



806 SW Broadway, Suite 900
Portland, OR 97205

T 503.242.1745
F 503.242.1072

HOBBSSTRAUS.COM

MEMORANDUM

July 25, 2016

To: Housing Clients

From: Hobbs, Straus, Dean & Walker, LLP

Re: *HUD's Briefing on Draft Report of Housing Needs Study and Call for Comments*

On July 20, 2016, HUD held a video teleconference and conference call on the final draft report of Housing Needs of American Indians and Alaska Natives (“Study”). The final draft of the Study and a technical appendices were published on July 7, 2016, and are attached to this memorandum. The purpose of the call was to provide a broad overview of findings from the Study, and to receive feedback from Tribal leaders and TDHEs to incorporate into the final, public Study, which is expected to be released in December 2016. Comments on the Study can be provided through August 23, 2016. The presentations by HUD largely followed the power point that was sent out prior to the phone call. A copy of that power point is attached.

Background on Study

Nani Coloretti, HUD Deputy Secretary, provided opening remarks. Ms. Coloretti said that the Study was mandated by Congress and is funded by HUD. The Urban Institute and its subcontractors carried out the research. This is the largest Study covering AIAN housing conditions and policies ever undertaken in Indian Country. The Study focuses on conditions in 617 American Indian/Alaska Native (AIAN) “tribal areas” as defined by the Census Bureau and on the 526 counties that contain or immediately surround them. The Study has three parts: (1) Demographic, Social and Economic Conditions; (2) Housing Conditions and Needs; and (3) Housing Policies and Programs. It included over 1,300 in-person surveys of households, interviews with over 100 tribal/TDHE housing officials, and analysis of data from the U.S. Census Bureau and other secondary sources. The goal of the Study is to provide clear, credible, and consistent information to assess the housing conditions in American Indian, Alaska Native and Native Hawaiian communities. The Study is intended to inform Congressional policy and allow HUD to serve tribes more effectively. Ms. Coloretti said that she hopes that the findings will expand opportunities on Tribal lands.

Main Findings on Socio-Economic Conditions

Tom Kingsley, a Senior Fellow at the Urban Institute, discussed the main findings on socio-economic conditions. On a broad level, the Study describes that tribal areas and the counties surrounding tribal areas are experiencing population growth at a rate faster than non-tribal areas, and that those who identify as AIAN remain closer to where they were born than other population groups. As measured under the federal poverty guidelines, poverty rates remain worse for AIANs across all geographical categories than for non-AIANs across all geographical categories. (*Citing Decennial Census 2010 data*). Among geographic areas, however, economic conditions vary widely in tribal areas. The findings showed correlation between higher wages and work in the private sector.

Main Findings on Housing Conditions and Needs

Mr. Kingsley also presented the findings on housing conditions and needs. Generally, Kingsley explained that while there have been improvements over the last two decades, the overcrowding and physical housing problems of AIANs living on reservations and other tribal areas remain more severe than those of other Americans. The Study follows HUD's definition of "physical problems" in housing: systems deficiencies in areas such as plumbing, heating, electrical conditions, as well as overcrowding. Mr. Kingsley acknowledged that some of the existing data is insufficient, noting that the Census and the American Community Survey (ACS) do not collect data on heating, electrical or condition deficiencies, but the Study's household survey collected that information. The Study attempts to make comparisons among the available data to produce an accurate picture over time.

The findings explain that physical housing problems remain much worse in tribal areas: overall, 34% of AIAN households in tribal areas reported at least one physical problem, whereas only 7% of non-AIAN households outside tribal areas reported at least one physical problem.

Overcrowding remains one of the most pressing issues in housing in Indian Country generally, although there is diversity across tribal areas. Mr. Kingsley said that many have asked whether the Study data could be used for estimating a number of new units needed to eliminate overcrowding. As a "ballpark figure" the findings estimate that 62,000 new units are needed: 27,000 to eliminate overcrowding, and 35,000 to replace other severely inadequate units.

Mr. Kingsley said the findings confirmed a strong preference for homeownership in Indian Country. He said that although the Section 184 Indian Home Loan Guarantee Program has eliminated many of the financing issues on trust land, the vast majority of Section 184 lending still occurs on fee land. The findings show that hurdles, such as environmental reviews, remain a hindrance to lenders.

Housing Policies and Programs

Nancy Levy, Senior Research Associate at Urban Institute, provided a brief overview of how implementation of NAHASDA has changed the housing landscape in Indian Country. She said that the key aspects are the block grant mechanism, and NAHASDA's focus on tribal sovereignty. The findings show that the largest problem is a lack of funding consistent with inflation. Further, a number of components in housing have fixed costs, such as repairs, so TDHEs cannot spend on the housing development they need. Ms. Levy also described that the affordability cutoffs limit many AIANs from accessing assisted housing. Across tribal areas, the vast majority of in-person respondents described the growing unmet need for affordable housing. TDHEs described the most common housing management problems: damage to existing units (usually due to wear and tear on overcrowded units), non-payment or late payment, and criminal activity.

Participant Discussion

James Gutierrez of the Chehalis Tribal Housing Authority asked whether the findings quantify how overcrowding affects the life expectancy of housing. Mr. Kingsley said no, but that overcrowding clearly leads to accelerated deterioration.

Another participant asked whether the Study is final draft, and if so, how the comments be considered and incorporated. HUD responded that comments will be received through August 23, 2016, and then reviewed, categorized by urgency, and conveyed to the research team at Urban Institute. Urban Institute will attempt to address or incorporate all comments into the finalized, public report.

Dan Duame from Alaska asked for elaboration on the underlying data to support the finding that Alaska housing entities had only lost 33% of their purchasing power due to inflation under NAHASDA funding levels. Various Alaska data shows closer to a 50% decline, in part because of the high regional construction costs. Mr. Kingsley said that the data was taken from the HUD's LOCCS system, and that the Study did not break down the inflation data by region.

Other participants commented that HUD should not include an assumption in the Study that funding should not be expected to rise, as other programs in Indian Country has received increased funding. Further, TDHEs cannot be expected to successfully leverage other resources when their funding has been effectively reduced by one-third to one-half, and the Study does not address the funding problem adequately. HUD responded that the Study only states that it is "difficult to count on" increased funding.

Rachael Rider from Travois asked for the Study's definitions for "assisted housing" and "non-assisted housing". Mr. Kingsley said that the Study relied on the HUD definitions— whether housing was subsidized or not.

Several participants commented that a number of specific studies and surveys have already been undertaken in tribal areas that should be incorporated into the findings (examples included construction costs in Alaska, respiratory health and indoor air quality in tribal housing, specific recommended changes to the Section 184 program, and specific recommended changes to NAHASDA). HUD thanked everyone for suggesting the studies.

Comment Period

Finally, HUD encouraged participants to read through the Study and its findings, and to submit comments before the deadline of August 23, 2016.

Comments can be submitted as follows:

By U.S. Mail:

Elizabeth Rudd
Office of Policy Development and Research
Department of Housing and Urban Development
451 7th St., SW, Room 8120
Washington, DC 20410-0500

By email:

Housing_Needs_Report@hud.gov

HUD encourages comments to be sent electronically.

If you have any questions regarding this memorandum, or if you would like assistance drafting any comments that you might want to be considered, please contact Ed Clay Goodman at egoodman@hobbsstrauss.com or (503) 242-1745.