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**TO THE UNITED STATES SENATE
COMMITTEE ON INDIAN AFFAIRS**

LEGISLATIVE HEARING

**S. 1275, A Bill to Improve the Housing Conditions and Promote Useful Land Uses within
Tribal Communities**

and

S. _____, HUD/VA Veterans Affairs Supportive Housing, and for Other Purposes

June 13, 2017

Good afternoon Chairman Hoeven, Vice-Chairman Udall, and distinguished members of the Senate Committee on Indian Affairs. Thank you for the opportunity to appear today as the Committee examines two bills intended to strengthen American Indian and Alaska Native communities and improve housing conditions for Native families.

My name is Mark Charlie. I am a Yupik Eskimo and an enrolled member of Native Village of Tununak. I serve as the President and CEO of the Association of Village Council Presidents Regional Housing Authority (AVCP RHA). AVCP RHA is the regional housing authority for the AVCP region in Southwest Alaska and the Tribally Designated Housing Entity for 51 tribes. The AVCP region, approximately the size of the state of Illinois, has 48 remote communities. Access to our region is by air year round and by barge from May to October. Use of a barge is mainly for delivery of building materials and petroleum (heating fuel and gasoline).

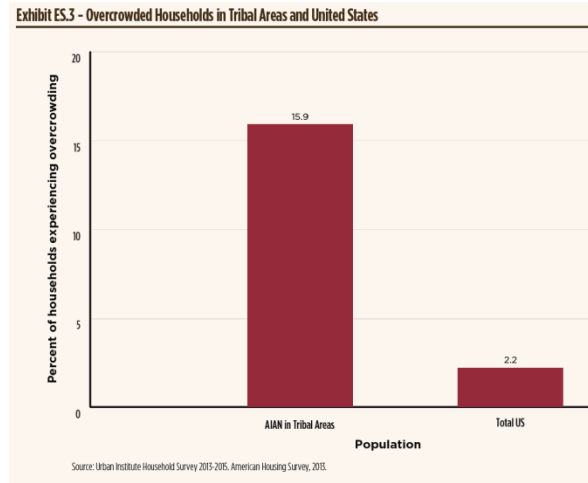
The AVCP region is home to many thousands of Alaska Native people. Many of our families lack safe and decent housing or housing that is affordable. Unfortunately, this problem is not isolated to the AVCP region but is experienced in the remainder of Alaska and throughout Indian country.

S. 1275 (THE BUILD ACT) AND NAHASDA

Housing Needs in Native Communities

In January 2017, HUD published the results of a comprehensive national study on the housing needs of American Indians and Alaska Natives living in tribal communities. The study confirmed that the housing problems experienced by Native peoples in tribal areas are extremely severe and considerably worse than the housing conditions of non-Native populations.

For example, the study found that physical deficiencies in plumbing, kitchen, heating, electrical, and maintenance issues were found in 23 percent of households in tribal areas but only five percent of U.S. households overall. Compared to the general population, homes in Native communities are five times more likely to have plumbing deficiencies, six times more likely to have heating deficiencies, and seven times more likely to be overcrowded. The study estimated that between 42,000 and 85,000 Native Americans are “doubled up,” meaning that they live with family or friends because they have no place else to stay and would otherwise reside in a homeless shelter or on the streets.



HUD’s report, *Housing Needs of American Indians and Alaska Natives in Tribal Areas*, estimates that 68,000 units of new affordable housing are needed to replace substandard or overcrowded units in tribal communities nationwide. Further, the Report estimates that an additional 30,000 homes in tribal communities are candidates for rehabilitation. It must be noted that these figures do not capture the housing needs of all Indian areas served by tribal housing providers, including significant portions of the Alaska Native population. While we applaud HUD’s diligent efforts to quantify and describe the housing needs of Alaska Native and American Indian people, the Association of Alaska Housing Authorities estimates that the methodology used by the study team has caused housing needs in Alaska to be underrepresented by thousands of units.

The availability of safe, affordable housing is crucial for the survival of Native cultures. Tribal communities that lack decent housing often cannot recruit the health care providers, law enforcement officers, and teachers needed to ensure the health, safety, and education of their tribal members. Substandard housing also negatively impacts health and wellness outcomes for the families who live in them. The World Health Organization has identified respiratory and cardiovascular disease stemming from poor indoor air quality and the spread of communicable disease due to poor living conditions as key health risks caused by substandard housing.

