

**INNOVATIVE SOLUTIONS TO ADDRESSING  
HOUSING NEEDS IN OUR INDIAN COMMUNITIES**

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**JOINT FIELD HEARING**  
BEFORE THE  
**COMMITTEE ON  
BANKING, HOUSING, AND URBAN AFFAIRS**  
AND THE  
**COMMITTEE ON INDIAN AFFAIRS**  
**UNITED STATES SENATE**  
**ONE HUNDRED ELEVENTH CONGRESS**  
SECOND SESSION  
ON  
EXAMINING SOLUTIONS TO THE HOUSING NEEDS IN OUR INDIAN  
COMMUNITIES

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AUGUST 25, 2010  
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**WEDNESDAY, AUGUST 25, 2010**

U.S. SENATE,  
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,  
COMMITTEE ON INDIAN AFFAIRS,  
*Rapid City, SD.*

The Committees convened at 10:03 a.m., at the South Dakota School of Mines and Technology, Classroom Building Room 204, 501 East Saint Joseph Street, Rapid City, South Dakota, Senator Tim Johnson, presiding.

**OPENING STATEMENT OF SENATOR TIM JOHNSON**

Senator JOHNSON. Good morning and welcome to this joint hearing of the Banking, Housing, and Urban Affairs Committee and the Senate Indian Affairs Committee.

To begin this morning, I would like to open with a prayer and would like to call on Joann Conroy, a longtime Lutheran minister in Rapid City, who also established the first Native American Lutheran Church in South Dakota. She has served in United Ministries here at South Dakota Mines. Joann is currently the Executive Director for the Center for Restorative Justice in Rapid City. Please stand.

Reverend CONROY. Thank you. Let us pray. Oh God, our creator, we gather before You today as leaders and people concerned about housing and the many issues that are confronting our people. We gather to promote our unity, to work together to better their life and lives.

Give to these leaders gathered here the blessing of sound judgment, the skill of making wise decisions, and the patience to act in the best interest of all the people. Help the leaders to resolve any differences in the interest of justice and to guide those who are entrusted with the Administration of Government programs to strong and right decisions. Encourage cooperation and unity from those who lead and those who promote all things for the good of the people. In Your name we pray, amen.

Senator JOHNSON. Please be seated.

Thank you, everyone. I would like to call this hearing to order.

We are here to receive testimony on housing issues in Indian Country. I am very pleased to welcome Secretary Shaun Donovan of the U.S. Department of Housing and Urban Development. We are honored to have him visit South Dakota and especially at this

joint hearing. I would also like to welcome our second panel testifying this morning. In addition, I would like to acknowledge many of our Tribal leaders that I see in the audience, some I have known for many years, and some new faces, as well.

Finally, I would also like to thank Dr. Robert Wharton and his staff at South Dakota Mines for their efforts in helping to host today's event. Thank you all, and welcome to this hearing.

I have requested this hearing to focus on the housing crisis that we are facing in Indian Country. Yesterday, I escorted Secretary Donovan to the Rosebud Reservation to see conditions firsthand that we are facing here in South Dakota. As we all know, four of the seven poorest counties in the country are reservation counties right here in South Dakota. Todd County, home of the Rosebud Reservation, is included in that list.

The Census Bureau reported in 2008 that Native Americans are almost twice as likely to live in poverty as the rest of the population. In the same year, the GAO reported that nearly 46 percent of Native American households were overcrowded, a rate that was almost three times as high as the rest of the country.

According to the 2009 Annual Homelessness Assessment Report, which was produced by Secretary Donovan's Department, American Indians make up 8 percent of the country's homeless population while American Indians make up less than 1 percent of the general population.

These statistics are not news to my friends in Indian Country. It is my hope that this joint hearing will provide more focus on the housing shortages, overcrowding, homelessness, and infrastructure problems our Indian Tribes encounter. It is also my hope that this hearing reminds the Federal Government of the treaty and trust responsibilities that it owes to our First Americans. I look forward to the testimony this morning and again want to welcome everyone to this hearing. Thank you.

Secretary Donovan.

**STATEMENT OF SHAUN DONOVAN, SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Secretary DONOVAN. Good morning, Chairman Johnson, and I want to thank you very personally for inviting me here today to testify before you on "Innovative Solutions to Housing Needs in our Indian Communities." I also want to thank all of the Tribal leaders that are here today and to say I look forward to your testimony and to hearing your input and thoughts on progress—further progress we can make in Indian Country.

I am pleased to be here, my third trip to Indian Country since becoming Secretary last year, because my trips to Montana and Alaska and now South Dakota have opened my eyes further to the unique challenges faced in these communities, but also how HUD investments, when made smartly, can spark community transformation. The lessons from these trips are clear. By bringing Federal and State agencies together with Tribal Governments and private sector stakeholders, we can leverage the resources and partnerships we need to create economic stability and opportunity in Indian Country.

There are many challenges to providing safe and stable housing for our First Americans, and today, I would like to discuss what HUD and the Obama administration are doing to tackle those challenges through innovation and how, going forward, we can be a better partner. I have submitted written testimony for the record.

First, let me say that despite the word “urban” in our name, HUD has a very real presence in Indian Country. In the past decade, the Indian Housing Block Grant Program built or acquired more than 25,000 affordable homes and rehabbed another 52,000 units. Since it began 10 years ago, the Title 6 Loan Guarantee Program has financed the development or rehab of over 2,000 affordable housing units, while the Section 184 program has guaranteed more than \$1.6 billion in mortgages for more than 11,000 Indian families, all with a foreclosure rate remaining consistently below 1 percent.

The Indian Community Development Block Grant has helped Tribes build everything from fire stations to day care centers and finance infrastructure projects like extending electric service and improving water and road systems. And continuing that commitment, just yesterday, I was pleased to announce with you a Notice of Funding Availability making available \$65 million in competitive ICDBG Grants for Tribes to apply for in this fiscal year.

But, Mr. Chairman, even with these commitments, historically, we on the Federal side have not always gotten it right. Despite the financial investment, Federal Native American housing policy has often failed to meet the needs of Native communities. The Obama administration is committed to a new chapter. Let me talk today about how we are doing that, first through financial resources, but also through innovation and making those investments in a smarter way.

The Obama administration has made an unprecedented financial commitment to Native American housing and Native American communities as a whole. That commitment began with the Recovery Act, and I want to say here personally to thank you for your leadership in ensuring that the Recovery Act contained \$3 billion dedicated to meeting the needs of Native American communities around the country. That commitment has been followed by a proposed investment of nearly \$18.5 billion for next fiscal year in Native American communities, a 5-percent increase over the fiscal year 2010 budget in what you know are very difficult financial times for the Federal Government.

Specifically at HUD, you can see that commitment in the \$700 million appropriated for the Native American Housing Block Grant in 2010, a \$55 million increase and the highest level that program has ever seen. And it is reflected in the \$510 million in HUD Recovery Act funding invested to fund new construction, acquisition, rehabilitation, including energy efficiency and conservation and infrastructure development activities. This historic injection of Federal Recovery Act funding is unprecedented. Combined with the annual Indian Housing Block Grant funds, Tribes received over \$1 billion in housing funding for fiscal year 2009, and the impact of these funds goes beyond just housing. It has created jobs, fostered community and economic development, and created hope in communities where there sometimes was none.

Here in South Dakota, where Tribes received \$12.9 million in Recovery Act formula funds and \$8 million in competitive funds, creating more than 200 jobs in the State, these funds are making a real difference.

There are many examples of the innovative use of these funds, whether on the Flandreau Santee Sioux Housing Authority or at the Oglala Sioux Housing Authority in Pine Ridge. Just yesterday, I had the great privilege to see with you examples of the 15 different projects that the Recovery Act has funded on the Rosebud Reservation, and as we saw, the SWA Corporation has used that housing investment not just to create decent housing, but also to spur economic development by building a plant that will supply not only the housing needs of their own reservation, but hopefully surrounding reservations and non-reservation land, as well, creating the jobs that are so critical to spur economic development going forward.

We also met with the Kills In Water family, who are living in deplorable conditions with their three young children. And despite their adversity, we also heard the hopeful news that Mr. Kills In Water had received job training as a result of the Recovery Act, and now that he has a full-time job is hopeful of being able to get his own home for his family in the coming months as a result of Recovery Act and other HUD investments.

We believe that this is important progress, Mr. Chairman. That said, as I mentioned earlier, the challenges with Indian housing aren't only due to a lack of funding. They also stem from a lack of understanding when it comes to the needs in Indian Country. These unique needs require innovative solutions. That is why HUD is embarking on a comprehensive needs study. Studies on housing needs in Indian communities have been conducted in the past, but most of these studies were limited in scope and the last occurred in 1996.

And so in consultation and collaboration with Tribal leadership and our Federal and State partners, HUD is embarking on a comprehensive needs assessment, and not just housing needs. Through these partnerships, we will develop a long-term and long overdue economic and community reinvestment strategy looking not only at housing, but other obstacles, including access to quality health care, schools, transportation, and employment, and to prepare, our Office of Native American Programs will be holding a series of seven regional outreach workshops beginning in late fall of this year. We will invite a diverse group, including Tribal leaders, Native housing professionals, other Federal agencies, and community service providers.

If our goal is to put Native communities on a sustainable footing, then we must first understand what sustainability means in Indian Country, and that is where HUD is targeting its investments. For Indian Country, I have learned that building sustainable Native communities requires sustainable Native economies, institutions, human capital, and legal frameworks that promote economic diversity and leverages other sources of capital.

In that sense, housing is vitally important. We all know that housing has a tremendous impact on a surrounding community. But for Tribal communities, this is especially true. I don't have to



tell you, Mr. Chairman, how Tribal economies suffer from a lack of housing. People move to border towns. Money and resources leave the reservation. And perhaps most devastating of all, the reservation's cultural integrity suffers.

That is one reason I am excited that Tribes are eligible to apply for the Regional Planning Grant Program and the Joint HUD–Transportation TIGER II Community Challenge Grant Program that are run by HUD's Office of Sustainable Housing and Communities, which specifically targets rural communities. The fiscal year 2010 appropriations bill included a \$25 million set-aside in the sustainable grants for communities that are 500,000 in population or less, and we took it one step further to ensure that some of the funding would be awarded to even smaller communities, targeting areas with no more than 200,000 in population.

This is all part of HUD's ongoing efforts to ensure that the needs of our rural communities are being met. Indeed, just yesterday, Mr. Chairman, HUD Deputy Secretary Ron Sims attended a roundtable discussion with other deputies from the Departments of Agriculture and Transportation and the Environmental Protection Agency on the issue of community development in rural areas and small towns.

Along the same lines, I want to thank you, Mr. Chairman, for securing language in the Livable Communities Act that creates a 15 percent funding set-aside for small communities and specifies that Indian Tribes will be eligible to apply for the Comprehensive Planning Grant and the Sustainability Challenge Grant Programs.

HUD has also collaborated with the Bureau of Indian Affairs to streamline its title status report process. Streamlining the title process will directly impact home ownership and housing construction, leading to increased community development and an environment more conducive for lending on reservations. Today, HUD and the BIA developed a Standardized National Mortgage Transaction Process. Six joint training sessions were conducted throughout Indian Country from February 2010 through July 2010. The target audiences for this training include HUD and BIA staff, Tribes, lenders, and housing practitioners.

As a result of this collaboration, the average days to record a mortgage transaction decreased from 33 days in fiscal year 2009 to 16 days in fiscal year 2010, or a cut of more than half. The data also shows an increase in the percentage of transactions completed within 30 days, from 78 percent in 2009 to 87 percent in 2010. This may seem like a technical issue, Mr. Chairman, but it has real life implications.

Last year, I had the privilege of visiting the Northern Cheyenne Nation in Montana. While there, I spoke with Brian Redstar. He told me about the difficulties he encountered in purchasing his grandmother's home. He applied for a Section 184 home loan, and because the home was located on trust land, a title status report was needed. It took over 2½ years to get a certified title status report from the BIA.

Based on that experience, I came back to Washington, had my team sit down with Ken Salazar's team, and we have begun to see the improvements that I talked about earlier, and I am pleased to

learn that Brian's transaction is now complete. I said then that this must change, and I am proud to say that we are changing.

This speaks to a larger point, Mr. Chairman. Whether it is the Interagency Infrastructure Task Force or our work with Departments of Agriculture, Health and Human Services, Energy, and the EPA to improve financial literacy, use housing as a platform to address health care and domestic violence and weatherize homes to increase energy efficiency, the Federal Government's ability to work more smartly across agency silos is essential to our ability to promote more sustainable economic development on Indian lands.

In all of these efforts, success won't be measured simply by what HUD does, but whether we are able to work collaboratively to break down Federal barriers that for too long have kept Federal funds from effectively reaching the Tribal communities that need the most help.

And so thank you again, Mr. Chairman, for the opportunity to appear before you today to discuss the unique challenges in Indian Country, and even more importantly, for your ongoing and strong leadership to make sure that Indian Country has the resources and the partnerships that it deserves. These are difficult times, but together with a clearer understanding of what works, what doesn't, and how we can break down barriers, I believe we can build more sustainable reservation economies and ensure that all Native Americans have a decent, safe, affordable place to call home. That is our goal today.

And with that, I would be happy to answer any questions you may have. Thank you.

Senator JOHNSON. Thank you, Secretary Donovan.

We have talked previously about travel eligibility for the HUD-VASH program. One of the things that we saw yesterday was the Rosebud Sioux Tribe's soon-to-be-opened homeless shelter that is a cooperation of HUD and VA. This would seem to be an ideal place for HUD-VASH. Can you discuss why HUD-VASH isn't available to Tribes? Could they be made eligible through regulations, or would it need to be done legislatively?

Secretary DONOVAN. I think it is important that we discuss the eligibility of Tribes for VASH as something that might be changed in legislation going forward. We are having discussions, as you know, right now about the 2011 budget process, and I do believe that that could be one way to attack the needs.

But let me speak for a moment about the broader needs around homelessness. Obviously, veterans are an important piece of the puzzle. Too large a share of our veterans are homeless. Just as Indian Country and Native Americans make up too large of a share of our homeless, the same is true of veterans. But those needs go beyond veterans, as well, and that is why this year, for the first time ever, we created a targeted program aimed specifically at rural homelessness. And so we have \$91 million proposed in our 2011 budget that would be directed at the needs of homelessness in rural areas and in Indian Country specifically.

As you know, homelessness is different in rural areas, whether it is, as we saw yesterday, families doubling or tripling or quadrupling up in small homes, the manifestation of homelessness is different in Indian Country, and that is why we need different

kinds of solutions and we are doing that through a targeted rural homelessness program for the first time in the country's history.

Senator JOHNSON. Do HUD, the VA, and USDA Rural Development adequately coordinate their efforts to support Indian communities?

Secretary DONOVAN. I think the honest answer to that, Senator, is that we have begun to coordinate better, but there is more work that we can do. One of the reasons I think this trip has been important and why I look forward to the testimony is to hear more specifically about the kind of coordination that we could do.

I talked in my testimony about the title status report process as being one example of where a lack of coordination between HUD and BIA stood in the way of economic development and access to home ownership. But there is more that we could do. The meeting that I talked about that happened yesterday between my Deputy Secretary and the Deputy Secretary of Agriculture and Transportation and also leadership from EPA is aimed exactly at that kind of coordination that you are talking about.

And specifically, we want to make sure that the sustainable communities investment that we are making that you fought for in the Livable Communities Act, that that funding is not only available to rural communities, but that we are coordinating better in terms of the way that we bring our resources and to make sure that we don't have conflicting rules on the way those programs can be used.

Senator JOHNSON. After hearing from several housing authorities both on and off the reservations, I introduced the Public and Indian Housing Crime and Drug Elimination Program Reauthorization Act. This would establish a program that was defunded during the last Administration. Are there opportunities within current HUD programs that could fill the role that this program filled?

Secretary DONOVAN. As you know, the history here is that in 2002, the Drug Elimination Grant Program was defunded and that the—even though activities that are targeted with the Drug Elimination Grant Program are eligible in the general funding under the operating subsidy that we provide, and so those kind of activities can continue, there was not an offsetting increase in operating funds to make up for the elimination of that program.

And so our first priority when we came in as an Administration was to begin to restore the operating grant to a level that it could fund not only the basic needs of running housing for housing authorities, but also to begin to pay for, again, some of the kinds of activities that you are talking about. And for the first time in many years, we have fully funded the operating subsidy for public housing and we are proposing once again in 2011 to fully fund that operating subsidy, which can make a real difference for housing authorities and being able to cover some of these expenses.

But I think we can do more than that and I applaud your introduction of this Act. I think we should look at ways to go beyond just fully funding the operating subsidy to ensure that there is targeted funding. Too often, as you know, on reservations families do not feel safe and we need to make sure that there is funding available to ensure that housing is not only of a decent quality, but protects our children and is safe.

Senator JOHNSON. Could you talk about the announcement yesterday you made about the block grant program?

Secretary DONOVAN. Well, as you know so well, housing is only one piece of the puzzle when it comes to Native American communities becoming stronger and more sustainable, and the Indian Country Development Block Grant Program is our most flexible tool to be able to do just what the title would suggest, to build communities. And so whether it is the lack of running water and electricity that we saw at the Kills In Water home, whether it is the lack of adequate infrastructure, whether it be roads or other forms of infrastructure, in too many Native American communities today, or the lack of services like day care that make it difficult for an adult to take up work because they need to be home with their children because they have no other good alternative, all of those activities are eligible through the Indian Country Development Block Grant Program.

I was proud to make the announcement with you that \$65 million is now available through that program for this year and we look forward to seeing some of the innovative kinds of solutions that we saw in Rosebud and that we have seen across South Dakota in applications for that fund.

Senator JOHNSON. One of the difficulties that our Tribes and housing authorities face is budgeting. Many times, our housing authorities have to borrow against their anticipated Indian housing block grants. Could you explain the process and time line involved in the notification and award process?

Secretary DONOVAN. This is a concern that we have heard in a number of places and we are working hard to ensure that we get funding out as quickly as possible. I think you saw with the Recovery Act, for example, that we were able to get funding out, both allocations and actual commitments, very quickly. But one of the barriers that we have is we need to ensure that the formula incorporates all of the needs for each Tribe that are required by the law, and that does take some time for us to be able to do those calculations, to make sure we have all of the data, and then to meet the needs of the statutory requirements that are in the program.

I think it would be a useful discussion to have with you and the appropriators to look at ways that we might be able to streamline that process to ensure that funding gets to all communities around the country as quickly as possible.

Senator JOHNSON. Are there things that you can suggest to fast track this process?

Secretary DONOVAN. What I would propose that we do is that we put together, rather than trying to go through all the details here, that we could put together for the record a set of suggestions for you and the Committee on the specific changes that might improve the process and to respond to your question.

Senator JOHNSON. Thank you, Secretary Donovan, and you are invited to join me on the dais.

Secretary DONOVAN. Thank you.

Senator JOHNSON. The second panel is invited to come forward. This includes the Honorable Theresa Two Bulls, President of the Oglala Sioux Tribe of South Dakota, and Paul Iron Cloud accompanying President Two Bulls; Mr. LeRoy Quinn, Executive Direc-

tor, Sisseton Wahpeton Oyate Housing Authority; and Mr. Russell Sossamon, Treasurer and Region IV Representative of the National American Indian Housing Council Board of Directors. Please come forward.

President Two Bulls, will you begin.

**STATEMENT OF THERESA TWO BULLS, PRESIDENT, OGLALA SIOUX TRIBE, AND CHAIRMAN, GREAT PLAINS TRIBAL CHAIRMAN'S ASSOCIATION**

Ms. TWO BULLS. Thank you. First of all, I want to say good morning, Senator Johnson, Mr. Donovan, and all Members who are here, all the organizations. Chairman Johnson, I, Theresa Two Bulls, President, appear before you at this hearing on behalf of the Oglala Sioux Tribe.

Before I proceed further, I want to thank you personally for all the support and assistance that you have provided for Tribal housing over the years. Your attention and contributions to Indian housing have been enormous, and your presence here today is evidence your continued commitment to assisting Tribes in addressing our Indian housing needs.

