



**Prepared Testimony of Adrian Stevens, Acting Chairman of the Board of Directors
National American Indian Housing Council
to the
U.S. Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on
Housing, Transportation and Community Development
Oversight Hearing on
Housing for Native Americans: Review of Federal Programs, Barriers, and Opportunities
May 27, 2021**

Good Afternoon. My name is Adrian Stevens, and I am the Acting Chairman of the Board of Directors of the National American Indian Housing Council. I am a member of the Seneca Nation, and I currently serve as the Executive Director of the Seneca Nation Housing Authority in Salamanca, New York. I would like to thank Chairwoman Smith, Ranking Member Rounds and all committee members for having this hearing today and for working to ensure the United States is fulfilling its trust and treaty obligations towards Indian Country with respect to providing safe, affordable housing opportunities in tribal communities and to Native people anywhere in the country.

Background on the National American Indian Housing Council

The NAIHC was created by tribal housing programs in 1974 and for nearly five decades has provided invaluable Training and Technical Assistance (T&TA) to all tribes and tribal housing entities; provided information to Congress regarding the issues and challenges that tribes face in their housing, infrastructure, and community development efforts; and worked with key federal agencies to ensure their programs' effectiveness in native communities. Overall, NAIHC's primary mission is to promote and support American Indians, Alaska Natives and native Hawaiians in their self-determined goal to provide culturally relevant and quality affordable housing for Native people.

The membership of NAIHC is comprised of 280 members representing 469¹ tribes and tribal housing organizations. NAIHC's membership includes tribes and tribally-designated

¹ There are 574 federally recognized Indian tribes and Alaska Native villages in the United States, all of which are eligible for membership in NAIHC. Other NAIHC members include state-recognized tribes eligible for housing assistance under the 1937 Housing Act and that were subsequently provided funding pursuant to the Native

housing entities throughout the United States, including Alaska and Hawaii. Every member of this Committee serves constituents that are members of NAIHC, either directly through tribes located in your States, or generally through the United States' government-to-government relationship with all tribes within the United States. NAIHC's members are deeply appreciative of your work to improve the lives of Indigenous Peoples throughout the Country.

Profile of Indian Country

There are 574 federally-recognized Indian tribes in the United States. Despite progress over the last few decades, many tribal communities continue to suffer from some of the highest unemployment and poverty rates in the United States. Historically, Native Americans in the United States have also experienced higher rates of substandard housing and overcrowded homes than other demographics.

The U.S. Census Bureau reported in the 2019 American Community Survey data that American Indians and Alaska Natives were almost twice as likely to live in poverty as the rest of the population — 23.0 percent compared with 12.3 percent. The median income for an American Indian Alaska Native household is 30% less than the national average (\$45,476 versus \$65,712).

In addition, overcrowding, substandard housing, and homelessness are far more common in Native American communities. In January 2017, the Department of Housing and Urban Development (HUD) published an updated housing needs assessment for tribal communities. According to the assessment, 5.6 percent of homes on Native American lands lacked complete plumbing and 6.6 percent lacked complete kitchens. These are nearly four times than the national average, which saw rates of 1.3 percent and 1.7 percent, respectively. The assessment found that 12 percent of tribal homes lacked sufficient heating.

The assessment also highlighted the issue of overcrowded homes in Indian Country, finding that 15.9 percent of tribal homes were overcrowded, compared to only 2.2 percent of homes nationally. The assessment concluded that to alleviate the substandard and overcrowded homes in Indian Country, 68,000 new units need to be built.

Since the Native American Housing Assistance and Self-Determination Act (NAHASDA) was enacted in 1996, tribes have built over 37,000 new units according to HUD. However, as the appropriations for the Indian Housing Block Grant (IHBG) (established by NAHASDA) have remained level for a number of years, inflation has diminished the purchasing power of those dollars, and new unit construction has diminished as tribes focus their efforts on existing unit rehabilitation. While averaging over 2,400 new unit construction between FY2007 and 2010, new unit construction has dropped in recent years with only 2,000 new units between 2011 and 2014, and HUD estimating less than 1,000 new units in future years as tribes maintain existing housing stock over new development.

