

INDIAN HOUSING BLOCK GRANT EVALUATION

Final Report

Task Order C-OPC-22369T004

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Chapter 1

Background and Overview of the IHBG Program

The Indian Housing Block Grant (IHBG) program is a formula grant that funds a variety of affordable housing activities on Indian reservations and in tribal areas. Created under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), IHBG's goal is to ensure an adequate supply of safe, decent, affordable housing in Indian Country. In fiscal year (FY) 2008, the U.S. Department of Housing and Urban Development awarded nearly \$594 million in IHBG funds to Indian tribes and tribally designated housing entities (TDHEs), to help address the primary housing needs of American Indian and Alaska Native (AI/AN) households.

This report presents the findings of an IHBG Evaluation, conducted by ACKCO Inc. and its subcontractor Abt Associates Inc., for HUD's Office of Native American Programs (ONAP) under Task Order C-OPC-22369T004. The purpose of the IHBG Evaluation is to assess the extent to which the program is meeting its objective of increasing the supply of safe, decent, and affordable housing for AI/AN households, and to provide information that can be used to improve the design and management of the program.

This introductory chapter provides an overview of housing needs in Indian Country, and describes the structure of the IHBG program and the activities it funds. Chapter 2 provides an overview of the study's design and methodology, including the key research questions the study addresses, the study data collection approach, and information on how the tribes that participated in the study were selected. Chapter 3 presents the study findings on the quantity, quality, and affordability of the housing produced by IHBG; Chapter 4 discusses the efficiency of the program; and Chapter 5 discusses the extent to which IHBG activities address the housing needs of AI/AN households. Finally, Chapter 6 summarizes the main findings of the study and the policy considerations that it raises.

1.1 Overview of Housing Needs in Indian Country

The phrase "safe, decent, affordable housing" is often used as a descriptor of the desired housing condition for American families. For many Native American families, however, substandard, inadequate housing is the norm. Nearly 100,000 Native families are homeless or under-housed;¹ overcrowding and severe overcrowding affect nearly

¹ Senate Committee on the Budget, 4/11/2002, p.122.

one-third of reservation households;² and 40 percent of all on-reservation housing is defined as inadequate.³

Decent housing is not readily available in Indian Country; decent and affordable housing is even harder to obtain. Overall, 18.4 percent of homeowners in Native American areas are cost burdened. This means they are spending more than 30 percent of their income for housing each month. Affordability problems are even more common for those who do not own their homes: 31.6 percent of renters on American Indian lands are cost burdened. In part this is because 32.2 percent of Native Americans on Native lands live in poverty, compared to 12.4 percent of individuals nationally.⁴ A U.S. Commission on Civil Rights report stated that, “[T]he poor economic conditions of many Native communities render it impossible for residents to maintain their homes and pay rent, draining the scarce resources of tribally designated housing entities.”⁵ These conditions continue to grow worse as Native American populations increase and most tribal economies remain severely depressed.

Overcrowding and substandard dwellings are a growing problem even in the few communities that have benefited from economic upturns as a result of gaming or other economic development activities. Even in those communities where tribal economies are producing more jobs and better incomes for tribal members, housing conditions tend to improve at a slower rate. As indicated in a 2004 study by the National American Indian Housing Council, “One of the reasons for this is the fact that while a new job might provide community members with newfound sources of income, it may also disqualify them from access to certain federal housing initiatives. Yet, this new income is generally not enough to allow a tribal family to move out of their existing home. As a result, tribal families are forced to remain in their current difficult housing conditions, with no available alternatives.”⁶

Historically, private investment has played little or no role in financing housing in Native communities. The lack of functioning housing markets and the dismal housing conditions in those communities resulted in federal dollars making up a large portion of total housing resources. HUD, the Bureau of Indian Affairs (BIA), the Indian Health

² National American Indian Housing Council (2004). *An Evaluation of Tribal Economic Development and Its Impact on Housing in Four Case Studies*, pp.11 and 19.

³ Henson, Eric and Jonathan Taylor (2002). *Native America at the New Millennium*. Harvard University Press, p. 139.

⁴ Housing Assistance Council (2008). *Housing on Native Lands*, p.1.

⁵ U.S. Commission on Civil Rights (2003). *A Quiet Crisis: Federal Funding and Unmet Needs in Indian Country*, p.61.

⁶ National American Indian Housing Council (2004). *An Evaluation of Tribal Economic Development and Its Impact on Housing in Four Case Studies*, p.11.

Service, the Department of Agriculture, and the Department of Veterans Affairs have been the major federal presence. In 1961, the BIA's Office of the Solicitor determined that Indian tribes had legal authority to establish Indian housing authorities to operate public housing. In 1965, the BIA launched its Housing Improvement Program (HIP), specifically for Indians to supplement HUD activities, and in 1988 HUD established a separate Indian housing program. By 1992 there were 183 Indian housing authorities operating in the United States to administer public housing programs, and over the past 30 years they have produced approximately 70,000 housing units from all funding sources combined. HUD currently provides the greatest level of federal support for Native housing. Prior to 1996, tribal housing operated under the 1937 Housing Act. In 1996 Congress passed NAHASDA, which provides assistance in the form of the Indian Housing Block Grant, described below.

1.2 IHBG Program Purpose and Structure

NAHASDA replaced multiple competitive HUD grant programs authorized under the 1937 Housing Act with a non-competitive, formula-driven Indian Housing Block Grant that considers housing need in fund allocation. NAHASDA gives tribes greater autonomy to administer their housing programs, allows greater tribal participation in the development of implementing regulations through the negotiated rule-making process, and encourages increased leveraging of federal funds to create more comprehensive and complete housing financing packages. In addition to IHBG, tribes still can pursue various federal housing and infrastructure funds through programs from HUD, the Bureau of Indian Affairs, the Indian Health Service, and the U.S. Department of Agriculture.

NAHASDA's primary goal is to ensure an adequate supply of safe, decent, affordable housing in Indian Country. Eligible IHBG recipients are: federally recognized Indian tribes or their tribally designated housing entity (TDHE), and a limited number of state-recognized tribes that were funded under the Indian Housing Program authorized by the United States Housing Act of 1937.

The designated beneficiaries of IHBG affordable housing activities are:

- Low-income Indian families on a reservation or in an Indian service area.
- Non low-income Indian families on a reservation or Indian area (for certain programs, for example, homeownership, loan guarantee, model activities, lease-purchase if family was low-income at the time the lease was signed).
- Non-Indian families on a reservation or in an Indian area if the family's needs cannot be met without such assistance, and if the TDHE determines that the presence of that family on the reservation or Indian area is essential to the well-being of Indian families.

The term “low-income family” means a family whose income does not exceed 80 percent of the median income for the area.

HUD's Office of Public and Indian Housing, through its Office of Native American Programs (ONAP), administers NAHASDA and IHBG. Six area ONAP offices oversee IHBG grantees, as follows:

- Anchorage, Alaska (Alaska – AKONAP), 237 grantees;
- Phoenix, Arizona (Southwest – SWONAP), 163 grantees;
- Chicago, Illinois (Eastern/Woodlands – EWONAP), 60 grantees;
- Oklahoma City, Oklahoma (Southern Plains – SPONAP), 47 grantees;
- Seattle, Washington (Northwest – NWONAP), 42 grantees; and
- Denver, Colorado (Northern Plains – NPONAP), 32 grantees.

HUD made 581 Indian housing block grants in FY 2008, for a total unadjusted grant amount of \$594 million.⁷ The amount of a recipient's IHBG grant is determined by a formula based on two factors:

1. The statutory requirement and practical necessity to maintain a tribe's current existing housing stock (Current Assisted Stock or CAS) built under the United States Housing Act of 1937, as amended.
2. The need for additional low-income housing in the tribe's service area.

Across all grant recipients, about half of the \$594 million in IHBG funding for FY 2008 was allocated to the CAS portion of the formula and half was allocated to the need-based portion of the formula. It should be noted that not all grant recipients are eligible to receive CAS funding. Only tribes with CAS rental or Mutual Help housing which existed before NAHASDA was implemented are eligible for CAS funding.

IHBG amounts for individual recipients vary considerably based on the amount of pre-NAHASDA CAS units in its inventory, and the size of the tribe's unmet housing needs. Unadjusted FY 2008 IHBG grants ranged from \$48,660 to \$80.2 million, with an average grant amount of \$1,022,779, and a median grant amount of \$237,052.

⁷ Based on “Unadjusted FY 2008 Grant” column from “FY 2008 Final Allocation Summaries” spreadsheet, posted at <http://www.hud.gov/offices/pih/ih/codetalk/onap/ihbgformula.cfm>.

The term `Indian tribe' as it relates to IHBG means a tribe that is a federally recognized tribe (or a state recognized tribe if its Indian Housing Authority entered into a contract with the Secretary under the Housing Act of 1937) and includes Alaska Native villages, and regional or village corporations as defined in the Alaska Native Claims Settlement Act

Exhibit 1-1 shows the distribution of FY 2008 grant amounts. About 17 percent of the 581 grants were for less than \$50,000; about 51 percent were between \$50,000 and \$500,000; nearly 10 percent were between \$500,000 and \$1 million; and slightly less than 20 percent were between \$1 million and \$5 million. There were 19 grants in excess of \$5 million, the largest of which went to the Navajo Nation (\$80.2 million), the Cherokee Nation (\$27.7 million), and the Cook Inlet Alaska Native Regional Corporation (\$13.3 million).

Exhibit 1-1: FY2008 IHBG Unadjusted Grant Amounts

Grant Amount	Number of Grants	% of Grants
Less than \$50,000	98	16.9
\$50,000 to \$500,000	296	50.9
\$500,001 to \$1 million	55	9.5
\$1 million to \$5 million	113	19.4
Greater than \$5 million	19	3.3
Total	581	100

Source: "Unadjusted FY2008 Grant" column from "FY 2008 Final Allocation Summaries" spreadsheet, posted at <http://www.hud.gov/offices/pih/ih/codetalk/onap/ihbgformula.cfm>.

An eligible recipient must submit an Indian Housing Plan (IHP) or a Plan update to ONAP each year to receive funding. At the end of each year, recipients must submit an Annual Performance Report (APR) to HUD on their progress in meeting the goals and objectives included in their IHPs.

1.3 IHBG Activities

The eligible activities under the IHBG are:

- **Indian Housing Assistance.** Modernization and operating assistance for housing previously developed or operated under a contract between HUD and an Indian housing authority.
- **Housing Development.** Acquisition, new construction, reconstruction, and moderate or substantial rehabilitation of affordable housing, which may include real property acquisition, site improvement, development and rehabilitation of utilities, necessary infrastructure, utility services, conversion, demolition, financing, administration and planning, improvements to achieve greater energy efficiency, mold remediation, and other related activities.
- **Housing Services.** Housing-related services for affordable housing, such as housing counseling for rental or homeownership assistance; establishment and support of resident management; energy auditing; activities related to the provision of self-sufficiency; and other services assisting owners, tenants,

contractors, and other entities participating or seeking to participate in eligible housing activities.

- **Housing Management Services.** Management services for affordable housing, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, the costs of operation and maintenance of units developed with IHBG funds, and management of affordable housing projects.
- **Crime Prevention and Safety.** Safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.
- **Model Activities.** ONAP may specifically approve housing activities under model programs that are designed to develop and support affordable housing.

IHBG funds can be used for affordable housing development and operations as well as tenant-based rental assistance and homeownership. IHBG funds can be used to support affordable housing units developed under 1937 Housing Act programs (Mutual Help, Turnkey III, and Low-Rent), as well as affordable rental and homeownership units developed under NAHASDA, and tenant-based assistance.

Exhibit 1-2 shows the average share of the grant that tribes had expended on each eligible activity from 1998 through 2006 based on APR data. Not all of the grant money from those years—particularly the more recent years—has been expended, so the final expenditures for 2004 and earlier may vary slightly from these reported numbers, while the expenditures for 2005 and 2006 could vary substantially.

Housing development is the activity with the largest share of housing expenditures—39 percent of all expenditures from 1998 to 2006 were spent on constructing, acquiring, or rehabbing non-CAS rental and homeownership units. Operating and modernizing existing CAS units is the second-largest expenditure, at 35 percent of expenditures over the period. Planning and administrative activities accounted for 12 percent of spending, and no other activity accounted for more than 6 percent of expenditures.

The most prominent trend in expenditure patterns, shown in Exhibit 1-2, is a reduction in the share of spending on development of new rental housing. It decreased from 17 percent of expenditures in 1998, to 7 percent in 2004. The share of expenditures on developing new homeownership units also decreased during this period (from 31 to 27 percent), but remains at a high level—4 times higher than expenditures on developing rental units in 2004. Expenditures on CAS units registered the largest increase in the share of expenditures during the period, increasing from 31 percent in 1998, to 38 percent by 2004. This is because the overall IHBG allocation has been decreased, while the amount spent on CAS units has remained the same or has increased over time. Planning and administrative costs also increased as a share of

expenditures during this period, but did not come close to the program limit of no more than 20 percent of funds on this activity.

Exhibit 1-2: IHBG Expenditures by Activity from 1998 to 2006

Eligible Activity	1998	1999	2000	2001	2002	2003	2004	2005*	2006*	All Years
Indian Housing Assistance	31%	31%	33%	33%	35%	36%	38%	41%	47%	35%
Housing Development – Rental	17%	16%	13%	11%	11%	10%	7%	6%	4%	11%
Housing Development – Homeownership	31%	30%	29%	31%	29%	28%	27%	20%	15%	28%
Housing Services	3%	5%	5%	5%	5%	6%	6%	8%	9%	5%
Housing Management	7%	6%	6%	5%	5%	5%	5%	5%	6%	6%
Crime Prevention	1%	2%	2%	1%	1%	1%	1%	2%	2%	1%
Model Activities	3%	1%	2%	2%	2%	2%	1%	1%	1%	2%
Planning and Administration	8%	10%	11%	11%	12%	13%	14%	16%	18%	12%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: APR Table 11.c and d—Uses of Funds: totals from most recent APR for each grant (through 2007 APR). Funds in the reserve category were not included in these calculations.

* The 2005 and 2006 columns are shaded because substantial portions of expenditures from these grants had not yet been made or reported, and final expenditure shares may be substantially different from those reported here.

** Percentages in this and other tables in the report are rounded and may not add to 100%

Although the APR expenditure data do not reflect all the spending to date, the trends seen in these data are consistent with what was learned from interviewing tribal staff: there is a continued focus on homeownership, the aging CAS stock is getting more expensive to maintain, and there is a decreased emphasis on building new rental units. These and other findings will be discussed in the remainder of the report.

Chapter 2

Study Design and Data Collection Approach

The main purpose of the IHBG Evaluation is to assess the extent to which the program is meeting its objective of increasing the supply of safe, decent, and affordable housing for Native American tribal members and Alaskan Natives, and to provide information that can be used to improve the program's design and management. The study is also intended to serve as the independent, comprehensive evaluation that the Office of Management and Budget recommends for all federally funded programs as part of the Program Assessment Rating Tool (PART) process.

The IHBG Evaluation was designed to provide systematic information on the activities funded through the IHBG program and the success of those activities in meeting the housing-related needs of tribal members in a cost-effective and timely manner. The study relies on analysis of administrative data maintained by HUD/ONAP for the IHBG program as a whole, supplemented by new data collected from a sample of 28 tribes across the country. The additional data collected from the 28 tribes includes: in-depth information from housing administrators on how the funding is being used; a windshield survey of housing developed or maintained using IHBG funding; and feedback from community members about their current housing conditions and housing needs.

This chapter provides an overview of the IHBG Evaluation's design and methodology, including the key research questions the study addresses and the data collection approach. The chapter also presents information on the tribes that participated in the study and how they were selected.

2.1 Research Questions

The IHBG Evaluation seeks to answer three main research questions related to the extent to which the IHBG program is meeting its goals.

- ***Does the IHBG program increase the availability of safe, decent, and affordable housing?*** In other words, has the program increased the quantity of housing available to tribal members by producing new units, acquiring new units, or rehabbing uninhabitable units? Has the program increased the quality of housing available to tribal members by providing new housing or rehabilitating existing housing? Has the program increased the affordability of housing so that fewer households have severe rent or mortgage burdens?
- ***Does the IHBG program provide safe, decent, and affordable housing efficiently?*** Are tribes managing existing IHBG units effectively so that they are serving an optimal number of people, keeping vacancy rates low, and turning

around vacant units quickly? Are tribes using their IHBG grants to leverage other sources of funding to improve the supply of good quality and affordable housing for tribal members?

- ***Is the IHBG program addressing the primary housing needs in Indian Country?*** Do the eligible activities for the IHBG program address the housing needs of AI/AN households? How do tribes decide how to use their IHBG funds, and who gets priority for receiving assistance? Do tribes think they are able to eliminate or substantially reduce housing problems in their communities using IHBG funds? Are tribal members satisfied with the housing assistance they receive through IHBG, and is it addressing the major housing issues they face?

These three research questions formed the starting point for developing a series of detailed topics and questions that the study explores. The next section of this chapter discusses the data collection instruments and other data sources we used to address the research topics. Our findings on each of the three major topics are presented in Chapters 3 through 5.

2.2 Data Sources

To address the research questions outlined above, the study drew upon five main sources of data:

- In-person interviews with housing administrators,
- Community meetings to discuss housing issues,
- Community member questionnaire,
- Observation of IHBG housing, and
- National APR data from 1998 to 2006.

In this section, we discuss the data collection procedures and the content of each data source. Pairs of site visitors spent 1.5 to 3 days at each of the 28 tribal areas (also referred to in this report as “study sites”) conducting the administrative interviews, facilitating the community meetings and completion of the self-administered community member questionnaire, and observing IHBG housing. HUD ONAP provided the study team with national APR data.

In-Person Interviews with Housing Administrators

Between the end of August 2008 and the middle of December 2008, we conducted site visits in a nationally representative sample of 28 tribal areas.⁸ Prior to the visits, we sent letters to tribal and housing authority officials informing them that ONAP was sponsoring an evaluation of the Indian Housing Block Grant Program and had contracted with ACKCO, Inc. and our subcontractor, Abt Associates Inc., to carry out the study. The notification letters provided an outline of the study's purpose. We followed up on the letters with phone calls and by email to schedule site visits. The site visits ranged from 1.5 to 3 days, and were conducted by two-person teams. The site visitor teams were staffed so that there was at least one person with cultural competency and expertise in Indian housing programs, and one person who had been involved in designing the data collection instruments and procedures. Each site visit team had either an ACKCO staff person or an Abt Associate. Some teams had site visitors from both organizations. ACKCO consultants with expertise in Indian housing were part of many site visit teams. The site visits were preceded by a 2-day site visitor training for all site visitors conducted via webinar.

While on site, the teams interviewed housing administrators from the tribe or TDHE. The goal of the administrative interviews was to understand the effectiveness and efficiency of the IHBG program in meeting local housing needs from the perspective of personnel who work closely with the IHBG program. At each study site, we attempted to interview the person or people who knew the most about how decisions on the use of IHBG resources were made, and about how the program was operated on a daily basis. At most sites, more than one housing administrator participated in the interview.

The interviews took 2 to 6 hours to complete, depending on the number of IHBG-funded programs the tribe operated. The site visitors followed a structured interview guide that consisted of five sections:

- **Section 1: Uses of IHBG Funds and Housing Needs** contained a series of questions about each of the programs the tribe was funding using its IHBG grant. This section also asked about the major housing problems in the tribal service area, including questions about types of housing problems, the relative importance of those different types of housing quality problems, and housing overcrowding.
- **Section 2: Indian Housing Plan and Other Planning Processes** explored issues regarding Indian Housing Plans (IHPs) and uses of these plans, and other

⁸ The data collection plan for the project called for conducting site visits to 30 tribal areas, but 2 of the tribes that were selected and that had agreed to participate were unable to accommodate the site visit or other alternative arrangements that were offered, and were dropped from the study. The rationale and process for selecting the sample of tribes is described in Section 2.3.

planning tools and documents that housing staff might use to identify local housing problems and determine funding priorities.

- **Section 3: Housing Market Trends** asked about trends in the rental and homeownership markets in the tribal service area over the past 5 years.
- **Section 4: Program Operations and Grant Administration** contained a series of questions about program policies and procedures, including policies and procedures related to client payments for IHBG housing, housing quality and occupancy standards, how people are selected to receive IHBG assistance, and staffing and administrative costs. This section also included questions on how the IHBG program could be improved.
- **Section 5: APR Data on IHBG Units Produced** focused on data compiled from HUD's APR database on the total units and amounts spent on 1937 Act units, homeownership units, and rental units between 1998 and 2007. Tribal housing staff was asked to review the data and confirm or comment on its accuracy, or provide updated information as needed. This section also asked about changes in per-unit costs over the past 3 years and, when costs had changed, the reasons for those changes.

