

**Testimony Submitted for the Record**  
**on behalf of the**  
**Navajo Housing Authority**  
**to the United States Senate Committee on Indian Affairs**  
**in Regards to the Oversight Hearing**  
**“Identifying Barriers to Indian Housing Development and Finding Solutions”**  
**April 24, 2013**

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The Navajo Housing Authority (NHA) is thankful for this opportunity to submit testimony to the United States Senate Committee on Indian Affairs for the oversight hearing on, “Identifying Barriers to Indian Housing Development and Finding Solutions,” held on April 10, 2013. We appreciate the Committee’s efforts to highlight the importance of Indian housing, and to hold a hearing that examines the complexities and innovative solutions to providing housing in Indian Country. The NHA hopes that the Committee will find this testimony both informative in grasping the housing development challenges on the Navajo Nation, and to understand and appreciate the direction that NHA is headed in helping to build sustainable and vibrant communities.

The NHA is the Tribally Designated Housing Entity (TDHE) for the Navajo Nation. NHA is the largest Indian housing authority, and is nearly the eighth largest public housing authority in the United States. NHA is comparable in size to the public housing agency for the City of Atlanta. The Navajo Nation is the largest Indian tribe in the United States, with a total enrollment of approximately 300,048 tribal members, and the reservation has a land-base of 26,897 square miles that extends into the states of Arizona, New Mexico, and Utah.

Comprised of 375 employees and staff, NHA manages 8,026 housing units that consist of approximately 3,882 public rental units and 4,144 homeownership units including 29 separate administrative facilities. There are fifteen separate field offices and one residential Management Corporation managed by NHA to deliver service to tribal members residing within 110 Chapters (local regional government units) and their surrounding communities. It is important to note that the NHA is an anomaly in the public housing sector – there is no large-scale public housing provider like NHA that operates in an expansive rural reservation area with unique land issues.

The housing development challenges on the Navajo are complex because of our sheer scale of operation, tribal land status and socio-economic conditions.

The mission of NHA is *Housing our Nation by Growing Sustainable Communities*. On May 1, 2013, the NHA will move into a new chapter in its history as it celebrates its 50th year in operation. The 50th anniversary of NHA will be more than a celebration of its past success, but it will be a commencement to inaugurate a new vision for the next 50 years to come. This year alone NHA is on track to build and modernize 537 homes across the Navajo Nation. After completing an expansive scientifically based housing needs assessment in 2011, the organization forged ahead on an initiative to create a sustainable community master plan for the entire Navajo Nation – a master plan that will help NHA execute large-scale housing development projects in the coming years. Even more, the organization is expanding the veterans housing program and transforming its homeownership program to include individuals from low, moderate and high incomes, so that all Navajo families can partake in the dream of homeownership. It is the goal of NHA to help build a home for every Navajo family while strengthening the socio-economic fabric of the Navajo Nation.

### **Indian Housing Drives Community and Economic Development**

NHA understands that housing is a key component to community and economic development. It establishes a foundation for positive growth by increasing structure and security. As the availability of housing helps sustain a growing population, it increases the chances of establishing needs for better schools, better health care, more business start-up opportunities, in turn, creating more jobs. In brief, here are a few ways housing drives community and economic development.

- Grows Infrastructure: In many Navajo communities on the reservation there were no power-lines, telephone lines or even roads before houses were constructed. Housing created the infrastructure and helped further develop the communities.
- Better Schools: Indian educators say that the lack of housing impacts retention and recruitment of quality teachers, therefore impacting the value of an education received on the reservation.
- More Businesses: More development creates more business opportunities, such as gas stations, restaurants, fast food, and other small businesses.

- Creates Transportation: Housing creates transportation needs for the community bringing roads to access schools, businesses, and other developments. (i.e. roads need to be built which requires personnel to oversee and maintain roads.)
- Better Health Care: Indian health reports state that a major cause to poor health care in Navajo communities is the inability to attract and retain quality medical staff. This is primarily due to the lack of housing on the reservation.
- Grows the tax base: Housing facilitates business development and job creation. More businesses and jobs create a healthy tax base which in turn provides services to the Navajo people such as schools, hospitals, public safety and roads.

Since housing impacts the community development and economic growth, to fully build sustainable Navajo communities NHA is executing strategies to create large-scale housing development that integrates larger community and economic development goals.