It will be 50 years ago next month that candidate John F. Kennedy announced during his campaign for the U.S. Presidency that he would, if elected, expand the Federal Public Housing Program to American Indian Tribes. Less than a year later after his election, the Oglala Sioux Tribal Council created the first Indian Housing Authority in the United States and President Kennedy, public housing administrators, Oglala Tribal Attorney Richard Shifter, and then-Tribal President Johnson Holy Rock gathered in the White House Oval Office to sign documents providing the first Indian housing funding in the country to the Oglala Sioux Housing Authority. We did bring a picture for everyone to see the signing of the document, over here on your right.

I would like to take a moment, if I may, to recognize in the audience today the presence of Mr. Johnson Holy Rock. President Holy Rock was in 1960 and is still today a powerful and straight-talking advocate for Tribes and Tribal housing, and we all owe him deep gratitude for his important contributions to Indian housing. Members of this Committee, I present President Johnson Holy Rock.

[Applause.]

Ms. TWO BULLS. In the past 50 years, through both the Public Housing Tribal Program and now the HUD Native American Housing Assistance and Self-Determination Act Program, Federal assistance has helped build and modernize over 800,000 Indian housing units throughout the United States, including 2,500 new units and thousands of modernizations at Pine Ridge. Some of that original housing, including the very first Indian housing units in the country, lies just 80 miles south of where we sit today, still standing and providing a valuable housing resource for our people.

Though our Tribe appreciates the assistance that has been provided by the Federal Government, I must state on behalf of my Tribe and my Tribal members that the level of Federal assistance has been wholly inadequate. Your assistance, I am afraid, has not satisfied the treaty and trust responsibilities or obligations of the

U.S. Government, nor has it resulted in a majority of our low-income Tribal members living in decent, safe, and affordable housing.

Furthermore, our Tribal members now have to compete in 2010 with over 450 Tribes, an increase in excess of twice the number of recipients in 1996, for a piece of the meager NAHASDA funding pie, which in real value has actually decreased in value in the 15 years since the Federal NAHASDA Housing Program was created by Congress. Instead of housing conditions improving for our low-income Tribal members, they have sadly grown worse over the past five decades since President Johnson Holy Rock and John F. Kennedy gathered in the White House to herald the beginning of the Federal assistance for Indian housing.

The Oglala Sioux Tribe does thank the Senate Indian Affairs Committee and the Senate Banking, Housing, and Urban Affairs Committee for holding today's hearing in the Dakotas. We welcome your interest in, number one, better understanding of our needs; number two, addressing the often hidden overcrowding that certainly occurs in Indian housing in the Northern Plains; and number three, learning how successful our Tribes have been effective in spending American Recovery and Reinvestment Act funds.

However, I must say, in recent years, the large needs of large land-based Tribes like Oglala Sioux Tribe have been marginalized in comparison to national housing and, frankly, to many other Tribes, as well. We and many other land-based Tribes remain the poorest in the United States. Our brave and patriotic Tribal members deserve better and we ask for more help. We simply need more funding and we believe it is appropriate and wise that such additional funding be provided to only those Tribes with the worst housing conditions, and then only if they can demonstrate a capacity to effectively spend such funding.

The Oglala Sioux Tribe and the Oglala Sioux Lakota Housing offer to work with Congress, HUD, and national Tribal associations to try to develop this new program under NAHASDA, but the funding for this new initiative should, in our judgment, be in addition to current funding for the existing NAHASDA Indian Housing Block Grant Programs.

As you may be aware, Oglala Sioux Tribe and many other large land-based Tribes are banding together under a new advocacy group known as "A Coalition for Indian Housing" to try to more effectively advocate for some of our particular needs and interests in Indian housing. I hope that these Committees will now begin to work with this group to find new solutions to improving housing conditions on reservations.

Thank you, Senator Johnson, again, and we are grateful to your Committees for coming to Indian Country to better understand both our needs and our successes. With your permission, I would like to reserve the right to provide additional testimony in the next week. I will also have—I am putting on a different hat, not—as Chairman of the Great Plains Tribal Chairmen's Association, we do have testimony that we would like to submit for the record.

Senator JOHNSON. It will be received.

Ms. TWO BULLS. Thank you. Thank you very much.

Senator JOHNSON. Thank you, President Two Bulls.

Mr. Iron Cloud, do you have anything to add?

**STATEMENT OF PAUL IRON CLOUD, CHIEF EXECUTIVE  
OFFICER, OGLALA SIOUX LAKOTA HOUSING**

Mr. IRON CLOUD. Chairman Johnson, it is always nice to see you. My name is Paul Iron Cloud. First, I would like to thank both of these Committees for holding the Indian Housing field hearing here in Rapid City near the Pine Ridge Reservation. As a formal Tribal Chairman and current CEO of the Oglala Sioux Lakota Housing, it is again an honor and pleasure to come before this Committee and provide testimony on housing, an issue of great importance to both Indians and Alaska Natives.

I, of course, also want to take a moment to express particular appreciation to you, Chairman Johnson. Senator, you have always been a friend and a strong advocate for Indian housing and we thank you for both arranging the field hearing and for your leadership on Indian housing.

There are many issues confronting Indian housing. With your permission, I will just briefly outline or highlight six of them today.

Number one, Mr. Chairman, there is a need to reinstate last year's NAHASDA funding. We in Indian Country are afraid that most Tribes and other members will be terribly impacted if the President's proposed reduction in NAHASDA Indian Housing Block Grants is approved or a 5-percent across-the-board budget reduction is enacted for fiscal year 2011. If either of these proposals is to pass, we project that the Pine Ridge—our program alone would suffer a devastating \$2.9 million cut.

Number two, we have demonstrated program capacity. The Oglala Sioux Lakota Housing was one of only a few Tribal housing programs in the Northern Plains to receive both competitive and formula money under the American Recovery and Reinvestment Act. We are pleased to say we were successful in utilizing \$7.3 million special funding and we did so in record time. Unfortunately, in Washington, statements have been passed that Federal Tribal housing funds are often not utilized or are slow to be spent. We know that this is not true in the case of the Oglala Sioux Housing and not for most Indian ARRA recipients. Please assist us, finally, and put this to rest, these unfounded statements.

Number three, there is a terrible overcrowding in our housing. Many large land-based Tribes have a strong need for additional funding. That need, however, has at times been obscured by traditional practice in taking in our homeless Tribal members and our practices have resulted in terrible overcrowding in many of our units. Occupancy for a single unit in our program often exceeds 12 to 15 persons. We welcome your efforts and that of the U.S. Department of Housing and Urban Development to understand this overcrowding and its impact on families and units.

Number four, assistance is desperately needed to address violence in the housing. These Committees will recall that earlier this year, at both a hearing on the President's fiscal year 2011 budget and a hearing on violence in Indian Country, I and the Oglala Sioux Tribe provided testimony regarding violence, gang activities, and suicides on our reservation. The growing prevalence of this violence is really attacking and destroying the social structure of our reservation, creating unacceptable injuries, deaths, and a fear in

our communities and undercutting our ability to protect our units and tenants.

It is in many ways a reservation-wide situation, but Oglala Sioux Housing, as the primary landlord on the reservation, is uniquely impacted. The multitude of solutions will be required if Tribes like ours are to have a chance to both respond to and prevent this violence. There is, however, a growing understanding on our part that increasing funding in law enforcement, the courts, and housing alone will not be enough and the political and the community changes will be required to roll back such violence.

Number five, we believe, Mr. Chairman, that a new program is needed to direct new funding to the Tribe and the greatest housing needs. Housing needs in Indian Country vary based on Federal funding levels and local needs. Many of the most needy programs simply never get enough money to really improve their housing. Often, these are Tribal housing programs of large land-based Tribes, such as Oglala Sioux. As President Two Bulls stated in her testimony at this hearing, the Oglala Sioux believes that the time has come to develop an additional NAHASDA funding block grant program that would additionally target the Tribes most in need. Such a program would operate in addition to NAHASDA funding.

The existing Housing Block Grant provides a floor for funding Indian Country housing that should be maintained. However, in addition to this block grant, a new program should be developed for those Tribes with the most need, but funding should go only to those that can demonstrate the capacity to efficiently utilize the funds.

Last, number six, I would like to inform you of the new organization, A Coalition for Indian Housing, and its new Housing Report Card. ACIH is a new alliance of large land- and treaty-based Tribes. Along with our membership in national organizations such as the National American Indian Housing Council, Congress of American Indians, we in our Tribe have participated in this new advocacy group because we believe that large land-based Tribes need to have at times their own voice in Indian housing matters so that our unique issues can be addressed.

One idea coming from ACIH is the Housing Report Card. A copy is attached to my testimony. ACIH has developed this form as a reporting system for Indian housing. The ACIH Report Card is a simple, one-page self-reporting information sheet that can be both an administrative tool for Indian housing entities and monitoring and evaluation documents for Congress. This simple snapshot or reporting card we believe can become an important universal evaluation instrument for Indian housing. ACIH is now encouraging its members and other Tribal housing programs across the country to start using this form on a voluntary basis.

I have submitted my full written testimony for the record, Mr. Chairman.

Senator JOHNSON. It will be included.

Mr. IRON CLOUD. I am glad to answer any questions that you may have.

Senator JOHNSON. Thank you, Paul.

Mr. Quinn.



**STATEMENT OF LEROY QUINN, JR., EXECUTIVE DIRECTOR,  
SISSETON WAHPETON OYATE HOUSING AUTHORITY**

Mr. QUINN. Thank you, Senator Johnson, the Honorable Secretary Donovan, and the members that testified before me and our audience. On behalf of the Sisseton Wahpeton Sioux Housing Authority and the 13,000 members of the Sisseton Wahpeton Oyate, I wish to thank you for giving me the opportunity to share a few of our innovative solutions our Housing Authority has taken to address our housing needs. I have served as Executive Director for the past 5 years. I am an enrolled member of the Sisseton Wahpeton Oyate.

Our Housing Authority currently owns and manages about 560 units of affordable housing consisting of 472 units and 88 home ownership units. We are a small Housing Authority that operates 22 housing sites in three counties in Northeast South Dakota.

Before I discuss some of our innovative solutions that we have accomplished this year, I would like to thank Senator Johnson for his leadership on Tribal housing issues and helping us develop and implement new creative tools necessary to develop culturally relevant, safe, decent, and affordable housing for our Tribal members.

I also want to thank Senator Johnson and the other Members of the Committee for approving the Indian Veterans Housing Act and for helping expedite and advance the Responsible Tribal Home Ownership Act, known as the HEARTH Act. Both of these bills are vital to our Tribe, as we serve many veterans and recognize the need to reform the Federal leasing requirements and allow us to speed up the leasing process for individual Tribal members, which will allow them to get into their new homes much quicker.

Another bill that I would like to thank Senator Johnson, and I know he addressed it earlier with Secretary Donovan, is the Public and Indian Housing Drug Elimination Program, which will help us reduce illegal drugs in our affordable housing areas.

I also want to acknowledge the continued efforts of the Committee in our joint task of improving housing conditions for Indians across America. I am proud to relate to you today several of the innovative solutions we have developed at our Housing Authority under the opportunities presented under the Native American Housing Assistance and Self-Determination Act, known as NAHASDA. I will provide written testimony for the record that asks for more coordination of the Federal agencies that have resources available to American Indians, and that is attached.

Since NAHASDA became law in 1997, the Housing Authorities have developed an excellent working relationship with the South Dakota USDA Office of Rural Development and have built 56 subsidized Section 515 units. This is a critical program, because unlike NAHASDA, the 515 Program provides rental subsidies to low-income families. We have also collaborated with USDA Rural Development to sensibly apply and receive \$2 million in set-aside funds to assist in the development of water and waste systems in several of our affordable housing communities. We have also built a 7,300-square-foot office building for our Administration in cooperation with USDA. We recently have been informed that Rural Housing Services has set a 5-year goal to provide funding for two-hundred 504 grants and 150 home loans under the 502 Program.

In short, we have benefited greatly from our relationship with the South Dakota Rural Development Office and their outstanding staff. It is my understanding that our relationship with USDA is unique and not all Tribal housing programs have enjoyed this successful partnership we have experienced. While this relationship is not necessarily innovative, we believe that tribes with significant unmet housing and infrastructure needs cannot succeed without developing a similar relationship with USDA.

The second activity our Housing Authority has innovated is the creation and capitalization of the Dakota Nation Housing Development Corporation. This Corporation, created in 2005, has successfully developed approximately 50 housing sites designated for affordable housing. In addition, they have successfully applied for and built a 24-unit affordable housing complex funded with Low-Income Tax Credits and a 21-unit three-bedroom housing project.

The third activity I would like to discuss is the creation of T-YAMNI, a one-stop home ownership program that represents the Housing Authority, Development Corporation, and our Home Buyers Program. This entity is providing support for our Tribal members with financial literacy programs, home buyer education classes, and loan origination assistance, utilizing all lending resources available. The program is designed to be an entry way to home ownership with resources and support provided by the staff.

The final innovation I would like to share with you is the Housing Authority's purchase of a local 29-unit motel. Ten of the units are set aside to provide transitional housing for eligible members of the Sisseton Wahpeton Oyate. The transitional units are supported by income from the operation of the remaining 19 motel units. So far, the project has been a success and is self-supporting.

I also want to report that our Housing Authority is rehabilitating 30 of our low-rental units with the stimulus funding we were awarded last year. We were able to create several jobs with the funding. We are on schedule to complete the rehabilitation project in a timely manner and within budget.

Some of the other accomplishments achieved by the Sisseton Wahpeton Housing Authority, that we acquired 38 FEMA trailers in the last 3 years. We also obtained three Governors' homes through the BIA HIP Grant. We are in the process of developing a Title VI program through the provisions of NAHASDA. All of these programs were established to put Tribal members in their own homes.

Again, I thank you for the opportunity to share some of the success stories. I am looking forward to working with you and other Members of the Committee as we continue to meet the housing needs of the Sisseton Wahpeton Oyate, which includes assisting 550 families on our current waiting list.

I will address the needs factor later, but this is the solution factor. Thank you, Mr. Johnson.

Senator JOHNSON. Mr. Sossamon.

**STATEMENT OF RUSSELL SOSSAMON, TREASURER AND MEMBER OF THE BOARD, REGION IV, NATIONAL AMERICAN INDIAN HOUSING COUNCIL**

Mr. SOSSAMON. Good morning, Senator Johnson, Secretary Donovan, and I would like to recognize our Tribal leaders here and thank you for the opportunity to present today to this Committee. My name is Russell Sossamon. I am the Treasurer and a member of the Board of Directors or the National American Indian Housing Council representing Region IV out of the Southern Plains Region. The NAIHC is the only Tribal nonprofit organization dedicated solely to advancing housing, physical infrastructure, and economic development in Tribal communities throughout the United States, the Lower 48 States and Alaska. I am an enrolled member of the Choctaw Nation of Oklahoma and I serve people as the Executive Director of the Choctaw's Housing Authority.

First of all, I would like to thank you, Senator, for your commitment to the Indian Tribes and for your efforts to understand the treaty obligations of the Federal Government and protect those for the Tribes and for your appreciation of self-determination of the Tribal Governments. I appreciate you taking the interest in the Tribes and really understanding who we are. Thank you.

I would also like to thank the Committee for holding this field hearing here in Rapid City and the Northern Plains, an area that is deeply affected by the lack of housing and adequate infrastructure. Of course, through your tours that you spoke of, you see the need and the stark reality that exists in our areas.

While Tribes are very appreciative of the funds that they receive under the Native American Housing Act and self-determination, out of necessity, we have spent a substantial amount of time, energy, and resources exploring innovative home design and building programs. We have to make choices between research and development and meeting immediate Tribal needs that you experienced on your trips. So that is why a lot of these efforts are just now reaching fruition over the 10-year period of NAHASDA. That is why I think particular attention needs to be paid to the funding levels so that we can continue research and development while we meet the acute needs that we have.

The ARRA funding that we received was greatly appreciated. It gave us, when we talk about budgeting, it gave us a little flexibility in our budget to meet some of those dire needs and continue this long-term community development plan, and that is—everyone thinks the answer is more money. In this case, the adequate funding really is an investment. It is making the payoff in sustainable long-term planning.

In my oral testimony, I would also just like to highlight a couple of the innovations that exist. These are just two examples of many across the United States and Alaska as a result of research, development, planning. The two I would like to focus on is, first, the Isleta Pueblo of New Mexico and the Puyallup Tribe of Washington State.

After familiarizing myself with these projects, it appears that they have—their secret is to apply Tribal principles that are part of our heritage, and basically that means just using common sense, which a lot of times it was commonly practiced. The Isleta Pueblo

is utilizing a familiar building layout, local natural resources, and local labor to create a green building technique that is easily exportable to other communities.

The lava block construction project is based on a concept that was started in 1996 by Ken Detjen, a retired engineer. Lava blocks, which will form a home's exterior walls, are made out of lava cinder and cement along with other ingredients. Lava rock walls have been tested to have an R-value or an insulation value of 50 and can withstand up to 300-mile-an-hour winds. The concept was introduced to the Isleta Pueblo Housing Authority in 2007 and was well received by the Housing Authority and the Tribal Council.

The lava block project has numerous advantages. The method is environmentally friendly in that no drywall or sheetrock is needed in the construction process and no insulation is required. Lava rock walls are naturally fireproof and soundproof, termite resistant, and maintenance-free, and the home will have reduced energy costs because of its efficient design and construction. Labor costs are also lower by approximately 50 percent with lava rock homes because no specialized training in masonry or any other construction art are required.

In 2008, the Isleta Tribal Council approved the use of Tribal funds to designate and create a lava block building machine. A Memorandum of Agreement was executed between the Tribe, Habitat for Humanity, and Lava Living LLC in which the Tribe agreed to allow its old cinder and gravel plant to be used in the production of the lava blocks. In doing so, the Tribe created jobs for its citizens and created a mechanism for providing sustainable, energy efficient, affordable homes for their Tribal families.

On August 26, 2008, the Isleta Pueblo Housing Authority held a groundbreaking ceremony to launch a home renovation project for Tribal members Jose and Mary Keryte. This was the first lava block building project in the Pueblo. The plan is now up and running and has created jobs for Tribal members and has been an invaluable resource in creating at least 15 newly efficient homes for Tribal members today, and there is a growing waiting list of people who want to participate in this program.

In April of this year, the Isleta Pueblo Housing Authority received a Certified Outstanding Achievement Award from the U.S. Department of Housing and Urban Development, from their Office of Native American Programs, for their project design and resource conservation. Soon, the Tribe hopes to explore the idea by selling blocks to other Tribes or nearby construction firms—and nearby construction firms.

The Puyallup Tribe, they put—they have roots in the design and strategy of the traditional longhouse. This design emulates a traditional rectangular shed-roofed coastal Salish longhouse design utilized by Tribes for centuries. The central feature of the longhouse is a central linear common area for gathering and circulation and private areas are accessible from the common spaces. The concept, created by the Puyallup Tribe using the American Recovery and Reinvestment Act funds, fuses this traditional design with a modern townhouse courtyard structure. The project is being constructed on a 4-acre parcel adjacent to 27 existing units and will create 10 new units in the first phase. The design will incorporate

community meeting space, be culturally responsive, and employ green building and design techniques.

As in a traditional longhouse, the modern building configuration utilized by the Puyallup Tribe creates a defensible space hierarchy of public to private space. Level changes and material modulation create a flow and transition from public spaces or common areas into the private space. The conscientious design imparts ownership to individuals while fostering active use of shared space. The Tribe has created both one- and two-story designs, and in both models the main floor is handicapped accessible. The one-bedroom units are fully accessible.

In traditional longhouses, the ventilation and illumination were provided by removing roof planks. The modern adaptation utilizes an open roof over the courtyard to evoke this historic strategy and employs an innovative cross-section ventilation air system. Air will be drawn through the low windows on the south side of the homes and exhausted through the high windows on the north side. The same high windows allow daylight to penetrate the space. Some of the windows in each of the homes will face the courtyard, a common area, further embracing the traditional concept of community living.