Immediately after the site visit or while on site, the site visitors entered the information collected through the administrative interview into an electronic notes form. The site visitors attempted to address any gaps or inconsistencies through follow-up with tribal staff. The final notes were then transferred to two databases to facilitate cross-site analysis. Quantitative information from the interviews (such as the number of people served through each IHBG-funded program) was converted into an Excel spreadsheet. Once completed, the Excel spreadsheets were aggregated and converted to a format that enabled analysis using the statistical software application SAS. Qualitative information (such as suggestions from tribal housing staff about how the program could be improved) was imported into a qualitative software application called NVivo. NVivo allowed the research team to import all of the qualitative information from the interview write-ups into a central database and then code the interviews by research question or topic.

Community Meetings

At each of the 28 study sites, we scheduled at least one community meeting to discuss local housing issues and the effects of IHBG-funded housing programs.⁹ The goal of the meetings was to understand the major housing concerns of AI/AN households and the degree to which the local IHBG program is addressing or could be addressing these issues.

⁹ For the two largest tribes in the sample, Navajo and Cherokee, we scheduled two meetings in different parts of the tribal service area.

The community meetings generally took place on the first day of the site visit in the early evening, and were held in a community center or other public meeting space at or near the tribe or TDHE's offices. ACKCO and tribal housing staff used a number of strategies to encourage attendance at the meetings:

- Whenever possible the meetings were scheduled to be part of a pre-existing community meeting or event.
- Housing staff advertised the meetings via flyers and mailings.
- ACKCO sent written invitations to a sample of individuals living in IHBG housing, receiving IHBG assistance, or on the waiting list for IHBG housing or assistance. The purpose of the invitations was to ensure that a statistically representative sample of IHBG recipients and applicants for IHBG assistance attended the meetings.
- ACKCO provided a \$50 gift card as a door prize. Any meeting attendee was eligible to win the gift card whether or not he/she had received a written invitation from ACKCO. The gift card winner was selected by drawing of names at the end of the meeting.
- Tribal or TDHE staff often provided food to encourage attendance and, in one instance, organized a catered meal, offered six \$25 door prizes, and arranged for transportation from housing sites to the meeting.

Despite these measures, attendance at community meetings was modest. Tribal members attended meetings in 20 of the 28 tribal areas; in the remaining areas no community members, other than tribal housing staff, attended the meetings. Excluding tribal housing staff, turnout at the community meetings ranged from one to 20 people, with an average of 7 attendees per meeting. Tribal housing staff commented that this level of attendance is typical for community meetings in which community members are primarily there to provide input and do not expect to benefit directly.

At each of the community meetings that community members attended, the site visitors facilitated a discussion of local housing issues and the role of tribal housing programs. One site visitor generally led the discussion while the other took notes. The discussions lasted one to 2 hours and included ample time for participants to share their views. Across all sites, the following topics were discussed:

- **Local housing problems**, including the relative importance of different housing quality issues, housing overcrowding, and housing affordability. Facilitators attempted to reach consensus on the three most pressing housing problems facing the community.
- **Tribal housing programs**, including what types of programs are available, how effective they are in addressing local housing problems, how people access the programs, how the programs could be improved, and what other kind of housing programs would be helpful.

Following each community meeting, the site visitors prepared a report summarizing the views expressed on each of the topics. These reports helped inform the discussion of local housing problems and needs in Chapter 5.

Community Member Questionnaire

As noted above, ACKCO sent written invitations to two statistically representative random samples of individuals at each study site.¹⁰ The first sample was of people who lived in units built or subsidized through the IHBG program, or who received some other type of housing assistance through the IHBG program. The second sample was people who were on the waiting list for IHBG assistance. The invitational mailings that went out to these two samples included a short questionnaire, that was to be filled out anonymously, on housing issues and conditions. At the start of each community meeting, participants who had not filled out the questionnaire were asked to complete it. All community members who participated in the meeting were given the opportunity to complete the questionnaire before the discussion began.

The site visitors tracked the questionnaires completed by sample members separately from other people who attended the community meetings using the following methods. Each person attending the community meeting was asked to sign in when he or she first arrived. One sign-in sheet had the names of those individuals receiving IHBG-funded assistance who had been sent advance invitation letters from ACKCO; a second sign-in sheet had the names of those individuals on the waiting list for IHBG assistance who had been sent advance letters from ACKCO; and a third sign-in sheet was blank. People signed next to their name if they saw it on a printed list. Everyone else printed and signed their names on the blank sheet.

The sign-in sheets enabled the site visitors to distinguish sample members from other members of the community. The questionnaires given to sample members had a slightly different footer from those given to other meeting participants, but everyone completed the same questionnaire. Some sample members, having received the questionnaire by mail with their invitation, came to the meeting with a questionnaire already complete.

Unless they had already done so, everyone attending the community meetings was asked to complete the questionnaire before the discussion began. The first page of the questionnaire was a consent form that explained the purpose of the study and the use of questionnaire data. Participants were asked to sign the consent form prior to starting the questionnaire. Most people finished their questionnaires in 5 to 10 minutes. When they returned their completed questionnaires, they separated the consent form from the

¹⁰ Procedures for selecting each sample are described in Section 2.3.

questionnaire and placed the consent form and questionnaire in separate folders, preserving the anonymity of the questionnaires.

The main purpose of the questionnaire was to collect information on housing conditions, housing overcrowding, and housing affordability for households receiving IHBG-funded housing assistance and for other individuals living in the tribal area. The questionnaire began by asking about the person's current housing situation (renting, owning, living with family or friends, homeless, etc.). The next questions explored kinds of housing assistance received from the tribal housing agency or whether respondents were currently on a waiting list to receive housing assistance. The questionnaire then asked a series of questions about the condition of the person's current housing, including the overall condition of the unit, the number of bedrooms, and the presence of problems such as peeling paint, broken plumbing, and exposed wiring. The questionnaire also asked about problems on the outside of the house (for example, cracks in the foundation) as well as on the grounds around the housing unit.

The next set of questions focused on the number of people living in the unit and whether people were sleeping in rooms other than bedrooms because of lack of space. These questions, along with the earlier question on the number of rooms in the unit, allowed us to measure the extent to which questionnaire respondents were living in overcrowded conditions. Respondents were also asked to estimate the percentage of their income currently used to pay for housing expenses. The questionnaire then asked people about where they lived prior to their current unit, including how many people were living in the unit, and whether there was enough space. Finally, the questionnaire asked people to compare the condition and affordability of their current housing to the place they lived before.

Once all the questionnaires for a given tribe were complete, they were entered into an Excel database. The database included variables indicating which study site the questionnaire came from and whether the respondent was a sample member.

Observation of IHBG Housing

In each of the 28 study sites, the site visitors were given tours of housing built or operated using IHBG funds. The tours were generally led by tribal or TDHE housing staff, but site visitors requested to see a range of housing types (new and old, rental and homeownership) in different parts of the tribal service area as needed. In some of the larger areas, site visitors went on more than one tour.

The tours did not include entering any occupied units, but allowed windshield observation of the exterior of the units and surrounding grounds. Some tours included a walk-through of one or more vacant units. During the tour or shortly thereafter, the site visitors recorded their observations using a written observation guide that included:

- The type and number of units observed.
- Prevalence of problems with: roof, walls, or foundations; condition of porches, balconies, and stairs; condition of windows; hazards around the house; and peeling paint.
- Comparison between IHBG housing and other housing in the area in terms of overall sturdiness and need for repairs.
- Condition of the property where IHBG housing is located and comparison to non-IHBG housing.

After the site visits were completed, the observation guides were entered into a database for analysis. Information from the observation of IHBG housing is used in the discussion of housing quality in Chapter 3.

National APR Data

In May 2008, HUD ONAP provided the study team with national APR data for IHBG grantees from 1998 through 2006 by region (Alaska, Eastern Woodlands, Northern Plains, Northwest, Southern Plains, and Southwest). We used the APR data to analyze the overall program activities and expenditures of program funds for IHBG.

In addition, we prepared individual reports based, in part, on APR data for each of the 28 study sites. A sample of those reports is attached to this Evaluation.¹¹ We reviewed each APR from 1998 to 2006 and the information on the number of Current Assisted Stock (CAS) units the tribe had modernized and operated; the number of rental units built and acquired; the number of homeownership units built and acquired; and the costs of each of these activities for each fiscal year. Site visitors used this data to identify IHBG program activities that were underway or completed; the number of IHBG units produced; and the costs associated with each grant award. During administrative interviews, site visitors reviewed the APR program activities and budget data as part of the discussion of production and costs. The site visitors also used the interview to identify inaccuracies in the APR data and correct the data if possible.

Confirming or correcting the APR data we obtained from the national APR database was extremely challenging. In particular, matching program spending on each activity (for example, building new rental units) was not possible for many tribes. There were multiple reasons for this difficulty.

¹¹ A copy of all 28 reports is included in the data documentation provided to ONAP as part of this study.

- First, many projects used funding from multiple years, and in many years a number of similar projects were funded. This made it difficult for tribes to look at the aggregated APR data by year and match up the spending on a particular activity with distinct, relevant units.
- Second, some projects were not completed in a specific funding cycle; therefore, the spending on the activity reflected both the amount spent on completed units and the amount spent thus far on units in progress.
- Third, because of staff turnover, many of the staff we spoke with could not confirm or correct data from activities in previous years.
- Fourth, some staff reported that there was confusion on what to report on the APR for each category. For example, a staff member told us that down payment assistance was counted in the acquisition of a new homeownership unit in a previous year.
- Fifth, sometimes when spending on a project crossed grant years, the appropriate spending from each grant year would be listed in the APR data, but the total number of units would be listed for each grant year rather than a pro-rated share based on that grant year's funding amount.
- Finally, there were some anomalies in the national APR data we used. For example, one year's APR for a particular tribe showed incomplete spending of the awarded funds, but there were not subsequent APRs documenting the use of those funds. There were also such inconsistencies as a listing of rental units constructed, but zero funds listed as expended on this activity. The reverse also occurred: the APR data showed spending on an activity but showed zero units for that activity.

Because of these difficulties, **we were not able to obtain accurate enough cost information to analyze trends in costs per unit for the different types of production activity.** However, we used the APR data as a starting point in our discussions with housing administrators to determine how many rental and homeownership units had been constructed or acquired with IHBG funds since 1998. This information is reported in Chapter 3.

2.3 Sampling Procedures

This study required two types of sampling. First, we had to select a sample of tribes that would be representative of IHBG grant recipients across the country as a whole. Second, we had to determine how many community member questionnaires we would

need to provide statistically valid data on housing quality and conditions for people receiving IHBG-funded assistance in these tribal areas. Our approach to each type of sampling is described below.

Selecting the Sample of Tribes

The goal for sampling tribes was to create a sample of 30 tribes that was representative of all AI/AN tribes across the country. The starting point for selecting the sample was the list of 581 grantees in the IHBG Allocation Formula Summary database.¹² Because ONAP was especially interested in learning about the effects of IHBG on housing overcrowding, we removed tribes that had no persons living in overcrowded housing according to the Census measures used in the formula allocation. This reduced the universe of tribes from 581 to 519.

To ensure that tribes in each geographic region were well represented, we grouped each of the 519 tribes into one of 6 geographic regions based on the HUD ONAP Area Office the tribe reported to. We then determined the number of tribes to be sampled from each region in proportion to the number of AI/AN persons in formula areas in that region, but ensured that each region had a minimum of four tribes in the sample to allow for regional analysis if desired. The final allocation of the 30 tribes by Area Office region was as follows:

- Alaska office: 4 tribes;
- Chicago office: 4 tribes;
- Denver office: 4 tribes;
- Oklahoma office: 7 tribes;
- Phoenix office: 7 tribes; and
- Seattle office: 4 tribes.

Within each region, we randomly selected tribes for the sample using a technique called probability proportionate to size (PPS). PPS gives a higher probability of selection to tribes with a larger number of AI/AN persons. Since each tribe has a known, non-zero probability of being selected, the results can be weighted to represent all 519 tribes in the sampling universe. Six tribes were so large relative to other tribes in their region that they were selected with certainty. This means that they represent themselves in the national estimates while the other 24 tribes in the sample represent the other 513 tribes in the nation. Both PPS and selecting sites with certainty are standard techniques for maximizing the precision of the estimates from a sample.

¹² The initial data set was named "FY 2008 Estimate Summary.xls" and was provided to the study team by HUD ONAP in December 2007. This data set identified 581 grant recipients with distinct names.

Exhibit 2-1 shows the final 30 tribal areas selected for the study. This list reflects the replacement of four tribes that refused to participate in the study with four alternate tribes selected using the same sampling process. One of the tribes chosen as a replacement site—Round Valley Reservation—was unable to accommodate the site visit and had to drop out of the study. Another tribe, the Blackfeet, initially agreed to participate but later decided not to. Because it was late in the data collection period when we confirmed that these two tribes would not be willing to participate in the study, we were not able to replace them with alternates. As a result, we were able to conduct in-depth data collection for only 28 tribes.

Exhibit 2-1: Sample Tribes for Indian Housing Block Grant Evaluation

Area ONAP Office	Tribe Name	AI/AN Persons in Tribe
ALASKA	Newhalen	128
ALASKA	Petersburg	508
ALASKA	Curyung (Dillingham)	1,427
ALASKA	Doyon, Ltd.	10,091
CHICAGO	Lac Courte Oreilles	2,822
CHICAGO	Red Lake Band of Chippewa	7,079
CHICAGO	Sault Ste. Marie Tribe	13,527
CHICAGO	Lumbee State Tribe	64,600
DENVER	Shoshone Tribe of the Wind River Reservation	2,555
DENVER	Ponca Tribe of Nebraska	4,692
DENVER	Blackfeet Tribe*	9,448
DENVER	Oglala Sioux of Pine Ridge Reservation	29,787
OKLAHOMA	Kaw Tribe	3,162
OKLAHOMA	Osage Tribe	10,018
OKLAHOMA	Chickasaw	36,712
OKLAHOMA	Choctaw Nation	45,835
OKLAHOMA	Cherokee Nation	118,059
OKLAHOMA	Ottawa Tribe	1,361
OKLAHOMA	Comanche Nation	8,047
PHOENIX	Guidiville Rancheria	130
PHOENIX	Tohono O'Odham Nation	13,484
PHOENIX	Round Valley Reservation*	7,134
PHOENIX	Isleta Pueblo	3,002
PHOENIX	Pascua Yaqui Tribe	6,299
PHOENIX	White Mountain Apache (Fort Apache)	12,777
PHOENIX	Navajo Nation	189,314
SEATTLE	Coquille Indian Tribe	1,706
SEATTLE	Quinault Tribe	5,426
SEATTLE	Lummi Tribe	8,192
SEATTLE	Colville Confederated Tribes	11,226

Notes: The two tribes marked with an asterisk initially agreed to participate in the study but dropped out once data collection was underway.

Exhibit 2-2 is a visual representation of the location of the 28 sample tribes. It shows that the sample tribes are geographically dispersed, although Oklahoma has seven tribes in the sample and Alaska has four. Oklahoma has seven tribes in the sample because many tribes are located there and several of them are very large and therefore

were selected with certainty. Alaska has 4 tribes in the sample because we set 4 as a minimum for each ONAP region to ensure that the many Alaska Native villages would be well represented in our sample of 28 tribes.

Exhibit 2-2: Location of 28 Tribes in the IHBG Study



Selecting the Sample for the Community Member Questionnaire

The purpose of the sample for the community member questionnaire was to obtain reliable estimates of housing quality, overcrowding, and affordability among individuals and families receiving IHBG-funded housing assistance in the 28 tribal areas, which would be representative of all individuals and families receiving IHBG-funded housing assistance nationally. We defined a person as receiving IHBG-funded housing assistance if he or she: was living in a CAS unit or NAHASDA-funded rental or homeownership unit; had received down payment assistance to purchase a home; had recently (within the past 2 years) received emergency IHBG assistance to make a rent or mortgage payment; or had his or her home rehabilitated with program funds.

For the 28 tribes that remained in the sample, we determined that a sample of 774 individuals or families receiving IHBG-funded housing assistance (henceforth referred to as “IHBG-assisted households”) would be large enough to provide precise estimates of housing quality, overcrowding, and affordability for all IHBG-assisted households in the nation.¹³

Allocating the sample of 774 IHBG-assisted households evenly across the 28 participating tribes would not have provided the most precise estimates. Instead, we allocated the sample sizes across tribes so that when we weighted the sample estimates to represent the national Native population, each respondent would have approximately the same weight. That is, each individual respondent would represent about the same number of other IHBG-assisted people in the national estimates. This was the most efficient method—meaning the method that would produce the most precise estimates for a given sample size—for allocating the sample. This resulted in sample sizes of between 10 and 50 IHBG-assisted households for each tribe in the study.¹⁴

To select the sample of IHBG-assisted households, we asked participating tribes to provide a list of all people receiving IHBG assistance who met our criteria for inclusion. The lists came in all kinds of formats, including Excel files with different files for each program, simple paper lists, or some combination. From these lists, we selected a

¹³ We had also planned on selecting 40 IHBG households from the two tribes that dropped out of the study.

¹⁴ Based on feedback from OMB on the data collection tools and HUD guidance, we added a similar sample for households on the waiting list for IHBG assistance to serve as a comparison group in analysis. All the selection procedures were the same for this group. Because the contact information we had for this sample was so poor, and possibly because these sample members were less interested in participating in a community meeting, we did not obtain many respondents from this group. Although we made some follow-up efforts for this group, we primarily focused our follow-up efforts on the IHBG-assisted sample because that was the more important sample for answering the research questions.

simple random sample of between 10 and 50 households receiving assistance and a similar number of households on the waiting list for housing assistance. The sample size varied depending on the tribe. We then mailed the selected sample members an invitation to the community meeting along with a copy of the questionnaire. The instructions explained that they could fill out the questionnaire before or during the community meeting, and that we would award a \$50 gift certificate to one of the meeting attendees. Most tribes also provided light snacks or refreshments, and a few tribes encouraged participation by providing more substantial meals. Nevertheless, as described above, attendance at these meetings was poor, and we obtained only 44 completed questionnaires from the IHBG sample members across all the meetings. We conducted extensive follow-up efforts to increase the number of completed questionnaires including:

- That evening (if early enough) or the next day, site visitors called IHBG sample members who did not attend the meeting to see if they would complete the questionnaire over the telephone.
- We provided tribal housing or TDHE staff with questionnaires and asked them to distribute, collect, and send us completed questionnaires. These questionnaires were distributed with an envelope with ACKCO's address on them so sample members could send the questionnaire directly back to ACKCO if they desired.
- Several weeks after the site visit (and after the housing staff had returned whatever completed questionnaires they had), we called IHBG sample members who had not yet completed the questionnaire to see if they would complete it over the telephone.

Through these efforts, we were able to complete 169 additional questionnaires from IHBG sample members, raising the total to 213 completed questionnaires. Only a handful of people we reached were not interested in completing the questionnaire. Several tribal members thanked us for taking their viewpoints into account. The main issue was reaching people. Since we were limited to telephone calls, we were dependent on people having a working telephone and the tribe having an accurate telephone number. Tribal housing staff was not able to provide telephone numbers for all the sample members and many of the telephone numbers we called were no longer in service. Other telephone numbers rang, but were never answered, although we called at different times of the day and the early evening to account for different schedules. We suspect some respondents may have been screening their calls, and thus were "hidden refusals."

The community meeting and follow-up efforts achieved a 28 percent response rate—213 completed cases out of a sample of 774 IHBG-assisted households. Our initial study design presented in our proposal and in our Management Plan called for in-person interviews in the field, with interviewers going door-to-door, which experience

suggests would have resulted in a much higher response rate. However, due to concerns about burdening respondents, the final data collection plan approved by HUD did not include in-person interviews, relying instead on a combination of community gatherings, mailed questionnaires, and telephone interviewing. A future survey effort to obtain tribal members' perspectives should consider an initial mixed-mode mail and telephone survey with in-person follow-up.

Although most of our follow-up efforts to obtain completed questionnaires focused on people currently receiving assistance through the IHBG program, we asked everyone who attended the community meetings to complete a questionnaire. More than 200 people who were not part of the IHBG sample did so, including 91 people who reported receiving IHBG assistance, 56 people who were on the waiting list for assistance and 54 people who neither received IHBG assistance nor were on the waiting list for assistance.

