

**Prepared Statement of Marty Shuravloff**  
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**To the U.S. Senate Committee on Indian Affairs**  
**Oversight Hearing on Native American Housing Programs**

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**INTRODUCTION**

Good morning Chairman McCain, Vice Chairman Dorgan, Senator Murkowski and distinguished members of the Senate Committee on Indian Affairs. My name is Marty Shuravloff and I am honored to appear before you today to discuss matters related to the delivery of safe, decent and affordable homes to Native people from across our great nation.

I am also honored to have been elected last month to serve as Chairman of the National American Indian Housing Council (“NAIHC”), the oldest and largest Indian housing organization in the nation, representing the housing interests of more than 460 tribes. I am an enrolled member of the Leisnol Village, serve my people as Executive Director of the Kodiak Island Housing Authority, and serve all Alaskans by holding a variety of appointed posts such as with the Alaska Housing Finance Corporation.

Begun in 1974, four years after President Nixon issued his now-famous *Special Message to Congress on Indian Affairs*, the NAIHC is the major capacity building organization for Indian tribes and tribally-designated housing entities (TDHEs) by

providing guidance, technical assistance, training and related capacity-building services. The NAIHC trains thousands of Indian housing and other staff per year, offering most of its training without charging a fee. The NAIHC provides a full range of programs and services such as technical assistance to TDHEs and Indian tribes that include on-site visits, telephone and e-mail assistance, structured training classes for regional associations and housing Boards of Commissioners, and topic-specific training courses at both its Annual Convention and Legal Symposium. These tailored training courses include a new crime prevention and safety initiative launched in April 2005.

NAIHC also uses modern technology to save tribes time and travel costs by offering training by both web cast and video. For training courses and services that require travel, NAIHC offers a scholarship program that helps tribes and TDHEs offset the cost of sending individuals to much-needed and beneficial training that they may not otherwise be able to afford. In 2005, 200 different tribes and TDHEs benefited by the granting of 751 scholarships by the NAIHC. In addition to offering on-site training, NAIHC maintains a comprehensive, highly visited website and is developing a premier state-of-the-art website to help Native people educate themselves about the benefits and mechanics of homeownership. The "Native American Homebuyer" website and a technical Indian housing library are both scheduled to go online this summer.

## **NAHASDA AND HOUSING FOR NATIVE PEOPLE**

Beginning in the early 1990s, Indian tribes, housing authorities and others came together to share their vision of how housing and related community development ought to be carried out in Native communities in the era of Indian Self Determination.

The NAIHC was instrumental in shaping these discussions and helping to draft, in both spirit and letter, what would ultimately become the *Native American Housing Assistance and Self-Determination Act* (“NAHASDA”) 25 U.S.C. §§4101 *et seq.*

In 1996, this Committee --- under the leadership of Chairman McCain --- approved legislation that revolutionized the way Federal housing programs and services are designed and implemented in Native communities. A Republican Congress approved and President Clinton signed the NAHASDA. The NAHASDA rests on a firm foundation of Indian Self Determination and reflects the time-tested principles of local tribal decision-making and tribal economic self-sufficiency.

Unlike previous Federal housing approaches, the NAHASDA is distinct in four ways: it stresses the trust responsibility of the United States Government to house Native Americans; it replaces categorical grant programs with a block grant that affords tribes more flexibility to design housing to meet each community’s unique needs; it encourages tribes to develop a long-term comprehensive housing strategy through the preparation of housing plans; and it enables tribes unprecedented opportunities to use different sources of financing to meet housing needs in their community.

NAHASDA is scheduled for reauthorization in 2007. Although we have made some great strides since the inception of the Act, further refinements are necessary

to make it an even more powerful tool for Native communities. The NAIHC has taken a proactive role in gathering input from tribes across the nation on the effectiveness of the Act in meeting its intended purpose of providing quality, affordable housing to Native people. We respectfully request congressional support for reauthorization of the Act and this Committee's active and vigorous assistance in eliminating unnecessary and overly burdensome obstacles that frustrate the intent of Congress and detrimentally impact Indian housing programs.

#### **NAIHC'S TECHNICAL ASSISTANCE MISSION THREATENED**

For nearly 32 years the NAIHC has provided invaluable assistance to Indian tribes and TDHEs and in no small measure has made the often-difficult implementation phase of the NAHASDA a success. Along the way, the NAIHC has endured many difficulties including a Federal housing bureaucracy more concerned with its own preservation and well-being than in meeting its obligation to Native people; and Congressional appropriators who are unaware of --- or worse, unmoved by --- the dire economic conditions that characterize Native communities.