In rural Alaska, respiratory diseases are responsible for two-thirds of child hospitalizations. Recently, a study evaluated the effect of home ventilation improvements on 68 homes in eight villages in Southwest Alaska, having a combined population of 211 children. When outcomes were

Indicator	Cases two weeks prior to home modification	Cases two weeks following home modification	Cases 1 year following home modification
Child hospitalization for respiratory illness	10	1	0
Child clinic Visits	36	17	12
Missed school	18	14	3

monitored one year later, hospitalizations had decreased from ten cases to zero, health clinic visits had decreased from 36 to 12, and school absences had decreased from 18 to three.

There remains a significant disparity in housing conditions for Alaska Native and American Indian people compared to non-Native populations in the United States. This inequity imperils Native communities and exposes Native families to health, social, and economic conditions that impede their ability to achieve permanent self-sufficiency. For these reasons, federal investment in housing programs for low-income Alaska Native and American Indian families remains of critical importance.

The Native American Housing Assistance and Self-Determination Act (NAHASDA)

Prior to NAHASDA, housing assistance for Alaska Natives and American Indians 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 inefficient when used in tribal communities. They required separate applications and program administration, and eligibility requirements differed from one program to the next. The programs were an extension of urban-oriented housing programs and failed to recognize the unique social, cultural, and economic needs of Alaska Native and American Indian communities.

In 1994, HUD articulated its intent to strengthen the unique government-to-government relationship between the United States and federally recognized Native American tribes and Alaska Native villages. This created momentum toward the development of NAHASDA, which was introduced in the U.S. House of Representatives by Congressman Rick Lazio. In his remarks, Congressman 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.

Congress enacted NAHASDA in 1996, establishing an Indian Housing Block Grant (IHBG) program specifically for the benefit of Alaska Native and American Indian communities. NAHASDA represents an affirmation of the unique relationship between the Federal government and Indian tribes. Acknowledging the Federal government's trust obligation to promote the wellbeing of Native peoples, it for the first time addressed the distinct affordable housing needs of low-income Alaska Natives and American Indians. NAHASDA authorizes tribes to address their specific housing needs using the strategies that are most effective in their own tribal communities, rather than strategies mandated by federal officials working in offices thousands of miles away.

Although our housing needs remain substantial, NAHASDA has had a profoundly positive impact in American Indian and Alaska Native communities. Recipients have used IHBG funding to build, acquire, or rehabilitate more than 123,000 homes. We have developed new housing; modernized, weatherized, and rehabilitated old homes; provided rental assistance; created home loan programs; delivered housing and financial literacy counseling; offered down payment assistance; prevented crime; and revitalized blighted communities. In addition, tribes continue

to operate, maintain, and renovate about 43,000 homes developed under the 1937 Housing Act and the tens of thousands of additional homes that we have built since the passage of NAHASDA. HUD's recent report on Native American housing needs confirms that NAHASDA has enabled tribal housing providers to match or exceed the rate of housing production under previous HUD programs.

The Indian Housing Block Grant remains the single most significant source of funding for affordable housing in Alaska Native and American Indian areas. The program helps to stabilize Native communities and makes it easier to grow their economies. Although HUD monitors grantees to ensure compliance with applicable statutes and regulations, the flexibility inherent in NAHASDA also allows tribes to design, develop, and operate the affordable housing programs that best address their local needs.

Support for NAHASDA is strong throughout Indian Country. According to the Government Accountability Office, 89 percent of tribal housing providers hold positive views toward the effectiveness of NAHASDA.

IHBG Case Study – Hooper Bay, Alaska

The village of Hooper Bay is located in remote western Alaska. In 2006, the village was ravaged by a fire, which destroyed 15 acres of the old section of town, including 13 residential homes, six units of teacher housing, the grocery store, the school, the water and sewer treatment plant, warehouses, food caches, and vital equipment such as boats, outboard motors, and snow machines. As the TDHE for Hooper Bay, AVCP RHA began to identify solutions to rebuild. One potential solution was the use of Low Income Housing Tax Credits (LIHTC), but at the time AVCP RHA did not have experience developing or operating LIHTC properties.



We reached out to Cook Inlet Housing Authority, a tribal housing provider that had the necessary experience. Together, our two organizations secured an allocation of Low Income Housing Tax Credits, sold the credits to an investor to generate equity for the project, and built a 19-unit apartment building for a community in the midst of a housing crisis.

