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S. HRG. 110–65

HOUSING ISSUES IN INDIAN COUNTRY

HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

OVERSIGHT HEARING ON HOUSING ISSUES IN INDIAN COUNTRY

MARCH 22, 2007
WASHINGTON, DC

U.S. GOVERNMENT PRINTING OFFICE

34–266 PDF WASHINGTON : 2007

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HOUSING ISSUES IN INDIAN COUNTRY

THURSDAY, MARCH 22, 2007

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

The committee met, pursuant to notice, at 9:45 a.m. in room 485, Senate Russell Office Building, Hon. Byron L. Dorgan (chairman of the committee) presiding.

Present: Senators Dorgan, Domenici, and Tester.

STATEMENT OF HON. BYRON L. DORGAN, U.S. SENATOR FROM NORTH DAKOTA, CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

The CHAIRMAN. The hearing will come to order. This is a hearing of the Senate Committee on Indian Affairs on housing issues in Indian country.

Today, the committee meets to receive testimony on these housing issues. I welcome all of our witnesses who have taken time from their schedules to be with us. I know some have traveled long distances to be here, and we appreciate that.

Housing is one of our basic needs as human beings, and as many of us know, this basic need is not being met in parts of our country, especially in Indian country; 40 percent of on-reservation housing is considered inadequate. One in five reservation homes lacks complete plumbing, and 90,000 Indian families are homeless or underhoused. It is not uncommon in Indian communities for 25 to 30 people to share a single home. Over one-third of the homes are overcrowded.

It is estimated that more than 230,000 housing units are immediately needed to provide adequate housing in Indian country. Fewer than one-third of American Indians own their own home, compared to the national average of 67 percent. It is estimated that $1.1 billion is needed to meet housing needs in Indian country.

Funding for Indian housing has been stagnant over several years and has not kept up with the inflation and the rising cost of building materials.

I want to show a series of charts today. I have spoken on the Floor before about the deplorable housing conditions. I have spoken in the past about an Indian woman named Sarah Swift Hawk, a grandmother who froze to death in her own home, laid down on a cot to go to sleep and never woke up; froze to death in her own home in this country.

Let me describe the kind of homes we are talking about. If I can have chart number 1 put up. I think we can see it both here on

the dais and also the audience. Carlyle Russell, decorated World War II veteran, lived in this house on the San Carlos Apache Reservation until he died last summer. His widow Ethel Russell is standing in front of the house. She continues to live in the house with two children and five grandchildren; no running water; dangerous electrical work; and no insulation from seasonal elements. That is the home lived in by a decorated World War II veteran.

No. 2. San Carlos Apache home again. This house is about 35 years old, built from scratch by family members. Now, a young couple and their two children live in this unsafe and unsanitary house without electricity and without running water.

No. 3. A picture of a kitchen at San Carlos Apache Reservation. Plumbing problems that deteriorated the entire bottom of the sink at the floor. A young couple lives in this home with four kids, ranging from 7 to 1 years old, and in addition, an extended family. The number of family members who live in this home are on a waiting list for a rental home. It will take months or years to get into a rental home.

No. 4. Our colleague, Senator Murkowski, will recognize this situation in Alaska. Short-term disposal containers that are used for emptying the honey buckets at many Alaska Native village homes. The 5 gallon bucket with a toilet seat placed on top of it, kept in an outhouse or shed, or in the house itself, and used as a toilet. These homes lack plumbing, running water, and outhouses can't be built in some parts of Alaska because the homes are located on permafrost.

I have two more. Number five. This home is a home in which a middle-aged lady with five children and one grandchild lives in; no running water; no electricity; one room home built in 2001 by a family member with material donated by family members.

Finally, just a bit of good news. No. 7 and No. 6. These are success stories. These are new homes. These happen to be in New Mexico. Two pictures of the Santo Domingo Pueblo Housing Authority homes, funded by NAHASDA dollars. Five homes were built in 2004 and 2005. This is a picture of a woman standing in front of the home, photo no. 6, that you are seeing. This is a new home of Ms. Angelita Tenorio, whose prior home was built in the 1940's and in severe disrepair.

Photo 7 is the picture of a new home constructed for a tribal elder, Mr. Pachayo, who returned to the reservation in 2000 and lived in a 20 foot by 30 foot storage unit with an electric stove and no plumbing until this home was built.

I show these photographs to describe to you a deplorable, shameful condition in which many families are living on Indian reservations.

That is fine. You can take the photographs down. Thank you very much.

The Native American Housing Assistance and Self-Determination Act, section 184, Indian Housing Loan Programs, the Guarantee Programs, we want to hear testimony today about these programs. I come to this issue, as I do on the issue of Indian health care. There are no front page stories these days about these conditions, but my guess is if some of the reporters of the major daily newspapers might walk into a few of these homes and see a small three

bedroom home with 23 people living in it; in some cases no plumbing, no electricity, under deplorable circumstances, perhaps they, too, would receive a front page story, and they, too, would receive the public attention that is necessary to try to find a way to resolve these housing issues and the housing crisis that exists on many Indian reservations.

Senator Tester.

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

Senator TESTER. Thank you, Mr. Chairman. I think you have laid it out very, very well.

As we have traveled around through Indian country in Montana, I have become aware of many needs, sometimes overwhelming in nature. Health care and water and housing I would say are the top three. When you take a look at the unemployment rates in Indian country, in Montana in particular and throughout this country, I think that we quite possibly could eliminate two problems at once with housing and putting people to work in Indian country.

I very, very, very much look forward to the testimony today. I look forward to hearing what you fellows have to say. I think the key is for all issues that have come before this Committee in Indian country is working together and finding solutions because we are making a big mistake if we don't.

So I look forward to your testimony, and I look forward to finding ways that we can make these programs work to the best ability to satisfy the needs in Indian country.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Tester, thank you very much.

We are talking about reauthorizing some Indian housing programs in this Congress. We, of course, will also talk about the funding issues, because there has been no growth and in some cases there is less funding than there was 6 years ago for these programs.

Senator Thomas, the vice chairman of this committee, is attending an important Finance Committee meeting, so he is not able to be with us this morning, but he wanted me to mention that, and mention his interest in the Indian housing issues.

We are joined today by Orlando Cabrera, the assistant secretary of the Office of Public and Indian Housing, Department of Housing and Urban Development; and Dr. Jon Perez, the director of Behavioral Health at the Indian Health Service.

Following the testimony of these two distinguished witnesses, we will have a second panel with four witnesses. Let me welcome Mr. Cabrera. Thank you for being with us again. Your entire statement will be made a part of the record, and we would ask that you summarize. You may proceed.

STATEMENT OF ORLANDO J. CABRERA, ASSISTANT SECRETARY, OFFICE OF PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, ACCOMPANIED BY RODGER BOYD, DEPUTY ASSISTANT SECRETARY, OFFICE OF NATIVE AMERICAN PROGRAMS

Mr. CABRERA. Thank you.

Mr. Chairman and members of the committee, thank you for inviting me to provide comments on HUD's Indian Housing Loan Guarantee and Community Development Programs. My name, for the record, is Orlando Cabrera and I am assistant secretary for Public and Indian Housing at the Department of Housing and Urban Development.

PIH is responsible for the management, operation and oversight of HUD's Native American and Native Hawaiian programs. These programs are available to 561 federally recognized Indian tribes, five State-recognized Indian tribes formally eligible under the Housing Act of 1937, and the State of Hawaii's Department of Hawaiian Home Lands.

We serve these entities directly and through their tribally designated housing entities by providing grants and loan guarantees designed to support affordable housing and community development activities. Our partners are diverse. They are located on Indian reservations, in Alaska Native villages, and on Hawaiian Home Lands.

It is a pleasure to appear before you again, and I would like to express my appreciation for your continuing efforts to improve the housing conditions of American Indian, Alaska Native, and Native Hawaiian people.

From HUD's perspective, much progress has been made. Native Americans and Native Hawaiians are taking advantage of new opportunities to improve the housing conditions of the American Indian families residing on reservations, on trust or restricted lands, in Alaska Native villages, and on Hawaiian home lands. This momentum needs to be sustained as we continue to work together toward creating a better living environment in Native American communities.

One way to sustain momentum is through the reauthorization of all Native American and Native Hawaiian housing and loan guarantee programs. The department supports the reauthorization of those programs and is examining a number of statutory amendments to NAHASDA that may be offered during the reauthorization process.

Here is a brief over view of the amendments the department if considering. First, we would suggest amending section 201(b)(2) to allow essentially over-income families to occupy rental housing and receive tenant-based rental assistance in some circumstances. Currently, certain over-income non-Indian families may be declared essential to the tribal community, while Native American over-income families are not provided that benefit. We believe that those folks would benefit from curing that exception.

We would recommend or suggest recommending amending section 201(b)(3) so that essential Native American families can also be housed in those units regardless of income, mostly because the idea would be if they are providing an essential service, we should be encouraging Native American families to live in those units.

We would suggest amending section 205 to delete the requirement of what has come to be called useful life and binding commitments for home ownership units and make the provision applicable only in the case of rental and lease-purchase housing that is owned or operated by a grant recipient. Current restrictions have some-

times prevented the children or spouses of a deceased home buyer from inheriting the deceased's interest in the property.

This particular provision comes imported from the Home Investment Partnership Program. One of the problems in a home ownership context is that families, or the estates of people, are being deprived of full value of the home simply because they accepted moneys from these programs. Trying to give them relief, we believe, would both encourage the value to be kept in the home for the family and encourage those homes to be used by Native Americans.

We would suggest amending section 302 of the Indian Housing Block Grant allocation formula and stop counting units for FCAS purposes in the year after they are conveyed, demolished or disposed. This issue came up during the Fort Peck litigation, Mr. Chairman, that you might recall from last year.

This change would comport with the process established by the original negotiated rulemaking committee that crafted the Indian Housing Block Grant regulations. The real issue here is preventing the allocation of Indian Housing Block Grant money to units that no longer exist in FCAS.

So we would suggest amending title IV of NAHASDA to clarify that issues related to the repayment of the Indian Housing Block Grant and FCAS allocations do not constitute, in and of themselves, substantial noncompliance by grantees. Substantial noncompliance by a grantee triggers a formal administrative hearing on this issue.

We would suggest amending section 2024, the housing services component, to clarify that grantees may use IHBG funds for the maintenance and operation of units developed with IHBG moneys. Currently, this is considered a model activity, and not an activity in the ordinary course. The amendment would reduce the paperwork for grantees and for HUD staff.

More importantly, it comports with our mission to make things more simple, not more complicated when trying to deal with allocating rent money.

We would suggest amending section 102 to simplify and streamline the Indian housing plan submissions requirements by deleting the 5-year plan requirement, streamlining the one year plan to eliminate duplicative information, and establish the Indian housing plan due dates based on the grantee's program year.

All of this, again, has to do with simplicity and just making it more workable for tribally designated housing entities to do their best work. We would suggest amending section 404 to delete the requirement for a grantee to describe how it would change its program as a result of it's experiences. We believe most TDHEs find that to be somewhat of an exercise in redundancy.

Most grantees do not think this information is necessary. A second amendment to the section conforms the APR to reflect any IHP changes that are made.

We would suggest amending the Section 184(a) Program, authorized by the Housing and Community Development Act of 1992 in two ways. We would suggest amending the Act to allow refinancing, and that would give people the ability to borrow or tribes the ability to borrow money and make it available for refinancing, and we would amend the act to remove the requirement that the an-

nual Native Hawaiian housing plan must include loan guarantee activity.

A second way to sustain momentum is to continue building upon current program successes. During fiscal year 2006, tribes and their TDHEs used the Indian Housing Block Grant funds to build, acquire or rehabilitate more than 1,600 rental units and more than 6,000 home ownership units. Each of these units has become a home to a Native American family.

HUD's Office of Native American Programs has continued to develop more robust performance indicators to measure our progress and the progress of rent recipients.

At the same time, we are seeking to strengthen data collection capability to improve reporting and ensure that we can understand and communicate the rate of program fund obligations, expenditures and production. The Department of Hawaiian Home Lands has focused a significant amount of Native Hawaiian Housing Block Grant resources on the site and infrastructure improvements to support the development of new home ownership units.

DHHL has also partnered with public entities, private and nonprofit, and for-profit organizations to assist families in achieving and maintaining home ownership. There are numerous affordable housing activities in process at more than 14 sites throughout the State of Hawaii.

HUD's Office of Native American Programs has continued to develop more robust performance indicators to measure our progress and the progress of the recipients. At the same time, we are seeking to strengthen data collection capacity to improve reporting and ensure that we understand and communicate the rate of those changes.

A third way to sustain and strengthen momentum is to build on HUD's success in capital markets. HUD's goal is to utilize PIH's Native American programs as catalysts for economic development and to contribute to building sustainable economies within Native American communities. ONAP's success with the 184 Loan Guarantee Program has greatly increased the incidence of home ownership in Indian country. Expanding the use of title VI and the creation of bond financing programs will greatly assist in accessing capital markets and building sustainable economies.

Home ownership and the ability to build equity in one's home is an important component in development of strong tribal communities. In fiscal year 2006, the section 184 Loan Guarantee Program guaranteed 1,138 single family loans to Native American home buyers, which represents a $190 million investment in Indian country. To date in this fiscal year, 470 loans have already been guaranteed for $77.5 million. This represents an 80-percent increase in the number of loans guaranteed when compared to fiscal year 2005 program activity, and a 90-percent increase in the dollars invested.

Fiscal year 2007 first quarter totals represent a 49-percent increase in dollar volume over the same period in fiscal year 2006.

In title VI, the real objective is to leverage. We would like to see this program increase its capacity to leverage IHBG funds on a 5 to 1 ratio. So that would mean for every dollar of IHBG funds, we would be raising $5 in the private market.

This means a tribe can increase its capacity to develop affordable housing beyond its annual IHBG grant proposal. In fiscal year 2006, 13 loans were either guaranteed or obligated for a total of $13,185,279, or $1,616,000 in subsidy. For fiscal year 2007, tribes and TDHEs have 14 projects for about $16,400,000 in process.

Even with this historically high program activity, the program is under-utilized by tribes. One of the very key ways that title VI can be used, Mr. Chairman, is by using title VI to enhance infrastructure. We are trying to encourage tribes to do that.

The CHAIRMAN. Mr. Cabrera, I will have to ask that you summarize the remainder of your statement.

Mr. CABRERA. I shall.

I will actually conclude, Mr. Chairman, and thank you, and I stand ready to answer any questions you might have.

[Prepared statement of Mr. Cabrera appears in appendix.]

The CHAIRMAN. Next we will hear from Dr. Perez from the Indian Health Service. Dr. Perez, you in fact attended a hearing that I held in Bismarck, ND, a hearing of this committee on the subject of teen suicide. We appreciate very much your being there that day, and appreciate your work on that.

You are here today to talk about housing issues. Dr. Perez, thank you for joining us. You may proceed.

STATEMENT OF DR. JON PEREZ, DIRECTOR OF BEHAVIORAL HEALTH, INDIAN HEALTH SERVICE

Mr. PEREZ. Thank you, Mr. Chairman.

My full written remarks will be on the record, I trust.

The CHAIRMAN. Without objection.

Mr. PEREZ. I will make this short then.

Good morning. I am Dr. Jon Perez, the National Behavioral Health Consultant with the Indian Health Service. I am here today to provide testimony on behalf of the Indian Health Service for this committee's oversight hearing on Indian housing.

I understand I am not so much to provide data on housing as to provide context for this issue and offer some psychological perspective about what it means to live or not live in a home of one's choice, and to discuss the impact on individuals and families if they have no choice, substandard choices, or no home at all.

The compact edition, Oxford English Dictionary, devotes almost three full pages to the word home. It is one of those big words with important and manifold meaning and much import. For our purposes today, however, allow me to focus on just one, which defines home as the place of one's dwelling or nurturing, with conditions, circumstances and meanings which naturally and properly attach to it and are associated with it.

Psychologically, we speak of these conditions and circumstances as providing four basic things: Safety, security, nurturance, and respite. It is that physical place and psychological space that is among the most basic of our human needs and the most important to our healthy development.

In plain English, it is the essential place where the person or family lives and is safe.

In Indian communities across the country where housing is difficult to obtain or where waiting lists are long, individuals and

families tend to end up in multi-family and multi-generational housing arrangements, or in a series of such places and arrangements.

The transient or frequently changing living arrangements are the most difficult for children whose stability and subsequent development can be negatively affected by such moves. Even in the large extended family and clan relationships where three is generally easy movement among homes and families, the critical psychological process that is operative here is one of choice. That is, if people move of their own volition among family relationships, that I would advocate is a strength of the culture and community.

However, if people are compelled to live this way because they have no other alternative, that is another and more troubling situation.

Being forced to live in a place even among family where one does not want to live or may not even be welcome creates an environment where increased levels of anger, conflict and individual and familial distress are seen. Safety can be reduced, respite limited if not completely lost, and nurturance subordinated to tolerance or simply making it through the day.

Because IHS does not specify living arrangements with our clinical documentation software, I do not have levels of homelessness or people forced to live in alternative housing arrangements among our patient population. However, in my over 20 years of direct clinical experience with Native people from isolated communities to major metropolitan areas, I believe I can safely draw the following clinical opinion.

Where people are not able to obtain housing, they are unable to create that definition of home, nor enjoy the benefits of such a place. In fact, the levels of distress and dysfunction increase markedly and can extend into multiple generations.

Mr. Chairman, that concludes my prepared remarks. I would be honored to answer any questions you or the committee may have.

[Prepared statement of Dr. Perez appears in appendix.]

The CHAIRMAN. Dr. Perez, thank you very much. That is a different perspective, but an important one on the issue of housing and its impact on health and mental health. We appreciate your being here.

Mr. Cabrera, first of all, thank you for your testimony. We will certainly consider that as we put together reauthorization bills. I am determined to try to move reauthorization bills and the one thing that we will do is we certainly will consider the recommendations you have offered, but one of the experiences of this committee has been in recent years that sometimes agencies offer ideas and recommendations, and we may not include all of them in the authorization bill, and then the bill gets held up and so on. I am determined to move these pieces of legislation.

We will consult with you; get your best ideas; use those best ideas. We will put together our legislation. You have a chance to tell us what you think is wrong with it, and then we are going to move it. I am not going to hold up legislation because some agency decides that they don't like it much. We are going to exercise the prerogative of the Congress to move.

I say that because I have had a discussion with the Justice Department in here just within the last couple of weeks on this subject. But your consultation is important to us. Your statement today I think gives us some good thoughts about how to proceed, and we will certainly consider them valuable and work with you. We appreciate your being here today and offering that kind of cooperation.

You saw the pictures I used at the start of this hearing. You probably could make the point that you can find pictures like that in areas outside of Indian reservations. I admit that is the case, but I think it is acknowledged by almost everyone that this is a much more acute problem in Indian country on Indian reservations than in other parts of America.

Would you agree that it is the case that there is such a built-up need and so few resources relative to the need that we are incrementally moving along, but not really making as much progress as we would like, at least not as much as I would like. Tell me what you feel about the progress we are making.

Mr. CABRERA. I think the progress is very much incremental. I would agree with that. I think one of the struggles in my visits to Indian country is an uneven sense within TDHEs as to how to fully utilize programs. One of the things that I have found in Indian country is I can go to a reservation and folks are pretty fully utilizing 184, title VI, and their grant funds. And in other places, and I have had this experience recently, folks might not even know that 184 exists, or even if they do know it exists, not know how to use it to its full capacity.

I think one of the things we have been trying to do, and certainly have been trying to do while I have been assistant secretary, is to make sure we reach out in every available forum to make sure that folks know the full breadth of how to use those programs.

The CHAIRMAN. Can I ask, even if the programs are fully utilized at their appropriated level, isn't it the case, though, that we still fall far short? My understanding is that in 2006, tribes and tribal authorities built, acquired or rehabilitated about 1,600 rental units and 6,000 home ownership units, 7,600 homes. It seems to me that that is not a big dent in what is needed. I don't know what would have been done had the funds been fully utilized, but my guess is that we are still far short of doing what we should do to move aggressively to make a big dent in this problem.

Mr. CABRERA. I think that one of the things that can help move things forward is to address those places where there are impediments to the use of other funds. One struggle I think that exists with a lot of TDHEs that are looking for new modalities in providing housing is that they keep running up against places inside either Federal regulation or Federal law, outside of NAHASDA, that impedes their use of the funds.

A second one is cultural. In many places, for example, the preferred modality of living, of having a home, is to own it, which is fine; that is great. But in some places, the one that makes more economic sense is to create rental housing, but the rental housing culturally is not something that a particular tribe might want. So there are places where I think we would need to address that issue more forcefully.

Finally, one of the things that we have been trying to do, and it is really an offer of availability more than anything else, but recently we reached out to all 561 TDHEs and we are trying to marry a convenient resource with something that exists right now, which was we have FEMA trailers and we are telling all of Indian country we have them, they are available, would you like them.

That is something we have been trying to focus on.

The CHAIRMAN. I assume the dream of home ownership is the same dream with the first Americans or Native Americans as it is for all Americans. About two-thirds of all Americans, at least the data I have, the national average of home ownership is about 67 percent, two-thirds of the American population. On Indian reservations, it is one-third.

So that is obviously a dream deferred on Indian reservations. What is the result of that big gap, or what causes that?

Mr. CABRERA. I think in one respect, one of the things that has been causing that is, frankly, legal. I think we have solved a good chunk of that recently with the MOU that we have with the BIA.

The CHAIRMAN. Don't you think it is money?

Mr. CABRERA. I don't think it is just money. I think a lot of it has to do with——

The CHAIRMAN. Mostly money?

Mr. CABRERA. You know, Mr. Chairman, I think that money is part of it. I am not going to say that, but I can't give a conclusion as to what it is mostly because it is also the fact that the way that housing gets done in Indian country is remarkably different, or it can be, than the rest of the country, mostly because it is on trust land or allotted land. And so now that we have an MOU that allows for those homes to essentially become part of the marketplace, that incidence of home ownership is actually going up. Just 4 or 5 years ago, in the 184 Program, I think we underwrote, as I recall, and I am happy to be corrected on this, but I think it was 65 homes. We are up to 1,700 homes in the last couple of years.

The CHAIRMAN. But I think it is the case when you have one-third of the Native Americans owning their homes, and two-thirds of the American people on average, it is the case that Native Americans are being left behind here. So the question is what kind of goals can we establish to move up aggressively that home ownership rate?

Mr. Perez makes the point that home ownership is an integral part of health issues. I assume, Dr. Perez, you look at these examples of shacks that are being lived in without running water, without electricity, that has serious health consequences.

Mr. PEREZ. Yes; it certainly does.

The CHAIRMAN. Stories of a young child living in a three bedroom home with 23 or 24 people in the home. I assume that has consequences for that child's mental health, has consequences for how much homework that child does at home. Is that correct?

Mr. PEREZ. Yes, sir; it does.

The CHAIRMAN. Senator Tester?

Senator TESTER. I am going to focus most of my questions to Mr. Cabrera. That does not diminish the statements you made at all, Dr. Perez. I think that the points you made about mental health

and physical health are critically important when it comes to good living conditions.

I want to focus a little bit on the 184 dollars. How is that money made available? That is the loan guarantee money, correct?

Mr. CABRERA. Loan guarantee program, and so essentially what it does is it creates the liquidity available in the marketplace, in the mortgage-backed security world, to make that a fungible asset where it wasn't capable of being one before.

Senator TESTER. Through the banking industry?

Mr. CABRERA. Correct.

Senator TESTER. Where are the 184 dollars used? Throughout the United States?

Mr. CABRERA. They are used throughout the United States.

Senator TESTER. And it is specific to housing on Native American country? Right?

Mr. CABRERA. Not just. You can use the 184 Program off-reservation as well. It is available to anyone who is part of a tribe.

Senator TESTER. When we are talking about in Indian country itself, is it used for land purchases, as well as the house? Or pretty much specifically to the building itself?

Mr. CABRERA. No; it is used for any number of things. It can be used for home equity. It can be used for the purchase of a home and for the construction of one. It can be used for a variety of things beyond just a single family home purchase.

It has a very broad application. The only thing it can't be used for that we suggested today is for refinancing, which we would recommend that it be used for refinancing.

Senator TESTER. But it is for housing exclusively. It is not for businesses. It is not for infrastructure as far as sewers, water, and that kind of stuff. It is for housing.

Mr. CABRERA. Correct. Title VI is for infrastructure and for other uses.

Senator TESTER. Okay. And you said in 2006, $190 million was spent, or made available?

Mr. CABRERA. Guaranteed.

Senator TESTER. That $190 million was guaranteed. What was available in 2006? Did that use the entire appropriation?

Mr. CABRERA. It did not use the entire appropriation as I recall. It would not be the appropriation, it would be the amount of authorized guarantee.

Senator TESTER. Okay. I am hesitant to bring out my figures, because I was just penciling them out here with a pencil, and there is about six more zeroes in these figures than I am used to dealing with. My calculator doesn't go up that high.

But if my math is correct, $190 million, if you round it to 1,200 households in 2006, that is right at $160,000 a house. Does that seem reasonable?

Mr. CABRERA. It depends upon where you are buying the house. I mean, remember that these are places that that is an average. It could be much higher than that. The issue for the 184 Program is who is the ultimate user. It is not just a member of a federally recognized Indian tribe, but it is also the tribe itself.

Senator TESTER. Okay. I am a bit confused, and I know houses up here on the Hill run $500,000 and up. Houses where I come

from, you can buy a pretty doggone good house for $50,000 or $60,000. I don't know where this is. Where is this located?

The CHAIRMAN. That is Apache, New Mexico.

Senator TESTER. Compared to this, it is a giant leap. But I am curious is if the money is really getting to the housing. That is really my question, at $160,000 a pop.

Now, I have to tell you I am a dry land dirt farmer from North Central Montana, where land sells for $700 an acre. And I don't want to say that have everybody rush to North Central Montana and buy land because it doesn't rain there and the wind blows a lot, so it is not a good place to go, but it is a great place to farm and live.

But my concern here, quite frankly, is that $160,000 a house, when we are not talking about building mansions. We are talking about building something that people can live in. It is not like they have a hot tub in the back and all that stuff. Do you guys do accountability to make sure that this money is actually making it to the ground for the Native American folks who need the housing, because I think it is critically important.

Mr. CABRERA. Yes; it would have to be. These are loan guarantees going to people who are served by NAHASDA. I think, Senator, we can provide you the data you would want in terms of what the price ranges are in different parts of the country. But real estate, as you know, because I think you are a pretty sophisticated dry dirt farmer, that varies all over the country. So if you are in, for example, Washington, you might have a higher per unit cost than you would, let's say, in Nevada.

So we can provide that to you. We will be happy to do that.

Senator TESTER. That would be good to know because the areas that I am used to visiting in Montana, and that is all I can refer to, $160,000 is a lot of money.

Mr. CABRERA. In the Northeast, though, where we have a lot of tribes, $160,000 is not. It actually is a challenge. And so the good news is the 184 Program is pretty flexible, so there is a wide variety of values.

Senator TESTER. I will just close by saying that I agree with the chairman's remarks that I think we need to invest more money in this program. But one of the things that really has amazed me as I become more and more involved at the Federal Government is we spend a lot of money on, for instance, I will give you an interesting example, and this is a little off-topic, so forgive me, Mr. Chairman.

There is a $300,000-study going on in Montana right now on a dirt project. You could buy all the land around it for $300,000. They are going to study it for $300,000. And $160,000 is still a lot of money in my book, and I can tell you in Montana, when they are moving houses off of Malmstrom Air Force Base to the Rocky Boy Indian Reservation, that is not $160,000 project.

The CHAIRMAN. Senator Tester, thank you. You raise some excellent points. We have been involved with Walking Shield and other programs that move duplexes off of air bases that are going to receive new housing. Those duplexes, old, smaller duplexes are put on some foundations out on Indian reservations. I think what we will do is have the staff of the committee work with Mr. Cabrera

and others to try to come up with some ideas about what the average cost is to create housing units and so on.

I wanted to ask Dr. Perez, we have been concerned a lot about children, especially, with this committee. I mentioned teen suicide, but violence and substance abuse and other issues. Can you describe circumstances in which housing affects children's mental health, and the incidence of violence and abuse with children? Is there a connection?

Mr. PEREZ. Sure. It goes back to the choices that I was talking about. When you have limited housing options, generally what happens is you fall back on family. There are very strong traditions for family support, as you have described in some of the photos, and that we deal with on a daily basis; strong clans, strong extended family relationships.

What you have also described and what we have heard today is that you can have multiple families in one place at one time, and under the best of conditions, you are going to have problems. Now, when you are talking about violence and substance abuse, those sorts of things, if it is in that home and it is not part of what that family or that section of the family would otherwise want to be part of or close to, but you can't go anyplace else, certainly you are stuck there, and certainly you are going to be in a place for it to continue to take place, to not have that safety, to not have that respite, to not have that place to get away from it otherwise, of course it is going to continue.

I think for me as a clinician, it adds to that calculus of despair, if you are talking about the poverty of possibility. It identifies itself in different ways, whether it is housing, whether it is education, whether it is family, whether it is substance abuse.

I look at housing clinically as one of those variables, one of those factors that negatively affects so many of our people.

The CHAIRMAN. Dr. Perez, thank you very much.

Shelter is indeed one of the basics of life. Frankly, in this area, I think we are not doing such a good job. I am concerned about it and we are going to try to pass the reauthorization bills that are necessary to find the resources to improve on what we have done. We will be interested in continuing to consult with both of you.

Mr. Cabrera, thank you for being here. And Dr. Perez, thank you for being here.

Mr. CABRERA. Thank you, Mr. Chairman.

The CHAIRMAN. We will call up the next panel.

The next panel of witnesses will be John Yellow Bird Steele, who is the president of the Oglala Sioux Tribe in South Dakota; George Rivera, Governor of the Pueblo of the Pojoaque Tribe in New Mexico; Michael Cook, the secretary of the National American Indian Housing Council; and Juel Burnette, the retail supervisor and program director, Native American Housing Initiatives at Wells Fargo.

I thank all of you for being here. Mr. Yellow Bird, you were at a listening session I held in Minneapolis, MN a couple of months ago. We appreciate your being here again. We will begin with you. I would ask all of you to summarize, if you would, the testimony that you will offer. Your entire statements will be a part of the permanent record.

Mr. Yellow Bird, thank you for traveling to Washington, DC to be with us. You may proceed.

STATEMENT OF JOHN YELLOW BIRD STEELE, PRESIDENT, OGLALA SIOUX TRIBAL COUNCIL

Mr. STEELE. Thank you, Senator Dorgan, for inviting me. I would like to thank all of the other witnesses. I believe that their testimony is very excellent and needed here.

From the perspective of, and you know the conditions back home, Senator Dorgan, being from Montana—I mean North Dakota—but I would say that I have a Code Talker on Pine Ridge. You should see his living conditions in Wanblee. You, the Senate, did consider a bill to honor the other Code Talkers in the Navajos, and he just was in my office I believe the day before yesterday. He wanted a little financial assistance. He was living with someone else, and now he wants to go back to his home, which was very unlivable during the winter, but he is going back there this summer, to those conditions.

I would like to say that the 184 Program that was testified on here today, I don't think we have one participant from Pine Ridge, and I would believe, Senator, that from the price of those houses, that Montana doesn't have any participating in that program either. The people are unaware of the details of it. They are unaware of how to access it. I don't think they can find a bank to go with them to do the guaranteed program part of it. This is something we need to work on.

And to answer your other questions about do the people want to live like the rest of America, yes. You know that no matter what their housing conditions, they have a TV. And they see the way America lives every day. And they just want to live like the rest of America.

Senators, this is why when we as responsible for their welfare and running the Government come up here, we always holler about our treaties. This establishes the relationship we have with the Federal Government, and the different laws that have been passed by the U.S. Congress dealing with the Indians. In 1877 when they first established the reservations, and killed all the buffalo, they promised to aid the individual Indian and tribes in whatever to see that they were civilized and were able to live like the rest of America.

We still have what is called a commodity program in USDA, but that doesn't address, and we see it and we interpret that 1877 Act as having responsibility also for housing, because of the hides of the buffalo. These were our homes that were taken away in the past. The Federal Government has an obligation to aid the individual Indian in the housing area.