The Puyallup modern design embraces energy efficiency in several ways. The solar orientation is optimized, as all the homes are located on an east-west axis so that the windows will have a northern exposure or southern exposure. The homes feature generous roof overhangs so that passive solar and daylighting strategies are employed for maximum benefit. Compact floor designs are utilized as they are easier to heat and cool. Other home features, such as appliances, windows, faucets, and lighting, are all energy efficient and designed to conserve energy in every way possible. The Tribe is also looking forward to the future with the longhouse design as they are exploring and researching ways to actually generate on-site energy through renewable sources.

Both of these projects that I have described are prime examples of the types of home building design and innovation taking place across Indian Country today. It is our hope that both the Committee present here today and the Tribal leaders, as well as the Department of Housing and Urban Development are inspired to continue the support of self-determination that was utilized when we looked to use local natural resources to create the sustainable economies that the Secretaries both have urged.

And so we also encourage the Committee and the Administration to continue with the financial support needed not only to do the critical research and development in all of the areas across the United States and Alaska, but also adequate funding to meet the acute needs we see on a daily basis.

This concludes my testimony and I would be glad to answer any questions. Thank you.

Senator JOHNSON. Thank you, Mr. Sossamon.

President Two Bulls, we know that overcrowding is a constant problem in the housing on our reservations. Can you describe what families are experiencing in those instances and give a rough estimate of how many families are living in overcrowded homes? Please pass the microphone down.

Ms. TWO BULLS. Thank you. According to my Housing Director, we estimate at least a third of the homes on the reservation are overcrowded, and that also includes not only the HUD housing, but also private housing and individual because of the young families having nowhere to go, so they stay with their parents or their grandparents. So it is common across the reservation. But we estimate it at least a third of the homes on the reservation.

Senator JOHNSON. That number of homes overcrowded leads to black mold and other unhealthy conditions. Mr. Iron Cloud and Mr. Quinn, in your best estimate, how many additional housing units does the Tribe need to fully house Tribal members?

Mr. IRON CLOUD. I estimate 4,000 homes at Pine Ridge.

Senator JOHNSON. Four thousand more?

Mr. IRON CLOUD. Four thousand more homes.

Senator JOHNSON. Yes. Mr. Quinn?

Mr. QUINN. We have a housing fair every June coordinated with our Rural Development during Home Buyers Month and the last estimate was 400 new houses on our reservation.

Senator JOHNSON. Mr. Iron Cloud and Mr. Quinn, can you tell us about the work being done with community and faith-based organizations on the reservation?

Mr. IRON CLOUD. This year, we had a conference with faith-based. We had the opportunity to meet with a lot of people that are coming in, helping us with different renovations. You know, they are well-grouped people that really helped our reservation and that took a—you know, we had materials. Some of the faith-based people went into these homes and not even—in not just our homes, but individual homes and did renovation work with them. They made handicapped accessible. They did ramps. They were very—a group that was really out there to help Indian housing.

Senator JOHNSON. Mr. Quinn.

Mr. QUINN. For the past 3 years, they have been coming up, I think, like, from Georgia and Tennessee, and this last summer, they were here from the end of June until the middle of August and they painted 15 of our houses for them, both ownership and our Housing Authority low-rent units.

Senator JOHNSON. Mr. Sossamon, is there enough flexibility in NAHASDA to coordinate the efforts of Tribally designed housing entities with other organizations if the Tribe chooses to do so? Is there enough flexibility in NAHASDA?

Mr. SOSSAMON. Over time, the areas that presented challenges and being able to meet the local conditions across the United States and Alaska, we have come back to your Committee and you have been instrumental in helping us to have legislative corrections, and then we have worked through negotiated rulemaking to correct some of the regulatory changes that have been needed to allow us to leverage with other funds. But there is still a significant amount of work that needs to be done.

I think there has been progress made. There are some initial steps been taken in the Interagency Agreements, which NAIHC played a role in fostering and encouraging the Federal agencies to work together to identify these barriers to provide the maximum flexibility to the Tribes to allow for self-determination. What works in one area is not necessary what the focus in another area is, and

one size does not fit all. And so we can't—we find it very difficult to work with government agencies that sometimes think seem to focus in silos and actually contradict one another and make it very difficult for even our Federal partners to be able to work together.

Senator JOHNSON. Thank you, Mr. Sossamon.

I would like to thank Secretary Donovan for his testimony and visit here to South Dakota. The needs we face in Indian Country are great, and I hope this puts a face to this crisis.

I would also like to thank our second panel, President Two Bulls, Paul Iron Cloud, LeRoy Quinn, and Russell Sossamon. Thank you for your efforts to improve housing on our reservations in Indian communities.

We have a lot of work ahead of us to fulfill our treaty and trust responsibilities, but it is my hope that hearings like this shed light on the housing situation our Indian Tribes face. I will continue to use my position on the Banking Committee, Appropriations Committee, and Indian Affairs Committee to work toward improving the housing on our reservations.

For the other Members of this Committee, statements and questions for the record may be submitted within 10 days.

With that, this hearing is adjourned. Thank you.

[Applause.]

[Whereupon, at 11:16 a.m., the hearing was adjourned.]

[Prepared statements, responses to written questions, and additional material supplied for the record follow:]

**PREPARED STATEMENT OF SENATOR TIM JOHNSON**

Good morning. Welcome to this joint hearing of the Senate Banking, Housing, and Urban Affairs Committee and the Senate Indian Affairs Committee. To begin this morning, I would like to open with a prayer and would like to call on Joann Conroy, a long-time Lutheran minister in Rapid City, who also established the first Native American Lutheran Church in South Dakota. She has served in United Ministries here at South Dakota Mines. Joann is currently the Executive Director for the Center for Restorative Justice in Rapid City. Please stand.

Please be seated. Thank you everyone. I'd like to call this hearing to order. We are here to receive testimony on housing issues in Indian Country. I am very pleased to welcome Secretary Shaun Donovan of the U.S. Department of Housing and Urban Development. We are honored to have him visit South Dakota and especially at this joint hearing. I would also like to welcome our second panel testifying this morning. In addition, I would like to acknowledge many of our tribal leaders that I see in the audience, some I have known for many years and some new faces as well. Finally, I would also like to thank Dr. Robert Wharton and his staff at South Dakota Mines for their efforts in helping to host today's event. Thank you all and welcome to this hearing.

I have requested this hearing to focus on the housing crisis that we are facing in Indian Country. Yesterday, I escorted Secretary Donovan to the Rosebud Reservation to see the conditions firsthand that we are facing here in South Dakota. As we all know, four of the seven poorest counties in the country are reservation counties right here in South Dakota. Todd County, home of the Rosebud Reservation, is included in that list.

The Census Bureau reported in 2008 that Native Americans are almost twice as likely to live in poverty as the rest of the population. In the same year, the GAO reported that nearly 46 percent of Native households were overcrowded, a rate that was almost three times as high as the rest of the country. According to the 2009 Annual Homeless Assessment Report, which is produced by Secretary Donovan's department, American Indians make up 8 percent of the country's homeless population while American Indians make up less than 1 percent of the general population.

These statistics are not news to my friends in Indian Country. It is my hope that this joint hearing will provide more focus on the housing shortages, overcrowding, homelessness and infrastructure problems our Indian Tribes encounter. It is also my hope that this hearing reminds the Federal Government of the treaty and trust responsibility that it owes to our first Americans. I look forward to the testimony this morning and again want to welcome everyone to this hearing. Thank you.

I would like to thank Secretary Donovan for his testimony and visit here to South Dakota. The needs we face in Indian country are great and I hope your visit put a face to this crisis. I would also like to thank our second panel. President Two Bulls, Paul Iron Cloud, LeRoy Quinn, and Russell Sossamon, thank you for your efforts to improve housing on our reservations and Indian communities. We have a lot of work ahead of us to fulfill our treaty and trust responsibilities but it is my hope that hearings like this shed light on the housing situation our Indian Tribes face. I will continue to use my position on the Banking Committee and Indian Affairs Committee to work toward improving the housing on our reservations. For the other Members of the Committees, statements and questions for the record may be submitted within 10 days. With that, this hearing is adjourned. Thank you.

**PREPARED STATEMENT OF SHAUN DONOVAN**

SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AUGUST 25, 2010

Good morning Chairman Johnson, and Members of the Committees. Thank you for inviting me today to testify before you on innovative solutions to housing needs in Indian Country. There are many challenges to providing safe and stable housing in Indian communities, and today I would like to discuss what HUD and this Administration are doing to tackle those challenges through innovation, and how, going forward, we can be a better partner.

And I am pleased to be here in South Dakota—my third trip to Indian Country since becoming Secretary last year. Each of my trips has opened my eyes further to the unique challenges faced in these communities—but also how HUD investments could spark community transformation.

In Montana, I saw firsthand some of the most severe cases of families living in overcrowded and substandard housing conditions.



In Alaska, I witnessed how one neighborhood in decline—with the lowest incomes in all of Anchorage, the highest crime rates, and deteriorating homes—could rise from the ashes with just a little help. From an investment of \$14 million, I saw a regional housing authority that leveraged public and private commitments to the tune of \$100 million, reducing crime, improving schools, and creating opportunity for families.

The lessons from these trips were clear: by bringing Federal and State agencies together with tribal governments and private-sector stakeholders, we can leverage the resources and partnerships we need to create economic stability and opportunity in Indian Country.

As such, today I will describe HUD's efforts to do just that. I will provide an overview of the programs HUD's Office of Native American Programs (ONAP) has available to address the housing needs and challenges in Indian Country. I will also discuss the positive impact that President Obama's American Recovery and Reinvestment Act has had in these areas; provide an update on the progress of negotiated rulemaking with tribal members to implement recent statutory amendments to HUD's Native American housing programs; describe the upcoming Native American Housing Needs Study and workshops; and illustrate how the Department is seeking to improve the delivery of housing and housing-related services to the families we serve.

### **A Commitment to Native Communities—ONAP Programs**

Let me review with you the programs HUD has that are specifically geared toward Native Americans.

HUD administers four programs specifically targeted to American Indian and Alaska Native individuals and families. In implementing these programs, the Department recognizes the right of tribal self-governance and the unique relationship between the Federal Government and the governments of Indian tribes, established by long-standing treaties, court decisions, statutes, Executive Orders, and the United States Constitution. There are 564 federally recognized tribes in the Nation today, each with its own culture, traditions, and government. The Department strives to balance respect for these individual tribes with regulations and procedures that ensure accountability and consistency nationwide.

HUD also administers two programs specifically targeted to Native Hawaiians eligible to reside on the Hawaiian Home Lands. The block grant program for Native Hawaiians is administered through the State Department of Hawaiian Home Lands and is augmented by a home loan guarantee program.

#### *Indian Housing Block Grant*

The Indian Housing Block Grant (IHBG) is ONAP's largest program, both in terms of dollars appropriated and population served. It was authorized by the Native American Housing Assistance and Self-Determination Act (NAHASDA) in 1996. The block grant approach offers each tribe the flexibility to design, implement, and administer unique, innovative housing programs, based on local need. Some of these local programs would not have been eligible activities under the 1937 Housing Act, such as down-payment and other mortgage assistance programs, transitional housing, construction of domestic abuse shelters, and the creation of revolving loan funds.

From Fiscal Year (FY) 1998 through FY2009, the IHBG program received slightly more than \$7.58 billion, or an average of about \$632 million annually. During that time, more than 25,000 affordable housing units have been constructed or acquired, and more than 52,000 housing units have been rehabilitated.

Annual IHBGs are awarded to eligible Indian tribes or their tribally designated housing entities (TDHE) for a range of affordable housing activities that primarily benefit low-income Indian families living on Indian reservations or in other Indian service areas. The amount of each grant is based on a formula that considers local needs and the number of units developed with 1937 Housing Act funding and currently managed by the tribe or its tribally designated housing entity (TDHE).

In FY2010, more than \$701 million was distributed through the IHBG program to about 360 recipients, representing more than 540 tribes, including the Oglala Sioux which received \$11.5 million in IHBG funds. In total, South Dakota received over \$38 million of IHBG funds in FY2010. The minimum IHBG in FY2010 was \$54,019, awarded to 90 tribes. In FY2010, as of July 29, 2010, IHBG recipients had built or acquired more than 1,400 affordable housing units and rehabilitated more than 1,700. The goal for FY2010 is to build or acquire 2,028 units and rehabilitate 3,767.

*Title VI—Loan Guarantees*

NAHASDA also authorized the Title VI program, which offers recipients of the IHBG (tribes and their TDHEs) a loan guarantee program that encourages long-term projects and the leveraging of a variety of funding sources. Under Title VI, HUD can guarantee 95 percent of a loan for affordable housing activities. Borrowers pledge a portion of their current and future IHBG funds as security. This program has provided an incentive for lenders to get involved in the development of tribal housing.

Since the program began in 2000, ONAP has issued 59 Title VI loan guarantees, totaling more than \$137 million. The eligible activities are the same as for the IHBG program: Indian housing assistance, housing development, housing services, housing management services, crime prevention and safety activities, and model activities as approved by HUD. The predominant use of Title VI loans has been the construction of housing units—more than 2,000 since the program began—and housing infrastructure.

*Section 184—Single Family Home Loan Guarantees*

The Section 184 program was authorized by the Housing and Community Development Act of 1992, as amended. It is a single-family mortgage loan program that provides a 100 percent guarantee for private mortgage loans issued to eligible borrowers. Eligible borrowers include American Indian and Alaska Native families and individuals, Indian tribes, and TDHEs. There are no income limits. Loans are used to purchase, construct, rehabilitate, refinance, or purchase and rehabilitate a home located on a reservation or within an Indian area. A one-time, one percent guarantee fee is charged; it can be financed or paid in cash at closing. The maximum mortgage term is 30 years.

In FY2003, 271 Section 184 loans were guaranteed for \$27 million. Six years later, in FY2009, 2,401 Section 184 loans were guaranteed for \$395 million. Since the program's inception in 1995, through June 30, 2010, 11,064 loans were guaranteed, for more than \$1.6 billion. The foreclosure rate has consistently remained low with a historical default rate under 4 percent.

*Native Hawaiian Housing Block Grant (NHHBG)*

The NHHBG program, Title VI of NAHASDA, was authorized by the Hawaiian Home Lands Home Ownership Act of 2000. The Department of Hawaiian Home Lands (DHHL) is the sole recipient. The NHHBG is designed to primarily benefit low-income Native Hawaiians who are eligible to reside on the Hawaiian Home Lands. Eligible activities are the same as for the IHBG program. DHHL provides many housing services, including counseling and technical assistance, to prepare families for home purchase and ownership. DHHL is also using NHHBG and other funds to invest in infrastructure for future housing development.

FY2002 was the first year the DHHL received funding. Since that time more than 300 units have been constructed, acquired or rehabilitated with NHHBG funds. The program has an average annual appropriation of approximately \$9 million. For FY2010, the appropriation was \$13 million. In FY2009, 49 affordable homes became available to eligible Native Hawaiian families through construction (34), acquisition (14), and rehabilitation activities (1).

*Section 184A—Native Hawaiian Loan Guarantee Program*

Section 184A was established by Section 514 of the American Home Ownership and Economic Opportunity Act of 2000, which amended the Housing and Community Development Act of 1992. The program is similar to Section 184, but is intended for Native Hawaiians eligible to reside on the Hawaiian Home Lands. Appropriations have ranged from \$956,000 in FY2002, to \$1 million in FY2009. As of June 2010, the program had guaranteed a total of 87 loans for almost \$20 million.

*Indian Community Development Block Grant Program (ICDBG)*

This program was authorized by the Housing and Community Development Act of 1974. ICDBG is a competitive program, open to federally recognized tribes and certain tribal organizations. Each year, approximately 1 percent of the Community Development Block Grant appropriation is set-aside for ICDBG. In FY2010, the ICDBG set-aside is \$65 million. Funding in recent years has ranged from \$71 million to \$65 million. About \$4 million is set aside each year from the ICDBG fund for imminent threats to health and safety.

Some examples of ICDBG projects include construction of health clinics and other public facilities including gymnasiums and cultural centers; housing rehabilitation; health and education facilities; infrastructure, including roads, power, water, and phone lines; and waste water systems.

### Recovery Act Impacts in Indian Country

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA) into law. I would like to thank the Members of the Committees for their role in providing funds to tribal areas as part of that law. As a result, HUD has made a historic investment in Indian Country, including \$510 million in American Indian, Alaska Native, and Native Hawaiian communities across the country. Of that amount:

- \$255 million was distributed to eligible IHBG recipients using the IHBG formula. There were 362 primary recipients, representing 542 tribes.
- \$242,250,000 was awarded to 102 IHBG recipients out of 327 applicants who applied through a Notice of Funding Availability (NOFA).
- \$10.2 million was awarded to the Department of Hawaiian Home Lands (DHHL) to be distributed through the NHHBG program.
- An additional \$10 million was provided for the ICDBG program through the Community Development Fund. The entire amount was awarded to 19 grantees.

Nationally, as of August 7, 2010, tribes had expended 59 percent of their Recovery Act formula funds, and 42 percent of the competitive funds. The Department of Hawaiian Home Lands had spent 35 percent of its Recovery Act Grant. A number of tribes have already completed and closed out their Recovery Act Grant.

#### *Impact on South Dakota Tribes*

The tribes of South Dakota received \$12.9 million in Recovery Act formula funds, and \$8 million in competitive funds (two tribes). Tribes have expended 68 percent of the formula funds, well before the deadline. One tribe in South Dakota has expended its entire grant, and completed its project. More than 200 jobs have been created by ARRA projects in the State.

Allow me to briefly describe how this funding is being used in various communities and how it reinforces that while HUD may be seen as an “urban” agency, we have a broad reach in some of America’s smallest, most rural places, including Indian Country.

Cheyenne River Housing Authority, Eagle Butte, South Dakota, received \$2,116,518 in Recovery Act formula funds. The grantee plans to substantially rehabilitate 143 units, moderately rehabilitate 57 units, replace the roof of the maintenance building, complete site work (fencing and sidewalks) on its maintenance building, and create temporary construction jobs. To date, renovation of 28 units is underway, with a total of 23 units in progress, and 4 units completed. Furnace replacement for 115 units is occurring, with 59 units in progress and 55 units completed. The fencing and sidewalk project is underway.

The Crow Creek Sioux Tribe, Fort Thompson, South Dakota, received \$618,031 in Recovery Act formula funds. The grantee plans to rehabilitate 13 rental units with Energy Star materials in order to make the units more energy efficient. Two units have been completed to date.

The Flandreau Santee Sioux Housing Authority in Flandreau, South Dakota, received \$159,011 in Recovery Act formula funds. The grantee plans to provide down payment assistance. This project will provide home ownership opportunities to eight low-income families in the community. To date, seven families have received down-payment assistance.

The Lower Brule Housing Authority, Lower Brule, South Dakota, received \$511,735 in Recovery Act formula funds. The grantee plans to substantially rehabilitate nine rental units with the replacement of Energy Star certified materials and appliances. Seven units have been completed.

The Oglala Sioux Housing Authority, Pine Ridge, South Dakota, received \$4,381,821 in Recovery Act formula funds. The grantee has completed the substantial rehabilitation of 124 units, and roof replacement of 150 units, using Energy Star certified materials and appliances, and plans were completed for future subdivisions and an administration building.

The Oglala Sioux Housing Authority also received a \$4 million competitive Recovery Act grant. The grantee plans to construct 18 units for low-income families using Energy Star appliances and materials, and green building techniques. The grantee also will develop site infrastructure for future housing projects. To date, construction of 13 units is underway.

Sicangu Wicoti Awanyakapi (Rosebud), Rosebud, South Dakota, received \$3,014,581 in Recovery Act formula funds. The grantee plans to upgrade the parking lot of the housing authority, upgrade the parking lot of an elderly complex to improve accessibility, rehabilitate 10 vacant units, construct a centralized propane distribution facility, and develop 10 new rental units. Additionally, solar heat panels

will be installed in 100 housing units, and a wastewater treatment facility, serving 90 households, will be upgraded. To date, the parking lot at the housing authority is complete, and the one at the elderly complex is 50 percent complete. The rehabilitation of the 10 vacant units is complete; all have Energy Star materials and appliances. Construction is underway for the centralized propane distribution facility and the wastewater treatment facility. A contract has been signed for the construction of new rental units, and the solar panel project is complete.