The Hooper Bay partnership between AVCP Regional Housing Authority and Cook Inlet Housing demonstrates the importance of leveraging both money and capacity. Our investment of IHBG funds, which were just 13 percent of the total project cost, made it possible to secure other sources, including tax credit equity, while our willingness to collaborate produced timely results and a mutually beneficial relationship that continues to this day.

HUD Section 184 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 and homeownership in Native communities. The program offers a loan guarantee to private lenders, who then make mortgage loans to American Indian and Alaska Native families, tribes, and Tribally Designated Housing

Entities. As of March 2016, the Section 184 program has guaranteed over 33,000 loans, representing over \$5.4 billion dollars in increased capital into Native American Communities.

Several characteristics of the Section 184 loan guarantee make it a particularly powerful leveraging tool. For example, new construction can be financed with a “single close” loan that provides permanent guaranteed financing before construction begins. This eliminates the need to procure separate construction financing, which typically carries a high interest rate. Additionally, the required down payment (2.25%) is achievable for both families and smaller tribal entities that may not have the financial capacity to make a large down payment. Because there are no income limitations for the 184 program, tribes are also able to serve a broader range of families and build healthier, more economically diverse tribal communities.

Positive Impact of the BUILD Act

On behalf of AVCP RHA and the Association of Alaska Housing Authorities, thank you, Chairman Hoeven, for introducing S. 1275, the BUILD Act. The BUILD Act represents a streamlined effort to reauthorize the single most critical tool for developing safe, affordable housing in Alaska Native and American Indian communities – the Indian Housing Block Grant.

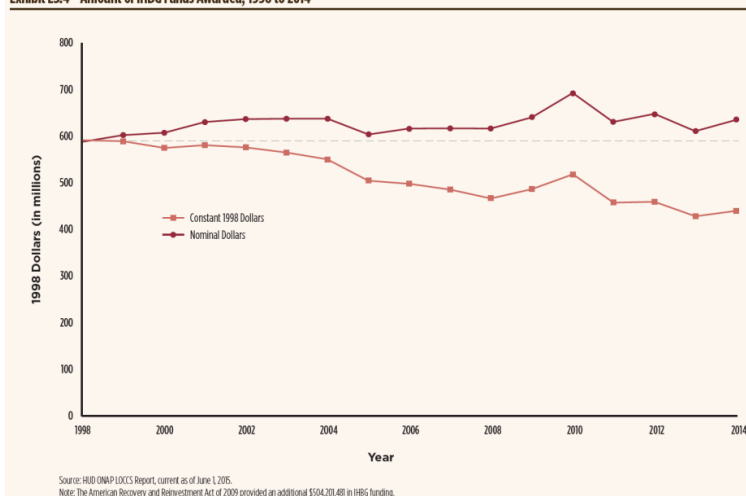
When the IHBG operates under an expired authorization the unintended result is that potential investors in Native housing developments become anxious. Frequently, their investments are predicated on the assumption that IHBG funding will be available in the long-term, often to subsidize property operations in future years. Extended periods of expired authorization send the message that Congress is not an enthusiastic investor in the IHBG program, despite its historical success. This uncertainty worries some potential housing investors and makes them reluctant to invest in Alaska Native and American Indian communities. Passage of the BUILD Act will resolve this issue. Further, we deeply appreciate the extended period of authorization for the IHBG in the BUILD Act, which run through 2025.

AVCP RHA is also pleased that the BUILD Act will reauthorize the HUD Section 184 program for the same extended period. Reauthorization of the Section 184 program sends a clear message that Congress is committed to meeting its trust obligations to Alaska Native and American Indian tribes, and will continue to encourage private investors to deploy capital to Native communities.

IHBG Funding

Reauthorizing the Indian Housing Block Grant program is critical. However, the potential impact of NAHASDA has been undercut by flat funding over nearly twenty years. HUD’s recent report on Native American housing needs noted, “Congress has provided a fairly consistent level of funding for the [IHBG] in nominal terms, but this flow has been seriously eroded by inflation.”

Exhibit ES.4 - Amount of IHBG Funds Awarded, 1998 to 2014



Without additional appropriations to inflation-proof the IHBG program, the amount of new affordable housing developed in Alaska Native and American Indian communities is likely to decline in future years. This is in part attributable to higher development costs, but it is also because tribes must now use a more significant portion of their grants to support the housing they previously developed. Because NAHASDA severely limits the rents recipients can charge under the IHBG program, many tribes must use more of their annual housing block grant to fund the operations of existing housing. In other words, IHBG recipients are increasingly focused on just keeping the lights on.

