



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410

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**U.S. Department of Housing and Urban Development**

**Hearing before the United States Senate Committee on Banking, Housing, and Urban Affairs**

**“Addressing the Housing Crisis in Indian Country: Leveraging Resources and Coordinating Efforts”**

**March 8, 2012**

Good morning Chairman Johnson, Ranking Member Shelby and Members of the Committee. It is a pleasure to appear before you, and I would like to express my appreciation for your continuing efforts to improve the housing conditions of American Indian, Alaska Native and Native Hawaiian peoples.

The Office of Public and Indian Housing is responsible for the management, operation and oversight of HUD’s Native American and Native Hawaiian housing and community development programs. These programs are available to all 565 federally recognized Indian tribes and the State of Hawaii’s Department of Hawaiian Home Lands. We serve these entities directly, or through their tribally designated housing entities (TDHE), by providing formula-based housing block grants and loan guarantees designed to support affordable housing and community development. Our partners are diverse; they are located on Indian reservations, in Alaska Native Villages, and on the Hawaiian Home Lands.

Before we begin exploring the ways that federal agencies working in Indian Country can do a better job of coordinating efforts to broaden economic development opportunities, I would like to provide the committee with a brief overview of the programs administered by the Office of Native American Programs (ONAP) at HUD.

**ONAP Programs**

HUD administers four programs specifically targeted to Native American and Alaska Native individuals and families:

- Indian Housing Block Grant program;
- Title VI – loan guarantee program;
- Section 184 – Single Family Home Loan Guarantees; and the,

- Indian Community Development Block Grant Program (ICDBG)

In implementing these programs, the Department recognizes the right of tribal self-governance and the unique relationship between the federal government and tribal governments, established by long-standing treaties, court decisions, statutes, Executive Orders, and the United States Constitution. Each of the 566 federally recognized tribes has 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.

HUD also administers two programs specifically targeted to Native Hawaiians eligible to reside on the Hawaiian Home Lands. – *Native Hawaiian Housing Block Grant* program and the *Native Hawaiian Loan Guarantee Program*. 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. 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). The block grant approach offers each tribe the flexibility to design, implement, and administer unique, innovative housing programs, based on local need.

### ***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.

### ***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.

### ***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 one percent of the Community Development Block Grant appropriation is set-aside for ICDBG.

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.

### ***Native Hawaiian Housing Block Grant (NHHBG)***

The NHHBG program, Title VIII of NAHASDA, was authorized by the Hawaiian Home Lands Homeownership 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.

### ***Section 184A – Native Hawaiian Loan Guarantee Program***

Section 184A was established by Section 514 of the American Homeownership 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.

## **Collaborations that Improve Service Delivery and Foster Economic Opportunities**

### ***Federal Partnerships***

HUD collaborates with several federal agencies that serve Indian Country; specifically the Bureau of Indian Affairs (BIA), Indian Health Services (IHS), the Departments of Agriculture

(USDA) and Energy (DOE), the Federal Emergency Management Agency (FEMA), and the Environmental Protection Agency (EPA).

Although short and/or long-term cost savings are difficult to project, economies of scale should result from enhanced coordination and collaboration among federal agencies. Increased collaboration among and within agencies will help ensure that Native Americans are receiving the support they need from federal programs.

#### *HUD- BIA Partnership*

In 2004, Assistant Secretaries' from HUD, U.S. Department of Agriculture (USDA) and Bureau of Indian Affairs (BIA) executed an Interagency Memorandum of Understanding (MOU) to improve the delivery of federal programs and services for the benefit of Native Americans. While the primary focus of the MOU is to reduce the BIA's Title Status Reports (TSR) process down to 30 days.

The inability to secure title in a timely fashion has reduced access to capital for Native Americans and Alaska Natives living on tribal trust, allotted, and individual trust land (tribal lands). With evidence of clear title, land-use decisions can be more easily made and enacted, and business opportunities and job creation is possible. Building an efficient system for title delivery will pave the way for increased collaboration between tribes and government agencies, financial institutions, corporations, and builders.