Sicangu Wicoti Awanyakapi also received a \$4 million competitive Recovery Act grant. The grantee plans to develop site infrastructure (construct/upgrade wastewater treatment, water, and streets) for 65 new housing units. Construction is underway with excavation and rough grading.

The Sisseton Wahpeton Housing Authority, Sisseton, South Dakota, received \$1,285,646 in Recovery Act formula funds. The grantee plans to rehabilitate 30 rental units. To date, 10 of the 30 units have been completed.

The Yankton Sioux Housing Authority, Wagner, South Dakota, received \$842,392 in Recovery Act formula funds. The grantee plans to rehabilitate 12 units with Energy Star materials, fund the acquisition of 9 mobile homes from FEMA, and replace 18 roofs and 11 furnaces. To date, 10 units have been rehabilitated, 9 FEMA trailers have been acquired, and 10 energy-efficient furnaces have been installed.

### **National Housing Needs**

Despite these unprecedented investments, Mr. Chairman, the truth is that no one fully understands the needs in Indian Country—certainly not in the Federal Government. We do know that there are approximately 5 million American Indian and Alaska Native people living in the United States, slightly less than half of whom live on Indian lands. According to the Millennial Housing Commission's 2002 report, welfare reform has led to many Native Americans moving back to their reservations, creating even more of a demand for housing and other basic services.

Within the last decade, numerous studies have attested to the critical housing and economic development needs on tribal lands—though most were limited in scope. HUD's Office of Policy Development and Research, using 2000 Census data, determined that, nationwide, almost 543,000 American Indian and Alaska Native households have "severe housing needs," which are defined as living in conditions that are overcrowded, substandard, or cost-burdensome.

And we know that in many Indian communities, when housing is scarce, instead of homelessness, we see overcrowding. Extended families doubling and tripling up in modest housing, rather than leaving family members to fend for themselves. According to a Harvard University study in 2002, approximately 40 percent of on-reservation housing is considered inadequate, as compared with roughly 6 percent nationwide. The Community Development Financial Institutions (CDFI) Fund, in its Native American Lending Study, published in 2001, identified 17 major barriers to capital access, relating to legal infrastructure; government operations; economic, financial, and physical infrastructure; and education and cultural issues. A decade later, many of these barriers remain. It is generally accepted that at least 90,000 Indian families live in either overcrowded or substandard conditions, and there is a need for 200,000 new housing units.

For the last 6 years (FY2004–FY2009), with average annual funding of about \$622 million, the IHBG program has assisted approximately 7,500 families each year by providing the funds for a new home, or substantially rehabilitating an existing home. At the current rate of assistance, it will be decades before the program can "catch up" to the current need.

### *Housing Need Study*

Given these challenges and the lack of current data, HUD is about to conduct a comprehensive housing needs study to help inform future budget requests and improve program implementation. Our objective is to ensure that the study reflects current conditions and needs within Indian Country. The Department's Office of Policy Development and Research will manage the study with input from tribal communities nationwide.

To prepare for this, HUD's Office of Native American Programs will hold outreach meetings in each of its six regions, and in Hawaii, to ensure that key questions, current conditions and needs are considered. A diverse group will be invited to these meetings, including tribal leaders, native housing professionals, and other Federal agencies. The meetings are anticipated to start in late fall of this year and continue through spring of 2011.

Through these partnerships, we will work toward developing an economic and community reinvestment strategy—looking not only at housing but at other needs, including access to quality health care, schools, transportation, and employment.

### **Revising HUD's Government-to-Government Tribal Consultation Policy**

On November 5, 2009, President Obama signed an Executive Memorandum on Tribal Consultation (President's Memorandum) directing all Executive Departments and Agencies to engage in regular and meaningful consultation and collaboration with tribal officials of federally recognized Indian tribes when developing Federal policies that have tribal implications. The President's Memorandum further directed each Federal agency to establish an initial plan of actions to accomplish this by February 3, 2010. By August 2, 2010, and annually thereafter, all Agencies were to report on their progress implementing the action plans.

In 1994, HUD adopted an American Indian and Alaska Native Policy Statement. On June 28, 2001, the Department issued a more comprehensive Tribal Government-to-Government Consultation Policy (66 FR 49784, September 28, 2001) that comports with the enhanced consultation and coordination requirements expressed in Executive Order 13175. HUD is now reassessing this policy in response to the President's Memorandum, and is revising it, after appropriate consultation with tribal government officials.

The guiding principles that originally shaped HUD's 2001 Government-to-Government Tribal Consultation Policy remain viable today. HUD is cognizant of the unique legal and political relationship that exists between the United States and Indian tribal governments, as established by the U.S. Constitution, treaties, statutes, executive orders, and judicial decisions. HUD strives to honor the government-to-government relationship, promote tribal self-determination, and ensure that communication and consultation between the Department and federally recognized Indian tribes is meaningful, and occurs on a regular basis.

In examining the existing policy, it was determined that minor changes were needed to improve it. HUD reached this conclusion based on the comments and recommendations made at the regional Tribal Consultation Policy meetings held throughout the country.

The revised Tribal Consultation Policy will become final after HUD publishes the revised version in the Federal Register, reviews all public comments received, and incorporates any additional changes.

### **Breaking Down Silos To Improve Delivery of Native American Programs**

I understand that the Committees are interested in how HUD programs can further assist in meeting the continued housing need in Indian Country. At the outset, it is important to acknowledge the reality of the fundamental challenges to housing development that tribes perennially face: the remote, rural location of many tribes; the extreme weather conditions in both northern and southern climates that limit the building season to only a few months; the high costs associated with obtaining and shipping construction materials to remote areas; the dearth of qualified construction companies and skilled labor; the inordinately high cost of infrastructure in tribal areas; the need to coordinate among several Federal agencies to complete a housing project; and the lack of experienced housing staff on some reservations.

But there are opportunities to mitigate these and other challenges, and the Department is working with tribes toward that end. One way HUD is seeking to improve services to Indian Country is to coordinate its rural housing efforts by establishing a rural housing working group. Recently, HUD's Office of Sustainable Communities issued two Notice of Funds Available (NOFAs) for the Regional Planning Grant program and the joint HUD-Transportation TIGER II/Community Challenge Grant program which included a set aside for rural communities. Tribes were eligible to apply for these grant funds.

Additionally, I want to thank you, Mr. Chairman, for securing language in the Livable Communities Act that creates a 15 percent funding set-aside for small communities with populations of no more than 200,000 and specifies that Indian tribes are eligible applicants for the Comprehensive Planning Grant and the Sustainability Challenge Grant programs.

This month, HUD will meet with tribal representatives for its sixth negotiated rulemaking session to implement amendments to NAHASDA enacted in 2008 and earlier. This marks the third time HUD has participated in negotiated rulemaking with tribal representatives to develop program regulations. This process has helped make the programs more flexible, user-friendly and appropriate for Indian Country.

HUD is also increasing collaboration, both internally and externally, to improve program delivery to tribal communities. There are many Federal programs that support housing, health, and social and economic development for Native people. Although short- and long-term cost savings are impossible to project at this time, economies of scale should result from enhanced coordination and collaboration. Increasing the dialogue between and within agencies will help ensure that Native Americans are truly receiving the support they need from these programs.

I have partnered with heads of other Federal agencies to visit tribal communities in Montana and Alaska. We have met with community leaders to look at issues related to housing, education, transportation, energy, communication infrastructure, and agriculture. The ultimate objective is to foster a holistic approach to community and economic development.

The Office of Native American Programs, under the direction of Public and Indian Housing Assistant Secretary Sandra Henriquez, continues to collaborate with the Bureau of Indian Affairs (BIA) to streamline its Title Status Report (TSR) process. Lengthy delays in obtaining a TSR from BIA have hampered the Section 184 Loan Guarantee program. HUD and BIA have worked together to streamline activities related to mortgage processing, as well as provide regional trainings to HUD and BIA staff. The goal is to create a more efficient TSR system, which would dramatically increase Section 184 activity on trust lands.

This may seem like a technical issue. But streamlining the title process will directly impact home ownership and housing construction, leading to increased community development and an environment more conducive for lending on reservations.

Mr. Chairman, the Federal Government's ability to work across agency silos is essential to our ability to promote more sustainable economic development on Indian lands—whether it is the interagency Infrastructure Task Force, or our work with the Departments of Agriculture, Health and Human Services and Energy, and the EPA to improve financial literacy, use housing as a platform to address health care and domestic violence, and weatherize homes to increase energy efficiency.

In all of these efforts, success won't be measured simply by what HUD does—but whether we're able to work collaboratively to break down Federal silos that for too long have kept Federal funds from reaching the tribal communities that need the most help.

#### **A New Era of Partnership and Consultation**

And so, thank you again, Mr. Chairman, and Members of the Committees, for the opportunity to appear before you today to discuss the unique challenges in Indian Country. I look forward to working with you on these issues now and in the future.

I recognize that these are difficult times—and that fostering relationships isn't easy after years of neglect. But together, with a clearer understanding of what works, what doesn't, and how we can break down barriers, I believe we can make a difference.

We can build more sustainable reservation economies and ensure that all Native Americans have a decent, safe, affordable place to call home.

And perhaps most importantly of all, we can remove barriers to opportunity for tribal communities across the country.

That is our goal today. And with that, I would be happy to answer any questions you may have. Thank you.

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#### **PREPARED STATEMENT OF THERESA TWO BULLS**

PRESIDENT, OGLALA SIOUX TRIBE, AND CHAIRMAN, GREAT PLAINS TRIBAL  
CHAIRMAN'S ASSOCIATION

AUGUST 25, 2010

Chairman Johnson, I, Theresa Two Bulls, President of the Oglala, appear before you at this hearing on behalf of the Oglala Sioux Lakota Tribe. Before I proceed further I want to thank you personally for all the support and assistance that you have provided for tribal housing over the years. Your attention and contributions have been enormous and your presence here today is evidence your continued commitment to assisting tribes in addressing our Indian housing needs.

It will be 50 years ago next month that candidate John F. Kennedy announced during his campaign for the U.S. presidency, that he would, if elected, expand the Federal public housing program to American Indian tribes. Less than a year later, after his election, the Oglala Sioux Tribal Council created the first Indian housing authority in the United States and President Kennedy, public housing administrators, Oglala tribal attorney Richard Shifter, and then Tribal President Johnson Holy Rock gathered in the White House oval office to sign documents providing the first Indian housing funding in the country to The Oglala Sioux Housing Authority.

I would like to take a moment, in may, to recognize in the audience today the presence of Mr. Johnson Holy Rock. President Holy Rock was in 1960—and is still today—a powerful and straight talking advocate for tribes and tribal housing and we all owe him deep gratitude for his important contributions to Indian housing.

Members of this Committee, President Johnson Holy Rock. [President Holy Rock stands.]

In the past 50 years, through both the Public Housing tribal Program and now the HUD Native American Housing Assistance and Self-Determination Act Program (NAHASDA), Federal assistance has helped build and modernize over a hundred thousand Indian housing units throughout the United States, including 2,500 new units and thousands of modernizations at Pine Ridge. Some of that original housing, including the very first Indian housing units in the country, lies just 80 miles south of where we sit today, still standing and providing a valuable housing resource for our people.

Though our Tribe appreciates the assistance that has been provided by the Federal Government, I must state, on behalf of my Tribe and my tribal members, that the level of Federal assistance has been wholly inadequate. Your assistance, I am afraid, has not satisfied the treaty and trust responsibilities or obligations of the United States Government nor has it resulted in a majority of our low-income tribal members living in decent, safe, and affordable housing.

Furthermore, our tribal members now have to compete in 2010 with over 450 tribes (an increase in excess of twice the number of recipients in 1996) for a piece of the meager NAHASDA funding pie, which in real value has actually decreased in value in the 15 years since the Federal NAHASDA Housing program was created by Congress. Instead of housing conditions improving for our low income tribal members, they have sadly grown worse over the past 5 decades since Presidents Johnson Holy Rock and John F. Kennedy gathered in the White House to herald the beginning of Federal assistance for Indian housing.

The Oglala Sioux Tribe does thank The Senate Indian Affairs Committee and the Senate Banking, Housing, and Urban Affairs Committee for holding today's hearing in the Dakotas. We welcome your interest in (1) better understanding of our needs, (2) addressing the often hidden overcrowding that certainly occurs in Indian housing in the Northern Plains, and (3) learning how successful our tribes have been effective in spending American Recovery and Reinvestment Act funds.

However, I must say, in recent years, the enormous needs of large, land-based tribes like Oglala Sioux have been marginalized. In comparison to national housing, and frankly to many other tribes as well, we and many other, land-based tribes, remain the poorest in the United States. Our brave and patriotic tribal members deserve better and we ask for more help.

We simply need more funding and we believe, it is appropriate and wise that such additional funding be provided to only those tribes with the worst housing conditions and then only if they can demonstrate a capacity to effectively spend such funding. The Oglala Sioux Tribe and Oglala Sioux (Lakota) Housing offer to work with Congress, HUD and national tribal associations to try to develop this new program under NAHASDA, but the funding for this new initiative should, in our judgment, be in addition to current funding for the existing NAHASDA Indian Housing Block Grants Program.

As you may be aware, Oglala Sioux and many other large, land-based tribes are banding together under a new advocacy group known as "A Coalition for Indian Housing" to try to more effectively advocate for some of our particular needs and interests in Indian housing. I hope that these Committees will now begin to work with this group to find new solutions, improving housing conditions on reservations.

Thank you, Senator Johnson, again and we are grateful to your Committees for coming to Indian country to better understand both our needs and our successes. With your permission, I would like to reserve the right to provide additional testimony in the next week.

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**PREPARED STATEMENT OF PAUL IRON CLOUD**  
CHIEF EXECUTIVE OFFICER, OGLALA SIOUX LAKOTA HOUSING

AUGUST 25, 2010

Chairman Johnson, it is always nice to see you. My name is Paul Iron Cloud. First I would like to thank the Senate Indian Affairs and the Senate Committee on Banking, Housing, and Urban Affairs for this Indian housing field hearing and for holding it here in Rapid City near our Pine Ridge Reservation. As a former Tribal Chairman and current CEO of Oglala Sioux Lakota Housing (OSLH), it is again an honor and pleasure to come before these Committees and provide testimony on housing, an issue of great importance to both Indians and Alaskan Natives. I of course also want to take a moment to express particular appreciation to you Chairman Johnson. Senator Johnson, you have always been a friend and strong advocate

for Indian housing and we thank you for both arranging this field hearing and for your leadership on Indian housing.

There are many issues confronting Indian housing and with your permission I will just briefly outline and highlight a few of them today. However, with your permission, I will reserve the right in the coming week, through an amendment, to add additional written testimony for the Committee's consideration.

### **1. Need To Reinstate Last Year's NAHASDA Funding**

We in Indian Country are afraid that most tribes and their members will be terribly impacted if the President's proposed reduction in the NAHASDA Indian Housing Block Grants is approved or if a 5 percent across-the-board budget reduction is enacted for fiscal year 2011. If either of these proposals is to pass, we project that at Pine Ridge our program alone would suffer a devastating \$2.9 million dollar cut. Furthermore, such reductions would negate all of the benefits that we received last year through the special American Recovery and Reinvestment Act (ARRA). We need your continued support to keep current IHBG funding at the \$700 million dollar level, as well as, seek additional funding of at least another \$175 million.

### **2. Demonstrated Program Capacity**

Oglala Sioux (Lakota) Housing was one of only a few tribal housing programs in the Northern Plains to receive both competitive and formula funding under the American Recovery and Reinvestment Act (ARRA). And we are pleased to say we were both most successful in utilizing this \$7.3 million special funding and we did so in record time. Unfortunately, in Washington, statements have been made in the past that Federal tribal housing funds are often not utilized or are slow to be spent. We know that this is not true in the case of Oglala Sioux (Lakota) Housing and not for most Indian housing ARRA recipients. Please assist us finally to put to rest these unfounded statements. We and most other tribes have demonstrated our capacity to promptly and effectively utilize funding. (See Attachment A.)

### **3. Terrible Overcrowding in Our Housing**

Many large, land-based tribes have a strong need for additional funding. That need however has at times been obscured by our traditional practice of taking in our homeless tribal members and our practices have resulted in terrible overcrowding in many of our units. Occupancy for a single unit in our program often exceeds 12 to 15 persons. We welcome your efforts and that of the U.S. Department of Housing and Urban Development to understand this overcrowding and its impact on families and units.

### **4. Assistance Needed To Address Violence in Housing**

These Committees will recall that earlier this year at both a Hearing on the President's Fiscal Year 2011 Budget and a Hearing on Violence in Indian Country, I and Oglala Sioux Lakota Housing, provided testimony regarding violence, gang activities and suicides on our reservation. The growing prevalence of this violence is really attacking and destroying the social structure of our reservation, creating unacceptable injuries, death and fear in our communities and undercutting our ability to protect our units and tenants. It is in many ways a reservation-wide situation, but Oglala Sioux Lakota Housing, as the primary landlord on the reservation, is uniquely impacted. A multitude of solutions will be required if tribes, like ours, are to have any chance to both respond to and prevent this violence. There is, however, a growing understanding on our part that increased funding in law enforcement, the courts and housing alone will not be enough and that political and community changes will also be required to roll back such violence.

One program that we have sought, and so far have been unsuccessful in getting, reauthorization in Indian country, is the Drug Elimination Program. You, Mr. Chairman, have been helping us in this fight and ultimately also getting funding for the program once it is reauthorized. If reauthorized, this program could again become an important and effective prevention and security tool for tribal housing.

### **5. A New Program Is Needed To Direct New Funding to the Tribes With the Greatest Housing Needs**

Housing needs in Indian country vary and, based on current Federal funding levels and local needs, many of the most needy programs simply never get enough money to really improve their housing. Often these are the tribal housing programs of large, land-based tribes such as Oglala Sioux. As President Two Bulls stated in her testimony at this Hearing, Oglala Sioux and some other similarly situated tribes believe that the time has come to develop an additional NAHASDA block grant program that would additionally target the tribes with most need. Such a program would operate in addition to the current NAHASDA funding.



The existing Indian Housing Block Grant Program provides a floor for funding Indian Country housing that should be maintained. However, in addition to these block grants, a new program should be developed for those tribes with the most need but funding should go only to those that can demonstrate the capacity to efficiently utilize the funds. We understand that to request additional funds, tribes have the responsibility and a need to ensure accountability and effective performance. We and other tribes are prepared to work with your staff and others to explore how this new targeted funding can be structured and incorporated into the NAHASDA program.

#### **6. Introducing ACIH and Its Housing Reporting Card**

Lastly, I would like to inform you of A Coalition for Indian Housing (ACIH). It is a new alliance of large land and treaty based tribes. Along with our membership in national organizations such as the National American Indian Housing Association and Congress of American Indians, we and our Tribe are participating in this new advocacy group because we believe land-based tribes need to have at times their own voice on Indian housing matters so that our unique issues are addressed.

One idea from ACIH is the attached Housing Reporting Card. ACIH has developed this form as an accurate reporting system for Indian housing. The ACIH Reporting Card is a simple, one page, self-reporting information sheet that can be both an administrative tool for Indian housing entities and a monitoring and evaluation document for Congress. This simple snapshot or Reporting Card we believe (See Attachment B) or a variation of it, may become an important universal evaluation instrument for Indian housing. ACIH is now encouraging its members and other tribal housing programs across the country to start using this form on a voluntary basis.

Again, thank you to the Indian Affairs and Banking, Housing, and Urban Affairs Committees for making the effort once again to come out to Indian Country and talk with tribes and tribal housing programs. I would be glad to answer any questions that you might have.

