

**IDENTIFYING BARRIERS TO INDIAN HOUSING
DEVELOPMENT AND FINDING SOLUTIONS**

HEARING

BEFORE THE

**COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE**

ONE HUNDRED THIRTEENTH CONGRESS

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IDENTIFYING BARRIERS TO INDIAN HOUSING DEVELOPMENT AND FINDING SOLUTIONS

WEDNESDAY, APRIL 10, 2013

U.S. SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 2:15 p.m. in room 628, Dirksen Senate Office Building, Hon. Maria Cantwell, Chairwoman of the Committee, presiding.

OPENING STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

The CHAIRWOMAN. The Senate Indian Affairs Committee will come to order.

This is an oversight hearing on Identifying Barriers to Indian Housing Development and Finding Solutions. I want to thank all the witnesses for being here today and we look forward to hearing your testimony.

This afternoon, as I said, the Committee is holding an oversight hearing on Indian housing. This is the Committee's first hearing of this session, so I am very much looking forward to working with all our committee members and Vice Chairman Barrasso, and addressing many issues that are important to tribal governments and will help improve the lives of Native Americans.

One of these issues that we must address early this year is the Native American Housing Assistance Self-Determination Act, which expires in September of this year. Since this Act was implemented in 1998, 31,000 Indian families now live in newly-constructed housing units and another 64,500 Indian families have been able to rehabilitate their homes through the Indian Housing Block Grant Program.

Through the Section 184 Indian Home Loan Guarantee Program, 18,000 loans have been guaranteed for a total of more than \$2.9 billion to tribal recipients. Despite this progress, the housing needs in Indian Country remain great. Currently, American Indians make up 8 percent of the Nation's homeless population, despite being only 1 percent of the general population.

Nearly 64,000 American Indians live in overcrowded conditions, and nearly 25 percent live in housing units that have severe structural needs. So today's hearing is an important first step in identifying areas where housing programs are working well and determining where improvements can be made.

The Committee will look at programs across the Federal agencies to see where processes can be streamlined and run more efficiently. As you can see, there are going to be some examples today on the construction of homes that can involve tribal governments and four different, separate Federal agencies.

We also want to make sure that tribes have flexibility that they need to make sure that the improvement in these programs comes along with innovation and improving housing conditions. Recently, the Makah Tribe in Washington State announced that it was using a combination of its block grant funding and low-income housing tax credits to develop 21 low-income housing units in Sail River Heights, a tribal housing development started by the Tribe in 2007.

So we want to make sure that we are looking at what is needed in this reauthorization to ensure that all tribes and their members are provided safe and affordable housing, and that housing programs meet the needs of tribal members well into the future. Today we will hear from the Department of Housing and Urban Development's Office of Native Programs on their recommendations for what can be done legislatively to improve housing programs. We will also hear from National American Indian Housing Council, the largest tribal organization representing tribes and tribal housing entities. Finally, we will hear from three tribal housing directors from the Puyallup Tribe of Washington, and I want to specifically welcome them, and the Oglala Sioux Tribe and the Choctaw Tribe.

These housing directors manage three different programs, and I am pleased that they are here today, because they are going to share a broad perspective of their experiences and recommendations for ways that the Committee can improve the housing programs in the reauthorization.

Now I would like to ask the Vice Chairman, Senator Barrasso, if he has an opening statement.

**STATEMENT OF HON. JOHN BARRASSO,
U.S. SENATOR FROM WYOMING**

Senator BARRASSO. I do, thank you very much, Madam Chairwoman, for holding this important hearing on Indian housing. The National American Indian Housing Council estimates that there is a need for about 250,000 new housing units throughout Indian Country. This is a significant need, but tribes have been working hard to address it. The Native American Housing Assistance and Self-Determination Act is up for reauthorization this year. I know that NAHASDA is one of the most effective Federal Indian programs, not perfect, but very successful. The Department of Housing and Urban Development estimates that in the last 15 years alone, which is about as long as NAHASDA has been in effect, tribes have used this funding to build or acquire more than 31,000 affordable housing units and rehabilitate more than 64,500 units.

I want to emphasize that this is housing primarily for low-income Indian families. Much of this progress has been possible because NAHASDA is carried out 100 percent on the local level, by the tribes themselves, as opposed to by the Federal Government. From the planning phase to implementation, home design and con-

struction through management and ongoing maintenance, all carried out locally by the tribes.

Of course, any program can be improved. So I hope to hear today from the witnesses on how this program can be made more effective and more efficient. In the past, a major bottleneck in the housing development process has been land leasing. That is why this past Congress I introduced Senate Bill 703, known as the HEARTH Act. The nearly identical House version of the HEARTH Act was signed into law last July. The law allows tribes to bypass Secretarial approval for leases, rendering NEPA inapplicable to the land leasing process. Instead, the tribes use their own environmental review process. So I anticipate that the efficiencies of the HEARTH Act will significantly increase home ownership on tribal lands.

I want to thank the witnesses for coming here today. I look forward to hearing the testimony. Thank you, Madam Chairwoman.

The CHAIRWOMAN. Thank you, Mr. Vice Chairman.

Do any other members have an opening statement? Senator Schatz.

**STATEMENT OF HON. BRIAN SCHATZ,
U.S. SENATOR FROM HAWAII**

Senator SCHATZ. Thank you, Chairwoman Cantwell, and Vice Chair Barrasso.

I want to thank the Chair for holding this important hearing today. I look forward to working with you and the Vice Chair and other members of the Committee with the same spirit of cooperation that characterized the work of two former Chairs and long-serving members from the State of Hawaii on this Committee: Senators Inouye and Akaka. While their decades of service to our Nation, the Congress and this Committee are unparalleled, I am committed to move forward their fight to ensure that the Federal Government upholds its trust responsibility to the indigenous people of what is now the United States of America.

I am also determined to advance parity in Federal law and policy for Native Hawaiians. The Native Hawaiian people are the only federally-recognized Native people without a government-to-government relationship with the Federal Government. This injustice must be addressed by the Congress.

American Indians, Alaska Natives and Native Hawaiians face unique barriers to housing development, and their communities face the highest rates of national poverty. The Chair delineated some of those alarming statistics. While the national statistics are a stark reminder of existing housing disparities between Native and non-Native communities in the United States, the numbers for the State of Hawaii are even worse. A 2012 report on "The State of Poverty in Hawaii" noted that Hawaii has the third highest homelessness rate in the country. Native Hawaiians account for a far greater share of the homeless population than other groups.

A recent study found that while Native Hawaiians make up 22 percent of the population, they account for 48 to 59 percent of the residents in transitional shelters. According to a 2010 report, Hawaiian families rank last in the Nation in average annual pay, while Hawaii's home ownership rate ranks 47th out of 50th. This, and a lack of affordable housing, disproportionately impacts Native

Hawaiians who face the highest rates of inadequate housing, overcrowding and homelessness in the Nation.

Just last month, the median sales price for a single family home on Oahu was \$640,000. In 2011, HUD's published rates for a one-bedroom was \$1,400, two-bedroom \$1,700, and \$2,500 for a three-bedroom. Given this startling reality, it is critical to sustain and strengthen the HUD housing assistance and loan guarantees that have been successful in helping Native Hawaiian families and so many American Indians and Alaska Native families gain access to much-needed housing.

In Hawaii, I have witnessed the success of these HUD programs, how they have benefited Native Hawaiian communities and increased home ownership, improved living conditions and changed lives. I would like to thank Rodger Boyd for his participation today and for his many years managing the Office of Native American programs, including Native Hawaiian housing block grant and Native Hawaiian loan guarantee programs. I appreciate his many years of collaboration with Native Hawaiians and the Department of Hawaiian Home Lands, and look forward to working with him and Secretary Donovan to improve further housing conditions for Native Hawaiian families in my State.

I also want to recognize Ms. Cheryl Causley, Chair of the National American Indian Housing Council, for her work to promote self-determination and support for making culturally relevant and quality affordable housing available to American Indians, Alaska Natives and Native Hawaiians. We will need concerted and collaborative efforts of the Administration and the Congress, Native leaders, tribes, tribal organizations, and housing authorities, and the advocacy of all stakeholders, including the Chair and Vice Chair, especially, to improve housing opportunities.

Thank you, Chair.

[The prepared statement of Senator Schatz follows:]

PREPARED STATEMENT OF HON. BRIAN SCHATZ, U.S. SENATOR FROM HAWAII

I want to thank the Chair for holding this important hearing today. I look forward to working with you, Senator Cantwell, and with Senator Barrasso, and the other members of the Committee, with the same spirit of cooperation that characterized the work of two former Chairs and long-serving members of this Committee: Senator Inouye and Senator Akaka.

While their decades of service to our nation, the Congress and this Committee are unparalleled, I am committed to move forward their fight to ensure that the Federal Government upholds its trust responsibility to the indigenous people of what is now the United States of America.

I am also determined to advance parity in federal law and policy for Native Hawaiians. The Native Hawaiian people are the only federally-recognized Native people without a government-to-government relationship with the Federal Government and this injustice must be addressed by the Congress.

American Indians, Alaska Natives and Native Hawaiians face unique barriers to housing development and their communities face the highest rates of national poverty. The most recent data available from the Department of Housing and Urban Development, the Census Bureau, and the Government Accounting Office illustrate the widely disproportionate unmet needs of Native Americans:

- Approximately 28 percent of reservation housing units lack adequate plumbing and kitchen facilities, a rate five times greater than the national average;
- Nearly 46 percent of Native households are overcrowded, a rate almost three times greater than the rest of the country; and,
- While Native Americans make up less than 1 percent of the general population, they comprise 8 percent of the country's homeless.

While these national statistics are a stark reminder of existing housing disparities between Native and Non-Native communities in the United States, the numbers for the State of Hawaii are even worse. A 2012 report on *The State of Poverty in Hawaii*, noted that Hawaii has the third highest homelessness rate in the country. Native Hawaiians account for a far greater share of the homeless population than other groups. A recent study found that while Native Hawaiians make up 22 percent of the population they account for 48 percent to 59 percent of the residents in transitional shelters.

According to a 2010 report, Hawaiian families rank last in the nation in average annual pay, while Hawaii's homeownership rate ranks 47th out of 50. This, and a lack of affordable housing, disproportionately impact Native Hawaiians who face the highest rates of inadequate housing, overcrowding and homelessness in the nation. Just last month the median sales price of a single-family home in Oahu was \$640,000. In 2011, HUD's published rates for the Fair Market Monthly Rent for Honolulu County was \$1,396 for a 1-Bedroom, \$1,702 for a 2-Bedroom and \$2,470 for a 3-Bedroom.

Given this startling reality, it is critical to sustain and strengthen the HUD housing assistance and loan guarantees that have been so successful in helping Native Hawaiian families and so many American Indians and Alaska Native families gain access to much needed housing. In Hawaii, I have witnessed the success of these HUD programs—how they have benefited Native Hawaiian communities, increased homeownership, improved living conditions, and changed lives.

I would like to thank Mr. Rodger Boyd for his participation today and for his tenure managing the Office of Native American Programs, including the Native Hawaiian Housing Block Grant and Native Hawaiian Loan Guarantee programs. I appreciate his expertise and many years of work in Native Hawaiian communities and collaboration with the Department of Hawaiian Home Lands. I look forward to working with him and Secretary Donovan to improve further housing conditions for Native Hawaiian families in my State.

I also want to recognize Ms. Cheryl Causey, Chair of the National American Indian Housing Council, for her work to promote and support self-determination, and culturally relevant, affordable, and quality housing for American Indians, Alaska Natives and Native Hawaiians.

Thank you to all of the witness who traveled here to participate in this hearing. Your contributions will be important to the Committee as we move forward on Native American housing assistance reauthorization legislation.

We will need the concerted efforts of the Administration, the Congress, Native leaders, tribes, tribal organizations and housing authorities, and the advocacy of all stakeholders, including the Chair and the Vice Chair, to sustain and improve housing opportunities, build stronger and more self-sufficient Native communities, and create a more vibrant national economy.

Thank you.

The CHAIRWOMAN. Thank you.
Senator Murkowski?

**STATEMENT OF HON. LISA MURKOWSKI,
U.S. SENATOR FROM ALASKA**

Senator MURKOWSKI. Thank you, Madam Chairman, and to the Vice Chairman, thank you for the hearing this afternoon focusing on housing.

I appreciate the attention that you are giving this in my State. Clearly in so many of those of us around the dais here, this remains a challenge. In parts of my State, it is an absolute crisis. We hate to use that word, unless it is truly that. I would like to take just a few minutes here to speak to some of the issues that we are facing in Alaska.

First, I would like to make sure that the testimony of the Association of Alaska Housing Authorities is made part of the Committee record. I do understand that the Association supports the work of the National American Indian Housing Council in drafting the reauthorization. I understand it has been a long process in coming. But I would want to make sure that testimony is included.

The situation in Alaska is a tough one. In nearly 200 of our rural communities, I think it is fair to call housing a crisis. And a crisis in housing means a crisis in the safety and the education and the health care of our Native families. In rural Alaska, we have multiple generations living in substandard, dilapidated housing. I think all of us could share similar stories.

But when I use the word substandard, I have learned that the definition is different depending on where you are. One-third, Madam Chairman, one-third of the homes in rural Alaska do not have a flush toilet, do not have running water. So when you talk about spread of disease, and you can't wash your hands, you are talking about not only a housing situation, but you are talking about a health care situation.

For far too many families in our villages in these remote communities, the chore for the children is not just taking out the trash, it is taking out the human waste that is in a bucket in the corner. We call it a honey bucket. And the kids, part of their job is to haul that honey bucket down the boardwalk or, if they have a road, haul it down the road and dump it. That is part of what they do. We have talked for decades about retiring the honey buckets to the museums. I wish that I could say that we are there, but we are not yet there.

I had no idea, coming to the United States Senate 10 years ago, that one of my proudest moments would be when I got a call from an elder in Buckland, Alaska, letting me know that, Lisa, I got my flush toilet today. For eight years we had been working to get Buckland hooked up to water and sewer. And it has been at incredible cost. But when you go into a community and you sit down in the gym bleachers, and you have a tiny Native woman just kind of whisper in your ear and say, Lisa, all I want before I die is a flush toilet, I don't think that is too much for me to be working on.

So it has become an issue that, when I think about how we provide for the safety of our families, some of it is pretty basic stuff. Another area where we have some really very horrible statistics, and Madam Chairman, you helped lead on this issue just this past month, this is as it relates to domestic violence. Nearly one out of two women and one out of four men in Alaska have experienced physical or sexual violence in their lifetime. We have over a 100 communities without law enforcement. part of the problem in keeping law enforcement is we don't have housing for our law enforcement personnel. So how we are able to deal with that has been a critical challenge for us.

Just last week, I was out in Bethel, Alaska, probably our fourth largest community in the State, major regional hub. Domestic violence issues that they deal with, but they have a very nice shelter, a really good shelter that we helped them get funding for. And they work with these women who come in from the villages, leaving their home, leaving the abuser. And they come into the shelter.

But then, when they have healed and go to leave the shelter, there is no home for them. There is no housing in Bethel, there is no housing in their village. They can't afford to fly to Anchorage or to Fairbanks and to live there. So what they do is they go back to live with their abuser. So we have this cycle where we are not able to help these victims, because of the lack of housing.

So when we think about housing, it is such, so much a bigger picture than just a physical structure over our heads. So Madam Chairman and Vice Chair, I thank you again for highlighting some of this. We need to do better. I know that we will. It is not just the structures, it is what we do with weatherization, it is what we do with rehabilitation of our homes. In some of our homes, we have families that are spending 50 and 60 percent of their family income just to keep warm. We know that we can do more, we know that we do more to help these families who are paying more to keep their house heated on a monthly basis than they are paying for their mortgages.

So when we talk about housing crisis in our Native communities, I think we need to remember that it is also a public safety crisis, a health care crisis, and we can do more. Thank you for your leadership and the leadership of so many who are working on these important issues. I appreciate it.

The CHAIRWOMAN. Thank you, Senator.

Senator Tester, did you want to make an opening statement?

**STATEMENT OF HON. JON TESTER,
U.S. SENATOR FROM MONTANA**

Senator TESTER. Yes, very quickly. And I want to thank you for holding this hearing on a very important issue, housing.

Before I get to my testimony, though, I want to recognize someone sitting in the audience from Montana, Tom Acevedo, who is part of the management team of Salish and Kootenai Technologies, it is an Indian-owned company in Montana and really a bright light and a great example for other Indian-owned companies in the State. Thanks for being here, Tom.

Housing is important, there are no ifs, ands or buts about it. We need it for safety, we need it for happiness, we need it for health, we need it for employment. Unfortunately, way too many places in Indian Country the housing does not meet the needs that are out there.

And in places like Montana and other places around the Country, they face geographic challenges, far, far away from towns, economic centers where they can really put some economic advantage as far as building houses. The statistics are startling and they are not fun. And I have seen this my whole life. In Rocky Boy Indian Reservation, it is 20 miles from my farm, housing has been something that has been a concern forever. We need to deal with it, we have dealt with it in a couple of ways, with the HEARTH Act that the Ranking Member talked about, critically important. Once this thing gets implemented, I think there are some good things that will come of it.

And I think most of the folks in this room understand that the NAHASDA, the Native American Housing bill, will expire the end of September. Before then, and that is probably why the witnesses are here, and thank you for being here, we need to hear from you about what the challenges are on the ground. We need to know what to do to be able to improve that law, to make sure that we are doing the right thing from a policy level to empower you on the ground. That is why this panel is so important here today.

I know money is going to be a big part of the discussion. Everybody can use more, there is never enough. In a perfect world, we would have all the money. But this isn't a perfect world that we live in. So I would ask you to realize, and I know you do, because you are at the front lines of sequestration, but realize that we need to figure out ways to do more with less. I need your help to do that. And this Committee needs your help to do that.

There are a lot of states in this Country which do not have an Indian population, or don't at least have an Indian reservation, let's put it that way. We need to educate every member of Congress, we need to make every dollar count. We need to be able to streamline your programs so that they are easier for you to work with. We need to reduce administrative costs, we need to eliminate waste, fraud and abuse, all those good government things. And we need to identify the programs that can be cut and money can flow more to you for housing, because it does cost money to do.

I just say thank you all for being here today. I look forward to your testimony. This is an important issue and hopefully we can find some solutions. Thank you all.

The CHAIRWOMAN. Thank you. Senator Johnson?

**STATEMENT OF HON. TIM JOHNSON,
U.S. SENATOR FROM SOUTH DAKOTA**

Senator JOHNSON. Thank you, Chairwoman Cantwell, for holding this hearing on the housing crisis in Indian Country.

I would like to welcome Paul Iron Cloud from Pine Ridge, South Dakota. Paul is Chief Executive Officer of the Oglala Sioux Lakota Housing Authority, serving the Pine Ridge Indian Reservation. Paul is a dear friend, and is a tireless advocate for Indian Country.

As you know, Madam Chairwoman, this a very critical issue, especially in my home State of South Dakota. Statistics have repeatedly shined a light on, and I have seen first-hand the critical need for housing in Indian Country. As an original House co-sponsor of the Native American Housing Assistance and Self-Determination Act of 1996, I look forward to working with you, Madam Chair and colleagues, to reauthorize the program this year.

It is also vital that we engage tribes and relevant agencies in this process. As chairman of the Committee on Banking, Housing and Urban Affairs, in last Congress I held two hearings addressing the dire state of Indian housing. In 2010, I chaired a joint Banking and Indian Affairs committee field hearing on Indian housing in Rapid City, South Dakota. HUD Secretary Donovan was able to see the immediate housing challenges on the Rosebud Sioux Reservation prior to our hearing.

With a number of members overlapping on the Indian Affairs and Banking Committees, I look forward to our continued collaborative efforts to provide effective legislation for housing assistance. The testimony today will greatly help us in learning how we can improve housing for Indian Country.

Thank you, Madam Chairwoman.

The CHAIRWOMAN. Thank you. Are there any other statements by members? Senator Franken?

**STATEMENT OF HON. AL FRANKEN,
U.S. SENATOR FROM MINNESOTA**

Senator FRANKEN. I want to associate myself with all the remarks I have heard thus far, and Senator Murkowski, you are so right that housing has to do with so much besides housing. I wrote a housing provision in the VAWA bill that I was very proud of, because you are so right, that a woman shouldn't have to decide between living with her abuser and living in a car, and her children shouldn't have to live with that, either. And you are so right about when we have had hearings about law enforcement, about how difficult it is to attract law enforcement, good law enforcement people, because of lack of housing. Same with teachers. And the same with doctors. Because there isn't the housing there.

I don't want to get between us and the witnesses. I thank all the witnesses for being here today and I am eager to listen to your testimony. Thank you.

The CHAIRWOMAN. Senator Heitkamp?

**STATEMENT OF HON. HEIDI HEITKAMP,
U.S. SENATOR FROM NORTH DAKOTA**

Senator HEITKAMP. Just quickly, we failed. You cannot look at the statistics of housing in Indian Country, certainly in my State, and not get an acute sense of failure. We have homelessness that far outstrips, even in my State, which we have a growing housing crisis, even in my State. And so I am very, very interested in your testimony.

But I also would ask, Madam Chairwoman, if as we are talking and as we are thinking, if you can think about the other housing programs. I think way too often in Indian Country we think about that program that is NAHASDA, we think about the special program at the Small Business Administration or we think about the special Indian program, and we forget, we have first time homeowners, we have Section 8, we have all of the affordable housing programs that cities and counties and organizations across our boundaries are able to access. How are we using those programs?

When I was attorney general in my State of North Dakota, I served on the board of directors for the housing finance agency. We tried for eight years to get a couple projects with first time homeowners on Indian Country. I would love to tell you that I was enormously successful, but I failed. I failed to make those programs accessible.

So I am interested not only in what is happening right now with the programs that have been designated to encourage Indian housing, but how we haven't been able to access traditional affordable housing programs and how we haven't been able to leverage those programs.

So I look forward to your testimony and look forward to having a dialogue after this opportunity. Thank you very much for bringing this very, very important issue to the forefront.

The CHAIRWOMAN. Thank you, Senator.

So we are going to work on this in the reauthorization, but let's hear from our witnesses. We are going to start with you, Mr Boyd, and go right down the line. We appreciate your submitting your written testimony, so you can sum up whatever you want to from

that written testimony. We are asking people to keep within five minutes. You see a little clock there to help. We do want to get through everybody and we want to give members a chance to get questions.

You certainly can be shorter if you want to be. We very, very much appreciate your being here and look forward to your testimony. Mr. Boyd, we will start with you.

STATEMENT OF RODGER J. BOYD, DEPUTY ASSISTANT SECRETARY, OFFICE OF NATIVE AMERICAN PROGRAMS, OFFICE OF PUBLIC AND INDIAN HOUSING, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. BOYD. Good afternoon, Chairwoman Cantwell, Vice Chairman Barrasso and Committee members.

Before I start, I would like to commend and recognize my fellow panelists, many whom I have worked with in our respective communities and through negotiated rulemaking. I really commend their commitment and the hard work that they do within their committees, their communities and in working in partnership with HUD.

This afternoon, I would like to talk about and focus on the Indian housing programs that provide the tools to us to work in this partnership with Indian tribes and to identify barriers and find solutions to further develop better affordable housing for Native Americans, Alaska Natives and Native Hawaiians. Our programs are available to 566 Federally-recognized tribes, 5 State-recognized tribes and of course, the Department of Hawaiian Home Lands.

From HUD's perspective, our Indian housing programs provide solutions to the barriers to Indian housing development. These programs have and are making great progress in providing housing opportunities to Native American families across the Country, because we do not take a one size fits all approach to Indian Country. Our programs provide the flexibility of our grant and loan recipients to design their housing programs based on their unique tribal housing and economic development needs. We continue to build upon this program by identifying new ways to work in partnership with tribes, and we work together to build better living environments in Native American communities through creating greater sustainable economic communities.

We do administer a number of programs. The details of those programs are in my written testimony. In implementing these programs, the Department recognizes the right of tribal self-governance and the unique relationship between the Federal Government and Indian tribes.

One of the tools that we use, certainly, in working with tribes is negotiated rulemaking. HUD, in accordance with Section 106 of NAHASDA, has conducted negotiated rulemaking with tribes on three separate occasions and on both programmatic and formula issues. These sessions highlight and respect the government-to-government relationship that HUD has with these tribes. Using the collaborative approach, and a tool to overcome barriers in Indian housing development, HUD and the tribes have produced great results, bringing efficiencies to the program and resolving administrative challenges.

The most recent negotiated rulemaking committee addressed the 2008 amendments to NAHASDA. The committee was composed of 25 tribal representatives and two HUD representatives and achieved over a 90 percent consent rate on all issues. Many of the issues with NAHASDA were addressed, including the adoption of a provision to streamline guaranteed planning and reporting requirements while at the same time expanding upon quality and data collection.

A main barrier to Indian housing development is accessing capital on reservations. HUD, in partnership with tribes, has attempted to overcome this barrier by providing assistance in building capacity for tribes to gain private capital through the sources such as low-income housing tax credits and Title 6 within the program and Section 184, guaranteed loan program. A growing number of tribes are using these and other Federal and State tools to leverage private funding on reservations and tribal lands.

Tribes are also looking beyond just individual housing units to expand the level of capital in their communities. More and more tribes and TDHEs are becoming strategic in their efforts to create sustainability in their economies and communities. As evidence to this, tribes have applied for and received HUD funding for sustainable planning and construction grants.

In closing, HUD strongly supports reauthorization of NAHASDA, which authorizes the single largest source of Federal funding for housing in Indian Country. We have seen great strides and have seen many tribes under this legislation set great examples, not only for their communities but the other tribal communities throughout the United States.

We look forward to working with the Committee and tribes to secure authorization this year. Thank you again, Chairwoman Cantwell and members of the Committee.

[The prepared statement of Mr. Boyd follows:]

PREPARED STATEMENT OF RODGER J. BOYD, DEPUTY ASSISTANT SECRETARY, OFFICE OF NATIVE AMERICAN PROGRAMS, OFFICE OF PUBLIC AND INDIAN HOUSING, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Introduction

Good Morning Chairwoman Cantwell, Vice Chairman Barrasso, and Members of the Committee. Thank you for inviting me to provide comments on how HUD's Indian housing, loan guarantee, and community development programs provide the tools for us to work in partnership with Indian tribes to identify barriers and find solutions to further the development and prosperity of Indian and Alaska Native communities.

It is a pleasure to appear before you, and I would like to express HUD's appreciation for your continuing efforts to improve the housing conditions of American Indians, Alaska Natives, and Native Hawaiians.

My name is Rodger Boyd, and I am Deputy Assistant Secretary for the Office of Native American Programs (ONAP) at HUD. ONAP is responsible for the management, operation, and oversight of HUD's Native American, Alaska Native and Native Hawaiian programs.

These programs are available to 566 federally recognized Indian tribes; 5 state-recognized tribes, formerly eligible under the United State Housing Act of 1937; and the State of Hawaii's Department of Hawaiian Home Lands. We serve these entities directly, or through their tribally designated housing entities (TDHEs), by providing grants and loan guarantees designed to support affordable housing and community development activities, as well as identifying other HUD programs that our clients may access. Our partners are diverse; they are located on Indian reservations, in Alaska Native Villages, and on the Hawaiian home lands.

From HUD's perspective, our Indian housing programs are making great progress in providing housing to Indian families across the country because we do not take a "one-size-fits-all" approach to Indian Country. Our programs provide the flexibility for our grant and loan recipients to tailor their housing programs to address their unique housing and economic development needs. We continue to build upon the programs by identifying new ways to work in partnership with tribes as we work together to help build a better living environment in Native American communities through creating sustainable tribal communities and tribal economies.

Housing Need in Indian Country

To effectively administer Indian housing programs, it is vital to understand the current state of housing in Indian Country. In order to do so, HUD, through its office of Policy Development and Research, is developing a study on the extent of housing needs in Indian Country and for Native Hawaiians in Hawaii. The last comparable study was conducted in 1996.

Overview of Hud Native American and Native Hawaiian Programs

Increasing homeownership and providing safe, culturally-appropriate housing in Indian Country is top priority. Our Native American housing and loan guarantee programs are the basis for accomplishing this within Indian Country.

HUD administers four programs specifically targeted to American Indian and Alaska Native individuals and families:

- The Indian Housing Block Grant program
- The Federal Guarantees for Financing Tribal Housing Activities, also known as the Title VI Loan Guarantee program
- The Loan Guarantees for Indian Housing program, also known as the Section 184 Loan Guarantee program, and the
- Indian Community Development Block Grant program (ICDBG).

In implementing these programs, the Department recognizes the right of tribal self-governance and the unique relationship between the Federal Government and tribal governments, established by long-standing treaties, court decisions, statutes, Executive Orders, and the United States Constitution. Each of the 566 federally recognized tribes has its own culture, traditions, and government. The Department strives to balance respect for these individual tribes with regulations and procedures that ensure accountability and consistency.

HUD also administers two programs specifically targeted to Native Hawaiians eligible to reside on the Hawaiian home lands—the *Native Hawaiian Housing Block Grant* and the *Native Hawaiian Loan Guarantee Program*. The block grant program for Native Hawaiians is administered through the State of Hawaii's Department of Hawaiian Home Lands, and is augmented by the home loan guarantee program.

Indian Housing Block Grant (IHBG) Program

The Native American Housing Assistance and Self-Determination Act of 1996, as amended, or NAHASDA, provides formula-based housing block grant assistance to Indian tribes or their tribally designated housing entities through the Indian Housing Block Grant Program (IHBG). Prior to NAHASDA, Indian housing authorities received funds under the authority of the United States Housing Act of 1937, as amended (1937 Act).

The IHBG is ONAP's largest program, both in terms of dollars appropriated and population served. Grants are awarded to eligible Indian tribes or their tribally designated housing entities (TDHE) for a range of affordable housing activities that primarily benefit low-income Indian families living on Indian reservations or in other Indian service areas. The amount of each grant is based on a formula that considers local needs and the number of units developed with 1937 Housing Act funding that are currently managed by the tribe or its tribally designated housing entity.

The IHBG formula was developed by a negotiated rulemaking committee composed of representatives from HUD and from tribes across the country. Program regulations require that HUD periodically review the allocation formula with the consultation and involvement of the tribes. We are now in the process of reviewing nominations for the next formula negotiated rulemaking committee, and we expect to hold the first meeting this summer.

The block grant approach offers each tribe the flexibility to design, implement, and administer unique, innovative housing programs, based on local need. Grantees have received more than \$9.9 billion in 16 years of funding (1998–2013), and with few exceptions, have been using the funds in a timely and effective manner. Overall, the IHBG program has a 94 percent expenditure rate.

Under the Recovery Act of 2009, our recipients spent nearly 100 percent of the \$520 million received within the prescribed 3-year period. Recovery Act funds made possible the development of almost 2,000 new affordable units, and more than 13,000 were substantially rehabilitated. Energy conservation enhancements made more than 2,300 affordable units energy efficient.

As of March 2013, IHBG recipients had built or acquired more than 35,000 affordable housing units in Indian Country, and substantially rehabilitated more than 65,000 since the inception of the program in 1998. IHBG recipients also currently maintain more than 52,000 “HUD units” that were funded before NAHASDA was enacted.

Tribal recipients have been very innovative in their use of IHBG funds, particularly in the areas of energy efficiency and green projects. For example, the Ho-Chunk Housing Authority of Wisconsin has developed housing projects that include green, energy-efficiency enhancements, including super-insulation, passive-solar design, geothermal systems, and solar hot-water heaters.

The Choctaw Housing Authority of Oklahoma has recently built 24 new units that are all Energy Star Certified.