### **Barriers to Housing Development on the Navajo Nation**

While there are many barriers to housing development in Indian Country, the NHA would like to focus attention on the larger unique housing development challenges that exist on the Navajo Nation. Those bigger challenges are the absence of large-scale land-use planning, numerous federal and tribal regulations on land-use, lack of infrastructure development, and scarcity of investment and funding for housing and community development.

The Navajo reservation area is very rural and expansive, and most of the land is predominantly trust land which brings with it limitations on its immediate use, and this has been a major issue for any housing or community developments efforts. Much of the reservation lacks modern basic infrastructure, such as paved roads, electrical power-lines, telecommunications, and potable water and sewer systems. Providing this infrastructure is difficult because of the vast and varied rustic nature of the land. Moreover, many of the smaller Navajo communities do not have close access to healthcare or emergency response systems, and schools. It is not uncommon for tribal members to travel hours to see a doctor, seek social services, or to buy groceries. Many Navajo children can spend countless hours on buses to travel to-and-from their closest school.

The numerous and pervasive federal and tribal laws and regulations over land use create undue delays in housing development projects. From a federal compliance perspective NAHASDA is a very technical program because any development requires complying with

NAHASDA program statutes and regulations, and a myriad of other applicable regulations. The process of housing construction, including related infrastructure, triggers other federal laws and their compliances with regulations and oversight in several other federal agencies and funding partners. These include, but are not limited to, environment reviews and clearances (Environmental Protection Agency), procurement laws (Office of Management and Budget), labor laws (Department of Labor), architecture/engineering, contract laws and administration, building code compliance and inspections, and among many other federal agency laws and regulations. When it comes to leveraged financing, NHA must meet outlined funding requirements from several federal agencies—including the Department of Agriculture for rural housing, Department of Transportation for road construction, IRS for Tax Credits, etc.

Attaining land leases for housing and infrastructure projects has been a major barrier to timely housing development. However, the Navajo government was a leader in successfully pushing for federal reform of the federal land leasing guidelines in 2000 by having Congress enact the Navajo Nation Trust Land Leasing Act (25 U.S.C. §415(e)). The Navajo Leasing Act authorizes the Navajo Nation to negotiate and enter into lease agreements and renewals of leases of trust lands without the requirement that the Secretary review and approve such leases. The Act required the Navajo Nation to develop regulations governing such leases including, among other requirements, an environmental review process, before it could institute its own land leasing regime. In July 2006, the Secretary approved the Navajo Nation's leasing regulations. The Helping Expedite and Advance Responsible Tribal Homeownership Act (HEARTH Act), which became law in 2012, was modeled after the Navajo Leasing Act. Both laws change the face of leasing on Indian Country by providing tribes local authority over leasing on tribal trust land.

While the Navajo government has pursued and gained federal reform, leasing on Navajo trust land still holds some internal challenges. Unlike other tribes, Navajo has a more traditional form of land-use management that includes grazing rights arrangements in which familial grazing areas continue to be recognized, and accepted. These “rights” to the land are afforded to some citizens. Moreover, the Navajo government structure is largely decentralized with 110 regionalized communities, called Chapter-governments, which have local authority over most development within their jurisdiction. When undertaking any housing project, the NHA consults and coordinates projects with the local Chapter-governments to not only ensure that the project is

meeting its intended outcome, but to also coordinate land availability, leasing authority, and collaboration for joint infrastructure development.

Another major internal challenge to housing development is the Navajo government's own review process for any major development activity requiring tribal approval, and execution of contracts using federal funds allocated to the Navajo Nation, or amendments to those contracts. The process, known as the 164 review process, is outlined in the Navajo Nation Code and was created to ensure proper internal controls were provided for major activities. However, over the years the process has become cumbersome. For any one housing project NHA may engage in the 164 review process for the following approvals: site selection and land withdrawal, execution of a memorandum of agreement with a local Chapter-government, review and sign contracts to procure an architectural and engineering firm and building contractor, and to make any amendments to major contracts. The process can take anywhere from a month to several months. According to an internal analysis, the 164 review process takes 68 percent of a project's time, leaving only 17 percent of the total time spent on actual construction. A housing project could be stalled for months should there be a modification to the project that requires an amendment to the contract. With short building cycles and project timelines the 164 process can greatly delay a housing project—some projects may take anywhere from four to nine years to complete.

