

News Release

National American Indian Housing Council
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Funding Inadequate, Indian Housing Leader Tells Senate Budget Oversight Hearing

Washington DC – February 14, 2006 – While level funding of Indian housing programs is appreciated in a tight budget year, the funding levels proposed in President Bush’s FY07 Budget request are not adequate to address the urgent housing needs on Indian reservations, **National American Indian Housing Council (NAIHC) Board Member Cheryl Parish** told the **Senate Committee on Indian Affairs** today during the Oversight Hearing on the Budget Request. Native Americans are three times more likely to live in overcrowded housing than other Americans and are more likely to lack basic sewage and water systems, telephone lines and electricity than other Americans, In addition, by zeroing out **NAIHC’s** funding, the proposed Budget severely hinders cutting-edge training programs that assist tribal housing entities every year, she said.

The FY07 Budget Request seeks **\$625.7 million** for the **Native American Housing Block Grant (NAHBG)**, under the Native American Housing Assistance and Self-Determination Act (NAHASDA). While the **NAHBG** request largely matches the appropriated levels for FY06, reductions in purchasing power will result with the high cost of energy pushing the inflation rate to 3.4%. Higher prices for building materials, labor, and other inputs make the construction industry particularly vulnerable to inflation. Level funding coupled with inflation and a strong and growing demand for housing in the Native community means that fewer homes will be built using Federal funds, **Parish** testified.

“We understand FY07 will again see one of the tightest budgets in history, and Congress will have to take extra consideration when weighing all domestic programs,” **Parish** said in her testimony. However, “we ask that when making these funding decisions, Congress keep in mind that inflation has steadily risen over the past four years, the cost of construction continues to increase and the Indian population is growing.”

To meet the current housing and infrastructure demands, **NAIHC** estimates that at least **\$1.1 billion per year** in funding is needed for the **NAHBG**. A reasonable start for FY07 would be **\$748 million**. The Budget Request proposes **\$625.7 million**, a one-year funding gap of **\$122 million**.

ICDBG Should Be Separate

In addition, unlike the FY06 Budget Request, the FY07 Request proposes to preserve the **Indian Community Development Block Grant (ICDBG)** in the larger Community Development Fund and seeks to fund it with **\$57.4 million**. The **ICDBG** is a competitive grant program and has different goals and functions than NAHASDA, which is allocated according to a formula and addresses basic housing development needs. **NAIHC** believes that **ICDBG** should be funded at least at the inflationary adjusted level of **\$77 million** and be kept as a separate account.

Increasing Indian Homeownership and Mortgage Financing

NAIHC is also committed to homeownership in Indian country through the use of mortgage financing, particularly through Title VI, which allows a tribal housing entity to leverage their block grant with a 95% federal government guarantee and Section 184, which offers 100% loan guarantees for Native American borrowers. **NAIHC** is encouraged to see that the President has remained committed to loan programs for Indian country through level funding of the Title VI program and by a tripling of the Section 184 funds.

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“Indian people do not want handouts; we want opportunity and responsibility that accompanies such opportunity,” **Parish** said in her testimony.

NAIHC Training and Technical Assistance Hindered

NAIHC Technical Assistance and Training were zeroed out in the President’s FY07 budget. After these were zeroed out in the FY06 budget, Congress restored \$2 million to **NAIHC**’s vital programs. **NAIHC**’s technical assistance programs are integral to successful Indian housing programs. The success of these programs is dependent not only on the monies available for the programs, but also on tribal capacity to utilize those dollars and to leverage them effectively and efficiently.

“For many years Congress placed faith in **NAIHC** to provide technical assistance and training to all tribes, not just **NAIHC** members. HUD is simply unable to address this need when their job is to administer and provide oversight for the program,” **Parish** said in her testimony. Parish is the **Secretary of NAIHC’s Board of Directors** and also Executive Director of the **Bay Mills Housing Authority** in Michigan.

A 2005 survey of **NAIHC** members found overwhelming support for its quality of services. In 2005, **NAIHC** conducted hundreds of site visits, technical assistance calls and emails, and training sessions, including and the new, highly in-demand courses on how to deal with methamphetamine use in Indian country. **NAIHC** trained thousands of people last year and provided over 751 scholarships to individuals from 220 tribes, totaling over \$807,000 to attend NAHASDA-related training opportunities offered by **NAIHC** and HUD’s Office of Native American Programs. **NAIHC** believes its track record of success and promise of assisting tribes in the future warrants funding of \$5 million in FY07 for technical assistance, but only if the NAHASDA and ICDBG programs are fully funded.

Business Model for Indian Country

In prepared testimony for the Committee, **Parish** outlined a new initiative that **NAIHC** has embarked on with other tribal organizations to develop a “business plan” for Indian country. Housing conditions, health care, and education issues are all connected and it is with this approach that **NAIHC** proposes a new concept on Indian funding. By building a business model that would infuse Indian country economies by correlating the costs of constructing and implementing these systems for today and the next five years. **NAIHC** seeks a partnership with Congress in drafting this model, through collection of the data that is currently available through the agencies, and funding the research, education, and modeling necessary to determine the true “need” for each federally recognized tribe.

NAIHC Involved With Infrastructure MOU

Parish also outlined **NAIHC**’s involvement in securing the Infrastructure Memorandum of Understanding (MOU). **NAIHC** has been working with numerous federal agencies on the MOU, which would require cooperation and collaboration among the federal agencies in carrying out the federal government’s commitment to the Johannesburg Treaty, which highlighted the need for safe drinking water and basic sanitation. **NAIHC** urges that Congress appropriate sufficient funds to upgrade Indian housing to at least 21st century infrastructure levels, and to seek innovative new ways to finance infrastructure in Indian communities.

Supporting Future Generations

Having culturally relevant, decent, safe, sanitary and quality affordable housing is a key component of the overall success of Indian Country and the importance of adequate funding should not be ignored in this FY07 budget cycle.

“**NAIHC** understands that our great nation will always face times of danger and uncertainty and that the temptation is to downplay the needs of Native people when the budget cycles begin,” **Parish** said in her testimony. “The **NAIHC** urges you to not forget the desperate housing conditions most Native people endure day after day.”

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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: www.naihc.net

Facts about Indian Housing **From the National American Indian Housing Council**

Homeownership rates are low for Native Americans on reservations, less than 33%, according to the Government Accounting Office (GAO.) In addition, housing on reservations is also frequently substandard. Consider these shocking disparities:

Native American Statistics:	VS.	US Statistics
<ul style="list-style-type: none">• 12% Lack Plumbing facilities		<ul style="list-style-type: none">• 1% Lack Plumbing facilities
<ul style="list-style-type: none">• 11% Lack Kitchen Facilities		<ul style="list-style-type: none">• 1% Lack Kitchen Facilities
<ul style="list-style-type: none">• 72% Lack Utility Gas		<ul style="list-style-type: none">• 49% Lack Utility Gas
<ul style="list-style-type: none">• 17% Lack Telephone Service		<ul style="list-style-type: none">• 2% Lack Telephone Service

A majority of tribes face high unemployment, low economic-development possibilities and a lack of affordable housing. An estimated **200,000 housing units are needed** immediately in Indian country and 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.) In tribal areas, **14.7 percent of homes are overcrowded**, compared to 5.7 percent of homes of the general U.S. population (Census Bureau, 2000.)