Just one year ago, the Tlingit-Haida Regional Housing Authority, in Juneau, Alaska, celebrated the Grand Opening of its Five Star Plus, energy efficient Saxman Senior Center. And the Ketchikan community, in southeast Alaska completed a 12-unit, condo-style building to house elders, which is the first building in that area to be certified LEED Silver.

The Puyallup Tribe in Tacoma has 10 units of new affordable housing that is certified LEED Platinum.

The Isleta Pueblo in New Mexico has used the innovative method of lava block construction to build 20 single-family homes. They realized a 50 percent cost savings over conventional construction techniques. The homes have maintenance-free exteriors, Energy Star appliances and fixtures, and the materials are termite-resistant and impervious to wind damage. The development created job training and employment opportunities for local community.

These are just a few examples of the thoughtful, and forward-thinking designs that our tribal grantees have incorporated into their low-income housing projects, emphasizing sustainability and responsible stewardship of natural resources.

We have seen the great strides that have been made in Indian housing under this seminal piece of Indian legislation, even in challenging fiscal environments. Therefore, HUD strongly supports the reauthorization of NAHASDA this year.

Title VI Loan Guarantee Fund—Federal Guarantees for Financing for Tribal Housing Activities

NAHASDA also authorizes the Title VI program, which offers recipients of the IHBG (tribes and their TDHEs) a loan guarantee program that encourages long-term projects and the leveraging of a variety of funding sources. Under Title VI, HUD can guarantee 95 percent of a loan for affordable housing activities. Borrowers pledge a portion of their current and future IHBG funds as security. This program has provided an incentive for lenders to get involved in the development of tribal housing.

Since its first year of funding, in the year 2000, 72 Title VI loans have been guaranteed by HUD for about \$180 million. These loans have financed more than 2,700 affordable homes, and enabled borrowers to leverage almost \$74.7 million for housing and community development.

Section 184 Indian Housing Loan Guarantee Fund—Section 184

The Section 184 program was authorized by the Housing and Community Development Act of 1992, as amended. Like NAHASDA, HUD strongly supports the reauthorization of this program this year. Since its inception, the program has guaranteed more than 20,800 loans with a total value of \$3.32 billion.

Section 184 is a single-family mortgage loan program that provides a 100 percent guarantee for private mortgage loans issued to eligible borrowers. Eligible borrowers include American Indian and Alaska Native families and individuals, Indian tribes, and TDHEs. There are no income limits. Loans are used to purchase, construct, rehabilitate, refinance, or purchase and rehabilitate a home located on a reservation or within an Indian area. A one-time, guarantee fee is charged; it can be financed or paid in cash at closing. The maximum mortgage term is 30 years.

Indian Community Development Block Grant (ICDBG) Program

The ICDBG program provides federal aid for Indian tribes and Alaska Native Villages to develop viable Native American communities. Competitive grants are awarded to eligible Indian tribes and Alaska Native Villages to improve the housing stock, provide community facilities, make infrastructure improvements, fund micro-

enterprises, and expand job opportunities. Eligible activities include housing rehabilitation, acquisition of land for housing, and assistance for homeownership opportunities for low- and moderate-income persons, construction of single- or multi-use facilities, streets and public facilities, and economic development projects—especially those sponsored by nonprofit tribal organizations or local development corporations.

In the last 20 years, Indian Country has received more than \$1.2 billion in ICDBGs. In the last 5 years, recipients have used ICDBGs for a variety of projects, including the substantial rehabilitation of more than 2,000 affordable housing units, and the construction of almost 200 community buildings for the benefit of low-income housing residents.

In FY 2012, 76 recipients received more than \$56.2 million to fund projects that will improve their communities. A tribe in Wisconsin plans to use its 2012 ICDBG to install solar photovoltaic panels on low-income, single-family homes and apartments to decrease energy costs. A tribe in Alaska will build a group home to reduce the number of homeless native youths. A tribe in California will upgrade its reservation's old sewer lines. And a tribe in Iowa will construct a travel center/truck stop that will include a convenience store, a branch bank, and car and truck fueling stations.

In FY 2012, more than \$3 million in ICDBG funds were also awarded to nine recipients to address emergencies and imminent threats to their communities, such as floods, fires, windstorms, and contaminated water systems.

Native Hawaiian Housing Block Grant Program (NHHBG)

The NHHBG program, Title VIII of NAHASDA, was authorized by the Hawaiian Home Lands Homeownership Act of 2000. The Department of Hawaiian Home Lands (DHHL) is the sole recipient. The NHHBG is designed to primarily benefit low-income Native Hawaiians who are eligible to reside on the Hawaiian home lands. Eligible activities are the same as for the IHBG program. DHHL provides many housing services, including counseling and technical assistance to prepare families for home purchase and ownership. About 90 percent of NHHBG funds have been used to build new homes and develop the related infrastructure.

In 8 years of program activity (2005–2012), more than 500 affordable homes have been built, acquired, or substantially rehabilitated on the Hawaiian home lands. Approximately 1,400 individuals and families have received pre- and post-homebuyer education, financial literacy training, and/or self-help home repair training to sustain safe, decent housing. Three community centers have been rehabbed, and more than 300 lots have been improved with infrastructure to support construction of new homes.

The Department of Hawaiian Home Lands continues to work successfully with many Hawaiian organizations, civic groups, and service agencies in the public, private, and government sectors. Partners have included the Habitat for Humanity, the County of Hawaii, the Council for Native Hawaiian Advancement, the U.S. Department of Agriculture—Rural Development, and many others.

HUD strongly supports the reauthorization of this highly successful block grant program.

Section 184A—Native Hawaiian Loan Guarantee Program

Section 184A was established by Section 514 of the American Homeownership and Economic Opportunity Act of 2000, which amended the Housing and Community Development Act of 1992. The program is similar to Section 184, but is intended for Native Hawaiians eligible to reside on the Hawaiian home lands. In its 8 years of operation, the program has guaranteed 276 loans for more than \$69.5 million.

Helping Tribal Communities Succeed in Affordable Housing and Economic Development

We would like to share with you some perspectives on how tribal communities overcome barriers to Indian housing development and succeed.

We encourage tribes to look to federal resources such as HUD's Indian Housing Block Grant and Title VI programs, but to also consider other opportunities. Tribes and TDHEs are looking beyond just building individual houses and are becoming more strategic in their efforts to create more sustainability in their economics and communities.

Tribes from the southwest to the northeast have leveraged HUD programs outside of ONAP such as the those sponsored by the Office of Sustainable Housing and Communities, and Green Construction grants administered by HUD's Office of Policy Development and Research.

Additionally, Tribes are applying for and receiving assistance from federal and state programs that support housing, such as grants or loans from Federal Home Loan Banks, USDA's Rural Development, and the Department of Energy. In addi-

tion, they are receiving allocations of Low Income Housing Tax Credits that can attract investment to Tribe-sponsored affordable housing projects.

We have engaged in marketing and outreach activities designed to make tribes and TDHEs more familiar with our programs, particularly those with federal guarantees to lower the risks that have traditionally made the private sector shy away from partnering with tribes.

We can also assist with advice on how to leverage private-sector capital to create more housing on reservations. As we move forward, we're cognizant of, and will work within, the government-to-government relationship that exists between this Department and the Federally recognized Indian tribes we serve.

For various reasons, housing development on reservations has been viewed by many as a "social program," and not as an engine for economic development. We need to advance our collaboration with tribes, other Federal agencies, and the private sector to clearly establish housing development as a key component, a building block, in the creation of sustainable economies on Indian reservations.

Over many years, we have concentrated on the development and management of HUD-assisted housing; now we need to develop the capacity to expand beyond that. Through the leveraging of federal financial resources with private capital, we can create greater opportunities for housing, new businesses and jobs . . . all contributing to the creation of sustainable economies.

We have identified some key building blocks to establish the foundation for developing more sustainable economies. These are:

- creating institutions
- investing in human capital
- strengthening legal frameworks
- leveraging sources of capital
- fostering economic diversity

HUD's goal is to use its Native American programs as catalysts for economic development, and to contribute to building sustainable economies within Native American communities.

How do these programs contribute to sustainable economies? Homeownership programs build equity and promote asset building for Native American families. As a result, there is a greater level of commerce and expenditures within the community, and at Native American-owned businesses. Developing housing also greatly assists in creating permanent local jobs.

Not only do these programs provide an influx of funds into Indian communities, but they can also be used to attract other sources of capital. This ability to leverage other federal money as well as state funds and private capital is key to building a sustainable economy that is not solely dependent on federal funds.

Today, there are more ways to leverage federal funds than ever before, such as using low-income housing tax credits, other federal and state programs, and partnerships with the private sector. HUD encourages tribes to look beyond their grant funding and to use these resources and other sources of capital to make possible mixed-use development and the overall expansion of economic development to Indian Country.

Indeed, there are dozens of tribes that are now using these strategies successfully. But overcrowding, substandard housing, and dire poverty are still prevalent in much of Indian Country, and these challenges will no doubt be with us for many years to come. The block grant program, and other federal support programs provide these Native communities with a solid foundation on which to build their futures.

Closing

Thank you again, Chairwoman Cantwell, and members of the Committee, for the opportunity to appear before you today. We look forward to continuing to work with you and your staffs on these issues. I would be happy to answer any questions you may have.

The CHAIRWOMAN. Thank you, Mr. Boyd.

Now we are going to hear from Ms. Cheryl Causley, who is the Chairperson of the National American Indian Housing Council. Welcome, thank you for being here.

**STATEMENT OF CHERYL A. CAUSLEY, CHAIRWOMAN,
NATIONAL AMERICAN INDIAN HOUSING COUNCIL**

Ms. CAUSLEY. Thank you. Good afternoon, Chairman Cantwell, Vice Chairman Barrasso, distinguished members of the Senate Committee on Indian Affairs. Thank you for conducting this oversight hearing.

My name is Cheryl Causley. I am an enrolled member and Director of Housing for the Bay Mills Indian Community.

I appear before you today in my capacity as Chairwoman of the National American Indian Housing Council. NAIHC was founded in 1974 and serves its members by providing invaluable training and technical assistance to its tribes and its tribal housing entities. Our membership is expansive, comprised of 274 members, representing 473 tribes and tribal housing organizations.

NAIHC's member tribes span the entire Country and reside in each State represented by members of this Committee.

The barriers in the Indian housing development are many, but they can be broken down into four categories: Federal delays in providing necessary approvals and funding; lack of technical capacity enabling tribes to maximize scarce resources; lack of physical infrastructure; weak tribal economies that fail to provide jobs and income to Native families, resulting in an ongoing inability to finance homes and related capital assets.

There is a consensus in Congress, the Federal Government, with tribal leaders and organizations that there is a severe housing shortage in tribal communities. Many homes, as a result, are overcrowded, in need of substantial repair, and many homes lack basic amenities, such as complete kitchens and plumbing.

The estimate is around 250,000 new units of housing. We hope to have a better estimate at the conclusion of HUD's needs study.

These issues are further complicated by the status of Indian lands, which are held in trust or restricted fee status by the United States for benefit of the tribes and their members. As a result, private financial institutions are leery of lending for new construction or home improvements. Private investment, therefore, in real estate in Indian Country is virtually non-existent. Tribes almost entirely are dependent upon the Federal Government for financial support in meeting their growing housing needs.

In 1996, Congress passed NAHASDA to address the housing crisis in Indian Country, by consolidating and block granting Federal housing programs directly to Indian tribes or their tribally-designated housing entities. NAHASDA represents a positive and a welcome change in Federal Indian housing policy and embraces the principles of tribal self-determination, including local decision-making and reduced administrative bureaucracy.

The results have been impressive, with more than 110,000 new homes built, acquired or renovated for American Indian and Alaska Native families. However, because of the sheer scale of the need and lack of sufficient funding, housing conditions in Native communities remain some of the worst in the Nation. To further address ongoing barriers to the delivery of Indian housing, additional funding for our NAHASDA Indian housing block grant is required. In the absence of the additional funding, modest legislative reform, such as that within the draft reauthorization bill, presented by

NAIHC, will provide opportunities to reduce barriers to the delivery of safe, affordable housing for Native communities.

Some examples of the important reforms that will improve the delivery of housing are to simplify the environmental review requirements, eliminating conflicting Federal labor standards, modernizing the 30 percent rule. Tribal housing entities are encouraged to leverage their funds to secure sources of financing, such as Title 6, 184 and low-income housing tax credits to combine funding streams from multiple sources, from USDA, CDFI, Federal Home Loan Bank, private foundations and commercial banks.

Even a simple pooling of existing resources is difficult because compliance requirements actually vary from program to program, presenting barriers to efficient administration of multiple funding streams, and limit the ability of tribes to access multiple programs in an effort to reach adequate scale.

In closing, I would like to congratulate you, Chairwoman Cantwell, as the first woman Chair of the Senate Committee on Indian Affairs. Thank you to all the members of this Committee for holding this hearing. I would be happy to answer any questions that you may have.

[The prepared statement of Ms. Causley follows:]

PREPARED STATEMENT OF CHERYL A. CAUSLEY, CHAIRWOMAN, NATIONAL AMERICAN INDIAN HOUSING COUNCIL

Good afternoon Chairwoman Cantwell, Vice Chairman Barrasso, and distinguished members of the Committee on Indian Affairs. Thank you for the opportunity to appear before you today to help the Committee to identify barriers to Indian housing development as well as propose solutions to these difficult challenges.

My name is Cheryl Causley and I am the Executive Director of the Bay Mills Indian Housing Authority. I am an enrolled member of the Bay Mills Indian Community located in Brimley, Michigan, and am here today in my capacity as Chairwoman of the National American Indian Housing Council (NAIHC).

Background on the National American Indian Housing Council

The NAIHC was founded in 1974 and for nearly four decades has served its members by providing invaluable training and technical assistance (T&TA) to all tribes and tribal housing entities; providing information to Congress regarding the issues and challenges that tribes face in terms of housing, infrastructure, and community and economic development; and working with key federal agencies to address these important issues.

The membership of NAIHC is expansive, comprised of 274 members representing 473¹ tribes and tribal housing organizations. NAIHC's member tribes span the entire country from Florida to Alaska, from New Mexico to Maine, and reside in each and every state represented by the Members of this Committee. Our members are deeply appreciative of the consistent leadership this Committee provides in Congress related to issues affecting tribal communities.

NAIHC's primary mission is to support tribal housing entities in their efforts to provide safe, decent, affordable, and culturally appropriate housing for Native people.

As this Committee knows, tribal communities suffer from some of the worst housing conditions in the United States. The causes are many, but can be broken down largely into four categories:

1. Federal delays in providing necessary approvals and funding;
2. Lack of technical capacity enabling tribes to maximize scarce resources;

¹There are 566 federally recognized Indian tribes and Alaska Native villages in the United States, all of which are eligible for membership in NAIHC. Other NAIHC members include state-recognized tribes eligible for housing assistance under the 1937 Housing Act and that were subsequently grandfathered in the Native American Housing Assistance and Self-Determination Act of 1996; and the Department of Hawaiian Home Lands, the state agency that administers the Native Hawaiian Housing Block Grant program.

3. Lack of physical infrastructure; and
4. Weak tribal economies that fail to provide jobs and income to Native families, resulting in an ongoing inability to finance homes and related capital assets.

Solutions include new and innovative partnerships between the federal and tribal governments—as well as the private sector—that could provide tribal communities the tools they need to meet the longstanding housing challenges and build better housing environments.

Tribal Surface Leasing Authority: Potential for Expedited Lease Approvals

In the last session of Congress, the NAIHC was the lead proponent of the *Helping Expedite and Advance Responsible Tribal Homeownership Act* (HEARTH Act), one of only eight Indian tribal bills enacted into law in the 2011–2012 timeframe. The HEARTH Act builds on the *Navajo Surface Leasing Reform Act of 2000*, and authorizes Indian tribes in general to lease surface tribal trust lands pursuant to their own tribal surface leasing ordinances. Once a tribal surface leasing ordinance is approved by the Interior Secretary, the tribe may pursue surface leasing of its tribal trust lands for a variety of purposes, including home site leases, without the review or approval of the Secretary.

While this may sound elementary to some, these amendments strengthen tribal self-determination and give tribes a tool they will assuredly use to expedite leasing decisions and to improve the approval process that housing development relies upon.

General Economic Conditions in Indian Country

Recently, our country has gone through an economic downturn that many have described as the worst recession since World War II. This economic reality is greatly magnified in Indian communities. The national unemployment rate peaked at an alarming rate of nearly 10 percent and still hovers around 8 percent. The rate in tribal communities is 49 percent.² The highest unemployment rates are on the Plains reservations, where the average rate is 77 percent.³

Because of the remote locations of many reservations, there is a lack of basic infrastructure and economic development prospects are difficult to identify and even more difficult to pursue. As a result, the poverty rate in Indian Country is exceedingly high at 28.4 percent, nearly three times the national average.⁴ These employment and economic development challenges exacerbate the housing situation in Indian Country.

- According to the 2000 U.S. Census, nearly 12 percent of Native American households lack plumbing compared to 1.2 percent of the general U.S. population.
- According to 2002 statistics, 90,000 Indian families are homeless or underhoused.
- On tribal lands, 28 percent of Indian households were found to be over crowded or to lack adequate plumbing and kitchen facilities. The national average is 5.4 percent when structures that lack heating and electrical equipment are included.
- Seventy percent of the existing housing stock in Indian Country is in need of upgrades and repairs, many of them extensive.
- Less than half of all reservation homes are connected to water sanitation facilities.

There is consensus in Congress, the Federal Government, tribal leaders, and tribal organizations that there is a severe housing shortage in tribal communities; that many homes are, as a result, overcrowded; that many of the existing homes are in need of repairs, some of them substantial; that many homes lack basic amenities that many of us take for granted, such as complete kitchens and plumbing; and that at least 250,000 new housing units are needed in Indian Country.

These issues are further complicated by the status of Indian lands, which are held in trust or restricted-fee status by the United States for the benefit of the tribes or their members. As a result, private financial institutions are leery of lending for new construction or home improvements. Private investment, therefore, in real estate in Indian Country is virtually nonexistent, with tribes almost entirely depend-

²Bureau of Indian Affairs Labor Force Report (2005).

³Many of these reservations are in the state of South Dakota, which has one of the lowest unemployment rates in the nation. On some SD reservations, the unemployment rate exceeds 80 percent.

⁴U.S. Census Bureau, *American Indian and Alaska Native Heritage Month: November 2011*. See <http://www.census.gov>.

ent on the Federal Government for financial support in meeting their growing housing needs.

Brief Summary of the Problems Regarding Housing in Indian Country

The *Housing Act of 1937* authorized local governments to organize public housing agencies that received federal subsidies to improve living conditions for low-income families. It was not until 1961 that the Public Housing Administration recognized tribal governments as local governing bodies that could establish Indian Housing Authorities under tribal law. The ensuing three decades led to improved housing conditions throughout tribal communities, however, enormous hurdles plagued most tribal housing programs.

Numerous tribal leaders, tribal housing advocates and Members of Congress recognized a need for significant changes to federal law to provide tribes access to federal housing funds in a manner consistent with tribal self-determination.

The Native American Housing Assistance and Self-Determination Act

In 1996, Congress passed the *Native American Housing Assistance and Self-Determination Act* (NAHASDA) to address the housing crisis in Indian Country by consolidating and block granting federal housing programs directly to Indian tribes or their tribally-designated housing entities (TDHEs). For seventeen years, NAHASDA has been the cornerstone for providing housing assistance to low-income families on Indian reservations, in Alaska Native villages, and on Hawaiian Home Lands.

The Indian Housing Block Grant (IHBG) is the centerpiece of NAHASDA, and since its first fiscal year of funding in 1998, NAHASDA has been *the single largest source* of funding for tribal housing.

Administered by the Department of Housing and Urban Development (HUD), NAHASDA specifies which activities are eligible for funding.⁵ Not only do IHBG funds support new housing development, acquisition, rehabilitation, and other housing services that are critical for tribal communities, they cover essential planning and operating expenses for tribal housing entities. Between 2006 and 2010, a significant portion of IHBG funds, approximately 24 percent, were used for critical planning, administration, and housing management and services.

Despite advances made by some tribes since 1996, many tribes lack administrative capacity to manage their block grants in effective and efficient ways. After formal hearings and much deliberation, section 703 of NAHASDA reflects congressional authorizers' thoughtful conclusion that T&TA is critical to the success of NAHASDA's block grant regime.⁶ Congressional appropriators share this view. In the Fiscal Year 2013 Transportation, Housing and Urban Development spending bill considered last June, appropriators acknowledged an enormous need for T&TA in Indian Country.

One of the most important services the NAIHC has provided for more than a decade is T&TA to tribes and their TDHEs. Reflecting the importance of T&TA and the value they place on NAIHC-provided assistance, tribes have voted each year since 2006 to "shave" their respective block grant amounts and allocate the funding to NAIHC for its T&TA program. Despite the plain language of section 703, recent changes to appropriations bills have radically changed how training funds are allocated.

Fiscal Year 2012 funding, for instance, was provided to NAIHC but also to other tribal organizations and at least one non-Indian organization. We point out that neither tribal leaders nor tribal housing managers were consulted before these changes were implemented by HUD.

In addition to its key T&TA role, and in anticipation of NAHASDA's reauthorization this year, NAIHC also undertook a comprehensive outreach process to encouraging open discussion about the Act from inception to the present, from the perspective of the tribes and their TDHEs.

The outreach facilitated in-depth, ongoing discussions to assess the effectiveness of the Act, its individual components, and its rules and regulations in meeting its intended purpose(s). The objective of this extensive outreach process was to have a reauthorized Act that more effectively accomplishes its objectives.

⁵ Eligible activities include, but are not limited to, down-payment assistance, property acquisition, new construction, safety programs, planning and administration, and housing rehabilitation.

⁶ Section 703 of NAHASDA is titled, "Training and Technical Assistance," and provides that "(T)here are authorized to be appropriated for assistance for a national organization representing Native America housing interests for providing training and technical assistance to Indian housing authorizes and tribally-designated entities such sums as may be necessary [for subsequent fiscal years]." 25 U.S.C. § 4212.

With this process now complete, NAIHC has shared a discussion draft bill with Members of Congress and interested stakeholders. NAIHC encourages the swift reauthorization of this important statute.

Leveraging Housing Funds

Relying on appropriated dollars to build and renovate homes has been the standard practice in Indian Country. Alternatives, such as leveraging existing funds with guarantees or investing borrowed money, can bring new opportunities to Native families in search of housing.

The tools provided in NAHASDA have spurred several tribes into exploring partnerships with lenders or utilizing existing funds to enhance the effectiveness, efficiency, and success of housing projects.

For example, tribal housing entities are increasingly encouraged to leverage their IHBG funding to secure other sources of financing, such as Low Income Housing Tax Credits. They are also beginning to combine funding streams from multiple sources such as the U.S. Department of Agriculture Rural Development, U.S. Treasury Department's Community Development Financial Institutions Fund, the Federal Home Loan Bank, private foundations, and commercial banks. Even a simple "pooling" of existing resources is difficult because compliance requirements vary from program to program, presenting barriers to efficient administration of multiple funding streams and limit the ability of tribes to access multiple programs in an effort to reach adequate scale.

While tribes are doing their best to minimize these barriers and achieve economies of scale that accompany resource "pooling," a better solution would be for the Federal Government to launch a demonstration project authorizing tribes to reach across the spectrum of federal programs to access currently disparate programs and resources. This is already being done in the realm of labor and employment training with the universally popular *Indian Employment, Training and Related Services Act* (Pub.L. 102-477) otherwise known as the "477 Program."

It should also be noted that eligibility to receive funding available through various federal housing programs is not consistent. A number of organizations in Alaska and Oklahoma, for example, cannot be accurately characterized as either tribes, units of local government or 501(c)(3) non-profit organizations. A simple solution would be to review eligibility requirements for federal housing programs and, whenever possible, extend eligibility to entities that have been designated as TDHEs for one or more Indian Tribes for the purposes of NAHASDA.

Title VI Loan Guarantee Program

Under Title VI of NAHASDA, HUD is authorized to guarantee notes or other obligations issued by tribes, or tribal housing entities, if approved by the tribe, for the purpose of financing affordable housing activities as described in section 202 of NAHASDA. IHBG funds may be used as security for the guarantee or other obligations. The objectives of the program are to enhance the development of affordable housing activities, increase access to capital to further economic growth, and encourage participation in the financing of tribal housing programs or financial institutions that do not normally serve tribal areas.

Case Study: Passamaquoddy Tribe of Maine

The Passamaquoddy Tribe of Maine has found creative approaches to maximize the impact of NAHASDA funds they receive. Using the Title VI loan guarantee program to attract other sources of capital, the Tribe successfully leveraged its IHBG funds to enhance its housing development strategies. The flexibility of the Title VI program criteria allows financing of any NAHASDA-eligible affordable housing activity for a period of up to twenty years. Title VI has also proven to be a cost-effective source of gap financing during initial stages of a housing project.

The Tribe used Title VI to construct twenty-eight low-income housing tax credit units and a community center. The balance on the Title VI loan was paid down with the tax credits and Federal Home Loan Bank of Boston's Affordable Housing Program funds.

Section 184 Home Loan Program

HUD's section 184 program is a mortgage loan product designed to resemble a conventional or private housing loan, and there are no income limits for the section 184 Loan program. Because the section 184 loan program is guaranteed by the Federal Government, the program has provided much needed access to capital to many individuals and Native families who might otherwise struggle to obtain home financing.

Case Study: White Mountain Apache Tribe

The White Mountain Apache Tribe of Arizona utilized a blend of funding streams including NAHASDA, section 184 guarantees, and tribally-issued, tax-exempt bonds to develop a 250 unit single-family housing project. This project provides long-term rentals (amount paid determined on family's ability) with the housing entity as the lessor and the tenants have the opportunity to purchase their units.

Case Study: Bay Mills Housing Authority

The Bay Mills Housing Authority of Michigan developed a tri-party agreement that included the Central Savings Bank, which was able to offer the section 184 loan program, USDA Rural Development loans, or tribal loans to members of the Tribe. Bay Mills used NAHASDA funds as down-payment assistance of up to 10 percent of the loan (not to exceed \$8,000) to families with incomes at or below 80 percent of the area median. The Tribe provides similar opportunities to families with higher incomes.

As the case studies above demonstrate, the 184 program has been a success when the program is viable and has funding available. In recent years, however, uncertainty caused by delay in congressional enactment of annual appropriations bills has prompted HUD to place restrictions on the 184 program. Most recently, on March 8, 2013, HUD announced that it would no longer issue firm commitments under the 184 program until Congress appropriated additional funds. This resulted in some borrowers and lenders being forced to secure alternative financing.

Non-Profit Incorporations to Enhance Access to Funding

Some tribes have created 501(c)(3) non-profit corporations for the purposes of establishing an independent organization that accesses additional housing funding opportunities. Forming a 501(c)(3) is a multi-step process. First, the concept must be endorsed by the tribe's governing body. Once the concept is approved by the tribal government, a charter must be developed and submitted to the tribe and approved. Once approved and chartered, the non-profit must maneuver through a complex field of Internal Revenue Service rules and regulations to appropriately establish a non-profit entity. Based on multiple tribal housing examples, this process has provided increased access to a variety of funding possibilities and a greater ability to serve the individual housing needs of tribal members.

Case Study: Yukon-Koyukuk Elder Assisted Living Facility

The Yukon-Koyukuk Elder Assisted Living Consortium (YKEALC) is a 501(c)(3) organization founded to develop the Yukon-Koyukuk Elder Assisted Living Facility in Galena, Alaska. The facility is located on the banks of the Yukon River in central Alaska and was completed in 2011.

Five federally-recognized Alaska Native tribes came together to create the facility: Nulato Tribal Council, Loudon Tribal Council, Koyukuk Tribal Council, Ruby Tribal Council and Kaltag Tribal Council. Total investment in this assisted living center was \$7.8 million.

These tribes needed a closer facility to provide housing and services to their elders. Without a closer facility, elders would have been forced to move, and this would have put them far from their families, friends and culture. Through the development of YKEALC the elders can remain in their tribal communities and receive top quality housing and health care.

The New Markets Tax Credit financing will allow the facility to purchase medical supplies, install solar panels on the roof and install a wood-based heating system. These energy efficiency measures are critically important due to the very high cost of energy in this very remote region. The financing also provides working capital to help fund operations at the facility. The project created twenty-eight construction jobs and ten permanent jobs.

YKEALC will also work to keep the elders connected to the community—a crucial element of elder care. This is done through volunteer efforts of local residents bringing fish and game to the facility for community meals.

Native Community Development Financial Institutions

Increasingly, tribal housing programs are exploring the advantages of instituting and working with Native Community Development Financial Institutions (Native CDFIs) in an effort to leverage resources for homeownership. Native CDFIs were created when the *Community Development Banking and Financial Institutions Act of 1994* established the CDFI, whose purpose is to promote economic revitalization and community development through investment and assistance to fund-certified CDFIs. The Fund offers grants, loans, equity investments, and other forms of assistance on a matching funds basis. CDFIs are administered by the U.S. Treasury Department.

These Native CDFIs must demonstrate their independence from tribal government and inclusion of the tribal target population on its board of directors to obtain funding from the Fund. This structure is intended to assure separation from tribal politics and sound lending practices. CDFIs may also attract financial support from banks and other lenders and are especially conducive to tribal housing programs that seek focus on homeownership loans.

It is the goal of most Native CDFIs to bring in funding from various sources to lend back to tribal community members at favorable rates or provide the necessary financial education and credit counseling to increase tribal members' access to lending products. Native CDFIs not only help to boost homeownership through providing loan products and other services, but they provide tribal members with the knowledge and skills in building productive financial opportunities.

Case Study: New Mexico Native CDFIs

In New Mexico, 10.7 percent of the population is identified as American Indian and/or Alaska Native (AI/AN)—making it the third highest AI/AN populated state proportionate to the rest of the state's population. Out of the twelve certified CDFIs in the state there are four Native CDFIs that provide varied services to the tribal communities of Laguna Pueblo, Ohkay Owingeh, Isleta Pueblo, and the Navajo communities near Gallup, New Mexico. They provide mixed lending products, such as home mortgage loans, home rehabilitation loans, and construction lending. In addition, they provide homeownership education, financial education, and credit counseling and repair.

The financing of the Native CDFIs are diverse, and underscore the multifaceted contribution from various funding sources to meet the housing needs in the New Mexico tribal communities. Three of the New Mexico Native CDFIs receive direct funding from their respective TDHE, two CDFIs receive funding from the New Mexico Mortgage Finance Authority (a state agency), and two CDFIs receive funding from non-profit entities. The Tiwa Lending Services (TLS) receives direct funding from the Pueblo of Isleta, which transferred its home loan portfolio and tribal funds to TLS.

Case Study: Ho-Chunk Community Development Corporation

The Ho-Chunk Community Development Corporation (HCCDC) is an emerging CDFI, and was formed by and partners with the Winnebago Tribe and its entities. The Mission of the Ho-Chunk Community Development Corporation is to raise the socio-economic and educational levels of Native American communities and the people of Thurston County, Nebraska. A goal of HCCDC is to decrease substandard housing, increase housing opportunity, increase clients' ability to access housing, and increase capital available locally.

The Winnebago Reservation lacks affordable housing and tribal members who are able to afford a mortgage are forced to live elsewhere. Other tribal members lack the funds for the initial down payment to purchase a home. Using the Winnebago Tribe's other private subsidiary, Ho-Chunk Inc., the HCCDC and the Winnebago Tribe have worked together to develop a Housing Down Payment Assistance Program that provides a significant portion of a standard down payment for a new homeowner. The homeowner is required to go through a special financial and homeownership education course and must meet other criteria to qualify.