**SAMPLE OF TRIBES OBLIGATING & EXPENDING**  
(American Recovery & Reinvestment Act for IAHASDA)

Tribe and Project Title	Project Description	Grant Amount	Award Date	Additional Self-Reported Tribal Receipts		Quarterly - Recovery Act Tribal Receipts		3rd Quarter Report 09/30/10		4th Quarter Report 12/31/10		1st Quarter Report 03/31/11		2nd Quarter Report 06/30/11	
				ARS	ARS % of ARRA	ARS	ARS % of ARRA	ARS	ARS % of ARRA	ARS	ARS % of ARRA	ARS	ARS % of ARRA	ARS	ARS % of ARRA
Goetzville	Rehabilitation of units	578,545	2/16/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
McKenzie	Construction of 2 units	881,917	3/16/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Lower Sago	Emergency Home Repair/Code Act	881,178	3/16/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Lumbee Farms	Housing Demolition Construction Unit	45,000	4/3/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Lower Sago	Construction of 2 4-bedrooms for rental	918,600	4/5/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Malheur-Parade	Construction of 4 4-bedrooms for rental	1,000,000	8/17/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Malheur-Parade	Renovation, Reprovision, Repk, Freight	45,000	4/5/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Omaha Sioux (Landing Housing-Formula)	Construction of 83 low rent homes	42,000,000	7/31/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Palmer-Parade	Rehab 7 units, low 2 low rent homes	370,250	2/16/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Palmer-Parade	Rehabilitation of Rental Housing	51,000	2/16/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Spott-Landing	Construction of 2 4-bedrooms for rental	1,000,000	8/17/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Stanton	Construction of 2 4-bedrooms for rental	1,000,000	8/17/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Turkey Mountain	Infrastructure Demolition, Rehab	1,000,000	8/17/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Turkey Mountain	Renovation existing rental housing	1,000,000	8/17/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Upper Sago	Multifamily housing construction	500,000	4/25/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Upper Sago	Construction of 2 4-bedrooms for rental	1,000,000	8/17/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
Upper Sago	Construction of 2 4-bedrooms for rental	1,000,000	8/17/2009	X	100%	X	100%	X	100%	X	100%	X	100%	X	100%
<b>TOTALS</b>		<b>\$58,198,953</b>		<b>Average 84.4%</b>	<b>87.7%</b>	<b>Average 81.2%</b>	<b>84.6%</b>	<b>Average 44.6%</b>	<b>44.6%</b>	<b>Average 26.7%</b>	<b>26.7%</b>	<b>Average 16.2%</b>	<b>16.2%</b>	<b>Average 16.2%</b>	<b>16.2%</b>

**Regions Represented**  
 Region IV..... 1 (NC)  
 Region V..... 1 (TX)  
 Region VI..... 1 (NE)  
 Region VII..... 6 (ND, SD, UT)  
 Region VIII..... 1 (AK)  
 Region IX..... 1 (AK)

The tribal housing reporting is a summary of (1) quarterly housing ARRA reporting and (2) the tribes' own additional financial reporting.  
 Payment to ARRA funds were to be obligated in one year and 25% reported in two years, with 10% in three years.  
 \* Housing Authority of the Village of Winnebago  
 15 Grandview St. / 255.33 / 508.6181 / 7202 / 0

## Attachment B

ATTACHMENT B

## Oglala Sioux (Lakota) Housing (Program Name)

Pine Ridge, SD  
(Location)

### LOW INCOME TRIBAL HOUSING REPORTING CARD

Total number of tribal low income units currently owned or managed: 1713  
 Additional units needed: 4000  
 Units requiring modernization in service area: Total 2000 Our Units 540

#### Activities

#### 1. Funds budgeted in previous fiscal year ( 01/01/2009 to 12/31/2009 ):

New construction or acquisition	<u>1,398,887</u>
Modernization of our units	<u>3,875,888</u>
Maintenance of our units	<u>6,703,322</u>
Mgmt/Planning/Administration	<u>3,943,001</u>
Other	<u>387,046</u>
TOTAL	<u>\$ 16,308,144</u>

NAHASDA grant for this previous fiscal year: \$ 10,728,063  
 Other grants and loans amount (including ARRA): \$ 5,580,081  
 Units ultimately to be developed by us 39 (to date 21 units started or completed)  
 Units to be modernized by us 302 (to date 274 units started or completed)  
 Percentage of these funds committed for expenditure as of this date ( 100 % )  
 Percentage of these funds expended as of this date ( 100 % )

#### 2. Funds budgeted in current fiscal year ( 01/01/2010 to 08/19/2010 ):

NAHASDA grant for this current fiscal year: \$ 11,562,767  
 To date other grants and long term loans obtained for this current fiscal year: \$ 4,900,00  
 Percentage of funds already obtained this current fiscal year that are committed as of this date  
 ( 75 % )  
 Percentage of funds already obtained this current fiscal year that are expended as of this ( 60 % )

#### Housing Profile

##### Service area:

Description Pine Ridge Indian Reservation . Square miles 3700 .  
 Tribally enrolled members 42,357 . Total population 45,432 . Unemployment rate 86%

Year our program began: 1961 . Date first 1937 Act or NAHASDA grant was received: 1961 .  
 We are a reservation: Yes  No  . Name of tribe(s) Oglala Sioux Tribe .  
 Number of employees: 150 . Average number of occupants per rental unit: 12 .

##### Total:

Low income tribal units we have developed since inception of our program 1713 .  
 Units we now own, manage or hold; rental 1338 lease/purchase 326 mortgage 49 .

#### Contact Information

CEO/Executive Director: Paul Iron Cloud  
 Telephone: 605-867-5161 Fax: 605-867-1095 E-mail: doyle.poh@oslh.org  
 Mailing Address: P.O. Box 603 Pine Ridge, SD 57770 Web Site: \_\_\_\_\_

\*An asterisk placed next to any number indicates an estimate. Definitions and explanations are on the back of this card.

**PREPARED STATEMENT OF LEROY QUINN, JR.**  
EXECUTIVE DIRECTOR, SISSETON WAHPETON OYATE HOUSING AUTHORITY  
AUGUST 25, 2010

On behalf of the Sisseton Wahpeton Housing Authority and the 13,000 members of the Sisseton Wahpeton Oyate, I wish to thank you for giving me the opportunity to share a few of the innovative solutions our Housing Authority has taken to address our housing needs. I have served as the Executive Director of the Sisseton Wahpeton Housing Authority in Sisseton, South Dakota, for the past 5 years. I am an enrolled member of the Sisseton Wahpeton Oyate.

Our Housing Authority currently owns and manages about 560 units of affordable housing consisting of 472 rental units and 88 home ownership units. We are a small Housing Authority that operates 22 housing sites in three (3) counties in Northeast South Dakota.

The mission of our Housing Authority is to strive to provide decent, safe, and sanitary housing for all our tribal members and seek to eradicate substandard housing along with eliminating homelessness and increasing affordable housing opportunities through the provision of supportive services and financial assistance programs.

Before I discuss the innovative solutions we have taken to address our housing needs, I want to take this opportunity to thank Senator Johnson for your leadership on tribal housing issues and helping us develop and implement new and creative tools necessary to develop culturally relevant, safe, decent and affordable housing for our tribal members.

I also want to thank Senator Johnson and the other Members of the Committee for approving the Indian Veterans Housing Opportunities Act and for helping expedite and advance the Responsible Tribal Home Ownership Act known as the HEARTH Act. Both of these bills are vital to our tribe as we serve many veterans and recognize the need to reform the Federal leasing requirements and allow us to speed up the leasing process for individual tribal members which will allow them to get into their new homes much quicker. Another bill that I would like to thank Senator Johnson for sponsoring is the Public and Indian Housing Drug Elimination Program which will help us reduce the use of illegal drugs in our affordable housing areas.

I also want to acknowledge the continued efforts of the Committee in our joint task of improving housing conditions for Indians across America. I am proud to relate to you today several of the innovative solutions we have developed at our Housing Authority under the opportunities presented under the Native American Housing Assistance and Self-Determination Act. I will provide written testimony for the record that asks for more coordination of the Federal Agencies that have resources available to American Indians.

Since NAHASDA became law in 1997, the Housing Authority has developed an excellent working relationship with the South Dakota USDA office of Rural Development and has built 56 subsidized Section 515 units. This is a critical program because unlike NAHASDA, the 515 program provides rental subsidy to low income families. We have also collaborated with USDA Rural Utilities to successfully apply for and receive over \$2,000,000 in set-aside funds to assist in the development of water and waste water systems in several of our new affordable housing developments. We have also built and occupy a 7,300 square foot housing administration building built in cooperation with USDA. We were recently informed that Rural Housing Services has set a 5 year goal to provide funding for two-hundred, 504 grants and 150 home loans under the 502 program. In short, we have benefited greatly from our relationship with the South Dakota Rural Development office and their outstanding staff. It is my understanding that our relationship with USDA is unique and not all tribal housing programs have enjoyed the successful partnership we have experienced. While this relationship is not necessarily innovative, we believe that tribes with significant unmet housing and infrastructure needs cannot succeed without developing a similar relationship with USDA.

The second activity our Housing Authority has innovated is the creation and capitalization of the Dakota Nation Housing Development Corporation. This corporation, created in 2005, has successfully developed approximately 50 sites designated for the development of affordable housing. In addition, they have successfully applied for and built a 24 unit affordable housing complex funded with Low Income Housing Tax Credits and a 21 unit three-bedroom housing project.

The third activity we are involved with was the creation of T Yamni, a one-stop home ownership program that represents the Housing Authority, Development Corporation and our Homebuyers Program. This entity is providing support for our tribal members with financial literacy programs, homebuyer education classes and loan

origination assistance utilizing all lending resources available. The program is designed to be an entry way to home ownership with resources and support provided by the staff.

The final innovation I would like to share with you is the Housing Authority's purchase of a local 29 unit motel. Ten of the units are set aside to provide transitional housing for eligible members of the Sisseton-Wahpeton Oyate. The transitional units are supported by income from the operation of the remaining 19 motel units. So far, the project has been a success and is self-supporting.

I also want to report that our Housing Authority is rehabilitating 30 of our low rental units with the stimulus funding we were awarded last year. We were able to create several jobs with the funding. We are on schedule to complete the rehabilitation project in a timely manner and within budget.

Thank you again for the opportunity to share some of our success stories. I am looking forward to working with you and the other Members of the Committee as we continue to meet the housing needs of the Sisseton-Wahpeton Oyate; which includes assisting 550 families on our current housing waiting lists.

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### **PREPARED STATEMENT OF RUSSELL SOSSAMON**

TREASURER AND MEMBER OF THE BOARD, REGION IV, NATIONAL AMERICAN INDIAN HOUSING COUNCIL

AUGUST 25, 2010

#### **Introduction**

Good morning, Senator Johnson and distinguished Members of the United States Senate Committee on Indian Affairs (SCIA) and the Senate Committee on Banking, Housing, and Urban Affairs. I would like to acknowledge and thank the Honorable Shaun Donovan, Secretary of the United States Department of Housing and Urban Development, for being present today to testify and for visiting Indian Country on August 24 to see, first-hand, the living conditions and challenges faced in some of the Nation's poorest tribal communities. The Secretary's interest in and support of Indian Country housing is greatly appreciated.

My name is Russell Sossamon and I am the Treasurer of and a member of the Board of the National American Indian Housing Council (NAIHC), the only national tribal nonprofit organization dedicated solely to advancing housing, physical infrastructure, and economic development in tribal communities in the United States. I am also an enrolled member of the Choctaw Nation of Oklahoma and the Executive Director of the Choctaw Nation Housing Authority in Hugo, Oklahoma.

First, I want to thank the Committee for holding this field hearing in Rapid City, South Dakota, the heart of Plains Indian Country—an area that is deeply affected by the lack of resources to build and maintain adequate, safe, and affordable tribal housing. It is my honor to be here to present testimony on behalf of tribal communities across the Nation.

#### **Background on the National American Indian Housing Council (NAIHC)**

The NAIHC was founded in 1974 and has, for 36 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 more than 463<sup>1</sup> 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 Challenges 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 per-

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<sup>1</sup>There are approximately 564 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.

cent;<sup>2</sup> however, that rate does not compare to the unemployment rates in Indian Country, which average 49 percent.<sup>3</sup> The highest unemployment rates are right here in the Dakotas, on the Plains reservations, where the average unemployment rate is 77 percent.<sup>4</sup>

Because of the remote locations of many reservations, there is a lack of basic infrastructure and it is often difficult for tribes to identify and pursue economic development opportunities. As a result, the poverty rate in Indian Country is exceedingly high at 25.3 percent, nearly three times the national average.<sup>5</sup> These employment and economic development challenges exacerbate the housing situation in Indian Country. Our first Americans face some of the worst 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.

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

There is already a consensus among many members of Congress, U.S. Department of Housing and Urban Development (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.

#### **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. Since the passage of NAHASDA in 1996 and its funding and implementation in 1998, the Indian Housing Block Grant (IHBG), the primary funding component of NAHASDA, has been the single largest source of funding for housing for Native Americans on reservations and in Alaska Native villages.

Administered by the Department of Housing and Urban Development (HUD), NAHASDA specifies which activities are eligible for funding.<sup>6</sup> Not only do IHBG funds support new housing development, acquisition, rehabilitation, and other housing services that are critical for tribal communities; they cover essential planning and operating expenses for tribal housing programs. Between 2006 and 2009, a significant portion of IHBG funds, approximately 24 percent, were used for planning, administration, housing management, and services. Without critical Federal funding, many tribal housing authorities would be unable to operate.

Despite the positive developments in Federal law and the impact of NAHASDA, the funding it provides is plainly and simply insufficient to meet the existing and, in fact, growing housing need in our tribal communities. While NAHASDA funds are immensely appreciated by tribes and are tremendously helpful in beginning to meet

<sup>2</sup> See, <http://www.bls.gov/news.release/empst.nr0.htm>.

<sup>3</sup> Bureau of Indian Affairs Labor Force Report (2005).

<sup>4</sup> Many of these reservations are here in the State of South Dakota, which, ironically, has one of the lowest unemployment rates in the Nation. On some SD reservations, the unemployment rate exceeds 80 percent.

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

<sup>6</sup> Eligible activities include but are not limited to down-payment assistance, property acquisition, new construction, safety programs, planning and administration, and housing rehabilitation.

tribal housing needs, they have never, in the history of the program, been sufficient to meet all of the basic housing needs of Indian tribes or to accomplish the purposes for which NAHASDA was designed. Like many Government programs, it is consistently and continuously underfunded. Therefore, tribes have been forced to think outside of the box and come up with unique and innovative tools to meet the housing needs in their communities.

### **Innovative Tribal Housing Programs**

Out of sheer necessity and in the interest of promoting tribal self-determination and self-governance, tribes across the Nation have begun developing innovative programs that complement NAHASDA programs in order to meet the tremendous housing backlog in Indian Country. Such developments generally fall into two categories: financing innovations and actual program or housing development innovations. I will offer examples of innovations in each category in my testimony for the Committees' review and consideration.

### **Financing Innovations**

#### *Problems With Tribal Access to Traditional Home Financing Options*

As recently as a little over a decade ago, few lenders made mortgages on Indian reservations.<sup>7</sup> Mortgages on reservations are complicated by various issues, particularly land title status. On many reservations, land is held in trust by the United States for the benefit of the tribe as a whole or for the benefit of an individual tribal member. The lack of ownership of the full "bundle" of property rights, otherwise known as fee simple absolute title, has long been a deterrent to real estate investment in Indian Country. Therefore, the market functions differently in Indian Country than it functions anywhere else in the country. Much like the aforementioned economic factors, the mortgage and real estate investment factors that plague the rest of the country are greatly magnified in tribal communities.

During a 5 year period in the 1990s (1992–1996), a Government Accountability Office (GAO) study could find just 91 mortgages made on the more than 300 reservations that constitute United States Indian Country. Those 91 mortgages were made to members of two tribes, the Tulalip in Washington State and the Wisconsin Oneida, which had forged relationships with local banks. Though the numbers improved by 1999 to approximately 471 mortgages that were closed in Indian areas, the average was still less than one per federally recognized tribe. Now, 11 years later, the situation is not much different.

Since the mortgage peak in 2005, mortgages to native people, one of the most underserved if not the most underserved population in the country, have fallen by more than two-thirds, according to data collected pursuant to the 2008 Home Mortgage Disclosure Act.<sup>8</sup> This is due, in large part, to the lack of a traditional mortgage market in Indian Country. During the past few decades, a majority of the mortgages extended to tribal members were underwritten by "subprime" lenders. Because of the current mortgage crisis, the subprime lending market has virtually ceased to exist and, as a result, the number of mortgages extended to tribal members has dropped dramatically. The stark reality is that loans to Native Americans went from \$51.6 billion in 2006, just after the real estate market peak, to barely \$17.5 billion in 2008.<sup>9</sup>

#### *United States Housing and Urban Development Section 184 Indian Home Loan Program*

The HUD Section 184 program is a mortgage loan product designed to resemble a conventional, or private, housing loan program. There are no income limits for the Section 184 program. Initially, the program gained acceptance in areas such as Oklahoma and Alaska, where much of the property in Indian areas has passed out of trust status and into "fee" status, meaning that the Federal Government no longer holds title to the individual parcel for the benefit of the individual tribal member. Over time, the program has gained some traction on trust lands. Because the Section 184 Indian Home Loan program is guaranteed by the Federal Government, the program has provided much-needed access to capital to many individual natives that might otherwise find home financing difficult. The Section 184 program is the most successful Indian Country mortgage program. However, it should be noted that fewer than 20 percent of the Section 184 loans made to tribal members have been made on tribal trust or individual allotment land. Of the 11,000 Section

<sup>7</sup> <http://www.indiancountrytoday.com/living/80707512.html>, 1/8/2010.

<sup>8</sup> This includes mortgages made to Native Americans both on and off reservations, as the study did not distinguish between the two. *Id.*

<sup>9</sup> *Id.*

184 loans, 9,034 have been made on fee simple land. More than half of these loans have been made in Alaska and Oklahoma, and nearly all of them were made on fee simple land rather than trust land.

*Title VI Tribal Housing Activities Loan Guarantee Program*

Under Title VI of NAHASDA, HUD is authorized to guarantee notes or other obligations issued by Indian tribes, or tribal housing entities, if approved by the tribe, for the purpose of financing affordable housing activities as described in Section 202 of NAHASDA. Eligible borrowers must be a tribe or a tribal housing entity that is an IHBG program recipient. IHBG funds may be used as security for the guarantee or other obligation. The objectives of the program are to enhance the development of affordable housing activities, increase access to capital to further economic growth, and encourage the participation, in the financing of tribal housing programs, of financial institutions that do not normally serve tribal areas.

*Creating a Nonprofit To Enhance Access to Funding Opportunities*

Some tribes, such as the Ho-Chunk of Wisconsin, have formed 501(c)(3) nonprofit corporations for the purpose of establishing an independent housing agency that could access additional sources of housing funding. For NAHASDA purposes, tribal departments and governments must endorse the 501(c)(3) concept. The structure of any housing entity has pros and cons; nonprofits are no different. Pros include organizational autonomy, enhanced nonprofit relationships, flexibility of leveraging and financing, a limitation on tribal liability, being able to serve as a housing developer, and the ability to receive tax-free donations. Cons may include less financial support from the tribe, fewer educational opportunities, a lessened ability to build capacity, and added paperwork and Government scrutiny.

Forming a 501(c)(3) is a multistep process. First, the concept must be endorsed by the tribe's governing body. Once the concept is sanctioned by the tribal government, a charter must be developed. Once developed, it must be submitted to and approved by the tribe. Once approved and chartered, the nonprofit must go through the somewhat extensive process of IRS approval as a nonprofit entity.

Based on the Ho-Chunk experience, perhaps the most difficult part of operating a tribal nonprofit housing entity is striking a balance between tribal government's support of the housing entity and the nonprofit's independence. On the other hand, one of the most persuasive reasons to pursue such an option is increased access to a variety of funding possibilities and a greater ability to serve the individual housing needs of tribal members.