Since the MOU was executed, the HUD-BIA partnership has produced several advancements including a reduction of processing time for TSRs, streamlined and synchronized administrative functions between the BIA and HUD offices when obtaining a mortgage on tribal lands, and developed staff training on a national recordation process. While the partnership has produced many positive results, there is still room for improvement in order to bring the titling process to market rate standards, and ultimately encourage economic development in Indian Country.

#### *HUD and FEMA*

Since its inception in 2008, HUD and the Federal Emergency Management Agency (FEMA) have partnered to distribute nearly 1,900 mobile homes to Tribes all across the country. These homes were originally purchased by FEMA as emergency disaster housing but were never occupied.

In 2011, HUD decided to use our partnership with FEMA to tackle a very specific another housing issue in Indian Country – retaining good teachers. Teacher turnover rates on tribal land are very high due to the lack of affordable housing options. HUD's 2011 mobile home distribution became a Teacher Housing Initiative designed to retain good Native teachers in Indian Country. HUD distributed over 550 mobile homes in 2011 under this initiative. The tribes only pay for set-up and transportation costs and can use HUD's Indian Housing Block Grant funds or any other tribal funds to pay for these expenses.

### *Infrastructure Task Force*

An Inter-Agency Infrastructure Task Force (“Task Force”) came into effect on June 2007 following the signature by the Department Secretaries of two Memoranda of Understanding (MOU) to develop strategies to improve access to safe drinking water and basic sanitation in Indian country.

The federal partners of the Task Force are the US Department of Agriculture (Rural Development - USDA-RD), the US Environmental Protection Agency (EPA), the US Department of Health and Human Services through the Indian Health Service, the US Department of Housing and Urban Development (HUD), and the US Department of the Interior (Bureau of Indian Affairs - BIA).

This group continues to meet on a routine basis to address the provision of quality water and waste water infrastructure services in support of tribal housing and tribal communities. As part of this effort a workgroup was established to develop a plan of action with all the possible recommendations for streamlining the multi-agency requirements placed on Tribes in order to receive federal funding for water and wastewater infrastructure construction projects.

This working group provided their recommendations in February 2011 in a report titled, *Overview of Tribal Water Infrastructure Funding Application Processes and Recommended Paperwork Streamlining Opportunities*. The report contains ten recommendations including: coordination of agency grant funding cycles, additional use of IHS sanitation deficiency system priority list by all federal partners, develop a standard environmental review process and federal agency cross training.

The larger Task Force is currently focusing on issues of sustainability in an effort to improve the quality and long-term viability of water and waste water infrastructure projects.

### *Greener Homes National Summit*

In September 2011, the third annual Greener Homes National Summit was held in Denver, sponsored by ONAP. This conference brought together HUD, DOE, EPA and USDA, and is considered a hallmark of tribal and federal participation. This 3-day conference fostered discussions to promote energy efficient tribal homes and communities, and encouraged economic development of renewable energy sources and energy efficiency technologies.

Federal agencies collaborated on a strategy to provide tribes with a coordinated, “one-stop” approach to training and technical assistance in energy efficiency and sustainability, which would eliminate duplicative efforts and conserve resources for both tribes and the federal agencies involved.

## **Tribal Collaboration**

### *Housing Needs Study*

HUD is conducting a comprehensive, nationally representative HUD study on the extent of housing needs in Indian Country and Hawaii. The last comparable study was conducted in 1996. In 2010 and 2011, HUD held seven regional outreach meetings with tribal housing stakeholders as well as a national tribal consultation meeting in Washington, DC to seek tribal input on the research approach and survey instrument design. The study's outreach plan and survey instruments have been refined based on input from these sessions and comments from the expert panel convened specifically for the study.

Despite these efforts, there was concern from the tribal community that tribal leaders did not have the opportunity to review the study through formal tribal consultation. In response to that concern, HUD committed to hold additional tribal consultations on the survey instruments and study design in 2012 and begin the field survey work in 2013.

HUD is working with the National Congress of American Indians (NCAI) and the National American Indian Housing Council to host six regional consultations and two national consultations beginning in March of this year. The first national consultation took place earlier this week in conjunction with NCAI's Executive Council Winter Session. The second national meeting will take place in June. Dates and locations for the regional meetings are being finalized.

