

TESTIMONY OF LAFE HAUGEN
SENATE COMMITTEE ON INDIAN AFFAIRS
JUNE 22, 2016
USDA RURAL DEVELOPMENT-HOUSING

- **NAHASDA REAUTHORIZATION**

The NORTHERN CHEYENNE TRIBE, and other Tribes across the country, had high hopes when the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (P.L. 104-330) was enacted. With its emphasis on self-determination, this new Act gave the Northern Cheyenne Tribe, through its Tribally-Designated Housing Entity (TDHE), the authority to put its housing funds to work in ways that best served our tribal community.

I know that this Hearing was set to discuss Tribal access to USDA Housing resources, but the point that I want to make is that without the reauthorization of NAHASDA, Tribes will not have the resources to pursue other resources including USDA. One of the primary purposes of NAHASDA was to provide funds for Tribes to leverage with other Federal and Public resources to address their unmet housing needs.

Congress was required to reauthorize NAHASDA by 12/31/2015 after passing a continuing resolution in 2013. This program is currently without Congressional authority and is vulnerable to cuts or elimination until a bill is passed. It seems that many Congressman and Hill committee staff are unaware that NAHASDA is the only HUD funding available to Native American Tribes since they gave up access to the HUD 1937 ACT Public Housing Program in exchange for an annual block grant. While funding has not increased in over 20-years, reduction or elimination would devastate Tribal housing programs for hundreds of Native Americans across the nation. Today, \$650 million of annual funding is at risk!

- **USDA Separate Title**

Since NAHASDA was passed in 1996, USDA has promised to deliver program funds to Indian Tribes and organizations, yet it has not materialized. Every program they promote has an application in Indian Country, yet rural Tribes only receive a fraction of the funding that they are eligible for. This problem is primarily related to restricted lands including Tribal Trust. From 1993 until 2004, USDA made a tremendous effort to set goals to improve its presence in Indian Country. In fact, they developed a “Native Lending Guide” accordingly. By and large, the effort failed, especially on Tribal lands. Yet, Rural Housing Services continues to try and address this weakness with no answers.

Recently, the USDA Housing Administrator Tony Hernandez along with his Tribal Coordinators; Ted Beulow and Lynn Trujillo have been feverishly working with Tribal Coalitions and Associations in Montana and South Dakota to help develop solutions to the significant barriers to Trust land applications of USDA housing resources. Two weeks ago, USDA hosted a meeting right here in Washington DC with their staff and other Federal Agencies to further explore solutions. I personally applaud their efforts for taking this significant step.

A problem that exists in Indian Country is building Capacity at the Tribal level. Unfortunately, many rural Tribes still lack Capacity and lending infrastructure. The Housing Associations, Coalitions and Housing Professionals in our region continually work on informing and educating Tribes and their members on the value of individual home loans. Many Native Americans are not familiar with the concept of home mortgaging as there were not exposed to this in the pre-HUD era when only Tribal homes were available.

There exists a need for additional funding for Education and Technical Assistance to be able to provide Tribes with Financial Literacy and Homebuyer Training to be able to move forward with the rest of America. With this information, Tribes will be better able to develop the concept of Homeownership and building Wealth in their homes. We feel that the Northern Plains region is the perfect area to continue to develop this concept as they have the most Trust land and the greatest need.

In the past, both Neighborworks and the Rural Community Assistance Corporation (RCAC) have provided funding in this area. I believe that their funding originates with USDA. There are some cases where these entities went to Tribes to provide Technical Assistance and Homebuyer Training, but unfortunately, they ended up being educated. We believe that the organizations in our region like the Montana/Wyoming Housing Coalition and South Dakota Homeownership Coalition should receive this funding as they are specifically geared towards working with and educating Tribes in these areas.

Currently, Bruce Jones and John Walsh, State Directors from South Dakota and Montana are attempting to produce Memorandums of Understanding with their respective Tribes that would demonstrate how valuable these programs might be delivered with more authority and oversight at the Tribal level regarding loan origination and if necessary, loan mitigation. I would ask the committee to encourage the USDA to offer maximum flexibility to these States to complete the MOU's with the hope that a successful process of a loan production can begin on restricted lands.

