



## ASSOCIATION OF ALASKA HOUSING AUTHORITIES

*Building communities, empowering Alaskans.*

### 2021 FEDERAL PROGRAMS

#### **NAHASDA's Native American Housing Block Grant (NAHBG).**

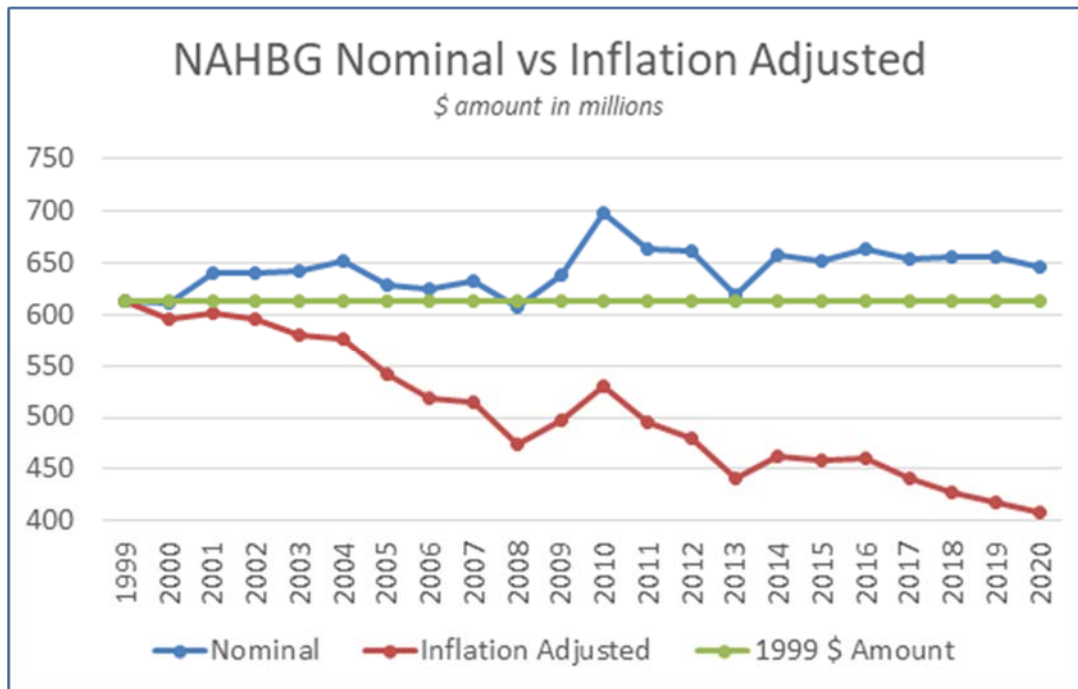
**Status / Background:** 2021 marks the 25<sup>th</sup> anniversary of Congress passing of the Native American Housing and Self Determination Act (NAHASDA). This legislation was and continues to recognize Tribe's sovereign right to develop housing that meets the needs of their communities and families. It also solidified that Indian housing is not merely a federal entitlement or "discretionary program," but, like many other Indian programs, has its roots in a solemn trust responsibility to Indian nations and peoples. Housing conditions in Indian country are well documented as being some of the worst of the worst. Alaska Natives suffer from escalating and above national average rates of overcrowding, inadequate housing, and unemployment, both as to the general U.S. population, and within the Native American population as well. The rate of overcrowding, or severe overcrowding, is such that Alaska needs more than 16,100 housing units to alleviate overcrowding. The rates of overcrowding in every region of Alaska are higher than the rest of the United States.

Indian housing programs have a unique legal and equitable justification for discrete consideration apart from actions taken relative to other federally funded programs, *including in particular, those within HUD*. Title I of the Native American Housing and Self Determination Act (NAHASDA), the Native American Housing Block Grant (NAHBG), authorizes an allocation of funding for affordable housing programs in Alaska and across Indian Country. This program has essentially been flat-funded since NAHASDA passed in 1996 and continues to be grossly underfunded due to general inflation, population growth, and overall increased costs of construction. One RHA describes the cost for shipping to a regional hub then out to remote communities, "They need to know numbers, but we can't give them solid numbers on number of units because of our rising construction costs. But we're trying... Three-quarters of a million just for freight, so we pay a set amount from Anchorage to Nome, then we pay that same amount that we pay for Anchorage or Seattle to Nome, from Nome out. It's not cheap between Gambell and Savoonga. We've spent 1.2 million in freight, just freight. On top of detention fees on the connexes."

From FY 1999 to FY 2020, using the BLS Inflation Calculator, the purchasing power of \$647 million in 2020 is equal to \$408 million in 1999 dollars, which is nearly a 37% reduction. Or,



in other terms, the 2019 NAHBG allocation would exceed \$995 Million in order to equal the investment Congress made in the program in 1998.



Approximately half of all available NAHBG funding is committed to providing operating assistance to housing units built prior to NAHASDA, units that are today more than twenty years old. Only after that funding is allocated can the remaining IHBG funding be allocated to Tribes to address unmet housing needs. However, the costs of operating and maintaining all of the NAHASDA units built over the past 20 years comes out of this “Needs” portion of the allocation. Increasingly, this leaves less and less funding to meet housing needs that continue to grow. New development has begun to slow and we believe that is primarily because tribes need to use more of the available NAHASDA Needs Funding just to keep the lights on and the doors open.

