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**Hearing before the United States Senate Committee on Indian Affairs
on
Senate Bills 1275 and 1333
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Thank you Chairman Hoeven, Vice Chairman Udall, and Members of the Committee, for this opportunity to discuss Senate bill 1275, “Bringing Useful Initiatives for Indian Land Development Act” (BUIILD Act), and Senate bill 1333, “Tribal HUD-VASH Act of 2017”, providing rental assistance to Indian veterans who are experiencing or at-risk of homelessness through the tribal Department of Housing and Urban Development – Department of Veterans Affairs Supportive Housing Program (Tribal HUD-VASH). I also wish to acknowledge and thank the Committee’s staff, not only for coordinating this hearing, but also for their ongoing engagement with HUD staff on the many issues that impact the Native American communities across our nation.

As the Deputy Assistant Secretary for Native American Programs, I have had the opportunity to visit Native communities to learn first-hand about the issues and challenges the tribes face, and to hear directly from tribal leaders what we need to do to strengthen and improve HUD’s policies and programs for Native Americans. Far too many Native American communities struggle with severely overcrowded housing, affordable housing shortages, substandard living conditions, and significant barriers to economic opportunity.

Today, one out of every four Native Americans lives in poverty – including more than one-third of all Native American children. Far too many families live in unacceptable circumstances and face a future that lacks educational and economic opportunity. In the last 14 years (2003-2016), the number of low-income families in the Indian Housing Block Grant (IHBG) formula areas grew by 44 percent and now exceeds 322,000 families. The number of overcrowded households, or households without adequate kitchens or plumbing, grew by 23 percent to over 111,000 families. Finally, the number of families with severe housing costs grew by 58 percent to over 66,000 families.

To put these numbers in greater perspective, American Indian and Alaska Native people living in tribal areas in 2006-2010 had a poverty rate and an unemployment rate that were approximately twice as high as those rates for non-Indians nationally. American Indian and Alaska Native people in large tribal areas were more than 8 times as likely to live in housing that was overcrowded, and more than 6 times as likely to live in housing that did not have adequate plumbing facilities than the national average.

HUD looks forward to working with Congress on reauthorization of the Native American Housing Assistance and Self-Determination Act (NAHASDA), which authorizes the single largest source of Federal funding for housing in Indian Country. Tribes have made great strides

under this legislation. The recently published *Housing Needs of American Indians and Alaska Natives in Tribal Areas*, the product of a congressionally mandated, multi-year study of housing needs and conditions in Indian Country concluded, "...tribes have demonstrated the capacity to construct and rehabilitate housing for low-income families at substantial levels under the NAHASDA framework." Since 1998, under NAHASDA, tribes have not only produced *more* housing units per year, but they have produced *better* housing—housing that is tailored for local conditions, customs, and climates. Tribes also use the flexible block grant in many different and innovative ways to address unique local needs, such as assisting college students with housing, counseling prospective homeowners, providing self-sufficiency training to residents, and maintaining critical community infrastructure.

NAHASDA supports the government-to-government relationship between the Federal Government and tribal governments, established by long-standing treaties, court decisions, statutes, Executive Orders and the United States Constitution. NAHASDA recognizes the importance of tribal sovereignty and is designed to provide flexibility and local control, so that each tribe can decide how best to address its unique housing needs and economic priorities.

Since 2014, HUD has led a workgroup of several Federal agencies to develop a coordinated environmental review process for housing and housing-related infrastructure in Indian Country, as directed by the report of the Senate Appropriations Committee. HUD issued a Final Report on the workgroup's activities in December 2015. The Final Report and its recommendations would not have been possible without the invaluable input of numerous tribal leaders and Indian communities. The workgroup interviewed tribes and tribally designated housing entities (TDHEs) about their existing environmental review processes. Tribes and TDHEs participated in a series of briefings and listening sessions around the country to explain this effort and discuss their concerns and suggestions. Additionally, two formal tribal consultations were held to discuss findings, seek feedback, and garner additional information regarding processes and barriers. HUD is very grateful to those who generously gave, and continue to give, their time and attention to this effort.

The Final Report made several recommendations, including measures that could be taken to coordinate agencies' environmental review processes within existing frameworks and processes. The workgroup continues to meet to implement the recommendations of the Final Report. The workgroup is finalizing a Memorandum of Understanding to encourage the use of National Environmental Policy Act efficiency tools, and is drafting an implementation plan that puts forth action items derived from the recommendations of the final report and tribal consultation. The goal of the workgroup is to facilitate a more efficient environmental review process by being responsive to the Final Report recommendations, and to the continued input of tribal leaders.

The BUIILD Act would expand tribes' ability to assume responsibility for environmental review, decision making, and action to include all federal agency funded actions associated with a NAHASDA section 202 funded project. This would facilitate a more efficient environmental review process since tribes are already authorized to complete the review process on behalf of HUD, which is typically the largest source of funding for these projects. The environmental review would include the HUD review requirements, plus any additional laws and authorities that are required for the other funding agencies.

Additionally the BUIILD Act provides that Indian Housing Block Grant (IHBG) funds may be used to meet matching or cost participation requirements of other Federal and non-Federal programs; as well as extend the maximum period that trust or restricted Indian lands can be leased for residential purposes from 50 years to 99 years. We look forward to working with Congress to develop these ideas.