Now, the way I personally see this, Senators, is that I have a term for it. I call it inherent Federal neglect, whereby through most of the 1900's, all the Federal departments had nothing to do with it, a very large land base in the middle of the United States called the Pine Ridge Indian Reservation in South Dakota. They said that was Indian Health Service and Bureau of Indian Affairs responsibility.

I don't fault them, because of the scope of the responsibilities that they had, but the infrastructure isn't there for economic development to happen. The tribes in the past few decades have been working on this infrastructure, very much, very hard, so that economic development with private entrepreneurs and turning over that dollar can happen. We worked on our water, yes. We got help from the Senate. We thank you very much for that. We just took over the responsibility of roads here about 4 years ago from the BIA. They patterned our roads different. I mean wrong. And they are sending our dollars directly off-reservation. It is easier to get goods and services off-reservation.

You can't turn over that dollar in our communities, which is economic development in our local areas. We worked on communications. We got cell towers up. Solid waste, we got a system because we are a very large reservation with a lot of people, and we had to come up with our own system and disposal according to EPA standards.

Housing and health care are very hard to address. Housing is so great in magnitude that you don't want to work with the Housing Authority back home, because every day you are inundated with requests from individual people like the Senator mentioned some of them here, but each and every one of them.

And the living conditions, Senators, is as you described them. I give you Senators my two daughters' living conditions, and that is just from my private family. This is just about with every family. And last night, my eight grandchildren, and mother and father, lived, slept in this donated home from Michigan, Grand Haven, Michigan. You know how they pull out those rooms that makes an extended living room? Well, that wasn't there, and it was just an open space of about 15 feet.

My son-in-law, with scrounged-up materials from his Grandpa Joe White Hawk and myself, built that wall in there. The furnace doesn't work, I said. They installed their own wood stove with the chimney going out of one of the windows. That is their only heat. It is an outside outhouse, and it is not a good constructed outhouse. It is put together with materials that they found in different places also.

And I have another daughter living in a trailer donated out of Denver. And it is with these two inch walls, and people weren't living in it down there because different States have upgraded their codes for mobile homes. They have to get rid of them and it costs them to take them to the dump, so they give them to the reservation and we get some monies here and there to get them dragged back to the reservation.

But these living conditions are just such that they watch the TV, my two daughters, both don't have TVs. Well, they have TVs, but they can only see the videos on them. They can't get reception with an antenna because of the location of their homes so far into a rural area. But the roads to their homes wrecks their cars, and the poverty that exists prevents them from taking part.

Secretary Cuomo during the Clinton Administration, I met with him. And he said, John, let's do 200 homes on Pine Ridge this year. And he was so enthusiastic, he thought it was just that we could go down there and do them. When we got there, he did some job

fairs in several parts of the reservation. And to date, after several, several, several years, that program has developed into what we call the Partnership for Housing. And the 200 homes, after all of it he wanted to do in 1 year, after all of these several years, only has 70 people that it has served. And that is because of the poverty. People are not able to get a mortgage like the rest of America.

And this is for several reasons. One of the main reasons is Indian Health Service. They sent my mother up to Rapid City for an MRI x-ray. She has a bill for $6,000 she can't pay because she is just on SSI and a little bit of Social Security. Her monthly expenses are just with that. She can't pay that and she has a bad credit rating. Now, this applies to a lot of the people back home.

She went up in good faith because they had made the appointment. They sent her up. It was her back. And then they don't pay. And so a lot of this bad credit, people can't take care of. And a lot of people just don't have a credit rating at all, because they haven't been able to get a loan anywhere. They don't have any kind of relationships with financial institutions to get a credit rating.

The CHAIRMAN. President Steele, I want to interrupt you just for 1 moment, because I want to get to hear the other witnesses as well before we ask questions.

Mr. STEELE. Yes, sir.

The CHAIRMAN. Your two daughters live in these trailer homes. Do either of the homes have indoor plumbing?

Mr. STEELE. No; they don't even have running water near their homes. They haul water.

The CHAIRMAN. And they use a wood stove?

Mr. STEELE. A wood stove, yes, that was just for heat and then they have——

The CHAIRMAN. How many people live in the trailer? There are two trailers. How many people live in them?

Mr. STEELE. Two trailers. One daughter and her husband have eight children. My other daughter has three children, and is expecting another one in another couple of months.

The CHAIRMAN. So you have 11, soon to be 12 grandchildren living in homes without running water, without indoor toilets.

Mr. STEELE. Yes, sir.

The CHAIRMAN. Well, I think, in your describing the circumstance of contract health care, which is another issue, and the ruining of credit ratings for people. So I appreciate it. Your testimony is more direct and more gripping on this subject because you and your family live it. Your willingness to come and speak on behalf of our tribe is very much appreciated. We appreciate that a lot.

We would like to ask you some questions, if you could hold. Do you want to make a last comment before I turn to Mr. Rivera?

Mr. STEELE. I would just like to thank you, Senator, for holding this hearing.

[Prepared statement of Mr. Steele appears in appendix.]

The CHAIRMAN. It is not easy for you to come here and speak publicly of these circumstances, but doing so I hope will help your family and others as well. You as president of the Oglala Sioux Tribe I know have a great passion to try to improve things for the members of your tribe. You are great to come here and it will make a difference.

Mr. STEELE. Thank you, Senator.

The CHAIRMAN. Mr. Rivera is the Governor of the Pueblo of Pojoaque, NM. That is a small tribe in New Mexico. You are going to talk about how you have used NAHASDA funding. Thank you very much, Governor.

STATEMENT OF HON. GEORGE RIVERA, GOVERNOR, PUEBLO OF POJOAQUE, SANTA FE, NM

Mr. RIVERA. Thank you, Mr. Chairman, Senator Tester. Thank you for having me here today. I also have with our Housing Director, Alan Martinez and our attorney, Frank Demolli. We have submitted a written statement. We wanted to come here today to support the reauthorization of NAHASDA and talk about the Pueblo of Pojoaque and how we have used it, and some of the recommended changes that would make NAHASDA better.

First of all, the Pueblo of Pojoaque is a very small Pueblo in Northern New Mexico. We are about 374 tribal members. We have a long history and heritage in building and in housing. In fact, the Santa Fe area and the whole Southwest has become famous based on Pueblo housing and the architectural style there.

We do have a construction company that works on our own buildings, our traditional buildings, as well as our housing projects. We have been able to utilize our construction company to help us implement our new housing projects with NAHASDA funding, plus State funding, with Federal funding and private institutions.

Good morning, Senator.

We are here today to present to you a couple of ways that NAHASDA funding formulas can grow with the new structures of alternative housing. I think some of them were mentioned by the earlier presenter, but we have run into some roadblocks. Recently, we built 50 homes in the last 7 years. As I said, we are a small tribe, so that is not a big number, but it is a fair number of homes for our size.

Phase 1 was 30 homes and then 20 homes. And one of the conflicts that we ran into is that the way that NAHASDA is written, it doesn't allow IHS to match NAHASDA in a way that the tribes can really maximize both of those. So I think language that makes NAHASDA more flexible in terms of matching and working with other Federal entities, as opposed to it becoming a penalty, and then us not even being able to use NAHASDA.

In our second phase, we didn't use NAHASDA for that reason because the IHS money was a larger pot of money and it would be more beneficial, but what it did do is to take away from the whole project. We weren't able to use NAHASDA so we weren't able to complete all of the infrastructure.

I think when we talk about construction of new homes and we do have infrastructure to consider, so although the prices of our homes are up at over $100,000 per unit, that also includes water, sewer and all the other utilities that need to be brought into the area, including paved roads. We have also leveraged the BIA funding to pave our roads.

Really, what we are looking for is some formulas in NAHASDA that can help the Pueblo to better balance against the other Federal, State, and private funding, so that the tribe can benefit from

it the most. We look forward to working with you and your staff on coming up with some language to do that.

[Prepared statement of Mr. Rivera appears in appendix.]

The CHAIRMAN. Well, Governor, we will be interested in talking to you further about your experience as we put together this reauthorization bill. The ability to remove impediments is really very important as we try to increase the housing stock.

Your Senator has shown up, a member of this committee, Senator Domenici from New Mexico, and we have just heard from the Governor, Senator.

Senator DOMENICI. First of all, I made a special effort, Mr. Chairman, because George Rivera is a distinguished leader of not only of his tribe, his Pueblo, but throughout New Mexico, the Indian people, they know when there is somebody that is a leader, and you can feel it and see it. And he is one. I came to congratulate him on what he has been able to do with the small amounts that this bill permits.

Clearly, the key to it is when we draft a new bill is to not make it more rigid, but to rather make it more loose in terms of what you can put together in order to match and get more for your dollar. I know that is what you are interested in. I have heard you say that, and I know these Governors are fully aware that that is one of the big problems.

Thank you, Governor.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Domenici, thank you. Senator Domenici and I held a listening session in Albuquerque, NM with some of the tribal leaders and tribal members. Senator, that was a very informative time for me to have a chance to hear some of the leaders from Indian tribes that I had not previously had a chance to meet. So thank you very much.

Michael Cook was to be the next witness. My understanding is that Paul Lumley is here in his stead. He had to cancel. Michael is secretary of the National American Indian Housing Council. The National American Indian Housing Council will be represented today instead by Paul Lumley. Mr. Lumley, you may proceed.

STATEMENT OF PAUL LUMLEY, EXECUTIVE DIRECTOR, NATIONAL AMERICAN INDIAN HOUSING COUNCIL, ACCOMPANIED BY DENNIS DANIELS, DEPUTY EXECUTIVE DIRECTOR

Mr. LUMLEY. Good morning, Chairman Dorgan, Senator Tester, and Senator Domenici. It is a great honor to be here this morning to testify. I thank you for the invitation.

My name is Paul Lumley and I am the executive director of the National American Indian Housing Council. I am also a citizen of the Yakama Nation. Since 1974, the NAIHC has assisted tribes with their self-determined goals of providing culturally relevant, decent, safe, sanitary, and affordable housing on Indian reservations, in Indian communities and Alaska Native villages, and on Native Hawaiian Home Lands.

It is an honor to appear before you today to provide our views about the reauthorization of NAHASDA.

Built on the solid foundation of Indian self-determination law and policy, NAHASDA was signed into law in 1996 and was enacted to recognize tribal authority to provide housing and related infrastructure to their members in a way that maximizes tribal decisionmaking and flexibility in meeting their housing goals.

In launching NAHASDA, Congress made clear that it was acting pursuant to the trust responsibility owed by the United States to the Native people of this land. NAHASDA encourages tribes to administer their housing programs according to the unique and local circumstances of each Indian tribe. It also enables greater tribal participation in regulations through the negotiated rulemaking process and spurred housing development through the leveraging of Federal funds.

Congress also found that in meeting its trust responsibility, it should recognize the right of Indian self-determination and tribal self-governance by making assistance directly available to Indian tribes. Without a doubt, self-determination was and continues to be the hallmark of NAHASDA.

Ten years into NAHASDA now, we have seen the key element of the law, the Indian Housing Block Grant, become the largest source of housing capital in Indian country. Since fiscal year 1998, over $5.7 billion in housing assistance has helped Indian families make down payments on homes, make monthly rents, helped with home rehabilitation and new construction. Prior to NAHASDA implementation, an estimated 2,000 units a year were being built; 6,000 units were built in NAHASDA's first year alone. By all accounts, it has been a tremendous improvement over the previous Federal housing statutes.

NAIHC is composed to 450 members and is the only national Indian organization representing Native housing interests. On a consensus and grassroots basis, NAIHC is proposing amendments to the law. On behalf of our membership, we have been working with committee staff on proposed amendments to the law. I would like to highlight four of them.

First, in the area of Indian self-determination, clarity in the law is needed on Housing and Urban Development's oversight role. We need uniform application of the law across the six regional offices.

Second, similarly, the NAIHC membership proposes that Congress respect tribal authority when it comes to determining the minimum and maximum rents for NAHASDA-funded rental units. They propose lifting the so-called 30 percent rule which prevents tribal administrators from charging members more than 30 percent of their annual income per month.

Third, members also ask that homes built with NAHASDA funds be included as part of the current assisted stock. It makes no sense to build homes with NAHASDA funds and then not allow them to be maintained with the same funds.

Fourth and finally, infrastructure development needs to be directly addressed in the implementation of NAHASDA. For example, tribes need to be able to provide the desperately needed sewage systems before homes are built.

All in all, NAHASDA has been a major shift of Federal Indian policy. It must further evolve to accommodate Indian country's growing population. NAHASDA confirmed what we knew in our

hearts, and what has been repeatedly made clear through research such as that from the Harvard Project on American Indian Economic Development:

When tribes make their own decisions about what approaches to take, and what resources to develop, they consistently out-perform non-tribal decisionmakers.

Robust housing programs, economic development and self-sufficiency are all great things to talk about, but to make all our efforts bear fruit, tribes need adequate funding. Indian communities still have among the poorest housing conditions in the Nation. We therefore encourage the committee and Congress to seek additional funding for the Indian Housing Block Grant.

The NAIHC estimates a need of $750 million to meet current Indian housing programs needs.

In the future, as Indian nations become more and more self-sufficient, the Federal Government's assistance will not be as crucial, but we are not there yet. We ask you to reauthorize NAHASDA and to give us the flexibility to achieve our hopes of adequate housing of all America's people.

Before I conclude, Mr. Dorgan, I do want to add a few personal notes. I do want to thank you for being very aware of how housing transcends many other areas of our lives. The need to improve health and education, I have lived through those personally. I have been homeless. I have lived in substandard housing. I have reached and exceeded great odds to get to where I am today. I have lived through those conditions.

So I have seen it first-hand. I know what it means to live in overcrowded housing.

I would also like to add that as a part of being the American Dream, building personal home equity is very important. We have seen from gaming enterprises, in a handful of communities, we have seen equity being built. But in order to really achieve the American Dream nationwide, the American people need to build personal home equity. It will also add to the economic development initiatives that we definitely want to work with you on.

So thank you, Mr. Chairman. I appreciate the opportunity to testify today. Thank you.

[Prepared statement of Mr. Lumley appears in appendix.]

The CHAIRMAN. Mr. Lumley, thank you very much.

Tell us where you grew up and what tribe you were affiliated with?

Mr. LUMLEY. I was born and raised on the Yakama Reservation. I also lived a short time on the Nisqually Reservation.

The CHAIRMAN. And the location of the Yakama Reservation?

Mr. LUMLEY. It is located in Washington State.

The CHAIRMAN. Thank you very much. Thank you for being here.

Finally, Juel Burnette, who is the rail supervisor and program director of the Native American Housing Initiatives with Wells Fargo.

Mr. Burnette, I appreciate your being here.

I want to say, too, that I will at some point have to depart. I am scheduled to speak on the Floor of the Senate in just a bit. When I do depart, Senator Tester has agreed to continue chairing the hearing and inquiring of the witnesses. I certainly appreciate Sen-

ator Tester's active participation on this committee and interest in these issues.

In the meantime, Mr. Burnette, why don't you proceed with your testimony?

STATEMENT OF JUEL BURNETTE, RETAIL SUPERVISOR AND PROGRAM DIRECTOR, NATIVE AMERICAN HOUSING INITIATIVES, WELL FARGO

Mr. BURNETTE. Thank you, Mr. Chairman, Senator Tester, and committee members. Thank you for the invitation to testify before the Committee on Indian Affairs regarding the various Indian housing programs that fall under this committee's jurisdiction. I am honored to be here.

My name is Juel Burnette. I am the Native American lending sales manager for Well Fargo Home Mortgage, based in Sioux Falls, SD. Wells Fargo Home Mortgage has full-time mortgage consultants based in Arizona, Montana, New Mexico, Oklahoma, and South Dakota who work directly with Native American customers on home loans across the United States.

For many years, Wells Fargo has been pleased to work with this committee, as well as with individual members on various Federal initiatives to improve the availability of credit for Native Americans. We look forward to a continued collaboration with Congress, tribes and relevant organizations as Congress proceeds with the reauthorization of Indian housing programs.

Wells Fargo has been serving Native American tribes for more than 50 years. Today, we provide capital and financial services to more than 150 tribal nations across the United States. We have been a leading home mortgage lender to tribal nations for more than 25 years, and Wells Fargo was the first financial services company to originate a home mortgage loan on tribal lands.

In 2005, we closed mortgage loans on 47 different reservations in 20 different States. We were also the first major national financial services company to dedicate more than 10 professionals to serve Native American and tribal nation housing needs. In 1991, we created Native American Banking Services, a specialty financial services group for tribal nations.

The role of this group is to develop non-gaming credit opportunities with tribal governments and middle market Native American-owned companies. The group also supports tribal relationships and underwrites the sovereign risk associated with all lending to tribal nations and governments, both on taxable and tax-exempt loans.

I have appended a fact sheet summarizing our Wells Fargo programs tailored for use on tribal lands and to Native Americans. I ask that it be made part of the committee's hearing record.

The CHAIRMAN. Without objection.

[Referenced document appears in appendix.]

Mr. BURNETTE. Today, I would like to concentrate my remarks on a few main issue areas: First on the viability of the HUD Section 184 Loan Guarantee Program; and second, concerns with the Bureau of Indian Affairs Land Titles and Records Office.

As you know, the HUD Section 184 Program was created by the Housing and Community Development Act of 1992. This program offers a loan guarantee to private sector lenders such as Wells

Fargo Home Mortgage, who then make mortgage loans to eligible borrowers for homes on Indian land, near reservations, and other eligible areas.

In 2006, Wells Fargo's Native American Lending Group originated 241 HUD 184 loans. This is an all time high for Wells Fargo and leads all financial services companies. We strongly support reauthorization of the HUD 184 Program. We believe that the HUD 184 Program could be improved with addition of staff. Currently, there are only two HUD Office of Native American Program underwriting staff members. While these two individuals do an outstanding job, we believe that additional staff would increase efficiency and better accommodate for increased utilization of this program.

With regard to the Bureau of Indian Affairs Land Titles and Records Office, a number of areas could be improved. We believe that lenders, borrowers and others involved in the process would greatly benefit from the development of a streamlined, consistent policy for a timely processing and delivery of necessary documents.

Unfortunately, we have experienced a number of inconsistencies with requests for documents such as recorded homesite leases and certified title status reports. In fact, I have been working with the Pacific Regional Office and the Southern California Agency for the past three years on obtaining recorded mortgage documents and the certified title status report. These delays are the most significant barrier to providing more home loans to Native Americans in a State that has more tribal nations than any other State in the country.

With these challenges, there are also successes within the Bureau of Indian Affairs that should be recognized. The work of Nila Solaman and Brenda High Rock at the Great Plains Regional Office is exemplary. Their consistent, timely processing is an example that should be followed throughout the agency. BIA agencies located at the local reservation level should be commended for their efforts to facilitate processing of requests as well. The Northwest Regional Office in Portland, OR and the Southwest Regional Office in Albuquerque, NM have been helpful, particularly when receiving requests from the local agencies.

The personnel at the regional offices do a lot of good work. However, consistent and streamlined processes would facilitate the lending of more mortgages and greater utilization of these housing programs.

In closing, Mr. Chairman, I would like to thank you and members of the committee for the opportunity to present our views on Federal Indian housing programs. In our view, a partnership among all interested parties is critical for financial success on tribal lands. I would be happy to respond to any questions that you may have. Thank you very much.

[Prepared statement of Mr. Burnette appears in appendix.]

The CHAIRMAN. Mr. Burnette, thank you very much.

I will have to leave momentarily, but President Steele, let me ask you. How long have you been president of the Oglala Sioux Tribe in South Dakota?

Mr. STEELE. Sir, I was 2 terms on the tribal council, 2 terms as vice president, and 5 terms as president.

The CHAIRMAN. So you have been a part of the governing body of that tribe for some long while.

Mr. STEELE. Yes, sir.

The CHAIRMAN. Let me ask your perspective about the housing situation on your reservation only. Is it getting better, substantially better, dramatically better? Or is it about the same?

Mr. STEELE. It is getting substantially worse. We have a very much increased population. We have 1,700 HUD homes right now. They haven't been supplying the homes under NAHASDA that they should, we think. Partnership for Housing supplied 70, as I said, a new program that Secretary Cuomo tried to institute.

The housing situation, it is very hard to be in any of those areas of the NAHASDA housing authority because of the need. People are just so hard up for homes. It is really pitiful.

The BIA has zeroed out the home improvement program, [HIP] which hurts us. They zeroed out their social services almost program, and they told me when I went over here at Washington that we zeroed it out because we knew you would go to your Senators and get it reinstated. This is not right. It goes to show that we don't need social services, when that is the most important program to us.

The burial insurance, the training program, tribal work experience program, their reasoning is out of line here in zeroing out those programs, especially the HIP.

The CHAIRMAN. Mr. Steele, you heard the testimony of Assistant Secretary of HUD, Mr. Cabrera. I think the testimony from the Administration here is that a lot of programs are working, making some progress and so on. And yet you say the housing situation on your reservation is getting worse, not better. How do you reconcile that?

Mr. STEELE. I think that one of the things we have been trying to address with the tribe in NAHASDA is their formula for allocating the monies. I have a whole county that they won't count the population. It is part of the reservation because of a 1910 criminal court case in Martin, SD, they said it wasn't part of the reservation. And so it has always been, since the reservation was first created, a part of it.

But because of that, the BIA says no and the Census Department does not count all of those people in there. When I questioned them, they said you can look at it as tribal members on trust property adjacent to the reservation. And they used the Census figures in the allocation of that money, and it is not all of our people there. But we do service them anyway.

The CHAIRMAN. First of all, thanks to the other three witnesses. I regret I don't have the time. I have to be over on the Floor of the Senate right now. But thank you very much for appearing and contributing to this discussion that we are having as we start this process of putting together the reauthorization bills, and think through what we can do to try to light a fire under all the agencies and the circumstances that need prodding to try to begin to make some real improvements in this area.

Again, Senator Tester has indicated he will continue to chair to the end of the hearing, and I am sure he has questions as well.

Senator Tester, thank you very much.

Senator TESTER. [presiding]. Thank you, Mr. Chairman. I appreciate your leadership on this committee on all the issues that are important in Indian country. Give them heck on the Floor.

I will just continue a little bit with President Steele. You said you have about 1,700 homes that are HUD homes currently.

Mr. STEELE. Yes, sir.

Senator TESTER. Can you just give me a ballpark on what is the total need out there for homes?

Mr. STEELE. I think somebody wrote my testimony and put 3,000 homes needed.

Senator TESTER. About 3,000.

Mr. STEELE. We need more than that, Senator. I need about 4,000 homes.

Senator TESTER. Is that over and above the 1,700?

Mr. STEELE. Yes.

Senator TESTER. Okay. And the black mold issue has been something you have been dealing with. How responsive has the BIA and IHS been to that?

Mr. STEELE. There is no response from any Federal department, sir.

Senator TESTER. None whatsoever? Okay.

I want to echo the chairman's comments about the fact that you bring a sense of reality to this issue. I appreciate your coming here today.

Mr. STEELE. Thank you.

Senator TESTER. I have some questions for, hang on here for a second, for Governor Rivera. First of all, have you been able to utilize the NAHASDA grant funding in your building programs?

Mr. RIVERA. Yes, Mr. Chairman; we have been able to use NAHASDA and we leveraged it with other Federal, State, and private funding, banks basically.

Senator TESTER. Okay. And what, if any, difficulties have you encountered with NAHASDA?

Mr. RIVERA. In 2000, we did 30 homes, a $5.5-million construction project, and $36,000 a year from NAHASDA went toward this project. The biggest problem was that when we went to go to the second phase, it became almost like a penalty when we tried to use NAHASDA again because we were looking at IHS, BIA, financial institutions, the State tax credit programs, to put it all together, and NAHASDA actually became a conflict with the Indian Health Service funding that we use for infrastructure.

Senator TESTER. I got you.

Mr. RIVERA. So we chose to use Indian Health Service funding because it was a higher dollar amount and the infrastructure was needed.

Senator TESTER. So the $36,000 was NAHASDA funds per house? Is that what you are saying?

Mr. RIVERA. No; that was for the whole project.

Senator TESTER. For the whole project.

Mr. RIVERA. Yes; for 30 homes.

Senator TESTER. Could you just give me, and this may be unfair because I know you don't have all these figures in your head, but how much of that was NAHASDA of the $36,000?

Mr. RIVERA. The $36,000 was NAHASDA.

Senator TESTER. Oh, okay.

Mr. RIVERA. The $36,000 out of $5.5 million in the total housing project, and $36,000 is what NAHASDA put in.

Senator TESTER. Total?

Mr. RIVERA. Yes.

Senator TESTER. Okay. All right.

Mr. Lumley, once again thanks for being here. From your perspective, what are some of the major barriers in utilizing the Indian Housing Block Grant Program?

Mr. LUMLEY. The largest barrier is not necessarily related to the act itself, but in terms of the funding level, which I have heard from my members as being inadequate. So my member tribes have been working to increase the funding level.

Senator TESTER. Okay.

Infrastructure is a huge issue in Indian country. Any recommendations there?

Mr. LUMLEY. I would take a regional approach to addressing infrastructure issues. Each region of the country is completely different. In some areas of the country you have problems with energy and water. In other areas, you have problems with temperature, great temperature swings. So each region has a completely different infrastructure issue.

Senator TESTER. Okay. Going back to block grants for a second. You said, and correct me if I am wrong, there was $750 million that went out in block grants. I think that was correct. Is the demand significantly more than that? And how much more?

Mr. LUMLEY. Actually, I think we are recommending that it be $750 million. Right now, it is $627 million.

Senator TESTER. Okay. That is good. Thank you.

All right. Mr. Burnette, I want to first of all thank you very much for the work that you and Wells Fargo have done in Indian country. We have a few questions.

Wells Fargo has about 241 loans under the 184 Loan Guarantee Program, is what I believe you said. Were all these loans for homes built on tribal land?

Mr. BURNETTE. The 241 was what we did in 2006, Senator.

Senator TESTER. On tribal land?

Mr. BURNETTE. Yes; and we have had constant growth every year as far as our program participation. Actually, what I said was this is our greatest year to date.

Senator TESTER. Can you give me some of the barriers that Wells Fargo has as far as providing those loans on tribal lands?

Mr. BURNETTE. Going back to answering your previous question, a majority of those loans were done in the tribal service area, and that is something that we really focus on. We don't want to forget what the program was really designed for, was those Native American families living on or within the service area of the reservation.

Senator TESTER. Right.

Mr. BURNETTE. As Mr. Cabrera alluded to earlier, the program is allowed to be used outside of the service area in 20 or 21 different States. So I think South Dakota is the third leading State as far as the number of 184 loans done per State. We have Oklahoma and Alaska that lead the way as far as number of loans done in those States.

Senator TESTER. Let me run that back one more time, repeat what you said. South Dakota is number one?

Mr. BURNETTE. South Dakota is number three. Oklahoma then Alaska then South Dakota then California, I believe. I think Wisconsin is in there pretty close, too, as far as number of loans done due to the 184 Program.

Senator TESTER. Just hang on here for a second.

President Steele, your tribe is in South Dakota, correct?

Mr. STEELE. Right.

Senator TESTER. Are there a lot of other Native American tribes in South Dakota?

Mr. STEELE. Yes; nine of us.

Senator TESTER. There is nine of you? Okay.

Mr. STEELE. The service area is not on-reservation.

Senator TESTER. Got you. Okay. A point well taken. Okay.

What kind of barriers, Mr. Burnette, do you see as far as giving loans in Indian country?

Mr. BURNETTE. The committee has touched on a few, infrastructure being a major one. The BIA, as I mentioned, is a huge obstacle in some cases. In the Great Plains Region it is not, but throughout the country, as I mentioned in my previous testimony, that we have closed loans on 47 different reservations in 20 different States. We work to try and partner with the BIA in many cases when we are dealing with trust land. But infrastructure, as far as the Native American population wanting to live out in an area of their own lands, if you will, there is the cost to develop that area.

Senator TESTER. I want to touch on getting those documents from the BIA for a second. Can you give me an average length of time?

Mr. BURNETTE. Anywhere from 30 days to 3 years.

Senator TESTER. Have you had to deny any loans because of that length of time?

Mr. BURNETTE. No; we just keep plugging along and being a thorn in your side, if you will, in asking for the documents month after month.

Senator TESTER. Why would it take longer than 30 days? Any ideas?

Mr. BURNETTE. Yes; The BIA, if you call them, they will tell you that they are severely behind in their recording process, and they are not funded appropriately to staff the number of employees that they need to catch up on this recording process. And that is consistent I believe nationwide, if you were to call the BIA. In some cases, regionally, it is better than others. As I mentioned in the California area, compared to South Dakota and the Great Plains Region, it is like day and night, Senator.

Senator TESTER. California is better?

Mr. BURNETTE. California is way worse.

Senator TESTER. So would the number of loans that you have in Alaska, Oklahoma, and South Dakota correlate to the length of time when you get these documents back?

Mr. BURNETTE. The reason being Alaska and Oklahoma lead the way, Senator, is because a majority of the land, probably 90 some percent of it, is all fee simple, so we are not dealing with the BIA. So that attributes to their success.

Senator TESTER. So it does directly impact your ability to give loans in Indian country.

Mr. BURNETTE. Yes; for your home State, we are involved in the Rocky Boy Project. We are still waiting for that certified title status report to proceed with those 64 units.

Senator TESTER. All right.

I want to talk a little bit about credit, lack of credit, bad credit. What kind of role does that play in your ability to give loans to individual Indians?

Mr. BURNETTE. Mr. Steele hit it right on the head. A majority of the time we are running into medical collections that hinder the progress of Native Americans pursuing their dream of home ownership.

Senator TESTER. Yes.

Mr. BURNETTE. The program requirements are that there cannot be any outstanding judgments or collections that are showing unpaid on their credit bureau report. So that hinders the process. This program is not a credit score-driven program, so we are not concerned about what the credit score is. We are concerned about what the makeup of the credit bureau report is and what is on there as far as open collection items, judgments that are unpaid and what have you.

We see a lot of medical bills that IHS has not paid for in Mr. Steele's example that he provided.

Senator TESTER. Okay. So other than the health care and unpaid medical bills which you encounter when IHS runs out of money, are there any other credit issues that appear to be unique to Native Americans?

Mr. BURNETTE. No; really, it gets a little easier from there. Sometimes we run into a problem with debt to income ratios with Native American families; you know, the necessity for a good operating automobile.

Senator TESTER. Okay. Can you give me an idea of what your average loan is on the 184 Program?

Mr. BURNETTE. I was hoping you would ask me this question. Our average last year was $178,000, but that is really skewed high because of some of the higher cost areas that we have done loans in. For example, Florida, we can't do a loan in Florida, build a home for less than $300,000. So our average loan size in Florida is probably in the mid-$400,000. That really skews the average.

I think if you take those loans out of the average, I think we are right around the $100,000 mark.

Senator TESTER. Okay.

Mr. BURNETTE. So if you look at nationwide, I think Mr. Cabrera talked about it, it matters on the geographic location of where you are really doing business at.

Senator TESTER. Okay. One more question on that topic, and that is administrative costs. Do you think that, in your opinion, because you are on the ground, you are one end, and the folks that are trying to get the house are on the other end, do you think that there is excessive administration costs with this money? Is it getting down the ground, I guess that is the question.

Mr. BURNETTE. I have seen a lot of progress in the last 2 years, Senator. The HUD ONAP office has done a lot of outreach to tribes

trying to make them aware of the program. As you can see in the numbers, it has drastically increased over the last two years as far as the number of people who have participated.

So I think we are making headway with the program. Is there a lot of work that can still be done? Absolutely.

Senator TESTER. Do you have any recommendations on that work? I would sure like to hear it. You don't have to give it today. I mean, just pass it along, anything we can do to help make the program work better in Indian country I think is a step forward.

With that, I just want to thank you guys once again for showing up to the hearing.

We are adjourned. Thank you.

[Whereupon, at 11:20 a.m. the committee was adjourned, to reconvene at the call of the Chair.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. DANIEL K. INOUYE, U.S. SENATOR FROM HAWAII

Thank you, Mr. Chairman. I commend the committee for holding this hearing on Housing Issues in Indian country.

Through its unique trust relationship the United States has historically provided housing services to Native peoples. Today, more than ever we are facing a crisis among Native communities when it comes to housing. According to a 2003 report published by the United States Commission on Civil Rights approximately 90,000 Native families are homeless or underhoused. I am certain that this number has only increased since 2003. Poverty has run rampant in Native communities and because of this Native communities are faced with overcrowded and substandard living conditions.