In 2010, Ho-Chunk, Inc. and the Winnebago Tribe authorized a \$1 million Housing Stimulus Program to set aside Ho-Chunk, Inc. dividends and other tax revenues to offer \$50,000 in down payment assistance to up to twenty new homeowners who build a home on the Winnebago reservation. Through these combined efforts, housing on their reservation is more affordable and tribal members can start building the traditional wealth that other non-Native homeowners have gained.

Beyond their down payment assistance program, the HCCDC has invested in Ho-Chunk Village, a modern comprehensive subdivision that incorporates their traditional village design. The Village will provide both commercial and residential development with a senior-living housing project, private homes, a 20-unit apartment complex, and 10 unit townhouses. On the commercial side, the Village will include a commercial office building, laser art panels, veteran's park, sculpture garden, theater, playground, and public-use building. Beyond creating the needed affordable housing opportunities, the development of the Ho-Chunk Village is raising the tribal economy and creating much-needed jobs.

Conclusion

Given the funding constraints in the tribal housing arena and the need to not only maintain existing units, but keep up with growing tribal populations and meet the tremendous existing housing backlog, tribes have, out of necessity, been very cre-

ative in developing partnerships and crafting innovative solutions to meet their unique housing needs and expand community development.

In closing, I want to thank you Chairwoman Cantwell, Vice Chairman Barrasso, and all Members of the Committee for holding this hearing and for the opportunity to highlight solutions that help meet the overwhelming housing needs in tribal communities. Your continued support of tribal communities is truly appreciated, and NAIHC is eager to work with you and your staff on these often-challenging issues.

The CHAIRWOMAN. Thank you very much.

Next we are going to hear from Annette Bryan, from the Puyallup Tribe. Thank you for being here, thanks for traveling all the way from the West Coast.

**STATEMENT OF ANNETTE BRYAN, EXECUTIVE DIRECTOR,
PUYALLUP NATION HOUSING AUTHORITY**

Ms. BRYAN. Good afternoon, Chairman Cantwell, Vice Chairman Barrasso and members of the Committee. Thank you for the opportunity to provide testimony today on barriers and solutions to housing development in Indian Country. I lift my hands to each of you in thanks for all of the hard work that you do on behalf of tribal people.

My name is Annette Bryan. I am the Executive Director of the Puyallup Nation Housing Authority for the Puyallup Tribe of Indians in Tacoma, Washington, the other Washington. And our tribe has over 4,000 enrolled members covering about 28 square miles. We have developed a number of successful economic development activities; however, poverty and inadequate housing are still endemic.

PNHA was established to provide decent, safe, sanitary and affordable housing for low-income tribal members and other Indians in our service area. Our dedicated and wonderful staff prides itself in the work that we do, but every day we strive to do what we can in the enormous housing needs that we face.

Under NAHASDA, we have been able to develop capacity, construct more than 50 new affordable housing units and increase safety by installing cameras and providing a full-time police officer with a canine unit dedicated to the housing. We have developed a broad range of services and programs, including rental and home buyer units, a rental assistance voucher program, a down payment assistance program and a self-sufficiency program.

I will testify about certain barriers. The first barrier, inadequate funding; second barrier, redundant requirements; and the third barrier, total development cost limitations. I will then conclude by addressing reauthorization.

The first barrier, inadequate funding. The President's budget, released today, flatlines NAHASDA at \$650 million. To compound that funding issue, NAHASDA block grant does not provide any additional funds for operation and maintenance of our new units. We are at a point where we are not able to construct or acquire any more new units, because our grant funds need to be spent to maintain and operate those we already have.

We need Congress to, at the very least, allow us to keep pace with inflation. Congress should increase the annual NAHASDA block grant appropriations to at least \$875 million with subsequent annual increases in order to meet current inflation and keep pace with future inflation.

The second barrier is redundant requirements. One of the necessary responses to insufficient funding is leveraging funding from other sources. When tribes combine sources from different Federal agencies, we are required, for environmental reviews, for example, to do an environmental review for each Federal agency in which we are given funding for. NAHASDA authorizes tribes to carry out their own environmental reviews and use their own tribally-determined prevailing wage rates in lieu of Davis-Bacon rates. However, other funding requirements on top of that require us to meet that obligation multiple times, creating redundancy. Puyallup supports amendments to NAHASDA that would allow for consolidation of environmental review and prevailing wage requirements in those situations to avoid redundancy and cost.

The third barrier, total development cost limits on green building. At the Puyallup Tribe of Indians, we have developed two, all of our units are green, but we have a LEED Platinum certified building. There is a picture of it over here. We are using different kinds of technologies that are costing a little bit more. So we are asking for flexibility in the total development cost, 10 to 20 percent. We get a 10 percent waiver from HUD. However, it is time-consuming to ask for that and takes a little bit more process, process, process. So more flexibility in that would be helpful.

One step Congress could take to facilitate green building would be to expressly authorize a waiver of greater flexibility around moderate design standards that have been promulgated in the NAHASDA regulations.

NAHASDA reauthorization. If NAHASDA is not reauthorized, we will not be able to continue to operate our critically-needed programs and services. Like the VAWA Act, protecting Native women, the NAHASDA Act protects Native families. NAHASDA is fundamentally a success, and while there is room for improvement, NAHASDA is critical to providing Indian housing for Indian people. Without it, we will be devastated. We strongly support reauthorization of NAHASDA to continue this successful program to meet these critical needs.

On behalf of the Puyallup Tribal Council and the Puyallup Nation Housing Board of Commissioners, I would like to thank you for this opportunity, and I am happy to answer any questions the Committee may have.

[The prepared statement of Ms. Bryan follows:]

PREPARED STATEMENT OF ANNETTE BRYAN, EXECUTIVE DIRECTOR, PUYALLUP NATION HOUSING AUTHORITY

Good afternoon, Chairwoman Cantwell, Vice-Chairman Barrasso, and distinguished members of the Senate Committee on Indian Affairs. My name is Annette Bryan, and I am the Executive Director of the Puyallup Nation Housing Authority (PNHA) and have been at PNHA since 2004, first as a member of the Board of Commissioners and then as Executive Director.

On behalf of the Puyallup Tribe and the Puyallup Nation Housing Authority, I would like to thank the Chair, Vice-Chair, and the Committee Members for holding this hearing and for establishing the reauthorization of the Native American Housing and Self-Determination Act (NAHASDA) as a priority legislative item for the 113th Congress. I am honored to testify at today's hearing concerning barriers to providing housing in Indian Country, and in support of the reauthorization of NAHASDA. Ensuring adequate housing is paramount to the quality of life in Indian Country, and this hearing will help us break down existing barriers so we can move

forward on this important task. Furthermore, this hearing will lay the groundwork needed to enact a reauthorization for NAHASDA that builds upon its successes.

We would like to thank the Chairwoman for her efforts to provide resources to meet the severe needs for housing and other assistance in Indian Country. The housing needs for the Puyallup Tribe, and across Indian country, are extreme. The NAHASDA has provided PNHA with tools to make notable progress in meeting the housing needs of our Tribe, but there is still a significant unmet need that is far too large. Reauthorization of the NAHASDA provides a necessary opportunity to strengthen the Act by increasing its flexibility and efficiency. I will discuss a number of barriers to providing effective housing assistance in Indian Country, many of which can be addressed through amendments in the reauthorization process and funding in accordance with the dire housing needs in Indian Country. First, I will provide some background about our Tribe and PNHA.

The Puyallup Tribe and the Puyallup Nation Housing Authority

The Puyallup Tribe is a federally recognized tribe located in the Southern Puget Sound area of Washington State. In our aboriginal language, we are known as the S'Puyalupubsh, meaning "generous and welcoming behavior to all people (friends and strangers) who enter our lands." Our people lived in villages from the foothills of Mount Tacoma, along the rivers and creeks to the shores of Puget Sound. Our villages were scattered throughout the many islands, prairies and rich valley country of the Pacific Northwest. Historians often noted because of the abundance of salmon and shellfish that "When the tides were out, the table was spread."

Our people lived here for thousands of years existing by the bountiful gifts provided by the Creator. Our Mother, Mount Tacoma, provided the water that supplied our salmon. We were fed by the abundance of nature's gifts: Salmon, shellfish, wild game, roots and berries. The cedar trees provided our homes, utensils, clothing and transportation. All of these gifts are part of our rich cultural heritage we have today. Our environment was rich in the wealth of natural resources, providing all our needs, allowing us to live healthy, happy lives. There were no worries of where the next meal would come from or where we would sleep. There was the freedom to practice our religion, train our children and take care of our elders.

Today we are known as the Puyallup Tribe of Indians. Times have changed and the conditions we live in have changed dramatically, but the Puyallup Tribe endures. The membership of the Tribe has grown considerably in recent years, and is now more than 4,000 people. A majority of tribal members live in the Puget Sound region; however there are members spread across the country. Tribal members play vital roles in many aspects of life in the Puget Sound region. Adult members work as attorneys and fisherman, doctors and construction workers. Some are entrepreneurs who operate successful businesses. Many members are active in sharing the rich Puyallup culture with the community through pow wows, art exhibits and other activities. Yet there are still many—too many—of our people who are in poverty. As a result many do not have access to safe, sanitary, and adequate housing.

Recognizing this need, the Tribe established the Puyallup Nation Housing Authority in 1977. PNHA is the tribally designated housing entity of the Puyallup Tribe. It carries out the low-income housing program for the Puyallup Tribe, and is the recipient of the Tribe's Indian Housing Block Grant under the NAHASDA. Our mission is to provide assistance and opportunities for eligible and qualified Native Americans within the Puyallup Tribe's service area to obtain decent, safe, sanitary and affordable housing.

PNHA was established to provide decent, safe, sanitary and affordable housing for low-income tribal members and other Indians in our service area. We endeavor to alleviate the acute shortage of decent, safe and sanitary dwellings in our area through the construction of new homes and the alteration and repair of existing homes. We also manage and maintain residential properties that are owned by the Tribe or the PNHA to provide housing to members and the Indian community. Our staff of 18 prides itself in our work, but we strive every day to do what we can to meet the enormous housing needs we face.

Through NAHASDA, PNHA offers assistance to eligible participants through our Home Ownership Opportunity program, opportunities to live in low rent apartment or homes that are owned by the Tribe or PNHA, and our rental assistance program. Our Home Ownership Opportunity Program is a lease-to-own opportunity for eligible applicants. It is successful in several aspects. It not only provides safe and sanitary housing for the family or individual, but also the pride, stability and responsibility that comes with being a home owner.

Unfortunately, many of our members and other intended beneficiaries are not eligible for our Home Ownership Opportunity Program. Thus, we have many people

seeking on-reservation low income rental units. We manage 59 units that are available for low rent living. These include our 27 apartments and 22 townhouses along with our newly constructed ARRA-funded 10-unit Longhouse project. Significantly, our Phase I Longhouse project was recognized by the U.S. Green Building Council as its LEED for Homes 2012 Project of the Year. It is also one of six projects worldwide honored with a SEED (Social Economic Environmental Design) Award for Excellence in Public Interest Design. It also earned the rare LEED Platinum rating, the highest building certification for leadership in energy and environmental design. We are particularly proud of our Longhouse project and are pleased to offer it to our members as a housing opportunity. Phase II Longhouse will open in May, providing 10 additional units.

Because it is important to us to make sure that our elders have a safe, comfortable place to live, we also manage our Elders Healthy Home and eight Elders units. In the effort to care for our elders, we also provide assistance specifically through our Elders' Repair and Renovation Program.

Our combined units that we manage or provide rental or homebuyer assistance to result in approximately 215 families and individuals being served.

NAHASDA marks a significant step towards self-determination in the housing arena. This monumental Act has spawned much improvement and progress in the Indian housing arena. It has been a great vehicle for tribes generally and for the PNHA specifically to develop housing to meet the needs of tribal members and other Indians in its service area. If NAHASDA is not reauthorized, PNHA would not be able to continue to operate its critically needed programs and services.

NAHASDA is a success. Nonetheless, significant need remains. Greater flexibility and efficiencies are needed. Amendment through reauthorization is not enough, however, for tribes and TDHEs to truly meet the needs of their service populations: NAHASDA must also be funded in accordance with the dire housing needs in Indian country. The specific barriers we face in carrying our mission to develop Indian housing and provide assistance for eligible persons to obtain decent, safe, sanitary and affordable housing are set forth below. The lack of sufficient funding is foremost among the barriers to effectively provide housing in Indian country.

Barrier No. 1—Insufficient Funding

Since the passage of NAHASDA, the PNHA has developed a broad range of housing services, using the flexibility in the Act to meet the needs of our service population in the most efficient manner possible. We have developed several programs to utilize the tools in NAHASDA intended to facilitate homeownership and provide affordable housing. As set forth above, we have leveraged our IHBG funding with a Title VI Loan Guaranty to construct 22 units of affordable housing serving low-income Puyallup Tribal members and other Indians. We have developed a rental assistance voucher program, to assist with rental payments. This program currently serves up to 40 households per year, although this program is being reduced due to budget cuts. We have also established a down payment assistance program to eligible Indian recipients with loans or mortgages to improve existing homes or purchase or construct their own new off reservation homes. PNHA also provides financial and homebuyer counseling to its program participants. All of these programs are designed to assist low income members, but even with these benefits, only a small fraction of the families on our waiting list are financially capable of participating in these programs.

As required by NAHASDA, PNHA maintains waiting lists for the various programs it offers. Currently, there are 240 low-income households on all of our waiting lists: Homeownership Opportunity = 31; Low Rent Program = 123; Rental Assistance Voucher Program = 86. While these numbers may not look alarming, we can only provide new housing as it becomes available and we are currently 98 percent occupied.

To adequately meet the need for affordable housing for the low-income population we serve, we estimate that we would need to construct an additional 240 units. The levels of funding in our current IHBG do not provide us with the resources to construct anywhere near that number of units. To compound the funding problem, for each unit we construct with NAHASDA funds, we take on the responsibility to maintain and operate that unit. The NAHASDA block grant does not provide any additional funds for maintenance and operations. Thus, the more units we build and operate, the more of our annual block grant is taken up by maintenance and operation costs. We are rapidly approaching the point where we will not be able to afford to construct or acquire any more units because our grant funds need to be spent to maintain and operate those we already have. Yet that stock of housing is woefully insufficient to meet the overwhelming need.

Further, the annual Indian Housing Block Grant appropriations under NAHASDA have not kept pace with inflation, and in real dollars the last few years of appropriations represent a significant decrease from the amounts initially appropriated in the early years of NAHASDA. The amounts adopted over the past few years have essentially remained flat, while both the need and the costs of serving that need have increased. The automatic sequester cuts have further impacted our operations, and continued cuts will have significant adverse consequences. The annual funding we currently have is nowhere near sufficient to meet the substantial need for housing services. The cuts would result in overwhelming unmet need. Further, such cuts would require us to reduce services and/or staff. In the current economy, these scenarios will be devastating to our people.

We are also aware of Congress' concern with the significant amounts of "unexpended" funds in the NAHASDA pipeline. While some tribes and TDHEs may have had difficulties spending down funds, we note that there are numerous bureaucratic and logistical barriers to quick spend down. NAIHC and other tribes/TDHEs have pledged assistance to those tribes, and NAIHC has set up a working group to further explore the issue and develop solutions. We note that, overall, the unexpended funds problem involves a small number of tribes, and that overall the NAHASDA block grant program has a very efficient spend-down rate. We also note that the Puyallup Nation Housing Authority has been able to spend its funds down in an efficient and effective manner.

The annual IHBG appropriation is the budget we rely on to provide services year-in and year-out, any proposed cuts will impact us as an organization and our constituents in a dramatic way. Tribes and TDHEs need a longer term sustainable appropriation for housing, one that would at the very least keep pace with inflation.

Solution: PNHA requests that, at a minimum, Congress appropriate sufficient funds in the annual block grant to keep up with inflation. That amount for this Fiscal Year would be approximately \$875 million, with subsequent annual increases, to meet current inflation and to keep pace with future inflation.

Barrier No. 2—30 Percent Maximum Rent Rule

When an Indian-specific housing program was created through NAHASDA, certain aspects of the prior 1937 Housing Act were retained. One of these was the requirement that tribes may charge no more for rents than 30 percent of the adjusted annual income of households. NAHASDA Section 203(a), 25 U.S.C. § 4133(a).

While this appears to be a common sense measure to ensure that affordable housing remains affordable, it is a concept that has not transferred over well to the NAHASDA framework. First and foremost, under the 1937 Act Public Housing program, there is a specific line item for maintenance and operation of managed premises. As noted above, there is no such appropriation under NAHASDA. Oftentimes the only funds that are available for maintenance and operations come from the rents that tribes and TDHEs are able to charge. But there are many low-income clients whose annual adjusted income (a term defined by the statute) is at or near zero, and therefore the rents that the tribe or TDHE can charge is zero or de minimis. Under the 30 percent rule, tribes and TDHEs are prohibited from charging a base administrative fee if that fee is in excess of 30 percent of income. Further, the work required to certify and recertify the annual adjusted income of each household in order to make appropriate adjustments to rent is substantial and burdensome.

Moreover, the 30 percent rule applies where the tribe or TDHE is providing a rental or homebuyer subsidy to a tribal member in a unit owned or managed by another landlord. Thus, where a tribe or TDHE decides to undertake a rental assistance voucher program—like PNHA—we are required to provide a subsidy in a sufficient amount to ensure that the tenant or homebuyer is paying no more than 30 percent of their income. We are prohibited from providing a flat voucher amount (such as a payment of \$200 per month per household in the program), which would enable us to spread our resources among more households.

Solution: PNHA supports an amendment to NAHASDA that would eliminate or modify the application of the 30 percent maximum rent rule to Indian housing programs.

Barrier No. 3—Redundancy in Administrative Requirements Where Additional Sources of Funds are Leveraged

One of the responses to the insufficient amounts of funding under the NAHASDA IHBG appropriations is to blend additional sources of funding into construction projects, which PNHA and many other tribal programs have done successfully.

Yet this blending of funds results in additional bureaucratic requirements, which are often redundant, and which therefore incur additional costs for administration—meaning less money to spend on housing construction. There are two main areas

where we see this problem: environmental review and payment of prevailing wage rates.

Environmental Review. One of the innovations of NAHASDA was to allow tribes to exercise environmental review requirements that would otherwise be carried out by HUD. NAHASDA Section 105, 25 U.S.C. § 4115. For those tribes, like Puyallup, that have the capacity in-house to conduct environmental review, it is both an exercise of the Tribe's sovereignty as well as administratively more efficient to have such reviews carried out by the Tribe. Under the NAHASDA regulations, where a tribe does assume environmental review responsibilities, it must do so in accordance with the applicable HUD environmental review regulations at 24 CFR parts 50 and 58. PNHA has worked with the Tribe to tool up for and carry out environmental reviews consistent with the HUD-mandated process.

However, because our housing is built on and involves leasing of trust lands, there are in a number of cases additional, overlapping, and redundant environmental review requirements imposed by the Bureau of Indian Affairs (in exercising their authority to review and approve residential leases on trust lands). Further, when PNHA leverages its NAHASDA funds by using grant funds from other federal agencies (such as USDA—Rural Development), that agency's environmental review requirements will also apply. Thus, PNHA in such circumstances will be required to undertake three different environmental reviews—all of which are intended to meet the same federal statutory requirements under the National Environmental Policy Act—because each federal agency has its own guidelines and procedures. The resulting administrative and legal costs in doing so takes funds away from constructing houses.

Solution: PNHA supports a proposal, which we hope to see included as an amendment in the reauthorization process, that would deem a tribe to have satisfied all applicable environmental review requirements that might apply to a multiple-funding sourced project if the tribe satisfactorily completed the applicable HUD environmental review process.

Prevailing Wage Rates. NAHASDA, like many other federal statutes, requires that funding recipients pay laborers and other workers a minimum wage based on the prevailing wages in the locale where the project is being developed or operated. Such provisions are generally referred to as the Davis-Bacon Acts, which were a series of federal laws establishing such prevailing wage requirements on projects using federal funds. Those wage rates are determined by the Department of Labor (and, for certain activities related to operation of housing projects, by HUD).

Another important innovation of NAHASDA was to allow tribes to develop and apply their own prevailing wage rates as the standard minimum wages to be paid to laborers and other workers on development and operations. NAHASDA Section 104(b)(3), 25 U.S.C. § 4114(b)(3). The Puyallup Tribe has exercised its sovereign authority under this section and has developed its own prevailing wage rates, which apply to PNHA projects.

However, as with the environmental review requirements I just discussed, where a tribe uses multiple federal funding sources on a project, the Davis-Bacon requirements will apply to those other sources of funds—even if the tribally determined prevailing wage rates apply to the use of NAHASDA funds. Under such circumstances, the tribal housing program will have to separately track the expenditure of each set of funds and set up two distinct payrolls (and payment rates) for work done under each funding source. Doing so involves a substantial administrative and accounting burden, transferring costs from building houses to managing accounts.

Solution: As with the environmental review issue, PNHA supports a proposal, which we hope to see included as an amendment in the reauthorization process, that would authorize a tribe to apply the tribally-determined prevailing wage rate to all sources of funds used in a project that was funded in part by NAHASDA block grant funding.

Barrier No. 4—Delays in HUD Response to Requests for Approvals or Waivers

The HUD Office of Native American Programs (ONAP) has been a strong and reliable partner for the PNHA. In particular, the Northwest ONAP has been very helpful in providing technical assistance, advice, and oversight. But ONAP, like many federal agencies, is often short-staffed and underfunded, and in a number of instances may not be able to respond in a timely manner to certain requests.

Where this situation has the potential to become a barrier is in those areas where—under the statute—HUD is given the authority to approve waivers of certain statutory requirements or timelines. For example, NAHASDA requires IHBG recipients to enter into Local Cooperation Agreements with local governments to

provide for services in exchange for payments in lieu of taxes or user fees. In some instances, however, those local governments are uncooperative or simply unwilling to enter into such agreements. NAHASDA, therefore, gives tribes the right to ask HUD for a waiver of the Local Cooperation Agreement requirement if the tribe has made “a good faith effort” to enter into such an agreement and agrees to make payments in lieu of taxes. NAHASDA Section 101(c), 25 U.S.C. § 4111(c).

This provision, however, contains no timeline for HUD to act on such a waiver request. Yet, unless a tribe obtains an agreement or a waiver, it is unable to expend NAHASDA funds on a project in that jurisdiction. This is particularly a barrier for tribes like Puyallup that are located in areas with overlapping jurisdictions with other local governments. Other areas under the statute where HUD has similar waiver or other approval authority, but no enforceable timelines, include environmental review requirements, submission of Indian Housing Plans and response to comments on draft monitoring reports.

Solution: PNHA supports a series of NAHASDA amendments that would establish a timeline for each of these approval processes. In addition, similar to the process involved in the approval of gaming compacts under the Indian Gaming Regulatory Act, these proposals would state that if HUD was unable to meet the applicable deadline, that the request for waiver or other approval would be “deemed approved.”

Barrier No. 5—Lack of Flexibility in Total Development Cost (TDC) Limits Undermines Ability to Do Green Building

One avenue that PNHA has explored through its NAHASDA funds is the development of energy efficient, “green” building designs, recently completing an “elder healthy home” demonstration project and a multi-unit low-income housing development with solar heating and other green design features. It is important for green buildings to be easier to construct or pursue. One step Congress could take to facilitate green building would be to expressly authorize a waiver or greater flexibility around the “moderate design” standards that have been promulgated in the NAHASDA regulations when it comes to green building. The NAHASDA regulations interpret the “affordable housing” requirements of the Act to require that homes be built within strict cost limits, known as “total development costs” (TDC). While this limitation is generally a good idea, it does not take into account that incorporating green building design elements increases the upfront development cost of construction, while ultimately saving money (for both the tribe and for the tenant/homebuyer). PNHA’s own recent experience bears this out: PNHA had to use funding other than NAHASDA to complete its elder healthy home because it could not meet the TDC limits—even though upon completion the home would cost less to maintain and less to heat than conventionally-built homes.

Solution: PNHA would support an effort by Congress to add language to NAHASDA that would require exemption from or greater flexibility around the “moderate design” and TDC limitations when a tribe or TDHE is incorporating energy efficient components in building construction. Again, the upcoming reauthorization of NAHASDA would provide an appropriate vehicle for such an amendment.

Barrier No. 6—Disruption in Section 184 Loan Guaranty Program

We join with other tribes in expressing our dismay regarding the oversight that resulted in the Section 184 program exhausting its resources. However, we applaud Congress in quickly resolving this matter by providing more than \$12 million for the program in the recently enacted continuing appropriations act for FY 2013. This funding level is a little more than double previous funding levels and will allow the program to help—according to HUD—as many as 3,500 Native American families to either purchase a home or refinance between now and the end of FY 2013.

Solution: While we are grateful for the increase in funding for the Section 184 program, both Congress and the Administration must ensure that such an oversight does not happen again.

Conclusion

NAHASDA represents great progress toward the goal of self-determination and has provided tribes and TDHEs with important tools for meeting the vast housing needs in Indian Country. However, amendments to NAHASDA are needed to increase flexibility and efficiencies in ways that will enable tribes and TDHEs to do even more in this arena. We need the flexibility to identify and target our local needs, we need to be free of micromanagement and overlapping and duplicative oversight requirements and we need adequate funding. The need is there in Indian Country and we look forward to working with the Committee on the best ways to address it.

The CHAIRWOMAN. Thank you very much.
Mr. Paul Iron Cloud, welcome to the Committee. Thank you for being here.

**STATEMENT OF PAUL IRON CLOUD, CEO, OGLALA SIOUX
(LAKOTA) HOUSING, PINE RIDGE RESERVATION**

Mr. IRON CLOUD. Thank you very much for holding this hearing today, which is very important to our Native Americans in all the States, and the State of South Dakota.

I also want to thank the Committed for listening to some of the things that we are going to say. It probably won't be the popular thing that you want to hear. I really thank somebody up there, of course Tim Johnson did a lot of work for the Oglala Sioux Tribe in many areas. He is going to be greatly missed when he leaves Congress. I just want to thank Tim for all the things you have done for us.

Well, everybody had a little something to read. I want to speak from my heart today on the things that I see that everybody needs to hear. And I won't be able to say it all, because I only have five minutes. But the big thing is in our Country is the worst housing conditions there ever were. We need 4,000 homes at Pine Ridge. Our houses need reconditioned. We can't get new homes, because we don't get enough money from NAHASDA.

The big thing is, we are at, I would say, 630, 640, 650 million dollars, as long as I remember. And the thing is, that I see, there has to be more money put into the budget for Indian housing. We have a very tough reservation at Pine Ridge. We have approximately 40,000 people. And there are so many of them that need homes. I go through people sitting in my office with kids that don't have a place to go. That just doesn't happen one day, it happens all the time.

We have two, three families living in a house. Living like that, the health hazard of that, as well as education. I am going to tell you a story about education. When you have two or three families living in a house, how do you expect the kids to do their homework when they come back from school? Our education, I will just tell you another statistic, we had about 64 percent on our reservation graduate from high school. Now it is down to 46 percent. So that tells you the social problem is high.

The reason why I say that is, when I was president of the Oglala Sioux Tribe in the late 1980s and early 1990s, we had 110 police officers to cover 80 by 100 miles. Now we have, the last count I had was 44 officers. Now, how do we say we are going to protect our tenants that want a safe place to live? How in the world do we address that?

Our families are hurting. Our families are crying. Our elders are crying. When you have to live under those conditions, we don't deserve that, Native Americans. We had a lot of treaties that were made by the United States Government that were supposed to have taken care of us as long as the rivers flowed and the grass grew. That means forever. We gave up a lot of land.

There is one thing that we are doing to show Congress the real numbers of our people. That is that needs assessment that we are doing now. It is going to show how many people are living in these

houses, two, three families. We are doing all of that. We are going to be done with that program, I'd say, in June or July. That is going to be able to tell Congress how many people are actually in Pine Ridge.

In Rosebud, Cheyenne River, Lower Brule, they are all doing the same thing. Our need is so great. People don't have trust in us any more. I have 24 or 26 seconds left to try to say something in 26 seconds. I am going to try to answer any questions that you do have for us, and I just come here with a good heart and I like to do things that are going to better the living of our people.

Thank you very much.

[The prepared statement of Mr. Iron Cloud follows:]

PREPARED STATEMENT OF PAUL IRON CLOUD, CEO, OGLALA SIOUX (LAKOTA)
HOUSING, PINE RIDGE RESERVATION

Good afternoon. My name is Paul Iron Cloud and I greet you all with a warm handshake.

On behalf of Oglala Sioux (Lakota) Housing, where I am the Chief Executive Officer, and my Oglala Sioux Tribe I want to thank this Committee, Chairwoman Cantwell and particularly our longtime friend and supporter Senator Tim Johnson for holding this Hearing. It is critical for Congress from time-to-time to evaluate how federal tribal programs can be improved. It is particularly important in years like this when important programs such as the Native American Housing Assistance and Self-Determination Act (NAHASDA) come up for reauthorization. I also want to express my personal appreciation to you for inviting me once again to testify. It has always been an honor to appear before this Committee.

Oglala Sioux (Lakota) Housing was the first tribal housing program to receive federal funding in 1961 and fifty years ago we at Pine Ridge built the first publicly assisted low-income housing on an Indian reservation. We are today the 5th largest tribal population in the country, the 7th largest reservation and we and a significant segment of Indian country face a housing crisis that has not been seen for forty years.

Worst Housing Conditions in the Country

Oglala Sioux (Lakota) Housing has built over 2,200 housing units since 1961 but most of that was done before 1996 and the establishment of the Native American Housing Assistance and Self-Determination Act. Sadly in 2013 our housing, and tribal housing on many similarly situated reservations and Alaskan Native communities, is far worse today than 17 years ago. Though NAHASDA provides us and many other tribes and tribal housing entities valuable resources, because of stagnant and reduced funding levels as well as flawed funding allocation methods, we and a large number of other tribes today have the worst housing in the United States.

For at least a generation now, many of our people, infants, elders, vets and families have had to live in housing conditions that no American should have to endure. For these land based tribes, these conditions are also caused by poverty and unemployment rates that in some cases exceed 80 percent. At Pine Ridge and many nearby South Dakota reservations for years now our counties have ranked in the top five in the entire country for poverty and unemployment.

NAHASDA funding levels limit us to building on average no more than 30 to 40 units a year, yet we currently need 4,000 new units and 1,000 homes repaired. The result is that we now have the most overcrowded housing in this country. We have many situations where 3 or 4 families are packed into a single two-bedroom home or a family of six tries to survive in a one bedroom apartment. This overcrowding affects the physical, social and mental state of our people. Schooling is impacted, health conditions suffer and the family unit is impaired. Imagine what it might be like to live with 12 to 16 people in a small home. These housing conditions also fuel our growing tragedies of suicides, sexual abuse, alcoholism, gangs and drug use in many of our communities.

I and our tribal leaders are most troubled by what these housing conditions do to a child trying to do his or her homework, a young family starting out their married life, our honored vets and our tribal elders who are attempting to live out their lives with some dignity and safety.

My Tribe, and other members of a coalition for land based and treaty tribes known as A Coalition for Indian Housing, understand that these extremely bad conditions do not exist for all tribes, not even for a majority of tribes. And we understand that they are not caused by unique problems or performance issues on our reservations but rather are directly related to poverty, unemployment, lack of economic development and, most importantly, a serious shortage of financial resources to develop new housing. We appreciate the NAHASDA program and its grants, but we believe its allocation methods do not adequately take into account the differing needs of tribes and that in the last sixteen years there has simply been insufficient funding appropriated for the NAHASDA program.