For analysis, we considered weighting the IHBG sample member responses to be “representative” of the entire sample and thus all IHBG-assisted households nationwide. **However, our judgment was that a 28 percent response rate was too low a response rate to weight the sample to represent all IHBG-assisted households in the nation.** That is, the people who completed the questionnaire are not likely to be representative of all the IHBG recipients selected for the sample and thus not likely to be representative of all IHBG households in the U.S. Likewise, people who were willing to attend a community meeting, or had a working telephone number that was known to the Indian housing authority, and were available when we called them, are not likely to be representative of all IHBG households. However, combining the IHBG sample members who completed the questionnaire (213 people) with the other IHBG households who came to the community meeting and completed the questionnaire (91) allowed us to establish an analysis sample of 304 IHBG-assisted households. This provides a large sample of IHBG households from which to present community members' input. At the same time, **the findings from the questionnaire should not be interpreted as representing the views of IHBG households nationwide.**¹⁵

¹⁵ The disadvantage of combining the IHBG-assisted households and not weighting them to be representative of the entire sample is that the questionnaire results may be taken to be representative of all households receiving IHBG assistance, even though they may disproportionately represent certain tribes over others. All tables presenting questionnaire results indicate that the results are not based on a random sample of IHBG-assisted households and thus may not represent all IHBG-assisted households.

Chapter 3

Does the IHBG Program Increase the Availability of Decent, Safe, and Affordable Housing?

This chapter presents information on the amount of housing development and housing services funded by the IHBG program, the quantity and quality of IHBG housing, and the affordability of IHBG housing.

3.1 Quantity of Housing Produced by IHBG

The IHBG program has been responsible for the development of a large number of homeownership units. As can be seen in Exhibit 3-1, the tribal housing authorities in the study reported constructing or acquiring a total of 4,792 homeownership units in the first 9 years of NAHASDA (1998-2006). This figure is based on units produced or acquired by 22 of the 28 tribes in the study, because 6 tribes reported that they had not produced any homeownership units during this period. These six tribes included small tribes that did not have enough funding to produce new units and larger tribes that chose to focus their resources on rental units or other housing assistance. Some of the smaller tribes that produced homeownership units leveraged future IHBG funding through the Title VI program to speed up production of these units. They said that it was more cost-efficient to build a larger number of units at one time than build a few each year. One housing authority reported saving IHBG funds for several years to build a single unit and then starting over to save for building another unit.

When the homeownership production number for the tribes in the study is weighted to represent all IHBG-funded tribes in the U.S., we estimate that 12,147 homeownership units were developed using IHBG funding from 1998 to 2006.¹⁶ Converted to an annual basis, this means an estimated 1,350 homeownership units were built each year during the first 9 years of the IHBG program.

¹⁶ We used 2006 as the end year for this calculation, because we judged that this was the most recent year for which a significant portion of the grants would have been expended at the time of our administrative interviews in the summer and fall of 2008. Nevertheless, not all 2006 funds have been expended, and homeownership production using funds through 2006 may be slightly higher.

Exhibit 3-1: Number of Rental and Homeownership Units Built with IHBG Funds from 1998 to 2006

	Number of Units Built by 28 Tribes in Study Sample	Number of Units Built Weighted to Represent All Tribes and Alaska Native Villages in U.S.
Homeownership Units Built or Acquired Since 1998 Using IHBG Funds	4,792 Units	12,147 Units
Rental Units Built or Acquired Since 1998 Using IHBG Funds	1,828 Units	5,289 Units

Sources: National APR Database provided by HUD in May 2008 and administrative interviews.

Rental unit production was also substantial during this period, but less than half the volume of homeownership unit production. The 28 tribes in our sample reported constructing or acquiring 1,828 rental units from 1998 to 2006. When weighted to represent all IHBG-funded tribes, we estimate that 5,289 rental units were developed using IHBG funding. This is an average of 588 new rental units per year. After these units are built, they remain in the tribal housing agency’s portfolio and continue to provide affordable housing for tribal members in need, but also incur annual maintenance and operations costs that require subsequent IHBG funding. Several tribal housing administrators reported that they had cut back on or eliminated production of new rental units because it limits their flexibility with future IHBG funding.

The reported cutback on production of new rental units is consistent with the general patterns we observed in the reported production data by year.¹⁷ Based on our study sample, 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 units. Homeownership unit production appears to have peaked with the 2002 and 2003 year 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 maintaining existing CAS and NAHASDA rental units. The analysis of national APR expenditure data reported in Chapter 1 is consistent with the production patterns reported by the 28 tribes in our study. The analysis of national data showed that rental housing development decreased from 17 percent of expenditures in 1998, to 7 percent in 2004; whereas homeownership development decreased only from 31 percent to 27 percent during that period (See Exhibit 1-2).

¹⁷ We do not show reported rental and homeownership production by year, because of difficulties in pinning down exactly what year’s funds were used for production and pro-rating when multiple years of funding were used.

Households Served in Most Recent Program Year

In addition to affordable housing development, tribes can use IHBG funds for numerous other activities that provide AI/AN households with affordable housing. The eligible activities are described in Chapter 1, but the more common uses of funds are:

- Homeownership assistance, including both down payment assistance and subsidized mortgages (either through discounted purchase prices or low-interest loans);
- Operating and improving existing rental units (CAS and NAHASDA units);
- Rental assistance for non-tribally owned housing;
- Emergency repairs and rehabilitation of member housing; and
- Emergency rent, mortgage, and utility assistance.

Exhibit 3-2 shows the number of households served in the most recently completed program year (usually 2007) for IHBG programs. The information is discussed below by type of program: homeownership, rental, emergency, and other programs.

Exhibit 3-2: Number of Households Served in IHBG Housing Programs in Most Recently Completed Program Year (usually 2007).

Program	Number of Households Served by 28 Tribes in Study Sample: Most Recent Program Year	Number of Households Served Weighted to Represent all Tribes and Alaska Native Villages in U.S.: Most Recent Program Year
Homeownership Programs		
CAS Mutual Help	8,875	27,681 ^a
Downpayment Assistance	559	1,224
Current Rehab or Emergency Repair of Privately Owned Homeownership Units	1,244	3,696
Rental Assistance Programs		
CAS Low-Income Rental ^b	9,877	31,455 ^a
NAHASDA Built Rental ^b	1,828	5,289
Rental Assistance Similar to Housing Choice Voucher Program	2,567	6,049
Student Rental Assistance	153	1,076
Other Rental Assistance	90	1,515
Emergency Assistance		
Emergency Rental, Mortgage, or Utility Assistance	2,839	5,205

Source: Administrative interviews.

Notes:

^a The national number of CAS low-income rental and Mutual Help units are the CAS totals that are used in the IHBG funding formula as reported in "FY2008 Estimate Summaries.xls" provided by HUD in December 2007.

^b These are counts of the number of rental or homeownership units in the program, and may differ from the number of households served because of unit turnover and vacancies.

Homeownership Programs

Mutual Help. Prior to NAHASDA, the Mutual Help Program was the primary homeownership program in Indian Country. The Mutual Help program allowed Indian housing authorities (IHAs) to help low-income Native families purchase a home. In the Mutual Help program, the family makes monthly payments based on 15 to 30 percent of its adjusted income. A portion of the payment pays the administrative fee established by the IHA, and the remainder of the payment is credited to an equity account that is used to purchase the home. The home is expected to be conveyed to the assisted household within 25 years. Most of the tribes in our sample set the Mutual Help payments at the low end of the range—15 percent of adjusted income—but set a minimum payment equal to the administrative fee.

The Mutual Help units a tribe developed before the enactment of NAHASDA became part of the funding formula for the IHBG program. Through those formula amounts, HUD continues to provide operating subsidies for a Mutual Help home until it is paid for and conveyed to the homebuyer. Twenty-seven of the 28 tribes in the study operate Mutual Help programs; overall, these 27 tribes reported managing 8,875 units. The study site with the largest Mutual Help program reported managing more than 3,500 units, and the second-largest reported managing more than 1,100 units. Only two other tribes in the sample had more than 500 Mutual Help units. Based on the national totals used in the IHBG funding formula, the IHBG program funds 27,681 Mutual Help Units in the U.S.

NAHASDA Rent-to-Own. Using NAHASDA funds, tribes, IHAs, or TDHEs may develop and operate rent-to-own programs similar to Mutual Help. Some tribes reported having such a program under NAHASDA and then combining the program with the Mutual Help program to gain operational efficiencies. Several other tribes reported having both Mutual Help and NAHASDA rent-to-own programs, but operated their rent-to-own program slightly differently, for example, by setting the household payment higher than 15 percent of adjusted income or removing a requirement for a maintenance account. We estimate that the tribes in the study sample helped or are helping more than 4,800 households acquire a homeownership unit through a rent-to-own program identical or similar to the Mutual Help program, or through a mortgage assistance program that provides a below-market interest rate, soft second loan, or discounted purchase price.

Down Payment Assistance. IHBG funds also are used to provide down payment assistance for tribal members trying to purchase a home. Half of the tribes in our sample offered such programs. The amount of the assistance ranged from \$4,000 to \$20,000. The amount of assistance varied by tribe, with some tribes basing it on the house price, some basing it on the recipient's income, and some offering a fixed amount to all eligible households. Some tribes provide down payment assistance in the form of grants, while others offer it as a soft second loan with partial payback required if the participant sells the home within 5 or 10 years. Down payment assistance, as well as

other homeownership assistance, is usually accompanied by housing counseling programs related to financial management, credit-worthiness, or home maintenance. The 28 tribes in our sample reported providing down payment assistance to 559 households in the most recently completed program year. Weighted to represent all tribes in the U.S., we estimate that 1,224 households nationwide were provided down payment assistance to purchase a home in the most recently completed program year.

Rehabilitation of Private Homeowner Units. Subsidizing rehabilitation and emergency repairs of private homeowner units is another method that some tribes used to support homeownership in their communities. This type of assistance helps homeowners afford to stay in their homes and improves their living conditions. A little more than half of the tribes in our study sample (15) reported providing rehabilitation and/or repair assistance to homeowners during the most recent year. Three tribes reported providing this assistance to more than 250 households, while the other 12 tribes reported providing assistance to 100 or fewer households. In total, the sample tribes provided rehabilitation and repair assistance to 1,244 households in the past year. Weighted to represent all tribes in the U.S., we estimate that 3,696 homeowners nationwide received rehabilitation and/or repair assistance to help them stay in their homes and improve their living conditions.

The rehabilitation programs all had maximum award amounts, usually in the \$5,000 to \$10,000 range, but as high as \$20,000. Tribal housing administrators reported that even with these relatively generous awards, the repairs that could be made dealt only with the “tip of the iceberg.” That is, they addressed the most glaring health and safety issues, but many of the houses needed more repairs than could be provided with IHBG program funds to make them truly decent places to live. This issue was also identified in findings from the community meetings and community member questionnaires: tribal members who had received rehab assistance were extremely grateful for the assistance and could list all the improvements made to their housing units, but still often described the quality of their housing only as “fair.” Some meeting attendees reported that the tribe had offered to move them to another unit rather than rehab their home, but their ties to their own house and their family land were too strong for them to consider moving, even if it would improve the quality of their housing.

To stretch program funds, tribal housing administrators tried various methods, including using force accounts (tribal housing maintenance staff) to perform the repairs, or using rehab funds to pay for materials, but requiring recipients to do the repair work themselves or hire someone to do the work. One tribe reported changing its grant program to a low-interest loan program for repairs, but the result was that applications for assistance dried up. Tribal members told housing staff that they could not afford to pay back the loans. Frustrated at being able to only patch-up homeowner units without making them truly decent places to live, one tribal housing administrator said that ONAP

should forbid the use of IHBG funds for rehab of homeownership units. He said that his agency was unlikely to eliminate the program on its own (that is, if not required to do so by HUD/ONAP) because the program was popular with the Tribal Council and with tribal members.

Rental Assistance Programs

CAS Low Rent Program. The Low-Rent or Public Housing Program is the largest rental program operated using IHBG funding. The units were built prior to the advent of NAHASDA, under authorization of the 1937 Housing Act, and are referred to as Currently Assisted Stock (CAS) rental units. These units were built primarily in the 1970s or 1980s with capital costs fully subsidized by HUD's public housing program. After implementation of NAHASDA, HUD/ONAP has continued to subsidize the operation of these units. Along with Mutual Help units, these units are included in the CAS part of the IHBG funding formula. Tenants pay up to 30 percent of their adjusted income for rent and estimated utilities to live in these units.

The 28 tribes in our study sample reported operating 9,877 CAS rental units. The tribe in our study with the largest CAS rental program operates more than 3,500 units, and the second largest operates 1,160 units. The other 21 tribes with CAS rental programs operate fewer than 600 units, and 5 tribes in our sample reported they do not have any CAS rentals. Based on the national totals used in the IHBG funding formula, 31,455 CAS rental units are being operated using IHBG funds.

NAHASDA Rental Units. The 1,049 rental units built or acquired with NAHASDA funds by the 28 sample tribes are operated similarly to the CAS low-rent program. That is, the eligibility criteria and preferences are usually the same, and tenants pay up to 30 percent of their income for rent and utilities. Some of the NAHASDA-built units are restricted to elderly households or serve other special-need populations. Nationally, we estimate there are 5,289 post-CAS rental units funded by the IHBG program.

Rental Assistance Vouchers. Ten of the 28 tribes in the study operate a rental assistance program similar to HUD's Housing Choice Voucher program. In the rental assistance program, recipients have the freedom and responsibility to find a private-market rental unit, and the housing agency pays the difference between the market rent (including utilities) and 30 percent of the recipient's adjusted income. That is, the recipient pays 30 percent of his/her income for rent and the housing agency subsidizes the rest. The tribes in our sample reported adapting the Housing Quality Standard inspection protocol for determining whether the unit meets the program standards and the fair market rent from the Housing Choice Voucher program to set maximum allowable gross rent for the program. The 10 sample tribes using this program reported serving 2,567 households in the most recent program year. The tribe with the largest program in our sample managed 1,727 vouchers, while the second largest managed

439 vouchers. Most of the other tribes managed fewer than 100 vouchers. Weighting these numbers to represent all tribes in the U.S., we estimate that 6,049 rental vouchers were used in the most recent year to help AI/AN households nationwide rent decent, affordable housing in the private market.

Other Rental Assistance Programs. The flexibility of IHBG allows tribes to use funding for other, more specialized rental assistance programs. Five of the tribes in our sample use this flexibility to provide rental assistance to college students, serving 153 students in the most recent year. With proof of enrollment, the college student receives a \$1,000 or \$2,000 voucher (depending on the tribe) per semester to help pay for renting a dorm or private-market rental unit. One tribe based its rental assistance on the room and board costs at the State University, which resulted in a higher level of assistance than the \$1,000 to \$2,000 rental vouchers offered by other tribes. Two tribes reported acquiring a small number of rental units for tribal members in college. These units are reflected in the NAHASDA rental unit numbers discussed earlier.

A few tribes had special rental assistance programs for elders living in private-market rental units. For these programs, rental assistance was offered for the private-market rental where the elder lived. It did not require unit inspections like the rental voucher programs.

Finally, at least one tribe offered rental assistance to extremely low-income members (income below 30 percent of area median) living in a development funded through the Low-Income Housing Tax Credit program.

Emergency Assistance Programs

Using IHBG funding, tribes also operate many different types of emergency assistance programs either to prevent people from becoming homeless or to end a period of homelessness. These programs include emergency rental assistance, mortgage assistance, and utility assistance, as well as emergency housing units. The details of the programs vary, but, in general, tribal members have to prove they are in an emergency situation through such documentation as an eviction notice, a utility cutoff notice, or proof they are behind in their mortgage payments. Among our study sites, emergency rental assistance was generally limited to 2 months' rent (or a security deposit plus first month's rent for a person without housing). A person could access the emergency assistance only once a year or once every 2 years, and there were usually a maximum number of times a person could access the assistance over his or her lifetime.

Among our study sites, the emergency housing program usually involved the housing agency either designating specific CAS or NAHASDA units for emergency or short-term housing, or reserving several units vacant for emergencies. Some of the utility

assistance programs were geared specifically for elders, and were sometimes pre-emptive, meaning that the assistance was provided during the winter before a crisis situation developed.

Eleven out of 28 tribes in the study reported offering an emergency assistance program of some type using IHBG funding. In the most recent year, these 11 tribes served 2,839 households. The 2 tribes with the largest emergency assistance programs each served more than 1,000 households in the year. The other 8 tribes with these programs served 250 or fewer households. Weighting to represent all tribes in the U.S., we estimate that 5,205 households nationwide were provided emergency assistance through the IHBG program.

Other Uses of IHBG Funds: Crime Prevention and Safety and Model Activities

Crime Prevention and Safety Activities. IHBG funding can also be used for crime prevention and safety measures to protect residents of affordable housing. Twenty of the 28 tribes in the study reported funding crime prevention activities, but usually spent only small amounts of their IHBG funding on these activities. Expenditure data presented in Exhibit 1-2 of Chapter 1 indicated that crime prevention activities represent only one to two percent of IHBG expenditures nationwide.

The most common crime prevention and safety activities reported by the study sites were such youth-focused activities as after-school programs, cultural literacy, and summertime activities. These youth activities focus on providing safe, positive activities during periods when youth otherwise might be idle and tempted by drugs or other criminal activity. Other crime prevention activities included hiring security guards; building security fences; implementing domestic animal control programs (such as pet neutering programs); providing educational classes focused on such topics as how to avoid identify theft and predatory lending; providing alcohol and drug rehabilitation programs; and instituting fire safety measures including installing smoke alarms or stovetop exhaust fans. Some of the more unusual activities involve providing solid 6-by-6 foot shelters for the elderly for protection from tornados, and garbage removal to reduce animal infestations.

Model Activities. Other activities that support affordable housing efforts, but are not specifically listed as an eligible IHBG activity in the program regulations, can be funded under the IHBG program as “model activities.” HUD must approve the use of IHBG funds for these activities. Three-fourths (21 of 28) of the sample tribes reported model activities, but it was a small part of their program expenditures. Nationwide, only one to two percent of IHBG expenditures were on model activities.

The model activities reported by the tribes in the study included building a warehouse for storage of home repair and home building materials, paving parking lots for building

administrative buildings, and building or renovating a community center. Some tribes also reported operating their post-CAS rental housing as a model activity, while other tribes included those expenditures in their housing management service activities.

3.2 Quality of Housing Produced by IHBG

This section presents the findings of the community member questionnaire and observation of IHBG housing by site visitors regarding the quality of IHBG-assisted housing.

Findings from the Community Member Questionnaire

As described in Chapter 2, despite a low response rate to the community questionnaire filled out at community meetings, we were able to obtain completed questionnaires for more than 300 people who were receiving or had recently received IHBG housing assistance. We also obtained completed questionnaires for 56 people on the waiting list of IHBG housing assistance. We noted in Chapter 2, that these two groups do not constitute a random sample of IHBG-assisted households and households on the IHBG waiting lists. As a result, the questionnaire results may not represent all IHBG households or households awaiting assistance.

For the purposes of analyzing the questionnaire responses related to housing quality and affordability, we subdivided the group of IHBG-assisted households as follows:

- **Homeownership Assistance.** This category includes people who reported receiving down payment assistance or other NAHASDA homeownership assistance, including mortgage assistance, from the tribal housing agency. It does not include people living in Mutual Help units, because we thought it was more informative to analyze separately responses by households living in post-NAHASDA homeownership units, which are generally owned by the recipient rather than the tribe.
- **Rental Assistance.** This category includes people who reported living in a house owned or managed by the tribal housing agency, including Mutual Help units, and people who reported receiving rental assistance, such as a housing voucher, from the tribal housing agency.
- **Other Assistance.** This category includes people who reported receiving assistance from the tribal agency to repair their house or to pay for their utilities, or who reported receiving emergency mortgage, rental, or utility assistance from the tribal housing agency.

We compared the responses from these three categories of IHBG-assisted households to those of people who reported being on the waiting list for some type of IHBG housing assistance. We also obtained completed questionnaires from people who did not report

receiving IHBG assistance, or who did not report being on the waiting list for assistance. We determined that people on the waiting list would more likely be similar to the IHBG-assisted households before they received assistance, and therefore provide a better basis for comparison, than the group that did not report receiving IHBG assistance or report being on the waiting list.

The findings from the community member questionnaire are organized as follows. First, we present the responses of IHBG-assisted households and people on the waiting list related to the overall condition of their housing, a qualitative assessment of the area in which their housing is located, and their overall satisfaction with their housing. Second, we present findings on the incidence of several common types of housing problems. Third, we present responses related to the affordability of housing. Finally, we analyze the prevalence of housing overcrowding among IHBG-assisted and waiting list households using several different standard measures of overcrowding.