Three studies have documented the acute housing needs of Native Hawaiians—which include the highest rates of overcrowding and homelessness in the State of Hawaii. Those same studies indicate that inadequate housing rates for Native Hawaiians are among the highest in the Nation.

In light of these disheartening reports, I cannot stress to you how important it is to reauthorize the Native American Housing Assistance and Self-Determination Act [NAHASDA], in particular title VIII so that we can continue efforts to assure that the Native people of Hawaii and across the Nation may 1 day have access to housing opportunities that are comparable to those now enjoyed by other Americans.

Thank you, again, Mr. Chairman for holding this much needed hearing today.

PREPARED STATEMENT OF MICAH A. KANE, CHAIRMAN, HAWAIIAN HOME COMMISSION

Mr. Chairman and members of the Senate Committee on Indian Affairs.

My name is Micah A. Kane and I am chairman of the Hawaiian Homes Commission.

Thank you for the opportunity to testify on the important issue of providing housing opportunities in Native American communities including Native Hawaiian communities located in the State of Hawaii. We believe that there is a continuing need to support HUD's efforts to provide housing opportunities and encourage other Federal agencies to partner with HUD to address the severe housing needs of all Native American communities and enhance the lives of all Native people who live on Trust lands and continue to have significant housing needs.

Native Hawaiians as defined under the Hawaiian Homes Commission Act of 1920, share many of the same attributes as Indian people. Their housing needs are significant and their trust lands require significant infrastructure to realize new housing developments. The difficulty at securing financing for large scale infrastructure can be linked to a lack of private capital and private financial institutions and their inability to understand the needs of the Native Hawaiian community and the various legal issues associated with development on their lands.

Native Hawaiians continue to work with the National American Indian Housing Council, National Congress of American Indians, and HUD's Office of Native American Programs.

The Native American Housing Assistance and Self-Determination Act of 1996 [NAHASDA] created the Indian Housing Block Grant [IHBG] and Title VI Tribal Housing Activities Loan Guarantee programs [Title VI]. On December 27, 2000, the Omnibus Indian Advancement Act [Pub. L. 106–569] amended NAHASDA by adding a new title, "Housing Assistance for Native Hawaiians." Title VIII authorized the Native Hawaiian Housing Block Grant program, which is similar to the IHBG program, but serves Native Hawaiian families eligible to reside on the Hawaiian Home Lands.

The Omnibus Indian Advancement Act also established the Section 184A Native Hawaiian Loan Guarantee program. This single-family home loan guarantee program for Native Hawaiians is similar to the Section 184 Indian Housing Loan Guarantee program authorized by the Housing and Community Development Act of 1992 [Pub. L. 102–550, 12 U.S.C. 1715z–13a].

We support the reauthorization of all Native American and Native Hawaiian housing and loan guarantee programs and we are hopeful that these programs will be supported by Congress.

All Native people including Native Hawaiians should be allowed to participate in affordable home ownership on as widespread basis as possible and enjoy the development of Hawaiian Home Lands as originally intended by Congress when it passed the Hawaiian Homes Commission Act in 1921.

We look forward to working with you and the committee on future housing initiatives that will dramatically enhance the housing development opportunities for all Native People across the Nation.

Thank you for allowing the Department of Hawaiian Home Lands to provide testimony.

PREPARED STATEMENT OF JON PEREZ, BEHAVIORAL HEALTH CONSULTANT, INDIAN HEALTH SERVICE, OFFICE OF CLINICAL AND PREVENTIVE SERVICES

Good Morning. I am Dr. Jon Perez, Behavioral Health Consultant with the Indian Health Service, Office of Clinical and Preventive Services. I am here today to provide testimony on behalf of the Indian Health Service for this committee's oversight hearing on Indian Housing. I understand I am not so much to provide data on housing so much as to provide context for this issue and to offer some psychological perspective about what it means to live—or not live—in a home of one's choice; or, to discuss the impact on individuals and families if they have no choice or no home at all.

The IHS provides health services to more than 1.8 million federally recognized American Indians/Alaska Natives through a system of IHS, tribal, and urban [I/T/U] health programs. The mission of the agency is to raise the physical, mental, social, and spiritual health of American Indians/Alaska Natives to the highest level, in partnership with the population we serve. The agency goal is to assure that comprehensive, culturally acceptable and public health services are available and accessible to the service population. Our duty is to uphold the Federal Government's responsibility to promote health of American Indian and Alaska Native people, communities, and cultures and to honor and protect the inherent sovereign rights of tribes.

The Compact Edition Oxford English Dictionary [1981] devotes almost three full pages to the word "home." It is one of those big words with important and manifold meanings. For our purposes today, allow me to focus on just one which defines home as, literally, "The place of one's dwelling or nurturing, with the conditions, circumstances, and meanings which naturally and properly attach to it, and are associated with it" [v.1, pg. 1322]. Psychologically, we speak of those conditions and circumstances as providing safety; security; nurturance; and respite. It is that physical place and psychological space that is among the most basic of our human needs and the most important for our healthy development. In plain English, it is the essential place where the person or family lives and is safe.

In Indian communities across the country where housing is difficult to obtain or where waiting lists are long, individuals and families tend to end up in multifamily and multi-generational housing arrangements, or in a series of such places and arrangements. The transient or frequently changing living arrangements are the most difficult for children, whose stability and subsequent development can be negatively affected by such moves. Even in the large extended family and clan relationships where there is generally easy movement among homes and families, the critical psy-

chological process that is operative here is choice, that is, if people move of their own volition among multiple family relationships that, I would advocate, is strength of the culture and community. However, if people are compelled to live this way because they have no other alternative, that is another and more troubling situation. Being forced to live in a place, even among family, where one does not want to live or may not even be welcome, creates an environment where increased levels of anger, conflict, and individual and familial distress are seen. Safety can be reduced, respite limited if not completely lost, and nurturance subordinated to tolerance and just making it through the day.

Because the IHS does not specify living arrangements with our clinical documentation software, I do not have levels of homelessness or people forced to live in alternative housing arrangements among our patient population. However, in my over 20 years of direct clinical experience with Indian people from isolated communities to major metropolitan areas, I believe I can safely draw the following clinical opinion: where people are not able to obtain housing they are unable to create the definition of home, nor enjoy the benefits of such a place. In fact, the levels of distress and dysfunction increase markedly and can extend into multiple generations.

Mr. Chairman, that concludes my prepared remarks and I will be very pleased to answer any questions you may have for me.

PREPARED STATEMENT OF GREGORY PYLE, PRINCIPLE CHIEF, CHOCTAW NATION OF OKLAHOMA

My name is Chief Gregory Pyle, principle chief of the Choctaw Nation of Oklahoma, the third largest tribe in America, with over 185,000 members. I am submitting this testimony for consideration by the Committee on Indian Affairs of the Senate on issues involved in the reauthorization of the Native American Housing and Self-Determination Act.

I would like to continue to voice my support for the Native American Housing Assistance and Self-Determination Act [NAHASDA] of 1996. I know that this committee will be faced with reauthorization NAHASDA and look forward to working together.

In the past decade of tribal control over the resources provided by NAHASDA to tribes and Native Alaska villages and organizations for housing of American Indians and Alaska Natives, we have made progress. I think we sometimes gloss over the fact that the title of this act for housing includes the term "Self Determination". NAHASDA is a logical extension of Public Law 93–638, the Self Determination and Education Assistance Act, the original act recognizing tribal and Alaska Native rights to make decisions controlling our lives and the lives of our adults and children within the Council Chambers, not in distant offices. The statute recognizes and embodies local control in needs analysis and action definition. We stress that the statute and the Congressional action passing it, recognized that right, it did not create that right. Our right to control tribal programs at the local tribal level is inherent in our sovereignty. In recent decades that premise, long forgotten or suppressed, has again taken root, and we feel that this recognition is responsible for the progress we have made. We will continue that progress as long as we work together to enable tribal decisions and do not revert to trying to make "one size fits all" solutions.

The creation of a single block grant to be distributed to tribes and their Housing Authorities really put meaning in the terms "self determination" and "local control". It created both the power to determine needs and the ability to address them quickly with local decisionmakers. As a result, housing for our people in the last decade has made a dramatic step forward. The legislation recognizing the ability of tribes and their people to make good decisions quickly placed the authority to act with the need for action. Tribes are required to develop and put in place a plan for their housing activities and submit it to the Department of Housing and Urban Development [HUD] but so long as we stay with the plan we develop, the HUD becomes an enabler, a part of the solution.

However, sadly, all the witnesses testifying before the committee today will agree that there are still very serious problems in housing for our Indian people. Severe shortfalls in adequate housing resources exist throughout Indian country. They exist on reservations, but they also exist in rural, non-reservation settings. Lack of housing, inadequate housing, housing with inadequate plumbing and insulation, and housing which is in need of rehabilitation and/or modernization maintenance seems to be commonplace in not only isolated spots, but also in rural areas with heavy Indian and Native American populations.

As one witness will testify today, lack of adequate housing casts a shadow over many facets of a child's life. It can make it more difficult for families to stay together and thrive. It becomes a multiplier in terms of the effects of other social factors, such as health, socio-economic circumstances and, most importantly, hope.

A major part of this problem is the lack of resources for the tribes. The National American Indian Housing Council has determined a need for a minimum of $1.1 billion in annual appropriations to meet this need. Unfortunately, we only have $627 million requested in the fiscal year 2008 budget, actually down from the fiscal year 2004 appropriations level of $654,100,000. Native American Tribes are asked to do more with less. We are told to meet the needs of all with resources only adequate to a few.

We are realistic. While we ask for your help in obtaining higher appropriations levels, we know that for the foreseeable future, our emphasis must be on equitably distributing the money we do receive. It is in that context of fairly distributing the small "pot" of Federal housing funds that a problem has arisen.

One of the most difficult decisions to be faced by the committee is this question of distribution of funds. In the original NAHASDA authorization, many questions were placed into a rulemaking committee, made up of tribal and Federal representatives. We are sure the aim of the committee in setting up this process was to encourage tribes and Alaska Native groups to work out their differences in a collegial and dispassionate fashion. It showed the committee's commitment to self-determination and the recognition of tribal sovereignty and we applauded the effort then and we support it now. By and large, it worked out very well and its very establishment showed the committee's wisdom to resist any urge or call to set arbitrary limits or standards.

Unfortunately, we have to be frank and say that the rulemaking committee was unable to resolve the toughest issue given to it—how to divide up the money in the Block Grant. More specifically, which set of data on population to use for one of the factors in the formula.

When the rulemaking committee failed to reach consensus, the HUD, realizing it was faced with a no win proposition but forced by circumstance and need to make a decision, did what it thought was right. This decision, and the HUD decision, was immediately attacked by a sector of the tribal representatives, on several grounds. I will not rehash that debate today, but everyone here knows the debate tore at the solidarity of tribes and their leaders at a time they should have been supporting higher appropriations for this program. Appropriations debate centered not around need but around political fixes and as a result, we have spent 2 years of internecine debate and dissension. We, and I include all those who have debated the issue, have deeply wounded what has always been a strong center of support for the undisputed needs of all Native American and Alaska Native housing authorities and their people.

I am not here to take a position on this issue, either of support or of opposition. I come from a State which has many tribes [37] and many proud people of Indian heritage. Many of our members have multiple heritage, and we celebrate that fact. For years, Oklahoma was an afterthought in any program created to benefit Indian people legislation would be written, and late in the process, someone would remember our State and hastily add in an "Oklahoma provision". Well, as you can see from my testimony today, we are from Oklahoma and we will participate from the start.

I am here, however, to ask the committee to continue its support of Self Determination and tribal control in its deliberations on this issue and in reaching it decision. I am concerned that in discussions with staff on the Hill, there does not seem to be a feeling of urgency to have a debate on the issue of data to be used in distribution, with all points of view involved and considered.

We are tired of having our program essentially controlled by provisions in annual appropriations bills which were established without debate, without input from the vast majority of tribes and without public consideration. NAHASDA should be reauthorized and this committee needs to step up and take on the issue of clearly defining how the funds in this program should be distributed. We have listened to the reasoning on this issue for 4 years and we suggest that the committee resist any easy solution involving embracing one simplistic solution or another. No matter what solution is made, unless it allows tribal governing authorities the right to have a say in which data base is used, this committee will have taken a step back, and not a step toward the future.

At the same time, I recognize the responsibility of the Federal Government to shepherd scarce resources, and its need to be sure that it ultimately reinforces its government to government relationship with tribes. That recognition, however, does not need to be restrictive on tribes. There are a number of data sets which tribes and the Federal Government should be compared when evaluate the equity in the

distribution of funds. As well as the sets produced by the Census, there are data sets produced by the Indian Health Services and other Federal programs. Tribal governments have their own data sets, though they have a range of sophistication in their systems for maintaining these. Some have made calls for the formation of new data sets, with a new collection of information. In my opinion, such a set should have the following guidelines:

- does not deplete scarce resources needed for housing "bricks and mortar";
- includes definitions and methods which substantiate the "facts on the ground" for all tribes and is not simply an arbitrary collection based on restrictive rules;
- is collected in an objective fashion, preferably by a third party and within a set timeframe; and
- the results are statistically valid and verifiable, through reference to other existing data sets. A variation is, of course, probably, but should be within predicted range.

For tribes in Oklahoma, I believe and recommend the selection of which data to have the Department use in the distribution of funds should be a matter of tribal determination. Upon submission, it is the job of HUD to validate the data submitted. However, as long as the data is statistically valid for the Tribe involved, it should be a matter of self determination. It would allow Tribes to make the choice and support sovereignty.

I know this committee has its work cut out for it with the reauthorization of NAHASDA. The Choctaw Nation of Oklahoma wishes to work with you and will be ready to offer any assistance we can.

PREPARED STATEMENT OF GEORGE RIVERA, GOVERNOR AND ALYN MARTINEZ, HOUSING CORPORATION DIRECTOR, PUEBLO OF POJOAQUE, SANTA FE, NM

Good morning Chairman Dorgan and honorable members of the Senate Committee on Indian affairs. My name is George Rivera. I am the elected Governor of the Pueblo of Pojoaque. I have been the Governor of the Pueblo since 2004. From 1992 to 2004, I was Lieutenant Governor. With me is Alyn Martinez, director of the Pueblo of Pojoaque Housing Corporation.

We are here today to thank Congress for providing funds for low and moderate income housing. We ask that you re-authorize the Native American Housing and Self-Determination Act [NAHASDA] and make changes so that the funds can be used to help more low and moderate income tribal members from smaller tribes, such as ours. Primarily, we are also here to share our housing success story. We will answer any questions you have about the nuts and bolts of funding tribal housing developments by using Federal, state and tribal funds.

The Pueblo of Pojoaque is located in a rural, high desert area, approximately 12 miles north of Santa Fe, NM. According to the best scientific evidence, the Pueblo has been occupied since 1150 A.D. From 1540 to 1848, the Pueblo fell under Spanish, then Mexican domination. In 1848, the Pueblo became part of the United States. The Pueblo's Spanish land grant was confirmed by Congress in 1858 and patented by the United States on November 1, 1864. The confirmation was in the form of a quit-claim deed. The Pueblo of Pojoaque has always owned its land in communal title—the Pueblo has never been a Federal reservation.

The original land grant was 13,438.15 acres. Between 1848 and 1913, the Federal Government did not protect the Pueblo from encroachment by outside settlers. In 1913, the U.S. Supreme Court held that the Pueblos of New Mexico were to be considered "Indians" for the purpose of protection by the Federal government.

In a high desert, water is vital to survival. The Pueblo lost 1,845.64 acres of its best lands, located near the waterways, to encroachment by settlers. By 1913, due to the encroachment and loss of its irrigable lands, most of the Pueblo of Pojoaque members had left the Pueblo to live and work in neighboring Pueblos and surrounding communities.

In 1924, the Federal Government, through the Pueblo Lands Act, authorized payments to the Pueblo for lands lost due to Federal negligence. In 1932, five Pueblo of Pojoaque families returned to their traditional homelands and organized the community according to its traditional government. The traditional government has declined to adopt a Constitution. The traditional government consists of a tribal council, open to all enrolled members over the age of 18. The tribal council elects the tribal officials for a 2-year period.

Until the 1980's, the Pueblo's unemployment rate was estimated at 80 percent. Due to the lack of economic opportunity, many tribal members lived and worked in neighboring Pueblos, communities, and throughout the United States.

To address the economic, zoning, infrastructure and housing problems, the Pueblo of Pojoaque Tribal Council adopted the W.C. Kruger and Associates Community Development Plan in May 1988. The Community Development Plan was a blueprint for activity within the 11,600 acres still owned by the Pueblo of Pojoaque. Substantial and successful economic growth followed the adoption of the plan. Today, we own and operate a golf course, two gas stations with convenience stores, two hotels, a convention center, a sandwich store franchise, a tourist information center, two restaurants, a supermarket, a hardware store, a laundromat, a mobile home park and an apartment complex. We lease space and buildings to outside businesses, a medical center and credit union. We also own and operate a casino with a buffet. There is 100 percent tribal member employment—a job is available for any member who wants it.

The Pueblo of Pojoaque enrolled members are young. According to the 1990 Census, there were 177 Pueblo members; currently there are 373 enrolled members. According to the New Mexico Voices for Children-Kids Count Special Report of 2005, the 2000 Census reported that of the 311 Native Americans living on the Pueblo, 123, or 40 percent of the population, were under 18 years old. The Pueblo has a long list of young families who qualify for low- to moderate- level income housing. According to the current Federal guidelines for the Santa Fe area, in order to qualify for low-level income housing, a family of four must not have a gross income exceeding $26,400. According to current Federal guidelines for the Santa Fe area, in order to qualify for moderate-level income housing, a family of four must not have a gross income exceeding $39,600. Currently, rent for a three-bedroom subsidized home in the Santa Fe area may range from $150 to $891. The Pueblo only provides subsidized homes for enrolled members.

No casino funds have been used in the housing projects. The housing projects have been funded through the Federal and State governments, with the Pueblo of Pojoaque providing the land, most of the labor, and administrative staff.

Prior to 1988, Pueblo housing consisted of 40 Department of Housing and Urban Development [HUD]-financed homes located within the Pueblo's main and north villages.

Since 2000, the Pueblo of Pojoaque has developed and completed construction on phase I of the new housing project, known as White Sands. Phase II is now under construction. The housing projects are located within the Pueblo on 200 acres of Pueblo-owned land. The first phase of the White Sands Housing Development was begun under the auspices of Pojoaque Limited Liability Company #1, a tribally chartered corporation. Thirty low-income houses were built.

White Sands, Phase I, cost approximately $5,500,000. The costs were for infrastructure and home construction. NAHASDA funds provided $36,000 a year for 20 years. The Pueblo secured a $400,000-bank "construction gap" loan using part of the NAHASDA funds as collateral; $3,000,000 was provided through the Federal and State tax credit program; $400,000 was provided by Indian Health Services for water and sewer infrastructure; $300,000 was provided through the Affordable Housing Program [AHP]—a program provided through regional banks; $400,000 was provided by the HUD-Rural Housing and Economic Development [RHED] program, for power, gas, and telecom infrastructure; $ 1,000,000 was provided by the Bureau of Indian Affairs [BIA] for roads.

The second phase of the White Sands Housing Development was begun through the auspices of Pojoaque Limited Liability Company 42. Twenty low-to-moderate income homes are being built. The project has cost $4,150,000.

The Federal and state tax credit program provided $2,000,000. The Pueblo used a tribal Certificate of Deposit as collateral to secure a $400,000 bank security loan. The $400,000 bank security loan was then used to secure a $310,000-AHP Grant; $605,000 was provided by the HUD-Indian Community Development Block Grant [ICDBG] program; $300,000 was provided by RHED. $300,000 was provided by the New Mexico Tribal Infrastructure Fund; $360,000 was provided by the Indian Health Service for sewer and water infrastructure. The funding for the road infrastructure is not complete.

No. 1. NAHASDA does not allow for funds to be used for maintenance of the homes on the most recent housing projects, such as phase I of White Sands. The original Federal funding for the first 40 homes on the Pueblo of Pejoaque included funding for maintenance of the homes. Maintenance over the 15-year life of the home may exceed the budget of a low- or moderate-income level owner. The burden for maintenance of the homes falls upon the Pueblo of Pejoaque or the low- or moderate-income level owners. The Pueblo believes that NAHASDA should allow, or restore, funds to be used for maintenance of the homes on housing projects that NAHASDA helps fund.

No. 2. NAHASDA and IHS funds are mutually exclusive. In other words, if NAHASDA funds are used for the housing project for any purpose, IHS will prorate the amount of IHS infrastructure funds that can be used for the housing project.

For example, the NAHASDA funds that were used as leverage to supplement phase I construction funds [the "construction gap loan"] were deducted from the IHS infrastructure budget. Therefore, there was an unintended consequence for the overall project—there was a tradeoff in the quality of wastewater systems in phase I. Due to the deduction by IHS of NAHASDA funds, the Pueblo was not able to fund alternative wastewater systems.

Also, by curing the problem of securing a "construction gap loan" for phase I with future pledges of NAHASDA funds, the Pueblo has used all of those NAHASDA funds. The needs for future housing remains. However, the NAHASDA formula for funding does not address our small tribe's future housing needs. According to the current formula, we cannot access NAHASDA funds unless our population grows—yet we still have housing needs not addressed.

The solution is to allow NAHASDA funds to supplement the IHS infrastructure funds, without deducting the NAHASDA contribution from the IHS infrastructure funds. NAHASDA funding should also be increased to allow all tribes to address their housing needs.

No. 3. The Pueblo of Pojoaque has proven that by using creative financing, tribal housing needs can be addressed. NAHASDA does not currently provide goals or incentives for smaller tribes to meet all of the housing needs. The economies of scale should be incorporated in NAHASDA funding formulas. With a goal-based, incentive laden formula, the Pueblo of Pojoaque could meet all of its housing needs by using Federal, State, and tribal financing.

QUESTIONS FOR GOVERNOR GEORGE RIVERA, PUEBLO OF POJOAQUE, FROM HON. PETE V. DOMENICI, U.S. SENATOR FROM NEW MEXICO

Senator DOMENICI. Governor Rivera, I appreciate your being here this morning. I want to applaud you for your diligent approach to solving problems, and for your dedication to the Pueblo of Pojoaque.

I have reviewed your testimony with great interest.

You indicated in your written testimony that during the 1980's unemployment on the Pueblo was estimated at 80 percent.

No. 1. How has the housing work you have done contributed to the economic growth of the Pueblo of Pojoaque?

No. 2. What are some of the unique challenges that smaller tribes and Pueblos, like yours, face in trying to provide housing for low and moderate income tribal members?

I know that the Pueblo takes great pride in maintaining its own community water and wastewater systems. You state in your testimony that because NAHASDA funds were deducted from IHS infrastructure funds that you had to modify your wastewater system.

No. 3. If those funds were available, how would the construction of your wastewater system been enhanced.

Questions with responses from Governor Rivera

Question. How has the housing work you have done contributed to the economic growth of the Pueblo of Pojoaque?

Answer. Affordable housing has been historical problem in the Santa Fe area. This same trend has been evident since the 1980's—low wages, high home prices. The 2000 Census stated that the per capita income in Santa Fe County was $23,594. According to the latest figures used by the Pueblo of Pojoaque and the Santa Fe Association of Realtors, the county's median sales price in the first quarter of 2007 was $517,000, up from $449,750 in the first quarter of 2006.

Economic growth is directly related to the economic sophistication of the Pueblo members. All economic decisions must be authorized by the tribal council. The economic plan is carried out by Pueblo supervisors. In order to keep Pueblo members with an economic background from leaving the area, and to attract Pueblo members to return to the Pueblo, the Pueblo has followed a two-prong strategy since the 1980's. The first prong is to keep housing affordable. The second prong is to provide educational incentives, such as stipends and tuition reimbursement, for the members. Therefore, the cycle of education and economic growth is vital to the Pueblo's culture.

In order to provide affordable housing, the Pueblo chartered the Pueblo of Pojoaque Housing Corporation to build the necessary infrastructure and to develop, operate, and maintain housing for the growing population. By reducing the need for profits required by outside developers, the Pueblo has kept down housing costs. The

Corporation also provides jobs for qualified members, thereby also keeping the income, within the community.

Question. What are some of the unique challenges that smaller tribes and Pueblos, like yours, face in trying to provide housing for low and moderate income tribal members?

Answer. The challenges center around funding Federal, State, and tribal funding for infrastructure, development, maintenance, operations and construction of housing. Unfortunately, for smaller tribes, Native American Housing and Self-Determination Act [NAHASDA] Helps in providing funds for the planning, designing, and constructing affordable housing—but the funds can't be stretched sufficiently to meet the housing needs.

There is no overall coordination between the Federal agencies. NAHASDA funds cannot be co-mingled with Indian Health Service [IHS] funds. Specifically, the use of NAHASDA funds proportionately reduces the amount of funds that IHS will provide for housing. The Pueblo's recommended solution is to simply place all Indian housing funds under one agency. That, agency could then take the funds and determine how much money could be used for the different phases of Indian housing. Allocations could be based on a formula that balances housing needs and rewards tribes who meet the needs. Such a formula would guarantee Congress that Federal, State, and tribal funds are, being used to provide needed Indian housing and such a formula would reward small tribes for completing construction projects.

Question. If [NAHASDA and IHS] funds were available, how would construction of your wastewater system have been enhanced?

Answer. The, inability to co-mingle NAHASDA and IHS funds forced the Pueblo to build an inadequate wastewater system. An alternative system would have eliminated the possibility of ground contamination and provided reusable water for residents, The solution is to allow NAHASDA funding to be co-mingled with other Federal funding sources, such as IHS funds.

The first phase of the White Sands Housing Development wastewater system was forced to revert to conventional septic systems. Septic systems pose groundwater issues with contamination from nitrates leaching into the water table. Septic tanks must be periodically pumped. Septic tanks must be managed appropriately to ensure proper operation.

The Pueblo considered alternative onsite wastewater systems to treat the wastewater and reclaim the water. The alternative systems could not be purchased due to the restriction on co-mingling NAHASDA and IHS funds.

Question. With a NAHASDA funding allocation of $205,000 a year, how many homes does the Pueblo build?

Answer. The meager NAHASDA allocation was used to leverage other State and tribal funding for the homes. The $205,000 provides for the Pueblo to manage current stock. The NAHASDA funding formulas do not allow for the construction of additional homes.

Question. How important was leveraging NAHASDA grant funding when planning your multi-phase housing development?

Answer. The leveraging of NAHASDA funds was critical to funding the first phases of the White Sands Development, NAHASDA funds were used to leverage funds for a loan to meet a gap in the construction phase of building. Specifically, NAHASDA funds were obligated to meet monthly payments on the loan. Therefore, the NAHASDA funds could not be used for operating costs.

Since we used NAHASDA funds on the housing project, IHS funds limited our funds for "wet" utilities [water and sewer]. As a matter of fact, using NAHASDA funds seems to be a deterrent for development and construction of new housing projects for a small tribe. It seems that larger tribes are not as proportionately limited in the use of IHS funds. For a smaller tribe, the consequences of using, NAHASDA funds is detrimental.

Question. What can Congress do to provide further incentives encouraging tribes to use creative financing for home development?

Answer. As discussed earlier: Place the Indian new housing programs under one agency, divide the money into separate categories such as—infrastructure, development, design, archaeological. home construction, operation, maintenance on old stock, and then create an allocation formula that rewards tribes for meeting their housing goals.

Question. How important was the use of State funding in putting together the $5.5 million Pueblo's White Sand Development?

Answer. The State Tax Credit Program administered by the New Mexico Mortgage Finance Authority was crucial to the White Sands Development. The State Tax Credit Program provided 50 percent of the cost of the total White Sand project. The State Tax Credit Program provided for 80 to 90 percent of the actual home construc-

tion. The State Tax Credit Program is critical for small tribes with limited resources to develop new, affordable housing. Without the State Tax Credit Program, the houses could not be built.

PREPARED STATEMENT OF RUSSELL SOSSAMON, CHAIRMAN, SOUTHERN PLAINS INDIAN HOUSING ASSOCIATION

Mr. Chairman:

My name is Russell Sossamon and I am president of the Southern Plains Indian Housing Association [SPIHA] which consists of close to 50 tribally designated housing entities that cover the States of Oklahoma, Texas, Louisiana, Missouri, and Kansas. We are submitting this testimony on certain issues of concern regarding Indian Housing for consideration of your committee.

First, SPIHA would like the record to reflect that it supports reauthorization of the Native American Housing Assistance and Self-Determination Act [NAHASDA] of 1996. We look forward to working with you and the committee on the many issues related to reauthorization in the near future.

Second, SPIHA would like to make clear that it believes that while there are no perfect methodologies, it should be recognized that it is the sovereign right and responsibility of each tribal government to determine the least flawed and most accurate methodology that reflects the tribal population of their area. Each tribal government has the opportunity and obligation to engage in direct government to government consultation and or negotiations with the Federal Government to substantiate the validity of the data set the tribe has determined to utilize. In other words, SPIHA members believe that "choice" should be provided to tribal governments as to use of a validated data set.

Each tribe is unique and that uniqueness needs to be preserved and respected. Imposing one data set over another would be an ill-considered policy.

Additionally, attempting to fund a special census that all tribes would undertake could only be done at an enormous cost. For instance using estimates based on procedures that have been validated by the U.S. Census Bureau, a census of Maricopa County in Arizona would cost $10 million. The cost of doing a census in an area that is 62 times larger than Maricopa County like Alaska would be incalculable. To cover the formula areas in Oklahoma, all 1,514,400 housing units in that State would have to be surveyed. The cost of what would essentially be a duplicate census would be over $67 million, based on guidelines available from the U.S. Census.

Providing funds for all tribes to complete their own census would be an extravagant use of resources that would not guarantee any better result than what currently exists in terms of data sets. SPIHA would not be in favor of draining funds that are already inadequate to meet the housing needs of Native Americans and Alaskan Natives for a universal census. Any additional funds should be targeted to building more and better homes for our people.

However, for those tribes that desire to conduct their own census, the mechanism exists today for that to occur under NAHASDA. Every tribe has the ability to present data to HUD with proper documentation. In addition, the cost of such data collection is an allowable use of Indian Housing Block Grant [IHBG] funds. Examples of successful utilization of this process include presentation of alternative data to HUD by the Ogalala Sioux and Lumbee State Tribe of North Carolina.

Under SPIHA's "choice" proposal, this data collection option would be preserved.

Finally, the concept of a "hold harmless" provision that requires all tribes to take an across the board cut in funding under the proposed Federal Fiscal Year 2008 budget points out the problem with the formula as configured by the appropriators for fiscal years 2006 and 2007. In that formula, HUD is directed to use a data base that supposedly allocates the most money to a tribe, and then if the total tally exceeds the appropriated amount, HUD reduces the amount for the tribes with an across the board cut of a certain percentage to stay within the appropriated amount. The problems with this approach are many, and include:

- Again the element of "choice" is eliminated. A tribe has no say as to what data set is to be used.
- The hold harmless across the board cut is a draconian method of meeting artificial limits and creates uneven impacts, with many smaller tribes taking a much larger cut in proportion to their overall budgets than larger tribes.

The result also is illustrative of why the IHBG formula needs to be discussed within the context of other elements of NAHASDA and not just through the narrow lens of the appropriations process. In the controversy over use of certain data sets, it has been forgotten that more significant portions of the IHBG formula are influenced by elements such as overcrowding, housing cost burden of over 50 percent,

and percent of households that are of very low and low income. These need to be considered as part of the overall review of reauthorization of NAHASDA.

Providing "choice" of data sets to recipients of IHBG funds under NAHASDA is the option that best represents the ideals of the United States while simultaneously respecting the sovereignty of tribal governments. And if tribes are interested in conducting their own tribal census, they should have the "choice" to do so, using existing protocols that work.

The Southern Plains Indian Housing Association thanks you for allowing us to submit remarks on this very important subject. Furthermore, we appreciate and acknowledge your hard work, and the efforts of your committee members and staff, in analyzing all views on NAHASDA in a fair and considered fashion.