The Dakota Housing Needs Assessment Pilot Project

Federal efforts, including NAHASDA negotiated rulemaking, continue to inaccurately determine the varying housing needs of tribal members and, in our opinion, fail to allocate federal funding appropriately. It is for these reasons we and four other tribal housing programs have taken the unusual step of joining together to fashion a global positioning system and geographic information system based local housing needs assessment procedure. This is known as the Dakota Housing Needs Assessment Pilot Project. We will each conclude statistically accurate housing surveys later this spring on each of our reservations. The project is designed to improve tribal data and program management. It will also give each of us the ability to do the "census challenges" that NAHASDA permits us to make under its block grant allocation formula. However, if results should prove out, we believe that this Pilot Project could have nationwide application and could change how housing need is determined on reservations and result in better allocation of federal tribal housing funds. It is our hope that, later this summer, our Pilot Project will be able to report to Congress, the U.S. Department of Housing and Urban Development, Office of Management and Budget, and our fellow tribes that there is in fact an effective, efficient and relatively inexpensive way that housing need determinations can be done universally.

I would be remiss if I did not also mention that if a GPS and GIS needs assessment requirement was to replace the current defective U.S. Census method in the NAHASDA program, tribes, Congress, OMB and HUD would also then have an accurate, reliable and efficient way to better manage federal funding.

The Need for an Emergency Housing Effort

Understanding the limitations of NAHASDA, the disparity of housing needs on Indian reservations and Alaska Native communities, and the unacceptable and tragic housing conditions that exist on some reservations, we believe new federal Indian housing emergency funding grants need to be established. There are a number of ways that this could be structured. The critical aspect of such a funding program is to acknowledge that there are significant numbers of tribes and tribally enrolled members that have extreme and unacceptable housing conditions. Furthermore, that federal trust responsibilities and, in some cases, treaty obligations require the U.S. government to address these terrible housing conditions.

This funding, possibly joined by other private funds, would be allocated in a new way. The total appropriation amount would certainly be less than NAHASDA amounts. Furthermore, grants would be awarded using a competitive process, based both on need and a requirement that all recipients clearly demonstrate their capacity to spend the money they receive.

Amend the "Thirty Percent Rule"

There is a third issue that I would like to address for the Committee and this directly relates to the reauthorization of NAHASDA. I am sure this Committee is particularly well aware; NAHASDA was fundamentally designed by Congress to be a government-to-government, self-determination, block grant program. When it was evolved from public housing thousands of 1937 Housing Act rules and requirements were stripped away and tribes were given the right to pretty much create their own programs. The statute pronounced that NAHASDA had to function based on self-determination and tribal self-governance. Furthermore, it set a rule making process that recognized this and dictated that in all rule making the Secretary of HUD has to establish a negotiated rulemaking committee so that local and tribal determination would be part of this process.

Unfortunately Congress failed to omit one rather expensive and burdensome rule. Instead of allowing tribes to find for themselves the best method for ensuring that low-income homebuyers and renters would not be unduly charged for living in their NAHASDA tribal units, the law imposed the "30 percent rule" that had previously existed in the public housing program. From the start of NAHASDA, tribes realized the cost and damage resulting from this rule. Being unable to change or modify this

statutory provision through rulemaking, over the past 16 years groups like National American Indian Housing Council, regional Indian housing associations, and many individual tribes have, with unanimous agreement, petitioned Congress to modify this statutory provision and permit the individual tribes and their housing entities to develop for themselves the process and procedure for charging their low-income tribal members.

The current "30 percent rule" does much harm. It costs tribal housing programs an enormous amount of money to administer, it diverts tenant service representatives from performing important management and tenant counseling services, and it creates an unhealthy and adversarial relationship in Indian country that often poisons individual tenant and tribal housing entity relations.

In closing, I would like to make mention that in the last two years Senator Johnson, members of your Committee staff and a host of other Congressional and administration officials have visited Pine Ridge and other similar South Dakota reservations to learn of our housing conditions. We are most appreciative that they did. For the many others who have not had the opportunity to see the worst conditions in Indian country, we, along with Oglala Sioux Tribe Partnership for Housing have decided to bring that Indian housing to Washington. Our purpose is to show Congress and America the overcrowded conditions that far too many tribal members across this country have had to endure. Next week facades and pieces of a deconstructed home from our first Indian housing project are being trucked to Washington, D.C. and put on display.

Not everyone can go to our reservations to see these housing conditions, so we and our *Trail of Hope** are bringing this housing to them. I hope that each member of this Committee and your staff will join us on April 17th near the Capitol to show America the type of housing that many American Indians and Alaska Natives have had to live in for far too long.

Again, on behalf of President Brewer and the Oglala Sioux Tribe, I want to thank you for inviting me to provide this testimony and I would like to reserve the right to supplement this testimony in the next 20 days.

The CHAIRWOMAN. Thank you, Mr. Paul Iron Cloud. We very much appreciate your speaking from the heart, very important testimony.

Our last witness is Russell Sossamon. Thank you so much for being here. We look forward to your testimony.

**STATEMENT OF RUSSELL SOSSAMON, EXECUTIVE DIRECTOR,
CHOCTAW NATION HOUSING AUTHORITY**

Mr. SOSSAMON. Thank you, Madam Chairman and Vice Chairman Barrasso, Senator Johnson, Senator Udall, Senator Franken and Senator Heitkamp. Thank you for having this very important hearing today.

My name is Russell Sossamon. I am an enrolled member of the Choctaw Nation of Oklahoma. I have served there as the Executive Director for the past 17 years.

To sum up my written testimony, I would urge Congress to reauthorize NAHASDA before September 30th, and also to preserve intact the statutory requirements for negotiated rulemaking in implementing NAHASDA. All of the details to implement the NAHASDA block grant under the NAHASDA law should be left to the tribes to decide through the tribally-driven negotiated rulemaking process. This process implements the government to government relationship between the tribes and the Federal Government.

The most important issue we have, previously tackled through negotiated rulemaking, has been the allocation formula for the block grant. The formula is a result of countless discussions among tribal leaders and Federal officials which reached a careful balance

* www.facebook.com/TrailofHopeforIndianHousing

of tribal interest. I served on each of these rulemaking committees as we continued to shape the program.

The negotiated formula effectively serves diverse tribal communities and uses U.S. Census data to do so. Any changes to that formula must go through the same negotiated rulemaking process.

NAHASDA reauthorization should be a top priority for Congress. Here is why. NAHASDA provides vital assistance to many people under challenging conditions. My nation, the Choctaw Nation, is the third largest Indian tribe in the United States. Inside our service area, our population is 48,000, 41,000 of which are members of our tribe.

Our land area encompasses 10 and a half counties in the southeastern part of Oklahoma, a land mass that is the size of the State of Massachusetts. We provide services to Native Americans who are not Choctaw but also who reside within this service area. Last year, through our health care, for instance, we provided services to members from over 148 different tribes.

Our diverse and low-income service population has acute housing needs. We have a housing shortage of over 9,000 units. These units are in substandard condition and are not decent or safe or sanitary to live in. Many of the conditions that you have heard here today exist within our area.

In my written testimony, I provided data regarding the Choctaw's lack of sufficient housing and low-income housing, as well as the numbers of overcrowding and insufficient substandard housing.

We provide a spectrum of services to address everything from homelessness to rental assistance to home ownership. As NAHASDA intended, we stretch our limited funding by thinking outside the box. For example, our Choctaw Home Finance Corporation, which is a 501(c)(3) nonprofit, is the lending institution created by the Choctaw Nation that serves our Nation's home finance program. It supports low-income home ownership by direct lending of NAHASDA funds and by leveraging funds from private lenders as well as utilizing the loan guarantees of the 184 program.

Our home finance program averages 100 direct loans a year that now total over \$38 million. Working with over a dozen other private lenders, like Wells Fargo, for instance, we originate an additional 84 loans per year. Over the last 15 years, we have leveraged over \$58 million. We manage a loan portfolio of over \$20 million as a revolving fund, so that the money can be used time and time again.

Our loans help purchase, refinance or rehabilitate homes, or provide energy efficiency upgrades, thereby freeing up disposable income for our low-income families. We also provide counseling services to about 400 first-time home buyers, as well as home owners, each year. The benefits of the home finance corporation extend to tribal members living in Oklahoma, Texas, California, Oregon, Washington, Arkansas, Colorado, Wyoming, Utah, to name a few of the States.

The system helps Choctaw members add, and this assistance also adds to the property tax base in those communities. Just within our service area alone, last year the tribal members we serve paid in over \$100,000 in local taxes. On top of that, an average of 10 jobs were supported through each loan closing in the employment

of appraisers, surveyors, title companies and legal services. This indirectly impacted 1,140 jobs in the local economies. Our loans made to Choctaw tribal members living in other States throughout the Country have an even greater multiplier effect, because we partner with those private lenders in those States.

In conclusion, there can be no doubt that NAHASDA and other federally-funded tribal housing programs have dramatically improved housing conditions in Indian Country. But of course, there is always room for improvement. So we join with NAIHC in suggesting that Congress adjust the binding commitments requirement so that a lien must be applied only for work valued over an amount of \$7,500.

Thank you again, Madam Chair, and the other members of this distinguished Committee. I would be pleased to answer any questions.

[The prepared statement of Mr. Sossamon follows:]

PREPARED STATEMENT OF RUSSELL SOSSAMON, EXECUTIVE DIRECTOR, CHOCTAW NATION HOUSING AUTHORITY

I. Introduction

Good morning Chairwoman Cantwell, Vice Chairman Barrasso, and distinguished members of the United States Senate Committee on Indian Affairs (SCIA). My name is Russell Sossamon. I am an enrolled member of the Choctaw Nation of Oklahoma and for the past seventeen (17) years have served as the Executive Director of the Choctaw Nation Housing Authority, located in Hugo, Oklahoma. I want to thank the Committee for holding this important oversight hearing this afternoon on Identifying Barriers to Indian Housing Development and Finding Solutions, which could not be more appropriate or timely as discussions begin here on Capitol Hill surrounding the reauthorization this year of the Native American Housing Assistance and Self-Determination Act, known as "NAHASDA." It is an honor to be invited here to present testimony on behalf of the Choctaw Nation of Oklahoma.

I will first lay out some background on the Choctaw Nation of Oklahoma and the challenges it faces in providing services to its members, as well as to members of dozens of other tribes who live within the Nation's service area. I will then examine some of the reasons why the provision of safe, quality, affordable housing in Indian Country generally, and within the Choctaw Nation in particular, is such a challenge. This will be followed by background information on the federal legislative and administrative efforts to address that challenge, which ultimately culminated in the passage of NAHASDA. I will then provide some examples of the innovative and effective housing programs administered through the Choctaw Nation Housing Authority, to show why this Congress should continue to support tribal housing programs and work to quickly approve the reauthorization of NAHASDA during this current fiscal year. Importantly, that reauthorization should include the affirmation of the negotiated-rulemaking process to maintain the government-to-government relationship between tribes and the Federal Government. Like all federal legislation that aims to accommodate the needs of many tribes across the country, NAHASDA has some minor shortcomings, so in conclusion I will point to an issue that Congress may consider examining for potential revision in the upcoming reauthorization of NAHASDA.

II. The Choctaw Nation—Large-Scale Challenges and Opportunities

The housing issues in Indian Country cannot be separated from the big-picture social and economic challenges it also faces, and the Choctaw Nation knows those challenges all too well. The Choctaw Nation is the third largest Indian tribe in America, with over 200,000 enrolled tribal members spread all across the country. In a word, the Choctaw Nation is immense. With that greater size and breadth comes even greater responsibilities that are placed on the shoulders of the Nation's government to look after the welfare of its members. To add to that responsibility, the Nation's service area encompasses 10^o counties in southeastern Oklahoma, a land area larger than the entire state of Massachusetts, and within that service area are American Indian and Alaska Native constituents who may be far from their original tribal communities but to whom the Choctaw Nation nonetheless provides services. Just one example is the tremendous demand placed on the Choctaw

Nation Health Services Authority (CNHSA)—in Fiscal Year 2012 alone, CNHSA provided healthcare services to patients who hailed from 148 different American Indian and Alaska Native tribal groups (including, incidentally, members from the Oglala Sioux Lakota tribe of my fellow witness here today, Mr. Paul Iron Cloud).

With an increasing tribal population and stifling economic conditions that have hit tribal communities such as the Choctaw Nation particularly hard over the past five years during the Great Recession, the social and economic needs of the Nation and its members continue to grow. This increased need is particularly acute in the area of housing.

III. The Housing Challenges in Indian Country and for the Choctaw Nation

The challenges to providing quality, affordable housing in Indian Country generally and within the Choctaw Nation specifically stem mostly from the broader overriding economic realities that occur in tribal communities. While the country in general has experienced an economic downturn over the past five years, this trend is greatly magnified in tribal communities. Often there is a lack of basic infrastructure and employment opportunities. These employment and infrastructure challenges exacerbate the housing situation in Indian Country. As the other witnesses here today will testify has historically been the case at the national level, Native Americans face some of the worst housing and living conditions in the country, and the availability of affordable, adequate, safe housing in Indian Country falls far below that of the general U.S. population.

The housing needs of members of the Choctaw Nation, especially given the large size and breadth of its population, reflects the great need across Indian Country. However, because there are also many tribal members from other tribes across the country living within the Nation's service area, there are also unique challenges for the Choctaw Nation Housing Authority, as shown by the following figures for Fiscal Year 2012:

- Nearly seventeen percent (17 percent) of the American Indian/Alaska Native population living within the Choctaw Nation's service area are tribal members from other tribes.
- Approximately 9,880 households within the Choctaw Nation's service area are considered low-income, meaning they have annual incomes of less than 80 percent of the national median annual income. Of those households, an astounding 29.7 percent earn only between 30 percent and 50 percent of the national median annual income, and even worse, 29.8 percent earn less than 30 percent of the national median annual income.
- Approximately 1,400 American Indian/Alaska Native households within the Choctaw Nation's service area are overcrowded or lack a kitchen or plumbing.
- Of the American Indian/Alaska Native households within the Choctaw Nation's service area, 1,939 households have a house cost burden greater than 50 percent of their annual income.
- In starkest terms, during the last fiscal year the Choctaw Nation Housing Authority had a shortfall of 9,080 low-income units.

In sum, there is a severe housing shortage in our service area's tribal communities, resulting in overcrowded conditions. Many of the homes that do exist lack basic amenities that most Americans take for granted, such as full kitchens and plumbing, and even then many of the existing homes are in need of substantial repairs.

As shown by the low-income numbers above that persist within our tribal communities, the Choctaw Nation Housing Authority (and more generally, the Nation itself) understands that, in order to address acute housing needs, it is necessary to take a holistic approach that addresses the poverty cycle more generally to make our tribal members and other constituents that we serve self-sufficient—this is how we move from homelessness to homeownership. And that is why the Choctaw Nation Housing Authority views its mission from a higher level with two prongs, one to address the lack of affordable housing and the other to address the poverty cycle that produces and reinforces such a lack of housing. The Nation and its Housing Authority truly believe that, to paraphrase a metaphor, although it may be necessary in the short run to give a man a fish to eat today, it is better to teach him how to fish so that in the long run he can eat for a lifetime. In order to pay a mortgage and become a homeowner, a person first needs a job to earn income, and that requires education, training, and career development. Like the partnerships laid out below that we use to address home financing with a variety of loan-assistance products, we likewise partner with other educational and social programs provided by the Nation as well as by the Federal Government and other local and tribal govern-

ments to build the whole person in a variety of ways. The support we provide through NAHASDA funding and related programs is one of the critical pieces to building that whole person.

IV. Background on Indian Housing Legislation and Administration, Culminating with the Native American Housing Assistance and Self-Determination Act (NAHASDA)

Prior to NAHASDA, housing assistance for Native American tribes and Alaska Natives was provided by various programs under the Housing Act of 1937 and other legislation. While these programs provided a broad range of assistance, they were administratively cumbersome and ineffective. They required separate applications and program administration, had different eligibility requirements, and were characterized by micro-management and detailed one-size-fits-all mandates. The programs were merely an extension of generic and often urban-oriented housing programs, failing to recognize the unique social, cultural, and economic needs of Native American communities.

In 1960, in the aftermath of the destruction of Indian homes in California by fire, the Bureau of Indian Affairs requested that the Department of Housing and Urban Development (HUD) address Indian housing needs. In 1961, two major events changed the Indian housing landscape. First, the Public Housing Administration (PHA, HUD's predecessor) recognized tribal governments as local governing bodies that could establish Indian housing authorities (IHA) under tribal law by approving a tribal ordinance. Second, PHA also determined that states could establish IHAs in cases where a tribal government was not federally recognized but exercised all necessary powers. Soon after, the self-help or mutual help concept took hold and was based on the idea that a homebuyer would contribute land, material, or labor ("sweat equity") towards the purchase of a home. In December 1962, PHA announced the first mutual help housing program, and in 1964, the San Carlos Apache IHA launched the first mutual help project. Indian homes were developed under this program known as "Old Mutual Help" until 1976.

In the early 1970s, there were high expectations for the Federal Government to work with tribes and IHAs to satisfy national Indian housing goals and to address the reality of inadequate management systems. In 1971, the Government Accounting Office (GAO) issued a Congressional report on Indian housing that recommended a national Indian housing policy to stimulate agency coordination and accelerate the completion of projects. In 1984 HUD formally created the Office of Indian Housing (OIH) with its own staff to specifically oversee the development and management of Indian housing programs.

In 1990, Congress established the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, which two years later submitted to Congress a national blueprint plan for Indian housing. On October 1, 1993, the HUD Office of Indian Housing (OIH) at HUD Headquarters in Washington, D.C. and the Regional Office of Indian Programs (OIPs) became the Office of Native American Programs (ONAP).

In 1996, Congress passed the Native American Housing Assistance and Self-Determination Act (NAHASDA) to provide federal statutory authority to address the above-mentioned housing disparities in Indian Country. NAHASDA is the cornerstone for providing housing assistance to low-income Native American families on Indian reservations, in Alaska Native villages, and on native Hawaiian home lands. Since the passage of NAHASDA in 1996 and its funding and implementation in 1998, the Indian Housing Block Grant (IHBG), the primary funding component of NAHASDA, has been the single largest source of funding for housing for Native American communities and in Alaska Native villages. NAHASDA also includes the Title VI loan guarantee program, which enables tribal members to more easily access home loans. Administered by HUD, NAHASDA specifies a wide range of activities that are eligible for funding. These activities include but are not limited to down-payment assistance, property acquisition, new construction, safety programs, planning and administration, and housing rehabilitation. Not only do IHBG funds support new housing development, acquisition, rehabilitation, and other housing services that are critical for tribal communities; they cover essential planning and operating expenses for tribal housing programs. Between 2006 and 2009, a significant portion of IHBG funds, approximately 24 percent, were used for planning, administration, housing management, and services. Without critical federal funding, many tribal housing authorities would be unable to operate.

While some members of Congress are now focusing on the unexpended funds in NAHASDA block grant accounts, and mistakenly conclude that the program is overfunded, they are wrong on the reasons for these funds being unspent and the conclusion they draw. In fact, despite the positive developments in federal law and the

impact of NAHASDA, the funding it provides is plainly and simply insufficient to meet the existing and, in fact, growing housing need in our tribal communities. While NAHASDA funds are immensely appreciated by tribes and are tremendously helpful in beginning to meet tribal housing needs, they have never, in the history of the program, been sufficient to meet all of the basic housing needs of Indian tribes or to accomplish all of the purposes for which NAHASDA was designed. Like many government programs, it is consistently and continuously underfunded. Therefore, tribes and their housing departments such as the Choctaw Nation Housing Authority have been forced to think outside of the box and come up with unique and innovative tools to meet the housing needs in their communities.

V. Innovations and Examples from the Choctaw Nation Housing Authority

Out of sheer necessity and in the interest of promoting tribal self-determination and self-governance, tribes across the nation have begun developing innovative programs that complement NAHASDA programs in order to meet the tremendous housing backlog in Indian Country. The Choctaw Nation Housing Authority has been at the forefront of these innovations in Indian Country, in order to address the housing needs not just of our members but of Native American tribal members from across the country.

A. United States Housing and Urban Development Section 184 Indian Home Loan Guarantee Program and NAHASDA Title VI Housing Activities Loan Guarantee Program

The Section 184 Loan Guarantee Program was created by the Housing and Community Development Act of 1992 to address the lack of mortgage lending in Indian Country. The HUD Section 184 program is a mortgage loan product designed to resemble a conventional, or private, housing loan program. There are no income limits for the Section 184 program. Local lenders become registered with the program and as such the Federal Government guarantees up to 100 percent of the home loans provided by such lenders to tribal members. Initially, the program gained acceptance in areas such as Oklahoma and Alaska, where much of the property in Indian areas has passed out of trust status and into “fee” status, meaning that the Federal Government no longer holds title to the individual parcel for the benefit of the tribe or the individual tribal member. Over time, the program has gained some traction on trust lands. Because the Section 184 Indian Home Loan program is guaranteed by the Federal Government, the program has provided much needed access to capital to many individual Natives that might otherwise find home financing difficult. The Section 184 program is the most successful Indian Country mortgage program. However, it should be noted that fewer than 20 percent of the Section 184 loans made to tribal members have been made on tribal trust or individual allotment land. More than half of the Section 184 loans have been made in Alaska and Oklahoma, and because of the unique non-reservation system of land tenure for most Indian and Alaska Native groups in those states, nearly all of those loans were made for homes on fee simple land rather than trust land.

In March of this year, HUD temporarily suspended the processing of new Section 184 loan applications because of an apparent exhaustion at the time of program funding for current Fiscal Year 2013. With the passage of the latest Continuing Resolution by Congress to fund the Federal Government through September of this year, funding for the Section 184 program, as well as the cap on the amount of loans that can be guaranteed under the program, were increased. As a result, HUD has stated that the suspension of the Section 184 program has been lifted and the program should be back in working order sometime this month.

In addition to the Section 184 program, under Title VI of NAHASDA, HUD is authorized to guarantee notes or other obligations issued by Indian tribes, or tribal housing entities, if approved by the tribe, for the purpose of financing affordable housing activities as described in Section 202 of NAHASDA. Eligible borrowers must be a tribe or a tribal housing entity that is an IHBG program recipient. IHBG funds may be used as security for the guarantee or other obligation. The objectives of the program are to enhance the development of affordable housing activities, increase access to capital to further economic growth, and encourage the participation, in the financing of tribal housing programs, of financial institutions that do not normally serve tribal areas.

I would ask that Congress in its FY 2014 budget process and beyond continue to support the Section 184 and Title VI loan guarantee programs with the necessary resources. To show you why it should, I would like to give you some background and examples of the effective good that the Choctaw Nation Housing Authority has been able to implement through these types of programs.

B. Choctaw Home Finance Services: On the Path from Self-Determination to Self-Sustainability through Nationwide Direct and Leveraged Home Lending in Indian Country

Tribes are increasingly exploring innovative ways to utilize NAHASDA grant funds, combined with tribal funds and other resources, to maximize housing project outputs. The passage of NAHASDA in 1996 and its funding in 1998, as well as other complementary Indian housing programs, have spurred the Choctaw Nation Housing Authority to creatively partner with lenders or utilize existing funds to enhance the effectiveness, efficiency, and success of housing projects. There is no greater example of such creativity in Indian Country than the Choctaw Nation Housing Authority's flagship program for home finance services offered through the Choctaw Home Finance Corporation.

The Choctaw Home Finance Corporation (CHFC) was incorporated in 2002 as a 501(c)(3) not-for-profit corporation to be the lending institution for the Choctaw Nation's Home Finance Program activities. The CHFC is also a certified Community Development Financial Institution (CDFI) through the U.S. Department of Treasury, meaning the Federal Government recognizes it as a financial institution working in underserved and economically-distressed markets that are often times not served by other traditional financial institutions. The CDFI certification enables the CHFC to access financial and technical award assistance through such things as the Native American CDFI Assistance Program, among others.

The CHFC is dedicated to successful private homeownership by offering affordable mortgage loans and counseling services to Native American families nationwide through its Home Finance Program, with a particular emphasis on serving low-income families who likely would not otherwise be able to own a home of their own. The Home Finance Program provides assistance through both direct lending as well as through the leveraging of funds with lending partners to increase the number of potential home loans throughout the country. (Leveraging funds is simply investing with borrowed money in a way that multiplies potential gains). The Home Finance Program has assisted not just members of the Choctaw Nation but Native American families throughout Indian Country with over \$38,000,000 in direct loans for homeownership and down payment/closing cost assistance. The Home Finance Program also has leveraged over \$58,000,000 through participating lending partners who provide mortgages as part of government guarantee programs such as the Native American Section 184, Federal Housing Administration (FHA), Veterans Administration (VA), and U.S. Department of Agriculture Rural Development home loan programs. The private lending partners that CHFC has worked with include Wells Fargo, First United Bank, First Mortgage Company, First American Mortgage, Colonial Mortgage, Bank 2, Principal Mortgage Company, Arvest Bank, Gateway Mortgage, First Bank, BancFirst, Bank of Oklahoma, and Equity Bank.

The CHFC has a number of loan products available to meet the variety of financing needs of the families we serve. These products include loans for purchasing, refinancing, construction, improvements, and energy efficiency upgrades. One of these loan products, a direct loan to purchase a new home or refinance their current home at a more affordable rate and/or term, helps families receive an affordable loan with manageable fees. It also includes extremely professional guidance by a staff whose mission is to enhance the lives of all members through opportunities designed to develop healthy, successful and productive lifestyles.

Another loan product is a progressively subsidized homebuyer construction and finance service specifically for our low-income Native American families. The interest rate and terms are specific to low-income family needs, and the construction service is extremely valuable to those who need the added construction support from trained construction professionals.

The CHFC also provides small, affordable streamline loans for home improvement, rehabilitation and/or energy efficiency upgrades. These loans help with necessary repairs to improve living conditions and property values, and also help with energy efficiency that results in lower utility payments, thereby freeing up more disposable income.

The CHFC closes on average 100 loans a year for Native American mortgages and down payment or closing cost assistance. Additionally we leverage an average of 84 loans per year with our private lending partners. CHFC manages a loan portfolio of over \$20,000,000 with an average quarterly delinquency rate of 10.81 percent.¹

¹The delinquency figures provided here include the combined percentage of loans at least one payment past and seriously past due of 90 days or more.

This compares to the national average quarterly combined delinquency rate of 11.43 percent, a full 62 basis points higher than the CHFC rate.²

The Home Finance Program is designed to function as a revolving loan fund. Funds are loaned out to the Native American participant and paid back in the form of principal and interest payments. The funds are then loaned back out to other Native American participants. There is a multiplier effect at work within the Program—the more loans made, the more principal and interest is repaid and those funds are then used to provide even more loans. This truly creates a self-sustaining service that sets the Choctaw Nation Housing Authority and its program participants on the path to self-sufficiency.

As a HUD-approved counseling agency, the CHFC also offers homeowner counseling services. Prior to extending a loan, each borrower is required to complete a homebuyer counseling session that provides education and information about the responsibilities and commitments required to be a successful homeowner. These sessions cover understanding, establishing, and maintaining good credit; personal financial planning and budgeting; and counseling to assist tribal members in becoming mortgage-ready. It prepares them for the reality of homeownership as to the necessities of paying for a mortgage, insurance, taxes and maintenance expenses. CHFC also provides post-loan counseling, include ongoing individual counseling as needed to develop the skills necessary to become a successful homeowner. The counseling and education that the Home Finance Program services provide help its Native American beneficiaries become more knowledgeable, less likely to become victims of predatory lending practices, and more likely to successfully manage their personal finances to become responsible homeowners. We serve an average of 400 individuals per year through our counseling services.

The benefits of the CHFC Home Finance Program extend well beyond just the Native American program participants, into their surrounding communities. Furthermore, the CHFC provides opportunities for Choctaw tribal members and others to attain home ownership nationwide by partnering with mortgage companies that offer Section 184, FHA, VA, USDA Rural Development, and even conventional loans, well beyond our service area in southeastern Oklahoma. The tribal members to whom we extend financing services—either directly or through our private lending partners—are predominantly located in the states of Oklahoma, Texas, California, Oregon, Washington, Arkansas, and Colorado, but also in many others, and these members add to the local tax bases by paying annual property taxes. In the Choctaw Nation's ten and a half (10½) county service area in southeastern Oklahoma alone, over \$100,000 was added to local real property tax bases in 2012 by the tribal members we serve. This too has had a multiplier effect—an average of 10 jobs were created through each loan closing in the employment of appraisers, surveyors, title companies, and attorney services, totaling 1,140 new jobs in 2012. An even greater multiplier effect can be seen throughout the country, as the partnership of the CHFC with lenders in states that do not have tribes with their own Section 184 or similar Indian home loan guarantee programs means that the CHFC's leveraging of monies from such programs can extend those programs' effects to members in those states and likewise add to the their local tax bases, increase employment opportunities, and have other positive effects. By doing so, the Choctaw Nation's positive effects are felt well beyond its service area in southeastern Oklahoma. For example, there are approximately 20,000 Choctaw tribal members living in the State of Texas, making it the largest tribal population in that state, and Home Finance Program assistance services have been provided to some of those members. In addition to such specific home finance services, since 1999 the Choctaw Nation has spent nearly \$11.6 million towards the education and career development (including scholarships) of its members, not within Oklahoma, but within the State of Texas alone.

These innovations and successes by the Choctaw Nation Housing Authority point to the effective good that can be done through federal Indian housing programs. They also point to reasons why Congress should timely reauthorize NAHASDA this fiscal year.

VI. Congress Should Act Swiftly to Approve the Reauthorization of the Native American Housing Assistance and Self-Determination Act, While Fully Supporting the Negotiated Rulemaking Process for Its Implementation

Congress enacted NAHASDA in 1996, establishing the Indian Housing Block Grant program for the benefit of American Indian and Alaska Native groups. The main goals of the bill were explained by one of its chief sponsors, Rep. Rick Lazio:

²See MBA Mortgage Delinquency Survey at www.mbaa.org.

- Affirm tribal self-determination by giving tribes the ability and responsibility to strategically plan their own communities' development.
- Provide the maximum amount of flexibility in the use of housing dollars, within strict accountability standards.
- Allow for innovation and local problem-solving capabilities that are crucial to the success of any community-based strategy.
- Avoid over-burdening tribes and housing authorities with excessive regulation.

NAHASDA was last reauthorized in 2008 when Congress again reaffirmed the foregoing important purposes to be served by the legislation. That reauthorization of NAHASDA will expire on September 30, 2013.

Congress must quickly and timely reauthorize NAHASDA prior to the end of this fiscal year. Without NAHASDA, it is not likely that any of the success stories from the Choctaw Nation Housing Authority discussed above, or from many other tribal housing authorities across the country, would have been achieved.

A. Negotiated Rulemaking Process: Keeping the Government-To-Government Relationship

Within the reauthorization of NAHASDA, it is not just incumbent upon, but morally, historically, and politically imperative that Congress refrain from statutorily changing *programmatic* features of the Indian Housing Block Grant program. Rather, those changes, if any, should be left to the tribes to decide within the context of the negotiated rulemaking process.

This process has not only been used to effectively implement NAHASDA since its inception, but it is also the most efficient manner to achieve the original purposes of NAHASDA set out above.