Overall Condition of Housing, Satisfaction with Housing, and Safety of Area

Exhibit 3-3 presents community members’ responses to the question: “Overall, how would you rate the condition of your housing?” Among the people completing the questionnaire, those receiving IHBG housing assistance were more likely to rate the condition of their housing as “excellent” or “good” than those waiting for IHBG assistance. More than three-quarters (79 percent) of respondents receiving homeownership assistance and about two-thirds (68 percent) of respondents receiving rental assistance rated the condition of their housing as excellent or good, compared to less than half (46 percent) of respondents on the waiting list. Furthermore, 3 times more waiting list households (21 percent) than assisted households (7 percent or less) rated the condition of their housing as “poor.”

Exhibit 3-3: Overall Condition of Housing

	<i>Type of IHBG Assistance Received:</i>			On Waiting List for Assistance (n=56)
	Homeownership (n=76)	Rental (n=170)	Other (n=58)	
Excellent or Good	79%	68%	63%	46%
Fair	15%	25%	35%	32%
Poor	7%	7%	2%	21%
<i>Total</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

Source: Community member questionnaire. Results are not based on a random sample and therefore may not represent all IHBG households or households awaiting IHBG assistance.

Questionnaire respondents with IHBG housing assistance also reported being more satisfied with their housing than respondents on the waiting list for IHBG assistance. As shown in Exhibit 3-4, between 82 and 88 percent of IHBG-assisted respondents

described themselves as “very satisfied” or “somewhat satisfied” with their current house, compared to just 50 percent of waiting list respondents.

Exhibit 3-4: Satisfaction with Current House

	<i>Type of IHBG Assistance Received:</i>			On Waiting List for Assistance (n=56)
	Homeownership (n=76)	Rental (n=170)	Other (n=58)	
Very or somewhat satisfied	88%	83%	82%	50%
Neither satisfied not dissatisfied	4%	4%	7%	20%
Very or somewhat dissatisfied	8%	13%	11%	30%
<i>Total</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

Source: Community member questionnaire. Results are not based on a random sample and therefore may not represent all IHBG households or households awaiting IHBG assistance.

When asked to rate the safety of the area around their house at night, a majority of questionnaire respondents in all categories described the area as “safe” or “very safe” (Exhibit 3-5). IHBG-assisted respondents were slightly more likely to describe their area as safe than waiting list respondents.

Exhibit 3-5: Safety of Area Outside Home at Night

	<i>Type of IHBG Assistance Received:</i>			On Waiting List for Assistance (n=56)
	Homeownership (n=76)	Rental (n=170)	Other (n=58)	
Very safe or safe	82%	78%	91%	74%
Unsafe or very unsafe	18%	22%	9%	26%
<i>Total</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

Source: Community member questionnaire. Results are not based on a random sample and therefore may not represent all IHBG households or households awaiting IHBG assistance.

Incidence of Housing Problems

In addition to asking respondents about the overall condition of their housing, the questionnaire also asked about common housing problems that may indicate poor or substandard housing quality. Respondents were asked whether any of the following indicators were problems in their current housing:

- Too little space;
- Interior walls with peeling paint or broken plaster;
- Plumbing that doesn’t work;
- A heating system that doesn’t work;
- A stove or refrigerator that doesn’t work;

- Exposed wire or electrical problems; and
- Rat or mice infestation.

The results are presented in Exhibit 3-6. In all areas, respondents on the waiting list for IHBG assistance were more likely than IHBG-assisted respondents to describe the problem as a “big problem” in their current housing. One-fourth of waiting list respondents reported big problems with interior walls and nearly two-fifths reported having too little space. Too little space was also the most common problem reported by households receiving rental assistance, but the share of respondents reporting this problem was less than half the percentage of waiting list households. Assisted homeowners were even less likely to report too little space as a big problem. The fact that assisted households report some housing problems (albeit fewer than unassisted households) is not unique to the IHBG program. Studies using American Housing Survey data on a nationally representative sample of households receiving housing assistance have also found that assisted households still have some housing problems, and the percentages of these households reporting such problems are similar to those of the IHBG-assisted households who completed the questionnaire.¹⁸

Exhibit 3-6: Percent Reporting Housing Problems as a “Big Problem”

	<i>Type of IHBG Assistance Received:</i>			On Waiting List for Assistance (n=56)
	Homeownership (n=76)	Rental (n=170)	Other (n=58)	
Too little space	7%	15%	17%	38%
Problems with interior walls	11%	7%	7%	25%
Plumbing does not work	3%	5%	12%	21%
Heating does not work	12%	8%	5%	18%
Stove or refrigerator does not work	5%	4%	7%	16%
Exposed wire or electrical problem	8%	9%	0%	14%
Problems with rats or mice	4%	4%	7%	9%

Source: Community member questionnaire. Results are not based on a random sample and therefore may not represent all IHBG households or households awaiting IHBG assistance.

Respondents were also asked whether they had experienced the problems with the exterior of their house or their property. Specifically, they were asked about problems with:

- Large puddles remaining on their property after it rains;
- Missing or broken windows;

¹⁸ Buron, Larry, Bulbul Kaul, and Rhiannon Patterson. (2003) “Quality of Housing Choice Voucher Housing.” A report prepared for HUD’s Office of Policy Development and Research.

- Cracks in the foundation or a foundation that is sinking or uneven;
- Sloping, leaning, or buckling exterior walls; and
- A roof that leaks.

In most areas, respondents on the waiting list for IHBG housing were more likely to have these problems than assisted respondents, particularly problems with standing water and missing or broken windows (Exhibit 3-7). However, assisted households still report a fairly high level of problems, and they report similar or higher levels of problems with cracks in the foundation and the related issue of sloping, leaning, or buckling exterior walls.

Exhibit 3-7: Presence of Exterior Housing Problems

	<i>Type of IHBG Assistance Received:</i>			On Waiting List for Assistance (n=56)
	Homeownership (n=76)	Rental (n=170)	Other (n=58)	
Large puddles remaining several days after it rains	31%	35%	32%	49%
Missing or broken windows	19%	11%	24%	34%
Cracks in foundation or sinking/uneven foundation	36%	23%	29%	26%
Sloping, leaning, or buckling exterior walls	15%	12%	14%	16%
Roof that leaks	13%	10%	9%	15%

Source: Community member questionnaire. Results are not based on a random sample and therefore may not represent all IHBG households or households awaiting IHBG assistance.

Findings from the Observation of IHBG-Funded Housing

In each of the 28 tribal areas, the site visitors were given tours of housing built or operated using IHBG funds. The tours were generally led by tribal housing staff, but site visitors requested to see a range of housing types (new and old, rental and homeownership) in different parts of the tribal service area as needed. In some of the larger tribal areas, site visitors went on more than one tour.

The tours allowed windshield observation of the exterior of the units and surrounding grounds. At most sites, site visitors had the opportunity to see a substantial number of IHBG-funded units. In all but 2 of the tribal areas, site visitors observed more than 20 housing units. For 16 of the 28 sites, all of the IHBG-funded housing observed was located on tribal lands. At seven sites, the housing was all located off tribal land, and at six sites some of the housing was on tribal land and some was off tribal land.

During the tour or shortly thereafter, the site visitors recorded their observations using a written observation guide. This section presents the results of those observations across the 28 tribal areas.

Evidence of Problems with IHBG-Funded Housing

Site visitors were asked to look for six different types of problems that might be visible from the sidewalk or a car (site visitors did not approach or enter any occupied property):

- Roof problems, such as sagging, holes in the roof, or missing roofing materials;
- Problems with the exterior walls or foundation, including sloping, leaning, buckling, holes, cracks, or missing materials;
- Problems with the windows, including broken or boarded-up windows;
- Potential hazards near the unit, including large areas of standing water or big holes; and
- Peeling paint on outside of house.

For each of these problems, site visitors were asked to describe the prevalence of the problem among all the IHBG-funded housing units observed on the tour.

Exhibit 3-8 presents the results of these observations. The main finding is that in most tribal areas, IHBG-funded housing appears to be in fairly good condition, with few problems apparent from windshield observation. In the majority of study sites, housing problems were noted for fewer than half the IHBG units observed on the tour. Even the most common problems, such as peeling paint and roof problems, were generally limited to one or two housing units per site. In fact, there were only four sites where any of the problems were observed in more than half of the units.

Exhibit 3-8: Prevalence of Housing Problems

	Problems with roof	Peeling paint	Problems with walls or foundation	Broken or boarded up windows	Potential hazards near unit
None or only one or two units	68% (19)	75% (21)	79% (22)	89% (25)	91% (26)
Less than half the units	18% (5)	18% (5)	11% (3)	4% (1)	7% (2)
About half the units	11% (3)	0% (0)	4% (1)	7% (2)	0% (0)
More than half the units	4% (1)	7% (2)	7% (2)	0% (0)	0% (0)
All of the units	0% (0)	0% (0)	0% (0)	0% (0)	0% (0)
Total	100%	100%	100%	100%	100%

Source: Site Visitors' visitors' observation from driving tour of IHBG housing.

The most common problems observed among IHBG units were roof problems, peeling paint, and problems with exterior walls or foundations.

In 19 of the 28 tribal areas, either no roof problems were observed or roof problems were observed only in one or 2 units. In nine sites, site visitors noted roof problems for more than one or two units. In the three sites where roof damage was most widespread, the damage was the result of hailstorms and the tribes were in the process of making repairs. In other sites, the roof damage was limited to one or two housing developments but was not present throughout the housing stock.

In 21 of 28 tribal areas site visitors either saw no peeling paint or saw peeling paint in only one or 2 units, and in an additional 5 areas peeling paint was noted for less than half the units. One of the two tribal areas where peeling paint was observed on more than half the units was an area subject to extreme weather conditions. In the other area, site visitors observed that graffiti was a big problem in addition to peeling paint.

Six study sites had more than one or two units where site visitors observed problems with the exterior walls or foundations. At most of these sites, the problem (when observed) was deteriorated siding, but in two areas, tribal housing staff commented that shifting land was causing cracks in the foundations of some units.

Comparison of IHBG-Funded Housing to Other Housing in the Area

In addition to looking for problems with the IHBG-funded housing, site visitors were asked to compare the IHBG housing observed on the tour to other housing in the area along three dimensions:

- Type of housing (single-family, multifamily, etc.);
- Sturdiness of housing; and
- Overall condition/need for repairs.

As shown in Exhibit 3-9, in most sites the IHBG-funded housing observed was similar in type to other housing in the area not funded through the IHBG program. Where the IHBG housing was determined to be different in type, it was because it was more clustered and/or used different building materials than non-IHBG housing (for example, brick versus wood).

In all but one of the study sites, site visitors rated the IHBG-funded housing “more sturdy than” or “similarly sturdy to” housing not funded through the program. (These comparisons exclude second homes and luxury homes.) Only at one site was the IHBG housing rated as appearing less sturdy than other housing in the area.

Similarly, only at one of the 28 sites did site visitors judge the IHBG-funded housing to be in worse overall condition than non-IHBG housing. At this site, the site visitor noted that many of the units required extensive rehabilitation because of structurally insulated panels used on the floors and walls that lacked vapor barriers and were susceptible to rot.

Exhibit 3-9: Comparison of IHBG and Non-IHBG Housing by Type, Sturdiness, and Overall Condition/Need for Repairs.

	Number of Tribes	Percent of Tribes
Housing Type		
Different in type from non-IHBG housing	7	25%
Similar in type to non-IHBG housing	21	75%
<i>Total</i>	28	100%
Sturdiness		
More sturdy than non-IHBG housing	10	36%
Less sturdy than non-IHBG housing	1	4%
Similarly sturdy to non-IHBG housing	17	61%
<i>Total</i>	28	100%
Overall Condition/Need for Repairs		
In better condition than non-IHBG housing	17	61%
In worse condition than non-IHBG housing	1	4%
In similar condition to non-IHBG housing	10	36%
<i>Total</i>	28	100%

Source: Site visitors' observation from driving tour of IHBG housing.

Condition of Property Surrounding IHBG-Funded Housing

In addition to examining the condition of the housing units themselves, site visitors also considered the condition of the property on which the housing was located. Properties were judged to be in “good” condition if there were no abandoned appliances, non-working cars, or other junk on the property, if fences were in good repair, and if the lawn or grounds looked neat.

In 21 of 28 tribal areas visited, the property was determined to be in good condition for more than half of the IHBG units observed (Exhibit 3-10). At three tribal areas, about half the IHBG properties observed were in good condition, and at four tribal areas fewer than half the IHBG properties were in good condition, meaning that the majority of properties were *not* in good condition. For properties determined not to be in good condition, the main reason was the presence of junk on the property.

At all but one of the sites visited, IHBG properties were determined to be in the same condition or in better condition than non-IHBG properties.

Exhibit 3-10: Condition of Property on which IHBG-funded Housing is Located

	Number of Tribes	Percent of Tribes
More than half the properties in good condition	21	75%
About half the properties in good condition	3	11%
Less than half the properties in good condition	4	14%
<i>Total</i>	28	100%
IHBG properties in better condition	11	41%
IHBG properties in the same condition	15	56%
IHBG properties in worse condition	1	4%
<i>Total</i>	27*	100%

Source: Site visitors' observation from driving tour of IHBG housing.

*Data missing for one tribe study site.

3.3 Housing Overcrowding

Several studies have documented that overcrowding is common among AI/AN households.¹⁹ Overcrowding often is defined as a problem because it can lead to stress and mental health problems, facilitate the spread of illnesses, and result in lower educational achievement for children who do not have a quiet place to read or do homework.²⁰

Tribal administrators reported using written occupancy standards for their IHBG programs to avoid overcrowding. To enforce these standards, tribes relied on the observations of inspectors during annual physical inspections of IHBG units or complaints from neighbors. Inspectors were expected to report if they observed signs that someone not on the lease was staying in the unit. As slightly fewer than half the tribes in the study sample (12 tribes) reported giving overcrowded households a preference for receiving IHBG assistance, the definition and impacts of "overcrowding" may need to be revisited in their application to AI/NA housing. Problems associated with overcrowding described above may not be viewed as critical factors in tribal housing. Respondents' answers on the community questionnaire were used to develop measures that could be used to determine whether the household lived in overcrowded conditions. We asked about household size and the number of rooms and bedrooms to calculate the standard quantitative indicators of overcrowding, and we asked about behavioral activities that indicated the housing was overcrowded.

The housing literature has many different measures of overcrowding based on persons per room and persons per bedroom. The threshold of what is considered overcrowding

¹⁹ For example, see: National American Indian Council, 2001. "Too Few Rooms: Residential Crowding in Native American Communities and Alaska Native Villages."

²⁰ Office of the Deputy Prime Minister, Great Britain. 2004. "The Impact of Overcrowding on Health and Education: A Review of Evidence and Literature." Office of the Deputy Prime Minister Publications.

varies by study. However, a meta-analysis of the literature identified the most commonly used and theoretically defensible thresholds for overcrowding.²¹ The quantitative measures of overcrowding we used are based on this meta-analysis. The quantitative definitions of overcrowding are:

- Having more than one household member per room; and
- Having more than two household members per bedroom.

We also asked about behavioral activities that indicated overcrowding because we wanted to see if there was some indication that quantitatively measured overcrowding was reflected in behavior—in particular the sleeping arrangements of household members. The behavior activities that are indicators of overcrowding are:

- Whether someone in the household regularly sleeps in a room other than a bedroom because there are not enough bedrooms; and
- Whether household members sometimes go to another house to sleep because there is not enough space in your house.

The results for these overcrowding measures are presented in Exhibit 3-11. On all the measures, IHBG-assisted households have much lower indications of overcrowding than waiting list households. Approximately 10 percent of assisted households have more than one person per room in their house, whereas 29 percent of waiting list households are overcrowded by this measure. The results—fewer IHBG-assisted households are overcrowded than waiting list households—do not vary much across the type of housing assistance. Using the persons per bedroom measure, the differences are even greater: the rate of overcrowding for waiting list households (20 percent) is 4 times higher than for assisted households (4 or 5 percent). The behavioral measures of overcrowding show very similar results, suggesting that the overcrowding is real: it leads to household members sleeping in rooms other than their bedroom, and in even more extreme conditions, leads to household members sleeping in another house because there is not enough space in their house.

²¹ Blake, Kevin S., Rebecca L. Kellerson, and Aleksandra Simic. (2007). "Measuring Overcrowding in Housing." A report prepared for HUD's Office of Policy Development and Research.

Exhibit 3-11: Percent of Households Living in Overcrowded Conditions

Indicator of Overcrowding	Type of IHBG Assistance Received:			On Waiting List for Assistance (n=56)
	Homeownership (n=76)	Rental (n=170)	Other (n=58)	
More than one person per room	11%	10%	9%	29%
More than two persons per bedroom	4%	5%	4%	20%
Household member sleeps in a room other than a bedroom	11%	16%	16%	25%
Household member sometimes sleeps in another house because not enough space	4%	7%	5%	20%

Source: Community member questionnaire. Results are not based on a random sample and therefore may not represent all IHBG households or households awaiting IHBG assistance. Persons who reported having more than six rooms in their house are assumed to have seven rooms for persons per room calculation.

We compared the overcrowded measures of assisted households to waiting list households under the assumption that waiting list households represent the living conditions of assisted households prior to receiving assistance. However, the community questionnaire also resulted in several direct measures for determining whether receiving IHBG assistance reduced overcrowding. We asked households with rental or homeownership assistance whether their current housing was more or less crowded than their pre-IHBG housing. Sixty percent reported their IHBG housing was less crowded than their previous housing. Most of the rest said it was about the same, while 13 percent said their IHBG housing was more crowded. Those who reported their IHBG housing was more crowded may have chosen to participate in the program because the affordability of the unit or the quality of the unit outweighed concerns about overcrowding. We also compared the persons per bedroom in their current to their previous unit.²² By this measure of change, two-thirds of households in IHBG rental or homeownership units were less crowded in their IHBG unit than in their previous unit. That is, they had fewer household members per bedroom in their IHBG unit than in their previous unit. Most of the rest of the IHBG households had no or little change in their persons per bedroom measure of crowding, but approximately three percent had an increase in the number of people per unit after they moved into their IHBG unit.

²² We do not have information on how many rooms were in their pre-IHBG housing, so could not compare that measure of overcrowding.

3.4 Affordability of Housing Produced by IHBG

Client Payments in IHBG-Funded Homeownership Programs

Most tribes and TDHEs use IHBG to fund lease-to-own programs—either through the pre-NAHASDA Mutual Help program or through lease-to-own programs developed under NAHASDA—in which participants allocate a percentage of their income each month toward paying off the home. In general, we found that participants in the NAHASDA lease-to-own programs pay more per month than participants in Mutual Help programs.

In the Mutual Help program, clients typically pay 15 percent of their adjusted income each month toward paying off the home. All but 3 of the tribes in the study set the client payment for Mutual Help units at 15 percent. Two tribes set it at 30 percent and one tribe charged 25 percent. Mutual Help programs also typically have a minimum client payment per month that is equivalent to the tribe's or TDHE's cost of administering the program. Minimum payments for the tribes in this study ranged from \$40 to \$150 per month, with an average (median) minimum payment of \$75 per month.

Clients in lease-to-own programs developed under NAHASDA generally pay a higher percentage of their income and have higher minimum payments than under the Mutual Help program. We found that about half the sites in the study charge clients 30 percent of their income, and about half charge clients 15 percent of their income. Minimum payments ranged from \$55 to \$170 per month, with an average (median) minimum payment of \$100 per month.

Client Payments in IHBG-Funded Rental Programs

We found that tribes and TDHEs generally set client payments at the same level for both their pre-NAHASDA low-rent units and rental units developed under NAHASDA. Across both types of programs, about three-fifths (60 percent) of the study sites charge clients 30 percent of adjusted income, one-fifth charge 20 or 25 percent of adjusted income, and one-fifth charge 15 percent or less. About two-thirds (67 percent) of sites have minimum payments in their rental programs, ranging from \$25 to \$150 per month with an average (median) minimum payment of \$50 per month.

Findings from the Community Member Questionnaire

In addition to asking housing administrators about how they set client rent and mortgage payments in their IHBG-funded homeownership and rental programs, we tried to use the community questionnaire to gauge the affordability of IHBG-funded housing once all housing expenses are taken into account.

As part of the questionnaire, we asked respondents to estimate the share of their family income (before taxes) that they use for housing expenses (rent or mortgage plus utilities). Many people found this a difficult question to answer, because it required people to know their pre-tax income and their total monthly housing expenses (not just rent) *and* to be able to calculate basic percentages.

The questionnaire responses suggest that housing is relatively more affordable for people receiving IHBG-assistance than for people on the waiting list for assistance, but also that many assisted people still face high housing cost burdens. As shown in Exhibit 3-12, a higher fraction of assisted respondents spend 33 percent or less of their pre-tax income on housing expenses than waiting list respondents (46 to 50 percent versus 28 percent). However, the group for which one might expect housing costs to be lowest—those receiving IHBG rental assistance—nevertheless includes a substantial share of respondents (21 percent) reporting that they spend more than 50 percent of their income on housing.