The NHA was pleased to hear that on Tuesday, April 23, 2013, that Navajo Nation President Ben Shelly had signed an executive order that would streamline the 164 review process. Through signing Navajo Nation Executive Order 07-2013 the Navajo President states that the review process will be shortened to take no longer than one month, and the measure strongly encourages the tribal government reviewers to provide more timely reviews. The new process, which will be operational on July 1, 2013 is encouraging news to the NHA, and if successful will help to shorten the internal delays caused by the tribal government review. It is important for the federal government to understand that, unlike other tribes, the Navajo Nation government is a large entity handling considerable duties and responsibilities and its operations are comparable in size to a state government. While NHA encourages the Navajo government to streamline its internal processes, it also understands the unique limitations that the government is placed in, and will work in partnership with the tribal government to overcome these internal challenges.

## **How NHA is Addressing the Housing Need**

After experiencing a reorganization of the NHA in 2007, the new leadership (including the Chief Executive Officer and the Board of Commissioners) set on a path to create a multi-faceted approach to address the unique internal and external barriers to housing development on the Navajo Nation. NHA discovered that the organization needed to launch several initiatives that would lay the groundwork for large-scale sustainable housing and community development. First, the organization figured it would start by assessing and analyzing its current housing need on the Navajo Nation. From 2009 to 2011, the organization completed a comprehensive scientifically sound housing needs assessment study for the Navajo Nation. Simultaneously, the NHA built a technologically advanced land information management system that would provide a tool and resource for planning while meeting an unmet need for flood plain maps. With these resources in hand, NHA took the planning process a step further and began a monumental effort to complete a sustainable community master plan for the entire Navajo Nation that would aid in large scale housing development. And finally, the organization initiated the development of an expanded homeownership program that includes financing options for individuals and families from low, moderate and high income levels.

### ***Navajo Housing Needs Assessment Study***

In 2008, NHA began planning its housing needs study to build a gauge and a baseline to measure the housing need on the Navajo reservation. No prior study had ever been completed. The overall outcome that NHA desired was to have a comprehensive assessment conducted through surveys, and to house a database system that would serve as a repository of data that could be retrieved, sifted, screened and analyzed. Based on numbers from the 2000 Census, there were approximately 44,000 households on the reservation and it was the goal to garner a 25 percent representative statistical sampling to achieve a 95 percent confidence level in the data. The firm Tribal Data Resources, Inc. was retained to assist in the development of the household survey instrument. 200 local Navajo community members were hired as enumerators. Surveyors used Global Positioning System technology to document rural Navajo home-sites that were not located in existing housing projects or available maps.

The housing needs assessment study was completed in August 2011. It is the first study of its kind ever conducted for the Navajo Nation using a statistically sound representative sampling of family households on the Navajo reservation. The study revealed astonishing statistics – it showed that the **Navajo Nation needs 34,100 new homes and 34,300 existing homes are in need of major repair.** The total equates to **\$9 billion in unmet need.**

***Table ES. 1. Combined Remedy Total***

	<b>Condition Related</b>	<b>Capacity (overcrowding) Related</b>	<b>Total</b>
Total New Units/Replacements	18,900	15,200	34,100
Total Potential New Units/ Repairs	4,400	0	4,400
Total Repairs	34,300	0	34,300
Total Expansions	0	8,500	8,500

It is ironic that subsequent to the launch of the NHA Housing Needs Assessment Study, the 2010 Consolidated Appropriations Act was enacted, which required HUD to perform a Housing Needs Study that will identify Native American housing needs. HUD launched its study in 2010 but has yet to even start its survey process, and is tied up in consultations because tribes are concerned about the methodology and planned approach of how the study is to be conducted and completed. The NHA will recommend to HUD to attach the Navajo Nation Housing Needs study as a supplement to the overall HUD Report, when completed.