In accordance with section 106 of NAHASDA, HUD originally developed the regulations for implementing the Indian Housing Block Grant with active tribal participation and using the procedures of the Negotiated Rulemaking Act of 1996, 5 U.S.C. §§ 561–570. The NAHASDA reauthorization legislation of 2008 amended section 106 of NAHASDA to require HUD to initiate negotiated rulemaking. In accordance with that statutory directive, HUD provided notice in the Federal Register establishing the NAHASDA Reauthorization Act Negotiated Rulemaking Committee and asked for tribal nominations to serve on the Committee. The final Committee consisted of 25 tribal members and 2 HUD representatives, including tribal representatives from every region of the country, state-recognized tribal representatives whose tribes are eligible for NAHASDA funding, and the Assistant Secretary for Public and Indian Housing and the Deputy Assistant Secretary for Native American Programs. Six negotiated rulemaking sessions were held to achieve a final rule for the implementation of the 2008 NAHASDA reauthorization amendments.

Probably the most important issue tackled through negotiated rulemaking has been the development of the formula by which tribes are allocated funds under the Indian Housing Block Grant. That formula and the negotiated rulemaking process used to achieve it are the result of countless meetings and exchanges among tribal leaders and federal officials. A carefully-constructed balance of competing interests and ideals has been reached. The formula serves the diverse tribal communities affected and tribal leaders worked hard and long with federal officials to achieve that balance. Key to that formula's effectiveness is the fact that it uses U.S. Census data to take into account the need of every tribal recipient of NAHASDA block grant funding. Any necessary changes to that allocation formula or to any other Indian Housing Block Grant regulation should be subjected to the same negotiated rulemaking process.

The reason the negotiated rulemaking process generally, and the funding formula developed through that process in particular, must be kept in place is clear: the Federal Government has long since (and correctly) acknowledged that tribal representatives are the best decision-makers for policy choices that affect tribal communities, and even though the Federal Government has a trust responsibility towards tribes, that responsibility is best carried out by encouraging and supporting the government-to-government relationship between tribes and the Federal Government. That is exactly what the negotiated rulemaking process does—it allows representatives from tribes and tribal housing authorities to engage one another over the programmatic rules that govern their day-to-day operations, with federal representatives at the table to provide input, but most importantly, to listen and incorporate the tribal input into the final rule. This is exactly the type of scenario contemplated by Rep. Lazio and other original sponsors of NAHASDA legislation, because the negotiated rulemaking process without a doubt enables tribes to plan their community development, provides flexibility in the expenditure of resources while maintaining

accountability for the good of all of Indian Country, encourages and spreads innovation among tribal representatives, and avoids unnecessary and irrelevant regulation.

With the foregoing in mind, the timely reauthorization of NAHASDA, with the allocation formula and negotiated rulemaking in place to address any necessary substantive changes, should be one of Congress's top priorities before the end of this fiscal year. Any lapse in the program would have far-reaching results in Indian Country.

VII. A Possible Change in the Reauthorization of NAHASDA

NAHASDA has undoubtedly improved the housing situation in Indian Country. However, like any national legislation aimed at addressing chronic and overarching problems in Indian Country, NAHASDA does have some shortcomings. Addressing at least one of these issues that has been a particular problem for the Choctaw Nation Housing Authority during reauthorization may help us and other tribal housing authorities more effectively address the needs of tribal members.

A. Administrative Burden of the Useful Life Period

Section 205(a)(2) of NAHASDA requires that housing units remain affordable for either the remaining useful life of the property, as determined by the Secretary, or for another period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purpose of the Act. The Act also requires that this affordability be secured through binding commitments satisfactory to the Secretary. Unfortunately these provisions regarding binding commitments have been interpreted so as to result in the unintended consequence of creating a lien on an entire housing unit and thereby bind up a much-needed housing asset, for even the smallest binding commitments that were made for very minor maintenance or repair expenditures. Furthermore, this creates an unnecessary and heavy administrative burden for small maintenance and repair expenditures that are not even capitalized under generally accepted accounting principles. This is counterproductive and goes against the effective implementation of NAHASDA. We would suggest that, in line with the proposed amendments put forward by the National American Indian Housing Council (NAIHC), the reauthorization legislation amend Section 205(c) of NAHASDA to make the binding commitment requirement applicable only to improvements of privately owned homes if they exceed \$7,500.

VIII. Conclusion

Thank you Chairwoman Cantwell, Vice Chairman Barrasso, and members of the Senate Committee on Indian Affairs for allowing me to testify here today regarding the challenges and potential solutions to meeting the housing needs of Native people throughout Indian Country, by sharing with you some of my experiences at the Choctaw Nation Housing Authority. Your continued support of our efforts, including a timely reauthorization of NAHASDA before the end of this fiscal year, is truly appreciated, and I and my staff at the Choctaw Nation Housing Authority stand ready to assist you in any way that we can.

This concludes my testimony. I would be glad to answer any questions you may have.

The CHAIRWOMAN. Thank you very much.

We are going to start a round of five minutes for each member, in questions. I am going to start with Senator Barrasso, and then we will go from there, based on members' arrival into the hearing room as the hearing started. Senator Barrasso?

Senator BARRASSO. Thank you, Madam Chairwoman.

I would like to start with Mr. Boyd, if I could, reading through Ms. Bryan's written testimony, she said there are concerns regarding some unexpended NAHASDA funds totaling, I think, \$909 million; that represents a lot of potential homes for Indian people. She also notes there are a number of bureaucratic and logistical barriers to spending those monies.

I am wondering what your agency can actually do to help expedite the use of those funds in an efficient manner so the tribes that we have heard from today and other tribes around the country can actually build homes.

Mr. BOYD. Certainly, Senator. First of all, the funds that tribes receive are no-year funds. So these funds can move from year to year. In some cases, one of the reasons that happens is that all of the developments that are on reservations are construction developments. So it takes three to five years to accomplish this, and in some cases even longer, especially for some of the smaller tribes who receive small amounts of funds. They actually sort of bank, if you will, those funds and carry that over for a couple of years before they can even build any homes within their community.

Those tribes that do have some problems with regard to expenditures, we work with them directly. We employ our regional housing offices, we do have six regional housing offices around the Country. We have set up teams that will work with those tribes on almost a daily basis to help create expenditure strategies, realistic expenditure strategies and really assess maybe some of the issues that they may have administratively, to see if we can't make recommendations to them to streamline the process within their communities.

So we do that through technical assistance and if required, some training, that is also the administrative approach to help build the capacity to expend those funds on a more timely basis.

Senator BARRASSO. That was one of the concerns, reading your testimony, is that there are some times in spite of this day to day activity there aren't real timelines for how to act on certain tribal requests, such as a waiver of requirements. So I think we further note that if HUD fails to act, then tribes actually can't expend their housing funds.

So I am wondering if you think there should be clear timelines in the NAHASDA for HUD to act upon specific requests from the tribes?

Mr. BOYD. Yes, sir. There are clear time lines. And it is, I think, what the witness was mentioning was time lines with regard to waivers. So we do have set time lines in which to work with tribes on those waivers. Some times it takes a little bit longer in some cases because maybe the application of the waiver does not have all the information that may be required. So we reach back and we work, so it is a back and forth kind of situation. We try to expedite that as much as possible. We understand the value of the time element. But we also want to be accurate and we also want to resolve the issues on a timely basis.

Senator BARRASSO. Ms. Bryan, is there anything you might want to add to this to help the panel? Senator Tester said earlier we want to be more efficient, more effective in how tribes can use this. Anything you would suggest?

Ms. BRYAN. Yes, thank you, Vice Chairman Barrasso.

The waiver delay that I speak of is, I believe in the NAIHC draft also, we are questing for the local cooperative agreements. That is part of NAHASDA, it is required for development. When we do submit those to HUD, there is no time line for their response.

Senator BARRASSO. Okay, thank you. And then for Mr. Iron Cloud and Mr. Sossamon, just thinking of the written testimony from Cheryl Causley, where she talks about trying to, in terms of being more efficient and more effective, perhaps achieve better economies of scale and the proposals intended to improve stream-

lining some of the administrative requirements from the multiple Federal funding streams. What do you think of the proposal she has talked about in terms of combining some of these issues and try to make it a little more smoothly operating for both of you?

Mr. IRON CLOUD. I guess I look at the NAIHC, I used to be on the board. I kind of got out of it. Right now I guess I am an alternate for our region.

But I look at NAIHC to probably reach out more to Indian tribes, to help them in their everyday doings with HUD. Actually, they are our spokespeople for us in Congress. And I really think that NAIHC could do a lot more than they are doing now. That is coming from my heart, because I live out there. It is always hard for us to do anything.

I have good friends at HUD in Denver, and I communicate good with people here in Congress, with Senator Tim Johnson. I talk to Senator Thune, I talk to Christy Knowle. But something that I want to say is that our money is depleting, it is going some place else. Well, we are going to have a hard time, I feel, these next two years, of trying to get a budget that is going to meet some of the need that is out there.

The CHAIRWOMAN. Thank you.

Senator Johnson?

Senator JOHNSON. Mr. Boyd, last year Congress enacted the HEARTH Act to help streamline the land title clearance process. Do you believe that this streamlining will lead to even greater demand for a Section 184 home loan guarantee program, and how is HUD preparing for increased demand in the already growing Section 184 program due to the HEARTH Act or other factors?

Mr. BOYD. Yes, sir, first of all I would like to thank those of you that worked on that Act to make it reality. It is going to help us out tremendously and it is going to help us out tremendously in a couple of situations. One, it certainly is going to give the tribes the opportunity on a more timely basis to make land available for development. Secondly, though, which is a combination, and we have been working with the Bureau of Indian Affairs on the issue of titles, and historically to gain a title on a reservation, on trust land, has taken a tremendous amount of time.

So what we have done in working with the BIA is to try to minimize that time so that the lenders and the borrowers can obtain title on a much more timely basis, so that the HEARTH Act is a part of that whole process. So if you combine the HEARTH Act along with the improvement on accessing titles, those two really go hand in hand. That would help us out tremendously.

We know that there is a very, very viable housing market for home ownership on trust land, on reservations. We want to work with tribes and other Federal agencies to do more home ownership on reservations, because we feel that the more people live on reservations, the more money they are going to spend within the community and those communities would be Native American-owned businesses, so the dollar would turn over a couple of times before leaving.

Senator JOHNSON. Paul, it is good to see you again, and I want to thank you for making this trip out here from our home State of South Dakota.

I understand that you are undertaking the Dakota Housing Needs Assessment Pilot Project. How will you use the data generated from this project to improve housing on the Pine Ridge Indian Reservation?

Mr. IRON CLOUD. Thank you, Senator. The thing is, we talked about dollars that are coming to our reservation, NAHASDA dollars. We always get the same amount of dollars based on their count or however they do that. We have 4,000 people and I don't know how many of them are elders. I think our biggest majority is 21 years, or 18. Well, this assessment is done by our people, I think we have 12 people working throughout the reservation, going to these homes, finding out how many people are living in these houses. How is their house, is it critical or is it in good shape. And we look at the land. We are doing all kinds of things with this oversight.

I know, I know people are going to realize that they need to do more to get the actual count on our reservations to get more money. But like I said, we get the same amount of money, this year I think ours is, well, I think we get \$602 million or \$603 million based on the budget this year. So that takes about a million dollars away from Pine Ridge.

So we aren't going to be in the best shape but with this oversight we do have. I'd say we have hope.

The other thing is, I want to bring up, we are bringing a house actually to D.C. next week. We are actually bringing it for Senators and Congressmen, staff, to actually see, this house was built in 1961, one of the first projects at Pine Ridge. I just want to ask you to come and see it.

Senator JOHNSON. I will.

Mr. IRON CLOUD. A big thing is, if you could say a few words, we have some guest speakers, or I am really looking at the Senate or our House people. One thing I want to mention, too, I want to thank the House Appropriations. They came to Pine Ridge. They were there for two days and actually seen what was going on at Pine Ridge. I really commend them for doing that.

The other thing was, we had Sandra Enriquez, she came one day. And she did a tour. She looked and she said, Paul, what you have been saying is very true. And she had tears in her eyes, I had tears in my eyes. Because there is so much need out there, and our people are not feeling safe. That is what I really want to express, because we only have 34 officers.

Senator JOHNSON. Thank you, Paul.

The CHAIRWOMAN. Senator Heitkamp?

Senator HEITKAMP. Thank you so much, Madam Chairwoman.

Just a couple of points and maybe we can kind of elaborate on this or sit down and kind of do some thinking on this. I just did a major housing tour in my State, not just of Indian Country, but all across my State. Our most acute and most desperate need for housing is in Indian Country.

What is true in Indian Country is also true in other parts of my State, which is that if we are going to look at single family, which we believe ultimately is a goal, that we have families living together, we think that is the healthiest outcome, that is the best in terms of building community, but yet Fort Berthold, which recently

did an infrastructure development project, developed lots, the cost of those lots is \$85,000 without even putting a shovel in the ground. Think about that. And then think about the average incomes, even middle class incomes in Indian Country, and what it would take to build a project or build a home that was in fact adequate to meet the needs of the family but also affordable. It is impossible. It is not possible.

So one of the issues beyond the financing issue that we have already talked about here, beyond the kind of, whether it is trust land or not, and I want to make a comment about that as well, is these high infrastructure costs. We have already addressed it, but if we keep doing what we have always done, which is, let's support these programs, maybe beg for a little bit more funding, which doesn't seem forthcoming, we will get the same result. And it won't be a hold even status quo result, it will be backsliding, it will be continuing to fail.

So one of the issues that I would like a comment on right now, or maybe later, is on any unique projects that you have seen that can in fact reduce infrastructure costs on single family housing lots.

Well, the silence is deafening. And honest, because I have thought about this and thought about this, and I have not been able to come up with an adequate explanation of how we do this.

Ms. CAUSLEY. Actually, the only way that I have found on my reservation to be able to help our clients with that particular problem is the housing authority, when it gets enough funding, will develop, the last one was an 80-unit complex where I think we had 55 units that we put on there. We ran the water and the sewer for them and tried to get the lots ready.

So we couldn't allow trailers, because we are trying to bring in mortgage products. And we don't want a \$100 trailer next to a \$70,000 or \$80,000 home. But that did lower their price, but the housing authority had to pick up the price to develop them at once. But it was cheaper to develop them all at once than one at a time.

Mr. SOSSAMON. Senator Heitkamp, one of the things that we have seen in southeastern Oklahoma is the local rural water districts have put together a bond issuance and leveraged that with other Federal funding to extend 25 miles of rural water and sewer facilities. But of course, that local government has that authority to issue that bond. As they hook these customers on, then over time they will service the note on that bond.

So I think perhaps when we see models like this that work outside of Indian Country that we take those models and apply them in Indian Country. That to me would mean we would need to create our own authorities within our tribal governments to be able to accomplish this. But to me, I think that is the key to advancing the issue that you brought forward.

Senator HEITKAMP. Just one more question in terms of safety and reliability of the housing long term. When you step back and you look at what children need, this is obviously a huge component of community. And if we don't look beyond, and you have a great committee here, because there are three additional members that I can count who also serve on the Banking and Housing Committee, including the Chairman.

So what do we do, working within existing programs, and what do we do looking at financing? Chairwoman, if you will indulge me for just one comment. When I was in Bismarck, we were talking about housing. One of the things the Bismarck chamber of commerce is doing is putting together a land trust with the idea that then those embedded costs would go to the non-profit which then they would be almost a little like a trailer rent, but not really creating that kind of housing. It would be more permanent housing and they will have to work through the kind of financing.

I was struck by that, because I turned to the housing finance administrator who was there when I was involved with housing and finance in North Dakota, and I said, how will that work with trust land in terms of financing? He said, oh, we shouldn't have any problem. Yes. That was my reaction. We shouldn't have any problem? Oh, really? Because this is what I have been told for years was the impediment to providing traditional financing, first time homeowner financing, low-cost interest financing onto the reservations.

So I think there may be an opportunity to collaborate with members of the Banking Committee, taking a look at traditional financing mechanisms, so that we can do a better job in bringing private financing onto Indian Country in our States and in our communities. So I am really interested in all the silos, including infrastructure and financing and affordability. This could not be a more important issue that the Chairwoman has listed as our first Committee hearing, in my opinion.

The CHAIRWOMAN. Mr. Iron Cloud?

Mr. IRON CLOUD. We are working with the Federal Home Loan Bank and we are getting grants from them for renovating some of our homes. We just renovated 15 homes. That is complete renovation and that is around \$30,000. And we got another one to do our elderly homes at Pine Ridge. So we are going to do half of them and try another one and do the other half.

So there are ways out there, but it is tough to get any money right now.

The CHAIRWOMAN. Ms. Causley, did you have a comment on that?

Ms. CAUSLEY. Yes, I did. Thank you.

If there is a way that the members of this Committee and the other one, what we really have problems with and we could definitely use help with is there are programs sometimes offered through the States, and depending on what State you live in, they will either help you out a lot or they won't touch you. Because traditionally, tribes don't get along real well with their State entities. If there is any way that you could look at a set aside for Native Americans, if we are eligible for the program to begin with, it would help all the way across Indian Country.

The CHAIRWOMAN. Thank you, Senator.

I am going to take a few moments here to ask some questions and follow up on the question that Vice Chair Barrasso started with on the unspent housing block grant funds. We have had some recommendations to the Committee to look at what other agencies have done, something like if HUD was unable to meet the deadline for that request, that after that deadline it would be deemed ap-

proved. Is that something that you think would be helpful in this situation?

Mr. BOYD. Yes, Senator. I think deadlines would be very helpful. As a matter of fact, in 2012, the Appropriation Committee set a time line on 2012 funds. I think they set out a time line of ten years, so it is five years to obligate and ten years to expend. That could be very effective.

I also know under ARRA, there was a strict time line in spending ARRA funds. The tribe, I think we received something like \$510 million under ARRA. Half of that went out on a competitive basis. And those tribes that received those funds, many of them, I think it was maybe a three-year time frame there.

But many of them finished up their projects in two years. And I think the time aspect of it played a very important role. The total expenditure rate on that was like 99.9 percent, and I am almost positive the time had a big effect on that.

The CHAIRWOMAN. Anybody else want to add a comment on that?

Ms. CAUSLEY. It can actually go both ways. I believe that within the NAHASDA draft language that we have language in there deemed approved through HUD, should they not meet any of their deadlines in a timely manner.

The CHAIRWOMAN. Okay. What about the low income housing tax credit? Obviously this has been a successful program across the board. And obviously it is something that has been used in a few instances in coordination with other housing programs. Are we running into problems with the low income housing tax credit being used more aggressively in Indian Country? Because it has been a very, very successful program from many different aspects on non-tribal land. Not only the benefit of getting the new units but also stimulating the economy. The fact that the Federal Government is putting out a little bit of capital but leveraging much more private sector capital, for very, very needed housing units.

I am just curious as to why this isn't being used more in Indian Country.

Ms. BRYAN. Chairwoman Cantwell, we looked into that at the Puyallup Tribal Housing Authority. We found that it was prohibitive in several ways for us. Tax credits really need a lot of units. So we need to have land, we need to have ownership of that land. And for us, it didn't pencil out. But I think developing capacity among the tribes, once we developed capacity and learned about Title 6 and what it took for us as a tribe to get a Title 6 loan, meaning clean audits and just having our books clean and knowing what the banks would want us to do to finance this, then we begin that process. So it was a matter of educating ourselves about the Title 6 program and partnering with HUD. We were able to utilize that program.

Tax credits are complicated. And for us, we looked at it for our 10-unit development, but it just didn't pencil out. We are not able to charge rents to sustain what we guarantee we have to charge in rents. So back to the 30 percent rule, 30 percent of zero is zero. If we can't charge anything, and we are serving the lowest of the low income, you put them in a tax credit unit, we are required to pay a certain amount. We are obligated to pay that.

So there are some barriers. I am certainly interested in it. I think it is a great program.

The CHAIRWOMAN. Mr. Boyd?

Mr. BOYD. I agree. I think one of the challenges early on has been capacity, building that capacity within the designated housing entities. But that, over the past 10 years, as long as I have been in this position, it has really exploded, I think, in Indian Country.

The CHAIRWOMAN. What has exploded?

Mr. BOYD. The ability and the number of tax credits that tribes have applied for and have received. I recall, I was in a meeting one day and we were talking to some of the folks from the Blackfeet Reservation. They have excelled so well in doing tax credits it just became a part of their business. And they were taking that knowledge and experience and sharing it with other tribes. I know up in Alaska, the Cook Inlet Housing Authority had the capacity and the ability to do it, so they went over to Bethel, to another regional housing authority, and partnered with them to obtain tax credits in the State of Alaska.

Of course, one of the challenges is the competition that the tribes have to work within, within that State. I think there was a comment, maybe, is it possible to get a set aside of some sort.

The CHAIRWOMAN. Because there is a problem with the States?

Mr. BOYD. In some, yes, it is an interesting relationship.

The CHAIRWOMAN. There is a problem with States saying they don't want to do low income housing if it is on a reservation?

Mr. BOYD. At least from what I understood, there are some States that work really well with tribes on financing. And there are some States that aren't as aggressive perhaps. And tribes have learned how to work with that in that capacity building. I think that knowledge is extremely important.

The CHAIRWOMAN. I am just responding to my fellow colleagues on this Committee who were talking about the incredible need that still exists. Maybe one thing, Ms. Bryan, you are saying that not everybody has the volume or units that would benefit or pencil out from a low-income housing tax credit. But at the same time, there seems to be a very large scale need on some of these larger reservations. This would be something that could be beneficial and tied into these other programs.

We need to identify what the real issue is here.

Ms. BRYAN. I would like to agree with Rodger. In our State, tribes have a very hard time competing for those funds. They are very competitive, and housing authorities who are much more advanced in grant writing and working with the State for 20 years before the tribes showed up trying to get a grant have their position to get the tax credits, and they are lined up for it with their projects.

The CHAIRWOMAN. Do you mean there is just a knowledge base within various communities about how to use the program where there isn't within Indian Country?

Ms. BRYAN. That, combined with the competitiveness. Tribes don't get any special competitive edge. We are treated as a local government within the State when we apply for those tax credits.

The CHAIRWOMAN. But that is the way it is for all local entities. It has been a very successful program across the board. We will have to drill down more on this.

Mr. Sossamon, you were talking about the 184 program and your use of it and its success, particularly in your State, but you also mentioned Alaska. Do you have recommendations on how we would better utilize that on trust lands?

Mr. SOSSAMON. I think one of the big barriers to utilizing it on trust land has been addressed through the HEARTH Act. Now that creates an opportunity for tribes to develop their own laws and regulations that this rule of law is needed by private investors to mitigate the risk that they would face in dealing on trust land. So far as giving the tribes the control to issue the leases, the long-term leases that they have, that plus other laws to regulate the industry and give these private investors that assurance they need to invest their money.

So I think we really have an opportunity to even expand on the success that program has already enjoyed and more so on the trust land.

The CHAIRWOMAN. How many units has the Choctaw Financial Corporation done, your finance program? How many homes have you helped finance?

Mr. SOSSAMON. We finance approximately, we do about 100 loans a year. Of that, about 25 a year are direct first mortgages. So over the years we have done probably 400 or 500 units. I know we have a portfolio that consists of over 600 units just within our area. And we have leveraged about twice that many outside of our area. That is over the last 15-year period.

The CHAIRWOMAN. Is there anything else that we should be thinking about, this issue of streamlining and pooling resources to leverage the housing grant funds?

Mr. SOSSAMON. I think back to Vice Chairman Barrasso's question earlier, if we could streamline the reporting requirements and the other Federal requirements that we see, also Senator Heitkamp mentioned that we want to partner more with all of our local and State entities. In this environment that we work in, we can't work alone any more. We have to partner. And we have to leverage among the tribes, the other agencies. Because part of the key in solving the affordable housing issue is going to be a long-term solution, which means investments in education and career development, to raise the incomes of our folks. That is how they are going to afford homes over the long term.

So we have to look at even those other agencies within our own tribe as a partnership and it is something that we trying to break this poverty cycle over the generations.

The CHAIRWOMAN. Mr. Iron Cloud, you mentioned you are doing your own tribal assessment on need. Why is that?

Mr. IRON CLOUD. Why am I doing that?

The CHAIRWOMAN. I get why you're doing, I am asking, why did you have to do it? Isn't there data that is out there that is reliable?

Mr. IRON CLOUD. The data that we have isn't up to power. Now we are doing something that is actually going to show what is all there. I just wanted to comment on the tax credit a little bit if I can. We may do a first tax credit program at Pine Ridge. The rea-

son why we never did it, first of all, our unemployment is 80 percent. How are they going to pay for that? And if they default, then the housing has to pay that, and that would bankrupt our housing authority.

Right now we are taking a chance, building 32 units of better homes, for the homeless and in about three other areas that we are trying to do. But I am a little leery about paying this loan back over 15 years. And there is a lot of things that you have to look at. I have talked to a lot of guys and they kind of recommended we didn't do it, because we need homes, we need to do something.

The CHAIRWOMAN. Mr. Boyd, am I missing something here, why we don't have an accurate assessment across Indian Country of what the need really is? Is there somebody that is collecting that data on the exact need?

Mr. BOYD. Currently, the Policy Development and Research Office within HUD and our program are collaborating and doing a housing needs assessment. That whole process is taking place right now, because the last housing needs assessment that was completed was in 1996. One of the problems that they had with that assessment is the return rate on surveys that they did was quite low. So this go-round, one of the elements which they are employing is to work very closely with those tribes that will be surveyed to make sure that we get a much better return rate on the surveys.

I understand that maybe, and I guess what they are shooting for is 2014 to have that completed. So there is a process, we will be receiving some information between now and when it finishes. But we are hoping that is really going to update that need throughout Indian Country.

The CHAIRWOMAN. And what do people think about looking backwards now at the 1996 assessment? Was that a successful assessment?

Mr. BOYD. I don't think people really felt like it was a success, mainly because of the return rate on the surveys that they were doing.

The CHAIRWOMAN. I think this is something we are going to have to deal with, along with the various issues that you brought up today. But if we are going to match success of Federal programs to address the need, we are going to have to have an accurate assessment of the need. I think my colleagues, Mr. Iron Cloud, they spoke from the heart about this issue. As Senator Murkowski mentioned, as Senator Franken mentioned, as Senator Heitkamp mentioned, they are trying to deal with it on the ground.

And their frustration, and I mentioned to my own staff, you can look at these various programs from a programmatic level and then you can visit Indian Country. And they don't match up. On the one hand, you see programs that look like they can be taken advantage of, and then you go to Indian Country and you see poverty and people living in the conditions that are being described here.

Somewhere we have to do a better job of connecting this, the needs and the programs. We have to do the streamlining, we have to make them efficient. But we also have to take advantage of these programs that are out there, like the low-income housing tax credit that is being successfully used by big cities, small cities, very diverse communities all across the Nation, and figure out ways to

better leverage the private sector investment as well. And if that is a barrier, private sector investment on this as it relates to Indian Country, then we should have a hearing on that and discuss how we overcome that roadblock. Because we want Indian Country to be a government relationship with the private sector, as well as other government to government relationships, too.

So with that, unless anybody has anything else for the good of the order, this hearing stands adjourned. Thank you again so much for being here and for your testimony. The record will stay open for two additional weeks in case members have anything else they want to ask. And we would appreciate your prompt response to those questions.

We are adjourned.

[Whereupon, at 3:45 p.m., the Committee was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF THE ASSOCIATION OF ALASKA HOUSING AUTHORITIES

The Association of Alaska Housing Authorities (AAHA) is comprised of Alaska's fourteen Regional Native Housing Authorities and the Alaska Housing Finance Corporation. Alaska is home to more than 240 tribes, and AAHA's membership collectively provides housing assistance to many dozens of those tribes in hundreds of communities throughout Alaska. On behalf of the tens of thousands of Alaska Native and American Indian individuals we serve, AAHA greatly appreciates the opportunity to provide this testimony to the United States Senate's Committee on Indian Affairs.

The Committee seeks information regarding barriers to Indian housing development and solutions to address those barriers. While the need for safe, affordable housing in Native communities remains severe, changes in federal policy that began in the 1990s have had a positive impact on the ability of Indian housing organizations to address deplorable housing conditions in Indian areas. To further address ongoing barriers to the delivery of Indian Housing, modest legislative reform that advances the spirit and purposes of the Native American Housing Assistance and Self-Determination Act (NAHASDA) is necessary. This testimony includes specific examples of such reforms.

Background

Prior to NAHASDA, housing assistance for Native American tribes and Alaska Natives was provided by various programs under the Housing Act of 1937 and other legislation. These programs were administratively cumbersome and ineffective. They required separate applications and program administration, had different eligibility requirements, and placed distinct compliance obligations on tribal recipients. The programs failed to recognize the unique social, cultural, and economic needs of Native American communities. For example, Roger Biles described in the *American Indian Culture and Research Journal* how "[t]he clustered housing prescribed for rental units clashed with the traditional living patterns of many Indians and, according to some IHA officials, resulted in the creation or exacerbation of problems previously rare in Native American populations such as gangs, violence, and drug and alcohol abuse."

In 1994, HUD articulated its intent to strengthen the unique government-to-government relationship between the U.S. and federally recognized Native American tribes and Alaska Native villages. This created momentum toward the development of NAHASDA, which in 1996 established programs specifically for the benefit of American Indian and Alaska Native groups. NAHASDA was introduced in the U.S. House of Representatives by Representative Rick Lazio. In his remarks, Representative Lazio explained:

Tribal governments and housing authorities should also have the ability and responsibility to strategically plan their own communities' development, focusing on the long-term health of the community and the results of their work, not overburdened by excessive regulation. Providing the maximum amount of flexibility in the use of housing dollars, within strict accountability standards, is not only a further affirmation of the self-determination of tribes, it allows for innovation and local problem-solving capabilities that are crucial to the success of any community-based strategy.

NAHASDA was last reauthorized in 2008 for a period of five years, and its authorization expires on September 30, 2013.

Summary of NAHASDA

NAHASDA recognizes the unique relationship between the Federal Government and sovereign American Indian nations, authorizing tribes to address their distinct housing needs through various activities such as construction, rehabilitation, modernization, rental assistance, lending programs, crime prevention, and a host of

other strategies. Unlike previous housing programs, NAHASDA recognizes the Federal Government's trust obligation to promote the wellbeing of Native peoples and empowers tribes to exercise self-determination in the development and implementation of strategies to address their particular housing needs.

Implementation and Impact

NAHASDA is unique in that its recipients have the flexibility to use funding in a variety of ways, depending on which strategies will most effectively address the unique housing needs of the Native American people they serve. Many recipients use NAHASDA funds to rehabilitate existing housing and construct new units. In FY 2012 alone, the 369 tribal recipients of NAHASDA funding used that funding to build or acquire more than 1,450 affordable homes and rehabilitate 4,700 more. Since the inception of NAHASDA, recipients have built, acquired, or rehabilitated more than 110,000 homes. George Cortelyou wrote in the Seton Hall Legislative Journal that NAHASDA tripled the number of housing units developed or planned by Native Americans per year compared to the yearly average over the lifetime of the 1937 Housing Act.

NAHASDA also authorizes recipients to use funding for a variety of activities that do not involve bricks and mortar if those activities will most effectively address the unique housing needs of the American Indian and Alaska Native people they serve. A 2010 study by the Government Accountability Office (GAO) reported that "in fiscal years 2008 and 2009, approximately 50 percent of grantees used IHBG funds to provide tenant based rental assistance; more than 50 percent used IHBG funds to provide housing or financial literacy counseling; and approximately 30 percent used IHBG funds to provide down payment assistance." The GAO survey found that NAHASDA and its implementation were highly regarded among Native Americans; nearly 90 percent of respondents held positive views toward the effectiveness of NAHASDA.