Without a reasonable adjustment to IHBG funding, development activity under the IHBG program will continue to slow and families in Native American communities will fall farther behind their non-Native counterparts. On behalf of AVCP RHA and the Association of Alaska Housing Authorities, I implore the members of this Committee to educate Senate appropriators regarding the critical importance of adequately funding the Indian Housing Block Grant program.

TRIBAL HUD-VASH DEMONSTRATION PROGRAM

In January 2015, HUD and the VA announced a demonstration program to offer rental assistance and supportive services to Native American veterans who experience or are at risk of experiencing homelessness. One year later, in January 2016, HUD and the VA awarded \$5.9 million to 26 tribes, effectively launching the Tribal HUD-VASH demonstration program.

Tribal HUD-VASH Successes and Program Potential

The demonstration program has faced challenges during initial implementation, which are described below. However, the Tribal HUD-VASH has tremendous potential. With a few sensible adjustments, the program has the ability to permanently change the lives of Alaska Native and American Indian veterans and their families, lifting them from homelessness or near homelessness and offering them permanent access to safe, stable housing.

Three Alaska tribes were selected to participate in the Tribal HUD-VASH demonstration program:

- The Association of Village Council Presidents Regional Housing Authority is headquartered in Bethel, Alaska, and serves 51 tribes in 48 remote communities spread over an area of Western Alaska the size of the state of Illinois.
- Tlingit and Haida Regional Housing Authority (THRHA), headquartered in Juneau, Alaska, serves Alaska Native people living in twelve Southeast Alaska tribal communities and Juneau. Similar to AVCP RHA, the communities THRHA serves are inaccessible from the road system and spread over a vast geographic area.
- Cook Inlet Housing Authority is headquartered in Anchorage, Alaska. In addition to serving Alaska Native and American Indian people in Alaska's largest urban center, Cook Inlet Housing provides housing assistance in tribal communities scattered throughout Southcentral Alaska.

In Alaska, one of the three tribes selected to participate in the Tribal HUD-VASH program has begun placing veterans in stable housing. Cook Inlet Housing Authority, based in Anchorage, has benefitted from access to a qualified and credentialed workforce, as described below, and

its Tribal HUD-VASH program has begun to realize the outcomes Congress intended when it authorized the Tribal HUD-VASH demonstration.

To date, Cook Inlet Housing has issued all twenty of its tribal HUD-VASH vouchers to Alaska Native veterans. They have been able to secure housing for nine veteran families totaling 23 individuals, and they anticipate that the remaining 11 Native veteran households will be housed this summer and early fall.

Cook Inlet Housing has found that the impact of the Tribal HUD-VASH program goes beyond simply sheltering Alaska Native and American Indian veterans. For example, it has already helped to stabilize the health of Native veterans. Cook Inlet Housing was able to find housing for “James,” a 75-year-old veteran who had been homeless for many years. Once James was housed, his VA case manager was able to arrange personal care services that help James meet his basic needs, including eating, bathing, and dressing. In another instance, the Tribal HUD VASH case manager realized during an appointment that “Susan,” a female veteran, had a serious medical issue that required immediate attention. The case manager took Susan to a hospital emergency room, where she was admitted and treated. Susan has since recovered.

One of the most innovative aspects of the Tribal HUD-VASH demonstration program is that program eligibility is sensibly expanded. Whereas the traditional VASH program limits eligibility to chronically homeless veterans, the Tribal HUD-VASH demonstration program allows tribes to serve Native veterans who are homeless or at risk of homelessness, as well as their families. This approach respects traditional Alaska Native and American Indian family structures and empowers tribes to reunite veterans who lack stable housing with their families. This program flexibility has led to several noteworthy success stories in Alaska’s Cook Inlet region:

- Cook Inlet Housing received an inquiry from “Steven,” a veteran whose family spanned three generations, including a grandmother, Steven and his wife, and their five children. Their eight-person family was living with another three-person family in a small two-bedroom home. Cook Inlet Housing was able to qualify Steven and his family under the Tribal HUD-VASH program, and they have since relocated to a larger four-bedroom duplex.
- “Mark,” an Alaska Native veteran, was referred to Cook Inlet Housing’s Tribal HUD-VASH program after being homeless for some time. He was determined to be eligible, which allowed him to reconnect with his family, including his young child. Mark’s family has been reunified and is now the recipient of a Tribal HUD-VASH voucher for a two-bedroom home.
- Cook Inlet Housing was able to find housing for a Native Veteran and his family of five, which includes three young children. The veteran’s wife, “Karen,” had been battling a serious illness, and sadly, she died soon after her family moved in to their new home. Before she passed away, Karen told the Tribal HUD-VASH case manager that she was happy her family had found a safe place to live and that it gave her peace of mind in the end.