***NHA Land Information Management System***

NHA undertook the daunting task and challenge of surveying the Navajo Nation’s 17 million acres of mountainous high desert terrain to be incorporated into a sophisticated Land Information Management System (LIMS). The main goal of the project was to create, collect, maintain accurate floodplain delineation information and develop, implement and maintain a modern land and geographic information management system that is horizontally and vertically integrated and one that provides useful quality data for NHA’s housing development purposes. Prior to the completion of the NHA-LIMS, the organization had to procure entirely new floodplain maps for projects in a large portion of the reservation because no maps existed. In

other regions of the reservation another problem existed because there were too many map systems with no standardization of information. NHA's solution to both problems was to create a unique coordinate system that covers the entire Navajo Nation, thus in turn improving accuracy and efficiency all while meeting Federal Geodetic Control Subcommittee (FGCS) standards.

Broken into two phases, the project required ground control surveying and digital aerial photography. Using a digital mapping camera NHA's land survey department photographed the entire Navajo Nation at a 2-foot resolution. Once the images were taken the next step was to rectify the images for horizontal accuracy to meet Federal Geodetic Data Committee and FGCS data accuracy standards. A total of 3,229 aerial images were taken which were then stitched together into 5,000 x 5,000 meter tiles. The final deliverable was a seamless image of the entire Navajo Nation. Unlike other mapping applications such as Google maps, which can provide an inconsistent mapping plane and odd discolorations, NHA LIMS offers a seamless image of the Navajo Nation with superior image resolution.

The second part of the project, Land Information Management System and Data Integration, involved the analysis of certain computer system requirements to ensure the stability of the LIMS. Next, documents of the aerial data were then scanned into the LIMS programs followed by the identification and incorporation of existing Navajo data layers, which included Chapter-government boundaries, the Navajo road network provided by the Navajo Department of Transportation, and the integration of data on water, sewer, and electric infrastructure provided by the Navajo Tribal Utility Authority.

Full implementation of the LIMS was completed in 2012. Some of the applications the LIMS can be incorporated to include is a baseline database for E911 and rural addressing, disaster recovery services, parcel mapping, flood plain studies, master and land use planning, cultural and historical preservation, utilities mapping, asset tracking (including title conveyance and home-site leases), project survey control, tree and vegetation delineation, Navajo Nation road inventory, natural resources management, residential development, realty, land records management, land title plant, topographic and planimetric mapping, elevation modeling, volumetric inventories, and NHA enforcement and geospatial data validation. The LIMS program will provide an array of professional land & geographic information management services. Its uses are limitless. Overall, the project will improve NHA land records accuracy and

minimize overall costs by reducing duplication with promoting data compatibility to increase efficiency and yield land information readily available to NHA housing development projects.

### ***Navajo Nation Sustainable Community Master Plan***

The data revealed from the Navajo Housing needs assessment study showed a huge unmet need in housing, but it also painted an across-the-board picture of the demographics of the entire Navajo populace, and a snapshot of every community on the reservation. The impetus for this major first-ever initiative was due to the fact that NHA had no more withdrawn land to build homes, and development was limited to only in-fill development; however, there was a tremendous documented housing need. Additionally, infrastructure is the costliest component for development and NHA needed to share costs for integrated infrastructure for not only housing but local community and economic development in a regional setting approach. The NHA leadership understood that using smart growth principles optimizes land use with the underlying goal of sustainability in mind.

The project was started a year ago, and to date Swaback Partners, PLLC, lead by Vernon Swaback, has completed 5 agency kick-off meetings, 24 regional workshops and has delivered 110 community master planning manuals to each of the 110 Chapter-governments. In addition to the 5 agency meetings and the 24 regional workshops, Swaback also held a workshop for students at the Arizona State University to gather input and perspectives from the youth on what they envision their Navajo communities to look like in the future. “We wanted to hear from the youth because they are a huge part of the community,” said NHA CEO, Aneva J. Yazzie. “The youth are our future leaders, they are going to be the future community members and workers.”

For fiscal planning it was important for NHA to know how many houses the organization is going to build five to ten years down the road, and how much it is going to cost. In the past, NHA has focused its efforts on low income housing but the vision is to build apartments, employee housing, offer mortgage programs, and clustered housing to serve families from all income levels. Another goal with the master plans is to entertain and explore the idea of clustered style housing complexes.

Vernon D. Swaback, managing partner of Swaback Partners is leading the project. At age, 17, Swaback was the youngest apprentice of Frank Lloyd Wright a famous American architect, interior designer, writer and educator. Swaback Partners brought together 30 years of

extensive experience working with a broad spectrum of groups on community master plans within the United States primarily within the greater southwest.