In Alaska, NAHASDA enables the construction of 200 new homes each year. It funds the rehabilitation of 550 more annually. Recipients engage apprentices in construction trades, helping Alaska Native and American Indian individuals to learn job skills that they will carry with them for life. Through leveraging and the engagement of private sector contractors and vendors, NAHASDA also employs 2,250 Alaskans each year.

NAHASDA has been administered not only effectively, but also efficiently. Some in Congress have asked whether the current balance of obligated, undisbursed Indian Housing Block Grant (IHBG) funds indicates that NAHASDA recipients are challenged to expend the funding granted to them. The answer to this question is a resounding "no."

The frequently noted figures include and are heavily weighted by FY 2012 funding. Like any other capital program, housing development is a multi-year process, and recipients should have a reasonable period in which to plan for and build new housing developments. It is AAHA's understanding that when FY 2012 funding is removed from consideration, at least 94 percent of all IHBG funds have been obligated and disbursed.

In other words, a very small portion of IHBG funds granted in 2011 and years prior remains obligated but undisbursed. Further, it is commonly known that of that amount, a substantial portion is attributable to only one of the program's 369 tribal recipients. That particular tribe is recovering from a HUD-imposed three-year prohibition on expenditures for housing development, and it has developed a thoughtful strategy to spend down its obligated, undisbursed funding. It is AAHA's understanding that when this one particular tribe's balance is removed from consideration, the proportion of pre-2012 IHBG funding that remains obligated but undisbursed drops to only 3 percent. The remaining amount is less than \$200 million—not even one-third of the annual Indian Housing Block Grant appropriation.

When explained clearly and in context, the balance of obligated, undisbursed Indian Housing Block Grant funding is not an issue that causes legitimate concern. To the contrary, it becomes even clearer that NAHASDA is particularly efficient in delivering housing construction and development in Native American communities.

Barriers and Solutions

To those who have witnessed the deplorable housing conditions in American Indian and Alaska Native communities, the need for further investment is apparent. In the southwest, many tribes and pueblos experience a degree of overcrowding that forces two, three, or even four families into a single dilapidated home. In the northern plains, many homes are deteriorated, exposed to the elements and occupied by some of the most impoverished families in our nation. In rural Alaska, many Alaska

Native families have no indoor plumbing. Human waste is carried in buckets from the home to a small, stinking lagoon at the edge of the village.

Improving these conditions means developing new housing and improving existing homes through rehabilitation, modernization, and weatherization. The most effective means of accomplishing these goals is the provision of additional funding for the Indian Housing Block Grant program. Unfortunately, appropriations for the program have not come close to keeping pace with inflation, leaving tribes to compete fiercely over the few resources that are made available.

Periodically, the tribes and HUD engage in a negotiated rulemaking process to review and update the Indian Housing Block Grant allocation formula. Preparations for such a process are presently underway. The tribes, HUD, and technical experts will employ a consensus-based process to evaluate complicated issues such as the factors that are used to determine a tribe's level of housing need. The process is open, transparent, and equitable; however, it can also be frustrating. There is not nearly enough funding to come close to meeting the need for housing in all Native American communities. Every tribe understands intimately the conditions its people face, and every tribe must confront the stark reality that no matter how funding is allocated, there is not enough of it to go around. Each tribe and each community deserves to receive additional resources to address their housing conditions.

In the absence of additional funding, modest legislative reform can enhance program efficacy by enabling tribal housing programs to spend less time navigating administrative bureaucracy and more time building homes.

The draft NAHASDA Reauthorization bill being offered by the National American Indian Housing Council (NAIHC) contain numerous provisions that would break down anachronistic legislative and regulatory barriers to the delivery of housing in Native American communities. The product of more than a year of outreach by NAIHC to tribes and tribal housing entities across the nation, the draft reauthorization bill produced by NAIHC outlines numerous opportunities for Congress to empower tribes to more efficiently deliver housing. It should be noted that NAIHC's draft bill is a consensus-based product that has achieved broad support among the hundreds of NAIHC member organizations.

Though AAHA supports NAIHC's draft reauthorization bill in full, it offers the following as specific examples of important reforms that will improve the delivery of housing in Alaska Native and American Indian communities:

1. *Modernize the 30 percent Rule.* The 30 percent rule provides that a recipient of NAHASDA funding may not charge residents a rent amount in excess of 30 percent of their adjusted income. This rule both threatens the fiscal sustainability of some developments and presents an ongoing administrative challenge, since residents must be routinely recertified to determine appropriate rent levels. The 30 percent rule must be replaced with a more flexible rent ceiling with less onerous compliance requirements.
2. *Simplify Environmental Review Requirements.* Projects involving mixed funding or overlapping federal agency jurisdiction may have duplicative environmental review requirements. For example, when a housing project is funded in part by NAHASDA and in part by USDA Rural Development, it may be necessary to conduct two separate environmental reviews. NAHASDA should be amended to provide that an environmental review carried out under NAHASDA meets and discharges all other applicable federal ER requirements.
3. *Eliminate Conflicting Federal Labor Standards.* Combining federal funding sources can result in mandatory compliance with multiple federal labor standards. For example, the HOME program requires Davis Bacon wages, whereas NAHASDA permits the use of Tribally Determined Wages. The inclusion of funds from other federal sources should not trump a NAHASDA recipient's ability to apply tribally determined wages, which already require the payment of prevailing wage rates.
4. *Eliminate Mandatory Compliance with Section 3 of the HUD Act and Section 504 of the Rehabilitation Act.* Section 3 and Section 504 represent administratively cumbersome federal requirements. Because of limited economic opportunities in many Native communities, recipients have a natural incentive to hire low-income tribal members. Similarly, tribes are accountable to the tribal members they serve, including those with disabilities. Section 3 and Section 504 rarely compel tribes to act differently than they would in the absence of such requirements, yet they impose upon tribes strict compliance and reporting requirements.

Summary

NAHASDA represented a positive and welcome change in federal Indian housing policy. It embraced the principles of tribal self-determination, including local decisionmaking and reduced administrative bureaucracy. The results have been impressive, with more than 110,000 new homes built, acquired, or renovated for American Indian and Alaska Native families. However, because of the sheer scale of the need and a lack of sufficient funding, housing conditions in Native communities remain some of the worst in the nation. To further address ongoing barriers to the delivery of Indian Housing, additional funding for NAHASDA's Indian Housing Block Grant is required. In the absence of additional funding, modest legislative reform such as that within the draft reauthorization bill presented by the National American Indian Housing Council will provide opportunities to reduce barriers to the delivery of safe, affordable housing in Native communities across the nation.

The Association of Alaska Housing Authorities greatly appreciates this opportunity to provide testimony to the Senate Committee on Indian Affairs regarding barriers to the development of Indian housing and opportunities to address those barriers.

PREPARED STATEMENT OF MOISES LOZA, EXECUTIVE DIRECTOR, HOUSING ASSISTANCE COUNCIL

The Housing Assistance Council (HAC) appreciates this opportunity to submit testimony regarding the oversight hearing on identifying barriers to Native American housing development and finding solutions. Before providing testimony, HAC would like to thank the Senate Indian Affairs Committee for their efforts and dedication to improve housing conditions for American Indian, Alaska Native, and Native Hawaiians across the country. HAC's work with tribal housing organizations has helped us identify barriers that federal programs can inadvertently cause to Indian housing development and we appreciate your concern in this matter.

Since its creation in 1971, HAC has provided financing, information, and technical services to nonprofit, for-profit, public, and other providers of rural housing. Because HAC works closely with local organizations around the country, including tribal communities, we know firsthand the housing challenges that rural Americans face. In addition, we have seen poverty and inadequate housing conditions most notably in certain areas and among certain populations, such as Indian Country.

NAHASDA Re-Authorization and Funding

The ability to self-govern was a hard fought battle for most tribes. The Native American Housing Assistance and Self-Determination Act (NAHASDA) was passed in 1996 to further increase sovereign tribes' ability to self-govern. Prior to NAHASDA, housing assistance to Native American tribes and Alaska Natives was provided through various programs under the Housing Act of 1937 and other legislation. These programs were often cumbersome and were characterized by significant input by the Federal Government. NAHASDA simplified federal housing assistance to tribal lands through Indian Housing Development Block (IHDB) Grants and Native Hawaiian Housing Block Grants. Through NAHASDA, regulatory structures were reduced and tribes were allowed to determine how to best use grants with less federal interference.

HAC supports the reauthorization of NAHASDA. NAHASDA is successful because it allows tribal communities to have the ability to decide the best way to spend housing block grants. However, for NAHASDA to work, the funding it provides must match the need seen on tribal lands. Over the years, Indian Housing Block Grant appropriations under NAHASDA have not matched inflation. In real dollars this represents a significant decrease in funding—funding has remained stagnant while the need has increased. For the program to be most effective, funding needs to at least keep up with inflation. Many tribes rely on the annual IHBG appropriation to provide services each year, and this becomes increasingly challenging when the funds do not match the need.

Stagnant funding levels for Indian Housing programs prohibited tribal designated housing entities (TDHE) and organizations from meeting the need that exists on their lands. As a result, numerous homes on Native American lands continue to be overcrowded. According to 2010 U.S. Census data, of homes on Native American lands, 8.8 percent are crowded compared to 3.0 percent nationwide. It is important to remember as well that census surveys typically undercount and under survey

populations on the reservations.¹ This reluctance to participate in surveys stems from remnants of American Indian, Alaska Native, and Native Hawaiian mistrust of the Federal Government. For example, in Charles Mix County, South Dakota, home to the Yankton Sioux Reservation, census data indicate that 2,893 of the 9,129 county residents are American Indian, but according to tribal enrollment on the reservation, the number should be closer to 3,500. As a result, the need on tribal lands is often more than appears in official statistics.

Stagnant funding is a concern that will only grow with time as Native American lands have a significantly higher population of children than the nation overall. According to 2010 census data, 30 percent of the population on Native American lands is under 17 years of age, compared to 24.6 percent nationwide. Housing is more than shelter; it is directly linked to security, health, and social and mental well-being. Crowding on tribal lands exacerbates the substandard living conditions that often exist therein. Social issues including lower educational attainment, substance abuse, domestic violence, and child abuse and neglect can be influenced by crowded conditions. Crowding affects health as well. Diseases such as increased incidences of tuberculosis, pneumonia, gastrointestinal disorders, head lice, conjunctivitis, and hepatitis among others can stem from crowded living conditions. Not only do substandard and crowded conditions negatively affect children, but they will require even more housing as they get married and have their own families down the line. This will require more funding than what is currently available. HAC is aware that currently some tribal NAHASDA funds remain unspent. This is not due to a lack of need, however, but instead demonstrative of the importance and need for flexibility and training and technical assistance (TTA) for TDHEs. Increased flexibility will benefit tribes and allow them to shape TTA sessions around their needs.

Due to undercounts, HAC worries that federal efforts to determine housing need across Indian Country may fall short. Through our work with tribal housing organizations and our analyses of Census and American Community Survey data specifically on tribal lands, we have seen glaring undercounts of tribal populations and housing needs. We suggest providing more flexibility to tribes to enumerate their populations to demonstrate their need. Tribal members may be less hesitant to respond to surveys from tribal leaders than those from the Federal Government.

Tribal lands often have significantly higher unemployment rates than the nation as a whole and poverty is often wide-spread. In fact, according to American Community Survey data, poverty rates on tribal lands are nearly double the national rate. As such, rents are often burdensome for many residents who cannot pay minimal rates. HAC recommends more flexibility for TDHEs to use and spend funds in ways they determine to be most appropriate for their residents and housing operations.

Conclusion

HAC would again like to thank the Committee on Indian Affairs for holding this Oversight hearing to identify barriers to Indian housing development and for the opportunity to provide this testimony for the record. HAC asks the subcommittee, and the Congress, to reauthorize NAHASDA, but include amendments that further push Native American housing self-determination. Tribes themselves are best at identifying and determining their needs and should be allowed to do so with as little micromanagement as possible. For the program to see success, it must be adequately funded. The housing need in Indian country is great. We appreciate your efforts in addressing this issue.

PREPARED STATEMENT OF THE HOOPA VALLEY TRIBE AND HOUSING AUTHORITY

The Hoopa Valley Tribe and the Hoopa Valley Housing Authority are grateful for the opportunity to submit testimony for the Committee's hearing on "Identifying Barriers to Indian Housing Development and Finding Solutions." This topic is of utmost importance to us as housing needs are great on the Hoopa Valley Reservation.

The Hoopa Valley Indian Reservation is the largest reservation in California, covering approximately 144 square miles in the remote and mountainous area of Humboldt County. We have approximately 3,006 tribal members, the majority of whom live on the Reservation. Our Tribal Government runs several programs, exercising our sovereignty and serving the needs of our members. The Hoopa Valley Housing Authority (HVHA) was created under tribal law in 1968 to address the housing

¹Brandert, Melanie. 2011. SD native leaders divided on census data. *The New Republic*. February 22. Available on the World Wide Web: www.mitchellrepublic.com/event/contentEmail/id/50371.

needs of our people. The HVHA has been in existence since that time assisting eligible persons obtain safe, sanitary and adequate housing.

The most significant act facilitating the promotion of housing development in Indian Country is the Native American Housing and Self-Determination Act (NAHASDA). NAHASDA's goals include: (1) affirming tribal self-determination by giving tribes the ability and responsibility to strategically plan their own communities' development; (2) providing the maximum amount of flexibility in the use of housing dollars, within strict accountability standards; (3) allowing for innovation and local problem-solving capabilities that are crucial to the success of any community-based strategy; and (4) avoiding over-burdening Tribes and housing authorities with excessive regulation.

NAHASDA is unique in that its recipients have the flexibility to use funding in a variety of ways, depending on which strategies will most effectively address the unique housing needs of the people they serve. The Act is based on the concept that tribes themselves are in the best position to develop solutions to the problems they face. NAHASDA's flexibility, local control concepts and strong root in self-determination are very important to the Hoopa Valley Tribe, which was one of the first tier of self-governance tribes and the first in the nation to have its compact with the United States signed.

NAHASDA was last reauthorized in 2008 and expires on September 30, 2013. It has been a success for Indian Country housing; it is effective and efficient. But this hearing provides a perfect opportunity to identify areas where the Act can be improved so that we can do even more in our effort to meet the extreme needs for housing in Indian Country.

The Hoopa Valley Housing Authority

The HVHA is the Tribe's tribally designated housing entity and is the recipient of the Tribe's Indian Housing Block Grant Funds under NAHASDA. The HVHA has been able to use the tools of NAHASDA toward meeting the housing needs on the Reservation. The HVHA's mission is to provide the tribal membership with the opportunity for safe, sanitary and affordable housing by way of new construction, acquisition, rehabilitation and maintenance of existing houses. Our work not only meets the fundamental housing need of families and individuals, but it also promotes jobs and economic self-sufficiency along with the enhancement of quality of life with a direct relationship to our unique culture and traditional values.

The HVHA employs 15 people. It offers a range of housing programs and opportunities for eligible persons. These programs include the construction and management of units of affordable housing to serve low-income members, and rehabilitation and modernization of Current Assisted Stock and other homes. We also provide housing units to 222 Tribal member families; 155 are homeownership units and 67 are low rent units.

Nevertheless, even with our several programs and efforts, our needs are extreme. The housing market on the Reservation is nearly non-existent. Because the reservation is in such a remote area, there is very little housing stock to acquire and the homes that are available are in substandard condition. The majority of all housing on the Reservation has been financed through the Department of Housing and Urban Development or the Bureau of Indian Affairs. The HVHA has over 200 qualified applicants in need of a home and even more that are in need of rehabilitation or modernization on their existing units.

Barriers to Indian Housing Development

Inadequate Funding

Inadequate Funding is the biggest barrier to providing safe and affordable housing in Indian Country. The Indian Housing Block Grant (IHBG) program, the mechanism for funding housing programs in Indian Country, must be funded at adequate levels. Currently and historically, the appropriations levels have been far below need and have not even kept par with inflation, resulting in decreases in real dollars in the last few years. Sequestration adds to our concerns about the impact of insufficient funding on our programs.

The allocation HVHA receives is far too small to meet the needs of our Reservation. The allocation for new development is only about \$600-700k. This is simply not enough as it would only allow for the development of 2 to 3 houses. While this would be considered progress to get families in a home, alleviating our need does not truly occur as, by the time these few homes are ready for families at the top of the waiting list, that amount of families or more would join the bottom of the waiting list. Even with all our work, the need remains constant as new families come in requiring assistance and join the list.

Further, the allocation that many tribes receive is not enough to complete a major project. The Hoopa Tribe is in need of major projects to address the limited housing opportunities on the Reservation. The HVHA is currently working on a major new construction project along with three elder projects and modernization of Current Assisted Stock. Our allocation is just not large enough to complete a major project such as the one the HVHA is working on with one year's worth of allocation. The HVHA needs to save its allocations year to year to have enough funding to embark on a project such as our Campbell Field Subdivision Project, which will add up to 10 rental duplexes and up to 13 single family homeownership units to our existing stock of affordable homes.

We understand that some in Congress have raised the issue of "unexpended" obligated IHBG funds. The majority of tribes, including Hoopa, do not have problems spending down NAHASDA monies in a timely manner. In fact, we understand that overall NAHASDA has a very efficient spend-down rate. However, we also understand that logistical and bureaucratic obstacles can slow the actual spending of the money. The HVHA complies with the LOCCS draw-downs, and runs on an accrual accounting basis. We do not draw funds until the back-up documentation is prepared to support the amount of the draw. Having said this, HVHA is prepared to draw down a substantial amount of funds based on processed payment and checks that have already been applied to the bank. Further and significantly, the HVHA has signed contracts in place for the Campbell Field Expansion project consisting of 3 single family rental units, the 3 private elder home rehabilitation projects and the modernization projects for our Current Assisted Stock.

At Hoopa, however, the IHBG funds are planned for and the project depends on this funding. The issue has been that for small tribes the allocation is just not large enough for such major projects and funds need to be banked until a certain threshold amount is available to allow moving forward with the project.

Duplicative and Inconsistent Federal Requirements

Duplicative and inconsistent federal requirements in the housing arena create substantial administrative burdens for tribes and tribally designated housing entities like the HVHA. They also cause delay in project initiation and completion. Since IHBG funding amounts are not adequate to cover costs of entire projects, many times tribes will seek out funding from other federal agencies to add to the IHBG amounts. This is a good practice as it leverages funding from NAHASDA, but it becomes problematic in implementation because the federal regulations governing the funding often overlap, forcing the recipient to comply with two sets of requirements. Compounding the problem is that sometimes these different requirements are inconsistent. For instance, the regulations for the NAHASDA IHBG funds and the regulations for the Rural Housing and Economic Development Grant are inconsistent in several areas, including in the use of Indian preference and in environmental reviews.

Further, for the HVHA most of our housing is built on leased trust lands. With this, the HVHA is bound by the leasing requirements imposed by the Bureau of Indian Affairs which has its own environmental review requirements. With this, HVHA projects can be subject to at least 2 and sometimes more environmental reviews, each of which must adhere to the specific criteria set forth by the different agencies involved. These circumstances result in administrative and management burdens and additional costs, which can lead to significant delay in embarking on or carrying out a project.

HVHA would support an amendment to NAHASDA that would allow for the environmental review requirements of NAHASDA for the project even when funding is provided by other federal agencies.

Conclusion

The Hoopa Valley Tribe and the HVHA appreciate the opportunity to submit testimony for this important hearing. We look forward to working with the Committee on the reauthorization of NAHASDA.

PREPARED STATEMENT OF RICARDO WORL, PRESIDENT, TLINGIT HAIDA REGIONAL HOUSING AUTHORITY (THRHA)

My name is Ricardo Worl, I am the President of Tlingit Haida Regional Housing Authority (THRHA), and also a member of the Tlingit tribe and the Shungukeidee (Thunderbird) clan from the village of Klukwan. I started working for THRHA as the Mortgage Loan Program Manager in 1999, a year after NAHASDA was enacted.

THRHA receives about \$7 million annually in NAHASDA funds on behalf of 12 tribes (villages) in the Southeast region of Alaska. The 12 communities we serve are

spread out over an area about the size of Pennsylvania, have populations of less than 3,000 and can only be accessed by water or aircraft.

NAHASDA Works In Our Region

THRHA has put HUD money to work and into direct services for the roughly 9,000 tribal members in our region. THRHA actively provides the following NAHASDA housing programs:

- 1) New Construction
- 2) Mortgage Loan Financing
- 3) Down Payment Assistance
- 4) Rental Acquisition
- 5) Senior Housing
- 6) Student Housing Vouchers
- 7) Energy Efficiency and Emergency Repairs
- 8) Financial Literacy and Energy Conservation classes
- 9) Transitional Housing
- 10) Alternative Energy heating systems

The 20 percent allocated for administration is not sufficient to cover the actual costs of running this many programs in this many communities. THRHA is able to subsidize administrative costs with other grants and revenue sources. For every \$1 spent of NAHASDA funds, we are able to leverage with \$3 to \$4 dollars of other funds from the state or private sector.

Flat Funding is a Barrier and Poses Financial Challenge

Federal NAHASDA appropriation amounts have essentially remained unchanged since 1998. When we take into consideration the fact that there were no adjustments for inflation, the net effect is an 11 percent reduction in NAHASDA funds since inception.

Adding to the challenge of flat funding is the fact that the NAHASDA funding formula does not provide subsidies for operating and maintaining newly constructed or acquired units. Regulations limit the units to low-income families and payments to 30 percent of household income thereby eliminating the ability to produce sufficient rent revenue to offset the cost of operations. The result is tribes are forced to use their annual NAHASDA allocations to pay for operating costs or rent subsidies instead of new development. Any further reductions to NAHASDA funding will pose even greater financial hardship on a housing program that is proven to be effective.

Our NAHASDA Programs Are Designed to Break the Cycle of Poverty and Dependency

THRHA's NAHASDA housing programs and tenant policies are designed promote financial independence and self-reliance. We have eliminated outdated HUD policies that enabled a culture of dependence. THRHA provides incentives for tenants who learn the value of using the home as an asset to get ahead and break the cycle of poverty that has plagued Indian country for generations.

In addition to housing, NAHASDA funds provide jobs and economic opportunity to our small rural communities. The NAHASDA allocations for each community are commonly greater than the local government's total annual budget! THRHA leverages its funds with a strong partnership with the State of Alaska and through private sector financing with regional banks.

The Solution: More Funding, Not Less, Please

We finally have a system that works for tribal housing. NAHASDA is not perfect but we have maximized its efficiency and impact in direct services to clients while at the same time empowering tribes in the decisionmaking process. Placing a cap or reducing NAHASDA funding is a step backwards and will likely cost us more in the long run.

PREPARED STATEMENT OF JAMES W. ZION, ATTORNEY AND JURISCONSULT

During the course of yesterday's hearing there was a discussion of tax credits and section 184 housing, and as you asked Rodger Boyd about the data base his department keeps to show needs assessments, and he explained its shortcomings, you observed that too often the Committee hears one thing in Washington, and it hears something quite different when visiting Indian Country. That is a very true comment, and I want to build on it as I relate the views of a client to supplement the record of the hearing.

My client is the “Navajo Public-Private Partner,” called that after the provision in section 101 of the Native American Housing Assistance and Self-Determination Act of 1996 that requires all grantees to “make all reasonable efforts . . . to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing the approved housing plan.” This organization is a coalition of ten Navajo grassroots organizations that came together for the common purpose of supporting Navajo Nation government in the case of *Navajo Housing Authority v. Resources and Development Committee*, No. WR-CV-218-2012 (Navajo Nation Window Rock District Court, 2013).

The Resources and Development Committee of the Navajo Nation Council exercises oversight over the Navajo Housing Authority on behalf of Navajo Nation government and the Authority disputed committee action on the approval of commissioners on the ground that some of its commissioners had a “liberty” interest to office, although their terms expired. The District Court, exercising great caution, entered a preliminary injunction against the Committee and required it to enter into discussions with the Authority for six months. Members of the Navajo Nation Council rightfully introduced legislation to clarify the authority of the Committee over appointments to the Navajo Housing Authority’s board of commissioners, make oversight jurisdiction over the authority clear and consider a measure to strip the Navajo Housing Authority of its designation as the Navajo Nation’s tribally designated housing entity (under NAHASDA), so the Authority charged the Committee’s members with contempt of court.

The Navajo Public-Private Partner entered the case to relate the Navajo Housing Authority’s failure to do equity and comply with the law as an equitable ground to deny relief and dismiss the action. There was a hearing, and on March 19, 2013 Judge Carol K. Perry dissolved the injunction on the ground that the plaintiffs did not have standing to complain of any aggrievement. The Navajo Public-Private Partner is primarily a grassroots coalition of organizations and it has supporters who could not be named out of fear of retaliation by the Navajo Housing Authority. They include at least two community development corporations, some private developers and one builder, so the “Partner” is truly representative of “the private sector” of the Navajo Nation. We note that there is discussion about the re-authorization of appropriations under section 108 of NAHASDA and we believe that the hearing, and other activities on housing in Washington, signal the beginning of that process.

To build on your comment about the disconnect between what the Committee is told in Washington and what is actually happening in Indian Country on housing, we raise these points:

1. There is no “partnership” or “public participation” as required by Section 101

Dine’ bi Siihasin, one of the members of the partnership, wrote to the Regional Director of HUD Indian Housing Programs in Denver (who has assisting the Navajo Housing Authority with budget issues) complaining of violation of the participation provision of section 101 and he agreed that the Navajo Housing Authority was not in compliance.

It is unfortunate that the structure of NAHASDA is one where the only interface is between tribes or their designated housing entity and HUD, the public cannot rely on HUD to protect their interests (given “self-determination” provisions as a barrier), and there is no statutory command for effective public participation, notice, involvement, transparency or accountability.

Public pleas to be informed of Navajo Housing Authority activities are ignored, the Authority regularly ignores requests for information under the Navajo Nation Privacy Act, one cannot identify the members of the Authority’s board of commissioners on its website, so the basic principles of good governance mentioned in the prior paragraph do not exist.

We believe that the situation is the same throughout Indian Country, given the structure of the act and lack of enforcement of the participation command.

2. The Indian Housing Plan and Annual Performance Report Process is Badly Flawed

Section 102 of NAHASDA requires the submission of a one year housing plan for review and approval at least 75 days before the beginning of a housing program year. The plan has detailed information that proposes housing activities for a given program year and justification for the same. Section 103 has no provision for public comment or appeal when HUD reviews such plans.

Section 404 of NAHASDA requires recipients to report on program progress in carrying out the Indian housing plan after the close of a fiscal year and that the report be made available to the public.

The experience with the Navajo Housing Authority is that its Indian housing plans are developed in secret, there is no notice of review by the Board of Commissioners and there is no public input when the plan is presented for oversight committee review.

The HUD Inspector General commanded the Authority to develop an adequate statement of needs, to genuinely describe the manner of geographical distribution of assistance under section 102(B)(2)(B) and the Navajo Housing Authority has not done so in any meaningful manner. It has spent millions of dollars for a purported needs assessment that does not describe the need of the five agencies and the chapters and the Navajo Housing Authority does not comply with capital improvement legislation that requires notice, involvement and needs identification by chapter governments. The Navajo Housing Authority set up an artificial and meaningless division of its operations in five in-house organizations and they are meaningless.

Annual performance reports are published only on the Navajo Housing Authority web site and they are practically meaningless. Reviews of past such reports shows that they are defective but no one in HUD seems to be reading them and noting inadequacies.

We feel that, given the structure of NAHASDA to practically exclude the public, Indian housing plans are meaningless and only a bureaucratic exercise and reporting to the public is wholly inadequate. There is no meaningful public involvement in either process.

3. Indian housing planning and implementation is not "locally-driven"

There are a few federal court decisions on Indian housing plans, and at least two point to the provision in 24 C.F.R. § 1000.220 on the "minimum requirements for the IHP" that "An IHP should be locally driven." That is not the case.

The Navajo Nation is divided into five large agencies and 110 localities called "chapters," and many Indian nations have their reservations or Indian areas divided into districts or identified local communities. The Senate Indian Affairs Committee needs to ask whether this regulatory command to assure that the annual Indian housing plan is indeed "locally driven" is followed.

As mentioned, the Navajo Housing Authority does not follow the command of the capital improvement statute that it notify the chapters of proposed funding, plans, needs assessments, etc. and there is no meaningful chapter input. This is likely the situation throughout Indian Country.

4. There is no accountability or competence

The annual performance plan requirement is an attempt to have accountability. One need only read the past annual performance plans that are published on the Navajo Housing Authority web site and particularly note the report of "no" goal accomplishments to wonder what HUD does with such reports.

Another recent development in the Navajo Nation is the Navajo Housing Authority aggressively litigating its exemption from suit, including recent attempts to extend limitations to any private sector suit against the Authority, to the point that the Navajo Nation Supreme Court is speculating about the extent to which it should craft exceptions for tenant and participant litigation.

The point is that HUD does not require that tribally designated housing entities must comply with statutory requirements, there is no protection of the public and there is no effective accountability. We do approve the concept of self-determination, but if there are no meaningful statutory provisions for accountability, access to court or access to remedies when the law is broken, then there is no real accountability.

The Navajo Housing Authority has bungled several projects, as is apparent from at least two of its recent HUD Inspector General for Audits reports, but one of the worst disasters was its defunding of a project to complete a shelter for woman and child victims of family violence in Shiprock. When the Navajo Housing Authority withdrew its support, without adequate grounds or due process of law, Navajo Nation government falsely used a determination by the NHA to block construction. As a result, an expensive shelter for women remains unfinished, at a large cost, and women and children are left without adequate refuge. This is of course an issue related to violence against Indian women and VAWA reauthorization. The Shiprock Home for Women and Children has had no remedy against the Navajo Housing Authority, or Navajo Nation government, because of sovereign immunity and no one has held the Authority accountable for its actions.

5. The Indian Housing Program is not democratic or transparent

One of the apparent deficiencies in the federal Indian housing statute on the books is that there are no commands or restrictions regarding grantee transparency, effective notice, inclusion, involvement, public information, accountability or effective

tive remedies such as to make Indian housing programs truly “democratic” and responsive to the Indian public.

These are only small points that cover five subjects and we look forward to the introduction of legislation to renew funding authorizations for this program. Funding for Indian housing must not be cut. It must be increased. The legislation must, as this hearing brought out, encourage and command partnerships, leveraging of funding and more innovative use of limited resources.

The problem, however, is that such is not done. These points were covered in my clients’ friend of court brief in the case described above and my clients do want to be heard on future Indian housing barrier and solution discussions.

Senator Cantwell, it is obvious from your comments to Mr. Boyd that you know that something else is going on underneath the surface. The Indian housing program is vital and self-determination is a proper model. However there must be meaningful reforms to the program to make it more democratic and responsive.

PREPARED STATEMENT OF THE NAVAJO HOUSING AUTHORITY

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 compliance 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 greater 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

	Condition Related	Capacity (overcrowding) Related	Total
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 in-

consistent 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 rule-making 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.

PREPARED STATEMENT OF GARY J. COOPER, EXECUTIVE DIRECTOR, HOUSING
AUTHORITY OF THE CHEROKEE NATION**Introduction**

Chairwoman Cantwell, Vice Chairman Barrasso, and distinguished members of the United States Senate Committee on Indian Affairs (SCIA). My name is Gary J. Cooper and I serve as the Executive Director of the Housing Authority of the Cherokee Nation. On behalf of the Cherokee Nation, the Housing Authority of the Cherokee Nation of Oklahoma, and the Cherokee people, thank you for holding this important oversight hearing, which could not be more appropriate or timely as discussions begin here on Capitol Hill surrounding the reauthorization of the Native American Housing Assistance and Self-Determination Act, known as "NAHASDA". On behalf of the Cherokee Nation, I submit the following comments for inclusion in the record of the U.S. Senate Committee on Indian Affairs Oversight Hearing held on April 10, 2013, entitled "Identifying Barriers to Indian Housing Development and Finding Solutions".