Testimony of

Juel Burnette
Wells Fargo Native American Housing Initiatives

Before the
US Senate Committee on Indian Affairs

March 22, 2007

Oversight Hearing of Indian Housing Programs

Chairman Dorgan, Vice Chairman Thomas, and Members of the Committee, thank you for the invitation to testify before the Committee on Indian Affairs regarding the various Indian Housing programs that fall under this Committee's jurisdiction. I am honored to be here.

My name is Juel Burnette. I am the Native American Lending manager for Wells Fargo Home Mortgage based in Sioux Falls, South Dakota. Wells Fargo Home Mortgage has full-time mortgage consultants based in Arizona, Montana, New Mexico, Oklahoma, and South Dakota who work with Native American customers on home loans across the United States.

For many years, Wells Fargo has been pleased to work with this Committee, as well as with individual Members, on various Federal initiatives to improve availability of credit for Native Americans. We look forward to a

continued collaboration with Congress, tribes and relevant organizations, as Congress proceeds with a reauthorization of Indian Housing programs.

Wells Fargo has been serving Native American tribes for more than 50 years and today we provide capital and financial services to more than 150 tribal nations across the United States. We've been a leading home mortgage lender to tribal nations for more than 25 years, and Wells Fargo was the first financial services company to originate a home mortgage on tribal lands.

In 2005, we closed mortgage loans on 47 different reservations in 20 different states. We were also the first major national financial services company to dedicate more than 10 professionals to serve Native American and Tribal Nation housing needs.

In 1991, we created Native American Banking Services, a specialty financial services group for Tribal Nations. The role of this group is to develop non-gaming credit opportunities with tribal governments and middle market Native American-owned companies. The group also supports tribal relationships and underwrites the sovereign risk associated with all lending to tribal governments on both taxable and tax-exempt loans.

I have appended a fact sheet summarizing our Wells Fargo programs tailored for use on tribal lands and to Native Americans. I ask that it be made part of the Committee's hearing record.

Today, I would like to concentrate my remarks on a few main issue areas: First, on the viability of the HUD Section 184 Loan Guarantee Program and second, concerns with the Bureau of Indian Affairs Land Titles and Records Office (LTRO).

As you know, the HUD Section 184 program was created by the Housing and Community Development Act of 1992. This program offers a loan guarantee to private sector lenders such as Wells Fargo Home Mortgage who then make mortgage loans to eligible borrowers for homes on Indian land, near reservations, and other eligible areas. In 2006, Wells Fargo's Native Lending group originated 241 HUD 184 loans. This is an all time high for Wells Fargo, and leads all financial services companies. We strongly support reauthorization of the HUD 184 program.

We believe the program could be improved with the addition of staff. Currently there are only two HUD Office of Native American Programs (ONAP) underwriting staff members. While these two individuals do an outstanding job, we believe that additional staff would increase efficiency and better accommodate for increased utilization of the program.

With regard to the Bureau of Indian Affairs Land Titles and Records (BIA LTRO) office, a number of areas could be improved. We believe that lenders, borrowers, and others involved in the process would greatly benefit from the development of a streamlined, consistent policy for the timely processing and delivery of necessary documents. Unfortunately, we have experienced a number of inconsistencies with requests for documents such as the recorded home site leases and Certified Title Status Reports. In fact, I have been working with the Pacific Regional Office and the Southern California Agency for three years on obtaining our recorded mortgage documents and the Certified Title Status Report. These delays are the most significant barrier to providing more home

loans to Native Americans in a state that has more tribal nations than any other state in the country.

With these challenges, there are also successes within the BIA that should be recognized. The work of Nila Solaman and Brenda High Rock at the Great Plains Regional Office is exemplary – their consistent, timely processing is an example that should be followed throughout the agency. BIA agencies located at the local reservation level should be commended for their efforts to facilitate processing of requests as well. The Northwest Regional Office in Portland, Oregon, and the Southwest Regional Office in Albuquerque, New Mexico, have been helpful, particularly when receiving requests from the local agencies. The personnel at the regional offices do a lot of good work; however, consistent and streamlined processes would facilitate the lending of more mortgages and greater utilization of these housing programs.

In closing, I would like to thank the Chairman and Members of the Committee for the opportunity to present our views on Federal Indian Housing Programs. In our view, a partnership among all interested parties is critical for financial success on tribal lands. I would be happy to respond to any questions that the Committee may have. Thank you.

WELLS FARGO'S COMMITMENT TO THE NATIVE AMERICAN COMMUNITY SINCE 1852

Wells Fargo has been serving Native American tribes for more than 50 years and today we provide capital and financial services to more than 150 tribal nations across the United States. We've been a leading home mortgage lender to tribal nations for more than 25 years, being the first financial services company to originate a home mortgage on tribal lands. We were also the first major national financial services company to dedicate more than 10 professionals to serve Native American and Tribal Nation housing needs.

In 1991, we created Native American Banking Services, a specialty financial services group for Tribal Nations. The role of this group is to develop non-gaming credit opportunities with tribal governments and middle market Native American-owned companies. The group also supports tribal relationships and underwrites the sovereign risk associated with all lending to tribal governments on both taxable and tax-exempt loans.

As a leading financial service provider and home mortgage lender to Alaska Natives and Native Americans and the tribal gaming industry, Wells Fargo is a prominent leader in providing full service banking stores located on Indian reservation land. Through its targeted programs alone, Wells Fargo has current loan commitments of than $1.8 billion over the last 10 years to tribes and Native Americans and manages more than $500 million is tribal assets. We're also the first financial institution to participate in Indian Land Capital Company's new loan fund. The loan fund helps tribes buy back land that was once part of their reservations.

Through its Business Credit – Factoring Government Services Group, Wells Fargo provides financing for Native American, tribal and individually-owned companies nationwide that provide goods and services to federal, state and municipal government agencies. The group also works closely with Native American Capital, LLC, the first all Indian Country private equity and venture capital firm and supports legislative issues regarding Native Americans in Washington D.C.

Wells Fargo is the fifth largest financial services company in the U.S. and serves more than 23 million customers. With 169,000 team members we're one of the country's top-40 largest private employers and rank fifth in assets and fourth in market value of our stock among our peers. We've been named as one of the "Top 50 Companies for Diversity" *by DiversityInc* magazine and are listed by *FORTUNE* as one of the "Best Companies for Minorities."

Educational Outreach

We are actively involved in supporting educational opportunities for all and ensuring a better future for children with programs targeting the elementary through college-age levels. Our educational outreach programs focus on providing practical and comprehensive financial education so that we can help our customers achieve their goals of financial success.

Native American College Students Scholarship

The Wells Fargo Scholarship for Native American College Students is administered by the American Indian Graduate Center (AIGC). The $300,000 scholarship, created in 2005, helps up to four qualifying students fill unmet financial aid needs each year.

Hands on Banking®
Hands on Banking (www.handsonbanking.org) is a free, comprehensive curriculum that teaches children – from elementary school to the high school level – and adults the money management skills they need for a brighter financial future. Wells Fargo partners with tribes to provide financial education covering topics such as the basics of banking, budgeting, and checking and savings accounts and even more advanced wealth building topics such as home buying, investing, and starting a small business. We deliver this educational tool through partnerships with schools, community groups and government agencies. The program is commercial-free and available through the Internet, CD-ROMs and teaching guides.

College Planning
Wells Fargo's Education Financial Services helps families navigate every step of the college process, from grade school to graduate school and from application to repayment. Wells Fargo provides a broad range of information for current and prospective college students on scholarships, financial aid, testing and college preparation at www.wellsfargo.com/student. The *CollegeSTEPS® Program* (www.wellsfargo.com/collegesteps) provides high school students with information about planning for college and annually awards one hundred students with $1,000 tuition prizes.

Home Ownership
Over the past four years, Wells Fargo has closed mortgage loans on 47 reservations in twenty states, totaling more than $63 million. Programs such as the U.S. Government Department of Housing and Urban Development's (HUD) Section 184 offer a loan guarantee to private sector lenders, like Wells Fargo Home Mortgage, who then make mortgage loans to eligible borrowers for homes on Native American land, near reservations or in urban areas.

Homeownership is the foundation of financial success, and Wells Fargo demonstrates its commitment to helping renters become first-time home buyers through our First Home® workshops. These local educational events debunk common myths about homeownership, help consumers better understand the mortgage lending process and how credit ratings affect the loan approval process, and provide guidance on improving credit scores.

Through the **Easy-to-Own℠ Native American Home Loan** Program, eligible borrowers are able to purchase, rehabilitate or construct a home located within reservation boundaries using private mortgage capital. The **Easy-to-Own Native American Home Loan** Program offers a loan guarantee to private sector lenders who make home mortgage loans to eligible borrowers for homes located in Native American reservations.

Additionally, we partner with community-based organizations and minority realtors to provide funds and educational tools to the Native American community.

Habitat for Humanity
Since 1993, the Wells Fargo Housing Foundation has provided Habitat for Humanity and its affiliates nationwide with funding, leadership and volunteers to build and renovate over 2,000 homes across the country, including 92,000 volunteers, 3.5 million volunteer hours and $40 million in loans and grants. Many of these projects were completed on Native lands, such as the Rosebud Indian reservation in Mission, South Dakota.

Community Partnerships
Wells Fargo actively supports community initiatives, educational programs, and non-profit organizations through grants and volunteer activities. In 2006 alone, Wells Fargo gave $103 million in corporate funding to over 14,000 non-profit agencies across the country, many serving Alaska Native and Native American communities in our local markets.

Alaska Community Agent Program
In Alaska, Wells Fargo employs three contracted rural community liaisons, referred to as community agents. These community agents help connect rural communities with financial services, including financial education. The Alaska Community Agent Program is the only one of its kind in the U.S. and is recognized by the Office of the Comptroller of the Currency as an innovative program.

Native American Community Development Training Program
In 2005, the Wells Fargo Housing Foundation completed the third year of a three-year commitment to NeighborWorks® America for continued support of the Native American Community Development Training Program. The program gives Native American tribes the tools and skills to create economic development and homeownership opportunities in tribal lands which help tribes become more self-sufficient. The program delivers four training courses in the areas of homeownership, management, Native American Real Estate development and Native American Economic Community Development.

Alaska Heritage Museum
Wells Fargo's Alaska Heritage Museum in Anchorage houses one of the largest privately-owned public displays of Alaska's history and Native cultures in North America. Wells Fargo's Native artwork and artifact collection is also displayed in stores throughout Alaska.

Outreach to Small Businesses
Wells Fargo has been a committed partner and supporter of small businesses for more than 150 years and is the leading lender to small businesses nationwide of loans less than $100,000. We work to understand the needs of small business owners. We provide the necessary tools and services to support their continued financial success, including access to capital, financial guides, workshops, seminars, trade shows and research. We frequently work with various regional and local community organizations to help us identify and inform business owners about our programs, products and services. Our education programs teach women and diverse business owners how to grow their business, plan for retirement and build wealth for their families

Supplier Diversity
Our Supplier Diversity initiative helps ensure that suppliers whose owners are ethnically diverse, women and people with disabilities have equal opportunity to compete for Wells Fargo's business.

We developed web tools to help suppliers register with Wells Fargo and we're involved with education and mentoring programs for diverse suppliers. In addition, we invested in improved online tools so our managers can better monitor, understand and increase their diverse supplier spending.

In 2005 we set a goal of spending at least $1 billion annually with diverse-owned suppliers by the year 2010. We're halfway there – we spent an estimated $550 million with diverse suppliers in 2006.

Team Member Commitment/Diversity
Wells Fargo strives to build a culture in which all people are accepted and individual differences are respected among all team members and all customers, regardless of their individual traits, skills and talents. We're committed to hiring and retaining diverse team members and have a plan for increasing diversity in all levels of management.

Wells Fargo Corporate Diversity Council
Wells Fargo's Corporate Diversity Council is comprised of 35 team members representing different lines of business and geographies. Members advise Wells Fargo's executive team on policy, program, culture and leadership best practices that foster diversity and awareness.

Team Member Resource Groups
Many Wells Fargo team members participate in Native Peoples, our Native American Team Member Resource Group. Wells Fargo has over 97 Team Member Resource Groups (TMRGs) and five separate chapters of Native Peoples in five states – Alaska, Arizona, California, New Mexico and South Dakota. These internal organizations offer networking, career development, mentoring, leadership opportunities and plan outreach initiatives to Alaska Native and Native American communities. Their efforts work to ensure that Wells Fargo can continue to have a workforce that mirrors the communities it serves.

Diversity Training
Diversity training helps raise awareness among team members. We've added a new workshop to our standard diversity learning curriculum called "MicroInequities," which teaches team members to identify and manage subconscious messages that hinder workplace performance and inclusiveness.

Wells Fargo is committed to developing and attracting diverse leaders so we have a Diverse Leaders program. We also offer Leadership Series Seminars and a number of professional development programs designed to quickly train top performing team members and/or recent college or MBA graduates to assume responsibility for our businesses. One program, "A Fast Track to Management" provides participants 6-36 months of rotational or project based training, giving them an opportunity to work within various business lines.

Marketing and Advertising
In 2001 we created our Diverse Growth Segments team to help ensure we are offering products and services to meet the cultural lifestyle and needs of our diverse customers.

We've developed a variety of culturally sensitive marketing collateral pieces that depict the Native American culture and lifestyle. These pieces include brochures, print ads and exhibit booths.

Achievements
- "Top 50 (17th) Companies for Diversity" (*DiversityInc* magazine)
- "Top 10 Best Companies for Executive Women" (*DiversityInc* magazine)
- "World's Most Admired Financial Services Company" (*Barron's*)
- "Top 50 Employers for Minorities and Women" (*FORTUNE*)
- Corporate Leadership Award (American Indian Chamber of Commerce)
- "Top 25 Best Places to Launch a Career" (*BusinessWeek*)
- "Nation's 5th Largest Corporate Foundation" (*Forbes*)
- "American Spirit Award" (The Council of Energy Resource Tribes)

STATEMENT OF ORLANDO J. CABRERA
Assistant Secretary
Office of Public and Indian Housing
U.S. Department of Housing and Urban Development

BEFORE THE
COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

March 22, 2007

INTRODUCTION

Mr. Chairman, Mr. Vice Chairman, and Members of the Committee, thank you for inviting me to provide comments on HUD's Indian housing, loan guarantee and community development programs.

My name is Orlando Cabrera, and I am Assistant Secretary for the Office of Public and Indian Housing. PIH is responsible for the management, operation and oversight of HUD's Native American and Native Hawaiian programs. These programs are available to 561 federally-recognized Indian tribes, 5 state-recognized Indian tribes formerly eligible under the 1937 Act, and the State of Hawaii's Department of Hawaiian Home Lands. We serve these entities directly, or through their tribally designated housing entities (TDHE), by providing grants and loan guarantees designed to support affordable housing and community development activities. Our partners are diverse; they are located on Indian reservations, in Alaska Native Villages, and on the Hawaiian Home Lands.

In addition to those duties, PIH's jurisdiction encompasses the public housing program, which aids over 3,000 public housing agencies that provide housing and housing-related assistance to low-income families.

It is a pleasure to appear before you again, and I would like to express my appreciation for your continuing efforts to improve the housing conditions of American Indian, Alaska Native and Native Hawaiian peoples. From HUD's perspective, much progress is being made. Tribes are taking advantage of new opportunities to improve the housing conditions of the Native American families residing on reservations, on trust or restricted lands and in Alaska Native Villages.

This momentum needs to be sustained as we continue to work together toward creating a better living environment in Native American communities.

OVERVIEW OF NATIVE AMERICAN PROGRAM

At the outset, let me reaffirm the Department of Housing and Urban Development's support for the principle of government-to-government relations with federally-recognized Native American tribes. HUD is committed to honoring this core belief in our work with American Indians and Alaska Natives.

Increasing minority homeownership is one of the President's primary goals. HUD's Native American housing and loan guarantee programs are the lynchpins for accomplishing this within Indian Country.

For example, our latest figures show that during FY 2006, tribes and their TDHEs used Indian Housing Block Grant (IHBG) funds to build, acquire, or rehabilitate more than 1,600 rental units and more than 6,000 homeownership units. Each of these units

became a home to a Native American family. There have been recent successes with our loan guarantee programs too; and we will discuss this in more detail in a few moments.

The block grant and loan guarantee programs are important vehicles for achieving the Department's goal of reducing overcrowding in Native American communities by 10 percent over 10 years.

For several years now, we have updated you on the progress that tribes and TDHEs are making toward the obligation and expenditure of the funding appropriated for Native American programs. That progress continues. In an effort to ensure that grant funds are disbursed in a timely manner, HUD identifies those recipients with undisbursed grant funds more than 3 years old and works with them to reduce those balances. In 2005, program managers identified more than $285 million in such funds and were successful in reducing that amount by more than 50 percent. In 2006, $260 million in undisbursed, older-than-3-years grants were reduced almost 30 percent.

This represents substantial progress and indicates that tribes are increasing their capacity to comprehensively manage and grow their affordable housing programs. HUD's Office of Native American Programs (ONAP) has continued to develop more robust performance indicators to measure our progress and the progress of our grant recipients. At the same time, we are seeking to strengthen data collection capability to improve reporting and ensure that we can understand and communicate the rate of program fund obligations, expenditures, and production.

The Department is continuing to consult with tribal leaders and Native American housing officials on how we can improve and streamline data collection for the IHBG program and for the Indian Community Development Block Grant program.

REAUTHORIZATION OF THE NATIVE AMERICAN AND NATIVE HAWAIIAN HOUSING AND LOAN GUARANTEE PROGRAMS

The Department supports the reauthorization of all Native American and Native Hawaiian housing and loan guarantee programs. My office is examining a number of statutory amendments to NAHASDA that may be offered during the reauthorization process. We describe them briefly below.

The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) created the Indian Housing Block Grant (IHBG) and Title VI Tribal Housing Activities Loan Guarantee programs (Title VI). On December 27, 2000, the Omnibus Indian Advancement Act (Pub. L. 106-568) amended NAHASDA by adding a new title, "Housing Assistance for Native Hawaiians." Title VIII authorized the Native Hawaiian Housing Block Grant program, which is similar to the IHBG program, but serves Native Hawaiian families eligible to reside on the Hawaiian Home Lands.

The Omnibus Indian Advancement Act also established the Section 184A Native Hawaiian Loan Guarantee program. This single-family home loan guarantee program for Native Hawaiians is similar to the Section 184 Indian Housing Loan Guarantee program authorized by the Housing and Community Development Act of 1992 (Pub. L 102-550, 12 U.S.C. 1715z-13a).

The "Authorization of Appropriations" for each of these programs has, or is about to expire. At my request, the Deputy Assistant Secretary for Native American Programs consulted with headquarters and field office staff about statutory revisions to make these programs more user-friendly. During our regional and national housing summits, we also consulted with tribal and Indian housing leaders about ways to streamline the Indian Housing Plans (IHP) and Annual Performance Reports (APR) they submit. As an offshoot of that process, we established a work group to revise and streamline the IHP and APR formats and requirements. Some of the amendments under consideration are the results of decisions made by that work group and my staff. This is a brief overview.

1. **Allowing for Over-income and Essential Indian Families**: Right now, a tribe or TDHE can declare that certain over-income families are essential to the tribal community. Those families can then participate in NAHASDA's homeownership activities, loan guarantee activities under Title VI, and model activities. They cannot occupy rental housing, receive tenant-based rental assistance or receive other forms of affordable housing services. An amendment to section 201(b)(2) of NAHASDA would permit the tribe or TDHE to allow these over-income families to do so. Another amendment to section 201(b)(3) of NAHASDA would permit essential Indian families to be housed regardless of income. Current law only permits essential non-Indian families to be housed regardless of income.

2. **Useful Life:** An amendment to section 205 would delete the requirement for useful life and binding commitments for all dwelling units assisted with Indian Housing Block Grant (IHBG) funds, including homeownership units, and make the provision applicable only in the case of rental and lease-purchase housing owned and operated by the tribe or TDHE. In a number of instances, the current restrictions have prevented the children or spouse of a deceased homebuyer from inheriting the deceased's interest in the property.

3. **Formula Current Assisted Stock (FCAS):** An amendment to section 302, the IHBG Allocation Formula, would change the way that housing units in management are counted for formula purposes. It would stop counting units for FCAS purposes in the year after they are conveyed, demolished or disposed of. This change would comport with the process established by the original negotiated rulemaking committee that crafted the IHBG regulations.

In addition, an amendment to Title IV of NAHASDA would clarify that issues related to repayment of IHBG FCAS allocations do not constitute, in and of themselves,

substantial noncompliance by a grantee. Substantial noncompliance by a grantee triggers a formal administrative hearing on the issue.

4. **Operation and Maintenance of NAHASDA Units:** An amendment to section 202(4) "Housing Services," would clarify that grantees may use IHBG funds for the maintenance and operation of units developed with IHBG funds. Currently, this is considered a model activity, and the amendment would reduce paperwork for grantees and HUD staff.

5. **Indian Housing Plan (IHP) Streamlining:** An amendment to section 102 would simplify and streamline the IHP submission requirements by deleting the 5-year plan requirement, streamlining the one-year plan to eliminate duplicative information, and establish IHP due dates based on a grantee's program year.

6. **Annual Performance Report (APR) Streamlining:** An amendment to section 404 of NAHASDA would delete the requirement for a grantee to describe how it would change its programs as a result of its experiences. Most grantees do not think this information is necessary. Another amendment would conform the APR to reflect any IHP changes that are made.

7. **An amendment to the Section 184A program would allow refinancing and de-link it** to the annual Native Hawaiian Housing Plan (NHHP). The Section 184 Indian Housing Loan Guarantee program permits refinancing, and this amendment would conform the Native Hawaiian Section 184A program accordingly. The amendment to the NHHP removes the requirement to discuss loan guarantee activity, but grantees remain free to mention this activity in the NHHP. These amendments would conform Section 184A to the Section 184 program.

These proposed amendments will streamline paperwork submission and approval requirements, and provide better program clarity and direction. They are aimed at reducing administrative burdens on grantees and HUD staff. The majority of these amendments are similar or identical to those being proposed by the National American Indian Housing Council. We also worked closely with the IHP/APR working group on the streamlining amendments. To put some context to these proposals, a brief description of our programs follows.

SYNOPSIS OF HUD NATIVE AMERICAN AND NATIVE HAWAIIAN PROGRAMS

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. To qualify for a grant, the tribe must submit, for HUD's review for compliance, both a one-year and a five-year Indian

Housing Plan containing a mission statement, goals and objectives, and an activities plan by which the recipient will provide affordable housing during the grant period. At the end of each grant year, an Annual Performance Report must be submitted describing how the grantee met its stated objectives. The program began in FY 1998. Prior to NAHASDA, Indian housing authorities received funds under the authority of the United States Housing Act of 1937, as amended (1937 Act).

Funding Distribution: Need-based formula funding allocations under the Indian Housing Block Grant (IHBG) program are predicated on two factors; need, and Formula Current Assisted Stock (FCAS), which is the number of dwelling units that are currently owned or operated by the grant recipient that were developed under an Annual Contributions Contract authorized by the 1937 Act. FCAS also includes Section 8 units that continue to be operated after contract expiration in a manner similar to the Section 8 program.

Applicant Eligibility: Eligible tribes include federally recognized Indian tribes and the five state-recognized Indian tribes formerly eligible under the 1937 Act.

Legal Authority: Titles I through V of the Native American Housing Assistance and Self-Determination Act of 1996, as amended (Public Law 104-330; 110 Stat. 40; 25 U.S.C. 4101 et seq.)

Regulations: 24 CFR part 1000

TITLE VI TRIBAL HOUSING ACTIVITIES LOAN GUARANTEE FUND
(Federal Guarantees for Financing for Tribal Housing Activities)

This program authorizes HUD, through the Office of Native American Programs, to guarantee obligations issued by tribes or their tribally designated housing entities (TDHE), to finance the eligible affordable housing activities enumerated in Section 202 of NAHASDA, and other housing-related community development activities consistent with the purposes of NAHASDA. No guarantee will be approved if the total outstanding obligations exceed five times the amount of the grant for the issuer, taking into consideration the amount needed to maintain and protect the viability of housing developed or operated pursuant to the 1937 Act.

The program requires issuers to pledge current and future IHBG appropriations toward the repayment of the guaranteed obligations. The full faith and credit of the U.S. is pledged to the payment of all guarantees.

HUD may not guarantee obligations exceeding $400 million for each of Fiscal Years 1997-2007, with a cumulative cap of $2 billion for the eleven-year period. Once 50 percent of the authority has been committed in any year, HUD may limit the amount of guarantees any one tribe may receive in any fiscal year to $50 million, or request an

increase in the statutory dollar limitations. HUD may enter into commitments to guarantee loans for any fiscal year only to the extent that funds have been appropriated.

Funding Distribution: Eligible applicants apply for loans directly to lenders, and the Federal guarantee is issued after the loan is approved.

Applicant Eligibility: Grant recipients under the IHBG program authorized by NAHASDA.

Legal Authority: Title VI of Native American Housing Assistance and Self Determination Act of 1996 (Public Law 104-330; 25 U.S.C. 4101 et seq.).

Regulations: 24 CFR part 1000, subpart E.

SECTION 184 INDIAN HOUSING LOAN GUARANTEE FUND (Section 184)

Section 184 of the Housing and Community Development Act of 1992 established a loan guarantee program for Indian families, Indian tribes, Indian housing authorities (IHA), and tribally designated housing entities (TDHE). The purpose of the program is to provide access to private mortgage financing for Indian families, TDHEs/IHAs, and Indian tribes that could not otherwise acquire housing financing because of the unique legal status of Indian lands. The loans guaranteed under the program are used to construct, acquire, refinance, or rehabilitate single-family housing located on trust land or land located in an Indian or Alaska Native area. This guarantee authority is freestanding and has its own guarantee fund. HUD may enter into commitments to guarantee loans for any fiscal year only to the extent amounts have been provided in appropriations acts.

Funding Distribution: Eligible applicants apply for loans directly to lenders, and the federal guarantee is issued after the loan is approved.

Applicant Eligibility: Indian families, TDHEs/IHAs, and Indian tribes.

Legal Authority: Section 184 of the Housing and Community Development Act of 1992, as amended (Public Law 102-550; 106 Stat. 3739; 12 U.S.C. 1715z-13a)

Regulations: 24 CFR part 1005

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. Funds may not be used for constructing or improving government facilities, for new housing construction (unless carried out by an eligible nonprofit organization), for general government or income expenses, for operating or maintenance expenses, for political activities, or to purchase equipment.

Funding Distribution: Under Section 106 of the Housing and Community Development Act of 1974, one percent of the Title I Community Development Block Grant appropriation, excluding amounts appropriated for use under Section 107, is allocated for grants to Indian tribes. Area Offices of Native American Programs distribute the funds to eligible Indian tribes and Alaska Native Villages on a competitive basis, according to selection criteria set forth in a regulation and an annual Notice of Funding Availability.

Applicant Eligibility: Federally recognized Indian tribes or tribal organizations applying on behalf of such a tribe.

Legal Authority: Title I of the Housing and Community Development Act of 1974, as amended (Public Law 93-383; 88 Stat. 633; 42 U.S.C. 5301 et seq.)

Regulations: 24 CFR part 1003

NATIVE HAWAIIAN HOUSING BLOCK GRANT PROGRAM (NHHBG)

This program is patterned after the Indian Housing Block Grant program, but contains changes to address the housing needs and circumstances of Native Hawaiians. The NHHBG program authorizes HUD to make grants to the State of Hawaii's Department of Hawaiian Home Lands (DHHL) to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands. The DHHL must submit for HUD review a one-year and a five-year housing plan containing the goals, mission, and methodology by which DHHL will accomplish its objectives during the grant period. At the end of each grant year, an Annual Performance Report must be submitted describing how the grantee met its stated objectives.

The five categories of eligible activities for providing affordable housing (or related housing services) are:

- Development of additional affordable housing;
- Housing-related services for affordable housing;
- Management services for affordable housing;
- Safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime; and

• Housing activities under model programs designed to carry out the purposes of the Act, if specifically approved by HUD as appropriate.

Funding Distribution: Although the NHHBG program makes reference to a formula distribution, at present there is only one eligible grantee, the DHHL.

Applicant Eligibility: Department of Hawaiian Home Lands.

Legal Authority: Title VIII of NAHASDA, as added by Section 513 of the American Homeownership and Economic Opportunity Act of 2000 (Public Law 106-569); and Section 203 of the Omnibus Indian Advancement Act (Public Law 106-568; 42 U.S.C. 4221).

Regulations: 24 CFR part 1006

SECTION 184A NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND (Section 184A)

This program is generally patterned after the Section 184 Indian Housing Loan Guarantee program but contains changes to address the housing needs and circumstances of Native Hawaiians. The purpose of the loan guarantee program is to provide access to sources of private mortgage financing to Native Hawaiian families who could not otherwise acquire housing financing because of the unique legal status of the Hawaiian Home Lands, or as a result of a lack of access to private financial markets. Eligible borrowers include Native Hawaiian families who are eligible to reside on Hawaiian Home Lands, the DHHL, the Office of Hawaiian Affairs, or private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians. Loans are to be used to construct, acquire, or rehabilitate eligible housing located on the Hawaiian Home Lands.

This guarantee authority is freestanding and has its own guarantee fund. HUD may enter into commitments to guarantee loans for any fiscal year only to the extent amounts have been provided in appropriations acts.

Funding Distribution: Eligible applicants apply for loans directly to lenders, and the federal guarantee is issued after the loan is approved.

Applicant Eligibility: Native Hawaiian families, the DHHL, the Office of Hawaiian Affairs, and private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians.

Legal Authority: Section 184A of the Housing and Community Development Act of 1992, as added by Section 514 of the American Homeownership and Economic Opportunity Act of 2000 (Public Law 106-569); and Section 204 of the Omnibus Indian Advancement Act (Public Law 106-568; 12 U.S.C. 1715z-13b).

Regulations: 24 CFR part 1007

HELPING TRIBAL COMMUNITIES SUCCEED IN AFFORDABLE HOUSING AND ECONOMIC DEVELOPMENT

We would like to share with you some perspectives on how to help tribal communities succeed. Tribes should look to federal resources such as NAHASDA's Indian Housing Block Grant and Title VI programs, but they also need to consider other opportunities such as State-administered federal low-income housing tax credits, and other federal and state programs that they may qualify for, but are not using now, and they need to explore partnerships with the private sector, the most overlooked resource.

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're also implementing a bond financing initiative that has worked well for public housing authorities to see if it can do the same for 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. But as we know, one of the leading economic indicators for measuring the Nation's economy is housing. 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 utilize PIH's 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, these programs can be used to attract other sources of capital. Today, there are more ways to leverage federal funds than ever before. We encourage tribes to look beyond ONAP programs and pursue opportunities such as low-income housing tax credits, other federal and state programs, and to seek partnerships with the private sector.

ONAP's success with the 184 Loan Guarantee program, expanding the use of Title VI, and the creation of a tax-exempt bond financing program will greatly assist in building sustainable economies and make this goal a reality.

The Key is Leveraging

ONAP has formed a leveraging workgroup consisting of staff from HUD's headquarters and regional offices. This group is exploring different ways in which ONAP's programs can be used with outside financial resources. Members are also available for direct technical assistance to tribes to assist in the creation of financial strategies for housing development.

NAHASDA'S Indian Housing Block Grant program continues to be the largest single source of housing capital in Indian Country. The IHBG program, which came on-line at the beginning of FY 1998, has now distributed over $5.7 billion in funds to tribes for affordable housing development.

Imagine the impact on tribal communities if these funds were leveraged on a 5-to-1 or 3-to-1 basis. Relying on IHBG alone, without leveraging those dollars, misses a significant opportunity. One of the fundamental tools for achieving sustainable economies is the ability to access and leverage capital. HUD encourages tribes to look beyond their grant funding and to leverage IHBG funds with other sources of capital. Increased leveraging brings outside capital, the possibility of mixed-use development and the overall expansion of economic development to Indian Country.

The use of low-income housing tax credits, in conjunction with IHBG funds, is another valuable leveraging tool. HUD is in the process of promulgating a regulation to clarify that project-based or tenant-based rental assistance provided with IHBG funds in a manner consistent with assistance provided under the Section 8 program so that the Secretary of the Treasury can make a determination that the building or project does not reduce the eligible basis for tax credit purposes.

