



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. Higher transaction costs, limited infrastructure, and complex legal 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. Since 1986, the Housing Credit has created over 1,000 apartments on 130 tribal lands, totaling about 42,000 total units.¹

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. Over 21 percent of Native Americans live below the Federal Poverty Line,² with that number climbing to 23.4 percent for those living on federal or state reservations or trust lands. 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, people at risk of homelessness in Native American communities often live with extended family, leading to higher overcrowding rates in tribal areas.³ 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. 1557 & H.R. 3238 *Provisions to support Affordable Housing Development in Indian Areas*

The AHCIA includes several provisions to ease financing of affordable housing through the Housing Credit in Native American communities:

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. 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 232,500 affordable rental homes over 2023-32, 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 Data analyzed by Enterprise Community Partners from [HUD LIHTC Property Database](#) and US Census Bureau maps of Tribal lands.

² U.S. Census Bureau, American Community Survey One-Year Estimates. (2021).

<https://data.census.gov/table?t=American+Indian+and+Alaska+Native:Income+and+Poverty&tid=ACSDT1Y2021.B17001C>

³ 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*. <https://www.huduser.gov/portal/sites/default/files/pdf/HNAIHousingNeeds.pdf>