Please consider these statistics: between 2000 and 2015, USDA provided 3420 Section 502 loans to Native Americans across the Country. That is about 228 loans per year. 10 percent or about 20 loans a year, are financed with the 502 program on restricted land. Recent National American Indian Housing Council (NAIHC) shows an unmet need in Indian Country of over 200,000 houses and growing. USDA sponsored 515 Multi-family Rental projects have become even more scarce. In fact, not one single 515 project was financed on Trust lands over the last 4-years with only one (1) being approved in the last 6-years! This isn't acceptable.

- **Northern Cheyenne**

The Northern Cheyenne Tribal Housing Authority, TDHE for the Northern Cheyenne Tribe, has been working hard for many years to utilize a variety of funding sources to fund its housing activities, including non-NAHASDA grants, low-income housing tax credits, and HUD loan guarantees. However, we have our sights set on utilizing funding from USDA. In the last few years, we have stepped up our efforts to make progress in making USDA funding more tribal-friendly with several meetings in Bozeman and throughout the State. Unfortunately, significant barriers still exist at the state level where the funding is distributed. In spite of initially responding to Commission initiatives and establishing Native American outreach, few USDA offices have met Native American goals established in the late 1990's. In fact, the State office in Montana has phased out their Native American Coordinator position in spite of little success in matching USDA Rural Development's resources with huge unmet need on Montana's Indian Reservations.

However, the Northern Cheyenne Tribe has trudged through this cumbersome application process and has successfully utilized USDA Rural Utilities Service (RUS) loans and grants to build and improve a water system from the town of Lame Deer to the town of Muddy Cluster. In addition, USDA has been a good resource to Chief Dull Knife College and the Lame Deer Boys and Girls Club in assisting them with funds for a variety of purposes. Recently, USDA provided funding for the purchase of new Equipment for the Solid Waste Transfer Station which is now in full operation. The Northern Cheyenne Tribe is very grateful for all of this assistance.

The Northern Cheyenne Tribal Housing Authority, in cooperation with the Northern Cheyenne Tribe, submitted an application for the Rural Business Enterprise Grant (RBEG) and we were successful. This all important funding is being used to construct a 10-business, 5000-Square foot Business Center in downtown Lame Deer which will entice and stimulate Economic Development at the local level. This is a much needed building that will attract tourists and customers from all over the country and world as they travel highway 212 on their way to the Black Hills.

However, we desperately need resources that USDA provides in other areas including Water/Sewer improvement, Community facilities as well as the potential benefits of the several USDA Rural Housing Services. Whenever Tribal Leaders or their housing professionals attend events where information is being presented by USDA Rural Development, they inevitably hear how USDA Rural Development Programs can build entire rural communities and cities.

We hear firsthand about programs that can build housing, roads, water and sewer infrastructure, community buildings, provide police and fire vehicles, economic development programs etc., and when we ask for information on how much of these USDA Rural Development programs funding has been spent or targeted for the seven reservations in Montana, there tends to be silence.

- **PROPOSAL**

Tribes believe that effective development in tribal communities depends on cooperative arrangements among the Federal agencies that allow for the ability to combine resources. In fact, it would appear that without such combination of funding sources and inter-agency collaboration, Tribes will be unable to offer a full menu of housing products to build on the substantial progress made since the enactment of NAHASDA.

A conservative estimate is that about 7 ½ % of Montana's population are members of the seven Indian reservations. Considering the fact that only 50% of Montana's residents are qualify as rural, and therefore eligible to participate in USDA programs, the number of Indians that are eligible jumps to 15%. All reservations in Montana qualify for USDA programs. We suggest that 15% of the total allocation of USDA funding for Montana be set aside and reserved for the Reservations.

USDA Rural Development has many programs and resources that are targeted for the low income populace of rural America. Indian tribes, for the most part, reside in rural America and the poverty in Indian Country is well documented. It is our hope and intent that this Hearing would lead to proposed changes that could be included in the coming year's Farm Bill that would call for regulatory changes that would make USDA programs more accessible and usable for tribes.

We are pleased to see an oversight hearing so that Tribes can request funding and support in a more direct manner that recognizes Self-determination