Status of Housing Opportunities for Native Americans

There remains a large unmet need for quality, affordable housing in tribal communities. As members of the committee are aware, there is a housing shortage across the country, and that is definitely true for Native communities. With a lack of consistent data collection year-to-year, NAIHC is largely relying on the American Indian, Alaska Native and Native Hawaiian Housing Needs Study, published by HUD in January 2017. The report identified an unmet need of 68,000 units to address overcrowded and substandard housing conditions. With new housing construction or acquisition fairly stagnant around 1,000 new units per year in tribal communities across the United States, we do not expect the unmet need to have changed. Additionally, many of NAIHC's members have opined that they believe the 2017 Study's unmet need calculation to be underestimated.

The large unmet need is persistent, and largely due to insufficient resources being dedicated to reverse the trends. In 2018, the United States Commission on Civil Rights updated its "Broken Promises" report first released in 2003, and found that housing conditions had deteriorated, with the number of overcrowded households or households with inadequate plumbing growing by 21 percent, and the number of families facing severe housing costs growing by 55 percent.

Despite these trends moving in the wrong direction, Congress has been decreasing the amounts of housing assistance to tribal communities each year through stagnant funding of NAHASDA programs while inflation has grown over the past 20 years. In FY2020, Congressional IHBG formula funding of \$650 million provided roughly 2/3 the purchasing power that tribes received at the inception of NAHASDA in FY 1998 (\$600 million in FY 1998). Tracking IHBG funding since NAHASDA's passage found that annual appropriations compared to inflation-adjusted levels have caused tribal housing programs to lose \$3.4 billion since FY 1998. Recent additions to NAHASDA programs, such as the competitive IHBG funding, are welcome and encouraging, but alone are insufficient to make up for the loss of funding over time.

To put the funding in another perspective, the FY2021 IHBG funding levels provide 379 tribes/grantees with less than \$500,000 to operate their housing program, which we expect to manage their existing housing units, provide low-income rental assistance, other housing services *AND* develop new housing units. Further, 175 of the IHBG grantees received less than \$100,000 a year to carry out these activities. While some of the tribes form umbrella organizations to create some efficiencies, it should be easy to see why we're not making much progress against the levels of unmet need.

While the funding of NAHASDA programs continues to be an issue, the program itself has built the capacity of tribal housing programs across the country. Tribes have been able to rely on consistent, dedicated funding through NAHASDA for over 20 years, which has allowed them to create housing programs and develop and train dedicated staff to operate those housing programs. The success of tribal housing programs was evident early on in NAHASDA, when tribes were producing new housing units at rates similar to or higher than HUD was prior to

NAHASDA's enactment. NAHASDA has also increased the local control of funding as it is the tribes themselves that develop their own Indian Housing Plan for the communities. These plans are tailored to the individual tribe's priorities for housing and have provided the flexibility tribes need to carry out their programs.

It is with that upgraded capacity of tribal housing programs provided for by NAHASDA that we can begin to look at the full landscape of federal housing resources and programs. HUD itself has numerous housing programs and resources, some general, some tribe-specific. Tribal programs include the Indian Community Development Block Grant (ICDBG), the HUD 184 Native American Loan Guarantee Program, NAHASDA Title VI Loan Guarantee Program, the formula funded and competitive IHBG programs, and Native Hawaiian programs. Other HUD programs have varying levels of eligibility for tribes, and NAIHC has advocated both to Congress and with our federal partners to improve tribal access to these more national programs. The best example is the HUD Housing Counseling program, which tribes are currently ineligible to apply for funds but may soon find themselves subject to housing counseling regulations not tailored for tribal communities. Another example is the Continuum of Care program, which was addressed last Congress by the inclusion of the Tribal Access to Homeless Assistance Act in the FY2021 Consolidated Appropriations Act. NAIHC thanks Senator Smith who introduced the bill and all the members who supported the passage of this bill.

In addition to HUD, tribes can find housing resources at the U.S. Treasury, such as tax credit programs and the recently created Emergency Rental Assistance Program and Homeowner Assistance Funds; the U.S. Department of Agriculture and its Rural Housing programs; the Veterans Administration and its Native American Direct Loan Program; and others.

