

News Release

National American Indian Housing Council

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Oral Statement of Marty Shuravloff
Chairman, National American Indian Housing Council
To the U.S. Senate Committee on Indian Affairs
Oversight Hearing on Native American Housing Programs
June 28, 2006

Good morning Chairman McCain, Vice Chairman Dorgan, Senator Murkowski and distinguished members of the Senate Committee on Indian Affairs. My name is Marty Shuravloff and I am honored to appear before you today as the recently elected Chair of the **National American Indian Housing Council** (“NAIHC”), the oldest and largest Indian housing organization in the nation, representing the housing interests of more than 460 tribes. I am an enrolled member of the Leisnoi Village and also serve as Executive Director of the Kodiak Island Housing Authority.

Now in its 32nd year, the NAIHC is the major capacity building organization providing guidance, technical assistance, training and other services. NAIHC trains thousands of Indian housing and other staff per year, offering most of its training for free. In addition to technical assistance that includes on-site visits, telephone and e-mail assistance, NAIHC offers educational sessions for regional associations and housing boards of commissioners, as well as a multitude of training at both its Annual Convention and Legal Symposium. This includes a new crime prevention and safety initiative launched in April 2005 and (2) new conferences relating to homeownership.

NAIHC also uses state-of-the art technology to save tribes time and travel costs by offering training by webcast and video. In addition, NAIHC provides scholarships that help offset travel costs, ensuring that the poorest tribes receive training. In 2005, 200 different tribes and TDHEs benefited from 751 scholarships granted by NAIHC. NAIHC also provides tools and information, such as policy documents, through its highly visited, expanded website and is preparing to launch a much-needed new website later this summer, nativeamericanhomebuyer.com.

NAIHC’S TECHNICAL ASSISTANCE MISSION THREATENED

For 32 years the NAIHC has provided invaluable assistance to Indian tribes and TDHEs and in no small way has made the difficult implementation phase of NAHASDA a success. Along the way, the NAIHC has endured many difficulties including a Federal housing agency that may, due to paternalistic tendencies, creates the opposite of self-determination. Additionally, NAIHC has dealt with Congressional appropriators who are unaware of -- or worse, unmoved by --- the dire economic conditions that characterize Native communities.

The impact of Federal funding for the Native American Block Grant (“NAHBG”) has been steadily eroded by inflation. It has gone from \$600 million in 1998 to \$624 million this fiscal year, an actual decline, when adjusted for inflation.

During the same time, Federal funding made available to the NAIHC for technical assistance and training to Indian tribes and their TDHEs has also precipitously declined, threatening its very existence.

The Department of Housing and Urban Development (“HUD”) maintains that the NAIHC has undisbursed funds left over from FY2004 and FY2005, and unobligated funds left over from FY2006 that somehow NAIHC is unable or unwilling to spend.

The truth of the matter is that NAIHC expends funds on a reimbursement schedule and what HUD says is in the pipeline **had been expended but not yet billed** to HUD, as of March 2006. If the NAIHC continues to expend funds at the same rate as in 2005, the “pipeline” funds will be completely gone by February 2007.

The erroneous perceptions have been caused by the many administrative delays in NAIHC’s work contract with HUD. NAIHC receives its funds on a reimbursement basis after incurring costs for HUD-approved activities. NAIHC’s current contract with HUD took (6) months to complete and **includes 8 different steps within HUD before approval is granted**. While HUD shows these funds as unused, NAIHC can show that the funds will be exhausted by the work of the NAIHC throughout the year.

If House-passed levels of technical assistance funding prevail, NAIHC shuts down; it is that simple. For Fiscal Year 2007, the House has proposed \$990,000 for technical assistance and training services for the NAIHC, and it is no exaggeration to say that, with this or a similar level of funding in the next fiscal year, the NAIHC will close its doors in or around January of 2007, **a stark reality to have a 32-year old organization shuttered. We hope this committee will not let this happen.**

THE REAUTHORIZATION OF THE NAHASDA

Under the leadership of Chairman McCain, NAHASDA was created and rests on a firm foundation of Indian Self-Determination reflecting the time-tested principles of local tribal decision-making and tribal economic self-sufficiency. That means that Indian tribes themselves-- not HUD-- design, implement, and conduct housing and related programs for their members. In passing the NAHASDA, Congress **intended HUD’s role to be minimally intrusive; however,** HUD’s extensive and often heavy-handed oversight undermines the ability of tribal governments to do this job easily. Rather than promoting Indian Self-Determination, HUD subjects tribes to burdensome regulations that impede the delivery of housing.