### ***NHA Expanded Homeownership Program***

The NHA Housing Needs Assessment study showed that approximately 75 percent of the tribal population had very low income levels below the poverty level. This information correlates with the high unemployment rate of 65 percent on the Navajo Nation. The remaining 25 percent of the tribal population are non-low income and yet, there is no housing for those that had middle to high incomes—which include Navajo professionals and essential personnel like doctors, nurses, teachers, firefighters, police workers, etc. With the ever constrained federal funding level, NHA had to strategize on delivering housing among the two extremes of need.

As a result, NHA developed a policy to expand its housing services to provide housing for ALL ranges of income. NHA had already adopted an *Essential Personnel Policy* and will soon adopt a homeownership program policy for non-low income families/individuals so that deep subsidies on one end of the pendulum can be offset by revenue stream netted from assisting the highest income families using private financing. NHA will also set internal controls to separate the revenue streams of income from public/private leveraged financing.

The new homeownership program policy was adopted by the NHA Board of Commissioners in March 2013. NHA is now enhancing its in-house capacities with professions that have the particular skill-set for mortgage underwriting/financing, loan servicing and homeownership counseling. Once this capacity is fully attained, NHA will execute an intensive public education and outreach to its communities of the new homeownership program. Those having home site leases with utilities lines nearby will be amongst the first wave of clients to receive assistance.

The leveraged financing will primarily be sought from the private financial sector via the HUD Section 184 mortgage loan guarantee program. Other federal program resources will be sought to leverage NAHASDA dollars to optimize and maximize housing services delivery.

In light of the outcome of the sustainable community master planning initiative, NHA sponsored its first- ever Funders Forum in November 2012. Major banking and financing institution that have an established record of working in Indian housing attended the event, including representatives from the Department of Agriculture and HUD officials. All attendees

expressed their interest in working with NHA given its demonstrated management and financial capacities. A minimum of half a billion dollars is expected to be attained through leveraged financing to build new homes and related utility infrastructure.

### **Conclusion**

NHA strongly believes that the Native American Housing Assistance and Self Determination Act (NAHASDA) is an effective program, and overall tribes have spent nearly 90 percent of the federal funds allocated to the program—NHA itself has a fairly good expenditure rate of approximately 68 percent overall. However, it must be noted that whenever one compares the Navajo Housing Authority to any other Indian Housing entity they must consider the sheer differences in size, regions, and nature of the programs. It is known that NHA is an anomaly within HUD – it is the largest Indian housing authority and when compared to public housing it would be considered the eighth largest public housing authority in the nation. It also known that providing housing in any rural setting is grueling, but Navajo experiences unique, complex and large-scale challenges when providing housing over a 27,000 square mile area.

Like many of our colleagues in Indian housing, the NHA participated in the development of the consensus position for the NAHASDA Reauthorization. As part of that consensus position NHA believes that provisions of the position should be included in the reauthorization and that proposals to alter or change the Indian Housing Block Grant (IHBG) funding formula or the process of formula negotiated rulemaking should be vehemently opposed by the U.S. Senate. We believe that any changes to the formula should be made in negotiated rulemaking amongst tribes who are the IHBG recipients. Any attempt to change that process would violate the tribal government-to-government consultation process that is the foundation of federal Indian policy.

The Navajo Nation experiences a severe need for housing, the recent comprehensive Navajo Housing Needs Assessment Study showed a need for 34,100 new housing units, and an additional 34,300 existing housing units need extensive major repairs – the total needs amount to a minimum of \$9 billion. On average Navajo receives \$90 million a year from the Indian Housing Block Grant, however, a large portion of those funds are used to maintain current existing housing units and the remaining amount is used for new construction, planning and administration, model projects, crime prevention, and other housing services. To meet the unmet housing needs on the Navajo Nation and within Indian Country, the federal government would

need to make vigorous investment into housing development in tribal communities. Unfortunately it is the reality that without the direct federal investment for housing in tribal communities, Indian Country will struggle to continue keeping pace with the mainstream housing sector.

NHA appreciates the opportunity to provide you this written testimony for the record, and would be please to answer any questions that the Committee or the Senate may have.