*Tribal Use of Low Income Housing Tax Credits*

The Low Income Housing Tax Credit (LIHTC) Act was authorized as a rental program in the 1986 Federal tax code and has been utilized by several tribes to offer rent-to-own opportunities to their members. Under the program, in return for providing funds to help developers or builders renovate housing for low income households, those who invest in tax credit projects receive a credit against Federal taxes owed.

The Salish-Kootenai Housing Authority in Pablo, Montana, is one of the pioneer tribes in this area. It used the LIHTC Act to finance a 24-unit lease-to-purchase housing development. After 15 years of occupancy, residents may purchase their individual units. Other tribes are utilizing similar approaches with the LIHTC program and achieving some degree of success.

One limitation on this program that has received national attention at NAIHC and National Congress of American Indians (NCAI) conferences is a limitation on tribal access to this program because of how program benefits are disseminated by the Federal Government. The tax credits are distributed via formula to the States, and the access to the credits depends entirely on the relationship between States and tribes. Some States do not cooperate and share with tribal communities. This issue has highlighted the need for tribal set-asides in any Federal program that is designed to address low income housing needs. Tribal members are often among the neediest of the needy, yet their access to effective Federal low income housing programs may be barred by the States when they have the authority to make determinations about how funds are distributed. Tribal set-asides should always be a consideration in funding such programs.

*Leveraging Funds*

Leveraging funds is simply investing with borrowed money in a way that amplifies potential gains. Tribes are increasingly exploring innovative ways to utilize NAHASDA grant funds, combined with tribal funds and other resources, to maximize housing project outputs. The passage of NAHASDA in 1996 and its funding in 1998 have spurred several tribes into exploring creative partnerships with lend-



ers or utilizing existing funds to enhance the effectiveness, efficiency, and success of housing projects.

*Bay Mills Housing Authority Tri-Party Agreement:* The Bay Mills Housing Authority in Michigan has a tri-party agreement that includes the Central Savings Bank as a partner. The bank can offer the HUD Section 184 loan program, United States Department of Agriculture Rural Development loans, or conventional loans to members of the tribe. The tribe hired a tribal member who is a former banker to provide credit and home ownership counseling to prospective borrowers. NAHASDA funds are used to provide down payment assistance of up to 10 percent of the loan (not to exceed \$8,000) to families with incomes at or below 80 percent of the area median. The tribe provides similar down payment assistance to families with higher incomes. At least 15 loans have been processed under this innovative program.

*White Mountain Apache Tribe (WMAT) Project:* For the first time, funding for an Indian Country project is being provided by a blend of NAHASDA grant funds, Section 184 guarantees, and tribally issued tax-exempt bonds. The 250-unit single-family housing project is being sponsored by the WMAT but will initially be owned by the White Mountain Apache Housing Authority. When completed, the project will provide long-term rentals with the housing entity as lessor. Each family's ability to pay will be assessed and the amortized debt service will be attributable to each home. Under the program, tenants will have the opportunity to purchase their units.

*Saginaw Chippewa Tribe—Assignment of Per Capita Payments:* The Saginaw Chippewa Tribe is one of a growing number of tribes that has utilized income gained from profitable gaming operations to enhance home ownership opportunities for tribal members. The Tribal Council, the tribe's governing entity, recently approved a resolution authorizing gaming profit payments that would normally be paid to an individual tribal member (referred to as tribal member per capita payments) to be used to secure mortgage loan payments. Under the resolution, leasehold mortgage payments are secured by the tribe through the assignment of per capita payments from the tribal member. An agreement is executed and the per capita payments are direct deposited to a restricted savings account. The local bank partner assisting with development and implementation of this program, Isabella Bank and Trust, deducts the mortgage and escrowed insurance payments from the account each month. The actual application and underwriting process is extensive and is managed by the tribal housing office. As the tribe has a fully staffed loan and credit department, licensed realtors, complete title work on-site, and full credit and budget counseling services, the tribal housing office is able to provide tribal members complete homebuyer and home improvement financial services.

### **Program Innovations**

In addition to exploring innovative financing options, tribes have spent substantial time, energy, and resources exploring innovative home design and building programs. The following section highlights a few tribes' program successes that could serve as models for other communities.

#### *Rosebud Sioux Manufactures Its Own Energy Efficient Tribal Homes*

Almost a decade ago, the Rosebud Sioux tribe had a revolutionary idea: why not manufacture tribal homes ourselves, using tribal facilities and tribal labor? That germ of an idea has grown to fruition this year. Though it was not an easy road and has taken years of creative financing and hard work, the project, managed by Sicangu Wicoti Awayankapi (SWA) Corporation, a tribally owned subsidiary, is now a reality. The tribe is poised to roll out five complete tribal homes using American Recovery and Reinvestment Act (ARRA) funds and seven homes using Bureau of Indian Affairs Housing Improvement Program (HIP) funds in the imminent future.

Moreover, rather than being stick-built on home sites, the homes will be built from scratch in the SWA home building facility. The facility was only recently completed and is energy efficient. It uses geothermal heating and cooling technology,<sup>10</sup> which has brought the total monthly costs of heating and cooling the entire facility, which is sizable, down to approximately \$50 per month. The building is air powered

<sup>10</sup> Geothermal heat pumps (GHPs) are a relatively new technology that can save home and business owners money. These ground-source heat pumps use the natural heat storage capacity of the earth or ground water to provide energy efficient heating and cooling. GHPs should not be confused with air-source heat pumps that rely on heated air. They use the relatively constant temperature of the ground or water several feet below the earth's surface as source of heating and cooling. Geothermal heat pumps are appropriate for retrofit or new homes or business locations, where both heating and cooling are desired. In addition to heating and cooling, geothermal heat pumps can provide domestic hot water. They can be used for virtually any size home or lot in any region of the United States.

and the homes will move through it on air casters as they are being produced. The facility is capable of producing approximately six homes at a time, each at a different stage of production.

While the homes are being manufactured, a contractor is busy developing the infrastructure and home sites. When both processes are complete, a home will simply be loaded onto a truck, delivered, set up, and ready for occupancy.

The tribe will soon have approximately 76 home sites developed and ready for use. The tribe's wastewater treatment facility is being updated, and such upgrades should be completed by November 2010. The tribe is hoping to receive funding for an additional 15 homes through a low-income housing tax credit project and is actively pursuing other funds to develop houses for the planned sites. When the building facility is fully up and running, the SWA anticipates that the home building corporation will provide 15–20 full-time jobs to tribal members.

*Isleta Pueblo Housing Authority "Lava Block Homes"<sup>11</sup>*

The Isleta Pueblo, located in central New Mexico, is utilizing a familiar building layout, local natural resources, and local labor to create a green building technique that is easily exportable to other communities. The "Lava Block Construction" project is based on a concept started in 1996 by Ken Detjen, a retired engineer. Lava blocks, which will form a home's exterior walls, are made out of lava cinder and cement, along with other ingredients. Lava rock walls have been tested to have an R-value<sup>12</sup> of 50 and can withstand winds of up to 300 miles per hour. The concept was introduced to the Isleta Pueblo Housing Authority in 2007 and was well-received by the housing authority and the tribal council.

The lava block project has numerous advantages. The method is environmentally friendly in that no drywall or sheetrock is needed in the construction process; no insulation is required; lava rock walls are naturally fire proof, sound proof, termite resistant, and maintenance free; and the home will have reduced energy costs because of its efficient design and construction. Labor costs are also lower, by roughly 50 percent, with lava rock homes because no specialized training in masonry or any other construction art is required.

In 2008, the Isleta Tribal Council approved the use of tribal funds to design and create a lava block building machine. A Memorandum of Agreement was executed between the tribe, Habitat for Humanity, and Lava Living, LLC, in which the tribe agreed to allow its old cinder and gravel plant to be used for the production of lava blocks.

In doing so, the tribe created jobs for its citizens and created a mechanism for providing sustainable, energy efficient, affordable homes for tribal families. On August 26, 2008, the Isleta Pueblo Housing Authority held a ground-breaking ceremony to launch a home renovation project for tribal members Jose and Mary Keryte. This is the first lava block building project in the pueblo. It is expected to be the first of many and the tribe is already in discussion with other tribes to market the lava rock to other reservations.

Now, just 2 years after the ground-breaking ceremony, the tribe has made substantial progress in building and enhancing the lava block project. The plant is now up and running, has created jobs for tribal members, and has been an invaluable resource in creating at least 15 energy-efficient homes for tribal members. There is a waiting list for people who want to participate in the program.

In April of this year, the Isleta Pueblo Housing Authority received a "Certificate of Outstanding Achievement" from the United States Department of Housing and Urban Development's Office of Native American Programs, for "project design and resource conservation." Soon, the tribe hopes to export the idea by selling blocks to other tribes or construction firms.

*Puyallup Tribal Housing Authority Longhouse Design Strategy<sup>13</sup>*

The Puyallup "Longhouse" design for homes emulates the traditional rectangular, shed-roofed coastal Salish longhouses utilized by tribes for centuries. A central feature of a longhouse is a central, linear common area for gathering and circulation, and private areas are accessible from the common space. The concept created by the Puyallup Tribe using American Recovery and Reinvestment Act (ARRA) funds fuses this traditional design with a modern townhouse courtyard structure. The project is being constructed on a 4-acre parcel adjacent to 27 existing units and will create 10 new housing units in Phase I of the project. The design will incorporate commu-

<sup>11</sup> See, Appendix A hereto for photographs of this project.

<sup>12</sup> The "R-value" is defined as a measure of the capacity of a material, such as insulation, to impede heat flow, with increasing values indicating a greater capacity.

<sup>13</sup> See, Appendix B hereto for a photographic illustration of this project.

nity meeting space, be culturally responsive, and employ green building and design techniques.

As in a traditional longhouse, the modern building configuration utilized by the Puyallup tribe creates a “defensible space” hierarchy of public to private space. Level changes and material modulation create a flow and transition from public spaces, or common areas, into private space. The conscientious design imparts ownership to individuals while fostering active use of shared space. The tribe has created both one and two-story designs, and in both models the main floor is handicap accessible. The one bedroom units are fully accessible.

In traditional longhouses, ventilation and illumination were provided by removing roof planks. The modern adaptation utilizes an open roof over the courtyard to evoke this historic strategy and employs an innovative cross-section ventilation system. Air will be drawn through the low windows on the south side of the homes and exhausted through the high windows on the north. The same high windows allow daylight to penetrate the spaces. Some of the windows in each home will face the courtyard, a common area, further embracing the traditional concept of communal living and sharing space.

The Puyallup’s modern design embraces energy efficiency in several ways. Solar orientation is optimized, as all homes are located on an east/west axis so that windows will have a northern or southern exposure. The homes feature generous roof overhangs so that passive solar and day lighting strategies are employed for maximum benefit. Compact floor plans are utilized, as they are easier to heat and cool. Other home features, such as the appliances, windows, faucets, and lighting, are energy efficient, designed to conserve energy in every way possible.

The tribe is also looking toward the future with the longhouse design and hopes that someday the units will actually generate energy on-site. The tribe is making every unit solar-ready and is looking toward utilizing solar hot water and photovoltaic<sup>14</sup> panels in the future.

### **Conclusion**

Given the funding constraints in the tribal housing arena and the need to not only maintain existing units but keep up with growing tribal populations and meet the tremendous existing housing backlog, tribes have, out of necessity, been very creative in crafting innovative solutions to meet their unique housing needs. Some innovations are in the form of utilizing nontraditional financing mechanisms or leveraging limited financial resources to realize their maximum benefit. Other innovations are in the actual design and building arena.

In spite of the forward movement detailed herein, Federal funding under NAHASDA, including the Indian Housing Block Grant program, the Indian Community Development Block Grant program, and the provision of invaluable Training and Technical Assistance to help tribes develop, enhance, manage, and improve tribal housing programs, is essential and cannot be overstated. One of the important functions that the T&TA provided by NAIHC serves is to provide a forum in which to share such innovations among tribal communities. We do so with hope that such strategies might be more broadly adapted and utilized.

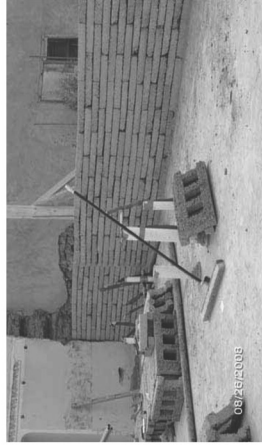
Thank you, Senator Johnson and distinguished members of the Senate Committee on Indian Affairs and the Banking, Housing, and Urban Affairs Committee, for allowing us to testify here today regarding potential innovative solutions to meeting the overwhelming housing needs in tribal communities. Your continued support of tribal 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, living conditions for America’s indigenous people, and ways to meet the growing housing needs in Indian Country. Again, I express a heartfelt thank you to Secretary Donovan for his interest in Indian Country housing conditions and his willingness to be here and testify today.

This concludes my testimony. I would be glad to answer any questions you may have.

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<sup>14</sup> Photovoltaic means that a material is capable of producing a voltage when exposed to radiant energy, especially light.

# Isleta Pueblo Lava Block Homes Program



August 25, 2010

Congressional Field Hearing -  
NAIHC Testimony - Appendix A

# Isleta Pueblo Lava Block Homes Program



August 25, 2010

Congressional Field Hearing -  
NAIHC Testimony - Appendix A

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# Isleta Pueblo Lava Block Homes Program



August 25, 2010

Congressional Field Hearing -  
NAIHC Testimony - Appendix A

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# Isleta Pueblo Lava Block Homes Program



# Puyallup Tribe Longhouse Project

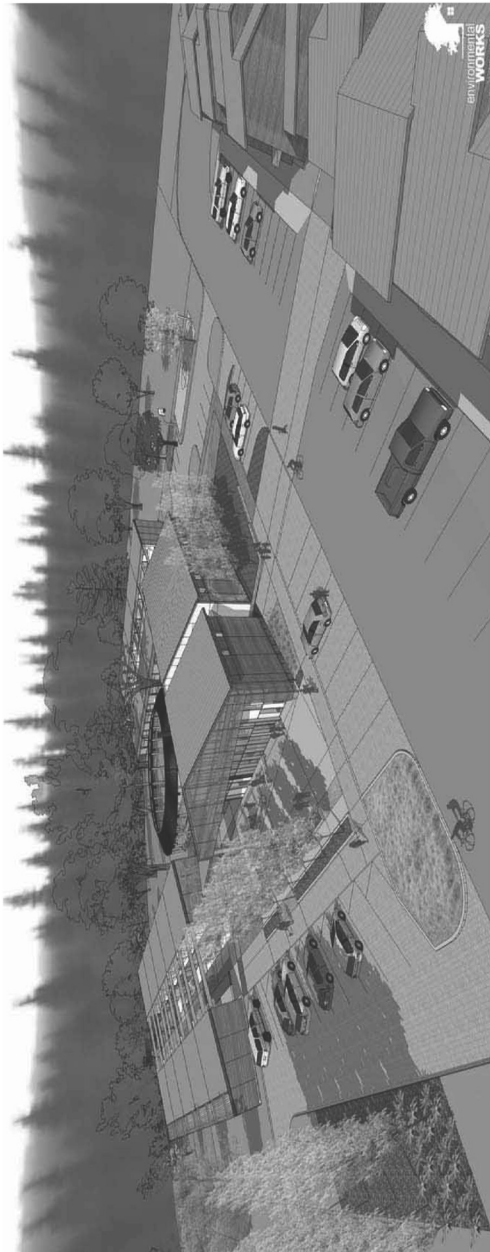
- Sources of Funds: ARRA Formula: \$883,573 ARRA
- Competitive: \$3,000,000IHBG:\$1,200,000TOTAL:\$5,033,573
- **Culturally Responsive LEED Certified:**
- 20 units, a community building and longhouse, a maintenance designed to emulate the rectangular, shed roofed form of a traditional Coast Salish longhouse using a variation of the modern townhouse courtyard building. Like a traditional longhouse, the structure has a central, linear common area for gathering and circulation to private dwelling areas. Ventilation and illumination was provided in traditional longhouses by removing roof planks. The open roof of the courtyard evokes this historic strategy.



# Puyallup Tribe Longhouse Project

- LEED gold/platinum certification
- Low-flow faucets and showerheads
- Solar hot water and **photovoltaic panels**:
  - South-facing roof area positions the project well to generate a significant portion of its own electricity.
- High-efficiency heat source: high-efficiency heating systems, including 95% + efficient gas boilers or high-efficiency heat pump combined with radiant floors.
- Energy Star appliances
- High quality windows
- Wildlife habitat awareness

# Puyallup Tribe Longhouse Project



August 25, 2010

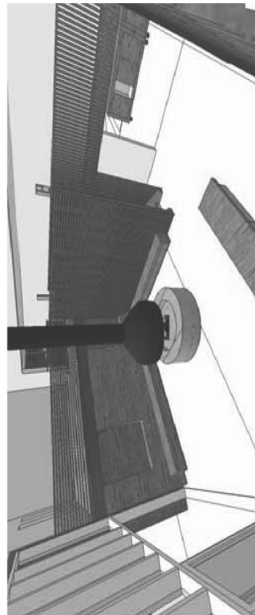
Congressional Field Hearing -  
NAIHC Testimony - Appendix B

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# Puyallup Tribe Longhouse Project



# Puyallup Tribe Longhouse Project

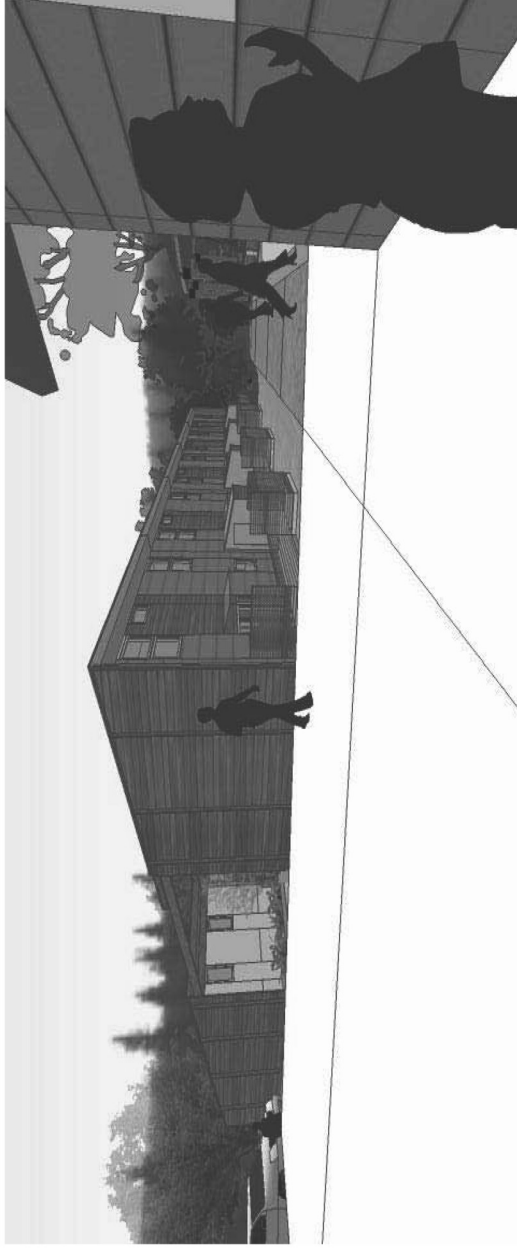


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# Puyallup Tribe Longhouse Project



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NAIHC Testimony - Appendix B

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR JOHNSON  
FROM THERESA TWO BULLS**

**Q.1.** As President of the largest tribe in South Dakota and Chairwoman of the Great Plains Tribal Chairman's Association, you have worked to improve the quality of life for tribal members. How have positive changes in tribal members' housing situations affected other aspects of their lives?