NAHASDA was passed in 1996 to streamline tribes' access to housing programs dollars by consolidating multiple programs into a single block grant. However, with the lack of increased appropriations to NAHASDA programs, tribes are again piecing their housing programs together by finding resources from across the federal government. In a 2018 survey conducted by NAIHC, only 17% of our members who responded indicated they were going to utilize non-HUD funds in their programs. So while there are various resources available to tribes, it takes a lot of work to put these pieces together and leverage multiple funding opportunities together, while also operating the day-to-day housing program.

Improvements to existing Housing Programs

Reauthorization of NAHASDA, increased resources: NAHASDA was last reauthorized in 2008 and expired in 2013. While Congress has continued to provide funding to NAHASDA programs, and even increased some funds in the last few years, there are some programmatic changes that recent reauthorization bills contain that could streamline various aspects HUD and IHBG programs. For example, one long standing fix would address duplicative environmental reviews, which tribes often face when they leverage multiple federal sources of funds. Recent reauthorization bills have also contained provisions to create an Assistant Secretary for Indian Housing to provide enhanced attention at the senior leadership of HUD.

Make HUD-VASH Permanent and Expand to All Tribes: Currently, only 26 tribes have participated in the Tribal HUD-VASH program, which provides both housing and supportive services to tribal veterans and their families that are homeless or at-risk of homelessness. HUD-VASH is another example of a larger, national housing program that originally left tribal communities out when it was created in 2008. Congress expanded the program through a tribal demonstration project beginning in FY 2015. The program has identified obstacles, such as the lack of housing stock in tribal communities to house veterans through the program and the need for greater supportive services from the VA to native veterans in tribal communities. Many of the tribes participating in the pilot have found ways to provide these supportive services through various partnerships between the VA and tribal or IHS professionals and tribes may be more able to secure housing units for the program if it was made permanent and tribes had more certainty for future funding of the program.

It is well known that Native Americans have served in the United States Armed Forces at higher rates than any other demographic, so it is vital that Native veterans are provided the support they deserve and have earned through their service. Native veterans are not limited to the 26 tribes that have participated in the program, and we look forward to working with Congress to ensure the program is expanded to include all tribes and their veterans. The full Senate has passed the Tribal HUD-VASH Act in each of the last two Congresses and has faced some obstacles in the House. NAIHC will continue to work to address any outstanding issues to make sure HUD-VASH is made permanent and working for all tribal communities.

Section 184 Loan Guarantee Program: The 184 Loan Guarantee program helps a tribe or tribal member secure a mortgage for an existing or new-construction home by providing a loan guarantee to a private sector bank or lending institution. While the program is targeted to tribal communities and nearby service areas, the program has struggled to incentivize mortgages on trust lands in tribal communities, where many families reside on land their families have held for generations. Obstacles include a slow and burdensome title process involving the Department of the Interior's Bureau of Indian Affairs and banks and lenders' general preference to work with the more familiar property held "in fee". Improvements include streamlining the process at the BIA, encouraging more private lenders to participate in the program generally and participate through mortgages specifically on trust lands.

State housing programs and passthroughs: Several federal programs, notably the Low Income Housing Tax Credits and the Housing Trust Fund, establish funds or processes that operate at the state-level. While many of these states utilize the unmet housing needs in tribal communities to improve their allocations, there is not necessarily a mechanism that requires the states to prioritize tribal areas in receiving the final benefit of these federal housing programs. The result is a mix of effectiveness of these programs in tribal communities, where the relationship between state and tribal officials can greatly affect the final impact of these programs for tribes. In states where we see tribal or rural areas receiving some type of allocation or increased application scores, tribes have been successful in developing new projects with these federal funds.

However, there is often a blind eye turned to tribal communities (and not always intentional) as state programs often believe tribal housing issues are a federal issue, or that the tribe can rely on direct federal funding. This is not unique to states, as even non-HUD federal housing programs

can omit tribal communities, believing that tribes can rely solely on NAHASDA or BIA programs to meet their community housing needs.

Training and Technical Assistance: The current model of TTA to tribal housing programs requires tribes to submit requests to HUD offices. Those requests are then analyzed and then submitted to national or regional TTA providers, of which NAIHC is one of several. However, the model likely discourages tribes to request TTA as they would be submitting requests to the same federal agency that oversees their program implementation or funding. NAIHC believes that providing more flexibility to the TTA providers to receive and respond to tribal TTA requests directly can improve the delivery of those services and encourage tribal housing programs to actually address their training needs.