Exhibit 3-12: Percent of Household Income Spent on Housing Expenses

Share of Income spent on rent/mortgage and utilities	Type of IHBG Assistance Received:			On Waiting List for Assistance (n=56)
	Homeownership (n=76)	Rental (n=170)	Other (n=58)	
One-third (33%) or less	50%	49%	46%	28%
One-third to one-half (33%-50%)	37%	30%	25%	37%
More than one half (50%)	13%	21%	29%	35%
<i>Total</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

Source: Community member questionnaire. Results are not based on a random sample and therefore may not represent all IHBG households or households awaiting IHBG assistance.

3.5 Summary

The IHBG program has funded the development of more than 17,000 affordable rental and homeownership units and the continued operation of some 59,000 CAS rental and Mutual Help units. In the most recent year, IHBG program funding also has provided rental assistance to approximately 8,000 low-income households living in private-market housing; emergency rental, utility, and mortgage assistance to approximately 5,200 households trying to stay housed; and down payment assistance to more than 1,200 low-income households purchasing their own home. It has helped rehab almost 3,700 homes owned by low-income tribal members. These data suggest that the program has been instrumental in both creating new affordable housing opportunities and keeping tribal members housed in existing affordable housing units.

Data from the community member questionnaire suggest that a majority of people receiving IHBG assistance are satisfied with the quality and condition of their housing.

Between 82 and 88 percent of IHBG-assisted respondents described themselves as very satisfied or somewhat satisfied with their current house, and 68 to 79 percent rated the condition of their housing as excellent or good. By comparison, 50 percent of people on the waiting list for IHBG assistance described themselves as very or somewhat satisfied with their housing, and only 46 percent rated their housing in excellent or good condition.

Questionnaire respondents on the waiting list for IHBG assistance generally reported more problems with their housing than those who had received some type of assistance. For all types of problems, respondents on the waiting list were more likely than IHBG-assisted respondents to describe the problem as a “big problem.” For example, too little space was the most common problem reported by households receiving IHBG rental assistance, but the share of assisted respondents reporting this problem was less than half the share of waiting list households.

Consistent with the responses about problems with too little space, IHBG-assisted households were less likely than waiting list households to be living in overcrowded conditions. Using a standard quantitative measure of overcrowding of more than 2 household members per bedroom, the waiting list households (20 percent) were 4 times more likely than IHBG-assisted households (4 to 5 percent) to be living in overcrowded conditions. Waiting list households were substantially more likely to report household members sleeping in a room that was not a bedroom, or sleeping at another house because there was not enough room at their house. When asked to make a direct comparison, 60 percent of IHBG-assisted renters and homeowners reported their IHBG housing was less crowded than their previous housing.

In terms of affordability, the findings of the community questionnaire suggest that housing is relatively more affordable for people receiving IHBG assistance than for people on the waiting list for assistance. However, many assisted people still face high housing cost burdens. Although tribes set client payments for IHBG housing at 15 to 30 percent of adjusted income, about half of the assisted households and nearly three-quarters of waiting list households reported paying a higher share of their income for housing expenses, taking into account utilities and perhaps maintenance.

Chapter 4

Does the IHBG Program Efficiently Provide Decent, Safe, and Affordable Housing?

This chapter presents information on the effectiveness with which IHBG is used, and suggestions from tribal housing administrators on how to improve the effectiveness of the program.

4.1 Effective Use of IHBG Program Dollars

The discussion of the effective use of IHBG funding is divided in two parts: the efficient use of program funding; and maximizing the use of existing IHBG-funded housing assets.

Efficient Use of Program Funding

Leveraging. Based on information collected through the administrative interviews, more than two-thirds of the tribes in the study (19 of 28) use other sources of funding to enhance or expand their IHBG-funded programs. The most common sources of funding are other HUD programs (ICDBG and the Resident Opportunity and Self-Sufficiency program); the Low Income Housing Tax Credit; and USDA Rural Development programs. Some tribes have also been successful in accessing funding for homeownership programs through their state housing finance agencies and through the Federal Home Loan Bank's Affordable Housing program. Tribal funds and the BIA's Home Improvement Program (HIP) are also used in combination with IHBG funds. Although it is relatively common for tribes to supplement their IHBG programs with other sources of funding, housing staff at many of the study sites suggested that given the magnitude of the housing problems they face and the modest size of their IHBG grants, much more leveraging of funds is needed. As discussed below, accessing alternative sources of funding is an area where housing administrators suggested that their tribal leadership could be most helpful.

Spend-down Rate of IHBG Funding. Using IHBG dollars efficiently is as important as stretching IHBG dollars by leveraging other funding. As discussed in Chapter 2, we were unable to obtain accurate data during the study on cost trends and cost per unit built. However, we did analyze national APR data to see how long it took tribes to use a particular year's grant. Although this does not tell us whether the funding is being used "well," it does tell us how tribes are converting their grants to provision of housing and housing-related services. Based on national APR data, we found that on average, approximately two-thirds of IHBG funding was used within 3 years. This ranges from a low of 65.2 percent of 2001 grant funds being spent within 3 years, to a high of 72.4 percent of 2003 grant funds being spent within 3 years.

Administrative Expenses. Housing administrators at each of the 28 tribes in the study were asked how much of their annual IHBG allocation they spend on planning and grant administration. While planning and administration are crucial activities of a well-run program, the more efficiently these activities can be managed, the larger the portion of the grant that is available for direct housing services. Program regulations allow up to 20 percent of the grant to be spent on these activities, but most tribes in the study reported spending less than this. As shown in Exhibit 4-1, 52 percent of the tribes that answered the question (14 of 27) reported spending 15 percent or less of their IHBG funds on grant administration. Of the remainder, 12 tribes reported spending between 16 and 19 percent and one tribe reported spending more than 20 percent. The national APR data we presented in Chapter 1 (Exhibit 1-2) indicates that these expenditures have grown as a share of the IHBG grant over time, but were still at 14 percent overall in 2004, far below the regulatory maximum.

Exhibit 4-1: Percent of IHBG Allocation Used for Planning and Administrative Expenses

	Number of Tribes	Percent of Tribes
Less than 10%	3	11%
10 to 15%	11	41%
16 to 19%	12	44%
20% or more	1	4%
Total	27	100%

Source: Administrative interviews. One tribe was not able to provide information on the amount spent on grant administration.

Half of the tribes (14 of 28) reported that they use funds from non-IHBG sources to cover some of their administrative expenses. The most common sources of funding are: tribal funds; program income²³ and non-program income; funding from banks; funding from the Bureau of Indian Affairs; and tax credit development fees.

Maximizing the Use of IHBG Assets

Vacancy Rates in Tribally-Managed IHBG Housing. Keeping IHBG (CAS and post-CAS) rental units at or near full occupancy is important to maximizing the value of that asset. The fewer vacant units, the more people can be helped. As part of the

²³ Program income is “income that is realized from the disbursement of grant amounts” (24CFR Part 1000.62). Program income includes income from fees for services performed from the use of property acquired with grant funds, income from the sale of commodities or items developed or acquired with grant funds, and income from payments of principal and interest earned on grant funds prior to disbursement. It does not include funds generated from the operation of 1937 Act units unless the units are assisted with grant amounts and the income is attributable to such assistance.

administrative interview, housing administrators were asked to estimate the vacancy rate in IHBG funded housing managed by the tribe or TDHE. As shown in Exhibit 4-2, about 70 percent of the study sites reported average vacancy rates of less than 5 percent. The average vacancy rate across all sites was 4 percent, and the median vacancy rate was 1.4 percent (meaning that half the sites reported vacancy rates of 1.4 percent or lower). Housing administrators at a few sites also noted that they had particular rental developments with higher than average rates of vacancy. According to staff, these developments were less desirable than others because they were in locations with a reputation for crime or were far from employment centers.

Exhibit 4-2: Average Vacancy Rates in Tribally-Managed IHBG Housing

	Number of Tribes	Percent of Tribes
Less than 1%	9	35%
1 to 4%	9	35%
5 to 9%	3	12%
10 to 14%	3	12%
15 to 19%	2	8%
Total	26	100%

Source: Administrative interviews. One tribe did not have information on vacancy rates in IHBG housing. One tribe had no information because it managed only one IHBG unit and that unit had not turned over.

Speed of Turning Over Vacated Unit. Housing administrators were also asked how long it typically takes to fill a vacant unit in tribally managed IHBG housing when a vacancy occurs. About three-quarters of the study sites (74 percent) reported that vacancies were typically filled within a month, and about one-quarter reported that it typically took closer to 2 months (15 percent) or 3 months (12 percent). None of the sites reported taking longer than 3 months to fill a typical vacancy (Exhibit 4-3).

Exhibit 4-3: Average Length of Time to Fill a Vacancy in Tribally-Managed IHBG Housing

	Number of Tribes	Percent of Tribes
Less than 1 week	1	4%
1 to 2 weeks	10	38%
3 to 4 weeks	8	31%
5 to 8 weeks	4	15%
9 to 12 weeks	3	12%
More than 12 weeks	0	0%
Total	26	100%

Source: Administrative interviews. One tribe did not have information on time required to fill vacancies and one tribe had no information because it managed only one IHBG unit and that unit had not turned over.

Housing administrators said that the main factor affecting their ability to fill a vacancy was the level of repairs or renovation required to bring the unit back up to standard.

Several sites reported challenges to completing these repairs in a timely manner, including:

- The highly dispersed nature of their housing stock and large distances maintenance staff must travel.
- Growth in drug activity (especially methamphetamine labs) resulting in expensive repairs and the need for drug-sniffing dogs to locate drugs left in the units.
- The requirement to conduct environmental reviews on all repair work not categorized as routine maintenance (in places where the tribe had adopted a narrow definition of routine maintenance).

Housing administrators said that another barrier to filling vacancies quickly is the amount of time it takes families to provide the required paperwork and money for a security deposit once they have been notified that a unit is available.

Several housing administrators reported that they were actively trying to reduce vacancy rates in their IHBG housing. They reported using the following strategies:

- Notify applicants early (as they near the top of the waiting list) to begin saving money for utilities and/or security deposits.
- Ask applicants to begin assembling the required paperwork as soon as a unit is vacated and while renovations/repairs are taking place.
- Conduct rigorous tenant screening up front and treat tenants well so they will stay in the unit.
- Inspect units more frequently (for example, quarterly) so that the housing agency can stay on top of maintenance and repair needs.
- Make reducing vacancies a priority at the housing agency, and provide incentives for maintenance staff work to complete repairs and renovations more quickly.

Rent Collection and Lease Enforcement. Housing administrators at several study sites noted that they faced major challenges with rent collection and lease enforcement in their rental units. Rent collection is important as a source of income for maintaining the housing assets, for ensuring that tenants feel a sense of responsibility for their unit, and for building resident readiness for the private market. Housing administrators complained about high rates of Tenant Accounts Receivable (TARs) in the rental properties that they owned or managed, but noted that taking action against renters for non-payment was a highly contentious issue. This is an area where the support of the tribe and tribal leadership is needed: housing staff cannot do much to enforce lease provisions if the court system is not willing to evict people who violate their leases. Data collected through the administrative interviews suggests that half the housing agencies in the study had not evicted anyone in the past year for non-payment of rent (Exhibit 4-4). A similar number had not evicted anyone in the past year for other lease violations.

Exhibit 4-4: Number of Evictions in Past Year for Non-Payment of Rent and For Other Lease Violations

Number of Evictions	Evictions for Non-Payment of Rent		Evictions for Other Lease Violations	
	Number of Tribes	Percent of Tribes	Number of Tribes	Percent of Tribes
0 evictions	14	50%	13	46%
1-5 evictions	6	21%	11	39%
6-10 evictions	3	11%	3	11%
More than 10 evictions	5	18%	1	4%
Total	28	100%	28	100%

Source: Administrative interviews.

Housing administrators suggested that more resources for tenant education and training, in addition to workforce development activities, could help reduce TARS and make IHBG program dollars go further. They explained that many households could use help to increase their income, manage their money better, and address credit issues: housing administrators cited the poor credit of community members as a major challenge for IHBG-funded homeownership programs, as many community members who are interested in homeownership do not have the credit to qualify for a mortgage.

Serving Households with Income Over 80 Percent of Area Median Income (AMI).

Although most families receiving IHBG assistance have incomes below 80 percent of the AMI—and usually much lower—tribes have some flexibility to serve higher-income families if the assistance is needed to meet those households’ housing needs. IHBG regulations permit recipients to use up to 10 percent of their annual IHBG grant to serve families with income between 80 and 100 percent of AMI without HUD approval, and potentially more with HUD approval. More than half the tribes in this study (15 of 28) reported not serving any families with income above 80 percent of AMI. Instead they focused all of their IHBG housing funds on low-income families. Of the 13 tribes serving families with over 80 percent AMI, most said only a small share of their clients (10 percent or fewer) were above 80 percent of AMI. Most clients with incomes over 80 percent of AMI were in homeownership programs.

4.2 Suggestions for Improving the Effectiveness of the IHBG Program

During the site visits, housing administrators were asked what changes HUD/ONAP, tribes, or other entities could make to improve the effectiveness of the program. In general, the administrators interviewed for the study were largely satisfied with the structure of the IHBG program and ONAP’s management of it. As one person put it, “I can’t think of anything that HUD/ONAP hasn’t done or tried to do for us. They always

keep us informed of training and other things we should be involved in. They are not so strict that we can't get things done." The issue most often raised by housing staff was the need for more funding for IHBG, described in more detail in Chapter 5. In addition to securing increased resources, housing staff offered a wide range of suggestions for improving the program, ranging from the very broad to the very specific. With respect to what HUD/ONAP could do to improve the effectiveness of the program, two common themes ran through their comments: (1) HUD/ONAP should revisit the Indian Housing Plan (IHP) and other reporting requirements and give tribes greater autonomy to amend their plans without the need for HUD approval; (2) HUD/ONAP should provide still more training on program rules and regulations to ensure greater consistency in how they are interpreted. Each of these themes is described below, followed by a discussion of what housing staff suggested that tribes and other entities could do.

What can HUD/ONAP do to improve the effectiveness of the IHBG program?

Revisit the IHP and Other Reporting Requirements. To receive IHBG funding, tribes (or their TDHEs) must submit an Indian Housing Plan (IHP) to HUD each year. The IHP requires tribes to document their goals and objectives for serving the needs of AI/AN households in their areas, and to develop a plan for how IHBG funding will be used over a one-year and a 5-year timeframe. The IHP also requires tribes to estimate (1) the housing needs and need for assistance of low-income Indian families in the jurisdiction and tribal members outside the jurisdiction; and (2) the housing needs of all Indian families in the jurisdiction. The IHP is about 40 pages long, and must be completed each year and approved by HUD/ONAP. Amendments to the IHP must also be approved by HUD/ONAP.

The housing administrators interviewed for the study reported using the IHP:

- To coordinate IHBG with other housing assistance and development activities.
- To get input from the Tribal Council.
- To inform tribal members of the tribe's housing strategy.
- To document the tribe's housing problems.
- As an opportunity to get input from tribal members.

Administrators at all but one of the tribes in the study said that they found the IHP valuable, with administrators at 12 tribes describing it as very valuable, and administrators at 15 tribes describing it as somewhat valuable. However, administrators offered many suggestions as to how the IHP could be improved. In general, administrators found the one-year plan much more useful than the 5-year plan, and several suggested that the length of the document could be substantially shortened, focusing on the statement of one-year goals and the table of financial resources (Table 2) as the most important elements. Another common criticism of the IHP was that it is

difficult to plan the use of IHBG funds when the grant amount fluctuates from year to year.

Tribes also found the process for amending the IHP to be cumbersome (changes first have to be approved by the tribe and then by HUD/ONAP). Several suggested that tribes and TDHEs should have greater flexibility to make changes to the IHP without HUD approval, for example if a tribe determines that a unit should be replaced rather than rehabbed as planned. As one administrator put it, "Once the IHP is completed, it can't be revised easily and seems to be set in stone. HUD should recognize that the IHP provides an estimate of planned activities, but that costs or projects can change once you start the work." The amendment process can be particularly difficult for tribes that administer many different programs. One tribe reported making 9 amendments to its 2007 plan, 4 amendments to its 2006 plan, and 14 amendments to its 2005 plan. In addition to allowing tribes to make certain changes to the IHP without seeking an amendment, tribes suggested that HUD should shorten its 90-day timeframe for approving IHP amendments to 30 days if possible. In some housing markets, costs can change substantially between submission and approval of an IHP amendment, sometimes rendering the amendment invalid.

Another aspect of the IHP that tribes find problematic is providing the data required on housing needs. Several administrators said that the IHP asks for too much information on housing needs, and that it was difficult for tribes to provide accurate estimates of housing need, particularly for other AI/AN households (non-tribal members) living in the service area, and for tribal members living outside the service area. They complained that data available from the Census was not accurate for Indian households, but that it was beyond their capacity to collect better data for the jurisdiction and tribe as a whole. Staff at two tribes suggested that the IHP should focus on documenting needs that can be met with the IHBG grant rather than the full extent of housing needs.

In addition to the IHP, tribal and TDHE staff interviewed for the study raised concerns about the Annual Performance Report (APR). At the end of each year, recipients of IHBG funding must submit an APR to HUD to document their progress in meeting the goals and objectives articulated in their IHP. A separate APR must be completed each year for each open IHBG grant; as a result, many tribes submit multiple APRs in a given year.

Most housing staff interviewed complained about having to complete an APR each year for every open grant. They would prefer to complete one APR documenting all program accomplishments for that year from all open grants. Tribes would also like the ability to roll over program funds from one year to the next so that there are not multiple grants open at once. One potential solution would be to establish a 2-year lifetime for IHBG awards. If a tribe needs funds for a large project that does not fit into the 2-year time

frame, a reserve account for the project could be established. Information on that project could be provided in sections of the IHP and APR dedicated to reporting on that account's use.

Housing staff also complained that there was no place on the APR to report on the number of households served with rental assistance, which can be an important activity in areas where there is a large supply of private-market rental housing and a limited land-base for tribal housing.

Finally, a housing administrator at one large tribe complained that what tribes are being asked to report in the APR is not consistent with the five primary objectives of NAHASDA. In particular, this tribe was concerned that the current reporting did not allow them to show their accomplishments related to the NAHASDA goals of ensuring better access to private mortgage markets, promoting Indian self-sufficiency, and promoting the development, growth, and operation of private capital markets in Indian Country. For example, the tribe provides housing counseling and financial literacy education to a large number of tribal members, with the goal of lessening their dependence on housing assistance. Staff said that the reporting requirements of the APR suggest that HUD values housing production over such investments in human capital. However, from this tribe's perspective, developing homeownership units for tribal members is not a good use of IHBG funds if those tribal members do not have the financial management skills to be responsible homeowners.

Provide Training on Program Rules and Regulations to Ensure Consistency in Interpretation. Housing staff in 9 of the 28 study sites asked for more training from HUD headquarters on IHBG program rules and regulations. They suggested that tribal housing staff needed the training, as well as ONAP staff. They complained that new rules and guidelines were often interpreted differently by different HUD area office and headquarters staff, and that this led to a great deal of confusion. Housing staff suggested that any new program rules or guidance be accompanied both by several examples to illustrate how the rule would work in practice, and by greater training for staff of ONAP area offices on how to enforce the rule. They also suggested that ONAP should create one manual with all the rules, regulations, and guidance related to the IHBG program, with the goal of helping ONAP area offices and tribes interpret the rules consistently.

One area where there appears to be considerable confusion relates to the requirement to conduct environmental reviews for housing development and rehabilitation activities that are not classified as maintenance. Housing staff from several tribes commented that HUD/ONAP had not provided sufficient guidance as to what constitutes "maintenance" versus "rehabilitation." In some places, where the ONAP area office had adopted a very narrow definition of maintenance, the environmental review process was

a serious obstacle to maintaining occupancy in low-rent units, because the tribe did not think that it could proceed with the types of basic repairs needed to bring units back online without conducting environmental reviews.

Another area where we observed inconsistency among the ONAP area offices was in how to categorize different activities in the IHP and APR. For example, one regional office advised that managing post-CAS rentals should be reported under “model activities,” while another office said it should be reported under “housing management services.”

What can tribes do to improve the effectiveness of the IHBG program?

The housing administrators interviewed for the study suggested that the most important thing that tribes could do to improve the effectiveness of IHBG is to become more educated about NAHASDA, IHBG, and Indian housing in general. They suggested that tribal leaders often are not aware of everything that can be done under NAHASDA, and tend to fall back on what has been done in the past. With a deeper understanding of the law and regulations, tribal leaders could engage in a meaningful discussion of what would be the best use of funds and the best mix of activities, and could push the limits of what can be done. Housing staff recommended that HUD provide more training and educational opportunities for tribal councils and boards of commissioners on NAHASDA requirements and regulations and how tribal leadership can work effectively with tribal housing staff or staff of TDHEs.