Given the immense challenges of decreased funding and increased shipping and construction costs, the Native American Housing Block Grant continues to provide safe, sanitary and affordable housing to Alaskan families.

**NAHBG Competitive Program.**

**Status / Background:** For the past few years, an additional \$100 million was appropriated to the Native American Housing Block Grant (NAHBG) as a competitive program. This funding is a start in helping address the critically eroded funding of the NAHBG and providing a boost in serving the housing needs of Alaska and Indian Country. We are grateful to Congress for the additional funding and although the funding is gravely needed to address the housing crisis in



Alaska, adding funding to the NAHBG formula would streamline the funding reaching Tribes and provide parity to the distribution of funding.

There have been two Notice of Funding Availability (NOFA) opportunities published by HUD to distribute \$300 million dollars to Indian Country. It took over a year after the initial appropriation was made, for HUD to develop the program and deploy an application to Tribes/TDHEs. Had this funding been distributed through the Negotiated NAHBG formula, it would have almost immediately been available for all Tribes and TDHEs to increase development and services in their communities.

For the first round \$200 million of funding, released under one NOFA, the disparities of funding between regions were alarming. If the funding was distributed through the NAHBG formula, there would be parity between all regions and Tribes. A national competition immediately puts small Tribes and TDHEs at a disadvantage. It's important to note that there is a very limited pool of grant writers in Alaska and the majority, if not all, applicants used in-house staff to complete the application. If there was comprehensive Technical Assistance for writing the grant, there may be a larger pool of successful applicants. The low number of applications, the low number of successful applications, and the number of screened out applications all are evidence of the need for Technical Assistance, so the neediest Tribes can improve their situations. Technical assistance will also provide an opportunity for the review teams to learn about the uniqueness of the region they will be scoring. For example, why the Total Development Costs are high and why logistics and transportation consume a large block of time (a lack of roads between Tribes means material must be flown by expensive air freight, or barged in after spring thaws the frozen seas and rivers).

We would be remiss if we didn't address the appropriations language that the funding should be determined based on need and preference would be provided for new unit development. The beauty of NAHASDA is the ability for Tribes and Tribally Designated Housing Entities to exercise self-determination and align funding to meet the greatest need in their respective community. For example, some communities are in dire need of rehabilitation to homes that were constructed in the 1970s and 80s and are substandard. If these homes become entirely uninhabitable, our already above average overcrowding and homelessness issues will skyrocket. A grading system that prioritizes new construction puts an automatic limitation on a Tribe's ability to be self-determined if they believe that rehabilitation is their greatest need.

#### **Bureau of Indian Affairs, Housing Improvement Program (BIA HIP).**

**Status / Background:** Throughout the years, BIA HIP funding has fluctuated from \$23.1 million in 2005, to zero in FY 2008 to \$11M in FY2021. The funding has been eliminated in the Department of Interior Budget requests in the past couple of years. In FY 2020, the BIA HIP program was funded at approximately \$11 million while Alaska's demonstrated need in 2019, based on eligible applicants, exceeded \$436 million.



The BIA HIP serves the lowest income population to improve deteriorating housing stock across the state. BIA HIP Categories A, B & C provide a grant to repair an existing home or to purchase/construct a new home for individuals typically disqualified for financing due to extremely low income.

BIA HIP Category D is a program that provides low-income homebuyers with down payment assistance when they qualify for a home mortgage. This funding has been leveraged with other funding sources to make homeownership a reality for tribal members in Alaska. As program awareness increases, the Category D will be a key tool for increasing homeownership for tribal members in rural Alaska.

Additionally, the Indian Health Service (IHS) prioritizes BIA HIP recipients for water and sewer infrastructure to new and like-new housing. According to the HUD Housing Needs Assessment, infrastructure is one of the top three factors that increase the cost of developing new housing and sustaining existing housing. To compensate for the lack of infrastructure, homeowners often must fund necessary infrastructure themselves. Prioritization from IHS for water and sewer projects increases the chance that homeownership can become a reality for Tribal members.

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**Thank you for your consideration of the programs that provide safe, sanitary and affordable housing to our Alaskan Families.**

**Contact Information:**

Carol Gore  
AAHA Board President  
Cook Inlet Housing Authority  
3510 Spenard Road, Suite 200  
Anchorage, AK 99503  
(907) 793-3000  
[cgore@cookinlethousing.org](mailto:cgore@cookinlethousing.org)

Chris Kolerok  
AAHA Legislative Committee Chair  
Cook Inlet Housing Authority  
3510 Spenard Road, Suite 200  
Anchorage, AK 99503  
(907) 793-3000  
[ckolerok@cookinlethousing.org](mailto:ckolerok@cookinlethousing.org)

Colleen Dushkin  
AAHA Executive Director  
4300 Boniface Pkwy.  
Anchorage, AK 99504  
Website: [www.aahaak.org](http://www.aahaak.org)  
(907) 330-8398  
[cdushkin@aahaak.org](mailto:cdushkin@aahaak.org)

***(A list of all AAHA member contact information can be found on the AAHA website.)***