Bond Financing

ONAP's newest initiative to provide yet another opportunity to access private capital is IHBG bond financing. This program will build on the successes of HUD's public housing bond financing program, the Capital Fund Financing Program. Bond financing will provide the tribes a means to leverage their Indian Housing Block Grant dollars to address their housing needs immediately. Under this program, tribes may leverage up to one-third of their annual IHBG for bond financing.

This program will assist tribes in meeting housing needs in a shorter time frame by accessing more funds up front rather than accumulate funds over time through IHBG alone. The benefits of bond financing include: the possibility of providing lower interest rates through tax-exempt financing, and the opportunity to finance larger transactions as compared to the Title VI program.

The ability of tribes to issue bonds to implement affordable housing activities promotes self-sufficiency and supports the development of sustainable tribal economies while addressing the basic needs of the community.

HUD and the Bureau of Indian Affairs

Title Status Reports

HUD continues to work with the Bureau of Indian Affairs (BIA), the Department of Agriculture, and mortgage industry representatives to improve the Title Status Report process. On Thursday April 5, HUD will participate in a national training session in Albuquerque, New Mexico for BIA Realty and Land Title Records Office personnel. This BIA staff training will focus on developing a clear understanding of mortgage transactions and opportunity costs associated with time delays. This interactive training session will assist the interagency workgroup by creating a blueprint for the six regional training sessions that will be held later this year for tribes, federal agencies, lenders, and other finance partners. The goal is to streamline the TSR process and increase access to private sector capital on trust land.

Section 184 Accomplishments

Homeownership and the ability to build equity in one's home is an important component in the development of strong tribal communities. Creating homeownership opportunities continues to rank at the top of this Administration's priorities for the American people.

In FY 2006, the Section 184 Loan Guarantee Program guaranteed 1,138 single-family loans to Native American homebuyers, which represents a $190 million

investment in Indian Country. To date, in this fiscal year, 470 loans have already been guaranteed for $77.5 million.

This represents an 80% increase in the number of loans guaranteed when compared to FY 2005 program activity, and a 90% increase in the dollars invested. FY 2007 first-quarter totals represent a 49% increase in dollar volume over the same period in FY 2006.

The program may be used by the individual, to acquire a mortgage, or by the tribe to build new homeownership units within a community.

The Section 184 program will continue to play a vital role in the Department's homeownership efforts in the coming years. I encourage all tribes to work with us as we strive to increase the number of Native American families who will realize the dream of owning their own home.

Title VI Accomplishments

Tribes and tribally designated housing entities with no significant audit findings can borrow up to five times their annual Indian Housing Block Grant Need allocation, and use their future IHBG funds as collateral to back up the loan. HUD will provide a 95 percent guarantee to a lender in the event of a default. Currently, the program is underutilized by the tribes. In response, ONAP is stepping-up its outreach efforts for the program, and has developed a new capacity-building strategy, based on the successes of marketing the Section 184 program.

ONAP has begun a new marketing and outreach program geared for tribal leaders. It will increase awareness of the benefits associated with leveraged financing and the Title VI program. The emphasis is on economic self-sufficiency through entrepreneurship.

Realizing that financing and development concepts are new to some tribes, ONAP will increase the technical assistance provided to tribes by its staff. ONAP staff is available to provide direct assistance to tribes, including financial planning and development strategies.

Since the Title VI program requires that a tribe or a tribal housing entity act, in part or wholly, as a developer, ONAP is tailoring some of its training and workshops to build the necessary development capacity.

Native Hawaiian Programs Accomplishments

Native Hawaiian Housing Block Grant (NHHBG) Program

The Department of Hawaiian Home Lands (DHHL) has focused a significant amount of NHHBG resources on site and infrastructure improvements to support the development of new homeownership units. DHHL has also partnered with public entities, private nonprofit and for-profit organizations to assist families in achieving and maintaining homeownership.

There are numerous affordable housing activities in process at more than 14 sites throughout the state of Hawaii. Let me give you a few examples. $4.4 million in FY 2003 NHHBG funds were used towards the $21 million infrastructure cost for 326 homes that will be built in the Kaupea project on the island of Oahu, resulting in 78 NAHASDA-assisted units. Kekaha Residential lots, a project of 49 single-family homes, will be constructed on the island of Kauai. $1.8 million of FY 2004 NHHBG funds were used towards the $3.75 million cost for infrastructure improvements, resulting in 22 NAHASDA-assisted units. Partnerships with Habitat for Humanity and other self-help providers are making it possible for low-income families to achieve homeownership through the self-help method of construction in various projects on the islands of Kauai, Oahu, Maui, Molokai, and Hawaii. Partnerships have also been secured to implement a home rehabilitation loan program, a self-help home repair training program, and to provide homeownership counseling and training.

Section 184A Native Hawaiian Housing Loan Guarantee Program

The DHHL, a State agency, is our primary program partner. Among its other activities, DHHL is responsible for allocation of leasehold interests on the Hawaiian Home Lands. In August of 2005, the DHHL closed its first Section 184A transaction, a $1.7 million institutional loan that resulted in 11 single-family homes on the Hawaiian Home Lands made available for native Hawaiian families. In May 2006, a Section 184A Loan Agreement was executed between HUD and DHHL to make the 184A guaranteed loan available to individual native Hawaiian borrowers. HUD is diligently working to finalize processing guidelines that will facilitate full implementation of the 184A loan guarantee program. It is anticipated that as more housing units are developed on Hawaiian Home Lands, the 184A loan will provide homebuyers an attractive alternative to the limited financing options available on Hawaiian Home Lands.

HUD Training and Technical Assistance

Training and Technical Assistance remains a critical component of all our Native American programs. The IHBG's Training and Technical Assistance set-aside provided the initial training and technical assistance to most grantees, enabling them to function effectively under NAHASDA, and we continue to provide that assistance. Functional and programmatic training topics, such as "NAHASDA Essentials," "Financial

Management," "Environmental Review," "Procurement," and many others are provided around the country on an on-going basis. Specialized training on such diverse topics as "Gang Violence," "Establishing Boys & Girls Clubs," and "Preventing Mold and Moisture," is also available. Training and outreach is conducted for the Section 184 and Title VI Loan Guarantee programs as well. The ICDBG program has a training course that has made an impact on the quality of applications received for this competitive program, and we are in the process of establishing training and technical assistance for the Native Hawaiian programs.

On-site technical assistance is made available to IHBG grantees at their request. Technical assistance through other means, such as a DVD providing instructions to housing staff and residents on mold prevention and remediation, is produced and distributed to tribes and housing entities, as well as to other interested parties. Workshops have also been developed to examine such specific topics as the possibilities of developing "green" housing that is both affordable and energy efficient. Finally, we are again preparing to hold regional and national Native American housing summits over the next two years.

CONCLUSION

This concludes my prepared remarks. I would be happy to answer any questions you may have.

Homes & Communities
U.S. Department of Housing and Urban Development

Orlando J. Cabrera

On November 10, 2005, the United States Senate confirmed Orlando J. Cabrera as Assistant Secretary for Public and Indian Housing. As Assistant Secretary, Mr. Cabrera oversees the Office of Public and Indian Housing's mission to ensure safe, decent, and affordable housing; create opportunities for residents' self-sufficiency and economic independence; and assure the fiscal integrity of all program participants.

Mr. Cabrera has had extensive experience in the housing industry. Before joining HUD, he served as Executive Director of the Florida Housing Finance Corporation. His involvement with Florida Housing began in December, 2000 when Governor Jeb Bush appointed Mr. Cabrera as a citizen representative on Florida Housing's Board of Directors. He became Florida Housing's Vice Chairman in 2001 and he was also its Chairman prior to being named Executive Director. Florida Housing's Board of Directors named Mr. Cabrera as Florida Housing's Executive Director in February, 2003.

As Florida Housing's Executive Director, Mr. Cabrera spearheaded their technology modernization and the upgrading of data systems, maintained and improved Florida Housing's financial condition, and led its efforts to better serve low income Floridians. Mr. Cabrera was intensely involved in Florida's hurricane recovery efforts and served on Governor Bush's Hurricane Housing Work Group.

During this time, Mr. Cabrera was also elected and served as a director on the Board of the National Council of State Housing Agencies.

In 2001, Mr. Cabrera was appointed Chairman of the City of Miami's Community Development and Housing Committee by City of Miami Mayor Manny Diaz.

Before becoming Florida Housing's Executive Director, Mr. Cabrera was a partner with an international law firm where he practiced in that law firm's real estate group in its Miami office.

Mr. Cabrera earned his Bachelor of Arts degree in 1984 from the University of Michigan and his law degree in 1989 from the University of Wisconsin Law School.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

OFFICE OF CONGRESSIONAL AND
INTERGOVERNMENTAL RELATIONS

The Honorable Craig Thomas
Vice Chairman, Committee on Indian Affairs
United States Senate
Washington, DC 20150-6450

Dear Mr. Vice Chairman:

Thank you for your letter of April 11, 2007, with additional questions for Assistant Secretary Orlando Cabrera that will be made a part of the March 22, 2007, oversight hearing on Indian housing. Your questions and HUD's responses follow:

Question 1: *"In 1996, Congress passed the Native American Housing Assistance and Self-Determination Act (NAHASDA) to address the housing disparities in Indian communities."*

- *"How many homes have been built by Tribally Designated Housing Entities (TDHEs) since NAHASDA was enacted?"*

- *"How effective has NAHASDA been in reducing housing disparities in Indian communities since its enactment?"*

Response 1: Fiscal Year (FY) 1998 was the first year that Indian tribes received funding under the Indian Housing Block Grant (IHBG) program authorized under Title I of NAHASDA. IHBG recipients report their accomplishments at the end of each program year through the Annual Performance Report (APR), which is due within 60 days of the end of a grantee's program year. HUD has established a Performance Tracking Database (PTD) to record, among other things, the number of homeownership and rental units built, acquired or substantially rehabilitated by grant recipients using IHBG funds. The PTD came on-line in FY 2003; program accomplishments prior to FY 2003 were aggregated cumulatively. From FY 2003 through FY 2007 (to date), a total of 41,395 rental and homeownership units have been built, acquired or substantially rehabilitated with IHBG funds. The total number of homes built, acquired or rehabilitated since NAHASDA was enacted is 51,918.

According to a HUD/Urban Institute study, "Housing Problems and Needs of American Indians and Alaska Natives" (May 1996), 28 percent of American Indian or Alaska Native (AIAN) households in tribal areas live in housing that is either overcrowded and/or lacks kitchen or plumbing facilities, compared to a national average of 5.4 percent. U.S. Census data from 2000 show that approximately 30 percent of households self-identifying as AIAN alone, or AIAN in combination with other races, have "severe housing needs," which is defined as a lack of complete kitchen or plumbing facilities, having more than 1.01 persons per room, or having a housing cost burden of over 50 percent of income. These figures do not distinguish between families living on reservations or in NAHASDA service areas, and other AIAN households throughout the country.

Under NAHASDA's IHBG program, tribes can choose to implement a wide array of housing and housing-related activities and services, including building or acquiring new homeownership and rental housing units, rehabilitating existing substandard units and providing down payment or rental assistance. IHBG recipients are not statutorily required to report on the total number of families served under all affordable housing activities by each specific affordable housing category.

As the PTD evolves, additional NAHASDA-eligible affordable housing activities will be added. Tribal cooperation in this effort is voluntary. The Department is also in the process of revising the Indian Housing Plan and Annual Performance Report, which will result in more comprehensive performance data submissions in the future.

The best evidence of how effective NAHASDA has been in Native American communities will be a comparison of Census 2000 and 2010 data under the "severe housing needs" category.

Question 2: *"A Tribe's housing block grant may be used for leveraged funding under Title VI of NAHASDA."*

- *"How many tribes have utilized the funding under Title VI of NAHASDA to leverage their other NAHASDA funding since 1996 and please provide an annual breakdown on those numbers?"*

- *"Why aren't more tribes using the Title VI funding?"*

- *"Has the Loan Guarantee Program been a successful option for tribal housing authorities to leverage more funding?"*

- *"If so, what could this Congress do to encourage more tribes to use the program?"*

- *"What can the Department do to encourage more tribes to use Title VI?"*

Response 2: A total of 35 tribes and TDHEs have used the Title VI Tribal Housing Activities Loan Guarantee program to leverage their IHBG funds. The total amount borrowed under the program is $106,202,446. Please see the attached spreadsheet for a breakdown of Title VI loans by tribe, amount and year.

Tribal Use of Title VI

Tribes and TDHEs with no significant audit findings can borrow up to five times their annual IHBG Need allocation, and use their future IHBG funds as collateral. HUD will provide a 95 percent guarantee to a lender in the event of a default.

Many tribes and TDHEs are reluctant to borrow against their future IHBG funding because they are uncomfortable with the concept of creating a multi-year obligation that will reduce the net amount of funds available to them in future years. Others are not ready to propose to their board of commissioners or tribal chief executive officer that the tribe or TDHE obligate itself to a loan to serve the housing needs of the community, notwithstanding that economies of scale and lower total development costs may be attained when projects reach a certain size. Although the result is that more eligible families are housed quicker by leveraging, this is a learning process.

HUD recognizes the problem and has taken steps to meet this challenge by engaging in an intensive marketing campaign based on the success of its marketing efforts with the Section 184 Indian Housing Loan Guarantee program.

Section 184 Loan Guarantee Program

The Section 184 program will continue to play a vital role in reaching the President's commitment to create 5.5 million minority homeowners by the end of this decade. HUD's Section 184 program addresses the special needs of Native Americans, making it possible for Indian families to achieve homeownership with market-rate financing. To improve the visibility of the program, in FY 2005, HUD decentralized its outreach efforts to tribes and lenders, which enabled the Department to connect with more of its clients at the local level. This approach resulted in 1,139 new homeowners and more than $190 million in loan commitments in FY 2006. The loan commitment volume was up 85 percent over the year-end totals for FY 2005.

The increase in loan guarantee limitation authority for the Section 184 program is a direct response to the recent growth in loan activity. The Section 184 program produced 1,773 new homeowners over the past two years. This trend has continued in FY 2007, with 266 loan guarantees worth $42.3 million completed in the first quarter. The FY 2007 1st quarter numbers represent a 50 percent increase in dollar volume of loan guarantees in a year-to-year comparison.

Section 184 Leveraging

The Section 184 Loan Guarantee program makes tribal trust land transactions attractive by assuming the credit and collateral risk. The Chippewa Cree Tribe of Montana used the HUD Section 184 program to secure financing, through Wells Fargo Mortgage, from the Montana Board of Finance to reconstruct, on the reservation, 42 units of surplus military housing from Malstrom Air Force base. The Montana Board of Finance provided a below-market interest rate loan at 5.5 percent to the Rocky Boy's Housing Authority, which increased the affordability of these lease/purchase dwellings.

Title VI Outreach and Marketing

Currently, the Title VI program is underutilized by the tribes. In response, HUD's Office of Native American Programs (ONAP) is stepping-up its outreach efforts, and has developed a new capacity-building strategy based on the successes achieved in marketing the Section 184 program.

ONAP has begun a new marketing and outreach program geared toward tribal leaders. It will increase awareness of the benefits associated with leveraged financing and the Title VI program, with emphasis on economic self-sufficiency through entrepreneurship.

Realizing that financing and development concepts are new to some tribes, ONAP will increase the technical assistance provided by its staff. ONAP staff is available to provide direct assistance to tribes, including financial planning and development strategies.

Since the Title VI program requires that a tribe or a TDHE act, in whole or in part, as a developer, ONAP is tailoring some of its training and workshops toward building the necessary development capacity.

Title VI Leveraging

Some tribes, such as the Passamaquoddy Tribe of Maine, have found creative approaches to maximize the impact of the NAHASDA funds they receive. Using the Title VI loan guarantee to attract other sources of capital, the Tribe successfully leveraged its IHBG funds to enhance its housing development strategies. The flexible nature of the Title VI program makes it possible to finance any NAHASDA-eligible affordable housing activity for a period of up to 20 years. Title VI has also proven to be a cost-effective source of gap financing during the early stages of a development project.

The Passamaquoddy transaction used Title VI to construct 28 low-income housing tax credit units and a community center. The balance on the Title VI loan ($1.5 million) was paid down with the tax credits and the Federal Home Loan Bank of Boston's Affordable Housing Program funds, as the units were completed and occupied.

Passamaquoddy Tribe Title VI Transaction

Sources of Funding

Title VI	$ 272,000.
LIHTC	$4,250,000.
Deferred Dev. Fee	$ 145,000.
Boston FHL Bank	$ 300,000.
HOME Funds	$ 560,000.
BIA Roads	$ 954,000.
IHS/USDA	$1,475,000.
	$7,956,000.

Question 3: *"Congress recognized the need for training and technical assistance in NAHASDA by authorizing funding 'for assistance for a national organization representing Native American housing interests for providing training and technical assistance.' 25 USC 4212. Since that time, technical assistance and training have been used to assist TDHEs in maintaining compliance with NAHASDA and in improving administration of housing programs. Yet, the President's Fiscal Year 2008 budget request decreased funding for those activities."*

- *Why has that technical assistance funding been decreased?*

- *Was the reduction in technical assistance and training attributable to any particular finding – for example, that the training and technical assistance was no longer needed because all compliance and programmatic integrity had been achieved and no new issues regarding compliance had risen?"*

Response 3: While the Department acknowledges the value that the National American Indian Housing Council (NAIHC) offers to Native American communities, training and technical assistance for tribes and TDHEs is available from many sources, including regional Native American housing associations, non-profit organizations, and HUD. In tight budget times difficult decisions need to be made, and at the time of the FY 2008 budget formulation, NAIHC had sufficient funds to carry on their activities. Lately, these funds are being drawn down at a more rapid rate.

The Department's relationship with NAIHC is considered very important and staff from the Office of Native American Programs (ONAP) meet with NAIHC staff whenever they request. There have been many collaborative efforts over the past several years, including NAIHC staff being facilitators at the 2005 and 2006 ONAP regional and national Indian Housing Summits, and joint training efforts with regional housing associations based on recommendations from NAIHC and HUD staff on which housing organizations needed Board of Commissioner training. HUD has also purchased NAIHC-developed training materials, and worked with NAIHC staff to present the training material to HUD grantees.

Although the President's Budget Request for FY 2008 does not contain funds specifically for NAIHC, they are listed as team members or subcontractors in several of the ongoing indefinite delivery, indefinite quantity contracts that the Department has executed, and NAIHC is encouraged to continue to participate in those capacities.

Question 4: *"Many Indian tribes with small service populations participate in the NAHASDA block grant programs. But in many cases, these Indian tribes may receive less than $100,000 a year, which may not be sufficient to build even one home."*

- *"Are the funding allocation formulas beneficial for Indian tribes with small service populations?"*

- *"How can Indian tribes with small service populations leverage their NAHASDA funding with funding from other sources?"*

Response 4: The IHBG allocation formula neither favors nor harms grant recipients with small service populations. The formula allocates available resources based on need, as defined in section 302(b) of NAHASDA. Factors considered when determining need are the number of low-income dwelling units owned or operated as of the effective date of NAHASDA, and the extent of poverty and economic distress among the Native American families within the Indian areas of the tribe. Formula mechanics are spelled out in 24 CFR 1000, Subpart D, "Allocation Formula." The two formula components, "Formula Current Assisted Stock" and "Need," are derived from Census data, grantee records and HUD records. Data challenges are permitted and the regulations governing a challenge are found in Subpart D. The original IHBG formula regulations were developed by negotiated rulemaking, and HUD recently concluded a subsequent negotiated rulemaking that focused solely on the IHBG allocation formula.

One significant change that occurred in the most recent negotiated rulemaking was to increase, from $25,000 to approximately $50,000, the minimum amount that an IHBG recipient can receive under the Need component of the formula (24 CFR 1000.328) after the initial year of participation in the program.

There is no doubt that grant recipients with smaller service populations often do not receive sufficient funding to make the housing development process cost-effective. Leveraging their IHBG funds through the Title VI program is one solution. Some small tribes have created, or joined already existing, umbrella housing entities to take advantage of the economies of scale that larger entities provide. Current law would not prohibit altering the IHBG formula regulations to provide proportionally more funding to smaller entities, but such a change should come about only through the negotiated rulemaking process.

Question 5: *"With the Fort Peck Housing Authority v. U.S. Department of Housing and Urban Development (D. Colo. 2006) case now on appeal,"*

- *"How is the Department administering the distribution of Indian Housing Block Grant funding to the TDHEs and Indian tribes?"*

- *"What recommendations to Congress does the Department have to address the funding formula allocation issues raised in this case?"*

Response 5: The Department continues to administer the IHBG program in the same manner it did prior to the Fort Peck decision.

The IHBG formula consists of two components, Formula Current Assisted Stock (FCAS) and Need. Under FCAS, tribes receive funding based on the number of 1937 Housing Act rental and homeownership units they owned or operated as of the effective date of NAHASDA, and for the number of existing Section 8 contracts they managed as of September 30, 1997. Funding is adjusted for local cost differences and inflation.

Tribes are required by 24 CFR 1000.318 to report, on their Formula Response Forms, units that have paid-off, conveyed, or otherwise become ineligible as FCAS. The Formula Response Form is a document that is mailed to tribes each year listing their data and projected upcoming year's IHBG allocation.

In August 2001, the Office of Inspector General (OIG) issued an audit report entitled "Nationwide Audit of Implementation of the Native American Housing Assistance and Self-Determination Act of 1996." The OIG identified the accurate reporting of FCAS as an issue and recommended the following:

- Audit the FCAS for all IHBG recipients and remove ineligible units.

- Recover over-funding from IHBG recipients with inaccurate FCAS and re-allocate recovered funds to recipients that were under-funded for current and prior years.

- Implement control procedures to ensure FCAS accuracy in future years.

Based on the recommendations in the audit, ONAP took several actions to address the OIG concerns and ensure that tribes are reporting accurate FCAS information, which resulted in improved reporting by tribes and TDHEs.

Fort Peck Housing Authority (FPHA) sued HUD contending that 24 CFR 1000.318 conflicts with NAHASDA and is therefore invalid. On May 25, 2006, Judge Matsch of the U.S. District Court for the District of Colorado issued a Judgment and Order declaring the regulation in question invalid because it conflicts with section 302 of NAHASDA, and ordered that all homeownership units (Mutual Help and Turnkey III) owned and operated by plaintiff FPHA as of September 30, 1997, must be included in the IHBG formula as FCAS.

On June 30, 2006, Judge Matsch granted HUD's motion to limit the "administrative actions necessary" to FPHA only, allowing HUD to resume normal operations and issue FY 2006 and FY 2007 IHBG awards.

Recommendation

Any solution proposed should ensure that the formula counts only the 1937 Housing Act units (including Section 8 contracts and units in the development pipeline) that are owned or operated by a grant recipient as of the effective date of NAHASDA, and that such units are counted only until the tribe no longer has the legal right to own, operate or maintain the units. Section 302(b) of NAHASDA should be amended to provide that 1937 Housing Act homeownership units are removed from the formula incrementally in the year after they are conveyed, or are otherwise no longer owned or operated by the recipient. The same procedure should be applied when rental units are no longer owned or operated by the recipient, whether due to conversion and conveyance, loss through demolition or disposition, or for other reasons. The purpose of the amendment is to clarify that conveyed and other units no longer owned or operated by a recipient are no longer counted as FCAS in the IHBG formula. This was the intent of the original negotiated rulemaking committee that crafted the IHBG regulations. The formula allocation negotiated rulemaking committee recently concluded its work, but could not reach consensus on making any changes to 24 CFR 1000.318.

Question 6: *"The 2002 NAHASDA amendments required the Department conduct a study on black mold and its affects on Indian housing?"*

- *"What were the results of that study?"*

- *"What is the Department doing to prevent further infestation of black mold in other NAHASDA homes and in future construction?"*

Response 6: The Study estimated that mold conditions existed in 15 percent of Indian housing units, but found no definitive evidence that inhaled mold toxins have generally adversely affected human health. However, mold damages homes, and has been shown to be a health risk to susceptible populations, such as the very young, the elderly, asthmatics, and the immuno-

compromised. Therefore, the study recommended actions be taken to address these root causes of mold:

- Design and construction issues – moisture conditions that result from original design decisions, detailing, and construction execution.

- Lack of proper maintenance – moisture conditions resulting from lack of maintenance on larger items that typically are the responsibility of the housing authority, and on smaller items that are typically the responsibility of the occupants.

- Overcrowding and low-income issues – moisture conditions that arise from high density of occupants and other low-income impacts.

The study recommended training, technical assistance, and supplemental resources be provided to develop local capacity to improve housing design and maintenance at both the housing staff and resident levels. In the short-term, trained, experienced remediation crews should remove and clean mold from homes and correct the underlying cause of the moisture problem. In the long-term, tribal housing entities should develop and implement effective assessment, maintenance, remediation, and educational programs to address mold and moisture conditions.

The study also recommended that tribal governments and HUD collaborate with other federal agencies for a comprehensive approach to alleviating and preventing mold. For example, the Indian Health Service, the Centers for Disease Control and Prevention, and the Environmental Protection Agency could help address health, environmental, and indoor air quality issues related to mold and moisture conditions. The Bureau of Indian Affairs and the Department of Agriculture's Rural Development housing programs could provide additional resources for housing repairs, remediation, and new construction. Also, the Federal Emergency Management Agency has information to help builder's select home sites that are away from high water tables and flood-prone areas.

The Department has been very active in providing training and technical assistance to IHBG recipients, residents and other interested parties. Significant staff and contract resources have been devoted to these efforts, including more than $4 million in contract services from FY 2001 into FY 2007. Since 2001, HUD has provided over 65 on-site technical assistance visits, 25 training sessions, and the production of numerous educational publications and videos on prevention and remediation of mold and moisture problems.

The training sessions address general prevention, as well as specifics for maintenance workers. Indian Health Service employees attend many of the training sessions and are a valuable resource. In addition, the Department has provided technical assistance in mold and moisture prevention by conducting over 65 on-site technical assistance visits with an estimated 650 units inspected. The on-site physical inspection visit is followed up by a detailed report to the grantee that includes findings and recommendations to address the problems identified. Architects and engineers specializing in mold-related issues provide the on-site assistance and follow-up reports. Other assistance includes advising tribes and TDHEs on how to develop effective

planning techniques that will ensure decisions made on sites selected for new homes consider environmental factors that can contribute to mold growth.

The Department has also developed various technical assistance products that can be requested through a clearinghouse. The products include separate guidebooks for housing and maintenance staff, pamphlets for residents, and a video that can be used to train housing staff or inform residents of mold and moisture-related issues.

As funding permits, the Department will continue to provide training and technical assistance in the prevention of mold and moisture-related problems in Native American communities through at least FY 2008.

The Department also sponsors Partnership Meetings to coordinate activities related to mold prevention. Participants at the meetings have included HUD's Office of Native American Programs, HUD's Office of Healthy Homes, HUD's Office of Policy Development and Research, Indian Health Service, USDA's Rural Development, the Bureau of Indian Affairs and the Environmental Protection Agency.

In addition, HUD Indian Community Development Block Grant (ICDBG) Imminent Threat funding has been used to mitigate mold problems if the mold is an imminent threat to public health and safety, requires immediate resolution, and is the result of construction deficiencies and is not maintenance related. The urgency and immediacy of the threat must be independently verified and the imminent threat must not be of a recurring nature. In FY 2006, $3,960,000 was available for ICDBG Imminent Threat grants, and an identical amount is available in FY 2007. All FY 2006 funds have been reserved for tribes. A major category of assistance this past year was to tribes that were impacted by Hurricanes Katrina and Rita.

Mold and moisture problems are eligible affordable housing activities under the IHBG program, and grant recipients may use their IHBG funds to address them.

Question 7: "The Committee has been informed that there is a housing shortage for teachers and health professionals in Indian communities, which in turn impacts the quality of education and health programs in those communities."

- *"Is it possible for these particular housing needs to be accommodated in Indian housing plans under NAHASDA?"*

Response 7: Yes. Under section 201(b)(3) of NAHASDA, a grant recipient may provide housing or housing assistance through affordable housing activities to non-Indian families on an Indian reservation or other Indian area if the recipient determines that the presence of the family in the community is essential to the well-being of Indian families, and the essential non-Indian family's housing needs cannot be reasonably met without such assistance. Under current law, an essential Indian family in identical circumstances cannot be served due to the low-income requirements expressed in section 201(b)(2) of NAHASDA. The Department recommends an amendment striking the phrase "non-Indian" in section 201(b)(3) to remedy this.

Question 8: *"Your written testimony submitted to the Committee at the Oversight Hearing on the President's FY 2008 Budget Request in February, 2007, states that the Indian Community Block Grant has provided economic opportunities."*

- *"What are some of those economic opportunities?"*

Response 8:

The Lac du Flambeau Band of Lake Superior Chippewa Tribe has successfully completed their 2004 Indian Community Development Block Grant (ICDBG) project, an incubator business strip mall. $500,000 of ICDBG funds were used in this project with an actual cost of $1,856,788. The Tribe now has a 12,792 square foot building. Currently, this project has created four businesses and 15 jobs, both vitally needed within the community.

The Sokoagon Chippewa Community of Mole Lake Band has successfully completed their 2002 ICDBG Project, a convenience store/gas station. $500,000 of ICDBG funds were used in this project with an actual cost of $802,000. The size of the store is 3,200 square feet. Currently, this project has created 1 business, 7 full-time jobs and 1 part-time job.

The Winnebago Tribe of Nebraska was awarded $900,000, which was used to construct a multi-use Native American Artist Retail Incubator and Learning Center in the Ho-Chunk Village Subdivision on the Winnebago Tribe's reservation, located in Thurston County, Nebraska. The project is completed and successfully providing space for various artists and businesses.

The Duck Valley Shoshone Paiute Tribe received a $550,000 ICDBG grant in 2001 for the construction of a commercial retail center. Because of its isolated location, opportunities for revenue as well as places to shop have been limited. This project now provides a revenue stream for the Duck Valley Tribe, jobs for 12 community members, and the ability for tribal members to shop locally.

The San Carlos Apache Tribe built a shopping center with $700,000 of their 1996 ICDBG grant. This facility houses a full Basha's Grocery Store and a Wells Fargo bank branch. All available space in the facility has been leased and 60 jobs have been created.

The Yurok Tribe was awarded $550,000 in October 2002. The funds were used for the Pem-Mey Fuel Mart and Convenience Store located on the Yurok Tribe's reservation in Klamath, California. The new facility is 3,500 square feet, with eight fueling stations, an espresso bar, a Subway sandwich shop, and a travel information center. This facility employs 8 in the convenience store and 6 in the Subway shop.

The Ely Shoshone Tribe was awarded $550,000 for a 2001 ICDBG Economic Development grant. Those funds were used to build a 3,200 square foot convenience store/gas station. The project provides employment to 7 low- to moderate-income families. The facility also provides much needed revenue to the Tribe for future development.

Chickasaw Nation of Oklahoma was awarded an $800,000 ICDBG in FY 2003 for a pharmacy refill center in Ada, Oklahoma. The Center has 11,004 square feet of space and has 32 employees. The total cost to bulid the Center was $1,304,208.00. They expect to fill 650,000 prescriptions this year. Telephone automation will be offered to patients around the clock and a drive-up window and a spacious waiting area will be added. Refills will be transported to outlying clinics as needed and mail-out service will be implemented for homebound patients and those without transportation.

The Wichita Tribe of Oklahoma was awarded an ICDBG in FY 2003 for $800,000 to construct the Crosstimbers Steakhouse and Buffet in Anadarko, Oklahoma. The steakhouse has 4,600 square feet of space to accommodate approximately 150 customers. The restaurant has between 25 and 30 full- and part-time employees. Total cost of the project was $1,266,863.00.

The Metlakatla Indian Community was awarded a grant in the amount of $500,000, which allowed them to upgrade their fish processing plant, resulting in retaining 31 jobs which would have otherwise been lost.

Central Council of the Tlingit and Haida Indian Tribes of Alaska was awarded a grant in the amount of $429,364, to provide Small Business Development assistance anticipated to result in creating 20 new jobs in the community.

Thank you for your interest in the Department's programs. If I can be of further assistance, please let me know.