The potency of Federal funding for the Native American Block Grant ("NAHBG") has been steadily eroded by inflation. Funding for the NAHBG in the past 9 fiscal years is as follows:

Fiscal Year 1998	\$600 million
Fiscal Year 1999	\$620 million
Fiscal Year 2000	\$620 million
Fiscal Year 2001	\$650 million

Fiscal Year 2002	\$648.2 million
Fiscal Year 2003	\$644.8 million
Fiscal Year 2004	\$650.3 million
Fiscal Year 2005	\$622.0 million
Fiscal Year 2006	\$623.7 million

During the same time, Federal funding made available to the NAIHC for technical assistance and training to Indian tribes and their TDHEs has also steadily eroded.

The Department of Housing and Urban Development (“HUD”) maintains that the NAIHC has at its disposal \$3,921,282.32 in “undisbursed funds” left over from FY2004 and FY2005, and \$1,980,000.00 in “unobligated funds” left over from FY2006, adding up to a total of \$5,901,282.32 that in the minds of HUD we are unable or unwilling to spend. The truth of the matter, as you know Chairman McCain, is often not as simple as the Department would have you believe.

Funds appropriated to the National American Indian Housing Council (NAIHC) are being used to provide critical housing related services to Indian tribes, TDHEs and their staff and, just as important, the funds are being expended in a timely manner. For the most recent fiscal year, the NAIHC expended \$5,369,365 on HUD-approved, Federally funded programs and services. According to HUD, \$5,965,637.28 in prior appropriated funds were “in the pipeline” as of March of 2006. At that time, however, no invoices had been submitted to HUD for 2006 expenditures. If the NAIHC were to continue to expend funds at the same rate as in 2005, the “pipeline” funds would be fully

exhausted by January 2007, and any suggestions that there is sufficient funding “in the pipeline” to last through the end of FY’07 are simply inaccurate.

The main factors contributing to the “in the pipeline” perception are the many administrative delays which accompany the Cooperative Agreement entered into by HUD and the NAIHC. The NAIHC receives its funds on a reimbursement basis after incurring costs for HUD-approved activities. The NAIHC’s current Cooperative Agreement with HUD took (6) months to complete from March 4, 2005, when NAIHC submitted a Statement of Work to HUD to September 14, 2005, when it was executed. This process includes (8) different steps within HUD before approval to the NAIHC is granted. While HUD shows these funds as unused, NAIHC can show that the funds will be exhausted by the activities of the NAIHC throughout the year.

If House passed levels of technical assistance funding prevail, NAIHC shuts down, it is that simple. For Fiscal Year 2007, the House has proposed \$990,000 for technical assistance and training services for the NAIHC and it is no exaggeration to say that, with this or a similar level of funding in the next fiscal year, the NAIHC will close its doors in or around January of 2007. Perhaps HUD intends to satisfy the demand for technical assistance and training by tribes and TDHEs thereafter, Mr. Chairman, but this is the stark reality for the NAIHC.

### **THE REAUTHORIZATION OF THE NAHASDA**

The NAHASDA defines a clear government-to-government relationship between the United States Government and Indian tribes for purposes of providing housing and sets forth the trust responsibility of the United States government to assist tribes in

providing housing and improve economic development to their members. Indian Self-determination, to be meaningful, means that the Indian tribes themselves, not HUD, design, implement, and conduct housing and related programs for their members. Under this policy, tribal governments plan, conduct and administer Indian housing programs and services for their own people. In passing the NAHASDA, Congress intended HUD's role to be residual and to be minimally intrusive into tribal decision-making when it comes to housing. HUD's extensive and often heavy-handed oversight of Indian housing programs undermines the ability of tribal governments to make their own decisions about how to house and protect their people and manage their affairs. Rather than promoting Indian Self-Determination, tribes are subjected to severe and overly burdensome regulations that not only hinder their housing programs but, more significantly, the regulations harm the welfare of their people.

In an attempt to resurrect the original intent of NAHASDA, the NAIHC, tribes and TDHEs have established a legislative working group to identify and address legislative and regulatory issues of tribal concern with the statute as it now stands. Their issues include: the impediments of the Program Assessment Rating Tool (PART) process and how to improve the data collection and reporting elements as they relate to Indian housing; the severe problem with methamphetamine in Indian communities; the insufficient or nonexistent infrastructure in Indian communities; addressing the problem of mold in Federally-assisted tribal homes; the establishment of development reserve accounts as an eligible activity under NAHASDA; replacing the 30% income rule with fair market rents; Federal procurement issues relating to housing materials; the

elimination of secretarial approval for long term leases and; overdue and necessary reforms to the Bureau of Indian Affairs Title Status Report process.