Restore Access to section 8 vouchers: Prior to NAHASDA, many tribes have been receiving tenant-based vouchers to provide low-income rental assistance to members in tribal communities. With NAHASDA providing the single block grant to tribes, NAHASDA expressly restricted tribes from accessing vouchers moving forward. However, with NAHASDA funds remaining stagnant (or decreasing due to inflation), tribes find it difficult to provide the same low-income rental assistance year-to-year or to expand that assistance as new housing units come online in their communities. Congress routinely adds vouchers to the larger national program to keep pace with the need, or to fund existing vouchers adequately each year, while tribal programs have no similar mechanism. While the restriction on section 8 vouchers could be removed entirely, past NAIHC resolutions have called for the specific restoration of vouchers for LIHTC projects in tribal communities, as the two programs work together well in the non-tribal setting.

Improve the Effectiveness of non-HUD housing programs in Indian Country: As stated above, there are several federal housing programs established outside of HUD. While these programs are often national in scope, the lack of attention paid by these programs to tribal communities often limits their impact for native families. For instance, USDA Rural Housing programs are tailor made for rural areas, and often are targeted to low-income families, yet their reach to tribal communities has been limited. Often this is due to USDA program staff not geographically located near the tribal community or limited outreach to families in those tribal communities. We're often asking our overburdened tribal housing professionals to know the USDA programs well enough to connect those families with USDA resources. A recent pilot project in South Dakota has allowed the USDA 502 Single Family Home Loan program to lend to Native CDFIs as intermediaries, while those Native CDFIs carry out the lending directly in tribal communities. This has been successful, with the Native CDFIs largely maxing out their mortgage lending with the funding available under the pilot. This on-the-ground presence in tribal communities as well as the comfort level of native families working with native housing professionals has allowed more native families to access USDA resources. This model could be expanded both throughout USDA Rural Housing programs and through other federal housing programs, such as the VA's Native American Direct Loan Program. The NADLP program only have 7-10 staff to market the program and serve Native American veterans in all 574 tribal communities across the country. As a result of the lack of presence of that program, very few mortgage loans are provided to Native veterans each year.

Further incentivize private investment in tribal communities: Indian Country is almost always last to receive the attention of private, commercial banking. The lack of economies of scale in tribal communities, increased development costs, and the complexities of tribal lands and communities (both actual and perceived) simply lead private banking to avoid tribal areas. While there have been national tax credit programs or other incentives available for years to spur development in underserved areas, the programs have generally been less effective for Indian Country. Strengthening incentives for development in Indian Country or creating specific set-asides or mandates through these programs is needed to ensure that tribal communities are not left further behind.

Including Indian Country in Infrastructure Packages: Development costs are higher in Indian Country. The rural nature of most tribal communities and the lack of pre-existing roads, water, electricity and other infrastructure increase the cost of developing new housing. As Congress works to address the infrastructure needs of the entire nation, it must recognize the lack of infrastructure funding over decades to tribal communities and include Indian Country appropriately. While NAIHC believes infrastructure should include housing resources directly, any investments in infrastructure in tribal communities will improve tribal housing programs' ability to plan and develop new housing construction in the future.

Impacts of COVID on Tribal Housing

Finally, the COVID-19 pandemic has also highlighted how far behind we are in meeting the housing needs of Indigenous Peoples of the United States. The housing shortage in tribal communities causes high levels of overcrowded homes. The 2017 HUD Assessment estimates that 1 in 6 homes in Native communities suffers from overcrowding, which is eight times the national average. It is not uncommon for three or more generations to live under the same roof. These overcrowded conditions do not allow families from practicing safe social distancing that is necessary to prevent or reduce the spread of a virus like COVID-19.

The 2017 HUD Housing Needs Assessment also found high rates of substandard plumbing in 5.6% of tribal homes, which is 4 times the national average. This lack of access to clean water in many homes means families can't practice the basic safety precaution of adequate hand-washing and other sanitation practices. With these issues affecting tribal homes at higher rates, it is no wonder that rates of infection of COVID-19 are 1.7 times higher than non-native demographics.

To its credit, Congress has recognized the impacts of COVID-19 on tribal communities and passed a number of relief packages that include new resources for tribes and tribal housing programs. Unfortunately, new homes cannot be built at the snap of a finger, and years of inadequate funding for tribal housing and infrastructure have left tribal communities and families with few options to respond to the immediate impacts of COVID-19 or prevent its spread.