Sincerely,

L. Carter Cornick III
General Deputy Assistant Secretary
for Congressional and
Intergovernmental Relations

"NATIVE AMERICAN HOUSING ASSISTANCE AND SELF DETERMINATION ACT REAUTHORIZATION"

PAUL LUMLEY
EXECUTIVE DIRECTOR
NATIONAL AMERICAN INDIAN HOUSING COUNCIL
TESTIMONY BEFORE THE
SENATE COMMITTTEE ON INDIAN AFFAIRS

WASHINGTON DC
MARCH 22, 2007

Good Morning, Chairman Dorgan, Vice Chairman Thomas and distinguished members of the Committee. Thank you for inviting me to testify.

My name is Paul Lumley and I am the Executive Director of the National American Indian Housing Council. I am also a citizen of the Yakama Nation. Since 1974, the NAIHC has assisted tribes with their self-determined goals of providing culturally relevant, decent, safe, sanitary, and affordable housing on Indian reservations, in Indian communities and Alaska Native Villages and on Native Hawaiian Home Lands. It is an honor to appear before you today to provide our views about the reauthorization of NAHASDA.

Built on the solid foundation of Indian self determination law and policy, NAHASDA was signed into law in 1996 and was enacted to recognize tribal authority to provide housing and related infrastructure to their members in a way that maximizes tribal decision-making and flexibility in meeting their housing goals. In launching NAHASDA, Congress made clear that it was acting pursuant to the trust responsibility owed by the United States to the Native people of this land.

NAHASDA encourages Tribes to administer their housing programs according to the unique and local circumstances of each Indian Tribe. It also enabled greater tribal participation in regulations through the negotiated rule-making process and spurred housing development through the leveraging of federal funds.

Congress also found that in meeting its trust responsibility, it should recognize the right of Indian self-determination and tribal self-governance by making assistance directly available to the Indian tribes. Without a doubt, Self-Determination was—and continues to be—the hallmark of NAHASDA.

Ten years into NAHASDA now, we have seen the key element of the law—the Indian Housing Block Grant, become the largest source of housing capital in Indian Country. Since Fiscal Year 1998, over $5.7 billion in housing assistance has helped Indian families make down payments on homes, make monthly rents, helped with home rehabilitation, and new construction. Prior to NAHASDA implementation, an estimated 2000 units a year were being built. 6000 units were built in NAHASDA's first year alone. By all accounts, it has been a tremendous improvement over the previous Federal housing statutes. Yet, despite these successes, Indian communities still have among the poorest housing conditions in the Nation.

NAIHC, the only national Indian organization representing Native housing interests, is composed of 450 members. On a consensus and grassroots basis, NAIHC is proposing amendments to the law. On behalf of our membership, we have been working with Committee staff on proposed amendments to the law. I would like to highlight four of them.

1. In this era of Indian Self-Determination, clarity in the law is needed on Housing and Urban Development's oversight role. We need uniform application of the law across the six Regional Offices.

2. Similarly, the NAIHC membership proposes that Congress respect tribal authority when it comes to determining the minimum and maximum rents for NAHASDA funded rental units. They propose lifting the so-called "30 percent rule," which prevents Tribal administrators from charging members more than 30 percent of their annual income per month.

3. Members also asked that homes built with NAHASDA funds be included as part of the current assisted stock. It is illogical to build homes with NAHASDA funds only to have HUD not allow them to be maintained with the same funds.

4. Finally, infrastructure development needs to be directly addressed in the implementation of NAHASDA. For example, Tribes need to be able to provide the desperately needed sewage systems before homes are built.

All in all, NAHASDA has been a major shift in Federal Indian Policy yet must further evolve to accommodate Indian Country's growing population. NAHASDA confirmed what we knew in our hearts and what has been repeatedly made clear through research such as that from the Harvard Project on American Indian Economic Development. "When tribes make their own decisions about what approaches to take and what resources to develop, they consistently out-perform non-tribal decision-makers."

Robust housing programs, economic development, and self-sufficiency are all great things to talk about—but to make all our efforts bear fruit, Tribes need adequate funding. We, therefore, encourage the Committee and Congress to seek additional funding for the Indian Housing Block Grant. The NAIHC estimates a need of $750 million to meet current Indian housing needs.

In the future, as Indian Nations become more and more self-sufficient, the Federal Government's assistance will not be as crucial. But we are not there yet. We ask you to reauthorize NAHASDA and to give us the flexibility to achieve our hopes of adequately housing all of America's people.

I want to thank the Committee for its interest in pursuing the reauthorization of NAHASDA and its support for Indian, Alaska Native and Native Hawaiian people.

I would be happy to answer any questions you might have.

"A Tradition of Native American Housing"

APPENDIX A

"Technical" Proposals

1. Section 101 needs to be amended so the federal procurement process makes federal supply sources through GSA and HUD more accessible to tribes and tribally designated housing entities.

2. Section 101 needs to be amended to expressly recognize tribal preference, in addition to Indian preference, in hiring and contracting for NAHASDA activities.

3. Section 201 needs to be amended so law enforcement officers employed by any local government and serve a reservation or Indian area are "Eligible Families" under NAHASDA.

4. Section 201 needs to be amended so "Essential Community Member" can be Indian and non-Indian families who serve tribes and are eligible in housing and housing assistance programs.

5. Section 202 needs to be amended to expressly recognize that commingling NAHASDA funding and other Federal funding for infrastructure is allowed.

6. Section 202 needs to be amended so that NAHASDA funds can be used for operation and maintenance of rental and homeownership units.

7. Section 202 needs to be amended so that the rehabilitation, repair or upgrade of utilities are included in affordable housing activities that do not need specific approval from HUD.

8. Section 208 needs to be amended to include access to the NCIS Registry for criminal records of applicants for employment with a tribe or tribally designated housing entity (TDHE).

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"Substantive" Proposals

9. Section 2 needs to be amended so that the Congressional Findings buttress NAHASDA's self-determination component by highlighting the federal trust responsibility to Indian tribes and Alaska Natives.

10. Section 4 needs to be amended so that the definition of Consultation is triggered for existing or proposed HUD policies, plans, projects, programs or activities that affect a tribe or TDHE.

11. Section 4 needs to be amended to expand the scope of "Housing Related Community Development" to include activities that would make housing more affordable, in addition to activities that lower construction costs.

12. Section 101 needs to be amended to explicitly set forth property tax exemption requirements and outline the types of user fee options available to a recipient of Indian Housing Block Grant (IHBG).

13. Section 102 needs to be amended to streamline the Indian Housing Plan form to collect the information necessary to gauge whether the program's annual objectives are met under long term goals.

14. Section 102 needs to be amended to allow tribe to carry over funds to a subsequent grant year until expended and accounted for under the Single Audit process allowed which will eliminate the need to track multiple year Indian Housing Plans (IHP) and amend prior year IHPs.

15. Section 104 needs to be amended so that income derived from low-income housing tax credit projects, initially funded with NAHASDA funds, is not automatically considered program income, in instances such as when it is replacement funding to pay for construction of such projects which comes from the sale of tax credits to a tax credit investor, who by definition, is not a recipient of IHBG funds.

16. Section 105 needs to be amended so that tribes can delegate their environmental review responsibility under NEPA to a TDHE.

17. Section 105 needs to be amended so that only the release of NAHASDA funds for development projects, not administrative costs, triggers NEPA requirements and that certification from the Secretary will satisfy NEPA.

18. Section 106 needs to be amended to incorporate Tribal Consultation principles into the negotiated rulemaking process.

19. Section 106 needs to be amended to establish a timeline and a procedure for the Secretary of HUD to conduct Negotiated Rulemaking.

20. Section 202 needs to be amended so that "Model Activities" include any housing activities that fit a purpose under NAHASDA and remove the requirement for further HUD approval.

21. Section 202 needs to be amended to make "Housing Related Community Development" activities an "Affordable Housing Activity," so that these activities would be authorized without the necessity of obtaining HUD model activity approval.

22. Section 202 needs to be amended to create a Self-Determination Act Demonstration Project which will establish a federal-tribal committee to meet and review the Act each year to propose and prioritize changes in law.

23. Section 202 needs to be amended to designate reserve accounts as an Affordable Housing Activity.

24. Section 203 needs to be amended to lift the "30% Rule" limitation so tribes can develop alternative rent and payment formulas that will not need recertification of income and redirect resources towards other housing programming.

25. Section 203 needs to be amended to eliminate the competitive procurement rules and procedures for purchases of goods and services under $5,000.00.

26. Section 203 needs to be amended so that Eligible Affordable Housing Activities include those where total development costs do not exceed HUD limits as moderate design.

27. Section 203 needs to be amended to recognize tribal preemption of the federal Rehabilitation Act of 1973, if it is as stringent or more stringent, on access and accommodations for persons with disabilities.

28. Section 204 needs to be amended to allow short term use of NAHASDA funds as "bridge" financing for a non-NAHASDA project.

29. Section 207 needs to be amended to allow NAHASDA recipients to expeditiously terminate the leases of tenants and homebuyers who may be engaging in these activities in order to initiate a court procedure for eviction.

30. Section 210 needs to be amended to remove 1937 Housing Act funding restrictions so tribes have greater flexibility to reprogram housing dollars.

31. Section 403 needs to be amended so tribes and TDHEs determine the level of self-monitoring through onsite inspection of housing units.

32. Section 404 needs to be amended to remove the requirement to "describe the manner in which the recipient would change its programs as a result of its experiences" from the Annual Performance Review.

33. Section 405 needs to be amended so NAHASDA funds fall under the Single Audit Act and tribal and independent audits shall satisfy monitoring and compliance requirements for NAHASDA programming.

34. Section 407 needs to be amended so that HUD's reporting and monitoring role is one of secondary review and data collection and make it clear that any information the Secretary may require under this section is to be provided as part of the section 404 report and not a new or different report imposed on recipients.

35. Section 503 needs to be amended to reinstate Tribes' eligibility in Section 8 rental assistance so tribe can participate and receive funding through appropriations made specifically for those programs and provide tribes additional resources to draw upon to best serve their people's needs.

36. Section 505 needs to be amended to reinstate Tribes' eligibility in the Home Program assistance so tribes can participate and receive funding through appropriations made specifically for those programs.

March 16, 2007

Dear NAIHC Membership:

This letter is to update you on the official position of the Board of Directors for the National American Indian Housing Council ("the Board") regarding the issue of The Department of Housing and Urban Development's (HUD) use of single- and multi-race Census data when calculating the need portion of the Indian Housing Block Grant (IHBG) formula. The Board has decided to remain impartial on this issue.

There are two resolutions currently in effect that address the manner in which IHBG funds should be distributed. NAIHC Resolution 2006-06, adopted at our Annual Convention in May 2006, "demand[s] that HUD utilize the former Single Race approach in the formula allocations for the Indian Housing Block Grant...."

Resolution No. 2006-19, adopted at the legal symposium in December 2006, resolved that "...each individual Sovereign Tribal government exercise its own Self Determination by identifying and selecting a validated data set that they have determined most accurately reflects the Tribal population in their area for formula distribution purposes."

Resolution No 2006-06 passed 78 to 66 with no abstentions. Resolution 2006-19 passed 89 to 83 with no abstentions. The passage of the two resolutions shows clearly that the NAIHC membership is divided virtually down the middle on this issue. The Board takes seriously the members resolutions. However, the two resolutions indicate a relatively even split among our membership on an appropriate data set to use when calculating the need portion of the formula. Therefore, the Board has determined to take no position in favor of, or in opposition to, the use of single-race or multi-race data for formula distribution purposes.

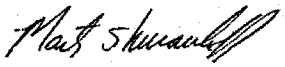
The Board has directed the NAIHC Executive Director to inform all staff of the Board's decision and to direct staff to promote neither single- nor multi-race when engaged in educational efforts, or informational exchanges with any organization, institution, or individual.

The Board determined during their February meeting in Washington, DC, that the NAIHC membership is best served by encouraging Congress, the Administration, and others, of the importance of increasing the funding levels for the Indian Housing Block Grant and Community Development Block programs, as well as restoring NAIHC funding for capacity building efforts though the use of training and technical assistance on behalf of tribes and their tribally designated housing entities. The Board specifically resolved that the top priority will be to seek an overall increase in funding for all NAIHC members and IHBG recipients, independent of how the need portion of the formula might be determined. An overall increase in funding for all grant recipients is the Board's top priority for the fiscal year 2008 budget.

All efforts to educate Congress, federal agencies and departments, and the public, about the housing needs in Indian Country will be directed toward the reauthorization of the Native American Housing Assistance and Self-Determination Act (NAHASDA) as recommended by the Legislative Committee and approved by the Board; an increase in Indian Housing Block Grant funding to $748 million for fiscal year 2008; an increase in Indian Community Development Block Grant funding to $77 million for fiscal year 2008; and restoration of the funding for NAIHC to provide training and technical assistance as authorized in Section 703 of NAHASDA.

Please contact Paul Lumley, NAIHC Executive Director, or Dennis Daniels, Deputy Executive Director, if you have any questions about this issue. Paul may be reached by email at plumley@naihc.net or on his cell phone at (202) 725-3327. Dennis may be contacted directly at
(202) 454-0912 or by email at ddaniels@naihc.net.

Sincerely,



Marty Shuravloff

"A Tradition of Native American Housing"

INDIAN HOUSING FACT SHEET

Immediate Need

- An estimated **200,000 housing units** are needed immediately in Indian country.*
- **Homeless:** Approximately **90,000 Native families** are homeless or under-housed.*

*(*U.S. Commission on Civil Rights, "A Quiet Crisis: Federal Funding and Unmet Needs in Indian Country," 2003)*

According to *Housing and Economic Development in Indian Country:**

- **14%** of homes on reservations have no access to electricity;
- **73%** of tribal water treatment facilities are considered inadequate;
- **20%** of Indian housing units in Indian Country lack telephone service; and
- **66%** of reservation roads are unpaved.

(*2006 report produced by Rutgers University and published by the Fannie Mae Foundation)

Overcrowded and Substandard Conditions

- In tribal areas, **14.7% of homes** are overcrowded, compared to **5.7% of homes** of the general U.S. population. (*Census Bureau, 2000*)
- **Lack of Plumbing:** On Native American lands, **11.7% of residents** lack complete plumbing facilities, compared to **1.2%** of the general U.S. population. (*Census Bureau, 2000*)
- **Lack of Telephone Service: 16.9%,** compared to **2.4%.** (*Census Bureau, 2000*)
- **Lack of Kitchen Facilities: 11%,** compared to **1%** (*Government Accounting Office, 2005*)
- **Lack of Utility Gas: 72%,** compared to **49%** (*Government Accounting Office, 2005*)

Indian Housing Primary Funding

- The Native American Housing Block Grant (NAHBG) was funded at $623.7 million for FY 2006, marking the fourth straight year that it has been either cut, flatlined, or minimally increased since FY02, when it reached $650 million. In FY05, of the $622 million total, about $340 million was designated for new construction (NAIHC figures based on Annual Performance Reports from tribes).
- The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), the program in which NAHBG is the economic centerpiece, has helped more than 60,000 families in some capacity, including down payment assistance, rental assistance, home rehabilitation, and new home construction (NAIHC Housing Survey, 2004).

Demographics

- **Number of Tribes:** There are **561** federally recognized tribes, of these, **229** are Alaska Native Villages. (*Federal Register, 12/05/03; Vol. 68, No. 234*)
- **NAIHC membership:** The National American Indian Housing Council has **265** voting members, representing **466 of the 561** federally recognized tribes. (*November 2006*)
- **Population in American Indian or Alaska Native Areas**: Those reporting American Indian or Alaskan Native (AIAN) heritage alone: 1,187,558. Those reporting AIAN and one or more races: 1,397,336. (*HUD*)
- **Total Population:** 2,447,989 reporting AIAN heritage alone and 4,315,865 reporting AIAN alone or in combination with other races (*Census Bureau, 2006*)
- **High Schoolers:** As of 2003, almost **8%** of AIAN, Native Hawaiians, and other Pacific Islanders were high school-age children (14-17), tops among all racial/ethnic groups. (*Census Bureau, 2003*)
- **Rural:** A total of **34%** of the Native population resides in rural areas, where many reservations are located. (*Census Bureau, 2003*)
- **Western:** Four of ten American Indians live in Western states: AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY. (*Census Bureau, 2003*)

Poverty and Unemployment (Census Bureau, 2000)

- **Poverty Rate:** The poverty rate for Native Americans is approximately **26%**—2.6 times higher than that for whites and more than twice the average for all Americans, at approximately **12%.**

50 F Street NW, Suite 3300, Washington, DC 20001
Phone 202-789-1754 or 800-284-9165 Fax 202-789-1758
www.naihc.net

Unemployment Rate rates for Indians living in Indian areas remains more than twice as high as the U.S. rate of 6%. In all Indian areas the unemployment rate is 22% for non-gaming tribes and 15% for gaming tribes. (*Harvard Project on American Indian Economic Development: A Databook of SocioEconomic Change between the 1990 and 2000 Censuses*).

♦ A NAIHC survey of its membership (August 2005) showed an average unemployment rate of 43% among all respondents and 42% among tribes with gaming.

♦ **Income:** Native Americans have the second lowest median household income, **$32,116**, while whites have the highest at **$46,305**. (*Census Bureau press release, 9/24/2002*)

Entrepreneurship

♦ There were **206,125** American Indian and Alaska Native-owned businesses in 2002, with receipts of **$26.4** billion. AIAN-owned firms were prevalent in many industries, with the largest concentrations in construction; retail trade; professional services; health care; and other services. Receipts were highest in retail trade and construction. AIAN-owned businesses accounted for **8%** of firms in Alaska and about **5%** of firms in both Oklahoma and New Mexico. (*Census Bureau, 2005*)

Gaming

♦ The proceeds of Indian gaming, unlike that of commercial gaming, are not all for "profit," but rather go toward funding of tribal programs, such as housing. For many gaming tribes, the primary purpose is employment. Currently **224 tribes** operate **354 facilities**, providing **400,000 jobs—75% of them to non-Indians**; 73 of the gaming tribes distribute a per-capita payment to tribal members (who pay federal taxes on that income). (*National Indian Gaming Association, 8/3/2005*)

♦ **Disparate benefits:** Of the gaming tribes, **90 (40%) make less than 1%** of the industry's gross revenue and less than that in net revenue. Two-thirds of tribal gaming operations account for just **10%** of the overall revenue with annual gross revenue of **$25 million** or less. The remaining one-third account for **90%** of the revenue. (*NAIHC: "Home Not Sweet: The Effect of Poor Housing Conditions on Native Americans and Their Children" Sept. 2004*)

Homeownership

♦ 2000 Census Data shows that 69% of all Native American households in Indian Country owned their housing and 56% of Native Americans nationwide owned.

♦ However, this rate is not reflective of the type or **quality of the home**. Many of these units are low-quality and homeownership can be associated with Mutual Help housing units, which is technically a rent-to-own program. The effective rate in Indian Country for 2000 was 50%.

(*2006 report produced by Rutgers University and published by the Fannie Mae Foundation)

Mortgage Financing

♦ **HUD Section 184 Indian Housing Loan Guarantee Program:** Created in 1992, the program provides 100% reimbursement to private lenders in case of default. As of July 2006, it had facilitated **3,505** loans.

♦ More than **280** individual financial institutions, a number of which have multiple branches, have become participants in Section 184; **27** of them were new in FY 2005. Of the **2,647 loans**, **1,628** were fee simple, **119** on individual allotments and **900** on tribal land.

♦ From 2004-2005 production increased from **619** loans for over **$62 million** (2004) to **634** loans for almost **$77 million** (2005).

(*HUD information from July 2006 or latest available*)

♦ **Fannie Mae Invests in Indian Country:** As of the end of 2005 Fannie Mae has purchased $1.056 billion in investments on tribal lands for 9,505 units over the past 5 years. In 2005 Fannie Mae invested $4,259,808,891 for 24,782 single family units for Native American Borrowers across the United States through the Native American Conventional Lending Initiative (NACLI).

♦ **Denial Rates for Conventional Home Purchase Loans, by Race, over Last Four Years**

	2002	2003	2004	2005
Native American	23%	24%	22.2%	21.3%
White	12%	11.6%	12.4%	14.3%
Hispanic	18%	18.4%	18.6%	20.1%
Black	26%	24.3%	23.4%	24.4%
Asian	10%	11.4%	13.2%	15.2%

(All loan data from: Federal Financial Institutions Examination Council for institutions covered by the Home Mortgage Disclosure Act, September 2006)

Who is NAIHC?

The National American Indian Housing Council (www.naihc.net) assists tribes and tribal housing entities in reaching their self-determined goals of providing culturally relevant, decent, safe, sanitary, and quality affordable housing for Native people in Indian communities and Alaska Native villages. NAIHC is the only national group providing training and technical assistance, communications, research, advocacy and other support and services to the cause of improving housing for Native Americans living on reservations. We provide services to tribally designated housing entities and our membership represents over 466 tribes across Indian Country.

Updated November 2006

News Release
National American Indian Housing Council
EMBARGOED for 12/6/06- 8:30a.m.PST

Contact: Kim Hayes, (202) 454-0931; Cell: (202) 536-7983; khayes@naihc.net
Jane DeMarines, (202) 454-0911; jdemarines@naihc.net

National American Indian Housing Council Convenes in Las Vegas, Legal Symposium Covers NAHASDA Reauthorization and Other Crucial Issues

Las Vegas, NV–December 6, 2006–Crucial legislative and legal issues are on the table at the 2006 Legal Symposium hosted by the **National American Indian Housing Council**. The symposium, which kicked off today in Las Vegas, marks a milestone in **NAIHC's** work on the Native American Housing Assistance and Self Determination Act (NAHASDA) Reauthorization, **Chairman Marty Shuravloff** told attendees during the plenary session.

Shuravloff acknowledged the members of **NAIHC's** Legislative Committee and the Formula Allocation Task Force for their hard work this past year. The Legislative Committee members worked on NAHASDA Reauthorization and the Formula Allocation Task Force members had the difficult task of coming up with suggested solutions regarding the manner in which Indian Housing Block Grants (IHBG) are allocated.

"This work has occurred over the past four and a half months and I know the committee and task force members have put in hundreds of hours of work and worked through many thoughtful proposals in the attempt to arrive at fair and flexible solutions to difficult and complex issues," **Shuravloff** said.

Reauthorization of NAHASDA of Paramount Importance
"We want to ensure that the Legislative Committee's proposed amendments to NAHASDA promote flexibility in how we run our programs," **Shuravloff** said. "We know the importance of recognizing self-determination because tribes and their respective tribal housing organizations know best how to serve the needs of their people."

The word "flexibility" is key because each and every tribe is unique. "I am an Alaska Native—a member of the **Leisnoi Village**," **Shuravloff** said. "What the **Kodiak Island Housing Authority** sees as needs on a day-to-day basis is surely different from what the **Wampanoags** see as needs in Massachusetts, even though we are both island communities."

The Legislative Committee has proposed multiple amendments to NAHASDA. Those amendments range from giving tribes more flexibility on income rules for tenants to providing more flexibility on the requirements for Indian Housing Plan submissions. The Formula Allocation Task Force has as its mission how tribes count their people for formula distribution purposes. This has been a difficult issue for tribes since the Housing and Urban Development department decided that they would use a different set of data for IHBG distribution purposes. **NAIHC** members, at a special membership meeting on December 7, will vote on four actions that seek to address the issue of formula distribution.

The Legal Symposium is also offering presentations on case law updates, ethical conduct, Methamphetamine, a new land assignment law from the Mashantucket Pequot tribe, tribal sovereignty and the Earned Income Tax Credit, a law that allows tribal members to secure refunds on their tax returns, even up to the previous 3 years, for families making under $38, 000 and meeting certain criteria.

###

NAIHC assists tribes and tribal housing entities in reaching their self-determined goals of providing culturally relevant, decent, safe, sanitary, and quality affordable housing for Native people in Indian communities and Alaska Native villages.
"NAIHC...A Tradition of Native American Housing" Web Site: www.naihc.net

News Release

National American Indian Housing Council

NOVEMBER 22, 2006

CONTACT: Kim Hayes, 202-454-0931, cell: (202) 536-7983 or khayes@naihc.net
Jane DeMarines, 202-454-0911 or jdemarines@naihc.net

Native Americans – More 'Homes' for the Holidays

Washington, DC (11-22-06)—While many Americans are making their way home for the Thanksgiving holiday, Native Americans are celebrating as well, in many cases, celebrating their improved chance of owning a home.

Recent data for the Home Mortgage Disclosure Act (HMDA), which was released by the Federal Financial Institutions Examination Council (FFIEC) for 2005, shows that Native Americans increased their number of mortgage originations.

From 2004 to 2005, the number of conventional home purchase loan originations expanded among Native Americans (+5.4%), but much more so among whites (+19.2%), and the total population (+18.6%). However, for the latter two categories, the expansion represented significant decreases in terms of proportion of applications (whites –4.4%; total –3.5%), while Native Americans showed a slight gain in that regard (+0.5%).

This encouraging trend reflects progress in Native Americans' mortgage literacy, according to the **National American Indian Housing Council (NAIHC)**.

Mortgage Opportunities Expand

While Native American homeownership is still lower than the national average 56%* vs. 68%, according to 2000 Census statistics, there are signs that the rate is improving and more loans are being made to Native American borrowers.

Mortgage opportunities are improving for Native Americans, particularly through the Housing and Urban Development Department's Section 184 Indian Housing Loan Guarantee Program. Created in 1992, the program provides 100 percent reimbursement to private lenders in case of default. As of July 2006, it had facilitated **3,505** loans. Another boon to mortgages is Fannie Mae, which at 2005 year-end had purchased **$1.056 billion** in investments on tribal lands for **9,505** units over the past 5 years.

NAIHC Promotes Homeownership with Website and Training

To help boost homeownership rates among Native Americans, **NAIHC** launched a new website on September 25, 2006: **www.NativeAmericanHomebuyer.com**. The site has already seen **26,000 page visits**, and is expanding with new items such as advanced mortgage calculators that offer features like:

- How will prepaying change my loan?
- Simple Savings Calculator
- How much house can you afford?

—MORE—

*2000 Census Data shows that 56% of Native Americans own their homes nationwide. However, this rate is not reflective of the type of loan (i.e. a mortgage could be rent-to-own) or quality of the home. The effective homeownership rate in Indian Country for 2000 was 50%. (***Housing and Economic Development in Indian Country***: produced by Rutgers University and published by the Fannie Mae Foundation in 2006.)

Native American Homeownership Continued, p. 2

"This website is guiding Native American homebuyers through basic considerations such as how much home they can afford, and steering them away from predatory lenders and toward their tribe's homebuyer counselors," said **NAIHC Chairman Marty Shuravloff**.

In addition, **NAIHC** recently conducted a series of specific training seminars for its members focusing on "Planning for Homeownership Projects." This will continue in 2007 with a seminar on "Housing as Economic Development" planned. Also, **NAIHC** recently conducted a seminar on "Individual Development Accounts (IDAs) for Tribal Homeownership Programs." Additionally **NAIHC's** Homebuyer Team teaches the **Pathways Home** "train-the-trainer" program across the country. Pathways Home has certified **439 homebuyer trainers** overall.

Ask the Experts Forum Coming Soon

In honor of **Native American Heritage Month NAIHC** will conduct an "Ask the Indian Housing Experts" forum for the media on **November 29, 2006**. Available **NAIHC** experts are scheduled to include **Shuravloff**, Acting Executive Director **Dennis Daniels** (formerly of HUD's Office of Native American Programs), Field Service Director **Luke Toyebo,** and Office of Governmental Affairs Director **Wendy Helgemo**.

The forum will be conducted via conference call, and news media are welcome to participate. Further details will be released at a later date. For media questions, please contact Kim Hayes, (202) 454-0931 or khayes@naihc.net.

####

The National American Indian Housing Council assists tribes and tribal housing entities in reaching their self-determined goals of providing culturally relevant, decent, safe, sanitary, and quality affordable housing for Native people in Indian communities and Alaska Native villages.

"A Tradition of Native American Housing"

www.naihc.net

National American Indian Housing Council

"A Tradition of Native American Housing"

Since 1974, the National American Indian Housing Council (NAIHC) has provided housing professionals with the training, resources and information necessary to meet the housing needs of American Indians and Alaska Natives in tribal areas. A tribal member organization, NAIHC represents the housing interests of more than 460 tribes. NAIHC has established a reputation as the national leader in Indian housing and works with many federal agencies, financial institutions and community groups to bring housing progress to Native people throughout Indian country. Governed by a board of 10 tribal housing professionals, all regions of the country are represented, providing a direct connection to the news, problems, and progress in Indian housing. NAIHC's members consist of tribally designated housing entities (TDHEs) and umbrella organizations representing TDHEs.

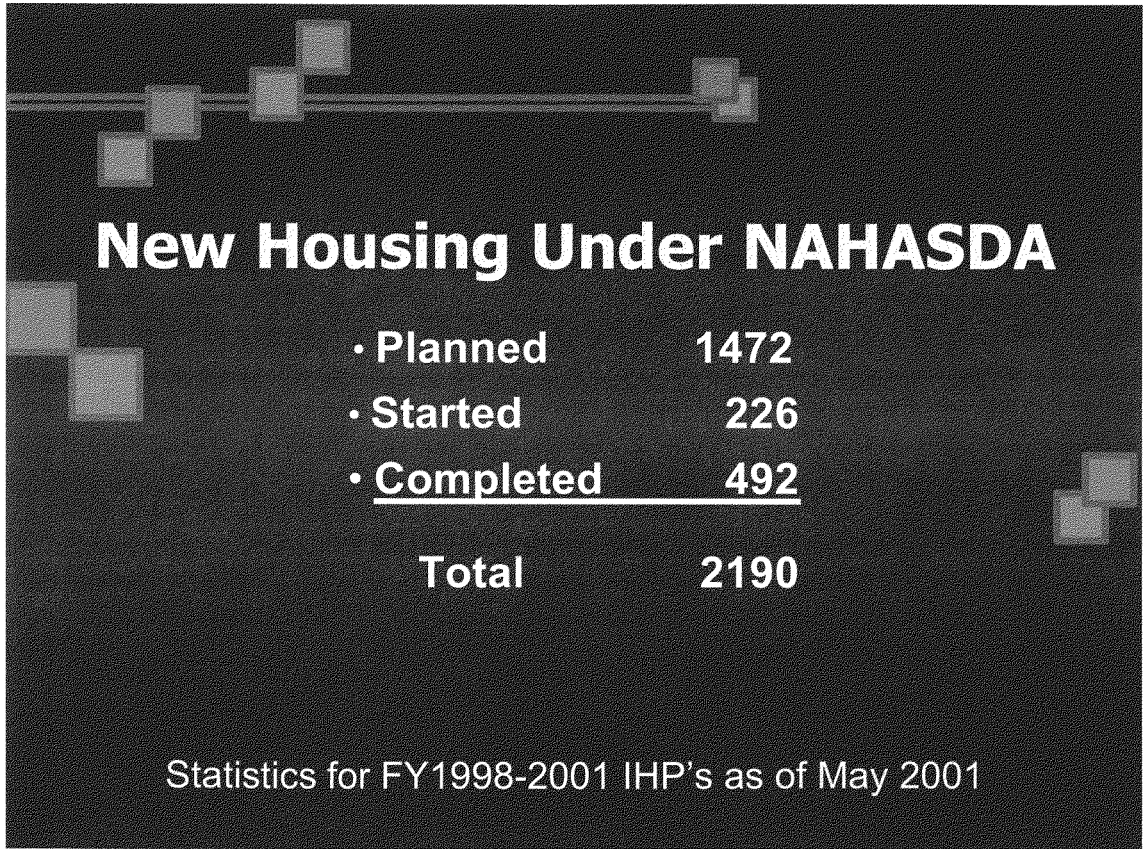
Our Mission: To assist tribes and tribal housing entities in their self-determined goals of providing culturally relevant, decent, safe, sanitary and quality affordable housing for Native people in Indian communities and Alaska Native villages.