The NAIHC is committed to finding resolutions to these problems and is developing creative solutions to deal with these issues. For example, the Title Status Report process can be improved if tribes were broadly authorized and encouraged to contract these functions such as under the *Indian Self Determination and Education Assistance Act of 1975*, as amended, 25 U.S.C. §§450 *et seq.* NAIHC has offered several training sessions on this topic for its members. In order to address the insufficient or non-existent infrastructure in Indian country, the NAIHC is collaborating with Federal agencies in the development of an infrastructure Memorandum-of-Understanding that will encourage agencies to assist tribes with infrastructure development. In addition, NAIHC has established a second internal working group to deal with issues related to the Native American Housing Block Grant Allocation Formula. The NAIHC recognizes the importance of collaboration and is committed to working with tribes and TDHEs across the nation to address these issues and reach resolutions on them.

### **ELIGIBILITY FOR HOUSING PROGRAMS AND SERVICES**

The Native American Housing Block Grant program is the main program for funding tribal housing under NAHASDA. NAHASDA relies on definitions of “Indian”, “Indian tribe” and “Indian area” for the purpose of designating allocations. The definitions of “Indian” and an “Indian tribe” are included in the NAHASDA at section 4, paragraph 9. The term “Indian” means any person who is a member of an Indian tribe and the term Indian tribe means a tribe that is federally recognized or state recognized.

Historically, decennial census numbers have been one element in the calculation of distribution of Native American Housing Block Grant funds. A change in the census collection technique in the 2000 decennial census led to a change in distribution patterns causing a question to be raised regarding the use of a specific set of census data. A failure of the negotiated rulemaking committee to arrive at a consensus on which census data to use caused HUD to utilize a specific data set and has led to a disagreement among tribes concerning the formula for distribution.

The NAIHC membership recently passed a resolution to endorse the use of “single-race data” in the formula calculations for the Native American Housing Block Grant allocation. However, this Committee knows that there remains disagreement among NAIHC membership concerning the way in which American Indians and Alaska Natives are counted by the U.S. Census Bureau. In an attempt to reach consensus on this issue, the NAIHC has established a Task Force with the goal of arriving at a position that is agreeable to all tribes regarding the counting of American Indian and Alaska Natives in the formula. The Task Force is to formulate a position which they will then present to the NAIHC membership for approval. Because this issue is unresolved at many levels, we request the active support of the Committee on Indian Affairs in these efforts.

#### **FORT PECK HOUSING AUTHORITY v. HUD**

The NAIHC is gravely concerned about HUD’s recent decision to potentially withhold allocation of the remaining FY2006 funds if the department is unable to obtain a stay pending appeal of the Court’s decision in the Fort Peck Housing Authority v. United States Department of Housing and Urban Development (Civ. Action No. 05-CV-00018-

RPM-CBS, May 25, 2006). While we understand the difficulties presented by the Fort Peck decision, responding to what is a narrow decision possibly only affecting the Ft. Peck tribe by withholding funds for hundreds of tribes may be outside of HUD's legal authority to do. Even more fundamental is the severe hardship such a decision by HUD will have on recipients whose funding is inappropriately withheld. As you are aware, many if not most tribal and TDHE recipients are dependent on such funding to continue operating and providing service to their low-income members. Disruption of funding will impose substantial limitations on these tribes and TDHEs, conceivably leading to some completely shutting down.

Additionally, many tribes have pledged their Native American Housing Block Grant funds as security for Title VI or section 184 loans and HUD's proposed course of action would result in default on those loans, requiring the United States to assume the payment of these loans. Placing the tribes and TDHEs at risk of an adverse credit rating is unacceptable. NAIHC urges this committee to persuade HUD to reconsider its decision and seek an alternative solution for the situation at hand.

### **CONCLUSION**

In conclusion, I would like to thank you, Chairman McCain, Vice Chairman Dorgan, Senator Murkowski and the members of the Committee for your continuing support of Native people and their housing programs. The NAIHC is eager to work with the Committee on all the issues affecting Indian housing programs – no matter how difficult – so that together we can achieve objectives we both share, e.g. more and better

housing for Native people, increasing homeownership in Native communities, and building stronger tribal economies along the way.