



ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Building communities, empowering Alaskans.

2018 FEDERAL LEGISLATIVE PRIORITIES

“Dedicated to Increasing the Supply of Safe, Sanitary and Affordable Housing in Alaska”

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AAHA FY 2018 Federal Legislative Priorities

Issue # 1: Reauthorization of appropriations for the Indian Housing Block Grant program

Request: *Support the immediate reauthorization of appropriations (Section 108 of NAHASDA) for the Indian Housing Block Grant program through a one-line reauthorization, to be included as a rider to a larger piece of legislation that has bi-partisan support and a high likelihood of passage.*

The proposed legislative language would read as follows or be substantially similar:

AUTHORIZATION OF APPROPRIATIONS FOR NATIVE AMERICAN HOUSING BLOCK GRANTS

Section 108 of the Native American Housing Assistance and Self-Determination Act of 1996, as amended, (25 U.S.C. 4117) is amended in the first sentence by striking “2009 through 2013” and inserting “2019 through 2023”.

Status / Background: Given previous unsuccessful efforts to pass a comprehensive reauthorization bill, the above proposal would clearly establish congressional intent to continue funding the Indian Housing Block Grant (IHBG), a critical Indian country program, while a larger NAHASDA Reauthorization Bill is negotiated. This approach has an increased likelihood of success because it temporarily bypasses the primary substantive obstacle the larger bill has faced, reauthorization of the Native Hawaiian Housing Block Grant.

We are concerned that having the main source of housing development funding in Indian country unauthorized may draw attention for possible targeted funding cuts. Funding cuts to the IHBG will be extremely detrimental to the development of safe, sanitary and affordable housing in Alaska and across Indian Country, and would erode the objectives and potential success of most other IHS and BIA programs.

Reauthorization of a more comprehensive bill remains a primary goal for the Indian housing community. Currently there are two bills in congress that would reauthorize NAHASDA: Senate bill S.1895 and House bill H.R. 3864. AAHA does not have a preference of one bill over the other, however, the House bill has a cap on funding which AAHA believes will be a detriment to funding NAHASDA at an adequate level, for reasons articulated below.

Issue # 2: Inadequate NAHASDA Funding Levels

Request: *Support a NAHASDA Indian Housing Block Grant (IHBG) appropriation of \$700 million, with increases of approximately 4% per year for the following 5 years. The recommendation would increase the currently “flat lined” NAHASDA appropriation to \$800 million over a 5 year period. Such an increase would: (1) leave the program approximately*



\$200 million short of the funding needed just to keep up with inflation since 1998; (2) begin to create parity between this foundational Indian program and other Indian Programs administered through BIA & IHS; and (3) remain well below the amount needed to meet the demonstrated need in Alaska and throughout Indian Country.

Status / Background: In Alaska, and across all of Indian Country, NAHASDA funded programs are the *primary vehicle* for meeting critical housing needs. Although tribes and TDHE's have become more sophisticated in leveraging funds to develop projects with multi-layered funding sources, the core housing needs in Indian Country simply cannot be met adequately without additional funding secured for the IHBG program.

It is important to note that NAHASDA continues to be grossly underfunded due to general inflation, overall increased costs of construction and population growth. From FY 1999 to FY 2017, using the BLS Inflation Calculator, the purchasing power of \$653 million in 2017 is equal to \$443 million in 1999 dollars which exceeds a 30% reduction. Or, looking another way – the 2017 IHBG allocation would have had to be \$900 million in order to equal the investment Congress made in the program in 1998.

According to the recent, congressionally mandated HUD study, Housing Needs of American Indian and Alaska Natives in Tribal Areas: "Congress has provided a fairly consistent level of funding for the IHBG in nominal terms, but this flow has been seriously eroded by inflation." The study identifies two additional factors that further contribute to the reduced buying power of NAHASDA: population growth and increased construction costs. From 1999-2014 the Alaska Native/American Indian population grew by 59 percent, reducing the IHBG allocation (in nominal dollars) from \$573 to \$386 per capita. Additionally, the cost of construction continues to increase. Nationally, in 2006, the average total development costs (TDC) of a 3-bedroom unit was \$183,937. By 2014, the average TDC had grown to \$329,839; an increase of approximately 79% (*these are national averages and the cost of construction in Alaska, even in urban centers, are much higher*). In Alaska, it is common for some TDCs to have quadrupled since 1999. Considering the factors of inflation, increased construction costs and increased population growth, the Indian Housing Block Grant should be increased to provide adequate funding to develop affordable housing in Alaska and across Indian country.