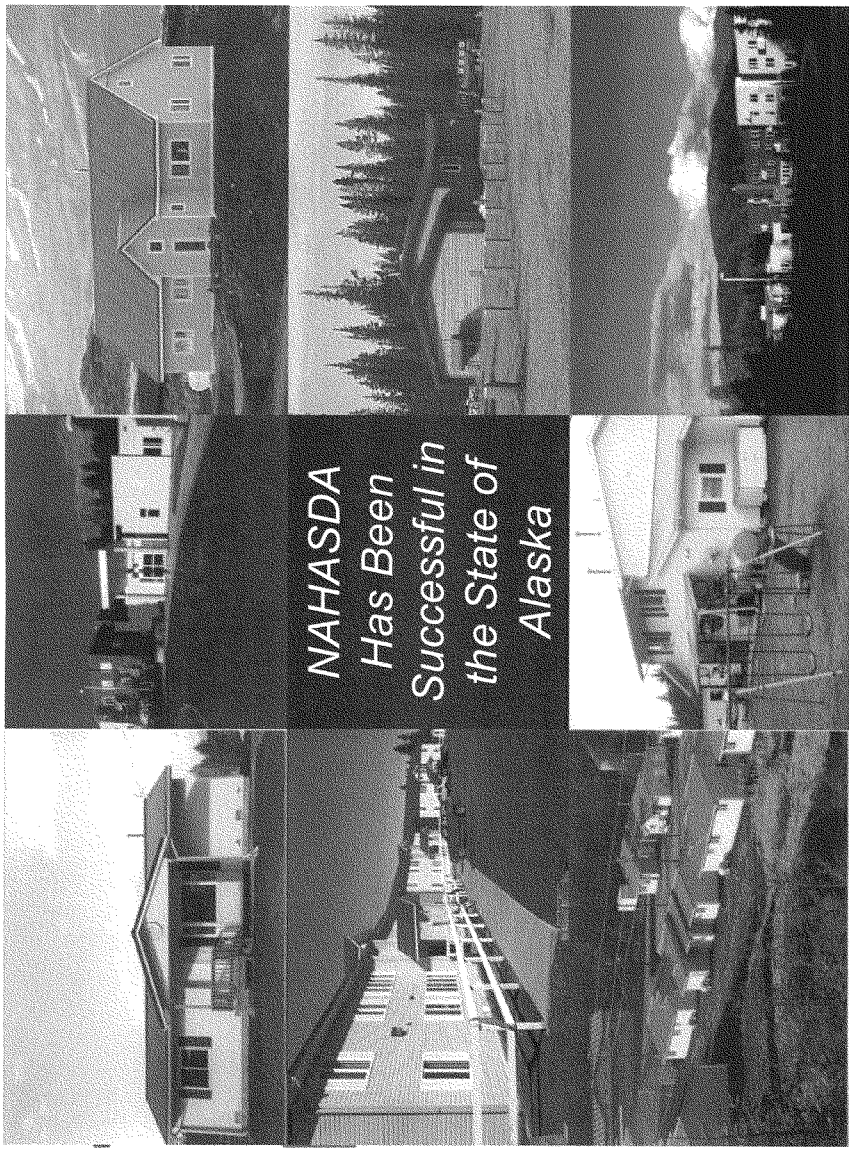
NAIHC Services and Products:

- **Advocacy:** NAIHC's **Office of Governmental Affairs (OGA)** upholds tribal perspectives in legislation, and informs policy makers of tribal housing issues through special forums and communications such as the *Federal Monitor*.
- **Research:** provides timely and comprehensive information through reports and videos. A Technical Center hosts more than 2,000 publications on Native American housing issues.
- **Communications:** NAIHC's communications department provides tribes, policy makers, media, and the public with timely information. Communicative vehicles include: press releases, news conferences, comment letters, Website (www.naihc.net), *Native American Housing News* newspaper, *Quick Facts* newsletter, and the annual Indian housing calendar.
- **Leadership Institute:** increases the capabilities of Indian housing staff with specialized training sessions addressing specific areas of Indian housing management. Completion of four tracks leads to certification as a Professional Indian Housing Manager.
- **Technical Assistance:** NAIHC provides free Technical Assistance on a broad range of Indian housing management issues to tribes at no cost through site visits, faxes, telephone and e-mail.
- **Free Training Courses:** Training courses on various Indian housing issues at no cost.
- **Native American Funding Resources:** provides information on available financial assistance.
- **Events/Special Seminars/Conferences:** annual Convention and Trade Show (summer), Legal Symposium (winter), Legislative Conference (spring) and Specialized Seminars.
- **Committees:** As a way of supporting effective policies and programs for Indian housing, NAIHC periodically creates special interest committees composed of experienced housing professionals.
- **Partnerships:** NAIHC has formed long-standing partnerships with a variety of organizations. Partners include banks, foundations, and sister organizations.

To reach NAIHC:
Phone: (202) 789-1754; (800) 284-9165 * Fax: (202) 789-1758 * Web: www.naihc.net
Mail: 50 F St. NW, Suite 3300, Washington, DC 20001

12-7-06


New Housing Under NAHASDA
• Planned 1472
• Started 226
• Completed 492
Total 2190
Statistics for FY1998-2001 IHP's as of May 2001


NAHASDA
Has Been
Successful in
the State of
Alaska

Thank You for Your Time
and for My Home

Acknowledgements

- Alaska Office of Native American Programs
- Cook Inlet Housing Authority
- Tlingit-Haida Regional Housing Authority
- Association of Alaska Housing Authority Members

Association of Alaska Housing Authorities
Presents
NAHASDA
Dollars At Work
Achievements of NAHASDA

There are 14 Housing Authorities in the State of Alaska
Aleutian Housing Authority
AVCP Regional Housing Authority
Baranof Island Housing Authority
Bering Straits Regional Housing Authority
Bristol Bay Housing Authority
Cook Inlet Regional Housing Authority
Copper River Basin Regional Housing Authority
Interior Regional Housing Authority
Kodiak Island Housing Authority
Metlakatla Housing Authority
North Pacific Rim Housing Authority
Northwest Inupiat Housing Authority
Tagiugmiullu Nunamiullu Housing Authority
Tlingit-Haida Regional Housing Authority

These 14 Housing Authorities serve 228 Tribes
About half of the Tribes in the United States are in Alaska

Being Served

ALASKAN TRIBES

Afognak
Akhoik
Akiachak
Akiak
Akutan
Alakanuk
Alatna
Aleknagik
Algaaciq (St. Mary's)
Allakaket
Ambler
Anaktuvuk Pass
Andreafski
Angoon
Aniak
Anvik
Arctic Village
Atka
Atmautluak
Atqasuk (Atkasook)
Barrow
Beaver
Belkofski
Bethel
Bill Moore's Slough
Birch Creek
Brevig Mission
Buckland
Cantwell
Chalkyitsik
Chanega
Chefornak
Chevak
Chickaloon
Chignik
Chignik Lagoon
Chignik Lake
Chilkat
Chilkoot
Chistochina
Chitina
Chuatbaluk
Chuloonawick
Circle
Clark's Point
Council
Craig
Crooked Creek
Curyung
Deering
Dot Lake
Douglas
Eagle
Eek
Egegik
Ekluina
Ekuk
Ekwok
Elim
Emmonak
Evansville (Bettle Field)
Eyak
False Pass
Fort Yukon
Gakona
Galena
Gambell
Georgetown
Golovin (Chinik)
Goodnews Bay
Grayling
Gulkana
Haines
Hamilton
Healy Lake
Holy Cross
Hoonah
Hooper Bay
Hughes
Huslia
Hydaburg
Igiugig
Iliamna
Inalik (Diome)
Ivanoff Bay
Kaguyak
Kake
Kaktovik (Barter Island)
Kalskag
Kaltag
Kanatak
Karluk
Kasaan
Kasigluk
Ketchikan
Kiana
King Cove
King Island
King Salmon
Kipnuk
Kivalina
Klawock
Kluti Kaah (Copper River)
Knik
Kobuk
Kokhanok
Koliganek
Kongiganak
Kotlik
Kotzebue
Koyuk
Koyukuk
Kwethluk
Kwigillingok
Kwinhagak
Larsen Bay
Lesnoi (Woody Island)
Levelock
Lime
Lower Kalskag
Manley Hot Springs
Manokotak
Marshall
Mary's Igloo
Metlakatla
McGrath
Merkoyuk
Mentasta
Minto
Mountain Village
Naknek
NANA
Nanwelek
Napaimute
Napakiak
Napaskiak
Nelson Lagoon
Nenana
New Stuyahok
Newhalen
Newtok
Nightmute
Nilokai
Nikolski
Ninilchik
Noatuk
Nome
Nondalton
Noorvik
Northway
Nuigsut
Nulato
Nunapitchuk
Oagan Tayagungin
Ohogamiut
Old Harbor
Oscarville
Ouzinkie
Palmut
Pauloff Village
Pedro Bay
Perryville
Petersburg
Pilot Point
Pilot Station
Pitka's Point
Platinum
Point Hope
Point Lay
Port Graham
Port Heidan
Port Lions
Portage Creek
Rampart
Red Devil
Ruby
Russian Mission (Yukon)
Saint George
Saint Michael
Saint Paul
Salamatoff
Savoonga
Saxman
Scammon Bay
Selawik
Seldovia
Shageluk
Skahtoolik
Sheldon's Point
Shishmaref
Shoonaq
Shungnak
Skagway
Sleetmute
Solomon
South Naknek
Stebbins
Stevens
Stoney River
Takotna
Tanacross
Tanana
Tatitlek
Tazlina
Telida
Teller
Tetlin
Togiak
Tooksook Bay
Tuluksak
Tuntutuliak
Tununak
Twin Hills
Tyonek
Ugashik
Umkumiate
Unakleet
Unalaska
Unga
Venetie
Wainwright
Wales
White Mountain
Wrangell
Yakutat

Successes of NAHASDA

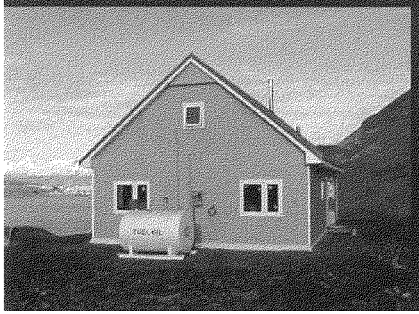
- Increase the number of homes built in Alaska
- Assist with affordable housing activities
- Ensure better access to mortgage markets
- Promote self sufficiency of Indian tribes
- Plan and integrate infrastructure resources
- Promote development of private capital markets

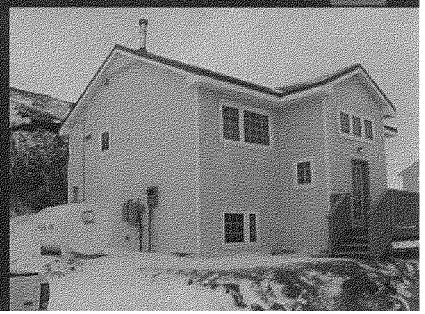
FY2000 NAHASDA
Indian Housing Plan Activities
Construction and Acquisition
Housing Authority Owned Units
Administration and Planning
Model Activities
Crime Prevention
Housing Management
Housing Services
Rehabilitation

Aleutian Regional Housing Authority and Tribes in their Region

NAHASDA Funding - $11,606,556

- 6 Housing Units Starts
- 15 Homes Completed





Aleutian
Housing
Authority

AVCP Regional Housing Authority and Tribes in their Region
NAHASDA Funding - $73,373,708
• 161 Housing Units Planned
• 69 Housing Units Starts
• 36 Homes Completed

AVCP Regional
Housing Authority
PILE DRIVING IN PROGRESS
AVCP 219
(3-12-01)
AVCP 229
UNIT #3 IN PROCESS OF BEING LOWERED
ONTO THE PILE FOUNDATION.
(3-13-01)
AVCP 221
SECOND HOUSE PREPARING TO CROSS
NAPASKIAK SLOUGH.
(3-17-01)

Baranof Island Housing Authority
NAHASDA Funding - $4,502,251
• SAGA/YABAH – Youth Build Program
• 4 New Units – Home Ownership
• 2 Families – Home Ownership Loan Assistance Program
• 30 Lots – Being developed for Home Ownership Opportunities

Baranof Island
Housing
Authority

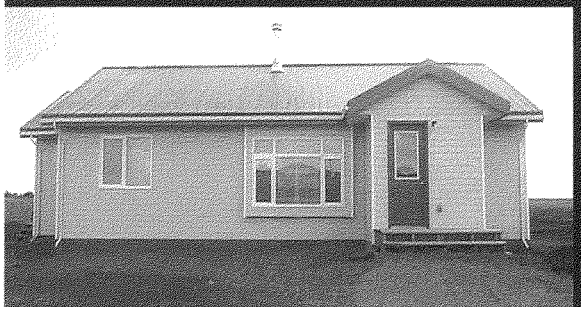
Bering Straits Regional Housing Authority
and Tribes in their Region
NAHASDA Funding - $31,456,700
• 37 Housing Units Planned
• 12 Housing Units Starts
• 45 Homes Completed

Bering Straits Regional Housing Authority

Bristol Bay Housing Authority and Tribes in their Region

NAHASDA Funding - $23,306,977

- 34 Homes in Planning
- 23 Home Starts
- 40 LIHTC rental subsidies
- 10 Unit Assisted Living Apartments

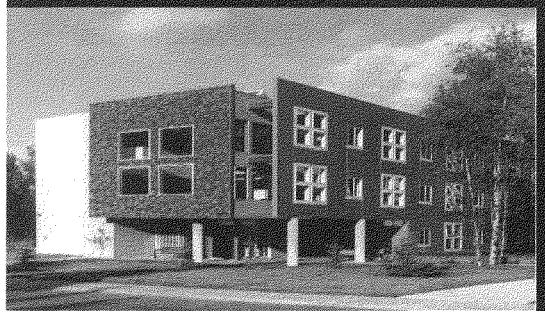


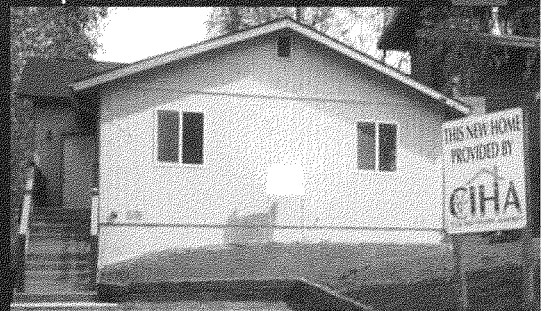
Bristol Bay
Housing
Authority

Cook Inlet Housing Authority and Tribes in their Region

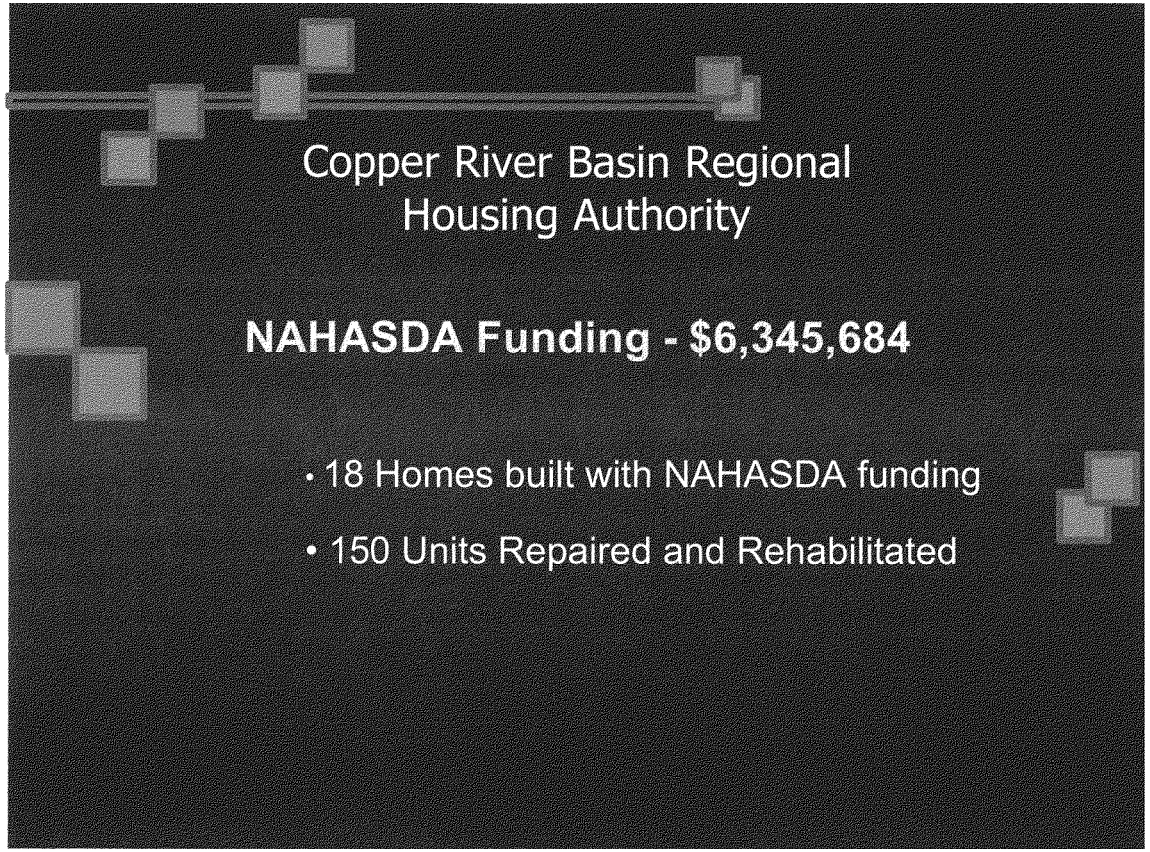
NAHASDA Funding - $49,792,956

- 1,006 Housing Units Planned
- 54 Housing Starts
- 349 Homes Completed





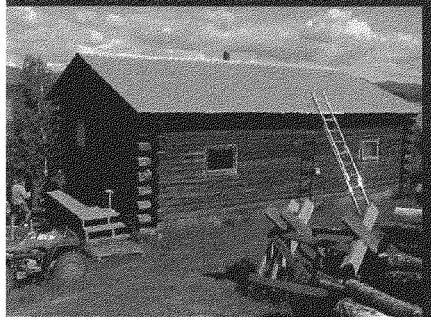
Cook Inlet
Housing
Authority

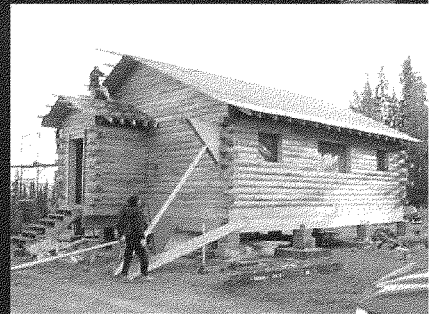

Copper River Basin Regional
Housing Authority
NAHASDA Funding - $6,345,684
• 18 Homes built with NAHASDA funding
• 150 Units Repaired and Rehabilitated

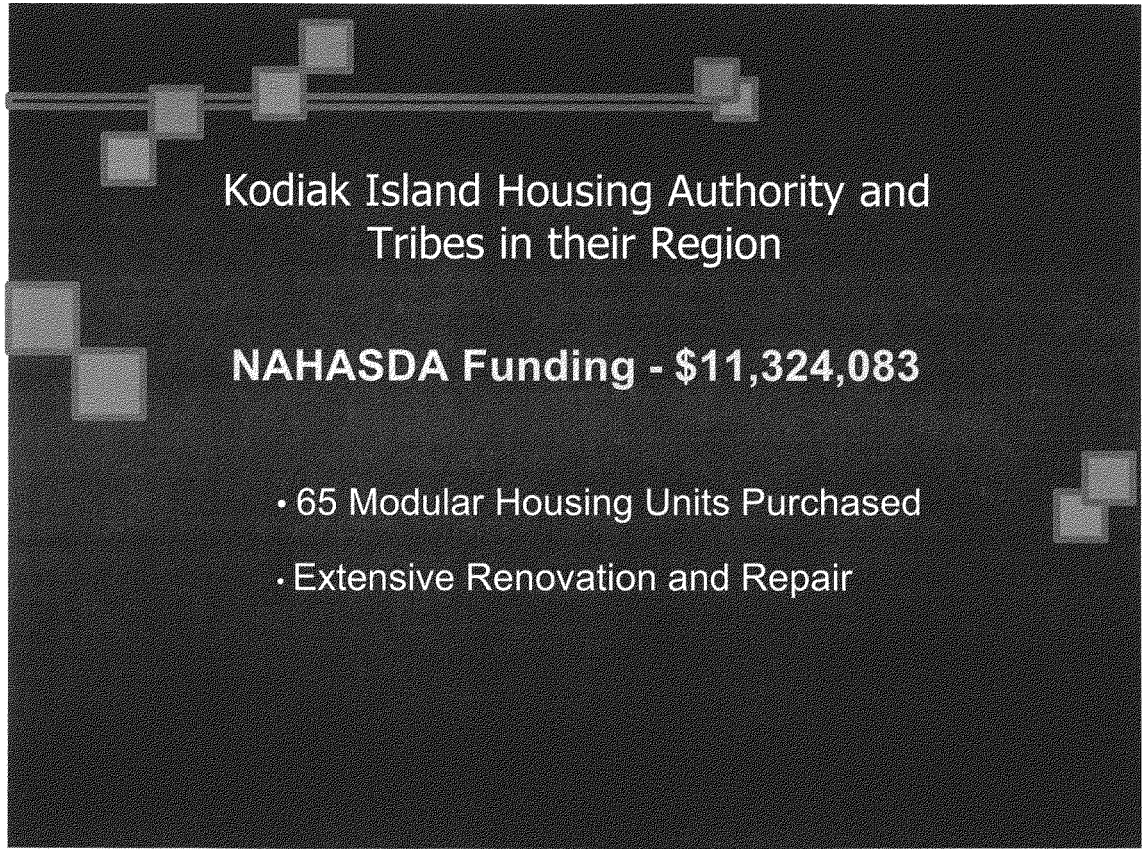
Interior Regional Housing Authority and Tribes in their Region

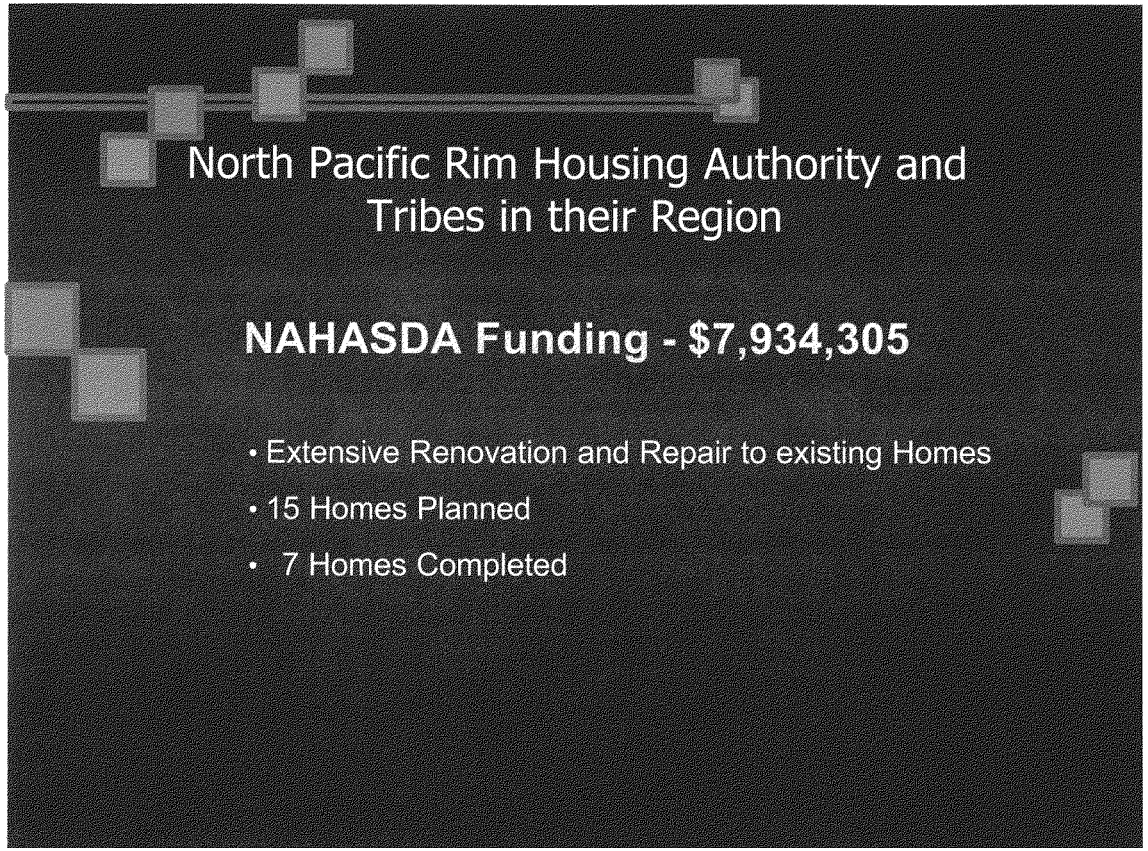
NAHASDA Funding - $48,238,967

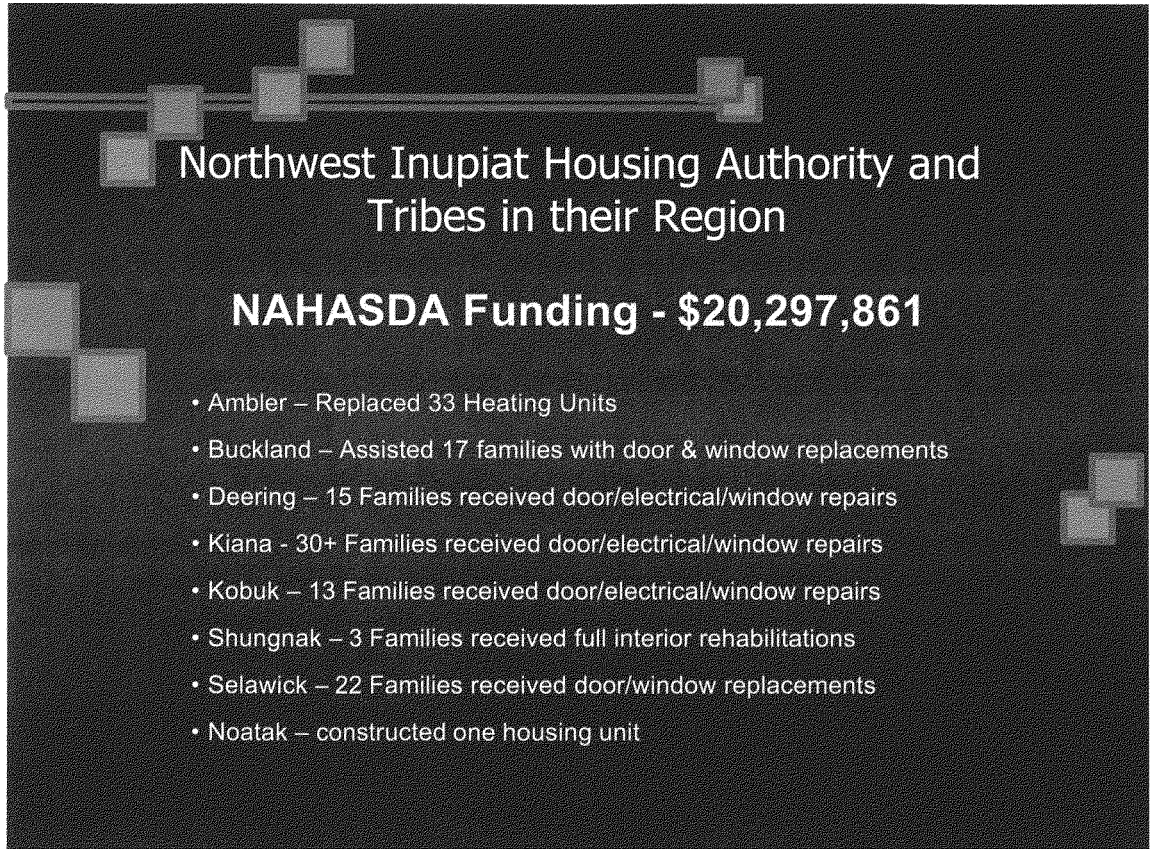
- Extensive Renovation among 23 Tribes
- 84 Homes Planned
- 24 Homes Completed





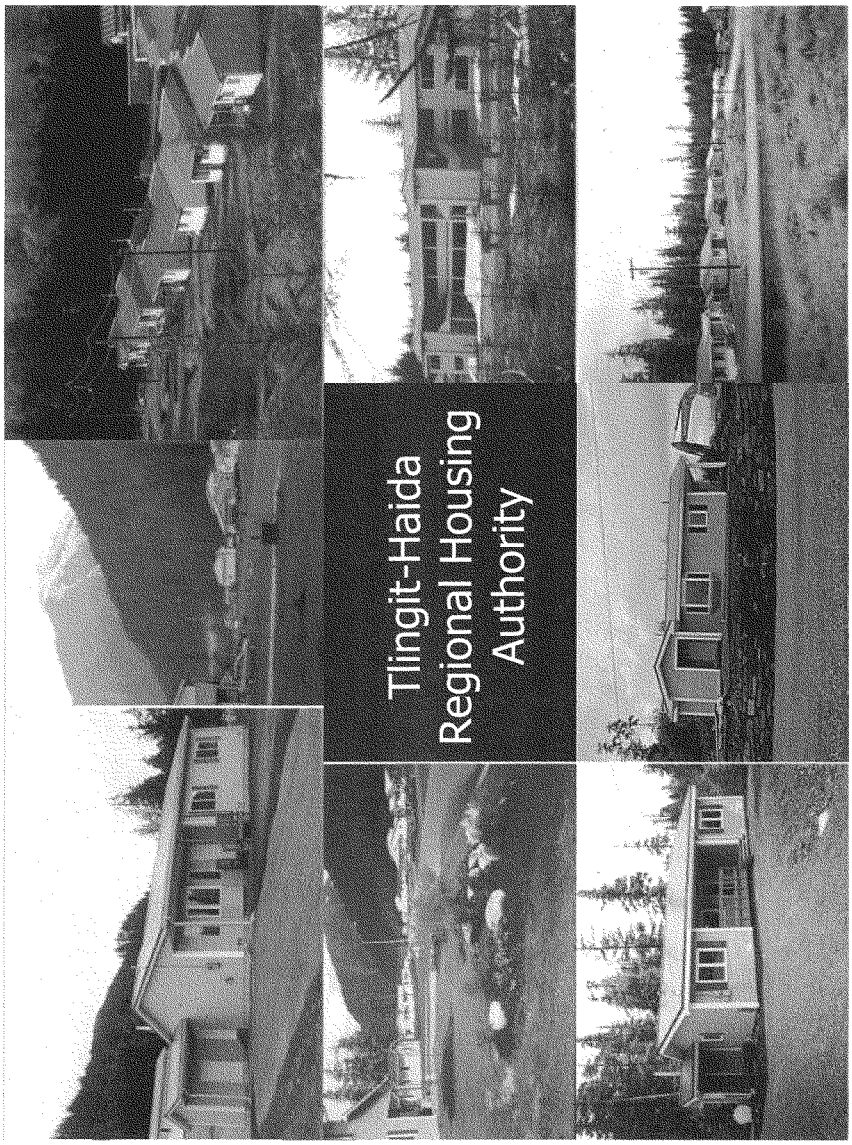

Kodiak Island Housing Authority and Tribes in their Region
NAHASDA Funding - $11,324,083
• 65 Modular Housing Units Purchased
• Extensive Renovation and Repair

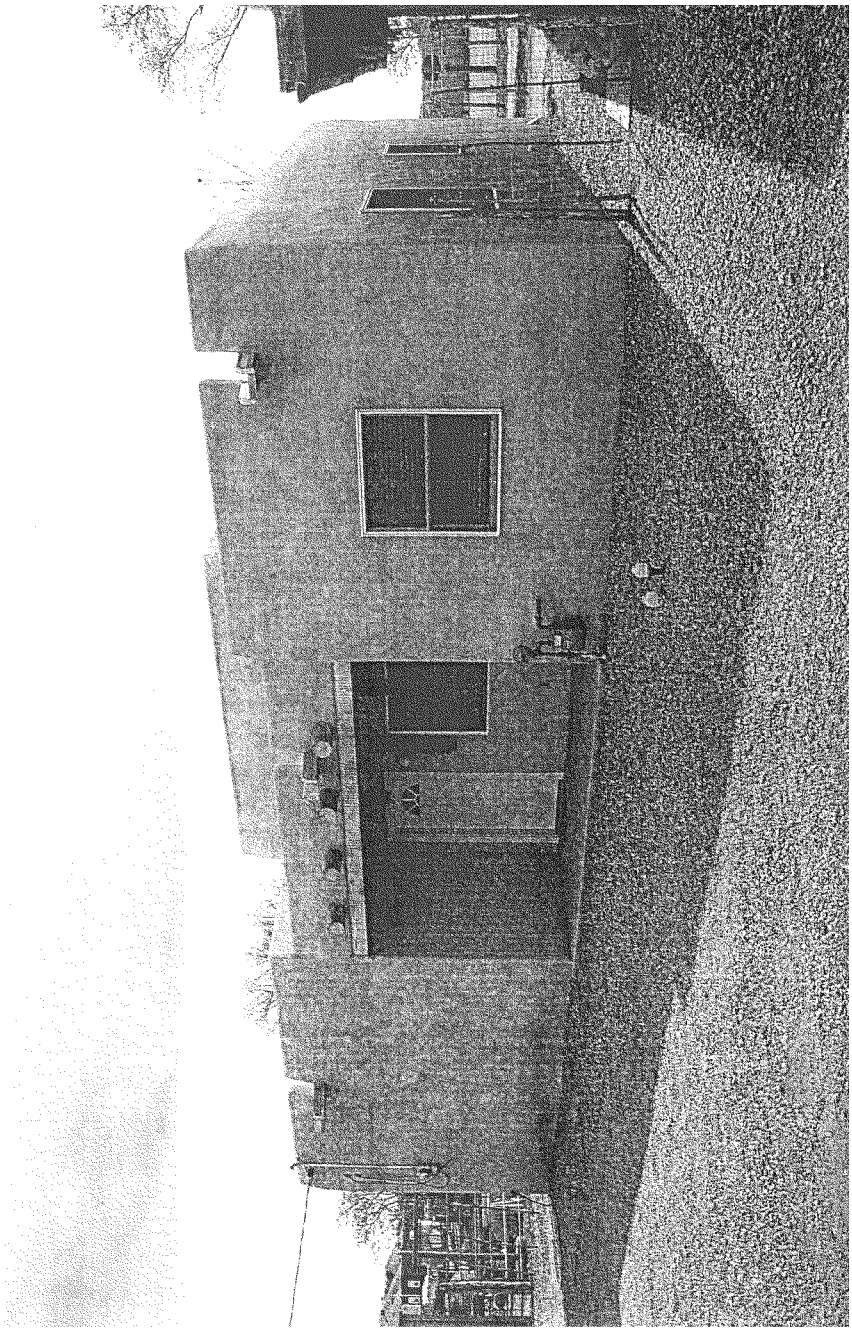

North Pacific Rim Housing Authority and Tribes in their Region
NAHASDA Funding - $7,934,305
• Extensive Renovation and Repair to existing Homes
• 15 Homes Planned
• 7 Homes Completed


Northwest Inupiat Housing Authority and Tribes in their Region
NAHASDA Funding - $20,297,861
• Ambler – Replaced 33 Heating Units
• Buckland – Assisted 17 families with door & window replacements
• Deering – 15 Families received door/electrical/window repairs
• Kiana - 30+ Families received door/electrical/window repairs
• Kobuk – 13 Families received door/electrical/window repairs
• Shungnak – 3 Families received full interior rehabilitations
• Selawick – 22 Families received door/window replacements
• Noatak – constructed one housing unit

Tagiugmiullu Nunamiullu Housing Authority
and Tribes in their Region
NAHASDA Funding - $22,447,140
• 133 Units Residential Electrical Improvement Program
• Low Rent Units Renovation
• 98 Low Rent Units Upgraded Water/Sewer connections

Tlingit-Haida Regional Housing Authority
and Tribes in their Region
NAHASDA Funding - $36,953,618
• 58 Homes Planned
• 36 Homes Completed
• 20 Unit – NAHASDA, LIHTC, Subdivision in Yakutat


Tlingit-Haida
Regional Housing
Authority



Santa Domingo Pueblo Housing Authority
New Mexico

Homes - funded completely by NAHASDA dollars.

