrigation systems and for development of water supplies; repair of the buildings and grounds of existing plants and projects; and various other aspects of governance and administration.

TDC: Total Development Cost. Total Development Cost (TDC) is calculated by averaging the current construction costs for a moderately designed house as listed in not less than two nationally recognized residential construction cost indices.

TDHE: Tribally Designated Housing Entity. The entity designated by each tribe that is responsible for administering its housing assistance program that is funded by the federal government.

List of Acronyms and Abbreviations

ACS: American Community Survey.

AHS: American Housing Survey.

AIAN: American Indians and Alaskan Native.

AMI: Area Median Income.

ARRA: American Recovery and Reinvestment Act of 2009.

BIA: Bureau of Indian Affairs.

CDBG: Community Development Block Grant.

CDC: Community Development Corporation.

CDFI: Community development financial institutions.

DOE: Department of Energy.

EPA: Environmental Protection Agency.

GAO: Government Accountability Office. (In 2004, the name changed from the General Accounting Office to the Government Accountability Office.)

HUD: U.S. Department of Housing and Urban Development.

ICDBG: Indian Community Development Block Grant.

IRS: Internal Revenue Service.

NAIHC: National American Indian Housing Council.

NCAI: National Congress of American Indians.

NIGC: National Indian Gaming Commission.

OIP: Office of Indian Programs. Replaced by Office of Native American Programs.

OLHA: Oglala Sioux Lakota Housing Authority.

OMB: U.S. Office of Management and Budget.

OST: Oglala Sioux Tribe.

OSTPH: Oglala Sioux Tribe Partnership for Housing.

PIH: U.S. Department of Housing and Urban Development's Office of Public and Indian Housing.

PD&R: U.S. Department of Housing and Urban Development's Office of Policy Development and Research.

TVCDC: Thunder Valley Community Development Corporation.

USDA: United States Department of Agriculture.

ZHA: Zuni Housing Authority.

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