Another common suggestion for how tribes could improve the effectiveness of the IHBG program was for tribes to play a more active role in advocating for more funding for IHBG and in seeking out funding sources beyond IHBG. In particular, housing staff suggested that tribal leadership could make it a priority to collect better information on housing needs that could be used to justify additional funding. They also suggested that tribes could form consortia to understand and document regional housing needs and apply for funding outside of IHBG.

Finally, housing staff suggested that operating the IHBG program was much easier with the support of the tribal leadership, and that in many areas this support is not there. In part this comes from the lack of knowledge about NAHASDA and IHBG discussed above; but housing staff from several tribes also complained about competition between IHBG-funded housing programs and other related programs operated using tribal funds. For example, one of the tribes in the study operates a program that provides rehab assistance to elderly people. The first step to receiving assistance is for the tribe to do an inspection to see what needs to be done, but tribal staff members reportedly are not very responsive to inspection requests. Elderly community members will often contact the TDHE if they are not having any luck with the tribe, and TDHE staff will come out and do an inspection as a courtesy. However, once the TDHE staff has done the

inspection, the tribal program will no longer provide the rehab assistance because it says that the TDHE can take care of it. The TDHE is upset at this practice because its resources for rehab assistance are very limited. TDHE staff claim that better coordination between the TDHE's program and the tribal program would help the resources to go further and would avoid confusion and delay for community members.

Another area where greater coordination between tribal programs and IHBG-funded programs would be useful is in workforce development and education programs. Staff at many of the tribal areas visited for this study suggested that their clients would benefit greatly from more financial literacy education, self-sufficiency training, and workforce development activities. Housing staff believe that these kinds of programs would make clients better candidates for homeownership by helping them to increase their income and improve their credit, and would also cut down on TARS in the rental program. Tribes often offer these types of programs, but they may not be well coordinated with the housing programs, so that community members receiving housing assistance may not have access to or be able to benefit from the tribe's offering. In some cases, TDHEs duplicate the tribes' efforts by funding these types of human capital programs using IHBG funding.

What can other entities do to improve the effectiveness of the IHBG program?

The housing administrators interviewed for the study suggested that greater coordination among the governmental entities that fund or otherwise work with Indian housing would help tribes to make more efficient use of their IHBG funding. In particular, staff described the time wasted by having to complete similar documentation for two or three different agencies, for example to apply for funding or conduct environmental reviews. As one staff person put it, "The Bureau of Indian Affairs will say 'that's a HUD form, we don't use it,' and we end up completing every form three times." Housing staff suggested that HUD/ONAP work with the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) to develop common processes in the following areas:

- Applications for funding, including timelines for when applications are due and when funding awards are made;
- Planning and reporting requirements;
- Income thresholds; and
- Environmental reviews.

They also recommended that other federal and state entities that fund housing in tribal areas, such as USDA Rural Development and state housing finance agencies, should provide more information to tribes on the types of assistance they provide. Although several tribes in this study are already using funding from Rural Development and state housing finance agencies to leverage their IHBG funds, many housing staff commented

that these programs could be much more widely used than they are. Finally, housing staff in several tribal areas suggested that HUD and IHS should remove the prohibition against using IHS Sanitation Facilities Construction funds to service HUD-funded homes.

Chapter 5

Is the IHBG Program Addressing the Primary Housing Needs in Indian Country?

This chapter discusses what we learned from the study about the main housing problems facing AI/AN households, how tribes and TDHEs attempt to address those problems with their IHBG funding, and whether the existing IHBG resources are sufficient to eliminate or substantially reduce the problems.

5.1 What are the primary housing needs of tribes?

Housing administrators at each of the 28 tribes in the study were asked during the administrative interview to list the greatest housing problems facing their communities. As shown in Exhibit 5-1, the most common problems housing administrators identified were the poor condition of housing, an overall shortage of housing, a lack of affordable housing, overcrowded housing conditions, and a lack of homeownership opportunities. We asked a similar question of community members in the community meetings held at each of the study sites and received similar responses. Across the 20 tribes where community meetings were held,²⁴ the most common problems were: poor housing quality, lack of affordable housing, and overcrowded housing conditions (Exhibit 5-2). These problems are described below.

Exhibit 5-1: Housing Problems Identified by Housing Administrators

Housing Problems	Number of Tribes	Percent of Tribes
Housing is in poor condition/needs repairs	24	86%
Not enough housing is available	20	71%
Housing is overcrowded	19	68%
Housing is unaffordable	17	61%
Lack of homeownership opportunities	11	39%
Housing is located in unsafe areas	9	32%
Homelessness	9	32%
High levels of crime	9	32%
Units are too small	4	14%
Lack of demand for housing/vacancies	1	4%
High rates of mortgage delinquency/default	1	4%

Source: Administrative interviews.

²⁴ As discussed in Chapter 2, the research team scheduled community meetings at each of the 28 study sites to discuss local housing issues and the effects of tribal housing programs. Community members attended meetings at 20 sites. At eight sites, the meetings were cancelled because no community members showed up (excluding housing staff, whose views were captured in the administrative interviews).

Exhibit 5-2: Housing Problems Raised in Community Meetings

	Number of Tribes	Percent of Tribes
Poor quality of housing available to tribal members	14	70%
Lack of housing affordable for tribal members	12	60%
Housing overcrowding	10	50%
Overall shortage of housing	9	45%
Housing is located in unsafe areas	5	25%
Long waiting lists for IHBG housing	3	15%
Lack of skilled labor for housing maintenance	2	10%
Lack of public transportation	1	5%

Source: Community meetings.

Housing Quality

Housing administrators and community members alike described numerous housing quality issues affecting the supply of “decent and affordable” housing in their communities. Housing quality problems were generally described as extensive, and ranged from minor problems to major issues affecting health and safety. According to the housing administrators interviewed, the most common housing quality problems (affecting at least half of the study sites) were: plumbing problems; electrical problems; mold; unsafe structures; and flooding, water damage, and leaks (Exhibit 5-3). Community members described these problems as well, but also emphasized poor energy efficiency, pest problems (including insects and rats), and missing roofing materials.

Exhibit 5-3: Housing Quality Problems

Housing Problems	Number of Tribes	Percent of Tribes
Inadequate plumbing	19	68%
Electrical problems	18	64%
Mold	15	54%
Unsafe structures	14	50%
Flooding/water damage/Leaks	14	50%
Bug or mice/rodent Infestation	12	43%
Holes in floors/ceilings	9	32%
Inadequate cooking facilities	9	32%
Lead paint	2	7%

Source: Administrative interviews.

Housing administrators suggested that housing quality problems were most common in older housing. They described housing in their communities as showing signs of deterioration due to both structural flaws and lack of maintenance. Several community members described very serious housing quality problems with their units, including having to stuff windows and doors with newspaper in the winter in an attempt to keep

out the wind, a house that had sunk four feet below the road, and lights that took 15 minutes to an hour to turn on. In two of the study sites the housing quality problems were extreme. One community member described the lack of potable water in her community: “It’s discolored to the point that it’s turning dinnerware brown, staining clothes, and smells.” In another community, people talked about the challenges facing tribal members living in traditional homes with no plumbing, no running water, no electricity, and, in some cases, dirt floors. Housing administrators said that renovating these homes is prohibitively expensive, so to address the housing quality problems requires a complete rebuild.

Housing administrators and community members described quality problems affecting different kinds of housing. In some areas, the main problems were with private-market housing: housing operated by “slumlords,” aging trailers, and poorly maintained owner-occupied units. In other communities, however, the problems were also present in IHBG housing, particularly aging CAS rental and Mutual Help units. For example, community members expressed confusion about who is responsible for maintaining paid-off Mutual Help units, and suggested that many owners fail to maintain their units. Housing administrators in several areas confirmed that this is a major problem. In some places, the problem is not simply that owners of Mutual Help units expect the tribe to maintain the units; it is also very difficult to hire and find contractors to do the work. As one person described it, skilled workers tend to move off the reservation and it can be difficult to get non-Indian contractors to do work in tribal areas.

Another problem with Mutual Help units in some communities was that the units were not well constructed to begin with (at least one tribe visited lacked any sort of building code). Several community members whose Mutual Help units had been renovated by the housing authority complained that work had been done poorly. In their view, the housing authority’s maintenance staff was not sufficiently skilled, and there was not enough oversight of their work.

Lack of Affordable Housing and Housing Overcrowding

In addition to poor housing quality, housing administrators and community members raised numerous issues related to a lack of housing or lack of housing affordable to tribal members. In 20 of the 28 study sites, housing administrators said that there was an overall shortage of housing, and in 17 sites the lack of affordable housing was a particular problem. For example, at one site, housing administrators reported that there had not been a new housing unit built on the reservation for 15 years, and the shortage of housing had resulted in severe overcrowding. In this community, there was housing available off the reservation, but it was not affordable for tribal members without families doubling up.

In many tribal communities, the lack of affordable housing or housing in general results in housing overcrowding. As shown in Exhibit 5-4, housing administrators at 23 of the 28 study sites described housing overcrowding as a concern or a very big concern. At four sites it was not much of a concern, and at one site it was not a concern at all.

Exhibit 5-4: Extent to Housing Administrators Report Overcrowding as a Concern

	Number of Tribes	Percent of Tribes
A very big concern	8	29%
A concern	15	54%
Not much of a concern	4	14%
Not a concern at all	1	4%
Total	28	100%

Source: Administrative interviews.

Although housing overcrowding was a concern for housing administrators at more than 80 percent of the study sites, it was generally not their biggest concern. When asked where housing overcrowding ranked among all the housing problems facing the tribe, housing administrators in only 3 of the 28 study sites described it as their biggest problem (Exhibit 5-5). The biggest problems were generally the poor quality of housing and the shortage of housing available for tribal members. However, administrators in 15 of the 28 sites said overcrowding was in the top half of their problems, including those who said it was the biggest problem. Eight sites rated overcrowding either in the bottom half of their problems or not a problem at all. Five sites said it was in the middle.

Exhibit 5-5: How Overcrowding Compares to Other Housing Problems

	Number of Tribes	Percent of Tribes
The biggest problem	3	11%
In the top half of problems	12	43%
In the middle	5	18%
In the bottom half of problems	7	25%
Not a concern at all	1	4%
Total	28	100%

Source: Administrative interviews.

Community members in 10 of the 20 communities where meetings were held described overcrowding as a major problem. They said that overcrowding was especially prevalent among large families. In some communities, people said that larger units were hard to come by; others said that improvements could be made to existing units to accommodate more people, but that families lacked the resources to make these improvements. People explained that overcrowding happened when children came of age and started their own families but did not have the income to move out of their parents' home; it also happened when people moved back to the reservation having

been away for some time. Several community members also commented that there was not enough temporary or emergency housing, so people facing homelessness generally moved in with family members and stayed. Although historically, multigenerational living was the norm, community members and housing administrators made the point that today most people want their own housing and would live independently if they could afford to do so.

5.2 How are these needs incorporated into IHBG planning?

Housing administrators generally described the housing problems facing their communities as overwhelming and ubiquitous. Most described getting information on local housing needs directly from tribal members, mainly through contacts between staff and individual families. Housing administrators also reported that tribal leadership and tribal councils play an important role in determining local housing needs and priorities for IHBG funding. Other common sources of information on local housing problems were the large numbers of families on program waiting lists, and results from housing inspections (for information on housing quality issues). Exhibit 5-6 summarizes what housing administrators at the 28 sites identified as their primary methods of assessing local housing needs.

Exhibit 5-6: Primary Methods of Assessing Local Housing Needs

Housing Problems	Number of Tribes	Percent of Tribes
Informal feedback from tribal members	25	89%
Information from Tribal Council	23	82%
Program waiting lists/applications	22	79%
Housing inspections	21	75%
Feedback from staff	21	75%

Source: Administrative interviews.

Despite the abundance of anecdotal evidence on housing problems, particularly with respect to housing affordability and housing quality, few housing administrators were able to produce reliable data on housing problems beyond that provided by the Census. Housing administrators at 13 of the 28 study sites said they collected statistical information on housing problems, but for the most part this data came from program waiting lists (the number of households applying for housing assistance as an indicator of the need for assistance) and inspection reports. The sources may not be as useful as data resulting from a comprehensive survey of tribal members or other means of collecting information on the entire population served. For example, waiting list information may underestimate the problems if not everyone who needs assistance applies for it, which may be the case if people are not aware of the assistance being offered or are discouraged from applying because of the length of the list. Alternatively, waiting list information could also overestimate the problem if people who have received

assistance are not removed from the waiting list in a timely manner. Inspection reports document the housing quality problems only for those living in tribal units or applying for targeted rehabilitation funds, and likely underestimate the need for housing repairs in the community at large.

Although information from program waiting lists and other feedback from the community affects how tribes and TDHEs allocate their IHBG allocation, housing administrators at many sites described a top-down approach in which the tribal leadership and tribal council plays a major role in determining the use of IHBG funds. They said that the tribal leadership tends to follow what has been done in the past and that maintaining the CAS generally has priority over other activities.

Within different IHBG activity types, tribes and TDHEs frequently use waiting list selection criteria to direct resources toward the housing needs of particular subpopulations. Selection criteria identify which applicants for assistance have priority, beyond date and time of application.²⁵ All but two of the study sites reported using selection criteria in one or more of their IHBG-funded programs. As shown in Exhibit 5-7, the study sites most commonly gave priority to tribal members, followed by elders, and households with a disabled member. About half of the study sites also gave priority to households living in substandard conditions in one or more of their IHBG programs.

Exhibit 5-7: Selection Criteria for IHBG Programs

	Number of Tribes*	Percent of Tribes
Members of the grantee tribe	24	86%
Elders or seniors	22	79%
Households with a disabled member	18	64%
Households living in substandard conditions	14	50%
Households living in overcrowded conditions	12	43%
Homeless households	12	43%
Household with income below 30 percent of AMI	11	39%
Households living in unsafe areas	7	25%
Households with excessive housing cost burden	5	18%

Source: Administrative interviews.

*Refers to the number of tribes who use the selection criteria in one or more of their IHBG-funded programs.

In addition to the criteria shown in Exhibit 5-7, housing administrators at a small number of sites reported prioritizing assistance to one or more of the following groups:

²⁵ Selection criteria are different from eligibility criteria. All households receiving assistance through IHBG must meet the program's eligibility criteria, whereas selection criteria refer to which groups have priority for receiving assistance, assuming that all are eligible.

- Veterans;
- Families (vs. individuals), large families, and/or working families;
- Victims of fires or flooding;
- Students (for student housing assistance programs); and
- Referrals from hospitals.

5.3 How well is IHBG meeting local housing needs?

Community members as well as housing administrators were asked how well they thought the IHBG program was addressing local housing problems.

Community Members. The individuals who participated in the community meetings generally began by expressing their heartfelt gratitude for the housing assistance being provided with IHBG funding. In general, they seemed to be aware of the main types of housing assistance being offered in their area and understood the process for applying for that assistance. Almost everybody said that applying for housing assistance was straightforward, but many complained about the length of the waiting lists, and some said that the process by which families are selected from the waiting list (that is, date and time of application versus local selection preferences) should be more transparent. For example, some meeting participants cited incidents of tribal members receiving preference for housing assistance as a result of their relationship with housing staff or members of the tribal leadership. They also suggested that there should be more outreach to community members about the status of the waiting list, so that people have a better sense of where they are on the list and why it is taking so long to get housing assistance.

When asked how the program could be improved, community members almost unanimously asked for more funding to be made available for housing assistance. In particular, community members suggested that additional funding was needed to:

- Provide more emergency housing assistance;
- Reduce wait times for rental housing assistance;
- Increase homeownership opportunities, particularly for people with lower incomes; and
- Provide more resources for housing repair and rehabilitation.

In addition to more funding for IHBG programs, community members in several tribal areas suggested that they would like greater access to HUD's Section 184 Indian Housing Loan Guarantee program. They also suggested that the tribes should offer more opportunities for people to build and purchase homes using sweat equity. Finally, a couple of community members said that tribes should change the law (or enforce it

more strictly) so that landlords and banks have more recourse against people who do not pay their rent or mortgage. They said that currently there is no way for banks to repossess a house, which makes lenders reluctant to make mortgage loans to tribal members even if they have good credit.

Community members in several tribal areas also suggested that the tribe should focus more on repair and rehabilitation of its CAS units. Several people complained about the amount of time that it took the housing authority to repair vacant CAS rental units so that they could be re-occupied, and one suggested that more tribal members should be trained to do the repair work. Others commented that any repair and rehabilitation work done by the tribe on Mutual Help units should come with a warranty to protect the future owners against faulty installations and poor workmanship.

Housing Administrators. When asked about the ability of the IHBG program to address local housing programs, tribal administrators across the 28 study sites were consistent in their response. Almost universally, they praised the program, saying that the structure of the program is good and offers sufficient flexibility for addressing a variety of housing needs. Indeed, as shown in Chapter 3, the tribes in the study have built or acquired approximately 4,800 homeownership units and 1,800 rental units using IHBG funds since 1998, and served tens of thousands of households. However, they also said that the current level of IHBG funding is not sufficient to eliminate or substantially reduce the housing problems facing their communities. As discussed in Chapter 1, the median IHBG grant award in FY 2008 was just under \$250,000, with about two-thirds of tribes receiving grants of less than \$500,000. The housing administrators interviewed said that this was enough funding to “put a band-aid” on the problems they face, but not eliminate them.

In addition to the amount of their IHBG awards being too low, many at the study sites also complained that too much of their IHBG funding was going toward maintaining and rehabilitating their existing housing stock, rather than being used to develop new housing, or to provide mortgage or rental assistance. Several tribes indicated that they currently were spending all or nearly all of their IHBG funding on maintaining and rehabilitating existing units, leaving little for acquiring or developing new units. The main problem, according to the housing administrators interviewed, is that the CAS is aging and deteriorating, so the amount of funding devoted to maintaining CAS units goes up each year. In addition, tribes are starting to have to spend a substantial amount of their IHBG funds on maintaining and rehabbing units built under NAHASDA. There is no built-in or set-aside subsidy to operate units built with IHBG funds, and as tribes acquire and build more of these units, there are more units to maintain. The operation and maintenance of post-NAHASDA units comes out of general funding, and thus competes with other needs and priorities.

Housing administrators also expressed concern about the high cost of maintaining and rehabbing housing. In many places, the size of the tribal area and remoteness of the housing is a prime factor contributing to high costs, especially when fuel costs are high. Staff at several tribes also commented on the lack of skilled labor to perform the needed work, which results in delays in getting work done as well as higher costs. With respect to the costs of developing new housing, housing staff in many tribal areas suggested that the high cost of providing the infrastructure for the housing is a major challenge. In many areas, the majority of the land available for development is in remote areas that lack streets, water and waste water systems, and utilities.

Housing staff also noted that the structure of the IHBG formula gives tribes a strong incentive to preserve their CAS, even as it ages and loses commercial viability. The costs of maintaining or rehabbing CAS units may be enormous, but housing staff say that they continue to do so because replacing the units would result in a decrease in funding. Furthermore, housing staff at several tribes noted that the costs of operating and modernizing their CAS units are not covered by the CAS-based portion of the formula grant, so they have to use some of their needs-based funds to cover costs. This means that it is difficult for tribes to develop new housing solely using IHBG funds, particularly for those tribes that receive only a modest amount of IHBG funding. Additional funding to finance affordable housing development is desperately needed, and, as described in Chapter 4, most tribes supplement their IHBG funding with other sources.

Chapter 6

Conclusion

This conclusion summarizes our answers to the three major research questions, and then provides suggestions from tribal housing administrators and our analysis on ways to improve the program.

6.1 Does the IHBG program increase the availability of decent, safe, and affordable housing?

Since its inception in 1998, the IHBG program has substantially increased the supply of safe, decent, and affordable housing for low-income AI/AN households across the country. Our analysis suggests that more than 12,000 homeownership units and 5,000 rental units were developed using IHBG funds between 1998 and 2006. In addition to providing assistance to most of the households in those 17,000 units, in the most recently completed program year (usually 2007), tribes used IHBG funds to:

- Provide homeownership assistance to 27,700 Mutual Help households.
- Help 1,224 households purchase a home with down payment assistance.
- Rehab or make emergency repairs to almost 3,700 privately owned homes.
- Subsidize the rents of 40,000 households.
- Provide emergency rent, mortgage, or utility assistance to about 5,000 households to help people stay or become housed.