**A.1.** Housing is a basic human need. Tribal members who do not have homes cannot maintain jobs to provide for their families. Our children cannot attend school regularly when they do not have a place to live. The individuals who are positively impacted by having a place to live are more likely to keep their jobs and their children are more successful at school. The housing situation at Pine Ridge has a tremendous impact on our society at large. Conditions such as homelessness and overcrowding increase criminal activity. Lack of housing also takes tribal members away from our reservation. The positive impacts of providing homes for tribal members are felt throughout the entire reservation.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR JOHNSON  
FROM PAUL IRON CLOUD**

**Q.1.** Paul, you have been an advocate for the Public and Indian Housing Drug Elimination Program. How did the original program benefit members of the Oglala Sioux Tribe?

**A.1.** The original program primarily benefited the Oglala Sioux Tribe through education. The program provided funding that allowed us to reach out to the children and young adults at Pine Ridge to teach them about the dangers of drug use and criminal activity. When we had the drug elimination program funding we also used the funding to give our younger tribal members after school activities, and alternatives for the youth other than just hanging around. We used the funding for sporting activities and allowed our young tribal members opportunities to attend local and regional sporting competitions. It also helped improve safety for the members of the tribe. We desperately need this program again to help combat crime and drug use on our reservations.

**Q.2.** In your written testimony, you mention the need for a snapshot of a housing authority that is currently unavailable despite rigorous reporting standards from Federal agencies. How could the current reporting be streamlined to maintain accountability while also providing an accurate picture of the state of housing?

**A.2.** At this time the APR and other monitoring processes are filled with a lot of program information and issues such that it becomes impossible to be an effective way of getting a snapshot of a single program or to assemble uniform data for a national picture.

I believe a separate reporting card or system that can be limited to a single page of questions and answers is essential to make a snapshot of housing authority operations successful. One very helpful form Oglala Sioux (Lakota) Housing is currently using is called the "Low Income Tribal Housing Report Card." This report card was developed with a number of tribes and some programs have

begun to use it voluntarily. It has also been endorsed by A Coalition for Indian Housing.

This report card strives to create individual snapshots of each housing authority, but the information it contains could also be used to compile a program wide overview. It allows TDHE's to summarize their units, activities, and their budget in a few lines. On the local level the report card gives TDHE's an opportunity to effectively communicate information to tribes, employees and other interested parties and stakeholders. Another benefit of the report card is that it could allow HUD to develop nationwide data as well as regional and statewide data. This is something they have had great difficulty accomplishing in the past. The report card can also be shared with Congress where evaluation of the data could be used to understand need operations and performance.

The report card shows how TDHE's are spending their funds, but it also shows their progress in expending those funds. Using the ARRA reporting system as a model, the report card tracks funds that are committed and funds that have been expended. One of the best ways to show progress is to first see how quickly funds are committed and how quickly they are expended. An effective reporting system needs to show that. It also provides data from the current year and the previous year since sometimes funds will not always be committed in the first year of the program, depending on when funds are allocated. Funds may not be expended until the following fiscal year. It would be helpful in monitoring progress and utilization of fund to look over a 2-year cycle.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR JOHNSON  
FROM LEROY QUINN, JR.**

**Q.1.** There are several Federal agencies that fund projects on reservations throughout the country. Can you talk about how regulations differ for that funding and how, if at all, it could be streamlined?

**A.1.** The two (2) Federal agencies that the Sisseton-Wahpeton Housing Authority utilizes most frequently to compliment our NAHASDA Grant are USDA/Rural Development and the BIA/HIP Program. We have funded Affordable Housing Projects with both. I recommend procedures that should be streamlined as follows:

- The environmental review process: so we don't have to complete two (2) separate procedures for the same housing project. All government agencies should follow one standard procedure.
- Income eligibility guidelines should be streamlined so that each agency doesn't have a different set of income guidelines. It becomes very confusing for the applicants. I recommend the 30 percent income rule should be reduced to 20 percent income. It would benefit the poorer applicants that reside in Indian Country.
- Matching funds for grants and loans creates hardships for the poorer and less resourceful Tribes. I recommend a waiver for the Tribes whom are building and being innovative in meeting their Tribe's utmost needs. Another suggestion; designate more "pilot projects" to assist Tribes in their efforts to secure hous-

ing, law enforcement, health, and economic development projects. Set up a system of waivers to address particular Federal inconsistencies. Finally, develop a common lease form that will be accepted by all agencies.

**Q.2.** Can you talk about the T Yamni program started by the Sisseton-Wahpeton Oyate and the tribe's effort to develop successful home ownership programs?

**A.2.** In December 2008 a survey was conducted in which 375 Sisseton-Wahpeton Oyate members participated. The survey results supported the need for a home ownership program. In February 2009, T Yamni was created through Tribal Council Resolution. In 2010, the Tribal Council made it mandatory that:

1. Tribal members attend homebuyers education class prior to receiving tribally funded down payment assistance and
2. As a requirement of receiving tribally funded down payment assistance, tribal members must sign a release authorizing the lender to notify T Yamni for intervention should the homeowner ever become 30 days or more delinquent in payment.

T Yamni is a collaborative partnership between the Sisseton-Wahpeton Oyate Homebuyers Program, Dakota Nation Housing Development Corporation and the Sisseton-Wahpeton Housing Authority. Each entity provides one staff person for T Yamni. Within the first 6 months, T Yamni received over 200 contacts from tribal members interested in home purchasing.

In a nutshell, T Yamni walks with the tribal member from start to finish in home purchasing and home rehabilitation. Our classes are held in the new Sisseton-Wahpeton Housing Authority Administration Building.

T Yamni provides the following services:

- Credit Repair
- Financial Management
- Home Ownership Education
- Financing Options
- Loan Packaging
- Default Counseling and Foreclosure Intervention

T Yamni assists tribal members with the following processes:

- Home site selection (fee, tribal, allotted lands)
- Home site clearances
- Soil Testing
- Utilities
- Roads
- Water and Sewer

T Yamni utilizes the Fannie Mae Tracking System.

T Yamni pulls credit reports through DCI Credit Services of Bismarck North Dakota.

T Yamni staff has attended the following training:

- Training the Trainer—NeighborWorks



- Post-Purchase Housing Counseling—HAC
- Homebuyer Counseling—NAHASDA
- Pathways Home, A Native Home Ownership Guide—NCAI, NAIHC, NRC
- Foreclosure—NeighborWorks
- HUD 184 Lender Training
- Financial Education Curriculum—OWEESTA
- HUD Grant Writing
- Rural Housing Playbook
- SD Community Foundation

Outreach efforts:

- Financial Management Class
- Financial Management Class for Tribal School Juniors
- District Elderly Meetings
- Reservation Elderly Meetings
- Weekly Ad in the Sota Iya Ye Yapi (our Tribal Paper)
- Brochures distributed to every tribal program and the seven districts on a periodic basis.
- Annual Homebuyers Fair
- Section 504 Community Meetings
- Monthly Homebuyer Education Class

T Yamni Partnerships:

- USDA Rural Development Section 504—Packaging Agreement
- Northeast South Dakota Community Action Program (NESDCAP) USDA/RD Section 502—Packaging Agreement

Goals:

- Become a HUD Approved Housing Counseling Agency.
- Become certified counselors.
- T Yamni, become in itself, a separate entity.
- Implement a rebuilding credit program, a revolving loan program.
- Financial management classes for adults and students on a quarterly basis.
- Home ownership classes on home purchasing, home maintenance, fire prevention, minor repairs, *etc.* on a regular basis.
- Develop a more extensive down payment assistance program to maximize efforts with other agencies and someday serve members off the reservation.

T Yamni Staff:

- Rhonda LaBatte, Sisseton-Wahpeton Homebuyers Program—(605) 698-7707
- Cari Ironheart, Dakota Nations Housing Development Corporation—(605) 698-3200
- Angie Johnson, Sisseton-Wahpeton Housing Authority—(605) 698-3901

**Q.3.** What are the greatest obstacles facing tribal members who are able and interested in buying a home?

**A.3.** The Sisseton-Wahpeton Oyate is a small Tribe of approximately 13,000 members located in the farthest Northeastern corner of South Dakota. We essentially operate in three (3) counties in South Dakota but do claim parts of Minnesota and North Dakota as our service area. Until recently acquiring housing lenders for our Tribal Members was a huge obstacle. Because of our properties being located on Federal Indian Lands, not many lenders were willing to take the risk. Now with enhanced cultural relationships and understandings, plus loan guarantee programs like the HUD Section 184 and the Title VI Program through NAHASDA and our improved working relationship with local banks; our goals have become more attainable. The following is a list of current obstacles:

- Limited knowledge of the home buying process
- Differences of cultural expectations
- Lack of affordable quality housing
- Credit issues
- Lack of available land
- Prejudices/Discrimination

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR JOHNSON  
FROM RUSSELL SOSSAMON**

**Q.1.** Mr. Sossamon, you work with tribes across the country to help address housing needs and questions regarding regulations. While each tribe has unique circumstances, can you talk about the similar challenges they face when trying to address their housing needs?

**A.1.** All tribal housing authorities must overcome the varying regulations that apply to different Federal Government programs. Various grant and loan programs designed to improve housing in tribal communities and provide the infrastructure development that is so critical for housing development and other community and economic development programs. These grant and loan programs can come from multiple agencies that often have separate and substantially different reporting requirements.

Many tribal housing programs must comply with separate administrative requirements and laborious reporting standards to leverage and provide housing services. There are instances when environmental review requirements must be approved by separate Federal agencies for identical tracts of land. Reporting required by Federal agencies and departments are generally burdensome and often duplicative. Tribes are encouraged to leverage their Indian Housing Block Grant (IHBG) funds with other Federal grant programs, yet grant management and reporting requirements vary from agency-to-agency and department-to-department. The result is increased reporting requirements, and that means fewer homes are constructed, inspected, repaired, or renovated, and more time is spent on administrative matters.

One of the most vexing issues that challenge our tribes and tribal housing entities is, stated simply, inadequate funding. Accord-

ing to a February 2010 General Accountability Office (GAO) report on the effectiveness of funding under the authority of the Native American Housing Assistance and Self-Determination Act (NAHASDA), the funding levels between fiscal year (FY) 1998 and FY2009 have remained constant in actual dollars, but have lost value when inflationary factors are taken into consideration. Funding under NAHASDA is in the form of formula grant funds identified in NAHASDA as the Indian Housing Block Grant (IHBG).

The GAO report notes that “NAHASDA’s first appropriation in fiscal year 1998 was \$592 million, and average funding was approximately \$633 million between 1998 and 2009. The highest level of funding was \$691 million in 2002, and the lowest was \$577 million in 1999. For fiscal year 2009, the program’s appropriation was \$621 million. However, when accounting for inflation, constant dollars have generally decreased since the enactment of NAHASDA. The highest level of (IHBG) funding in constant dollars was \$779 million in 1998, and the lowest was \$621 million in 2009.” NAHASDA funding has, in short, not met the housing needs in tribal communities.

It is also interesting to note that of the 360 IHBG recipients in fiscal year 2008, 102 received less than \$250,000, with 22 of those reporting that they had developed new housing over the life of their participation in the program. Fewer than 30 percent of the smaller recipients were able to actually construct new housing. Therefore, many IHBG recipients are only able to provide some tenant-based rental assistance and similar services for their tribal membership.

NAIHC and Congressional appropriators viewed the \$700 million appropriated in FY2010 as a turning point in the Federal investment to meet the housing needs in tribal communities. Moreover, the additional \$500 million for tribal housing included in American Recovery and Reinvestment Act (ARRA) funding signed into law by President Obama in February 2009, provided an immediate source of funds to meet the large backlog in housing construction projects yet to be completed.

The unparalleled funding reductions in tribal housing investments, from \$700 million to \$580 million, recommended in the President’s FY2011 Budget Request, reversed the upward trajectory realized in the FY2010 appropriations level and ARRA funding. While NAIHC understands that the Administration and Congress are faced with difficult budget decisions in the coming FY, a funding reduction of this magnitude would erode the very foundation of the Federal investment in Indian housing. Moreover, a 3 year freeze on domestic spending would have a devastating impact on any progress tribes have made to improve housing conditions on reservations and in other tribal communities.

The justification for the budget cuts was based on the false premise that IHBG recipients were sitting on large reserves of Federal funds when, in fact, HUD recently reported that nearly 90 percent of all NAHASDA funding since NAHASDA was first funded in FY98 has been expended by tribal recipients. Moreover, as of September 25, 2010, HUD reports that approximately 65 percent of ARRA-IHBG formula funds and 49 percent of ARRA-IHBG competitive funds have been expended. The spend out rate for tribes

far exceeds the rate for nontribal grant funds administered by HUD.

Further, there seems to be a basic lack of understanding on the part of the Administration, and sometimes the leadership of HUD-ONAP, regarding how tribal housing authorities are different from other, nontribal public housing agencies, and how NAHASDA dollars are spent on the ground in Indian Country. Although the Federal Government has a trust responsibility to tribes, it has yet to provide adequate funding to any tribe to enable them to fully serve their citizens in the housing arena. Housing is more than bricks and mortar, and NAHASDA funds are often a tribe's sole source of providing housing and housing-related services to tribal citizens, which include addressing safety concerns, actual operating expenses for tribal housing authorities, infrastructure improvements, housing-related economic development, housing renovations and danger abatement, and more. For example, in terms of providing safe housing, tribes need funds for crime prevention, proper lighting, some form of security services, and activities for the youth to deter vandalism and crime. The funds provided under NAHASDA are, purely and simply, insufficient to allow tribes and tribal housing authorities to meet the tremendous and ever-growing needs that exist in their respective communities.

**Q.2.** In your experience, because the agencies use varying regions, are there examples of coordination that could be applied to the rest of the country?

**A.2.** It is hard to pinpoint a real life example of Federal agency coordination that serves as an example to apply to the rest of the country. The agencies and the Administration have made genuine attempts to logically combine programs that are mutually supportive, *i.e.*, infrastructure development, housing, energy efficiency, community centers, and transportation.

The lack of coordination is not for the lack of effort. In many cases, regions, both in terms of numbers and locations, vary greatly from agency-to-agency and department-to-department. The single largest source of capital investment in tribal housing is the IHBG program, which is administered by the U.S. Department of Housing and Urban Development's (HUD) Office of Native American Programs (ONAP). ONAP maintains two headquarter offices, one in Washington, DC, and one in Denver. There are six area ONAP area offices located in Chicago, Oklahoma City, Denver, Phoenix, Seattle, and Anchorage.

The Bureau of Indian Affairs, the Indian Health Service, and other Federal agencies and departments have offices that may or may not be in the same regions, and more often are not. Many of the programs for each of these agencies are often complementary and a necessary adjunct to the housing programs administered by ONAP. The U.S. Department of Agriculture has many programs that complement the IHBG programs, including housing grant and loan programs, water and waste water system, and other infrastructure programs primarily administered by Rural Development (RD) State offices.

There are 48 State RD offices located throughout the country. Connecticut, Massachusetts, and Rhode Island are combined into a

single RD office, but other offices are located in cities and towns that are often associated with the State's agriculture school. Federal coordination of Federal programs that benefit tribal communities is a daunting task based simply on the structure of Federal offices and programs.

**Q.3.** As mentioned earlier, our housing authorities have difficulty budgeting based on the notification and award process. Is this something that occurs throughout Indian Country?

**A.3.** Yes, tribal housing authorities throughout the country must attempt to plan and budget for housing repair, renovations, construction, and other eligible housing program activities based on budgets that are uncertain and, in many instances, as many as 6 months after the end of the Federal fiscal year. The late enactment of appropriations bills coupled with internal processes within HUD often delays the obligation and distribution of funds which, in recent years, has even further impaired the ability for tribal housing programs to obligate and spend money. NAIHC recognizes that HUD must wait for a Congressional notification process that can further restrict the availability of funding for use by tribal housing programs for their communities.

For example, 2010 IHBG funds were not available for draw down until late July, 2010 for many tribes and tribal housing authorities. Housing authorities, particularly the smaller ones, rely heavily on Federal funds in order to operate. Therefore, they have to carry over enough funds from the previous year's IHBG to ensure that they can make payroll and keep the doors open until the new award is received. This is the reason that a majority of tribes have some form of carryover/pipeline monies: to ensure their survival. Because the issue is one of HUD's processes for distributing funds, it should not then be used as a justification to cut tribal housing funds. These so-called "pipeline" issues, where they do exist, are of HUD's own making or are out of necessity for a housing authority's survival from year to year.

Thank you again, Senator Johnson, for hosting this important hearing in Indian Country and for all that you do to assist tribes and promote tribal self-sufficiency and sovereignty.

ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

**PREPARED STATEMENT OF CHARLES W. MURPHY**

CHAIRMAN, STANDING ROCK SIOUX TRIBE

AUGUST 25, 2010

Mr. Chairman and Members of the Committees. I am Charles W. Murphy, Chairman of the Standing Rock Sioux Tribe. I appreciate the opportunity to provide this testimony for the record of this Field Hearing. I would like to thank Senator Tim Johnson for his leadership in bringing this hearing to South Dakota, and for his longstanding support for the Tribes in our efforts to provide decent housing to all our people. We greatly appreciate the work of Senator Johnson and our entire Congressional delegation, but we also feel it is very important that other Members see the very significant challenges the Tribes in this part of the country face with regard to our housing needs. We hope that this hearing will lead to a greater understanding in that regard, and I would like to extend an invitation to all the Members of both Committees to visit Standing Rock, to learn firsthand about the issues that we will discuss today.

As Senator Johnson is well aware, the conditions we face in Indian country remain very troubling. While nationwide it is viewed as a crisis when unemployment nears 9 or 10 percent, at Standing Rock we have long-term unemployment, year after year, in excess of 50 percent. Poverty on our reservation remains widespread, with 4 in every 10 homes on the reservation earning less than 30 percent of Median Family income for the area. According to HUD figures, 116 families at Standing Rock face what HUD describes as severe housing costs, meaning they pay more than 50 percent of their disposable income for housing expenses. Beyond that, far too many of our people live in homes that are significantly overcrowded—with HUD reporting that 4 in every 10 families living long term in overcrowded conditions. This is a serious problem, as a large number of our people live with 10 or 12 persons in a home that was sized to accommodate only 3 or 4, simply because no adequate housing is available to serve them all.

While these conditions at Standing Rock have persisted for years, over the last few years we have faced additional challenges as well. First, the recession that undermined the economy nationwide had adverse impacts for us as well, further isolating the Tribe and diminishing opportunities for advancement. Many Tribal members returned from off the reservation because jobs were scarce elsewhere, only to find a lack of adequate housing on the reservation. Second, this past winter we faced a series of terrible winter storms, which knocked down thousands of electrical poles and power lines, paralyzed transportation, stranded our members in their homes without heat and electricity for days and hurt families in their efforts to make needed repairs and keep their homes safe and winterized. The bottom line is that at Standing Rock, and at many other reservations, poverty remains a fact of life for all too many of our people, and the promise of decent housing remains, in far too many cases, unfulfilled.

We know that Congress intends it to be otherwise. For example, when Congress enacted NAHASDA in 1996, Congress found that providing “affordable homes in safe and healthy environments is an essential element in the special role of the United States in helping tribes and their members to improve their housing conditions and socioeconomic status.” This language makes it clear that Congress, in enacting NAHASDA, recognized the fundamental trust responsibility of the United States to provide good housing for tribes and their members. NAHASDA block grants provide tribes with a great deal of discretion in meeting housing needs, and that flexibility is important. But funds remain limited and the needs remain great.

We understand that these are difficult times from the perspective of the Federal budget. Nevertheless, we were extremely disappointed to see that the Administration’s FY2011 budget called for the NAHASDA Indian Housing Block Grant program to be cut by \$120 million. This great country must stand by its most impoverished citizens and must not deny them the most basic of human needs—safe and decent housing. We know we are not alone in this view. We were pleased that the House has voted to restore some of the money cut in the budget regarding NAHASDA. We were also pleased that the Senate Appropriations Subcommittee voted to restore NAHASDA Block Grant funding to the FY2010 enacted level. We request that the members of the Banking and Indian Affairs Committees do all you can to support the Senate Subcommittee action in the full Senate and in conference with the House, to preserve NAHASDA funding for the Tribes and our people.

