



The Housing Credit is our nation's most successful tool for encouraging private investment in the production and preservation of affordable rental housing. It is also one of the primary tools for financing affordable housing in Native American communities, which have some of the most acute affordable housing needs. The overall percentage of Native Americans living below the federal poverty line is almost 30 percent. For Native Americans living on reservations, the disparity is even greater, reaching as high as 63 percent.¹ Higher transaction costs, limited infrastructure, and complex constraints related to land ownership make the development and operation of affordable housing more difficult on Indian lands, particularly without subsidies like the Housing Credit.

The Need for Safe, Affordable Housing on Native American Lands Native Americans living in tribal areas face some of the worst housing and living conditions in the United States. On average, 34 percent of Native American households have one or more physical condition problems in their homes, such as plumbing, heating, and kitchen deficiencies, compared to seven percent of all U.S. households. Additionally, because people at risk of homelessness in Native American communities often live with extended family, households in tribal areas experience overcrowding at higher rates than nationwide.² Along with deep poverty, the limited opportunities for private investment, and other housing market challenges within Indian lands, the need for safe and affordable housing development is severe.

The Affordable Housing Credit Improvement Act (AHCIA), S. 1136 & H.R. 2573

Provisions to support Affordable Housing Development in Indian Areas

The AHCIA is led by Sens. Maria Cantwell (D-WA), Todd Young (R-IN), Ron Wyden (D-OR), and Rob Portman (R-OH), and Reps. Suzan DelBene (D-WA-1), Jackie Walorski (R-IN-2), Don Beyer (D-VA-8) and Brad Wenstrup (R-OH-02). It includes several provisions that make it easier to finance affordable housing through the Housing Credit in Native American communities. The AHCIA would:

Provide a basis boost in Indian Areas. While some properties in Indian areas may qualify as Difficult Development Areas (DDAs) and are thus eligible for up to a 30 percent basis boost, most tribal areas do not qualify under current DDA standards. Given the especially low incomes in Indian areas, and resulting limits on rent that can be charged, financing properties in these areas is particularly challenging. Section 402 of the legislation would modify the definition of DDAs to automatically include properties located in an Indian area, making these properties eligible for the 30 percent basis boost if needed to make them financially feasible.

Consider the affordable housing needs of Native Americans. Native Americans face a particularly acute affordable housing crisis, yet it has been difficult in many areas of the country for tribes to access Housing Credits. Section 401 of the legislation would require states to consider the affordable housing needs of Native Americans as part of their selection criteria in determining which developments will receive Housing Credit allocations each year.

Expand the Housing Credit. The Housing Credit is over-subscribed, meaning far more potential developments are submitted to receive Housing Credits than are available. Increasing the annual Housing Credit allocation by 50 percent, phased in over two years, would finance an additional 299,000 affordable rental homes over 2021-30, providing more housing for low-income individuals and families, including in Native American communities.

Lower the Bond Financing Threshold for Receiving 4 percent Housing Credits. This provision will allow states to use their bond authority more efficiently and would free up funds for more housing developments, including in Indian areas.

¹ Partnership with Native Americans. (n.d.) Living Conditions. Retrieved from http://www.nativepartnership.org/site/PageServer?pagename=pwna_living_conditions

² HUD. (2017). *Housing Needs of American Indians and Alaska Natives in Tribal Areas: A Report from the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs*. Retrieved from <https://www.huduser.gov/portal/sites/default/files/pdf/HNAIHousingNeeds.pdf>