Feedback from IHBG-assisted households at community meetings and from 304 community members who filled out questionnaires on their housing indicate that 80 to 90 percent of households are satisfied with their housing and 60 to 80 percent rate the condition of their housing as excellent or good. In addition, IHBG-assisted households were much less likely than waiting list households to report having significant problems on the inside of their house (for example, heating that does not work or electrical problems). However, for problems on the outside of the house, such as cracks in the foundation and the related problem of sloping, leaning, or buckling exterior walls, assisted households were more likely to report having significant problems, and in some cases were as likely or more likely to report having these problems than waiting list households.

Based on standard measures of overcrowding (persons per bedroom and persons per room) included in the questionnaire, 4 to 10 percent of IHBG-assisted households were living in overcrowded conditions, compared to 20 to 29 percent of waiting list households. Furthermore, 60 percent of IHBG-assisted households reported that their IHBG housing was less crowded than their previous housing. Most of the rest of the

IHBG-assisted households reported that their IHBG housing was neither more nor less crowded than their previous housing.

Based on the feedback from IHBG-assisted households, our interviews with tribal administrators, and our driving tours of IHBG and non-IHBG housing, we found that IHBG is providing decent and safe housing to assisted households. We also found that while the IHBG housing is better quality than most other housing available to very low-income households, some IHBG housing suffers from deferred maintenance and tenant abuse even though tribes report spending a higher share of their funds maintaining the units. Some of the housing quality issues are due to the aging of the CAS units, and some appear to be due to poor initial building quality and the harsh weather environment where many tribes are located. Of particular concern—because of the expense of repair—is the share of households that reported what could be structural issues with their foundations. It does not appear to be affecting their current quality of life, as most respondents reported satisfaction with their units; however, if these issues are more than aesthetic, it does not bode well for maintaining them as quality affordable units in the future.

All of the rental programs and the lease-to-own homeownership programs that we reviewed have tenant payment guidelines that establish 30 percent or less of a tenant's adjusted income for rent/mortgage and utilities payments. And in many programs – including the Mutual Help program—tenants pay less than 30 percent of their income in rent. This suggests that all of the IHBG-assisted units should be affordable. We asked tenants to estimate what share of their income goes toward rent and utilities. This is a difficult calculation to make without having past expenditures and income statements at hand. About one-fifth (21 percent) of IHBG-assisted renters estimated they paid more than half their income toward housing expenditures. As expected, an even higher share of waiting list households (35 percent) reported paying more than half their income for housing.

That a substantial share of IHBG-assisted households reported severe rent burdens (that is, paying more than half their income for housing costs) could be due to a number of factors. First, utility costs may have risen faster than adjustments to the utility schedule used in the IHBG rental programs. Second, household incomes may have dropped recently and the rent payment may not yet have been adjusted. Finally, households may have had difficulty with the question and overestimated their housing costs or underestimated their income. Nevertheless, about 80 percent of IHBG-assisted households reported spending less than half their income on rent, compared to 65 percent for waiting list households, which suggests that IHBG assistance has made housing more affordable to assisted households.

6.2 Does the IHBG program efficiently provide decent, safe, and affordable housing?

To answer this question we explored two components of efficiently providing housing: the efficient use of program funding, and maximizing the use of IHBG assets.

Tribal housing administrators reported making IHBG funds go further by leveraging such other resources as ICDBG funds, Federal Home Loan Bank Funds, BIA funds, tribal funds, and the Low Income Housing Tax Credit (LIHTC) program. Some tribes used creative partnerships with local military bases or universities to obtain volunteer labor or expertise. Others reported being creatively opportunistic by acquiring housing from military bases that closed or from surplus disaster assistance housing. Many administrators said that they were increasingly focused on leveraging as they try to reduce their tribe's housing needs more effectively by combining IHBG with other resources.

Tribal housing administrators indicated that there could be more leveraging in conjunction with IHBG than currently is the case. Several administrators told us that they would like to do more leveraging in program and project development, but needed technical assistance in the area of capacity building for this to happen.

We also looked at the spend-down rate of IHBG funding and the share of funding allocated to administrative expenses. The rate of spending has improved since the early years of the program, but we could see no clear trend. In 2004, about two-thirds of IHBG funding was expended within 3 years from allocation according to National APR data. Administrative and planning expenses are between 10 and 14 percent of total IHBG expenditures in each year, which is far below the 20 percent program maximum. However, these expenses have risen from 10 to 11 percent in 1999 to 2001, to 12 to 14 percent from 2002 to 2004 (the last year when tribes had at least 3 years to spend down their allocation).

Maximizing the use of program assets includes keeping vacancies to a minimum, turning vacant units over quickly, and collecting required rents needed to operate the programs. Tribes have very low vacancy rates (half of the 28 tribes report vacancy rates less than 1.4 percent), and three-fourths of the tribes reported turning over a vacant unit within a month. These are very good indicators of efficiency. It is less clear whether tenant accounts receivables (TARS) are kept low. We did not obtain specific information on the scope of the TARS problem, but several housing administrators reported that the problem did exist, and also reported difficulties evicting people who did not pay their rent. Overall, it appears that tribes are fully using housing assets by providing homes for low-income families in all available units, but could improve their systems for collecting tenant payments.

6.3 Is the IHBG program addressing the primary housing needs in Indian Country?

The tribal administrators we spoke with at 24 of the 28 tribes identified poor quality housing as a major problem. The next most common housing problems were the lack of housing, housing overcrowding, and unaffordable housing. At community meetings, attendees also ranked the poor quality of housing as the greatest housing problem in the community.

The large number of rental and homeownership units developed between 1998 and 2006, and the large percentage of IHBG resources used in developing these units (40 percent of expenditures since 1998), indicate that tribes are focused on what housing administrators think is the second-largest problem—the lack of affordable housing. Some housing administrators also maintained that focusing on building new, quality units was their way of addressing the poor condition of existing housing. They contended that it would be more expensive to rehab many of the existing units to decent condition than to develop a new unit. One tribal administrator complained that all his tribe's funding could be used on homeownership rehab, but that the result of this strategy would be upgrading existing housing from poor to fair housing and not creating truly decent housing for anyone. However, homeowner rehab remained an important part of this administrator's IHBG program because of a high level of demand from tribal members. Nationally, we estimate that IHBG funding was used to rehab or provide emergency repairs to close to 3,700 units. National APR data suggests that approximately 29,000 units were rehabbed between 1998 and 2006, or an average of approximately 3,200 per year during that period.

When we asked tribal administrators about the IHBG program's ability to address local housing programs, administrators across the 28 sites consistently reported that the structure of the program is good and offers sufficient flexibility for addressing a variety of housing needs. That is, the program allows them to fund the activities they think best meet local needs. Based on this feedback, on the amount of funding directed to developing new units to address the lack of affordable housing, and the amount of rehab work tribes are doing, we conclude that the IHBG program is addressing the primary housing needs in Indian Country.

It is clear that for most tribes, the magnitude of housing problems dwarfs the resources available from IHBG. Also, tribes reported they are spending an increasing share of their funding on maintaining and operating aging CAS units at the expense of funding new housing development, or financing such household-based financial aid initiatives as down payment assistance, mortgage assistance, and rental assistance. However, it is important to note that most tribes do not have systematic information on the extent and

nature of their local housing problems, which makes it difficult to determine which uses of program funds would have the greatest impact.

6.4 Recommendations on How to Improve the IHBG Program

In Chapter 4, we reported tribal administrators' suggestions for improving the effectiveness of the program. Here we summarize those recommendations before making a few additional recommendations based on what we learned during the study.

- **Revisit the Indian Housing Plan.** Although most tribal administrators reported finding the IHP useful, they had suggestions for making it less burdensome. For example, they suggested giving tribes greater flexibility to amend the IHP, and making the amendment approval process quicker. They suggested the document could be shortened and made more useful by eliminating the 5-year plan and focusing on the one-year goals and the table of financial resources.
- **Revise the APR reporting requirements.** The main change tribes would like to see is a reduction in the number of APRs they have to fill out each year. Tribes have to fill out an APR for every open grant year, and they had several recommendations how to reduce that burden, including rolling over program funds from one year to the next.
- **Provide training on program rules and regulations to ensure consistency in interpretation.** Tribal administrators wanted more training from HUD headquarters on IHBG program rules and regulations. They also requested that practical examples accompany any new program rules or guidance, to illustrate how the rule would work in practice. In addition to training at the tribal level they suggested that joint trainings be provided, and asked staff of ONAP area offices to ensure uniform interpretation of rules and regulations. The two examples that were cited as interpreted differently across ONAP offices were: (1) the interpretation of when maintenance crosses over to rehab and thus necessitates an environmental review; and (2) whether operational expenses for rental units developed after the advent of NAHASDA should be reported under "Housing Management Services" or "Model Activities."
- **Improve coordination among government agencies that do work related to Indian housing.** The primary suggestion was for ONAP, BIA, and IHS to develop common application forms, planning and reporting requirements, income thresholds, and environmental review procedures and formats.

We have several recommendations, based on our interviews with housing administrators across the country, tribal members' comments at the community meetings, responses on the community questionnaires, and our review and use of APR data. Our first two recommendations touch on the two topics raised by housing administrators: the IHP and the APR reporting requirements.

- Require more systematic and specific information on housing problems in the IHP.** If tribes do not conduct systematic data collection on housing problems, housing administrators probably will not have the information they need to effectively assess community problems or prioritize the use of IHBG funds. There is no place in the IHP to prioritize problems and state the specific problem(s) that will be dealt with. IHPs often describe the problem to be addressed in vague terms such as “lack of” or “need for” something. For example, IHPs indicate “a need for rental housing” or “a lack of rental housing.” The actual problems might be a large number of families with high housing cost burden, or large number of overcrowded families. Those problem statements provide a more genuine description of difficulties affecting the community. Statements that assert a “need for” or a “lack of” a particular asset (rental housing, for example) merely describe the project, rather than the problem. Restructuring the IHP so that it requires more specific documentation of current community conditions, and assisting tribes to build the capacity to collect this information, would make resource allocation more informed and effective. It would also help HUD/ONAP demonstrate the range and extent of housing problems facing AI/AN households. It should be noted that the tribal housing staff interviewed for this study expressed concern about their capacity to collect more accurate data on housing needs, particularly for other AI/AN households (non-tribal members) living in the service area and for tribal members living outside the service area.
- Ensure the APR accurately counts all housing production, services, and outcomes.** The accuracy of the information reported in the APR could be improved by providing more detailed instructions on where and how to report on different types of activities. In carefully reviewing past years’ APR data with the tribes and TDHEs in the study, it was apparent that tribes and TDHEs are not consistent in where and how they report different activities. Three activity types that were particularly problematic in terms of being reported in different places were down payment assistance, mortgage assistance, and rehabilitation of Mutual Help units. Housing staff pointed out that there is no place on the APR to report on the number of households served with rental assistance, which can be an important activity in areas where there is a large, less costly inventory of private-market rental housing and a limited land base for tribal housing. More detailed instructions and training on how to report activities can help reduce double- or triple-counting of projects that go across multiple program years. For example, if a tribe acquires and rehabilitates 15 units for homeownership, it may report 15 units in year 1 (when the units were acquired), 15 units in year 2 (when the units were rehabilitated), and 10 units in year 3 (when some of the units were purchased with IHBG down payment assistance). It needs to be clear where each of the activities should be counted so that they are not counted as acquisition of homeownership units in three places.

Another problem with the current APR is its focus on outputs, particularly housing production, rather than outcomes. Ensuring that IHPs document community problems that will be addressed through IHBG project implementation is a necessary first step in moving from outputs to outcomes. If

an IHP provides a problem statement like “currently 320 of the families on the reservation are living in overcrowded conditions,” and indicates that an objective is “to reduce the numbers of families living in overcrowded conditions by 80,” we are presented with an outcome statement for the APR. Instead, the APR presently provides information on outputs, such as the number of rental units constructed, without an easy way to determine the impact of those outputs on housing problems in the community. Any revised version of the APR should be aligned with outcome measures that need to be reported on the PART.

We also have some recommendations to help tribes more efficiently address their housing needs over the long term.

- **Implement a HOPE VI-type program.** Tribal housing administrators consistently reported that maintenance expenses were growing for their aging CAS stock. Some administrators also reported site-specific vacancy problems because of the undesirable location of a development, the poor condition of the development, or crime problems in an existing development. Similar problems in the arena of public housing led to the HOPE VI program to redevelop physically or socially distressed public housing. A similar initiative is also needed for CAS housing. Competitively awarded funds could be provided for the projects that documented potential long-term savings in maintenance and energy costs, help revitalize a troubled area, or replace an obsolete development in either the same location (if it is a desirable area) or a new location (if the original location is undesirable). It could also be an opportunity to provide housing that has a mix of assisted and unassisted households in areas where the local housing market could support it. An efficient way to implement this program may be to revise the HOPE VI legislation so that CAS housing is eligible for the program, or provides a set-aside for CAS housing.
- **Partner with another entity on a massive energy efficiency effort.** The goal of such an effort would be to reduce the long-term operational costs of NAHASDA housing (particularly CAS units) and—if not limited to tribal housing—to increase the affordability of privately owned housing. Many tribes currently are funding energy efficiency programs under their rehab programs, emergency assistance programs, or as a model activity. This would be an effort to ramp up these efforts at an opportune time. By partnering with other entities (such as utility companies, the Department of Energy, or BIA), the resources and thus the effect of such a program can be increased dramatically. The tribes that propose the most cost-efficient projects as determined by energy savings or by the number of households substantially helped would be awarded the grants.
- **Produce a guidebook on leveraging IHBG funds.** The above-described initiatives involve the use of leveraged resources. Tribal administrators have indicated interest in increasing their ability to access and effectively use leveraged funds. One way to provide assistance in this area is to produce a guidebook with detailed descriptions of programs or funding sources that could be used to address various housing needs and how to apply for such funding.

Examples of projects for which other tribes have accessed leveraged funding sources could be provided.

- **Facilitate a working group on enforcing tenant payments.** Form a working group through an Indian membership organization (the National American Indian Housing Council, for example) or other outside entity to come up with guidance on the enforcement of tenant lease requirements. This working group can document the problems with not evicting tenants for not paying their rent, and come up with recommendations for working with tribal courts to design reasonable procedures for the tenant and housing agency.
- **Provide incentives to speed up conveyances of Mutual Help units.** Conveyance of Mutual Help units was a slow process at most of the tribes we visited. There seem to be multiple reasons for low rates of conveyance and the length of time that the process takes, including tenants preferring to cash out their equity rather than take ownership of the home, problems with clearing title for the land, and tenants making minimum payments that do not build equity in the house. A few tribal housing administrators also said they had mixed feelings about conveying units because they would lose the CAS part of the formula funding when they conveyed a unit. Other administrators did not mind for philosophical reasons—if a current tenant cashed out, the unit was available for another low-income tenant in need of affordable housing.

To encourage conveyance of Mutual Help units, the IHBG program could provide incentives to cover expenses such as surveying the land and clearing the title, and count the conveyed Mutual Help unit on the books for a specified number of years after it is conveyed. An alternative approach for increasing the pace of conveyance could be to place a 10-year or 20-year limit on Mutual Help units as part of the IHBG allocation formula. Each year the existing Mutual Help Units are discounted by 10 percent (for 10-year program) or 5 percent (for a 20-year program) of this year's Mutual Help stock, so that there is no formula funding for these units after 10 or 20 years.

- **Develop performance standards.** Create a set of performance standards for IHBG that will help guide and inform IHBG program operation. The following four measures could be a starting point for developing those standards:
 1. Reduce the percentage of AI/AN households living in overcrowded conditions.
 2. Reduce the percentage of AI/AN households living in substandard housing conditions.
 3. Identify trends in cost-per-unit acquired and built, for both homeownership and rental units (broken out into the four sub-categories).
 4. Increase homeownership rates for AI/AN households.

It is important to note that accurate, uniform APR counting and reporting of all grantee housing production, services, and outcomes must precede the use of performance standards based on APR data as a component of IHBG evaluation.

Appendix A

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Petersburg Indian Association, Alaska

Background on the Tribe

Petersburg is one of Alaska's major fishing communities, located on the northwest end of Mitkof Island, 120 miles between Juneau and Ketchikan. Petersburg encompasses approximately 44 square miles of land and 2 square miles of water and is accessible only by air and ferry. The area was originally used by Tlingit Indians as a summer fish camp; starting in the late nineteenth century it was settled by people of Scandinavian origin. Today, the community maintains a mixture of Tlingit and Scandinavian culture and is one of the top ports in the U.S. for the quality and value of its fish. Petersburg is also the supply and service center for many area logging camps.

Overall, the population of Petersburg is about 12 percent Alaska Native or part-Native.¹ The Petersburg Indian Association (PIA), located in the community, has been a federally recognized tribe since 1948 and has approximately 500 members. The PIA has designated the Tlingit-Haida Regional Housing Authority (THRHA) as its Tribally Designated Housing Entity (TDHE).

Housing Problems Facing the Tribe

The THRHA provides services in 13 communities and assists 12 tribes within the region. The rise and fall of the logging and fishing industries, and the limited availability of year-round employment are major factors affecting the economic status of Native people in the area. In addition, there is a shortage of land available for development and a lack of affordable water and sewer facilities and access roads. The remoteness of the communities and of the land available for development contributes to the higher construction costs, further limiting the quantity and affordability of housing that can be built.

THRHA staff noted that in southeastern Alaska, homes occupied by Native households tend to be much older than those occupied by non-Natives and in substandard condition by national standards. Common housing quality problems include: inadequate plumbing, unsafe structures, water leaks, and electrical problems, holes in floors and ceilings, and inadequate cooking facilities. Further, there is a lack of safe, clean, affordable housing for mentally and physically challenged tribal members.

Staff commented that although many of the most serious deficiencies have been addressed with NAHASDA funding, there is still a substantial need for rehab assistance in some communities. Some houses are in such bad condition that the amount of IHBG funding available is insufficient to make repairs; at the same time, tribal members cannot afford to purchase new housing. A lack of skilled workers for maintenance and repairs adds to the challenge of improving housing conditions. The THRHA has tried to address the issue by using itinerant maintenance providers when these are available.

¹ Source: www.commerce.state.ak.us/dca/commdb/CIS.cfm?Comm_Boro_name=Petersburg

Uses of IHBG Funds

The THRHA received \$7.7 million in IHBG funding in fiscal year 2007. The THRHA manages 20 CAS Mutual Help units in Petersburg and no CAS rental units. The THRHA allows the needs funding of \$217,560 to be used by the PIA for housing programs management. These funds are primarily used to provide rehab assistance for homeowners. In addition, the tribe has a heater assistance program that provides hydropower heaters to tribal families. These heaters are much cheaper to run than oil heaters and, according to tribal staff, reduce heating costs for tribal members by approximately 65 percent. The tribe also owns and manages 6 rental units (purchased by combining a commercial loan with IHBG funding), provides student rental assistance to about 10 students a year, and provides emergency rental assistance to tribal members in crisis. Finally, THRHA uses IHBG funds for crime prevention activities, including youth programs and camps.

Sault Sainte Marie Tribe of Chippewa Indians, Michigan

Background on the Tribe

The Sault Sainte Marie tribe of Chippewa Indians is a modern expression of the Anishinabeg who lived in this region of the Great Lakes for more than 500 years. The roots of the tribe's modern government extend to the 1940s, when a group of Sugar Island residents and descendants of the Anishinabeg gathered to talk about their common history. On December 24, 1953, the residents became the "Sugar Island Group of Chippewa Indians and Their Descendants." Federal recognition took more than 20 years to complete. In the early 1970s, the leaders of the Original Bands of Chippewa Indians traveled to Washington and successfully submitted their historical findings and legal argument to the Secretary of Interior, who granted federal status in 1972.²

Today, the Sault Sainte Marie tribe of Chippewa Indians is a fully recognized Indian community with 29,000 enrolled members living throughout Michigan and the United States, including approximately 16,500 living in the tribe's service area, which comprises 7 counties in the eastern part of Michigan's Upper Peninsula. The Sault Tribe Housing Authority has been the TDHE since the inception of the IHGB program.

Housing Problems Facing the Tribe

Sault Sainte Marie tribal members face a range of housing problems within their tribal area related to the deteriorating economic climate that have caused social unease within the tribe. Tribal housing staff state that with unemployment on the rise generally, there is limited seasonal employment available for tribal members in the area. Tribal members seeking rental-housing off the reservation are unable to pay market rents throughout the year. In addition, the population is growing within the tribe's seven-county service area, increasing the need for affordable housing. At the same time, tribal housing staff state there is a lack of suitable land owned by the tribe on which to build new housing. Results of a recent tribal housing survey indicate that the number one need is for affordable rental housing. Staff also noted that the housing currently managed by the tribe is deteriorating and increasing costly to maintain due to a rise in gas prices and in the cost of materials. The cost of maintaining the current housing stock prohibits the tribe from acquiring additional land to build new units to meet its identified housing needs.