The Cherokee Nation (CN) is the federally recognized government of the Cherokee people and has inherent sovereign status recognized by treaty and law. The seat of tribal government is the W.W. Keeler Complex near Tahlequah, Oklahoma, the capital of the CN. With more than 300,000 citizens, over 8,000 employees and a variety of tribal enterprises ranging from aerospace and defense contracts to entertainment venues, CN is one of the largest employers in northeast Oklahoma and the largest tribal nation in the United States.

The Housing Authority of the Cherokee Nation of Oklahoma (HACN) is an Indian Housing Authority established in 1966, under the Oklahoma Indian Housing Authority Act. HACN is governed by a five member Board of Commissioners, nominated by the Principal Chief and approved by the Council of the CN.

Both the CN and HACN provide services under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). Services are provided in the tribal jurisdictional service area of the CN which covers a geographical area of over 7,000 square miles in northeastern Oklahoma. It includes all of eight counties and portions of another six. The fourteen counties within the CN are: Adair, Cherokee, Craig, Delaware, McIntosh, Mayes, Muskogee, Nowata, Ottawa, Rogers, Sequoyah, Tulsa, Wagoner, and Washington.

As an Indian Housing Authority, established under state law, HACN shares a unique relationship with the city and county governments across the CN. Intergovernmental cooperative agreements are in place with every county and most towns within this area. All land held in the HACN's name is held in fee simple status, with HACN making annual payments in lieu of tax. Oklahoma is unique in that no reservations are in the state. Our assisted units are frequently located in the same neighborhood as non-Indians.

Background

The CN and all Oklahoma tribes are unique in that we do not have reservations or an exclusive land base. The CN operates within an area referred to as the Tribal Jurisdictional Service Area (TJSA), which stretches across 7,000 square miles of northeast Oklahoma. This area was the new home to the Cherokee's after our forced removal from our homeland in the southeastern United States during the "Trail of Tears".

Today, the Cherokees co-exist with people of nearly every ethnicity. Some Cherokee lands may be bordered on four sides by land owned by non-Cherokees or non-Native Americans. Cherokee children attend public schools with non-Cherokees and many non-Cherokees benefit directly and indirectly because of the good work provided by the CN. Infrastructure improvements to rural water systems that benefit Cherokees and non tribal members in the region are an example of the cooperative efforts that combine the resources of multiple governments to provide safe sanitary water for all. This "spill-over effect" has a tremendous impact that benefits all residents living in Northeast Oklahoma.

Based on 2010 Census data, within the CN TJSA resides some 193,030 American Indian/Alaska Native households. The overwhelming majority of that number is estimated to be Cherokee. Census data also estimates that over 18 percent of the people residing within the TJSA are below the poverty level. The NAHASDA program uses 80 percent of the National Median Income (NMI) as a basis for services, while the Section 184 Loan Guarantee Program does not have an income limit. The Poverty Status in the 2007-2011 American Community Survey, estimates the poverty rate amongst Native Americans in CN to be 21 percent.

HACN Managed Housing Units

At the end of fiscal year 2012, HACN owned and managed over 2,000 housing units available for rent to Native American families. These units consist of 1937 Housing Act units and NAHASDA units, available for rental or homeownership opportunities.

HACN owns and manages 903 units that are over thirty-one years old, with the oldest being built in 1969. This number doesn't include twenty-five units that were old Army barracks, trucked in and made available for housing in 1968. Those 25 units were approved in an amended Indian Housing Plan to be demolished and rebuilt in another location. Many problems exist with those units, including some that have tested positive for asbestos. HACN has relocated the families who resided in these units, and is working towards being able to demolish and rebuild.

Due to the aging stock of our rental units, maintenance costs continue to rise. Additional money is set aside to modernize these units each year. However, the fact still remains that as the units continue to age, costs for upkeep will continue to rise, and regardless of the improvements made, the units are still of a traditional style apartment comparative to the time constructed.

At the end of the last fiscal year, HACN owned and managed over 1,135 homeownership units. Many families are now becoming elderly and require handicap accessibility. Some families still fall into the very, very low income category and many times cannot afford to perform basic maintenance. It becomes important to be able to invest modernization funds into these units to assist low income families with handicap accessibility and emergency repairs such as a leaky roof.

Rental Assistance Program

The HACN simply does not have enough units for every low income Native American that needs a place to call home. HACN operates a Rental Assistance Program (RAP) that is similar to the Section 8 program in public housing. Under RAP, a low income family's rent becomes subsidized for rental units on the open market. Due to the ability to effectively manage housing programs, HACN ends up being able to assist many more families than planned. HACN also offers a temporary rental assistance program for families that need assistance for up to ninety days. Under these two programs, HACN is able to subsidize nearly \$4 million towards rental units for over 2500 families. Because of the positive impact of RAP within CN communities, other public housing programs are better able to serve other low income families.

Low Income Housing Tax Credit Projects (LIHTC)

Historically, HACN has utilized LIHTC incentives to reduce the cost it would normally incur to provide low income housing to elderly and other low income families. This was accomplished by participating in four partnerships which have built LIHTC projects in four qualified areas of the CN. The projects comprise 155 housing units and are managed by outside parties under management agreements as provided by the partnership agreements. The HACN, through Cherokee Affordable Housing, Inc. (CAH) is the general partner in each partnership. The partnerships were created, applied for, and eventually received LIHTC's through the Oklahoma Housing Finance Authority. The four projects consist of Jay Senior Housing (elderly) located in Jay, OK; Stilwell Sr. Housing (elderly) located in Stilwell, OK; Wisdom Keepers (elderly) located in Tahlequah, OK; and Northview Estates (single family) located in Vian, OK. These projects not only provide low income housing for Native Americans, but also for any eligible low income family. Because of the highly competitive nature, lack of a Native American set-aside, and limited funding of the LIHTC incentives, HACN has not applied for the program in over a decade.

NAHASDA Title VI Loan Program

In July of 2002, the CN, HACN, Bank One, N.A. (now JPMorgan Chase Bank, N.A.) and the United States Department of Housing and Urban Development entered into a Title VI loan agreement, under the authorization of NAHASDA whereby the Nation was authorized to borrow up to \$50 million for purpose of enabling HACN to construct single family residences within the TJSA. Through supplemental agreements and the final notes, the cumulative amount of funds drawn was \$33,231,000 for the program. The final project allowed HACN to construct or acquire single family units for income eligible Native American families within the CN. The outstanding loan balance at September 30, 2012 totaled \$13,039,002.

Section 184 Loan Guarantee Program

HACN has used the Section 184 program to acquire an additional \$1.3 million in property to assist eligible families with housing opportunities. This includes one

quad-plex rental unit that is located near the Indian Health Services Claremore Indian Hospital.

HACN is currently working to construct homes under a new program. This program will allow for Section 184 Loans to be used to construct new single family units within the CN. The plan would allow for HACN to construct, through sub contracts for the construction, homes for Cherokee families. The plan allows for family owned land to be transferred to HACN for construction or to construct on land already owned by HACN. Repayment would be through a rent to own agreement, with the option for eligible families to assume the Section 184 mortgage in the future. At full implementation, this plan is estimated to construct at least 300 new homes per year, using Native American sub contractors for the construction. The use of sub contractors allows for small businesses to compete, but also for HACN to insure the quality of the construction of each home. The program takes the best aspects and practices of the HACN's nearly fifty years experience in Indian Housing.

Barriers That Exist

Funding Availability

Unlike other funding contracted or compacted under P.L. 93-638, Indian Housing funding has traditionally been at the discretion of the Federal Government to make monies available under NAHASDA. For example, we are now into our seventh month of the current fiscal year, HACN has requested 25 percent of last year's appropriated funding and although requested, that amount has not been made available for drawdown. In fiscal year 2012, NAHASDA funds were not made available until the sixth month of the fiscal year. No compact, similar to ones through the Bureau of Indian Affairs or Health and Human Services, exists to maintain at least minimal levels of funding are available for Indian Housing activities at the beginning of each fiscal year.

Accessibility to Other Funding Sources

While the HACN has accessed Low Income Housing Tax Credit (LIHTC) funding in the past, there are no guarantees in place that ensure funding specifically for Indian tribes. Therefore tribes must weigh the costs of preparing a project for a LIHTC application and the uncertainty receiving funding.

The Section 184 Loan Guarantee program is an excellent program for tribes. However, the uncertainty of that program was realized recently when HUD took the extreme action of "temporarily" suspending the program. Not only were tribes affected, but many more individuals were affected. Horror stories have been relayed by families that were under contract and were forced to either seek funding somewhere else at higher costs, or give up the "American dream" of homeownership altogether.

The ability to participate in other programs not traditionally offered to tribes would also be beneficial. This could include the HUD pilot program of "Moving to Work" and many others. Outside of NAHASDA, most housing programs are not offered to tribes for participation. The ability of tribes to have the accessibility to other types of housing funding would greatly increase the ability of all Native Americans to access other leveraging opportunities.

Impact by Cherokee Nation During FY 2012

Although housing programs are offered to Cherokees and other Native Americans, the economic impact stretches far beyond our families. Rental assistance payments are paid on open market rentals, regardless of an owner's ethnicity. Materials are procured from business that may employ both Indians and non-Indians. Public utility bills may be paid to utilities that employ non-tribal members or even support a state-wide public enterprise. The economic impact from housing dollars administered by the CN can have a dramatic impact in the regional economy. During previous fiscal year, CN impacted the jurisdictional area as follows:

- Employed the equivalent of 331.66 full time employees in permanent positions and 15.76 part time positions as part of direct program costs.
- Operated 944 low rent apartment units, across fifteen communities in the CN.
- Provided nearly \$4 million in rental or temporary assistance for over 2,500 families.
- Provided for the rehabilitation, repair, or replacement of dilapidated privately owned homes for 299 families.
- Provided modernization funding to improve over 460 low rent apartment; 36 homes; and handicap accessibility to 5 homes that were owned and managed by HACN.

- Provided drug awareness and crime prevention at 221 events, as well as law enforcement and patrol activities for 913 HACN owned/managed properties.
- Provided transitional housing assistance to 2,373 families to prevent homelessness or families from losing their homes.
- Provided credit coaching, household budgeting, and self-sufficiency counseling to 585 families. With the intended purpose to increase credit worthiness and financial stability to secure and maintain affordable housing. Provided additional down payment and closing costs assistance to 117 families to obtain residential mortgages.
- Provided 1,423 youth, residing in HACN low income housing units, with traditional, cultural leadership, and drug elimination activities.
- Provided 455 residents with job skills, case management, and employment assistance programs.
- Provided a career literacy center to assist residents with basic skills to improve reading and math levels and GED preparation.
- Provided payment assistance to 605 families for assistance with emergency rental payments, utility payments, or other utility assistance.
- Provided 45 college students with project based college housing assistance at Northeastern State University as part of a “scholars program”.

Conclusion

Once again, thank you Chairwoman Cantwell, Vice Chairman Barrasso, and members of the Senate Committee on Indian Affairs for allowing me to submit these statements regarding the challenges and potential solutions to meeting the housing needs of Native people throughout Indian Country. Your continued support of our efforts, including a timely reauthorization of NAHASDA before the end of this fiscal year, is truly appreciated. Myself and my staff at the Housing Authority of the Cherokee Nation stand ready to assist you in any way that we can to preserve and promote Indian Housing opportunities for future generations.

PREPARED STATEMENT OF HON. ED DELGADO, CHAIRMAN, ONEIDA TRIBE OF INDIANS OF WISCONSIN

The Oneida Tribe of Indians of Wisconsin is grateful for the opportunity to provide comments to the Senate Committee on Indian Affairs regarding the Native American Housing and Self-Determination Act (NAHASDA) Reauthorization. Oneida has made great strides in the area of affordable housing with federal funding received annually through NAHASDA, however, improvements are still needed and could be addressed through increased funding and modest programmatic changes.

Oneida is supportive of the legislative reforms presented in the National American Indian Housing Council (NAIHC) draft language and urges consideration and inclusion of these programmatic changes in order to streamline process and increase efficiency to maximize Indian Housing Block Grant (IHBG) dollars. We address below some of those proposals that most dramatically impact Oneida and our ability to adequately provide housing for our people. In summary, we are concerned about the following:

Inadequate Funding—Proposed FY 2014 funding is 23 percent below 1997 levels in today’s dollars.

Burdensome Regulations—A cross-agency universal application needs to be developed to reduce administrative burdens on tribal housing agencies and federal bureaucrats.

Low Income Tax Credit Program—More flexibility needs to be provided so tribes can meet debt obligations and encourage broader development.

Alternative Economic Indicators Needed—Census track data does not discretely define populations of Indian residents, causing some tribal communities to become ineligible for certain housing programs.

Inadequate Funding

The initial authorization for NAHASDA when it was made effective in 1997 was \$592 million. In the 16+ years since passage of NAHASDA, funding has remained essentially flat, as evidenced by the President’s FY14 budget proposal that continues NAHASDA funding at \$650 million. When accounting for inflation, a \$650 million appropriation for tribal housing is actually *less* funding than when the program was initially authorized in 1996 (\$841 million would be considered level funding). While

the funding level has remained the same, the need in Indian Country is increasing. Grants through IHBG must be dedicated to the operation and maintenance of existing housing and therefore results in less funding to construct new units. There are many Oneida members who live in other areas of Wisconsin and throughout the United States who dream of making the reservation their home; however we lack the means to provide them the opportunity to return.

The current Business Committee was elected to office in August, 2011, and has adopted the following mission for our term of office: In 3 years, this Oneida Business Committee will aggressively grow the Oneida Indian Reservation as a beautiful, vibrant community where hundreds of additional Oneida families live.

The membership of the Oneida Tribe consists of 16,789 Oneida enrolled citizens. Of those, the amount of members 18 years old and above is 13,433. There are 4,409 members living within the reservation boundaries with 2,777 living in the surrounding counties of Brown and Outagamie. There are 2,041 members who reside in the Milwaukee area and an additional 2,151 members who reside within the State of Wisconsin, outside of the reservation. Clearly, the Oneida Tribe has a vast Indian population living in Wisconsin who may have a desire to return home.

Currently, Oneida families, single adults and adult couples in the low-to-moderate income level continue to be the largest demographic in need of housing. The Oneida Housing Authority (OHA) has two types of housing available: rentals and homeownership. Renting is a viable option for many families.

Single adult units are an unmet need. To address this need, the OHA is in the process of constructing units for single adults. In addition, OHA is constructing elderly cottages and elderly duplexes in the newly developed Green Valley subdivision located in the heart of Oneida.

Burdensome Compliance Requirements

The OHA receives an annual appropriation from NAHASDA. However, OHA is limited in their project scope. OHA continues to research a variety of funding methods in order to leverage NAHASDA dollars. However, as highlighted in the NAIHC draft document and in a number of testimonies provided to the committee during the Tribal Housing hearing on April 10, 2013, the pooling of funds from various grant programs and federal agencies results in burdensome and redundant compliance requirements. Oneida supports the NAIHC recommendations to consolidate the environmental review process and prevailing wage requirements.

Low Income Housing Tax Credits

The Low Income Housing Tax Credits could be very beneficial to assist with the creation of the development of mixed use/mixed income neighborhoods, which would also offer a variety of resources for infrastructure development. However, this program includes an obligation to collect a certain amount of rental income; this is a significant liability for the Tribe as a result of the 30 percent rule. We cannot collect enough rent to sustain the amount that would be obligated under the LIHTC program.

Census Data for Median Income

The Oneida Tribe has made a concerted effort to create a quality of life in our community that provides our people with a vision for the future and an appreciation for the rich cultural history and traditions of our people. This is reflected throughout the Oneida community through our buildings and community programs. It is our hope that we will be able to continue to examine disadvantaged areas that are not being served as needed. One particular area that we feel needs to be addressed is the use of census data to allocate appropriate funding. The Oneida Reservation is divided into multiple census tracks and we believe the data from these census tracks greatly skew the American Indian population data due to the inclusion of non-Indians. For example, the median income, according to census data, is \$65,962 for the entire Oneida Reservation population, which includes American Indians and non-Indians. However, when this data is broken down further, the median income for when only the American Indian population on the Oneida Reservation is included is \$40,662. This \$25,000 difference often results in Oneida becoming ineligible for various State and Federal funding opportunities.

We look forward to continued dialogue as the reauthorization of NAHASDA moves forward and would be happy to provide any additional information and answer any questions you may have. Thank you for the opportunity to submit comments to the Committee.

PREPARED STATEMENT OF HON. PAUL BROOKS, CHAIRMAN, LUMBEE TRIBE OF NORTH CAROLINA

The Lumbee have been working for decades to address housing disparities for tribal members. The Lumbee Tribe of North Carolina has a population of approximately 55,000, of which approximately 42,000 live within the tribal service area in Southeast North Carolina. Since 2010, the Lumbee have constructed 35 homes and rehabilitated 110 homes. In 2008, the Tribe leveraged \$400,000 of NAHASDA funds to create a \$7.5 million low income housing tax credit project. The project is comprised of 50 single family energy star certified units with three bedrooms and two baths. This was the first project of its kind in North Carolina. On behalf of the Lumbee people, thank you for allowing me the opportunity to provide this testimony to the United States Senate Committee on Indian Affairs.

The purpose of this hearing is to ascertain information regarding barriers to Indian housing development and solutions to eliminate those barriers. Americans across the Country deserve to live in safe, sanitary houses. In 1996, Congress recognized that the disparity of housing in Indian Country was so great that new legislation was created to address those needs. This legislation was unique in that it allowed Indian Nations the ability to meet those needs in the most culturally sensitive manner. In these economic times, Tribes understand that the federal dollar is spread thin. However, legislative reform is necessary to address the process of administering the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) allowing more resources be spent on program activities rather than on reporting and navigating administrative bureaucracy. The following testimony will address some specific examples of the referenced reform.

Background

Prior to the enactment of NAHASDA, housing for Indian Country was addressed through the 1937 Housing Act and other federal legislation. These programs were rigid and cumbersome to use because the programs lacked the flexibility required to meet housing needs in Indian country. Tribes were forced to adopt housing models designed for urban public housing programs who had differing population densities, differing construction costs, and dramatically different cultural issues faced by the population to be served. When NAHASDA was passed, Indian country breathed a collective sigh. In one piece of legislation, Congress strengthened the government-to-government relationship between the United States and Tribes, reduced excessive regulation by implementing tribal self-determination measures, and provided tribes flexibility to determine the most efficient way to address their individual tribal needs. The legislation maintained accountability for federal funding by requiring strict reporting by Tribes and auditing processes conducted by the U.S. Department of Housing and Urban Development.

Summary of NAHASDA

NAHASDA recognizes the unique relationship between the Federal Government and sovereign American Indian Nations, authorizing tribes to address their distinct housing needs through various activities such as construction, rehabilitation, modernization, rental assistance, lending programs, crime prevention, and a host of other strategies. Unlike previous housing programs, NAHASDA recognizes the Federal Government's trust obligation to promote the wellbeing of Native peoples and empowers tribes to exercise self-determination in the development and implementation of strategies to address their particular housing needs.

Implementation and Impact

Tribal recipients of NAHASDA have the flexibility to use funding in the manner that will most effectively address the unique housing needs of the Native American people they serve. NAHASDA has enabled recipients to build, acquire, and rehabilitate more than 110,000 homes. Recipients have tripled the number of housing units that have been developed or planned by Indian Country each year compared to those planned or developed under the 1937 Housing Act.

NAHASDA allows recipients to use funding for activities other than construction and development, including rental assistance, home loans, housing or financial literacy counseling, and down payment assistance. The Lumbee Tribe has used housing funds to create 50 units by leveraging block grant funds with private dollars through the Low Income Housing Tax Credit program. We led the country in the number of HUD guaranteed Section 184 loans to allow individuals to attain mortgage funds from private lenders. We have also used funds to provide transitional housing for individuals who have lost their home due to natural disaster.

HUD, through the Office of Native American Program, effectively administers the program through technical assistance and being available to discuss potential

projects. HUD also performs detailed audit site visits and monitors fund expenditures. With these protocols in place, funding is both obligated and expended in an appropriate manner by the tribal recipients.

When looking at the unexpended, unobligated funds issue, those tribes have specific impediments preventing their expenditure of funds. Those tribes have developed a plan to spend down the money, have discussed this plan with HUD and have a timeline for accomplishing the same. Tribes have regional obstacles to expend funds. Housing development is a multi-year process and tribes should be given a reasonable time to plan and build housing units based on the regional obstacles facing their individual housing program. In general, tribal spend-out rates are good.

Barriers and Solutions

Tribes have proven since the inception of NAHASDA that the program works. The insurmountable obstacle for tribes is that funding for the program has not kept up with inflationary rates. In order to address housing needs in Indian Country, the NAHASDA program needs to be funded at an appropriate level. Tribal Housing professionals see the need in our tribal communities on a daily basis: homelessness, multiple families crowded into one single family dwelling, and housing without adequate utilities (heat, water and sanitation) are just a few examples. Tribal leaders are heartbroken to see children born into and elders die in these conditions. NAHASDA appropriations simply do not provide enough money to go around. This funding insufficiency unfortunately pits tribe against tribe, not because of commonality of circumstance, but because each tribe has a fiduciary responsibility to its membership: provide adequate housing. Everyone would like to get more money from the process. It can feel like the process is broken because each and every program is trying to meet a dire need and is not getting enough money to do so. Everyone deserves more money, but the funds that Congress provides are just too limited.

While tribes understand that in this economic environment additional funding may not be a realistic goal, modest legislation changes could enhance programmatic efficacy by reducing bureaucracy. NAIHC's draft NAHASDA reauthorization bill contains numerous provisions that would break down legislative/regulatory barriers. NAIHC's draft bill is the result of more than a year of tribal outreach and is a consensus-based product with broad support from the hundreds of NAIHC member organizations. The draft provides Congress with various opportunities to empower tribes to more efficiently deliver housing. The Lumbee support the NAIHC reauthorization bill in its entirety, but the following are key examples of changes suggested for the reauthorization: (1) reform the 30 percent rule, (2) simplify the Environmental Review Requirements, and (3) consolidate the federal labor standards (TDW/Davis Bacon).

Summary

NAHASDA represents a point in history that will be remembered as a date of positive change for Indian housing. The results speak for themselves and cannot be equivocated. However, because of the lack of funds and the level of need, housing conditions in Indian Country remain some of the worst in the nation. To even make gains on the worsening conditions, Tribes must be given more funding. In the absence of additional funding, modest legislative reform must be adopted to provide a modicum of opportunity to reduce barriers to the delivery of housing in Indian country.

PREPARED STATEMENT OF HON. EDWARD PAUL TORRES, GOVERNOR, PUEBLO OF ISLETA

On behalf of the Pueblo of Isleta, located in Isleta New Mexico, I am writing to ask your support of the reauthorization of the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996 (Public Law 104-330) in the 113th Congress. Since 1998 when NAHASDA was implemented, NAHASDA has been the primary means of developing housing for low income Native American families. In the Pueblo of Isleta, NAHASDA is the primary source of funding for the development of new homes and the rehabilitation of traditional homes and homes built under the U.S. Housing Act of 1937.

The Pueblo of Isleta is one of nineteen Pueblos in New Mexico with a population of over 5,200. The Isleta Pueblo is on an Indian Reservation whose land is primarily held in trust by the Federal Government. Isleta has 261 housing units for its resident population. It has a housing shortage of 95 units. Approximately 50 percent of Isleta households live in overcrowded conditions. Approximately 30 percent of all occupied homes are in substandard condition. Many occupied traditional homes are

in dire need of structural and other improvements to meet habitability standards, including lack of infrastructure.

The primary source of funding for housing development on the Isleta Pueblo is the Indian Housing Block Grant (IHBG) authorized under NAHASDA. Isleta receives approximately \$1 million of IHBG funds each fiscal year to manage and maintain 90 units and build 7 new homes per year. In Fiscal Year (FY) 2012, the Pueblo of Isleta received \$1,004,463.

Isleta leverages its IHBG funds with program income and tribal funds. Within the past two years, the Pueblo of Isleta Housing Authority, who administers NAHASDA funds on behalf of the Isleta Pueblo, has constructed 22 new homes using a combination of NAHASDA and ARRA funds. The Isleta also used IHBG funds to rehabilitate 21 homes.

In calendar year 2012, Isleta completed 31 housing development and rehabilitation projects for its community using IHBG funds. Isleta also began with the construction of 9 new homes in 2012.

NAHASDA was drafted with the support of Indian tribes and their tribally designated housing entities. NAHASDA recognizes the government-to-government relationship that exists between the Federal Government and Indian Tribes. NAHASDA is the primary means by which the United States fulfills its trust obligations to provide safe, quality, and sanitary housing for low income Native Americans.

The Isleta Pueblo Housing Authority is a member of the National American Indian Housing Council (NAIHC), which represents the housing interests of Native people who reside in Indian communities, Alaska Native Villages, and on Native Hawaiian Home Lands. NAIHC has developed a legislative proposal for the reauthorization of NAHASDA in FY 2013, which includes amendments to NAHASDA. The amendments are proof that NAHASDA is a living document, evolving through its use by Indian tribes and in the spirit of cooperation between the Federal Government and Indian tribes. The views of the Isleta Pueblo are represented in NAIHC's legislative proposal for the reauthorization of NAHASDA which has been submitted to Congress. We ask that you support the reauthorization of NAHASDA in 2013 and the amendments to NAHASDA which have been submitted by NAIHC.

I invite you to visit the Pueblo of Isleta to see firsthand the homes being built and rehabilitated through NAHASDA.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
PAUL IRON CLOUD

Question. Why do tribes find it necessary to do their own housing needs assessments? Is accurate data available from HUD or other federal agencies and, if not, why.

Answers. Federal efforts, including NAHASDA negotiated rulemaking, continue to inaccurately determine the varying housing needs of tribal members and fail to allocate federal funding appropriately. The U.S. Census was a temporary data source selected by the NAHASDA Negotiated Rule Making Committee in 1998. However, it does not by its design works well in remote areas where most tribes are providing housing services and therefore, undercounts the need and population. Also, the Census, because of legal restrictions, cannot accurately identify enrolled members of federally recognized tribes, who are by statute are to be the primary beneficiaries of NAHASDA programs. Over the past fifteen years HUD has not been able or willing to identify other sources of uniform data for Indian areas that are capable of alleviating these problems.

Today in many federal programs, funds are to be primarily awarded based on the needs of enrolled tribal members. However, when U.S. Census figures are used they do not count enrolled members, they no longer determine things like housing conditions, they continue to inaccurately count the number of persons on Indian reservations and they are based on responses from people who self-identify themselves as being Indian. Since local needs are not being properly determined, grants and program funds are being inequitably and ineffectively distributed among tribes.

It is for these reasons we at Oglala Sioux (Lakota) Housing and four other tribal housing programs have taken the unusual step of joining together to fashion a global positioning system (GPS) and geographic information system (GIS) based local housing needs assessment procedure. This is known as the Dakota Housing Needs Assessment Pilot Project. After a year of joint activity we will each conclude five local statistically accurate housing surveys and an accompanying analysis this summer. If all NAHASDA recipients were required to do this, and in a like manner, these tribal needs assessments can produce accurate and useful local, regional and national needs figures. More importantly, NAHASDA, and in particular the Indian

Housing Block Grant funding, could then be more accurate and appropriate to the purposes of the Indian Housing Block Grants program.

We are also providing this Committee, along with others, a recently-completed video of the Dakota Pilot Project which explains how the Pilot Project has been implemented on the participating reservations and what impact it can have.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TIM JOHNSON TO
PAUL IRON CLOUD

Question. How will tribes use the data collected by the Dakota Pilot Project to improve reservation housing?

Answer. If this approach is utilized universally by all NAHASDA recipients it will provide an economical, efficient and effective way to satisfy the tribal member population and need count for the Indian Housing Block Grant Program. In addition it can produce the following additional benefits.

1. Provide accurate and appropriate formula data for other federal funding allocations (e.g., transportation and roads),
2. Build on reverse 911 mapping programs to produce an invaluable mapping and data collection process that tribes can tailor and customize to address a wide variety of community programs,
3. Establish a process that can be easily and periodically repeated and updated,
4. If universally required of NAHASDA recipients, it can provide not only a national picture of tribal member housing needs but also give tribes, the U.S. Department of Housing and Urban Development and Congress the ability to better direct housing funding and monitor the success of the NAHASDA program.
5. For the first time it will establish an accurate methodology to quantify multiple households in a single housing unit and better assess the overcrowded housing that plagues many tribal populations,
6. Provide a platform and resources for conducting HUD's national homeless count,
7. Give tribal housing programs incredible tools and capacity to modernize their planning, development and management of housing, and
8. Until universally mandated by NAHASDA, it allows tribes to use it to efficiently perform a "census challenge" in the Indian Housing Block Grant Program.

We believe that this Dakota Housing Needs Assessment Pilot Project has nationwide application and can change how housing need is determined on reservations and result in better allocation of federal tribal housing funds. It is our hope that later this summer our Pilot Project will be able to report to Congress, the U.S. Department of Housing and Urban Development, Office of Management and Budget, and our fellow tribes that there is a housing needs assessment model that can be universally conducted by all NAHASDA recipients.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN BARRASSO TO
RODGER J. BOYD

Question 1. In her written testimony, Ms. Cheryl Causley [Chairwoman of the National American Indian Housing Council] suggests that the various Federal housing resources be "pooled" to achieve better economies of scale. This proposal is intended to improve efficiencies by streamlining burdensome administrative requirements from the multiple Federal funding streams. It is already being implemented in labor and employment training programs for Indians. What are your views on this proposal?

Answer. HUD supports streamlining programs and relieving burdensome administrative requirements. The 2008 amendments to the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) authorized ways in which this could be accomplished for Indian housing while maintaining the appropriate level of oversight of the program by HUD. HUD is currently exploring ways in which the environmental review process among agencies can be streamlined along with working closely with the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS) on land and infrastructure matters.

Question 2. Ms. Annette Bryan [Executive Director, Puyallup Tribal Housing Authority] states in her written testimony that when tribes undertake construction projects involving multiple sources of Federal funding, additional bureaucratic re-

quirements and administration costs are incurred. For example, when funding from the Bureau of Indian Affairs and Departments of Housing and Urban Development (HUD) and Agriculture is blended for a construction project, three separate environmental review requirements and different prevailing wage rates apply. According to Ms. Bryan, the resulting administrative and legal costs reduce the amount of funds available for constructing homes.

She proposes that a tribe should be deemed to have satisfied all applicable environmental review requirements that might apply to a multiple-funding sourced project if the tribe satisfactorily completed the applicable HUD environmental review process.

Ms. Bryan also proposes that a tribe be authorized to apply the tribally determined prevailing wage rate to all sources of Federal funds used in a project which is also funded in part by the NAHASDA block grant funding. What are your views on Ms. Bryan's proposals?

Answer. HUD generally supports streamlining the environmental review process and labor standards when multiple sources of funding are used for a project. Please see the answer to Question 3 for further detail on HUD's efforts regarding the environmental review process.

Question 3. How does HUD coordinate with other Federal agencies on the environmental review processes for recipients blending funding from these agencies for a construction project?