As these stories demonstrate, the Tribal HUD-VASH program has the potential to truly and permanently change the lives of homeless and at-risk Native veterans and their families. However, external barriers have made achieving the program’s potential difficult for many tribes.

Tribal HUD-VASH Program Barriers

Two of the three Tribal HUD-VASH demonstration program participants in Alaska continue to struggle with program implementation. My organization, AVCP Regional Housing Authority, has been unable to deploy our vouchers, and in Southeast Alaska, Tlingit and Haida Regional Housing Authority has also been unable to deploy its vouchers. Even Cook Inlet Housing Authority, based in Anchorage, experienced a lengthy delay before eventual deployment.

The primary barrier to the timely deployment of Tribal HUD-VASH vouchers in Alaska has been the process of filling the required case management positions under VA specifications. When the VA hires a case manager, it does so under Office of Personnel Management classification 0185 (Social Worker). That classification requires a “master’s degree in social work.” In Alaska, however, most non-institutional case management is performed by clinical associates – people with knowledge of community resources and the training to work with the focus population but who do not necessarily have a graduate degree in a clinical mental health professional field. Put simply, the VA’s required case management credentials exceed those required for comparable positions in Alaska, and they have made it extremely difficult to recruit qualified case managers for the Tribal HUD-VASH demonstration program.

This issue became apparent to Alaska’s Tribal HUD-VASH recipients in the early months of 2016, after the VA notified us that it would not provide case management services directly. Instead, the VA required the three Alaska recipients to secure independently contracted case management services.

After months of exhaustive efforts, none of the three Alaska Tribal HUD-VASH recipients were able to identify any organization willing to provide case management services under the VA’s contract specifications. One of the primary reasons potential contractors cited for declining to participate in the program was the VA’s credential requirements for case managers. One large, extremely capable tribal healthcare organization considered the VA’s educational and licensure requirements to be unnecessary, unduly restrictive, and out of alignment with professional standards in Alaska.

In July 2016, the VA recognized that the three Alaska Tribal HUD-VASH recipients had exhausted all reasonable efforts to secure third-party case management services under the VA’s contract specifications and informed the recipients that it would fill the case management positions internally within the VA. However, like the recipients themselves, the VA found it difficult to recruit case managers with the VA’s preferred credentials. In September 2016, the Alaska VA was able to leverage staff time from other VA programs to begin providing part-time case management services in the Cook Inlet Region, and in November 2016, the VA was finally able to hire a full-time case manager position for Cook Inlet Housing’s tribal HUD-VASH program.

In Southeast Alaska, THRHA located a counselor who it believed would be a suitable case manager. The individual held a master’s degree in secondary education, was a licensed professional and chemical dependency counselor, and had received a statewide Counselor of the Year Award. Because the candidate’s master’s degree was not in “social work,” the VA informed THRHA that he could not be hired.

Another candidate for the THRHA case manager position subsequently began the VA’s vetting process this spring. However, the VA’s recruitment, credentialing, boarding, and offer process can be cumbersome, and the candidate has not yet been hired. THRHA and the Alaska VA are

hopeful that the VA will be able to make a final offer to the candidate by mid-June. Once a hire is made and a case manager begins work, THRHA can finally begin connecting homeless Alaska Native Veterans with the case management services that will help prepare them to transition into permanent housing.

Sadly, in the AVCP region of Southwestern Alaska, little progress has been made toward the hiring of a VA case manager. We credit the VA with recently adding Licensed Professional Mental Health Counselors and Licensed Marriage and Family Therapists to the list of licensed professionals it will deem to meet their credential requirements. However, we are not optimistic that this step will be sufficient to secure the case management services that our homeless veterans so desperately need in order to access the Tribal HUD-VASH demonstration program.

We believe that there is more that the VA and HUD can do to address this significant impediment to implementation. The simplest solution would be for the VA to proactively reconsider its credential requirements and more appropriately align them with the professional standards for “clinical associates,” para-professionals who frequently provide case management services in many communities.

