

PREPARED STATEMENT OF THE HONORABLE MARTY SHURAVLOFF

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TO THE UNITED STATES SENATE COMMITTEE ON INDIAN AFFAIRS

OVERSIGHT HEARING

TO EXAMINE TRIBAL PROGRAMS AND INITIATIVES PROPOSED IN THE FY2011 BUDGET REQUEST

FEBRUARY 25, 2010

Introduction

Good afternoon Chairman Dorgan, Vice Chairman Barrasso, and distinguished members of the Committee on Indian Affairs. I am Marty Shuravloff and I am the Chairman of the National American Indian Housing Council (“NAIHC”), the national tribal organization dedicated to advancing housing, physical infrastructure and economic development in tribal communities in the United States. I am an enrolled member of the Leisnoi Village, Kodiak Island, Alaska, and serve my community as the Executive Director of the Kodiak Island Housing Authority.

I want to thank the Committee for the invitation to appear before you this afternoon to discuss President Obama’s FY2011 budget request.

Before discussing the tribal programs and initiatives proposed in the budget request, I want to thank you, Chairman Dorgan, for your many years of dedication and commitment to the welfare of Indian people and the leadership you have shown, both as a member and now the Chairman of this important committee.

Background on the National American Indian Housing Council

The NAIHC was founded in 1974 and for 36 years has served its members by providing valuable training and technical assistance, working with key Federal agencies, and providing information to the Congress on the many challenges tribal communities face when it comes to housing, infrastructure, and community development. The membership of NAIHC is expansive

and consists of approximately 270 tribal housing entities, representing almost 460 tribes across the United States.

American Recovery and Reinvestment Act and the FY2010 Budget for Indian Housing

First, NAIHC would like to thank Congress for its increased investment in Indian housing for FY2010. The American Recovery and Reinvestment Act (“AARA”) provided nearly \$510 million for the Indian Housing Block Grant (“IHBG”) program. This additional investment in Indian Country supports hundreds of jobs, but more importantly, has allowed some tribes to start on new construction projects they could not have otherwise afforded with their IHBG allocation. Further, they have complied with the mandate to obligate the funds in an expedient manner, thus helping to stimulate tribal and the national economies.

In addition to the ARRA funding, Congress appropriated \$700 million for the IHBG in FY2010, the first significant increase for the program since it began—reversing a decade of funding levels that neither kept pace with inflation nor addressed the acute housing needs in Native communities.

It is important to remember that the IHBG is the single largest source of funding for Native housing, supporting new housing development, acquisition, rehabilitation, and other housing services important for tribal communities.

The President’s FY2011 Budget Request for the Indian Housing Block Grant

On February 1, 2010, President Obama submitted to Congress a \$3.8 trillion budget request, which proposes a 3-year freeze on non-defense, domestic discretionary spending. This category includes the bulk of programs and services for tribal communities, in particular Indian housing programs.

The budget request proposes \$572.2 million for the IHBG, a decrease of \$120 million (-17%) from the FY2010 funding level. At the same time, HUD’s overall budget was reduced by only 5 percent. Should the Congress accept the President’s budget proposal, it would be the lowest, single-year funding level for the Native American Housing Assistance and Self-Determination Act (“NAHASDA) since it was enacted in 1996. To put this in proper context, funding appropriated by Congress in FY1998—twelve years ago—was \$20 million **more** than the President’s budget request for FY2011.

While the NAIHC and its members are aware of and appreciate the large investments made in Indian housing, we are disappointed that the current request fails to continue the positive budget trajectory of recent years.

Therefore, the NAIHC strongly urges Congress to not only appropriate funds above the President's budget request, but to fund the IHBG at \$875 million due to the increasing costs for housing development, energy efficiency initiatives, and other inflationary factors.

Since the President's budget request has been released, many of our members have expressed to us their deep concern. They believe this budget impacts not only housing, but also the very hope for self-sustaining economies in Indian Country. Reduced funding would result in the loss of jobs for our people, the deterioration of existing housing units, and the curtailment of many housing projects that are currently under development.

Other Indian Housing and Related Programs

The Title VI and Section 184 Indian Housing Loan Guarantee Programs

The budget request includes \$2 million for the Title VI Loan Guarantee program and \$9 million for the Section 184 program. The Title VI program is important because it provides a 95 percent loan guarantee on loans made by private lenders, which is an incentive for those lenders to get involved in the development of much needed housing in tribal areas. Section 184 is specifically geared towards facilitating home loans in Indian Country. We request that these programs continue to be funded at their current levels.

Indian Community Development Block Grant

The budget request includes \$64 million for the Indian Community Development Block Grant, which is available to Federally recognized tribes and Alaska Native villages on a competitive basis. This funding may be used for community facilities and economic development, and is an important source of funding for housing rehabilitation and the development of infrastructure that is vital for Native communities.

BIA-HIP Program and Veterans Affairs Native American Housing Loan Program

The budget request proposes \$12 million for the BIA's Housing Improvement Program, but zeroes out the Department of Veterans Affairs Native American housing loan program, which provides direct loans to Indian veterans who are members of Federally-recognized tribes,

for the purchase, construction, refinancing, or improvement of homes located on Federal trust lands. This is a concern to NAIHC, because as this Committee is well aware, a disproportionately large number Native people serve in the armed forces as compared to rest of the American population. It is our duty to ensure that our Native American veterans, especially those who have been wounded or disabled in combat, are provided decent, safe, and sanitary housing.

Native Hawaiian Housing

Low-income Native Hawaiian families continue to face tremendous challenges, similar to those that tribal members face in the rest of the United States. The President's funding request of \$10 million for the Native Hawaiian Housing Block Grant is appreciated, but the budget includes no funding for the Section 184A program in Hawaii. While it has taken some time to get this program started—because lenders are not familiar with 184—providing no funding would be a step backward for Native Hawaiian families working toward homeownership. We urge Congress to consider this before agreeing to the Administration's proposal to eliminate funding for the program.

The Proposed Transformation Initiative and Use of Indian Housing Block Grant Funds

The budget request also proposes an agency-wide Transformation Initiative Fund (“TIF”) with up to 1 percent of HUD's total budget drawing funds away from essential housing programs, including \$5.8 million from the IHBG account, “to continue the on-going comprehensive study of housing needs in Indian Country and native communities in Alaska and Hawaii.”

While the NAIHC membership believes the TI may have merit, we do not believe that transferring nearly \$6 million from the IHBG account to conduct a study on housing needs is a wise or even defensible use of Federal taxpayer funds. More importantly, the \$6 million also includes funding that has historically been appropriated to NAIHC for training and technical assistance. Through resolutions, the NAIHC membership has repeatedly taken the position that a portion of the IHBG allocation should be provided to NAIHC for training and technical assistance—a reflection of their confidence in NAIHC and the services we provide.

Conclusion

In closing, while we have specific concerns with funding levels, NAIHC supports the proposal in the budget request to enhance coordination between HUD's Office of Native American Programs ("ONAP") and other offices within HUD that serve tribal communities. We also support the proposal for ONAP to improve its collaboration with other Federal agencies including the Bureau of Indian Affairs, the Department of Agriculture, the Indian Health Service, and the Environmental Protection Agency. NAIHC has proposed the creation of a Native American Housing Task Force to support these efforts.

This concludes my prepared statement. Thank you again for this opportunity, and I would be happy to answer any questions you may have.