Approximately half of all available IHBG funding is committed to meeting the obligation of the federal government to provide operating assistance to housing units built prior to NAHASDA, units that are today more than twenty years old and typically much older. 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. The HUD housing needs assessment confirms that new development has begun to slow. We believe that is primarily because tribes are having to use more of the available NAHASDA Needs funding to keep the lights on and the doors open, leaving less and less funding for new development.



An increase to NAHASDA will begin to bring parity between other Indian Programs. In the past decade both BIA and IHS programs saw substantial increases *overall*. IHS funding in FY2017 for program and services is 53% more than 2008 levels and BIA's total increase from 2008 levels is more than 45%. Part of the problem for housing programs not being funded at appropriate levels in the past has appeared to be that some Congressional Appropriators have acted on the mistaken assumption that NAHASDA recipients were *in general*, failing to expend funds already in the funding "pipeline." This issue has been addressed through the Negotiated Rulemaking process and was primarily limited to a few large recipients. The reality is that the majority of recipients, including those in Alaska have been good stewards of available housing dollars.

Finally, it is important to note 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, and 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. 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*. Recent appropriations have failed to acknowledge or reflect this critical fact and this funding inequity is beginning to cripple the housing production of many tribes and TDHE's.

Issue # 3: Ensure that the Census Bureau data on Alaska Natives and American Indians is accurate throughout Alaska.

Request: *Preserve the accuracy of the Census Bureau data by allocating sufficient resources to properly administer various Census programs and to implement more efficient information technology systems and data collection methods that will reduce the risk of an undercount in Alaskan communities.*

Status / Background: Underfunding Census Bureau data collections significantly increases the risk that Alaskans will go uncounted, particularly in hard-to-count communities, such as those with a high proportion of Alaska Native persons. According to U.S. Census Bureau estimates, the 2010 U.S. Census undercounted Alaskans living in the state's many special-enumeration tracts by almost 8%. This is deeply concerning because two-thirds of all Alaska Native persons in Alaska live in Hard-to-Count Census tracts, making them particularly prone to undercounting.

The American Indian and Alaska Native (AIAN) population is notoriously difficult to count accurately. Unfortunately, pressures on the Census Bureau's budget may compel the Bureau to use new, alternative methods to count the AIAN population in Alaska. For example, the Census Bureau will introduce Internet response for the first time in 2020. Also, the Bureau is



changing how it identifies the housing units and group quarters that it will contact. In 2010, Census personnel scoured every road in American to identify housing units. In 2020, they will do this less and rely instead on aerial photographs and administrative records. This change may impact data quality for Alaska. These shifts in methodology are largely driven by budgetary concerns; unfortunately, these changes also have the potential to disproportionately impact Alaska's AIAN population. It is critical that the Census Bureau commit to using methodologies that will produce accurate counts for Alaska's AIAN population and that Congress provide the Bureau sufficient funding for that purpose.

An accurate Census count is important to AAHA members. The consequences of an undercount of Alaskans in 2020 include: decreased federal funding that exacerbates Alaska's fiscal situation, reductions in essential services such as infrastructure repairs, decreased funding for education and programs that make up Alaska's social safety net, improper enforcement of laws that protect vulnerable populations, and less accurate data available for tribes and tribal organizations to plan for the future.

Issue # 4: Support the Bureau of Indian Affairs, Housing Improvement Program (BIA HIP)

Request: Support the BIA HIP in BIA funding appropriations.

Status / Background: After being funded at \$23.1 million in 2005, the Bureau of Indian Affairs, Housing Improvement Program (BIA HIP) was eliminated from the FY 2008 budget in order to fund other high priorities. This decision was an effort to avoid spreading smaller reductions across multiple BIA programs rendering them all less effective. The funding has since been restored, but at a lower level. In FY 2016 the BIA HIP program was funded at approximately \$8 million. The demonstrated need for Alaska exceeded \$202 million and approximately \$1.5 million was received.

The BIA HIP serves the lowest income population and is utilized to improve the deteriorating housing stock across the state. Categories A, B & C provides a grant to repair an existing home or purchase/construct a new home for individuals who usually cannot qualify for needed financing due to extremely low income levels. Category D is a fairly new program, becoming permanent in 2016. Under Category D, homebuyers are eligible to receive 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 increase, we see the Category D as being a critical tool for tribal members and will continue to increase homeownership in Rural Alaska.

A unique benefit of being eligible for the BIA HIP program is the Indian Health Service designates BIA HIP recipients as a funding priority for water and sewer infrastructure to new and like-new housing. Infrastructure in many communities have been listed as one of the top barriers to developing new housing, is listed as one of the top three factors that increase the cost of developing new housing and the greatest challenge to homeownership. To compensate for the lack of infrastructure, homeowners often must find a way to fund



necessary infrastructure themselves. Being a priority for ANTHC water and sewer projects increase the chances that homeownership can become a reality for tribal members.