But while restoring NAHASDA funding is vitally important, that alone will not be sufficient to address the problem. For example, at Standing Rock, we have a

large Tribal population, so we have a large existing housing stock. The majority of this housing stock is comprised of low rent units—as we have nearly 600 such units. The Tribe has 222 Mutual Help units that contribute to the Tribe's NAHASDA funding. As a result of the manner in which NAHASDA funds are allocated—in particular, with only 20 percent of the allocation addressing housing need—the vast majority of the Tribe's NAHASDA funds are needed for the upkeep, maintenance and repair of existing housing units. This leaves us with few funds to address our dire need for additional housing units. So, even with full NAHASDA funding at last year's levels, more needs to be done.

Finally, in addressing housing needs in Indian country, it is important to consider infrastructure and other related needs as well. New housing units on the reservation require roads, sewers, and water and utility lines to serve the new housing units. New housing may also require additional resources in terms of law enforcement and public safety—to serve the new areas where new homes are built. And all of these together—adequate housing, proper infrastructure and public safety—contribute to the ability of the Tribe both to provide for our people and to recruit needed doctors, nurses, teachers, police, and others who are needed to serve our reservation community. We urge the Committees to take these factors into account when addressing the needs of large, rural reservations like Standing Rock. All of these issues need to be considered together—and adequate resources need to be allocated—to provide the conditions necessary for successful economic advancement and community stability.

In conclusion, there is much to be done and we look forward to working with these Committees to address our housing needs and related matters. We also hope that all Members of these Committees will have an opportunity to come to the Standing Rock Sioux Reservation to learn more about the challenges we face.

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### PREPARED STATEMENT OF COLLEEN STEEL

EXECUTIVE DIRECTOR, MAZASKA OWECASO OTIPI FINANCIAL, INC.

AUGUST 25, 2010

#### **Mazaska: An Overview of Our Organization**

Mazaska Owecaso Otipi Financial (Mazaska) is a 501(c)3 nonprofit Community Development Financial Institution (CDFI) located on the Pine Ridge Indian Reservation in southwestern South Dakota. Founded by the Oglala Sioux Tribe Partnership for Housing in 2004, Mazaska's mission is to "provide loans, guarantees and other financial arrangements to individuals or organizations for the purpose of home ownership for new housing and for the rehabilitation of substandard housing." To meet this mission, Mazaska provides reasonably priced, fixed rate loans for home purchase, home renovation, and new home construction. We collaborate with local organizations to provide financial literacy and homebuyer counseling to applicants and borrowers. In the Lakota language, *Mazaska Owecaso Otipi* means "Lending Money for Housing."

#### **Accomplishments**

Mazaska's accomplishments include the following:

- Since 2004, Mazaska has originated 18 loans totaling \$773,997: 94 percent were to first-time homebuyers; 16 were new construction; 89 percent of Mazaska's borrowers were low or very low income and could not obtain financing from a bank.
- Year to date, Mazaska has closed five loans totaling \$111,850 that enabled four very-low income families to purchase their first homes and a fifth borrower to purchase a new home after the death of her husband. These loans were funded by the U.S. Treasury CDFI Fund Native American CDFI Assistance Program and the HUD Rural Housing and Economic Development Program.
- Mazaska has five loan applications pending—totaling \$462,000, all for first-time homebuyers. These loans will be funded from our CDFI Fund NACA award.

#### **Innovations**

Since its inception, Mazaska has been able to develop programs and deliver loan products that are critical to overcoming the challenges that are faced by the residents of the Pine Ridge Reservation, including:

- Created a loan product for renovation/rehabilitation to address the housing stock shortage on Pine Ridge and increase Energy Efficiency.

- To mitigate risk, Mazaska has developed a loan loss reserve, capitalized with RHED (HUD) funds.
- In partnership with OSTPH and Lakota Funds, another CDFI on the reservation, Mazaska ensures that all of its borrowers participate in credit counseling, financial education, and first time homebuyer classes.
- Successfully partnered with OST Housing Authority to address the critical housing shortage on Pine Ridge through their NAHASDA set-aside.
- Mazaska provides ongoing support to borrowers by reviewing credit reports with borrowers on an annual basis and assisting with financial education as needed.

#### **Working To Meet Housing Needs on the Pine Ridge Reservation**

The need for affordable housing on the Pine Ridge Reservation is extensive:

- According to the Oglala Lakota Home Coalition, there is a need for 5,000 new homes on the reservation. In 2007 it was sitting 3,000 new homes needed.
- According to the Oglala Sioux (Lakota) Housing Authority, there are over 1,000 families on the waiting list for low-rent and home ownership units.
- More than 85 percent of the households on Pine Ridge are overcrowded, with three or more families living in one home.

Historically, there has been minimal housing lending on the reservation. The Oglala Sioux Housing (Lakota) Authority provides the majority of homes to tribal members on a rental basis and some families eventually become homeowners through a rent-to-own process. Land tenure has been an obstacle to housing lending, as tribal land is held in trust and cannot be used as collateral for a mortgage. A lack of credit or poor credit histories, extreme poverty and the corresponding high debt to income ratios, and a lack of down payment funds on the reservation have prevented many families from successfully building assets and owning homes.

Tribal members can access financial services in towns bordering the reservation, and nearby Rapid City. However, these services—including pawnshops, check cashers, and payday lenders—do not contribute to asset building on the reservation. Most employ predatory lending practices with usurious interest rates and fees, and provide short-term, quick money, rather than the long-term financing needed for home loans.

In spite of these challenges, Mazaska has been innovative by creating loan products and partnerships that are meeting the needs on Pine Ridge.

#### **Mazaska: Making an Impact**

As the only housing lender on the Pine Ridge Indian Reservation, Mazaska, is in a unique position to make quantifiable impact with the loan products it has developed. Mazaska reaches and assists communities in ways that third party lenders and financial services in border towns cannot. In order to continue this impact, however, Mazaska must be able to count on continued Federal support—through the CDFI Fund, and HUD programming targeted to rural areas (such as the former RHED—Rural Housing and Economic Development Program), as well as other programs. We do our best to earn income to reduce our reliance on grant funds and have had some success with raising funds from foundations, but these Federal programs have been our most reliable source of the capital we lend to low income homeowners.

Recommendations:

- Continue funding the U.S. Treasury CDFI Fund program, including the Native Initiatives Program (NACA) in the Fund's annual budget appropriations.
- Provide outreach to the Tribes for HUD Funding that will affect housing development, especially since RHED is no longer an authorized program.
- Support the South Dakota Tribes in quantifying the housing needs with direct market research.
- Protect NAHASDA funding levels to Tribes to continue to meet the critical need on South Dakota reservations.



**PREPARED STATEMENT OF AMOS PRUE**  
CEO, SICANGU WICOTI AWAYANKAPI CORPORATION

AUGUST 25, 2010

I would like to thank the Members of the Committees and especially Chairman Johnson for coming to South Dakota to hold this Indian housing field hearing. I am the CEO of the Sicangu Wicoti Awayankapi (SWA) Corporation, which is the tribally designated housing entity of the Rosebud Sioux Tribe. The Rosebud Reservation is located in south central South Dakota.

Our current housing stock is not adequate to meet the needs of the people we serve and many of our tribal members reside in overcrowded households. We have high rates of alcoholism and suicide that plague the communities we serve. The Rosebud Reservation also suffers from some of the worst unemployment numbers in the United States of America. The Bureau of Indian Affairs estimates that the unemployment rate on our reservation is eighty-two percent (82 percent). We can not solve our housing issues without addressing unemployment and economic development. Housing, unemployment, and economic development are all related and we can not fix one without improving the others. The Federal Government can assist us with these issues however, tribal leadership and support for the promotion of new business is the most important element to our success. Emphasis needs to be placed on the development of individual entrepreneurship.

The SWA Corporation has formed a subsidiary limited liability company, Ojinjintka Housing Development Corporation (OHDC), LLC to manufacture housing on the Rosebud Reservation. OHDC was formed to spur economic development on the Rosebud Reservation, to provide much needed jobs, and to build housing for tribal members. Houses are being built with American Recovery and Reinvestment Act funds. Additionally, there is a market opportunity for OHDC to expand beyond providing services to Indian entities and sell the homes to non-Indian customers. Construction companies are vacating rural South Dakota and there is a market for housing construction that OHDC hopes to fill. SWA Corporation has taken note of the lessons learned from previous tribal housing manufacturing companies to ensure success with OHDC. OHDC will create economic development on the Rosebud Reservation while providing jobs and housing for its members.

I appreciate the assistance provided to SWA Corporation under the Native American Housing Assistance and Self-Determination Act Indian Housing Block Grant (IHBG) Program; however, the level of Federal assistance has been inadequate to meet the housing needs of the Sicangu Oyate on the Rosebud Reservation. We need your support to keep current IHBG funding at a minimum of \$700 million dollars. In an effort to advocate for this continued funding, the Rosebud Sioux Tribe has banded together with many other large, land-based tribes to form a new advocacy group known as "A Coalition for Indian Housing" (ACIH). This group seeks to try to more effectively advocate for some of our particular needs and interests in Indian housing. As part of this advocacy, ACIH has recommended that Tribes and their TDHES provide a simple self-reporting information sheet. I have attached a one page self-reporting information sheet on our program for your information. (See Attachment A.)

Thank you again Members of the Committees and Senator Johnson for coming to South Dakota to better understand both our needs and our successes.

## Attachment A

**Sicangu Wicoti Awanyakapi Corporation****(Program Name)**Rosebud Reservation, South Dakota*(Location)***LOW INCOME TRIBAL HOUSING REPORTING CARD**

Total number of tribal low income units currently owned or managed: 1,234  
 Additional units needed: 360 to meet waiting list need and 2,800 to meet average family size of SD which is 2.5 per household

Units requiring modernization in service area: Total 3,700 Our Units 630

Activities1. Funds budgeted in current fiscal year ( 01/01/2010 to 12/31/2010 ):

New construction or acquisition	<u>9,434,392</u>
Modernization of our units	<u>906,872</u>
Maintenance of our units	<u>2,240,906</u>
Mgmt/Planning/Administration	<u>3,588,200</u>
Other	<u>1,122,500</u>
TOTAL	<u>\$ 17,292,868</u>

NAHASDA grant for this previous fiscal year: \$7,922,677  
 Other grants and loans amount (including ARRA): \$8,592,612  
 Units ultimately to be developed by us \_\_\_\_\_ (to date \_\_\_\_\_ units started or completed)  
 Units to be modernized by us \_\_\_\_\_ (to date \_\_\_\_\_ units started or completed)  
 Percentage of these funds committed for expenditure as of this date ( 100 % )  
 Percentage of these funds expended as of this date ( 19 % )

2. Funds budgeted in current fiscal year ( mm/dd/yyyy to mm/dd/yyyy ):

NAHASDA grant for this current fiscal year: \$7,922,677  
 To date other grants and long term loans obtained for this current fiscal year: \$8,592,612  
 Percentage of funds already obtained this current fiscal year that are committed as of this date (100%)  
 Percentage of funds already obtained this current fiscal year that are expended as of this (41%)

Housing ProfileService area:

Description Todd, Mellette, Tripp, Gregory and Part of Luman County.  
 Square miles 6,964.02 Tribally enrolled members 23,589 Total population 20,762  
 Unemployment rate 82%

Year our program began: 1962 Date first 1937 Act or NAHASDA grant was received: 1997  
 We are a reservation: Yes X No \_\_\_\_ Name of tribe(s) Rosebud Sioux Tribe.  
 Number of employees: 110 Average number of occupants per rental unit: 3.62 and State of SD 2.50

Total:

Low income tribal units we have developed since inception of our program 1,672  
 Units we now own, manage or hold: rental 1,234 lease/purchase 228 mortgage 210

Contact Information

CEO/Executive Director: Amos Prue  
 Telephone: 605-747-2203 Fax: 605-747-2966 E-mail: rstha@gwtc.net  
 Mailing Address: PO Box 69, Rosebud, SD 57570 Web Site: No

\*An asterisk placed next to any number indicates an estimate. Definitions and explanations are on the back of this card.

08/10

Attachment A

**PREPARED STATEMENT OF DEBORAH DeSANTIS**  
PRESIDENT AND CEO, CORPORATION FOR SUPPORTIVE HOUSING

AUGUST 25, 2010

Chairman Dodd, Ranking Member Shelby, Senator Johnson, and Members of the Committee, on behalf of the Corporation for Supportive Housing (CSH) I thank you for holding this very important hearing and for inviting us to submit testimony about our experience preventing and ending homelessness for Native Americans both on and off of tribal lands. We offer this testimony in conjunction with Enterprise Community Partners, our partner in the Initiative explained below. We also would like to express our appreciation to Secretary Donovan for traveling across the country to personally attend this hearing; your presence in South Dakota is indicative of your commitment and genuine desire to expand housing opportunities for the lowest income and most vulnerable Americans.

The Corporation for Supportive Housing is a national nonprofit and Community Development Financial Institution with the mission of preventing and ending homelessness by helping communities create supportive housing. CSH has 14 offices in 12 States across the country, focusing our efforts on policy and systems reform, technical assistance and capacity building, and lending—all aimed at increasing the supply of permanent supportive housing.

As Members of the Committee may know, permanent supportive housing is a combination of housing with supportive services that is widely recognized as a highly successful intervention to homelessness for those with complex barriers to housing stability. As evidenced in HUD's Annual Homeless Assessment Report to Congress, supportive housing has played a critical role at reducing chronic homelessness in the United States. In recent years CSH has worked to demonstrate how the same permanent supportive housing model that reduced chronic homelessness is an effective solution to ending homelessness for families, individuals returning to communities following incarceration, veterans, and since 2005 we've also looked to expand supportive housing for Native American populations on and off the reservation.

**Homelessness Among Native Americans**

Homelessness is a significant and growing problem among American Indians, both on tribal lands and in urban centers. Native Americans represent 8 percent of the homeless population, but only 1.5 percent of the U.S. population. On reservations, 30 percent of homes are overcrowded and 18 percent of homes are severely overcrowded. While we need to learn a lot more about the scale, scope, and dynamics of homelessness in tribal communities, it is clear there is a substantial cohort of American Indians who experience homelessness in a variety of ways.

Many American Indians experiencing homelessness have serious health conditions, including mental illness and addiction that exacerbate the problem. Based on data in Minnesota (from the first-ever homeless survey on reservations) in 2006 which identified 1,239 people who were homeless or near-homeless on six reservations, about one-third of respondents reported at least one chronic health condition, 29 percent considered themselves chemically dependent, and 23 percent of respondents had received inpatient or outpatient care for mental health treatment in the previous 2 years. The survey identified 450 children who were considered homeless under the Federal definition and we know there were additional children with doubled-up parents who were not surveyed. Children living in overcrowded and less stable housing are at a higher risk for poor educational outcomes compared to children in more stable housing.

To effectively address the complex housing and health needs of American Indians that experience homelessness, a comprehensive approach is necessary that meets the myriad needs of American Indians. Supportive housing is a promising solution to address and end homelessness among American Indians. Furthermore, it is adaptable and can build upon the unique strengths of the American Indian culture, traditions and values, and the unique governance structure of tribes and tribal human service systems.

**CSH's American Indian Supportive Housing Initiative (AISHI)**

In 2005, the Corporation for Supportive Housing along with Enterprise Community Partners, created the American Indian Supportive Housing Initiative (AISHI) in its Minnesota program office as a means of assisting tribes and Indian communities across the State in addressing the issue of homelessness. This initiative resulted from a recognized need for increases in the quantity and quality of supportive housing for American Indians, both on and off the reservation, and the lack of adequate resources to get the work done. AISHI focuses its efforts on opening the doors of supportive housing to American Indians by offering capacity building and train-

ing, project-specific technical assistance, and financial assistance to tribes and American Indian nonprofit organizations. To date, we have worked with tribes in Minnesota and North Dakota to develop 12 permanent supportive housing (PSH) programs on reservations (approximately 200 units); assisted five off-reservation projects for American Indians (approximately 77 units); delivered more than 30 presentations and workshops to tribal partners; and collaborated with Minnesota tribes, the Department of Human Services and a nonprofit research entity to conduct a survey of homelessness on Indian reservations in both 2006 and 2009.

Regarding the homelessness survey, recognizing that there was almost nothing known about the scale and scope of homelessness for American Indians CSH worked closely with six tribal governments, the MN Department of Human Services, and Wilder Research as part of the State's triennial statewide survey of homelessness. Tribal representatives and leaders in the American Indian community wanted to document homelessness in their communities.

CSH helped identify a collaborative team among the tribes interested in participating in the survey. The collaboration included tribal staff from each participating reservation, CSH, the Minnesota Department of Human Services (DHS) and Wilder Research. Importantly, tribal staff represented multiple departments—housing, human services, and planning agencies, along with homeless shelters. The commitment and actions of tribal elected officials were key as they communicated with colleagues at other tribal governments to answer questions, assuage worries and build political support.

Lessons learned included:

- Building trust and relationships with tribal leadership is the first, most critical and fundamental step. This must involve culturally sensitive, sustained outreach, with a core focus on the needs and desires of the tribes themselves.
- Cultivating champions within each tribe's staff is necessary to guide conversations and relay information between the collaborative group and tribal councils.
- Allowing flexibility in how and when the tribes conducted the survey is critical. The statewide survey had to be completed on one specific day, but the tribes were allowed up to 2 weeks to complete their interviews. Tribes were allowed flexibility in how and where the survey was conducted, which questions were asked, the stipend amounts paid and who conducted the interviews.
- Identifying homelessness on reservations is different than off reservation. Tribal members do not call themselves "homeless" when they lack their own permanent housing (*i.e.*, being doubled and tripled up for long periods of time.) Therefore the Federal HUD definition of homelessness utilized off reservation does not fit tribal communities. Needs assessments should reflect this dynamic.

As I mentioned earlier, CSH developed a partnership with Enterprise Community Partners to expand and strengthen our support for tribal communities. Enterprise's partnership has been invaluable, and combined, our two organizations' financial investments total approximately \$3.2 million in tax credit equity and \$1.6 in loans and grants for capital and predevelopment of permanent supportive housing projects in Indian country. With the assistance of Congress, the Administration, tribal leaders and philanthropy we hope to vastly expand this initiative, facilitate the production of thousands more units and end homelessness for so many Native Americans.

CSH and Enterprise briefed both HUD and Senator Johnson's staff on the AISHI initiative and would be happy to meet further with any of the Committee Members or other interested parties to further discuss our experience with AISHI and the resources we believe are needed to further expand it.

We would like to offer a few suggestions to the Committee about how the Federal Government can help tribal communities develop more permanent supportive housing to address the severe housing needs for their most vulnerable residents.

- We understand HUD is exploring a national needs assessment in Indian country. We urge Congress and the Administration to support this endeavor and are ready to assist as needed.
- HUD's Native American Housing Block Grant program provides critical resources to tribes. HUD has proposed reducing funding for this program, and we are grateful Congressional appropriators have restored funding. Congress should consider increasing funds for this important grant program.
- Tribal governments have difficulty accessing mainstream resources for housing and health care supports that are needed to prevent and end homelessness. CSH recommends HUD and other Federal agencies identify these barriers and explore options for removing them.

- HUD's Office of Native American Programs has been receptive to increased focus on the solution permanent supportive housing can play in preventing and ending homeless for Native Americans. Congress and the Administration should encourage continuation of this trend.
- CSH has utilized USDA's Rural Community Development Initiative (RCDI) to advance AISHI and urge Congress to increase funding for this program.

CSH intends to expand our AISHI initiative in other parts of the country, including South Dakota, and we welcome the Committee's assistance as we encourage additional homelessness surveys and needs assessments, deliver supportive housing trainings, provide direct and project-specific technical assistance, and convene regional forums to bring together tribal leaders, philanthropy, developers, and others interested in creating new permanent supportive housing.

Again, please accept CSH's gratitude for holding this important hearing and for accepting our testimony. If we can ever be of assistance please do not hesitate to contact me directly, or our Director of Federal Policy, Jordan Press, at [jordan.press@csh.org](mailto:jordan.press@csh.org).