Answer. HUD agrees that requiring grantees to submit duplicative environmental reviews for the same project is an administrative burden. HUD supports the idea of having a single environmental review for all Federal requirements. However, each agency must comply with current rules and meet the minimum standards in the authorizing or regulatory language that makes the funding available.

It is most common for HUD-funded housing projects (especially larger projects) to be funded jointly by the Indian Health Service (IHS) and HUD. HUD funds are used for the construction of housing while IHS funds are used for infrastructure-bringing water to the site and constructing provisions for sanitation and the disposal of waste water. Due to joint funding, it is common for HUD and IHS to coordinate the environmental review as well. The environmental review process used by HUD is the most comprehensive, and is unique in that HUD regulations permit tribes to be the responsible entity. Under 24 CFR Part 58, tribes are responsible for completing the environmental reviews of projects. However, the process that IHS uses meets about 90 percent of HUD's requirements. In these cases, HUD asks the tribe for what is missing in the IHS review but required by HUD.

There is a difference in the methods and procedures used across federal agencies to meet the requirements of the National Environmental Policy Act (NEPA). Section 102 (42 U.S.C. § 4332) of NEPA mandates that "(2) all agencies of the Federal Government shall— . . . (B) identify and develop methods and procedures . . . which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decisionmaking along with economic and technical considerations." As a result, each federal agency has developed its own unique methods and procedures. The Environmental Protection Agency (EPA), the Department of Health and Human Services (HHS) Indian Health Service (IHS), the Department of Agriculture (USDA), and the Department of Interior (DOI) Bureau of Indian Affairs (BIA), and Bureau of Reclamation (USBR) all have different checklists for their environmental reviews. For example, noise is a factor in a HUD environmental review, and HUD will not permit a home or structure to be constructed adjacent to a railroad or heavily travelled freeway without mitigation. Other factors that are considered only in HUD environmental reviews are flood insurance because of the Flood Disaster Protection Act, compliance with the Coastal Barriers Resources Act, and compliance with airport runway clear zones and clear zones disclosures.

Also unique to HUD is that, after HUD awards grants to tribes and tribally designated housing entities, the tribes carry out the construction of the project including entering into grant agreements with other agencies.

Question 4. As noted at the Committee's oversight hearing, "Identifying Barriers to Indian Housing Development and Finding Solutions," on April 10, 2013, the obligated, unexpended balance of Indian Housing Block Grant funds totals over \$900 million. You testified that HUD will work with those tribes that have problems regarding expenditures to create realistic expenditure strategies and assess their administrative issues to find recommendations to streamline the process within their communities. Please identify the various reasons or causes for this large, unexpended balance of Indian Housing Block Grant funds.

Answer. Beginning in Fiscal Year (FY) 1998, through FY 2012, Congress has appropriated more than \$9.4 billion for the Indian Housing Block Grant (IHBG) program authorized under title I of NAHASDA. Indian tribes and their tribally designated housing entities have expended approximately \$8.6 billion of those funds, or approximately 92 percent.

On balance, very few recipients have large amounts of undisbursed IHBG funds. The vast majority of tribes expend their funds quickly and in the same year that funds are appropriated. One recipient in particular accounts for 53 percent of the unexpended balance. Excluding this tribe from the equation, the overall expenditure rate of IHBG funds would rise from 92 percent to over 95 percent.

HUD's Office of Native American Programs (ONAP) works with the tribes that are slower to expend their funds, and it provides them with capacity-building training and technical assistance whenever requested. Additional action is taken if problems are discovered during monitoring reviews. HUD ONAP continues to employ all the tools available under NAHASDA to address these types of situations while still respecting tribal sovereignty and the ability of recipients to carry over IHBG funds from year to year. HUD ONAP has provided extensive technical assistance to the recipient with the highest balance of unexpended funds, and is now moving to enforcement action against this tribe for failure to carry out its planned NAHASDA activities in a timely manner. HUD is pursuing the repayment of a portion of the unexpended funds held by the recipient through this enforcement action while also affording the recipient due process. In program requirements, any funds recaptured by HUD must be reallocated under next year's NAHASDA allocation formula to all recipients in the program.

Question 5. At what point does HUD consider an Indian tribe to have "spent" its Indian Housing Block Grant funds?

Answer. Funds are considered spent when all funds are drawn down from HUD's Line of Credit Control System (LOCCS) for the grant. After drawing down funds from LOCCS, recipients have 3 business days to expend the funds.

Question 6. Please describe the administrative process required for an Indian tribe to spend its Indian Housing Block Grant funds, beginning with when congress finalizes the appropriations through the point when the funds are considered "spent" in HUD's accounting system?

Answer. Within 10 days of budget enactment, HUD sends an Apportionment Request to the Office of Management and Budget (OMB) for approval within 30 days. After HUD's Chief Financial Officer receives the approval, an Advice of Allotment is sent to the Public and Indian Housing (PIH) Budget Office. After the Advice of Allotment is issued by HUD's PIH Budget Office, the IHBG formula can be applied to determine each grantee's award amount, and recipients are notified in writing. Fund assignments are issued to the six Area ONAPs. The Area Offices send grant agreements to each recipient for execution (assuming the recipient is eligible and has submitted a compliant Indian Housing Plan). Once HUD has received a signed agreement from the recipient and Congressional notification of the impending grant has been made, HUD can enter the funds into its LOCCS accounting system and make them available for drawdown by the recipient.

This year, FY 2013, the appropriations were enacted March 26, and the funds were made available in mid-June.

Question 7. What can be done, either administratively or legislatively, to help expedite the use of these funds so that the tribes can build houses? Please be specific.

Answer. The majority of the tribes are spending their funds in a timely manner. HUD has proactively taken administrative measures to more quickly distribute the funds to tribes so they may access their grant funds earlier in the FY. While there is no specific statutory requirement in NAHASDA for IHBG recipients to expend their funds by a certain set date, HUD has authority to take enforcement action against a recipient that is failing to carry out eligible activities in a "timely manner." Up until FY 2012, there were no restrictions placed on IHBG funds by annual appropriations. The FY 2012 Appropriations Act contained language that required FY 2012 IHBG funds to be expended within 10 years. This language was also included in the recently passed FY 2013 Continuing Resolution. Given the ability of recipients to carry over grant funds from year to year, HUD's main tool to assist recipients with using their funds is through training and technical assistance. In response to an FY 2012 Notice of Funding Availability, HUD recently awarded \$7 million to seven organizations to provide training and technical assistance.

Question 8. The February 25, 2010, Government Accountability Office (GAO) report, Native American Housing: Tribes Generally View Block Grant Program as Effective, but Tracking of Infrastructure Plans and Investments Needs Improvement, found that HUD was not tracking the information needed to fully assess the impact

of NAHASDA on housing development in Indian country. The GAO made several recommendations including revisions to the Indian Housing Plan/Annual Performance Report [forms] required to be submitted from tribally designated housing entities. How does HUD now track the data necessary to fully assess the impact of NAHASDA on housing development in Indian Country?

Answer. HUD ONAP relies on two critical tools for tracking NAHASDA-funded housing and related infrastructure development in Indian Country: The Performance Tracking Database (PTD), and the Annual Performance Report (APR).

The PTD is an Access database used to collect, analyze, and import housing and infrastructure development data. The PTD consists of multiple modules, and staff in each of the six Area ONAPs perform routine data entry and quality control. Headquarters creates a weekly roll-up of national data. The APR module is used to collect and track housing and infrastructure development data that recipients of IHBG funds submit in the APRs to ONAP.

The APR is used by each IHBG recipient to report, among other things, on the number of housing units and infrastructure developed during the previous 12-month period. The APR is available in Microsoft Word and Excel versions, and will be available soon on HUD's EPIC website. The Excel and EPIC versions have numerous automated capabilities to ensure data quality and expedite the completion and review of the report. APR housing and infrastructure development data in the Excel and EPIC versions is imported directly into the PTD for regional and national assessment.

The APR was revised in FY 2013, and the new form, among other things, collects information on infrastructure development for the first time in a comprehensive, organized way. HUD can evaluate the data to identify trends, set goals, and take appropriate management actions.

Question 9. Has HUD experienced any additional problems in maintaining effective reporting from tribes? If so, what is being done to address these problems?

Answer. In FY 2012, the format for reporting in the APR was revised to greatly ease the recipient's reporting burden while collecting more specific information on IHBG activities and accomplishments. The reports using the new format have only been submitted for two quarters, but the data available to HUD appears to be much improved. Once a year's worth of data has been submitted (end of calendar year 2013), HUD will conduct analysis on the data, and will have a clearer picture of the effectiveness of the format change.

HUD would like to collect additional information from recipients; however, tribes must agree to share this additional data. During the negotiated rulemaking conducted for the purpose of implementing statutory amendments, HUD proposed regulatory provisions based on the recommendations of a tribal workgroup that would require IHBG recipients to report items such as housing construction unit costs, services to elders, and reductions in criminal activity (due to crime prevention and safety activities funded under IHBG). The Negotiated Rulemaking Committee was unable to reach consensus on the collection of this data, and it was removed from the reporting requirement in the revised IHBG regulations that became effective on January 2, 2013.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARK BEGICH TO
RODGER J. BOYD

Remarks: In Alaska, NAHASDA enables the construction of 200 new homes each year. It funds the rehabilitation of 550 more annually. Recipients engage apprentices in construction trades, helping Alaska Native and American Indian individuals to learn job skills that they will carry with them for life. Through leveraging and the engagement of private sector contractors and vendors, NAHASDA also employs 2,250 Alaskans each year. This is a very critical program for the Alaska Native community.

Question 1. Will you please provide your perspective on the Negotiated Rulemaking process that is used to determine, among other things, the allocation formula for the Indian Housing Block Grant program?

Answer. HUD believes the negotiated rulemaking process used to implement NAHASDA and determine the IHBG allocation formula is essential to the success of HUD's Indian housing programs. Central to NAHASDA and the way HUD does business is the respect for and belief in tribal sovereignty and tribal self-determination. The negotiated rulemaking process provides a forum for Indian tribes to make important decisions on how the statutory language of NAHASDA is implemented, particularly in the allocation of IHBG grant funds. HUD will conduct negotiated rulemaking on the IHBG allocation formula in FY 2013 and FY 2014 with tribal

representatives from the six HUD ONAP Areas representing small, medium, and large tribes.

Question 2. What are some of the ways that tribes are successfully leveraging Indian Housing Block Grant funds to secure other sources of funding to address housing needs in Indian communities?

Answer. Tribes are leveraging their IHBG funds by combining these funds with American Recovery and Reinvestment Act (ARRA) grants, Low Income Housing Tax Credits (LIHTC) and the Affordable Housing Program sponsored by the Federal Home Loan Bank. Tribes are also leveraging IHBG funds through the Title VI program. Under the Title VI program, borrowers pledge a portion of IHBG funds as security for private financing and can use their IHBG funds to pay the debt service on the loan, thereby maximizing the amount of IHBG funds by as much as five times the original grant amount. This program has provided an incentive for lenders to get involved in the development of tribal housing.

HUD, through ONAP's Office of Loan Guarantee, encourages and facilitates the investment of private capital for the purpose of meeting tribal housing and infrastructure needs. Through the use of the Indian Housing Loan Guarantee and Title VI of NAHASDA, tribes are able to leverage the IHBG with other federal, state, foundation, and private capital to successfully finance tribal projects. Federal agency dollars are the seed money necessary to attract other funding sources. Federal loan guarantees provide additional stability to housing projects to mitigate the perceived risks associated with tribal development projects because there is less concern about default and ability to cover the loss.

Ohkay Owingeh, formerly known as the San Juan Pueblo in New Mexico, has shown outstanding innovation in obtaining sources of funding for housing. The tribe and its housing authority have leveraged LIHTC with IHBG funding, Rural Housing and Economic Development funding, HOME funding, and other sources to develop the 40-unit Tsigo Bugeh Village. They have also pursued an extensive housing rehabilitation program using a combination of IHBG funding and Indian Community Development Block Grant funding. Currently, they are pursuing New Market Tax Credits to develop additional housing that will support their economic stability.

The Puyallup Tribe's reservation in Tacoma, Washington is one of the most urban Indian reservations in the country. In 2012, the housing authority dedicated 10 units of low-income rental housing, a new community center, and a maintenance building. The energy-efficient units (an LEED Platinum project) were built using the tribe's IHBG and funds from the ARRA.

The Ysleta Del Sur Pueblo, in El Paso, Texas recently constructed 30 duplex units, 34 single-family homes, and the related roads, sewer, water, sidewalks, gutters, and street lighting. The \$16 million project was funded by HUD's IHBGs, Recovery Act funds, a HUD guaranteed loan, the BIA, the IHS, the Federal Highway Administration, tribal contributions, and LIHTC.

Pleasant Point Passamaquoddy Tribe in Maine leveraged \$272,000 in Title VI finances with LIHTC and grant funds from the following: Boston Federal Home Loan Bank, Affordable Housing Program, HUD HOME funds, BIA Roads, IHS, and USDA Water and Sewer funding to build 28 single-family homes and a community center.

IHBG is considered seed money for those tribes that are able to do more development. In FY 2012, 100 percent of LIHTC for the state of Alaska was awarded to the Cook Inlet Housing Authority.

Question 3. Understanding that each tribe faces unique circumstances, what are two or three of the most common issues that delay Indian housing projects that are beyond recipients' control? What, if anything, can Congress do to address those issues?

Answer. Projects can be delayed due to the following: lack of recipient capacity; turnover in staff and leadership on the tribal level; severe weather including natural disasters such as floods, fires, tornadoes, and hurricanes; complications and delays related to non-HUD funding sources; slow approval of some leases by the BIA on trust property; and environmental review discoveries such as contaminants or artifacts. Additionally, because recipients rely on their IHBG awards to sustain their housing programs, they must carefully plan for the use of these funds. Some recipients totally exhaust their prior year funding because of their great housing needs and the lack of annual funding that does not include an inflation adjustment factor. A delay in annual appropriations causes some to have to secure bridge loans to cover costs until annual funding is available.

Question 4. This funding environment is, as we all know, very difficult. In addition to ensuring that funding levels are appropriate, it is imperative that we work to identify as many budget-neutral ways as possible to improve Indian housing pro-

grams. What, in your opinion, is the best means for Congress to engage in that sort of meaningful reform?

Answer. Tribal recipients and HUD have partnered over the years to identify and implement budget-neutral ways to improve Indian housing programs in light of level funding that does not account for inflation. Congress has assisted in this effort with adopting many provisions as part of the 2008 NAHASDA reauthorization which streamline reporting requirements and allow tribes more flexibility to tailor their housing programs to meet their needs. NAHASDA is once again up for reauthorization this year which provides Congress with an opportunity to consider meaningful reform.

NAHASDA is successful in Indian Country. Tribes strongly support the NAHASDA programs, and can produce results with the funds that are awarded to them. HUD, through its program administration and negotiated rulemaking with the tribes, has taken measures to improve the efficiencies and outcomes of the program. In partnership with the tribes, HUD has streamlined reporting requirements while it has increased the amount of data received from grantees.

IHBG funds are now managed so that the oldest grant funds are the first to be expended, and most tribes can now get their IHBG funding with 4 months of Congressional appropriation. Previous to administrative changes implemented in 2012, it could take up to 10 months for a tribe to receive a given FY's funding. In January 2013, a final rule was published implementing negotiated regulations that implemented the changes of the 2008 NAHASDA reauthorization. Budget-neutral ways to improve the program include support of NAHASDA reauthorization and streamlining environmental requirements as discussed earlier in this response.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN BARRASSO TO
CHERYL A. CAUSLEY

Maintaining statutory and regulatory compliance in Indian housing programs is a key feature of the NAHASDA. In your testimony before the Committee on April 10, 2013, you stated that recent appropriations bills have “radically changed” the manner in which funds are allocated for Indian housing training and technical assistance.

Question 1. Please elaborate on whether, how, or to what extent those changes have improved tribes' compliance in their housing programs?

Answer. This question calls for a two-part answer. First, the language of section 703 of NAHASDA is clear and provides that “(t)here are authorized to be appropriated for assistance for a national organization representing Native American housing interests for providing training and technical assistance to Indian housing authorizes and tribally-designated entities such sums as may be necessary [for subsequent fiscal years].” Italics supplied, 25 U.S.C. § 4212.

For more than a decade, all Training and Technical Assistance (T&TA) funding has been routed exclusively through the National American Indian Housing Council (NAIHC)—the only national housing organization dedicated to building capacity in tribes for purposes of administering assistance under the NAHASDA.

Despite the plain language of section 703 of NAHASDA, congressional appropriators radically changed the allocation of T&TA funds by opening an already limited amount of T&TA funds (\$2 million to \$3.5 million), to “national or regional organizations representing Native American housing interests.” Section 703 language was negotiated among tribal leaders and Indian housing professionals and has been supported each year by the stakeholders of the Indian Housing Block Grant funds.

In turn, and without tribal consultation, the Department of Housing and Urban Development (HUD) recently awarded Fiscal Year 2012 T&TA funding to no fewer than 8 entities, several of whom have little to no experience working with Indian tribes, let alone experience in providing T&TA to tribes and their tribally-designated housing entities. The FY2012 distribution is as follows:

- Association of Alaska Housing Authority—\$1.5 million
- National American Indian Housing Council—\$1.35 million
- ICF Incorporated—\$1 million
- FirstPic—\$1 million
- Econometrica—\$1 million
- National Congress of American Indians—\$750,000
- Red Lake Housing Authority—\$400,000
- Pacific American Foundation—\$350,000

While it is premature to tell whether this change has improved compliance and expedited the outlay of block grant funds, in calendar 2012 NAIHC completed 107

on-site technical assistance visits to tribes and tribal housing programs. NAIHC also provided twelve (12) training sessions at regional Indian housing association meetings and forty-two (42) classroom sessions on topics unique to tribal housing operations and management. Over 1,200 tribal housing professionals attended NAIHC trainings in 2012. NAIHC is currently offering training and technical services under its current cooperative agreement with HUD's Office of Native American Programs.

Most technical assistance requests by tribes and their Tribally Designated Housing Entities are fulfilled by NAIHC within three weeks. For Fiscal Year 2011, NAIHC was awarded \$3.5 million and \$1.35 million in Fiscal Year 2012 for T&TA funding. With a drop in \$2.2 million, NAIHC will be limited in providing much needed T&TA services for Fiscal Year 2012. The President's Fiscal Year 2014 budget request again zeros out T&TA funding for NAIHC.

Question 2. Does the HIP program duplicate the Department of Housing and Urban Development (HUD) Indian housing programs or any other Federal housing program? If so, how?

Answer. The BIA's Housing Improvement Program (HIP) provides grant funding for home improvement and replacement and serves American Indian and Alaska Natives who have substandard housing or no housing at all and have no immediate source of housing assistance.

Other federal housing resources available to American Indians and Alaska Natives are provided by the U.S. Department of Agriculture (USDA) Rural Housing Program, and the U.S. Department of Veterans Affairs Direct Home 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.

Question 3. In light of the various Federal housing programs, particularly the HUD Indian housing programs, does the HIP remain a significant or meaningful component of Indian housing strategies? How should the HIP be improved to facilitate Indian housing strategies?

Answer. Even though the President's Fiscal Year 2014 budget request proposes to eliminate the HIP program altogether, it is our view that HIP provides important assistance for Indian housing. The BIA HIP program allows flexibility in reaching the neediest Native people—low, no income, handicapped and the elderly. BIA HIP has been the long standing federal Indian housing program that has evolved over the years to include interacting with other federal agencies to address a variety of barriers, including repair, renovation and replacement of existing housing.

As Indian country continues to experience dwindling federal resources for Indian housing and community development programs, NAIHC feels the HIP program continues to play an important role in tribal housing development and strongly urges Congress and the Administration to fund the program at significantly higher levels in order to meet its mission. Additionally, the income guidelines for the BIA's HIP program should be revised to reflect the current cost of housing. Currently established at 125 percent of poverty, there remains a gap between what clients can afford and their eligibility for assistance.

Question 4. Your written statement indicates that tribal housing entities are increasingly encouraged to leverage their Indian housing block grant funding to secure other sources of financing. It further notes that solutions to address the current housing conditions in Indian communities include new and innovative partnerships between the Federal and tribal governments as well as the private sector. Could you elaborate further on how tribes leverage their Indian housing block grant funds?

Question 4a. Are there any particular barriers or impediments tribes face in attempting to leverage their Indian housing block grant funds?

Answer. "Leveraging" scarce funding is a common approach to financing not just housing but capital goods and other large-scale investment in general. Tribes and tribal members are no different and are increasingly encouraged to leverage their IHBG funding to secure other sources of financing, such as Low Income Housing Tax Credits.

They are also beginning to combine funding streams from multiple sources such as the USDA Rural Development, U.S. Treasury Department's Community Development Financial Institutions Fund, the Federal Home Loan Bank, private foundations, and commercial banks. Even this, though, can be difficult because compliance requirements vary from program to program and agency to agency, presenting unnecessary barriers to efficient administration of multiple funding streams and limiting the ability of tribes to access multiple programs in an effort to reach adequate scale.

While tribes are doing their best to minimize these barriers and achieve economies of scale that accompany resource "pooling," one solution this Committee might

investigate is to launch a demonstration project authorizing tribes to reach across the spectrum of federal programs to access currently disparate programs and resources. This is already being done in the realm of labor and employment training with the universally popular *Indian Employment, Training and Related Services Act* (Pub.L.102-477), otherwise known as the “477 Program.”

Question 5. Please identify the various reasons for this large, unexpended balance of Indian housing block grant funds?

Answer. As noted at the Committee’s oversight hearing, “Identifying Barriers to Indian Housing Development and Finding Solutions,” on April 10, 2013, the total obligated, unexpended balance of Indian housing block grant funds currently totals nearly \$900 million.

When this figure is put in proper context, however, the dollar figure drops precipitously: the \$900 million figure provided by HUD actually includes funding from the FY 2011 and FY 2012 cycles. Not only does NAHASDA authorize the carryover of funds for a period of years, but as a practical matter and laid out in more detail below, housing and related infrastructure construction routinely takes 3 to 5 years to complete. When these two fiscal years’ worth of block grants are removed from the calculation, the total amount of obligated, unexpended funds total approximately one-third of the yearly amount appropriated.

When housing is built with NAHASDA funding, the money is rarely spent the same year it is received. Rather, a developer will engage in a process that includes leveraging the federal investment to obtain additional funding from state, local, and private sources, procuring the land through a purchase or lease, engaging in project design, and finally, beginning construction.

Leveraging and predevelopment often require a year or more, and site acquisition can be particularly cumbersome when land leasing is involved. The design and construction of larger projects typically takes one to two years. More complex projects, such as those which require remediation of environmental contamination, take additional time, due in large part to regulatory requirements.

The barriers that do exist in the timely expenditure of funds derive largely from delays incurred in the transfer of funds from HUD to tribal recipients, and delays in seeking and securing required approvals by tribal recipients from HUD and the Interior Department.

For example, each and every surface lease of trust land for residential/housing purposes have historically required the review and approval of the Interior Secretary. While leases of fee land may take days or weeks to develop and execute, reviews and approvals of leases of trust land have taken months if not years. Once implemented, the recently enacted *HEARTH Act* will authorize Indian tribes to develop and manage their own surface leasing laws without the review or approval of the Interior Secretary. Hopefully, this year’s reauthorization of the NAHASDA statute will carry with it other creative solutions to barriers that continue to hamper fund expenditure and housing development.

Other barriers include seasonal construction in areas like Alaska, statutory requirements such as National Environmental Protection Act (NEPA) compliance, weak or non-existent transportation and infrastructure, and generally poor economic conditions.

Question 6. What can be done, either administratively or legislatively, to help expedite the use of these funds so that the tribes can build homes? Please be specific.

Answer. To help expedite the use of these funds, the following needs to be considered:

- Set strict deadlines for federal approvals to occur and, absent approval, amend NAHASDA to have such requirements “deemed approved;”
- Streamline or “tribalize” federal environmental review requirements as was done in the HEARTH Act which does not include NEPA compliance, but does require tribes to establish meaningful environmental review processes that include public notice and a reasonable dispute resolution mechanism;
- Provide targeted technical assistance that will teach recipients how to timely navigate a labyrinth of federal regulatory requirements;
- More discipline in the federal budget and appropriations process so that recipients could better plan to spend funding once it is received if the federal budget process offered better predictability in both the timing and amount of funding to be received;
- Improved coordination among federal agencies to provide programmatic consistency and interagency collaboration;
- Investigate the feasibility of “638-ing” NAHASDA and put the tribes in the decisionmaking driver’s seat rather than HUD. The 2005 study and report con-

ducted by HUD falls far short of a clinical review of this idea and the Committee should launch its own review of this matter, or request the Government Accountability Office to undertake such a review;

- Permit tribes to blend funding from multiple agencies, for instance by authorizing the use of funding for sanitation facilities appropriated to the Indian Health Services when constructing new homes funded by HUD; and
- Other specific proposals contained in the draft reauthorization of the NAHASDA.

Question 7. Your written testimony notes that tribal communities suffer from some of the worst housing conditions in the United States and delays in necessary approvals and funding by the Federal government are a contribution factor. Ms. Annette Bryan also testified that there is no timeline for the Department of Housing and Urban Development (HUD) to act on a waiver request of the Local Cooperation Agreement required by the Native American Housing Assistance and Self Determination Act (NAHASDA).

In addition to the waiver request, please elaborate on other NAHASDA requirements that may cause tribes to experience delays in receiving Federal funding or approvals. How should the NAHASDA be amended to expedite Federal decision-making?

Answer. See answers to question immediately above.

Congratulations, again, on becoming the Chairwoman of this esteemed Committee, and thank you for your ongoing leadership in the realm of Indian housing.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN BARRASSO TO
RUSSELL SOSSAMON

In your testimony before the Committee on April 10, 2013, you stated that the Choctaw Nation Housing Authority has cultivated numerous lending partnerships to create self-sustaining housing and homeownership programs for Native Americans within its service area. According to your testimony, Choctaw Nation closes an average of 100 loans per year and has provided over \$38 million in direct loans since 2002. The repayment of these loans in turn enables Choctaw to make more loans.

Q: What changes to the *Native American Housing Assistance and Self-Determination Act* should Congress consider to further facilitate or encourage this type of self-sustaining housing program in Indian Country? Please be specific.

RESPONSE BY RUSSELL SOSSAMON: As a preliminary matter it should be noted that many of the loans issued by the Choctaw Nation Housing Authority and its lending partners are to tribal members living on fee simple land, not trust or reservation lands, because there is relatively very little land remaining in trust in the State of Oklahoma. Many lenders are not willing to offer mortgages to tribal members living on trust or reservation lands throughout the rest of Indian Country because in cases of default it is not possible to foreclose on lands held in trust by the federal government. With our tribal members living on fee simple lands, they are more readily able to secure financing because lenders have foreclosure and other familiar remedies available in event of default.

The potential for greater use of NAHASDA funding to increase homeownership exists, and the structure needed to do so is already in place without any changes to NAHASDA. Last year, Congress enacted and President Obama signed into law the Helping Expedite and Advance Responsible Tribal Homeownership (HEARTH) Act. The HEARTH Act allows tribes to lease trust or reservation lands for residential, business, public, religious, educational, or recreational purposes without the approval of the Secretary of the Interior. Federally recognized tribes are authorized to develop and implement tribal regulations governing leasing on tribal lands. After the Secretary approves a tribe's regulations, the tribe is able to process land leases without Bureau of Indian Affairs approval, thereby significantly reducing the time it takes to approve leases for homes and businesses in Indian Country. More importantly from a lender's perspective, the HEARTH Act allows for long-term leases of trust or reservation lands, with a term of up to 75 years. In case of default on a mortgage, even though the lender cannot foreclose on the land title held in trust, it can foreclose on the home structure and leasehold interest in the property. Because a long-term lease is in place, the foreclosed structure and leasehold interest have a greater long-term value as collateral, thereby increasing the chances of a lender providing financing.

It should be noted that NAHASDA already allows for the leasing of tribal or individual Indian-owned trust or restricted lands for a term of up to 50 years, but each such lease requires Secretarial approval. See 25 U.S.C. § 4211. Had the HEARTH Act not been enacted it would have been useful to implement a similar procedure under NAHASDA, with Secretarial approval

of tribal leasing regulations rather than of individual leases. But with the HEARTH Act in place, doing so now with NAHASDA would be duplicative and unnecessary.

In addition to using the HEARTH Act's leasing provisions, many tribes like the Choctaw Nation have substantial tribal populations located in communities far from their headquarter tribal community. As tribal members, these people are still eligible for NAHASDA-funded loans, even on fee land located away from other tribal lands. The Choctaw Nation Housing Authority views Choctaw homeownership not just as a process for buying shelter but also as a means of investing to create and increase wealth for the homeowner and his or her family. Growing Choctaw family wealth through homeownership, regardless of the location of the home, customarily benefits other Choctaws given our close-knit family and cultural structures and thereby raises the overall Choctaw standard of living.

Finally, I would like to make one point of clarification. The Choctaw Nation Housing Authority's home buying program is not yet completely self-sustaining, and our Tribal members still have a great deal of unmet need. Although the repayment of principal and interest by current borrowers produces enough revenue to cover our operating costs and enables us to make more loans, the Choctaw Nation tribal government also contributes a significant amount of money each year from its other enterprises to increase our direct loan fund. This is necessary because even with enough revenue to cover our expenses and make some additional loans, we cannot serve all of the Tribal members who would like to become homeowners given our large Tribal population, our overwhelming need for more decent, safe and sanitary housing, and the number and geographic distribution of Tribal members we have to serve. We are working hard to reach the point where we do not need any more outside funding from the Choctaw Nation or any other sources and have made great progress in that direction, but we are not there yet.

The BIA Housing Improvement Program (HIP) is intended for Indians who have substandard housing or no housing at all, and no other immediate source of housing assistance. However, according to the BIA, Indians eligible for the HIP assistance may also be eligible for other Federal housing program assistance.

Q: Does the HIP program duplicate the HUD Indian housing programs or any other Federal housing program? If so, how?

RESPONSE BY RUSSELL SOSSAMON: No, the HIP program does not duplicate HUD Indian housing programs or other Federal housing programs. It is a necessary source of funding, in addition to NAHASDA's Indian Housing Block Grant (IHBC) and other federal funds, to be used solely for housing repair, rehabilitation, and in some cases home purchases for the neediest of the needy -- those who live in substandard housing and have no immediate resources for housing assistance.

Q: In light of the various Federal housing programs, particularly the HUD Indian housing programs, does the HIP remain a viable component of Indian housing strategies?

Q: If so, how should the HIP be improved to facilitate Indian housing strategies?

RESPONSE BY RUSSELL SOSSAMON: Yes, HIP remains a very viable component of Indian housing strategies. Like the IHBG monies, HIP funds are allocated by a formula designed to direct funds to the greatest need. These funds are restricted in use to serve the neediest of the needy and may only be used for housing repair, rehabilitation, and some modest home purchases where repair or rehabilitation is not feasible. The continuing value of HIP lies in the fact that it serves only the neediest of the needy -- those in substandard housing who have absolutely no resources to expend on housing upgrades and receive no other assistance. HIP also continues to play a valuable role, notwithstanding the IHBG fund, as an additional source of monies to be used for specific purposes on tribal members with the greatest need. Continuing to authorize and fund HIP will allow HIP tribal and tribal housing authority recipients to use their IHBG monies for other purposes besides repair and rehabilitation work that are not permitted under HIP, such as providing direct mortgage loans and rental assistance, and offering home buyer counseling. If the HIP program is eliminated, the services provided with other federal funds are likely to be cut in order to replace the former HIP-funded services. We believe that the HIP program should be kept in place and funded appropriately.