Alternatively, Congress could explicitly require the VA to waive or specify reasonable alternative requirements for its case management credentials. When Congress authorized the Tribal HUD-VASH demonstration via P.L. 113-235, it required that the program be modeled after the general HUD-VASH program, but “with necessary and appropriate adjustments for Native American grant recipients and veterans.” Congress further required that HUD, in coordination with the VA, “ensure the effective delivery of supportive services to Native American veterans that are homeless or at-risk of homelessness....” When Tribal VASH recipients, because of their remoteness, economic conditions or other factors, do not have access to personnel meeting the VA’s case manager credentials, the VA should be compelled to adjust those credentials to align them with the standard qualifications of other positions, such as clinical associates, that capably perform case management functions in similar communities.

Draft Tribal HUD-VASH Bill

I appreciate the opportunity to review and offer comment regarding the recently circulated draft Tribal HUD-VASH bill. We in Alaska believe the draft bill would, if passed, have a positive impact on tribal communities by strengthening the Tribal HUD VASH Program.

The draft bill would enhance program stability by setting aside a small portion of the funding provided for the general HUD-VASH Program on a permanent basis. Veteran families that have been successfully housed under the Tribal HUD-VASH demonstration would be at less risk of losing their assistance and once again struggling to find safe, affordable housing. Additionally, the added sense of program permanency could make it easier to attract qualified case managers, who may be less concerned that their position will evaporate at the conclusion of the Tribal HUD-VASH demonstration.

The draft bill also requires consultation between HUD, the VA, the Tribal HUD-VASH recipients, and other appropriate tribal organizations on program design. The three Alaska recipients, as well as the Association of Alaska Housing Authorities, would welcome the opportunity to share our observations and recommendations with high-level leadership from the VA, in particular. While we have expressed our thoughts and concerns to the Alaska VA Healthcare System, it can sometimes be difficult for local VA officials to communicate our local perspective to VA

leadership at the national level. We believe that the opportunity to engage in direct tribal consultation with the VA will prove beneficial to all stakeholders.

Finally, we appreciate that the draft bill includes provisions that give administrative flexibility to HUD and the VA. These provisions empower HUD and the VA to make necessary and appropriate modifications to the program after engaging in consultation with recipients and tribal organizations. Additionally, HUD is provided authorization to waive or specify alternative requirements for any provision of law when doing so is necessary for the effective delivery and administration of rental assistance under the Tribal HUD-VASH program. Provisions of this nature leave open the possibility that HUD and VA will help address future issues that impact program implementation without the need for a legislative fix.

CONCLUSION

Housing conditions in Alaska Native and American Indian communities remain far worse than the conditions experienced by America's non-Native populations. This persistent inequity imperils Native communities and exposes Native families to health, social, and economic conditions that present a barrier to the attainment permanent self-sufficiency.

The Indian Housing Block Grant program has successfully empowered tribes to address their housing conditions using strategies developed and implemented at the local level. S. 1275, the BUILD Act, would reauthorize the IHBG, a critical step toward ensuring that the good work being done by tribal housing providers will continue. However, simply reauthorizing the IHBG is not enough. Without a reasonable funding adjustment, development activity under the IHBG program will continue to slow and families in Native American communities will fall farther behind their non-Native counterparts.

In Alaska, we admit to being frustrated by the unacceptably slow implementation of the Tribal HUD-VASH program. However, we are also beginning to see the program's impacts in one region of our state, and the outcomes have been impressive. We believe that the primary barrier to program implementation in many Native communities has been the VA's credential requirements for case managers, which exceed those required for comparable positions in many communities and make it extremely difficult to recruit qualified case management personnel.

It appears that the current legislative authorization for the Tribal HUD-VASH demonstration program allows the VA and HUD to reconsider the VA's credential requirements for case managers and more appropriately align them with the professional standards for "clinical associates," which frequently provide case management services in many communities. Alternatively, Congress could explicitly require the VA to waive or specify reasonable alternative requirements for its case management credentials.

Finally, we in Alaska believe the draft Tribal HUD-VASH bill would, if passed, have a positive impact on tribal communities by strengthening the Tribal HUD VASH Program. It would enhance program stability and provide the opportunity for recipients to engage in direct tribal consultation with the VA about current barriers to program implementation.

On behalf of The Association of Village Council Presidents, The Association of Alaska Housing Authorities, and tribes across the United States, thank you for your efforts to improve housing conditions in tribal communities and for the privilege of speaking with you today.