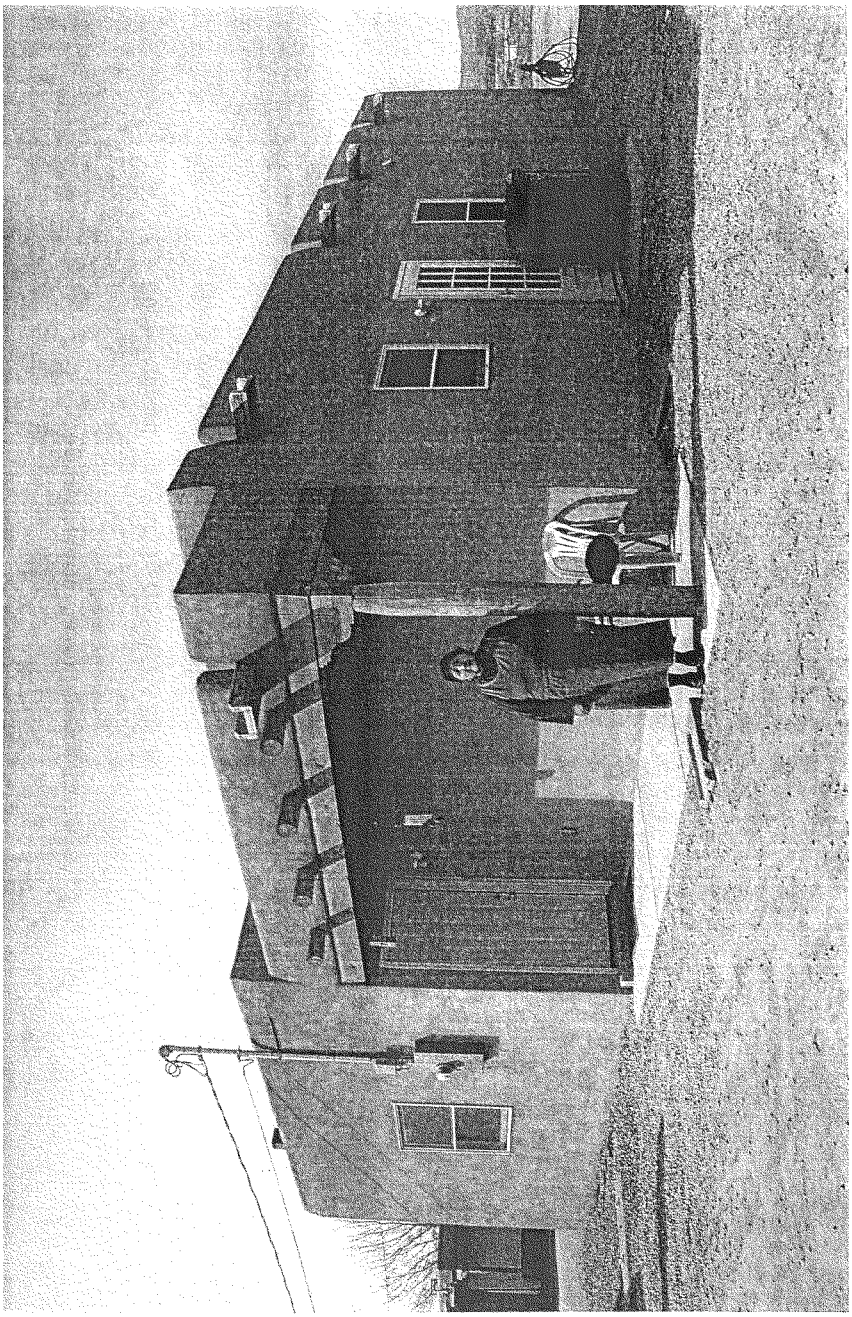
Five homes were built in 2004 and 2005.

Santa Domingo has a little over 4,000 members.

BAATISTO PACHEO, SANTA DOMINGO PUEBLO, NEW MEXICO, 2006 (Lee Marmon Photographer)

Mr. Pacheo returned to the reservation in 2000 and lived in a 20 x 30 foot storage unit with an electric stove and no plumbing until his home was built.

Mr. Pacheo spent almost 4 years on a waiting list to get his new home.



Santa Domingo Pueblo Housing Authority
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ANGELITA G. TENORIO, SANTA DOMINGO PUEBLO, NEW MEXICO, 2006 (Lee Marmon Photographer)

Ms. Tenorio's family home from the 1940s was abandoned and uninhabitable. It was demolished to make way for a new home.

Ms. Tenorio waited a few years on a waiting list.

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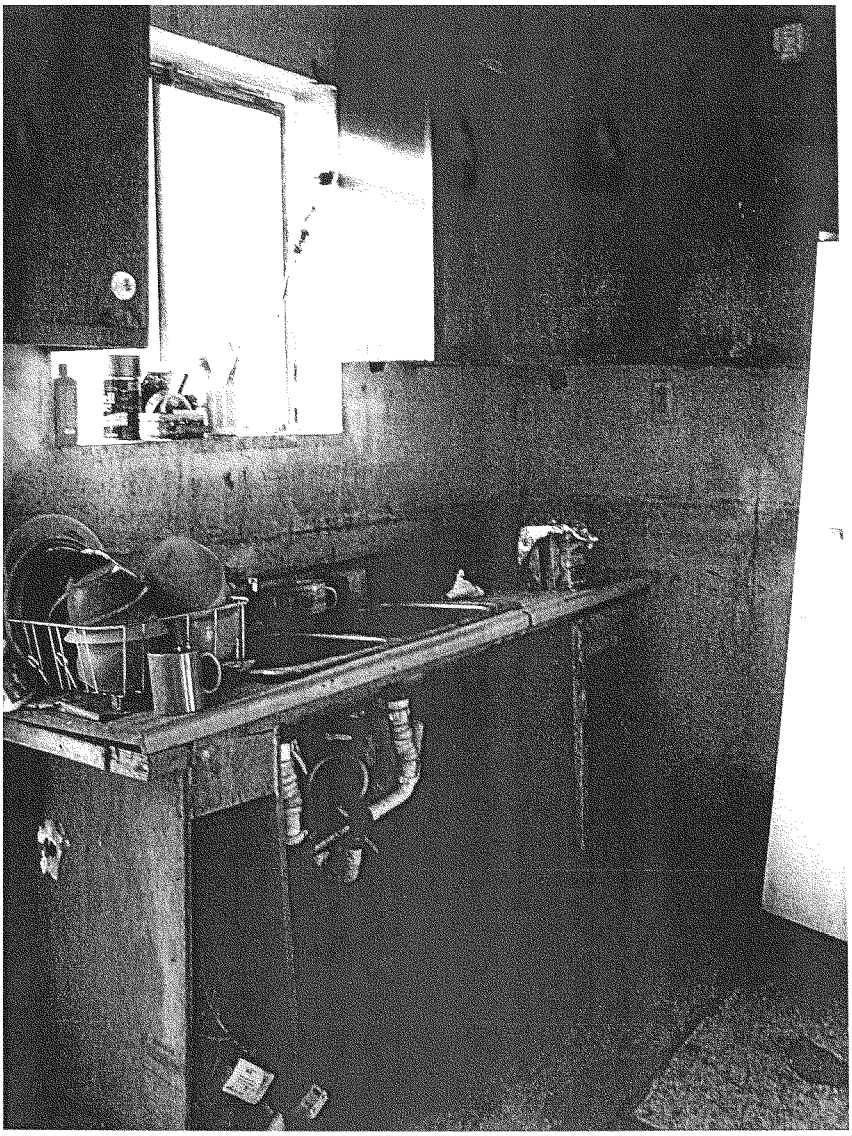

San Carlos Apache
Arizona

NAIHC congressional tour in 2005

Here is a CURRENT description from their housing authority:

The home is a substandard house (see attached) built by the elderly family who handed it down to their children. Extended families reside in the home a young couple with 4 children ranging from 7 to 1 years old. The kitchen has plumbing problem that deteriorated the whole bottom of the sink along with the floor. One of the young families are on the waiting list for rental with the number of people waiting for homes and the need for more homes it will take months to years to get into a rental or mutual help homes.

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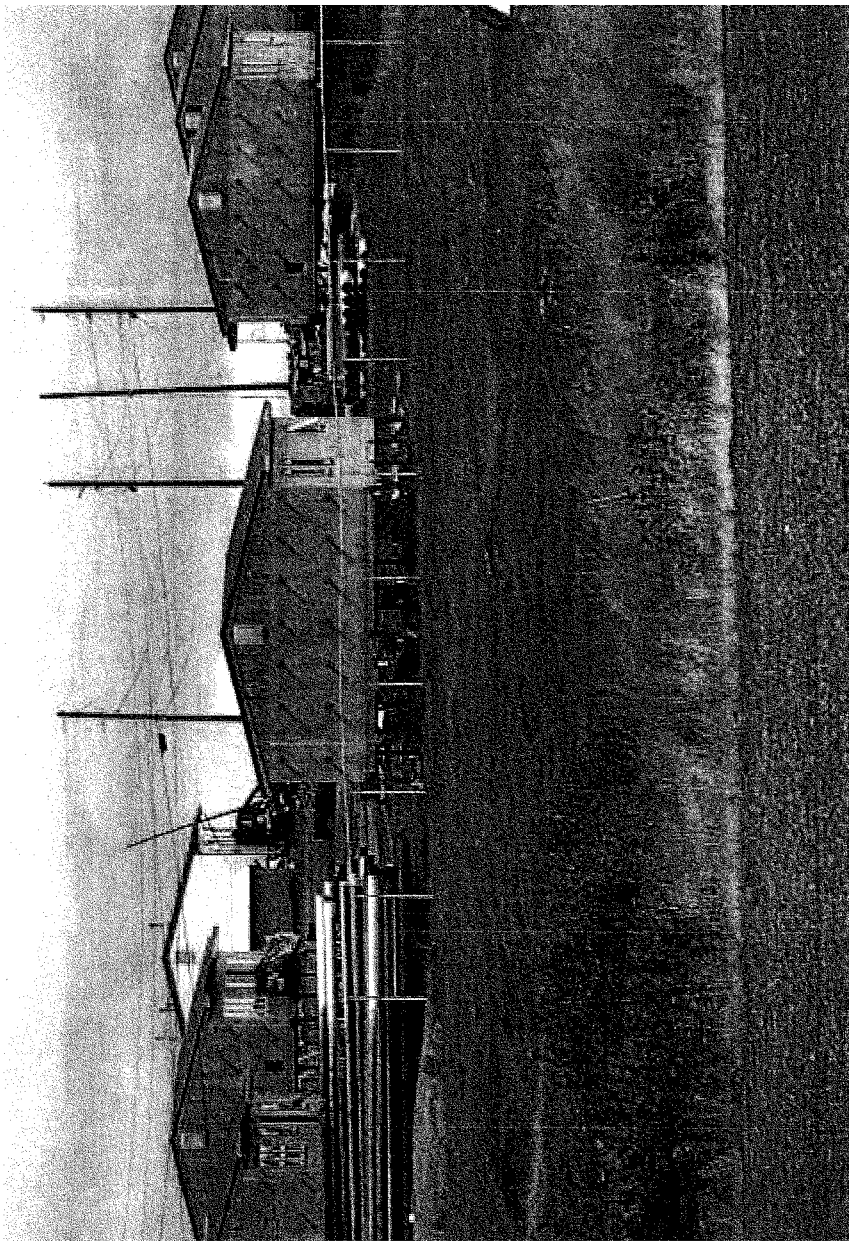

Village of Kasigluk
Alaska

Outside of Bethel

Congressional Tour 2005

New homes units had very little or no running water at that time

Depend on the "honeybucket" for disposal of human waste

In the AVCP region (if you include the Calista Native Regional Corporation) there are 57 tribes in 47 villages or communities. Of the 47 villages, at least 16 or 34% do not completely have running water

The homes being built in Kasigluk included a "full bath" even with the absence of running water – according to AVCP, "this was done so that the homes would be ready for hook up if and when the infrastructure comes in. The cost of including a full bath is minimal when compared to the cost of hook up of units to existing water/sewer." In one of AVCP's communities, the estimated cost to hook 8 units to water sewer or least to get piped water and sewer available to these units was more than $2 million.

Based on information from the Indian Health Service (Alaska Native Tribal Health Consortium) and the Village Safe Water program (State of Alaska Department of Environmental Conservation), the total need on FY 2005 projects within our region was more than $75.5 million. This figure is most likely higher as by the estimate of $2 million to hook up 8 unites, plus the need for communities not responding to state generated questionnaires is not included.

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Testimony of

The Honorable John Yellow Bird Steele

President of the Oglala Sioux Tribe

Oversight Hearing on Indian Housing

Before

The Senate Committee on Indian Affairs

March 22, 2007 – 9:45 A.M.

Room 485, Senate Russell Building

Good Morning Mr. Chairman:

My name is John Yellow Bird Steele and I am the President of the Oglala Sioux Tribe. On behalf of my Tribal Council and our Tribal members, I would like to thank you for allowing me this opportunity to testify on the important issue of Indian Housing.

Mr. Chairman, our housing needs on the Pine Ridge Indian Reservation are so severe that I have had some trouble figuring out where to start my presentation. I could tell you, for example, that we have a current need for at least 3,000 new homes, and that we desperately need at least 300 of those in the next year, but that would not provide you with a real picture of what we live with every day.

OVER CROWDING

On our reservation, there are hundreds of families who live in overcrowded situations. It is not at all unusual to find a single family home occupied by two elders, their married daughter and her husband, one or two families of married grandchildren and three or four great grandchildren. This results in 10 or 12 people living in a house that is built to house a maximum of four. Now, you don't see this situation reflected in the surveys of our housing entity, the Oglala Sioux Lakota Housing, and in HUD reports, because the adults in this family know that this type of overcrowded situation may violate HUD guidelines and could be grounds for eviction, so they have become very skilled at moving people into hiding whenever our reservation Housing personnel conduct surveys.

Because we lack adequate affordable housing, many newly married couples find themselves living with their parents or other relatives, simply because they have no other place to go. Because we have no nursing home on our reservation, large number of families also have one or more elders living with them, often with serious health problems, and it is not uncommon for our children to share a bedroom and sometimes a bed with one or more of their siblings.

If you have ever shared a room with two or more people, you know what overcrowding does to people over time. The simple lack of privacy places a strain on Tribal marriages, it makes it hard for children to study, it leads to bouts of arguing within the family, it leads to the passage of

illnesses from one family member to the next and it gives everyone a general feeling of being trapped. Furthermore, consider the fact that many of these adults are unemployed and living in poverty and you can begin to see how all of these factors have contributed to our high rates of domestic violence, increased alcoholism, high drop out rates, child abuse problems, low educational achievement by our children, couples marrying at a younger age, a general breakdown of the family unit, and crime. All of this is reflected in our Tribal court records.

LACK OF HOME REPAIR

Many of those same homes lack indoor toilets, good working furnaces, leak proof roofs and good windows. Thus, these homes are often very cold in the winter and extremely hot in the summer. This results in high heating and cooling bills, which adds an additional strain on the already strapped family budget. This in turn creates even more tension in the home.

Presently, we have approximately 1700 HUD financed rental units which are in desperate need of repair and we are presently receiving very little money per year from HUD/ONAP to address these needs. Because existing funding from the Federal Government is obtained from ONAP under a NAHASDA block grant that is based on a federally approved distribution formula, which in turn is based on the 2000 Federal Census, we are not receiving the amount of ONAP funds that we should be receiving based on our true and correct reservation population. Consequently, many of our reservation families receive no home repair and replacement assistance at all. These unserved individuals either live in the wrong type of house or make too much money to qualify for assistance, but too little money to fund the repairs themselves.

As you are well aware, our weather in South Dakota can be very extreme, and a harsh winter can find people nailing blankets to the walls and over the doors just to try to stay warm. Colds, flu, ear infections and other health problems increase dramatically with drafty homes and overcrowding and this in turn increases the demand on our health care providers.

When minor problems, like a leak in the roof or a hole around the window, remain unaddressed water seeps into the structure and results in even further deterioration. Soon a dwelling that needed only a few hundred dollars worth of work starts to need more serious and costly repairs because of structural damage. Effectively, this deterioration results in a total waste of the federal money that was spent to build the home in the first place.

HOMELESSNESS

People from cities in the east often do not realize that homelessness exists in rural areas, especially in areas like the Pine Ridge Indian Reservation. While most of our Tribal families do everything that they can to assist their relatives, the overcrowding situation that I just described greatly limits what they can offer. As a result Mr. Chairman, it is not unusual to find people living in cars and vans outside their family home. For example, one of our staff members and her husband sleep in a van outside her mother's home, because there is no room in the house. They cook on a barbeque grill, shower at work or at school, and for all practical purposes that van has become like the extra bedroom that her mother's house is lacking. A number of our people move continuously between the homes of different relatives living in tents, cars, barns and other shelters just to get by, and the Tribe currently lacks the funds to help them.

This combination of homelessness and overcrowding has resulted in a number of our

young people trying to escape by marrying too young, starting to use alcohol and drugs or simply leaving for urban areas like Rapid City. Here their lack of funds, lack of an adequate education and lack of family and housing assistance often results in their getting in trouble with the law or developing even more severe problems with alcoholism and drugs.

LACK OF AFFORDABLE HOUSING FOR WORKING PEOPLE

Housing is not only a problem for the poor, it is also a major problem for our employed individuals. Many of the jobs which are available on our reservation pay very low wages, making it all but impossible for our young married couples to find a place of their own. Construction financing on our reservation is complicated and costly, and many people are intimidated by the process, even when they could potentially qualify for federal assistance like NAHASDA Section 184 loans or private assistance. In addition, our lower wages leave us with a sizable number of people who make too much money to qualify for federal housing assistance, but who do not make enough money to build their own home or even to qualify for a mortgage.

Adding to this problem is the fact that we have virtually no available homes for rent or purchase in areas like the villages of Pine Ridge and Kyle where many of our on reservation jobs are located. As a result, it is not unusual to find people driving well over an hour and a half each way to and from work, from Rapid City and other off-reservation towns, and returning home to an overcrowded family dwelling. As a result, a high percentage of their income goes just to pay for gasoline. To make matters worse, this situation allows them less time with their children and families, and increases their rate of absenteeism. It also makes it harder for parents to stay involved in their children's school and after school activities, leaves children home alone after school, and leaves people exhausted and cranky by the time they arrive home from work.

Because affordable housing is not readily available, a number of our people have turned to mobile homes that are not designed to last in the tough climate of South Dakota. Therefore, instead of being able to put some money away for their retirement years, many of our people see their most valuable asset, their home, decrease in value every year. This is a situation which can not change without federal help.

STATISTICS

Here are some of our most basic housing statistics:

- The Pine Ridge Indian Reservation is covers a territory that is approximately 80 miles by 60 miles. It is the home of the Oglala Sioux Tribe.
- The Pine Ridge Indian Reservation includes approximately 1.75 million acres of Tribal and individual trust land.
- The Oglala Sioux Tribe has a 80% unemployment rate.
- Shannon County located within the Pine Ridge Reservation is the third poorest county in the United States according to the 2000 U.S. Federal Census.
- The average family income on the reservation is approximately $3,700 per year.

- The Pine Ridge Indian Reservation has some of the highest rates of alcoholism, heart disease, and cancer in the United States.
- Almost one-half of the reservation Indian population over 40 on has diabetes.
- Life expectancy for men is 48 years. Life expectancy for women is 52.
- The Pine Ridge Indian Reservation has the highest infant mortality rate in the USA.
- The Oglala Sioux Lakota Housing (formerly Oglala Sioux Housing Authority) manages public housing on the reservation and has constructed housing over the years for approximately 43% of the 2,300 Indian families residing on the reservation.
- There is a current need for approximately 3,000 more houses on the reservation, that Tribal members can occupy through home-ownership or rental.
- Approximately 1700 existing housing units are desperately in need of rehabilitation/modernization.

HOME IMPROVEMENT PROGRAM (HIP)

The Home Improvement Program (HIP) was eliminated from the President's FY 2008 budget which is needed to assist the most needy Tribal members just to keep their home inhabitable. One of the primary reasons for the elimination was cited as "eligibility overlap" and duplication of services between HIP and the HUD Native American Housing Assistance program, which provides low rent and home ownership opportunities for tribal members. These programs are designed and administered to serve Tribal members with distinctly different needs, thus there can be no duplication of services or overlap in eligibility.

INFRASTRUCTURE

There is an urgent need for adequate infrastructure that is able to support tribal housing. Providing electrical lines and poles to homes is very expensive, but cannot be ignored. Can any of you imagine living in a home without water or sewer? Currently our Tribal members are placed on an IHS wait list for these most basic of necessities. Road construction and maintenance to make homes more accessible is another basic necessity that some members of my Tribe do without. These are the most fundamental needs of people everywhere, and our Native people, the Tribal members on Pine Ridge Reservation, are often just asked to wait.

It is significant to note that the cost of building materials is extremely high, and especially at Pine Ridge. The nearest lumber company that most Tribal programs and people purchase from is from Rapid City, S.D. which is approximately 95 miles away. When those companies transport material to the Reservation, the markup rate is usually much higher due to the rural area.

PARTNERSHIP ENDEAVORS

The Oglala Sioux Tribe Partnership for Housing Inc. (OSTPH) has, since 1999, assisted seventy (70) families through the process of becoming homebuyers on the Pine Ridge Indian

Reservation. As a tribally chartered, 501(c)(3) non-profit corporation, OSTPH has prepared families by providing homebuyer counseling, credit counseling and repair and facilitation with the mortgage process. Through its self-help program some of the homebuyers learned building skills while helping to construct their own homes. When funding has been available to do so, OSTPH has been able to provide down payment and gap financial assistance. OSTPH has also helped to strengthen the local economy by providing construction jobs.

Although we have a very high rate of unemployment on the reservation (over 80%) the homebuyer education has helped homebuyers to make an effort to retain their jobs or to seek other work if their job ends due to program funding, etc. We truly believe in what we do but we cannot do it alone. We know the importance of partnering wherever possible to help families achieve the dream of owning their own homes. Our successes have been gained through partnerships with local, state and national housing and related organizations, educational entities and faith-based groups.

MAZASKA, a tribally chartered 501(c)(3) corporation was formed in June 2004 as a U.S. Treasury Department certified community development financial institution (CDFI). MAZASKA's initial loan product was a direct mortgage loan to reservation families of good character who failed to meet the underwriting criteria of banks or government agencies. The corporation's credit counselors work with the buyer to resolve the financial issues that prevent them from securing a conventional or government loan. The program is designed to increase the rate of homeownership on the reservation while helping families develop financial skills. At the end of the term the homebuyer will become eligible for a conventional or government loan. MAZASKA has defined four other loan products for the following purposes: home purchase, home rehabilitation, construction and land purchase loans.

We have a great need for housing and a great need for a sound economic community structure. These loan products can help meet such goals, but that cannot be done without access to funding to help build lending capital.

While, the Oglala Sioux Tribe is making positive strides to increase home financing opportunities and provide affordable housing for our Tribal members,our goal will not be met until all Tribal members have a clean, safe, affordable place to live.

REAUTHORIZATION OF NAHASDA

For all of these reasons, the reauthorization of the Native American Housing Assistance and Self-Determination Act of 1996 is critical, but while there is no question that NAHASDA must be reauthorized, there are several issues that must be reconsidered in its re-authorization.

NAHASDA provides affordable housing and housing related services to members of federally recognized Tribes. However, as I indicated, funding is based on the United States Bureau of the Census data that allows racial self identification. Under the 2000 Census, for the first time ever, the Census Bureau allowed responders to self identify as more than one race. For whatever reason, the use of "multi-race" reporting resulted in a distinct and trackable shift in funding from rural reservation-based communities to the more urban parts of the United States. This use of census data has polarized the federally recognized Tribes and there now exists serious disagreement over whether single or multi-race data should be used to determine Tribal size and/or funding. The Oglala Sioux Tribe believes that this argument is unnecessary because

there is no statistical relationship between either census single or multi-race data and Tribal membership. Only the Tribes can determine their membership and whether individuals have the right to participate in Tribal programs. The Oglala Sioux Tribe respectfully requests that you develop an amendment to NAHASDA authorizing HUD to accept Tribal enrollment and address listing data without challenge. The Tribe also requests that the amendment provide adequate funding to Tribes, which will allow them to conduct their own census and reflect their true and correct reservation population figures.

In the early 2000s, HUD instituted a project to determine whether entities had failed to remove paid off homes from the housing inventory and thus allegedly were over compensated. Based on these findings, HUD commenced an attempt to collect the alleged overpayment from the tribes. Tribes from all over the Nation were coerced into agreeing to pay back such funds. Recently the Assiniboine and Sioux Tribe of the Fort Peck Indian Reservation sued HUD over this practice and prevailed. The Court not only determined that HUD could not recapture such funding, but also that the funding for current assisted stock that existed in 1998 established a funding floor below which the Tribes could not be funded. While this was a great victory, the decision in the case was made applicable only to the Fort Peck Housing Authority. Currently some Tribal housing authorities, including our Oglala Sioux Lakota Housing, are contemplating bringing their own civil action to recover their NAHASDA block grant funds. We believe, however, that instead of allowing costly and time consuming litigation, the Congress should simply include the court's language in the re-authorization provisions to the NAHASDA funding formula to prevent this situation from happening again.

Of course it goes without saying that reauthorization should go hand-in-hand with appropriation of funds sufficient to provide much needed relief in the upkeep of affordable housing, For the Pine Ridge Indian Reservation alone, more than $60,000,000 dollars is needed to provide rehabilitation/modernization to more than 1700 housing units. Without the allocation of sufficient funding to start addressing our current need in earnest, our existing rental units will continue to deteriorate to the point where some of them will eventually be uninhabitable. The Executive Director of the Oglala Sioux Lakota Housing, Ken Lone Elk, has informed me that the directors of the 1868 Treaty Tribes are in the process of drafting proposed authorizing legislation to request federal funds to rehabilitate/modernize existing HUD funded rental units on their reservations. Because we recognize that NAHASDA itself cannot be funded in sufficient amounts to satisfy the actual needs of the Tribes, the Oglala Sioux Tribe and other Sioux Tribes will be requesting that Congress pass special legislation authorizing sufficient funding to meet the rehabilitation/modernization funding needs of the Tribes. Because this funding, by necessity, will exceed one hundred million dollars, the Tribe recognizes that full funding may not be possible immediately and that the authorizing legislation may need to authorize funding over a period of years. But we ask you to realize that our need is great and that everyday that we delay these repairs, our homes deteriorate unnecessarily.

HOUSING IS A TRUST RESPONSIBILITY AND A TREATY OBLIGATION

Providing federal funds to plan, design and construct affordable houses and rehabilitate/modernize existing rental units for the members of the 1868 Sioux Treaty Tribes is not Government largesse. It is a trust responsibility and treaty obligation.

The Powder River War of 1866-1868 culminated in the 1868 Peace Treaty between the Sioux bands and the United States. The 1868 Treaty established a permanent reservation (homeland) for the absolute and undisturbed use and occupation of the Sioux bands and provided

for certain benefits in exchange for peace. Yet, just 9 year later, Congress confiscated the Black Hills portion of the reservation and Sioux hunting rights in the Act of February 28, 1877. Both the Treaty and 1877 Act addressed the housing needs of the Sioux people.

Articles 5 and 8 of the 1877 Act provide that, in exchange for the confiscated territory and Sioux hunting rights, the United States would provide the Sioux Indians all aid needed in the work of civilization, and that and that each individual Sioux Tribal member would be protected in his or her property, person and life. The hunting rights, i.e., the buffalo, which was taken from us, *once* provided the Sioux people with food shelter and clothing. The Supreme Court has found that the quid pro quo for confiscating that hunting right was an obligation to provide subsistence rations to the Sioux people. It necessarily follows that the quid pro quo also included an obligation on the part of the Government to provide affordable housing to the members of the Sioux tribes.

In conclusion, I would like to thank you Chairman Dorgan, Vice-Chairman Thomas and the members of this Honorable Committee for your concern about the Government's trust responsibility and Treaty obligations to provide affordable housing for Tribal members residing on the Pine Ridge Indian Reservation, and the Committee's interest in doing something about the deplorable housing conditions that currently exist on our reservation.

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