* * * * *

Informational Item

Issue: Communities threatened by slow moving disasters due to Climate Change in Alaska are not eligible for assistance under the Stafford Act. FEMA should develop new policies that would recognize “slow-moving” disasters and melting permafrost damages as “disasters” eligible for assistance under the Stafford Act.

AAHA fully supports the Alaska Federation of Natives’ Resolution 17-2 (Attachment A) that resolves for FEMA to propose new policies that would recognize “slow-moving” disasters and melting permafrost as “disasters” to be eligible for assistance under the Stafford Act. Under the Stafford Act, the President of the United States has the authority to determine what a disaster is. It is FEMA’s policy that erosion caused by permafrost is not considered a disaster due to it being “slow moving”. Eligibility for the Stafford Act would provide assistance to individuals and households to respond to the disaster-related housing needs of individuals and households who are displaced from their pre-disaster primary residence or whose pre-disaster primary residences are rendered uninhabitable.

Slow moving disasters are effecting communities in every region across the State of Alaska.

- Some communities have projected to lose between 40-70 feet per year to erosion.
- The community of Newtok is eroding at the pace of 83 feet of land per year. It is projected that Newtok will lose its source of drinking water in the coming year and the school and airport will be lost to the river by 2020.
- 4 coastal villages in Alaska may need fast-paced relocations to escape erosion and melting permafrost.
- 22 coastal communities will likely require some degree of immediate attention.
- At least 12 Native Alaskan villages have elected to explore relocation as a viable alternative as their towns are eroding into the sea or river.
- More than 180 communities in Alaska are experiencing flooding and loss of land and are considered at risk.

A human rights lawyer in Anchorage, Robin Bronen stated, "We weren't thinking of climate change when federal disaster relief legislation was passed...Our legal system is not set up. The institutions that we have created to respond to disasters are not up to the task of responding to climate change." FEMA has the ability to change their definition of “disaster” to recognize slow-moving disasters and melting permafrost damage as disasters which would allow assistance to be provided under the Stafford Act.



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





ALASKA FEDERATION OF NATIVES
2017 ANNUAL CONVENTION
RESOLUTION 17-2

- TITLE:** CHANGE FEMA POLICY AND AMEND STAFFORD ACT TO ADDRESS SLOW DEVELOPING DISASTERS AND MELTING PERMAFROST
- WHEREAS:** The Alaska Federation of Natives (AFN) is the largest statewide Native organization in Alaska and its membership includes 185 federally recognized tribes, 177 village corporations, 12 regional corporations and 11 regional nonprofit and tribal consortiums that contract and compact to run federal and state programs; and
- WHEREAS:** the mission of AFN is to enhance and promote the cultural, economic, and political voice of the entire Alaska Native community; and
- WHEREAS:** the majority of Alaskan Native Villages (86%) are experiencing substantial damage caused by persistent and increasing storms, floods, erosion, melting permafrost and other slow developing disasters; and
- WHEREAS:** last year, President Obama denied Newtok Tribe's' request to declare national disasters under the Stafford Act because of the damage caused by these slow moving forces; and
- WHEREAS:** the Stafford Act gives the President wide discretion in determining what is a "disaster", and providing assistance to tribes who suffer disasters that overwhelm their capacity to recover from such disasters; and
- WHEREAS:** while President Obama did not explain his reasons for the denial, subsequent questioning of Federal Emergency Management Agency (FEMA) staff by Senator Murkowski at a Senate Indian Affairs Committee Hearing on February 08, 2017, revealed that the agency has a policy that "slow developing disasters" and damage caused by melting permafrost are not considered "disasters" eligible for federal assistance; and
- WHEREAS:** in that hearing, FEMA officials promised Senator Murkowski to develop a policy to address slow-developing disasters such as are occurring in Newtok and Kivalina, but have not come forward with any proposals.
- NOW, THEREFORE, BE IT RESOLVED** by the delegates of the 2017 Annual Convention of the Alaska Federation of Natives that the FEMA should propose new policies that would recognize "slow-developing" disasters and melting permafrost that are causing catastrophic impacts to communities and crucial infrastructure and other culturally relevant sites as "disasters" eligible for assistance under the Stafford Act, and

BE IT FURTHER RESOLVED that AFN supports the amendment of the Stafford Act to define “disaster” to include “slow-developing” disasters and melting permafrost damage.



A handwritten signature in black ink, reading "Julie E. Kitka".

Julie Kitka
President

SUBMITTED BY:

COMMITTEE ACTION:

CONVENTION ACTION:

NEWTOK VILLAGE

COMMITTEE RECOMMENDED RESOLUTION BE SENT TO CONVENTION
FOR CONSIDERATION

AMENDED AND PASSED