

PREPARED STATEMENT OF THE HONORABLE CHERYL A. CAUSLEY
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TO THE UNITED STATES HOUSE OF REPRESENTATIVES

FINANCIAL SERVICES COMMITTEE OVERSIGHT HEARING

ON THE PRESIDENT'S FISCAL YEAR 2012 BUDGET REQUEST
FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MARCH 1, 2011

Introduction

Good morning Chairman Bachus, Ranking Member Frank, and distinguished members of the House Financial Services Committee. My name is Cheryl Causley and I am the Chairwoman of the National American Indian Housing Council (NAIHC), the only national tribal non-profit organization dedicated to advancing housing, physical infrastructure, and economic development in tribal communities in the United States. I am also the Executive Director of the Bay Mills Housing Authority and an enrolled member of the Bay Mills Indian Community. I want to thank the Committee for the opportunity to submit testimony regarding the President's FY2012 Budget Request to Congress.

At the outset, NAIHC would like to thank Secretary Donovan for his commitment to Indian Country, not only in the form of support for reasonable funding levels for tribal programs, but in the form of consistent outreach to tribal communities and his stated commitment to reaching out to other federal agencies, enhancing communication at the federal level so that tribes may best utilize and leverage their limited federal funds. We have enjoyed building our relationship with Secretary Donovan's office during the past year and a half and look forward to continued collaboration.

Background on the National American Indian Housing Council (NAIHC)

The NAIHC was founded in 1974 and has, for 37 years, served its members by providing valuable training and technical assistance (T&TA) to all tribes and tribal housing entities; providing information to Congress regarding the issues and challenges that tribes face in terms of housing, infrastructure, and

community and economic development; and working with key federal agencies in an attempt to address such issues and meet such challenges. The membership of NAIHC is expansive, comprised of approximately 271 members representing 463¹ tribes and tribal housing organizations. The primary goal of NAIHC is to support tribal housing entities in their efforts to provide safe, quality, affordable, and culturally relevant housing to native people.

Brief Summary of the Problems Regarding Housing in Indian Country

While the country has been experiencing an economic downturn in general, this trend is greatly magnified in tribal communities. The national unemployment rate has risen and has hopefully passed its peak at an alarming rate of nearly 10 %;² however, that rate does not compare to the unemployment rates in Indian Country, which average 49 %.³ The highest unemployment rates are on the Plains reservations, where the **average** rate is 77 %.⁴ Because of the remote locations of many reservations, there is a lack of basic infrastructure and economic development opportunities are difficult to identify and pursue. As a result, the poverty rate in Indian Country is exceedingly high at 25.3 %, nearly three times the national average.⁵ There is no question that tribal members are among the nation's most vulnerable citizens.

The above-stated employment and economic development challenges exacerbate the housing situation in Indian Country. Our first Americans face some of the most deplorable housing and living conditions in the country, and the availability of affordable, adequate, safe housing in Indian Country falls far below that of the general U.S. population. Consider the following:

¹ There are approximately 565 federally-recognized Indian tribes and Alaska Native villages in the United States, all of whom are eligible for membership in NAIHC. Other NAIHC members include state-recognized tribes that were deemed eligible for housing assistance under the 1937 Act and grandfathered in to the Native American Housing Assistance and Self-Determination Act.

² See <http://www.bls.gov/news.release/empsit.nr0.htm>.

³ Bureau of Indian Affairs Labor Force Report (2005).

⁴ Many of these reservations are in the state of South Dakota, which has one of the lowest unemployment rates in the nation. However, on some SD reservations, the unemployment rate exceeds 80%.

⁵ US Census Bureau, *American Indian and Alaska Native Heritage Month: November 2008*. See <http://www.census.gov>.

- ❖ According to the 2000 U.S. Census, nearly 12 % of Native American households lack plumbing compared to 1.2 % of the general U.S. population;
- ❖ According to 2002 statistics, 90,000 Indian families were homeless or under-housed;
- ❖ On tribal lands, 28 % of Indian households were found to be over-crowded or to lack adequate plumbing and kitchen facilities. The national average is 5.4 %;
- ❖ When structures that lack heating and electrical equipment are included, roughly 40 % of reservation housing is considered inadequate, compared to 5.9 % of national households;
- ❖ Seventy percent of the existing housing stock in Indian Country is in need of upgrades and repairs, many of them extensive; and
- ❖ Less than half of all reservation homes are connected to a sewer system.

There is already a consensus among many members of Congress, HUD, tribal leaders, and tribal organizations that there is a severe housing shortage in tribal communities; that many homes are, as a result, overcrowded; that many of the existing homes are in need of repairs, some of them substantial; that many homes lack basic amenities that many of us take for granted, such as full kitchens and plumbing; and that at least 200,000 new housing units are needed in Indian Country.