Uses of IHBG Funds

The Sault Sainte Marie tribe received just over \$4.6 million in IHBG funding in fiscal year 2008. The tribe uses its IHBG grant to fund seven housing programs, including

² Sources: www.saulttribe.com (Sault Sainte Marie Tribe of Chippewa Indians website).

rental programs, homeownership programs, an emergency assistance program, and a housing counseling program. The rental programs are the largest in terms of the number of households served. The tribe operates nearly 400 CAS rental units and another 30 units developed under NAHASDA. In addition, the tribe provides tenant-based rental assistance to a small number of families. On the homeownership side, the tribe manages approximately 60 Mutual Help units and 27 lease-to-own units acquired or developed under NAHASDA. The tribe also has a small down payment assistance program, which uses Federal Home Loan Bank funds in addition to IHBG.

Housing authority staff expressed frustration by the amount of money they have to spend to maintain their existing housing stock (primarily CAS but also rental and homeownership units developed under NAHASDA) because it greatly limits the amount of new housing they can acquire or build. The TDHE has responded by funding or planning programs with no ongoing maintenance costs, such as tenant-based rental assistance, a homeownership acquisition program in which the TDHE will acquire four units and sell them discounted prices to tribal members who can obtain conventional loans, and an Individual Development Account (IDA) program with a match of \$2.50 for each dollar saved toward the purchase of a house.

The TDHE has also become more aggressive in seeking to leverage their IHBG funds in recent years. In the past year, the tribe received a Rural Housing Economic Development Capacity Building grant to conduct capacity building trainings and to hire a grant writer, and funding from the Indian Community Development Block Grant (ICDBG) program to replace windows and furnaces. Staff has written grant proposals for the upcoming year to receive funding from the Low Income Housing Tax Credit program, the Resident Opportunity Self Sufficiency (ROSS) program, and the Federal Home Loan Bank's Affordable Housing program.

Oglala Lakota Sioux, South Dakota

Background on the Tribe

The Pine Ridge Indian Reservation (Oglala Oyanke in Lakota, also called Pine Ridge Agency) is an Oglala Sioux Native American reservation located in South Dakota. Pine Ridge was established in the southwest corner of South Dakota on the Nebraska border and consists of about 3,500 square miles of land area, larger than Delaware and Rhode Island combined.

Most of the land on the reservation is in Shannon County and Jackson County, two of the poorest counties in the United States. In addition, there are extensive off-reservation trust lands, mostly in adjacent Bennett County, but also extending into adjacent Pine Ridge, Nebraska in Sheridan County, just south of the community of Pine Ridge, South Dakota, the reservation's administrative center and largest community. The Oglala Sioux (Lakota) Housing was chartered in 1997 by the Oglala Sioux Tribe to be the TDHE for the Pine Ridge Indian Reservation in southwestern South Dakota.

Housing Problems Facing the Tribe

The Oglala Sioux tribe has major challenges in meeting housing needs across its very large service area. With a high poverty level and an 86 percent unemployment rate, the current economic conditions appear overwhelming. Tribal housing staff state that there is not enough affordable housing, that existing housing is in disrepair and located in unsafe areas, that working with the Bureau of Indian Affairs (BIA) on land issues is challenging, and that there is a lack of affordable homeownership opportunities.

Homelessness and overcrowding are the biggest problems within the reservation. Honorable President John Yellow Bird Steele highlighted the overcrowding dilemma when he stated that he currently had 24 people in his household. Domestic violence, in part stemming from overcrowded conditions, is also a problem. According to housing staff, housing quality issues include inadequate plumbing (a number of homes have no running water), unsafe structures, flooding and leaks, rodent infestations, holes in ceilings and floors, mold, lack of cooking facilities, and electrical problems. In addition, staff state that it is expensive to maintain managed housing, that existing managed housing is deteriorating, and that with the rising costs of material and labor, costs are exceeding projected budgets. The tribe expressed concern the current level of IHBG funding is not sufficient to resolve the extensive housing problems on their reservation.

Uses of IHBG Funds

The Oglala Sioux Tribe received almost \$11 million in IHBG funding in fiscal year 2007. The tribe uses its IHBG grant to fund five programs, including homeownership programs, rental programs, and a utility assistance program. The tribe operates more than 1,000 units of CAS rental housing and approximately 100 rental units developed under NAHASDA. It also serves nearly 400 households per year through its CAS Mutual

Help units and lease-to-own units developed under NAHASDA, and more than 1,000 elderly and handicapped households per year through its utility assistance program. The tribe has also used its IHBG funds to contribute to the Oglala Sioux Partnership for Housing annually, and has leveraged funds with Indian Health Services (IHS) for the expansion of a sewer lagoon to serve housing in the community.

Cherokee Nation, Oklahoma

Background on the Tribe

Prior to European contact, the Cherokee Nation lived for thousands of years in the southeastern United States. In the 1830s, the tribe was forcibly removed from its homelands and marched to Indian Territory, now the state of Oklahoma, in an action known as the Trail of Tears. In the aftermath of the civil war, the tribe lost further rights and land. What remained of Cherokee tribal land was divided into individual allotments and given to Cherokees listed in the census compiled by the Dawes Commission in the late 1890s.

Today's Cherokee Nation citizens are descendants of those listed in the Dawes census. The tribe is the second largest in the United States, with more than 200,000 tribal members. About 70,000 Cherokees live in the tribe's jurisdictional service area, a 7,000 square mile area in northeastern Oklahoma. The service area covers 14 counties, including all of 8 counties and parts of 6 other counties. Only about 10 to 20 percent of the people living in the service area are Cherokee Nation members; the rest are members of other tribes or are non-native. Most of the land is not owned by the tribe, although tribal assets include 66,000 acres of land and 96 miles of the Arkansas Riverbed.

The Cherokee adopted a new constitution in the 1830s following the Trail of Tears, which was then revised in 1975. The tribe has a democratic form of government with executive, judicial, and legislative branches. Executive power is vested in the Principal Chief, the legislative power in the Tribal Council, and judicial power in the Cherokee Nation Judicial Appeals Tribunal.³ The Housing Authority of the Choctaw Nation is the tribe's TDHE.

Housing Problems Facing the Tribe

Cherokee Nation members face a range of housing problems, which vary somewhat across different parts of the economically diverse service area. Some areas have grown substantially in recent years, such as the City of Tahlequah and the Tulsa-Tahlequah corridor. In these areas, there is a shortage of affordable housing and housing prices have increased alongside population growth. Other areas have a larger supply of affordable housing, but the housing may be located far from employment centers or lack amenities. Tribal housing staff noted that poor housing quality is a problem throughout the service area and that all types of housing quality issues are present, including: general disrepair, overcrowding, problems with lead paint and asbestos. Tribal housing staff commented that the housing problems facing Cherokee Nation members have worsened in the past year as the economy has weakened. With gasoline prices and unemployment rates both on the rise, families are under increasing financial stress and finding it hard to meet their housing expenses.

³ Source: www.cherokee.org, official web site of the Cherokee Nation.

Uses of IHBG Funds

The Cherokee Nation received just over \$29 million in IHBG funding in fiscal year 2008. The tribe uses its IHBG grant to fund 15 programs, including 7 homeownership programs, 4 rental programs, 3 emergency assistance programs, and a self-sufficiency counseling program. The largest program in terms of clients served is tenant-based rental assistance, which includes rental assistance to the general tribal population as well as targeted assistance for full-time college students. The tribe serves approximately 1,800 households per year through its tenant-based rental assistance programs. It also operates more than 1,000 affordable rental units, most of them in the CAS.

In terms of homeownership, the tribe also operates more than 1,000 CAS Mutual Help units and about 900 lease-to-own units developed under NAHASDA. In addition, in the most recently completed program year, IHBG funds were used to provide rehab assistance to approximately 300 homeowners. The tribe also served approximately 1,200 households in the past year through its emergency assistance programs.

Most of the tribe's IHBG programs have been in operation for many years. Newer programs include the Self Help homeownership program, the NAHASDA rental program, and the self-sufficiency counseling program. Several of the IHBG-funded programs leverage other sources of funding, including the Section 184 and Low Income Housing Tax Credit (LIHTC) programs. The tribe has also used its IHBG funds to secure loans through the Title VI program.

Choctaw Nation, Oklahoma

Background on the Tribe

The Choctaw are a Native American people originally from the Southeastern United States and part of the Muskogean linguistic group. In the 19th century, Choctaws were known as one of the "Five Civilized Tribes" because they had integrated numerous cultural and technological practices of their European American colonial neighbors. Although there are smaller Choctaw groups, the Choctaw Nation of Oklahoma and the Mississippi Band of Choctaw Indians are the two primary Choctaw associations. U.S. President Andrew Jackson made the Choctaw a model of Indian removal as the first tribe to march the Trail of Tears. After the Civil War, the Mississippi Choctaws fell into obscurity and the Choctaws in Oklahoma struggled to maintain a nation. In World War I, they served in the U.S. Army as code talkers using the Choctaw language as a natural code. After World War II, Choctaws attracted and developed business industries such as wire harnessing. Today, they operate business ventures (both in Mississippi and in Oklahoma) in gaming, electronics, and the hospitality industry, and continue to practice their language and cultural traditions.⁴

The Choctaw Nation of Oklahoma consists of 10½ counties in the southeastern part of Oklahoma and the tribe has about 45,000 members. The Housing Authority of the Choctaw Nation is the tribe's TDHE.

Housing Problems Facing the Tribe

The main housing problem that Choctaw Nation tribal members face in their service area is a lack of affordable housing units for rent and for purchase. The tribe has about 130 CAS rental units and another 55 rental units developed under NAHASDA; housing staff say that these units are always full and simply do not exist in many of the more rural communities. In addition, there are not enough affordable private market rentals to meet tribal members' needs, although the tribe has used its IHBG funds for tenant-based rental assistance to try to increase the affordability of private market units. The tribe is currently focused on developing new rental and homeownership housing, although staff note that their ability to develop new housing has been affected by the rise in costs for materials, labor, and fuel, as well as land costs, which reportedly have increased by 20 percent in recent years.

Additional housing problems cited by housing staff include the poor condition of existing housing and the age of the CAS. Common housing quality issues include plumbing and electrical problems, unsafe structures, rodent infestation, holes in floors and ceilings, mold, and inadequate cooking facilities.

⁴ Source: <http://en.wikipedia.org/wiki/Choctaw>

Uses of IHBG Funds

The Choctaw Nation received more than \$11 million in IHBG funding in fiscal year 2007. The tribe uses its IHBG grant to fund homeownership programs, rental programs, an emergency assistance programs, and a self-sufficiency counseling program. The largest programs in terms of clients served are the homeownership programs. The tribe has more than 800 CAS Mutual Help units and has developed 160 homeownership units under NAHASDA. The housing authority created the nonprofit Choctaw Home Finance Corporation as a sub-recipient of IHBG funds to provide down payment assistance, mortgage assistance, closing cost assistance, direct loans, and homebuyer education for clients to acquire/construct housing units. About 60 households have received assistance through Choctaw Home Finance thus far and it is a self-sustaining corporation. The housing authority also developed a modular homeowner program that includes two modular manufacturing plants to build affordable homeownership units for tribal members. Eligible tribal members only pay for the material, license of trades, and utility connections of the home; the labor is subsidized by the housing authority. About 40 households received assistance through this program in the past year and the tribe expects to build about 24 homes per year. Finally, the housing authority uses IHBG to fund a large homeowner rehab assistance program, which served more than 300 households in the past year.

In terms of rental programs, the tribe operates 130 CAS low rent units and 55 affordable rental units for elderly people developed under NAHASDA. The tribe also provides tenant-based rental assistance to more than 400 households per year and operates a small emergency assistance program designed to prevent homelessness. Finally, the self-sufficiency counseling program, funded in part through a Residents Opportunity and Self-Sufficiency (ROSS) grant, serves about 1,000 households per year.

Tohono O'odham Nation, Arizona

Background on the Tribe

Historically, the O'odham inhabited an enormous area of land in the southwest, extending from Sonora, Mexico, north to Central Arizona (just north of Phoenix), west to the Gulf of California, and east to the San Pedro River. This land base was known as the Papaguera and was home to the O'odham for thousands of years. From the early 18th century through to the present, the O'odham land was occupied by foreign governments. The O'odham came first under Spanish rule and then under Mexican rule. In 1853, through the Gadsden Purchase O'odham land was divided almost in half, between the United States of America and Mexico. Tohono O'odham's current land base of approximately three million acres includes four reservations (Tohono O'odham, Gila Bend, San Xavier, and Florence Village) located in three counties in southern Arizona (Pima County, Pinal County, and Maricopa County). The reservation is divided into 11 political districts and the tribal seat is located in Sells, Arizona. According to a recent population and housing survey conducted by the tribe, approximately 19,000 people currently live on the reservations. The Tohono O'odham Kiki Association (TOKA) is the TDHE.

Housing Needs and Conditions

The main housing problem facing the Tohono O'odham Kiki Association is a severe shortage of housing. The population and housing survey identified 1,120 substandard housing units, 492 homes needing accommodations for residents with a disability, 348 families living in overcrowded conditions, and nearly 200 homeless community members on reservation lands. Staff described the general condition of the housing stock as fair to poor. The reservations also lack adequate infrastructure for emergency services, waste water systems, and flood control. There are 878 homes with no running water.

Much of the tribal lands are remote. Small communities are scattered throughout eleven political districts. Properties are difficult to develop because of environmental constraints. Streets, domestic water, and waste water and utility systems must be extended to remote properties that are suitable for construction so that the tribe can effectively address housing shortages. The lack of infrastructure for providing housing in remote locations is a challenge for the tribe. The TOKA estimates that the tribe needs an additional 1,633 units to meet the current demand for rental and homeownership units. Because obtaining financing for home construction is difficult, tribal members have resorted to purchasing mobile homes.

Uses of IHBG Program Funds

The Tohono O'odham Nation received \$6.2 million in IHBG funding in fiscal year 2007. TOKA used the funding to manage nearly 600 units of housing including approximately 450 Mutual Help units and 130 rental units. The housing authority plans to rehab these

units in stages over several years. In addition, TOKA has developed 30 lease-to-own units under NAHASDA. TOKA has plans to develop additional rental units for elderly people adjacent to the current elder housing in Sells. Homeownership opportunity programs for tribal members include the CAS Mutual Help and NAHASDA Mutual Help programs. Emergency housing is provided if vacant units are available for families that have experienced burn-outs, unsafe housing, or other emergency situations. TOKA also uses IHBG funding for crime prevention activities through the Boys and Girls Club.

White Mountain Apache Tribe, Arizona

Background on Tribe

The White Mountain Apache are Western Apache people. Traditionally they farmed, growing corn, sunflowers, beans, squash, and other crops; hunted game; and gathered wild plant foods. On November 9, 1891, the Fort Apache Indian Reservation was established by Executive Order. It is now known as the White Mountain Apache Reservation. White Mountain originally included the San Carlos Apache Reservation but the San Carlos lands became a separate reservation in 1897.

Today, the White Mountain Apache Tribal reservation now consists of 1.67 million acres (more than 2,600 square miles) in east-central Arizona. It ranges in elevation from 2,600 feet in the Salt River Canyon to more 11,400 feet at the top of Mount Baldy, one of the Apache sacred peaks. It includes some of the richest wildlife habitats in the state, and more than 400 miles of streams. Livestock, agriculture, lumber, tourism, elk hunts, and a gaming facility with a motel and restaurant are major elements of the tribal economy. However, the remote rural location of the White Mountain Apache community, lack of major employers, and decline of the tribe's Fort Apache Timber Company (FATCO) enterprise in recent years means that job opportunities for community members are limited, leading to high levels of poverty and unemployment. The current population of the tribe is approximately 14,000, based on tribal vital records determined through a housing survey conducted in May 2006. The White Mountain Apache Housing Authority is the TDHE.

Housing Problems Facing the Tribe

Overcrowding and substandard housing conditions are major problems in the 10 White Mountain communities that make up the reservation. Housing conditions are particularly grim in the Whiteriver and Canyon Day areas. There is a severe shortage of one- and two-bedroom rental units. In addition, based on waiting list data, housing staff estimate that about 600 additional homeownership units and about 300 additional rental units needed for low-income and very low-income families. Currently, community members wait an average of two years to receive housing assistance. The tribal housing authority recently conducted a series of community meetings with residents to identify problem areas. In addition to the lack of housing, residents identified drug- and alcohol-related criminal activities, teen suicides, and teen pregnancies as problems.

Uses of IHBG Program Funds

The White Mountain Apache Tribe received approximately \$7.4 million in IHBG funding in fiscal year 2007. The housing authority uses the funds to manage approximately 1,200 CAS units (564 rental and 617 Mutual Help), coordinate and operate homebuyer assistance programs, provide rental subsidies, and refurbish the rental housing stock. In addition to the Mutual Help homes, the housing authority manages 10 homes replaced after to a flood and 317 lease-to-own homes financed using the HUD 184 Loan

Guarantee Program. The tribe has been successful in securing HUD 184 financing, Arizona State Low Income Housing Tax Credit (LIHTC) program financing, and financing from the Arizona State Water and Infrastructure Authority. The LIHTC program is being used to rehab 49 existing rental units and create infrastructure for 20 lots for additional rental homes. White Mountain also uses IHBG as collateral for Title VI funding. The housing authority received two Title VI loan guarantees in fiscal year 2003, for \$3,000,000 and \$2,000,000, at an interest rate of 2.87 percent, to fund a water/wastewater treatment facility that is part of its overall Apache Dawn Housing project. To date, the housing authority has been able to repay its Title VI loan through rental income from the newly constructed housing and has not needed to utilize NAHASDA funds for this purpose.

Coquille Indian Tribe, Oregon

Background on Tribe

The Coquille people's homeland is the Coquille Valley in southwestern Oregon. As miners and settlers poured into the valley in the mid-19th century, tribal members were forcibly marched north to the Siletz Reservation. After several years of internment, the Coquille people were told to leave the reservation and return to their homeland. It largely was occupied by Europeans. In 1954 the U.S. government terminated the Coquille Indian Tribe. Following a 35-year struggle, Coquille's status as a federally-recognized tribe was restored on June 28, 1989. Today, forest products, tourism, fishing, and agriculture dominate the local economy. The five counties that make up the tribe's service area rank in the top 20 percent in the state for unemployment and top 15 percent for housing costs. The tribe currently has 853 enrolled members, 423 of whom live in the tribe's service area. There are 274 tribal members living in the Coos County homeland area. Tribal staff estimated that between 50 percent and 60 percent of those families qualify as low-income. The Coquille Indian Tribe has appointed the Coquille Indian Housing Authority (CIHA) as its TDHE.

Housing Problems Facing the Tribe

The main housing problem facing the Coquille Tribe is a lack of affordable rental housing. The mortgage crisis and closure of fishing and timber manufactures in the area have increased vacancy rates in rental housing, but according to housing staff, rents have not dropped substantially. Even with tenant-based rental assistance, tribal members typically spend more than 30 percent of their income on housing costs when renting private market units. The jobs currently available to low-income families tend to be service-level low-paying jobs, which exacerbates the problem.

Housing authority staff also described housing quality problems with the existing housing stock, including with housing the authority developed more than a decade ago using an experimental building technology. The housing authority does not have sufficient IHBG funding to deal with all the community's housing rehab needs, especially given increases in the costs of material and labor.

Another problem facing the tribe is that the rental housing available for elders is not close to services. In particular, there is a shortage of assisted and independent living facilities with nearby services.

A final problem is that there are a large number of tribal members who are not eligible for Coquille's IHBG-funded housing programs because they have bad credit (collection accounts, debts to landlords, unpaid utilities, etc.), a criminal background, or a history of drug activity. The housing authority's waiting lists, which are small and have decreased over time, do not reflect the housing needs of this group of ineligible households.

Uses of IHBG Program Funds

The Coquille Indian Tribe received approximately \$914,000 in IHBG funding in fiscal year 2007. The housing authority manages approximately 70 CAS units—50 rental and 21 Mutual Help. It also serves households through nine lease-to-own units and one rental unit developed under NAHASDA. Finally, the tribe also used IHBG funds to provide tenant-based rental assistance to a small number of households and to support crime prevention activities.

Tribal housing staff commented that given the amount of IHBG funding they receive and the rehab needs of their existing stock, they are not currently able to do housing development. In addition, the extent of rehab needs on tribal lands precludes them from providing much housing assistance off tribal lands, where most employment opportunities are located. Housing staff stated that if their rehab needs were not so extensive they would use their IHBG funds to provide tenant-based rental assistance across the five-county service area. Staff noted that most tribal members do not currently have the credit standing to become homeowners and that tenant-based rental assistance offers a good opportunity for them to build credit as they pay rent and prepare for the responsibilities of homeownership.