In the meantime, the secondary data collection and analyses are underway.

### *Negotiated Rulemaking to Implement the NAHASDA Reauthorization Act*

On October 14, 2008, the President signed into law the Native American Housing Assistance and Self-Determination Reauthorization Act of 2008 (the Act). Section 105 of the Act contains the requirement to engage in negotiated rulemaking to create regulations for those provisions of the Act that are not self-implementing. HUD held six negotiated rulemaking sessions in FY 2010, which produced a draft proposed rule.

This proposed rule was published in the *Federal Register* on November 18, 2011. Public comments were due on January 17, 2012. HUD received 20 public comments and is currently reviewing them. Preparations are being made to review the public comments and make any final adjustments. The rule will again be placed into Departmental and OMB clearance. After that process is complete, the final rule will be published in the *Federal Register*.

In May of this year, HUD will publish a *Federal Register* notice announcing the creation of a separate negotiated rulemaking committee to propose changes to the IHBG formula. The notice will request nominations to represent tribes on this new committee. HUD anticipates holding its first meeting of this negotiated rulemaking committee in the fall of CY 2012.

### *Indian Housing Plan (IHP) Conversion Update*

In 2005, the Office of Native American Programs (ONAP) started the process of converting the Indian Housing Block Grant (IHBG) program from a grant-based program to a fiscal year-based program. This major administrative change was the number one priority requested through the eight consultation sessions that were held around the country that year.

Since then, a tribal workgroup assisted HUD in developing the new IHP/APR form that is being implemented now. The new IHP/APR incorporates statutory changes from the 2008 NAHASDA Reauthorization, and extensively streamlines the planning and reporting process for IHBG funding.

The new IHP/APR also collects new data on program activities and tribal housing need. In response to the GAO report *Tribes Generally View Block Grant Program Effective, but tracking of Infrastructure Plans and Investments Needs Improvements*, the IHP will now track infrastructure in the section where the grantee identifies their low income and all families 'needs', as well as adding 'infrastructure to support housing' as a specific eligible activity. The APR will track as a specific outcome 'improve quality of existing infrastructure'.

In the past year, there has been intensive training around the country to ensure that everyone has the opportunity to learn about the new IHP/APR, and the administrative changes that are occurring with the shift to a fiscal year-based program. Additional training sessions will be available starting this summer.

The transition thus far has been a success. Over the next year we should see the benefits of this change. Improvements include: the ability to track activities and expenditures using only one IHBG grant rather than having multiple open grants; expenditure of the oldest IHBG funds first; ONAP obligation of most the fiscal year funding by late June rather than in September or later.

### *Administrative Flexibility Working Groups on Native American Issues*

In February 2011, the President issued a [Memorandum](#) to Federal agencies entitled "Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments." This memorandum instructed Federal agencies to work with tribal governments—as well as States and localities—to reduce unnecessary administrative burdens and focus available resources to achieve better program outcomes. Based on comments and input from tribes and Native American business leaders, the Domestic Policy Council (DPC) and the Office of Management and Budget (OMB) convened five interagency working groups, comprised of senior program managers, to focus on areas that Indian Country identified as priorities. HUD is actively involved in working groups on Housing and also Loans and Credit (the other working groups include Training and Employment, Broadband Service, and Workforce Development). Goals for these groups include:

- **Housing.** This group is developing a matrix of Federal housing, community, and economic development programs across the various agencies to increase the visibility of available resources and determine how to make these programs more accessible.
- **Loans and Credit.** The goal of this group is to ensure that Federal loan and credit programs are deployed to tribal economies through: improved flexibility under existing loan and credit program authority; improved and innovative deployment, oversight and accountability of loan programs in Indian Country; reduction in inefficiencies or disconnections between existing programs; and improvement in knowledge of programs through better training and technical assistance.

Working groups have reached out to Tribes to receive input through written comments, conference calls, and discussions at conferences and other events.

### **Closing**

Thank you again, Mr. Chairman, and members of the Committee, for the opportunity to appear before you today. I look forward to continuing to work with you and your staffs on these issues. I would be happy to answer any questions you may have.