

**WHITE MOUNTAIN APACHE TRIBE**  
**Subcommittee on Housing and Community Opportunity**  
**Tuba City, AZ**  
**May 3, 2004**

**1. What Native American housing programs do you have knowledge of or participate in under the jurisdiction of the Department of Housing and Urban Development (HUD)?**

I am knowledgeable of the new housing legislation, NAHASDA that was enacted in 1996. Under that new federal housing program for Native Americans, we had designated our housing authority, the White Mountain Apache Housing Authority (WMAHA), as the Tribally Designated Housing Entity (TDHE) and we have been very successful in carrying out affordable housing opportunities for our tribal members. I believe we are at the forefront of Tribes/TDHEs across the country to take full advantage of the leveraging opportunities with willing financial partners that have opened under this new Indian housing law. We have accomplished a lot of "first ever" initiatives, such as:

- Issuing a tax-exempt bond in the amount of \$25 million to build 250 new homes, which has increased to 317 due to cost saving measures in our construction methods. This bond issuance was only possible through the collateralization of HUD's Section 184 Loan Program on each of the construction/mortgage loans executed with our lending institution, Bank One. We called this lease-purchase mortgage-based homeownership Program, Apache Dawn.
- Since the creation of this housing authority back in 1963, for the first time, under Apache Dawn, we used our own tribal resources for the material (FATCO, FATCO Home Center, Public Works) and contractors utilized tribal employment in significant numbers for the construction of homes.
- We were also the first tribe in AZ to receive a low interest loan to address our infrastructure needs from the Arizona Water Infrastructure Finance Authority (WIFA) in the amount of \$5 million. This was a true tri-governmental relationship between our Tribe, State and Federal agencies. WIFA had to qualify as an approved lender under HUD's Title VI Loan Guarantee Program in order to minimize their risk and make the loan possible for our Tribe
- Since the creation of a Housing Department under the State of Arizona by our good friend, Janet Napolitano, who is the first Governor who has shown a true concern and is proactive to address our Tribal housing situation in the State of AZ, we were the first tribe to partner with their office in addressing our badly

needed rehab needs for our housing units through both their Tax Credit and State Housing Fund Programs. We are fortunate to have a very strong State government relationship in all our housing endeavors.

In addition to these “first ever” initiatives, the WMAHA has aggressively applied for HUD and other outside grant sources that have enabled a total of over \$80 million dollars to be infused into our tribal community since 1998. This has proved that the new Indian Housing law can work for Tribes with a capable and committed team of housing staff, expert consultants combined with strong Tribal and community support.

2. **In 1996, Congress passed the Native American Housing Assistance and Self-Determination Act (NAHASDA), which is designed to provide federal housing assistance for Native American Tribes in a manner that recognizes the right of tribal self-governance. The office of Native American Programs (ONAP) in HUD’s office of Public and Indian Housing (PIH) administer these programs. What has been your experience with the administration of the Native American housing programs? Do you have any suggestions on how to make the programs more effective and/or efficient?**

In addition to the response in Item # 1, we have received strong support of both our local and national ONAP offices. As stated above, we have had a very successful relationship with the Phoenix, Denver and Headquarters’ administration of the Native American Housing Program.

The new Indian Housing law allows the opportunity to work with other funding agencies to address rehab and/or new construction needs including costly off-site infrastructure systems. In working with other agencies, we have encountered several obstacles in our attempts to increase the assistance needed to our tribal members. These include:

- In partnership with the Federal Home Loan Bank (FHLB)’s Affordable Housing Program (AHP), we have encountered several program differences for delivery of assistance to Native American communities. These include, the unique need to address the trust land issues in the execution of regulatory agreements, the low-income threshold requirements under NAHASDA, unique BIA land issues, and risk issues for furthering banking relationships.
- In partnership with the US Department of Health and Human Service’s Indian Health Service (IHS) technical arm, we have encountered one major regulatory prohibition that hinders assistance to Tribal members. The Tribes are prohibited from

obtaining assistance to homes if the homes are receiving assistance from HUD. Since the sources of funding are both Federal assistance, the IHS statute and program regulations restrictions should be removed to allow its use in a coordinated manner at the local level or reallocate such funds at the national level from IHS to HUD to address infrastructure needs from one federal funding source.

- Even though it is a sensitive issue for those Tribes that are not obligating their funds in a timely fashion and possibly be subject to recapture of funds and returned to the US Treasury; rather, a mechanism needs to be put in place to reallocate those funds to Tribes that have a proven track record of effectively addressing their housing needs in a timely manner. While this may not uniformly address each Tribe's respective needs, it will address the overall backlog housing needs of Tribes in the aggregate from the Congressional point of view and all funds would still be directed at addressing this vast problem rather than returned to the general Treasury fund and not address the housing problem.
- A means of stable employment is necessary for Tribal members in order to make house payments. This leads to the need for economic development to sustain tribal communities and to become truly self-determined. Therefore, the program regulations should be able to allow economic development as an eligible activity as it relates to further affordable housing.

This should not be considered an exhaustive list, but are those that we have seen as obstacles as experienced by the White Mountain Apache Housing Authority that need immediate attention by respective responsible Federal officials for the sake of all tribes. We stand ready to address and work cooperatively towards working solutions to enable all Tribes to better address and solve their housing needs.

3. **Have you participated in or do you have knowledge of programs under the Rural Housing Service that are available to assist Native Americans' housing needs? Please explain.**

We have used the US Department of Agriculture's Rural Development Program to receive a combination grant/loan fund to address our infrastructure needs. These funds were supplemented by NAHASDA and WIFA funds as described above to provide the construction of a regional water and wastewater treatment facility at Hondah. This will greatly increase the capacity to accommodate planned expansion of our Hondah Home Sites and Apache Dawn homes funded under NAHASDA.

Our TDHE, the White Mountain Apache Housing Authority, also plans to utilize USDA's Rural Housing Service in the near future to expand housing assistance services for our Tribe.

**4. Much of the Native American land is held in a trust. How does this affect the ability to provide adequate housing assistance to Native Americans? What steps can be taken to increase private market initiatives and to promote greater homeownership opportunities for Native Americans?**

All of our land is trust land. With the assistance of the federal loan guarantee programs offered under the HUD Section 184 and Title VI provisions of NAHASDA, we are able to bridge the housing needs for both subsidized and mortgaged-based programs with approved BIA land leases for two consecutive periods of 25 years for our tribal members. The maximum lease period of 50 years specified in the NAHASDA statute needs to be changed to allow for an even longer period of time.

Steps that can be taken to increase private market initiatives is to maintain and/or increase the levels of the federal loan authority under the two HUD loan guarantee programs that have worked successfully for our Tribe, namely, the Section 184 and Title VI Programs. Eligibility criteria should also be expanded to fill the pocket of need for those families that are not low income which is a growing segment of Tribal population and cannot secure mortgage financing on trust land without some form of federal loan guarantee. Education about these programs should also continue to both Tribes and the private financial sectors on how these programs work. Heavy education should also continue to Native Americans on the benefits of true homeownership as well as financial literacy education.

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