These issues are further complicated by Indian land title status. Most Indian lands are held in trust or restricted-fee status; therefore, private financial institutions will not recognize tribal homes as collateral to make improvements or for individuals to finance new homes. Private investment in the real estate market on Indian reservations is nearly non-existent. Tribes are almost wholly dependent on the federal government for financial assistance to meet their growing housing needs, and the provision of such assistance is consistent with the federal government's centuries-old, Constitution-based trust responsibility to American Indian tribes and Alaska Native villages.

The Native American Housing Assistance and Self-Determination Act

In 1996, Congress passed the Native American Housing Assistance and Self-Determination Act ("NAHASDA") to provide federal statutory authority to address the above-mentioned housing disparities in Indian Country. NAHASDA is the cornerstone for providing housing assistance to low-income Native American families on Indian reservations, in Alaska Native villages, and on native Hawaiian Home Lands. The Indian Housing Block Grant ("IHBG") is the funding component of NAHASDA. Since NAHASDA was funded in 1998, it has been the single largest source of funding for tribal housing. IHBG funds support

new housing development, acquisition, rehabilitation, and other housing services that are critical for tribal communities, as well as essential planning and operating expenses for tribal housing programs.

American Recovery and Reinvestment Act (ARRA) and FY2010 Indian Housing Funds

NAIHC would like to thank Congress for its increased investment in Indian housing in FY2010. AARRA provided over \$500 million for the IHBG program. This additional investment in Indian Country supported hundreds of jobs, allowed some tribes to start on new construction projects, and assisted other tribes in completing essential infrastructure for housing projects that they could not have otherwise afforded with their IHBG allocations. Tribes have complied with the mandate to obligate and expend funds in an expedient manner, thus helping stimulate tribal and the national economies. In addition to ARRA funding, Congress appropriated \$700 million for the IHBG in FY2010, the first significant increase for the program since its inception. This positive step reversed a decade of stagnate funding levels that neither kept pace with inflation nor addressed the acute housing needs in tribal communities, and NAIHC is thankful for this powerful step in the right direction.

The President's FY2012 Budget Request for the Indian Housing Block Grant

NAIHC supports the President's FY2012 Budget Request, which maintains the FY2010 level of funding of \$700 million for the IHBG program. While NAIHC believes that the IHBG needs to be funded, at a minimum, at \$875 million just to keep pace with increasing costs for housing development, energy efficiency initiatives, and other inflationary factors, we recognize that the current budget situation necessitates some difficult choices on the part of the Administration and Congress. We ask that Congress support funding for the IHBG program in an amount not less than the President's request of \$700 million.

NAIHC also supports the inclusion of \$65 million in the President's FY2012 Budget Request for the Indian Community Development Block Grant (ICDBG) program. This program provides funds for essential infrastructure for tribal communities. As the ICDBG program is one of the few sources of funds

that tribes can access for the purpose of infrastructure development, NAIHC consistently requests \$100 million per annum be made available for this program.

Training and Technical Assistance (T&TA)

The President's FY2012 Budget Request does not include the much-needed, exceptional T&TA that has been provided by NAIHC since NAHASDA was implemented. The provision of T&TA is critical for tribes to build their capacity to effectively plan, implement, and manage tribal housing programs. Eliminating funding for T&TA would be disastrous for tribal housing authorities and would be a huge step in the wrong direction. Tribes need **more** assistance in building capacity, not less. Since NAIHC's funding for T&TA was restored in 2007, requests for T&TA have steadily grown. The funding that NAIHC is currently receiving is insufficient to meet the steady, growing demand for T&TA. Therefore, we are forced to make difficult decisions regarding how to provide the most effective T&TA to our membership.

Conclusion

NAHASDA was enacted to provide tribal communities with new and creative tools necessary to develop culturally relevant, safe, decent, and affordable housing. It has been tremendously successful and it is our hope that tribes will be able to build on those successes in the future, which requires sufficient funding. NAIHC is thankful for proposed level funding for the IHBG and ICDBG programs, given the current budget climate, and we are hopeful that Congress will protect the IHBG and the ICDBG, programs that help provide the most fundamental of services – housing -- to some of the nation's most vulnerable citizens.

Thank you, Chairman Bachus, Ranking Member Frank, and the members of this Committee for allowing us to express our position regarding the President's FY2012 Budget Request. Your continued support of Native American communities is truly appreciated, and the NAIHC is eager to work with you and your professional staff on any and all issues pertaining to tribal housing programs and living conditions for America's native people.