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## MEMORANDUM

June 16, 2023

TO: TRIBAL HOUSING CLIENTS

FROM:   
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RE: *Senate Housing, Transportation and Community Development Subcommittee  
Hearing on Native American Housing*

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This memorandum provides a brief report on a June 13, 2023 Native American Housing hearing of the Housing, Transportation and Community Development Subcommittee of the Senate Banking, Housing and Urban Affairs Committee.

### I. Senators' Opening Remarks

Senator Tina Smith (D-MN) opened the hearing by highlighting the many challenges to housing in Indian Country, including the lack of emergency shelter; shortage of home ownership opportunities; substandard housing stock; issues securing mortgages, appraisals, and title insurance; shortages of contractors and skilled tradespeople; and administrative delays. She reported on the need for supportive housing that combines shelter with culturally specific programming to support Native people experiencing homelessness.

Senator Jon Tester (D-MT) stated that NAHASDA is “very, very important,” but reported that it has “always been very, very difficult” to pass. He urged funding of NAHASDA at “a level that will work.” He also highlighted the importance of the Federal Government’s trust responsibilities to Tribes and opined that housing goes hand-in-hand with those responsibilities. Senator Cynthia Lummis (R-WY) highlighted Community Development Financial Institutions (CDFIs) as wise investments that can multiply federal dollars to maximize program impact.

### II. Tribal Advocates

Chelsea Fish, Executive Director of the National American Indian Housing Council, emphasized the extreme poverty in some areas of Indian Country and the fact that many Americans are oblivious to these conditions. She also emphasized substandard housing, overcrowding, homelessness, lack of plumbing and kitchen facilities, and lack of sufficient heating as prevailing difficulties for Indian Country. She reported that in some places the current income level at the NAHASDA rate allows for only a fraction of a single home to be built each year because of the high construction costs. She reported that Tribes face barriers in accessing

federal funding from numerous agencies, emphasized that federal trust land cannot be used to secure home loans, and reported that lenders consider business with Tribes to be risky.

When asked how to improve training and technical assistance to Tribes accessing HUD dollars, Ms. Fish reported that the processes for receiving technical assistance assignments are burdensome and that getting contracts approved is very difficult. She reported that her organization has been considering a return to the old practice of receiving grants to facilitate technical assistance requests. Ms. Fish highlighted the Tribal HUD-VASH program, which provides vouchers for housing of Native veterans, as a program that has been working very well.

W. Patrick Goggles, Executive Director of Northern Arapaho Tribal Housing, likewise reported on the overcrowding conditions in Indian Country. Specifically, he reported that on his reservation currently 27 people are sharing a five-bedroom house while 15 people are sharing a three-bedroom house. He noted that securing incomes necessary to make payments on a house are very difficult, particularly in areas of the country with high unemployment rates. Mr. Goggles spoke about substantial delays in working with the Bureau of Indian Affairs because of the understaffing of the local division of the agency. He urged increased flexibility for the Indian Community Development Block Grant program to facilitate infrastructure development and improvement projects. Mr. Goggles emphasized the importance of continuity in funding from Congress for program planning and employee retention. Finally, he urged reauthorization of NAHASDA and requested that Section 8 vouchers be made available to Indian Country.

Pete Upton, CEO of the Native CDFI Network, echoed others' earlier testimony and reported that the challenges facing the Native communities and Native CDFIs include scarcity of available housing stock, lack of infrastructure, lack of skilled workers for construction and renovation, land issues, and limited availability of complex structures. He emphasized the Department of the Treasury's prior finding that every \$1 invested in CDFIs creates \$8 in private sector investments.<sup>1</sup> Mr. Upton urged the Subcommittee to ensure that proposed CDFI certification reforms do not negatively affect Native CDFIs. He also reported that the existing CDFI Fund regulations already pose challenges for Native CDFIs. He reported that, under the proposed reforms, Native CDFIs would need to make drastic operational changes, alter their programs and products, or forgo certification entirely. He urged Congress to host a formal listening session with the CDFI Fund and Native CDFI leaders. He called on Congress to require Treasury to create a Native Advisory committee of CDFI directors, increase Native American CDFI Assistance (NACA) Program appropriations to \$50 million, and increase the annual funding of the HUD Section 4 program to \$50 million while establishing a 10 percent set-aside for Native communities. Finally, he urged Congress to pass the Rural Housing Service Reform Act, S. 1389 (Sen. Smith) and the Native American Direct Loan Improvement Act, S. 185 (Sen. Rounds). Mr. Upton selected funding the NACA program at \$50 million as his number one priority. Mr. Upton also spoke to the financial obstacles preventing Native CDFIs from accessing federal assistance oriented at improving manufactured homes.

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<sup>1</sup> See Department of the Treasury, *Remarks by Secretary of the Treasury Janet L. Yellen on \$1.25 Billion Award to CDFIs to Support Economic Relief in Underserved Communities Affected by COVID-19* (June 15, 2021) <https://home.treasury.gov/news/press-releases/jy0229>

When asked about the impacts to Native CDFIs because of Treasury's proposed rule changes, Mr. Upton singled out the proposed prohibition on balloon payments as particularly problematic. In addition, he noted that the prohibition on interest-only loans would be inconsistent with how contractors typically operate. He stated that such prohibition would limit Native CDFIs ability to be creative in how they get new products to Native homeowners.

Tammy Moreland, Chair of the Minnesota Tribal Collaborative to Prevent and End Homelessness, discussed homelessness services under the Continuum of Care program. She emphasized the need for Tribes to receive that funding directly to avoid loss of program funds as federal dollars trickle down through state agencies before making it to Native communities. She also suggested that HUD's definition of homelessness should be reconsidered as it impermissibly excludes those temporarily sheltered like those who stay with relatives or who seek shelter in facilities that are not homes—like fish houses on lakes in the winter.

### *Conclusion*

If you have any questions, please do not hesitate to contact Ed Clay Goodman at [EGoodman@hobbsstrauss.com](mailto:EGoodman@hobbsstrauss.com) or by phone at (503) 242-1745.