NAIHC, tribes and TDHEs have established a legislative working group to identify and address legislative and regulatory issues of tribal concern with the statute as it now stands. Their issues include: the impediments of the Program Assessment Rating Tool (PART) process and how to improve the data collection and reporting elements; the severe problem with methamphetamine in

Indian communities; the insufficient or nonexistent infrastructure in Indian communities; addressing the problem of mold in Federally-assisted tribal homes; the establishment of development reserve accounts as an eligible activity under NAHASDA; replacing the 30% income rule with fair market rents; Federal procurement issues relating to housing materials; the elimination of secretarial approval for long-term leases and; overdue and necessary reforms to the Bureau of Indian Affairs Title Status Report process.

The NAIHC is committed to finding resolutions to these problems. For example, the Title Status Report process can be improved if tribes were broadly authorized and encouraged to contract these functions. NAIHC has offered several training sessions on this topic. To address the infrastructure deficiencies in Indian country, NAIHC is collaborating with Federal agencies in the development of an infrastructure Memorandum of Understanding that will encourage agencies to assist tribes with infrastructure development. Additionally, NAIHC has established two internal working groups to deal with issues related to NAHASDA reauthorization and the Formula Allocation.

ELIGIBILITY FOR HOUSING PROGRAMS AND SERVICES

The Native American Housing Block Grant program is the main program for funding tribal housing under NAHASDA. Historically, decennial census numbers have been one element in the calculation of distribution of Native American Housing Block Grant funds. A change in the census collection technique in the 2000 census led to a change in distribution patterns, causing a question to be raised regarding the use of a specific set of census data. A failure of the Negotiated Rulemaking Committee to arrive at a consensus on which census data to use caused HUD to use a data set that has led to a disagreement among tribes concerning the formula. To help resolve this issue, NAIHC has established a Task Force with the goal of arriving at a position that is agreeable to all tribes regarding the counting of American Indian and Alaska Natives in the formula.

FORT PECK HOUSING AUTHORITY v. HUD

The NAIHC is gravely concerned about HUD's recent decision to potentially withhold allocation of the remaining FY2006 funds if the department is unable to obtain a stay pending appeal of the Court's decision in the Fort Peck Housing Authority v. United States Department of Housing and Urban Development. While we understand the difficulties presented by the Fort Peck decision, responding to what is a narrow decision possibly only affecting the Ft. Peck tribe by withholding funds for hundreds of tribes may be outside of HUD's legal authority. This decision could cause severe hardships on recipients whose funding is inappropriately withheld. As you are aware, most tribal and TDHE recipients are dependent on such funding to continue operating and providing service to their low-income members and such disruption of funding could lead to some completely shutting down.

Additionally, many tribes have pledged their Native American Housing Block Grant funds as security for Title VI or section 184 loans and HUD's proposed course of action would result in default on those loans, requiring the United States to assume the payment of these loans. Placing the tribes and TDHEs at risk of an adverse credit rating is unacceptable. NAIHC urges this committee to persuade HUD to reconsider its decision and seek an alternative solution.

In conclusion, I would like to thank you for given us this opportunity to speak and we look forward to working with the Committee on all the issues affecting Indian housing programs.

In testimony today, the chairman of the National American Indian Housing Council (NAIHC) urged the Senate Committee on Indian Affairs to persuade the Department of Housing and Urban Development (HUD) to rescind its recent decision to withhold remaining FY 2006 block grant funds appropriated to hundreds of tribes in the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) program.

Marty Shuravloff, NAIHC Chairman who is also Executive Director of Kodiak Island Housing Authority in Alaska, questioned HUD's legal authority to take such action. HUD's decision followed a U.S. district court ruling against HUD, which is trying to recover alleged overpayments of block grants made to Fort Peck Housing Authority (FPHA) from 1998 through 2002. He said the withholding would severely hamper tribal housing operations, causing undue hardship for the intended beneficiaries.

"Most tribal and tribally designated housing entity recipients are depending on such funding to continue operating and providing service to their low-income members, and such disruption of funding could lead to some completely shutting down," said Shuravloff.

Further, he said, because many tribes have pledged their block grant funds as collateral to secure large government-backed loans, withholding would lead to default, which would severely damage the credit ratings of the tribes, and force American taxpayers to pay the bill.

The basis of HUD's asserted liability was FPHA's continued counting of, for block grant allocations purposes during the years at issue, FPHA-owned or -operated housing units that had already or should have been conveyed.

In its ruling against HUD, the Court invalidated a NAHASDA regulation deemed to be in conflict with the NAHASDA statute, which supports the housing interests of tribes. HUD is seeking a stay of the court decision.

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Shuravloff said NAIHC is eager to work with the committee on all issues affecting Indian housing programs, and an alternative solution must be found for the situation at hand.

"While we understand the difficulties presented by the Fort Peck decision, responding to what is a narrow decision possibly affecting only the Fort Peck Housing Authority by withholding funds for hundreds of tribes may be outside of HUD's legal authority," said Shuravloff.

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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”