Through the CARES Act last spring, tribal housing programs were provided \$200 million of Indian Housing Block Grant funds, in addition to annual appropriations. Unfortunately, \$200 million for just under 600 grantees does not go far to address the immediate impacts of COVID-19 on tribal housing. Over half of those grantees received less than \$100,000 in additional funds

to respond to their communities' housing needs under COVID-19. As development of new units and infrastructure often takes months or years of planning, tribes have been forced to acquire new housing units for short- or long-term use. However, many tribes are located in areas where the availability of new units is very low or of substandard quality and needing improvement. NAIHC understands that tribal approaches to address their local needs have varied across the country. Some tribes were able to utilize other tribal community buildings, in some cases including hotels or casinos, to alleviate overcrowded conditions or to use as makeshift quarantine facilities. Many tribes also provided increased rental assistance to families to allow families to separate into multiple homes. Where local units were unavailable, some tribes have had to help tribal members find housing in nearby towns away from tribal centers, sometimes 50-100 miles away.

The CARES Act also provided \$100 million for emergency grants under the Indian Community Development Block Grant. These funds were provided to 96 tribes. According to a HUD press release, these grants helped provide for the construction of new rental housing to address overcrowding and homelessness; the construction of water infrastructure, including water wells and water lines; the purchase and renovation of an old clinic facility to facilitate access to testing, diagnosis, and treatment of Tribal members; and the provision of emergency food supplies to geographically isolated communities.

With the passage of the American Rescue Plan, tribes will see another \$450 million in Indian Housing Block Grant funding and \$280 million emergency grants under the Indian Community Development Block Grant. NAIHC expects that this additional round of funding will provide for even greater development or acquisition of new units beyond what was provided by the CARES Act. One large concern we have heard from tribes, and the larger housing industry, is that COVID-19 had disrupted construction materials pipelines and building contractors in a way that has caused a sharp spike in costs of construction.

Congress has also provided substantial set-asides to tribal housing programs specifically for rental assistance, utilities, and now mortgage assistance in tribal communities. These funds will be able to help thousands of families and individuals in tribal communities across the country. Combined, the \$1.3 billion in rental and mortgage assistance funds provided to tribes is roughly twice the annual funding provided under NAHASDA. Tribes and the NAIHC are still working with the Treasury Department to ensure that these funds are flexible enough to be fully effective in tribal communities.

Many tribes have already been operating some form of rental assistance in their communities with their NAHASDA funds, however because the recent Emergency Rental Assistance Program is operated through the U.S. Treasury, tribes are having to update their policies and comply with more rigid eligibility requirements. The additional time provided in the American Rescue Plan for ERAP grantees will help alleviate some of these issues by giving tribes more time to find eligible families and individual households. One issue that NAIHC has heard consistently is the need to expand the level of eligibility beyond 80% local AMI. Many tribes existing rental assistance programs have already provided assistance to these community members, and tribes are seeing families above that eligibility threshold also struggling to pay rent but ineligible for assistance.

We believe the flexibility that Congress included in the mortgage assistance program in the American Rescue Plan of expanding eligibility to 100% of the greater of local or national AMI will allow more families and individuals to receive assistance through that program.

While tribes appreciate the additional resources provided by Congress over this past year, the lack of progress of new housing developing in Native communities over the last 20 years cannot be reversed overnight. COVID-19 has put a spotlight on the extreme housing shortage in Indian Country. NAIHC hopes the disparate impacts of the COVID-19 pandemic in tribal communities spurs Congress to work with Tribes and tribal housing programs to address these long-standing housing needs in a way that both prevents a future pandemic from running rampant in our communities and more directly provides equitable housing opportunities for Native American, Alaska Native and Native Hawaiians.

Conclusion

NAIHC wants to thank the members of this Committee for holding this important hearing and we want to thank all the members of Congress who have introduced and sponsored bills and supported efforts to improve housing opportunities in tribal communities. Tribes have consistently shown how far they can stretch their housing dollars to help the most members of their community as possible, and NAIHC and tribal housing programs look forward to working with our partners in Congress and Federal agencies to continue building safe, affordable housing in our communities.