HUD recognizes the importance of assisting tribes and their housing entities to increase their capacity and technical expertise. HUD is committed to exploring ways to use its technical assistance to help tribes enhance their development efforts and to better leverage the assistance they receive through the dissemination of successful tribal strategies that meet the urgent housing needs of tribal communities. The BUIILD Act would authorize technical assistance funding to a broader range of TA providers than is currently authorized by NAHASDA.

The BUIILD Act provides continued authorization of the Section 184 Indian Home Loan Guarantee Program. HUD continues to be the largest single source of financing for housing in tribal communities. The Section 184 program is the primary vehicle to access mortgage capital in Indian communities. As of December 31, 2016, the program has guaranteed a cumulative total of 36,324 loans with a principal balance of more than \$6 billion. In January 2017, as part of the congressionally mandated Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs, HUD published, *Mortgage Lending on Tribal Land: A Report from the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs*. The report finds that the Section 184 program successfully eliminates the functional market barrier to private lending presented by tribal trust land.

The Section 184 program is the primary vehicle to access mortgage capital in Indian communities. The program helps tribes promote the development of sustainable reservation communities by making homeownership a realistic option for tribal members. It provides access to market-rate, private mortgage capital, and is not subject to income restrictions. The Section 184 program does not have minimum requirements for credit scores, and allows for alternative forms of credit and non-traditional income to address specific issues within the Native American communities. The program gives Native Americans from across the income spectrum the choice of living in their native community. In addition to individual Indians, tribes and tribally designated housing entities (TDHE) are eligible borrowers. This benefit of the program makes it possible for tribes and TDHEs to address housing shortages by developing and financing rental housing or by promoting homeownership opportunities for tribal members through lease purchase programs.

As of June 1, 2017, the Tribal HUD-VASH demonstration program has housed 103 veterans in tribal areas who were homeless or at-risk of becoming homeless. Approximately 201 Native American veterans are in case management with VA and may soon receive housing assistance under this program. Tribal HUD-VASH is an offshoot of the standard HUD-VASH program, which has been successful in many communities across the country but unable to reach eligible Native American veterans living on tribal lands, largely because tribes and TDHEs were not eligible to administer the program. HUD is committed to serving this population and looks forward to working with Congress to ensure they are well-served.

HUD has been working tirelessly with VA to coordinate services and case management with housing. The program is housing families and helping veterans struggling with substance abuse and other mental health issues. One of the first veterans who was housed and received supportive services was a female veteran with a young daughter living in a trailer in severely overcrowded conditions. She and her daughter moved into their new home and for the first time in her life her daughter had her own room and a quiet place to do her homework.

Another very moving story is about a veteran who had struggled with substance abuse for many years. Through Tribal HUD-VASH she was able to access safe affordable housing and support services to help her combat her addiction. The other veterans living nearby looked out for her and protected her sobriety by helping prevent contact from people who might trigger a relapse. She now is employed and is maintaining her sobriety.

Some of the challenges HUD and VA have faced in implementation are identifying adequate housing stock and locating veterans who are eligible for and need access to the HUD-VASH program. Given the overall shortage of housing units in Indian Country and the limited number of private rental units, many tribes have found it difficult to find units for their veterans and are using their own NAHASDA housing stock to house the veterans. While this approach provides a home for a Veteran who has experienced homelessness, it does not create a net increase in the number of affordable housing options available to tribal members and means that the unit is not available as an opportunity for another household on the tribe's waiting list. Attempts to house veterans in private rental units near tribal lands are mixed. Some veterans, predominately younger veterans, are willing to move off tribal lands to obtain housing. Many, especially elderly veterans, are not willing to leave their community to obtain housing.

Some tribes are using project-based rental subsidies to develop new units; however, many are reluctant to leverage the funding provided by the program for new units since the program continues to be a "demonstration."

Finding eligible veterans who are experiencing or at-risk of homelessness in Indian Country can be difficult because they are often in overcrowded and transient situations. In Indian Country, there are rarely emergency shelters for people who are experiencing homelessness which can be used as a way to identify homeless veterans. There are also typically few people experiencing unsheltered homelessness in Indian Country, as community members take in veterans experiencing homelessness, oftentimes creating overcrowded situations, and those veterans often have to "couch surf" from one family member's home to another.

To fully leverage Senate bill 1333, HUD seeks to strengthen its partnership with the Indian Health Service (IHS), and continue to work with VA to better identify veterans experiencing homelessness in Indian Country. IHS serves eligible American Indian/Alaska Native veterans in IHS operated health care facilities and programs. Through an agreement between IHS and VA's Veterans Health Administration, VA reimburses IHS for the direct health care services of these veterans. An enhanced partnership could help identify eligible veterans by linking veterans who are being served by IHS health facilities with the Tribal HUD-VASH program. Another potential outcome of an IHS, HUD, and VA partnership is to explore the

possibility of using IHS's telemedicine network to deliver VA case management to more remote locations.

In conclusion, HUD's Indian Housing programs, including IHBG, Section 184, and the Tribal HUD-VASH program are all successful examples of federal programs that provide local choice, under streamlined governmental requirements, and leverage private market investment while respecting tribal self-governance.

Thank you again for this opportunity to appear before you today. I would be happy to answer any questions you may have.