Y4
.In 8/13
In 2/39/
PT. 2

1040

9414
In 8/13
In 2/39
Pt. 2

INDIAN HOUSING

GOVERNMENT
Storage

DOCUMENTS
APR 15 1977
FARRELL LIBRARY
KANSAS STATE UNIVERSITY

HEARINGS

BEFORE THE

SUBCOMMITTEE ON INDIAN AFFAIRS

OF THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST AND SECOND SESSIONS

ON

INDIAN HOUSING IN THE UNITED STATES

A11600 702217

MUSKOGEE, OKLA., AUGUST 6, 1975
ANADARKO, OKLA., AUGUST 7, 1975
OKLAHOMA CITY, OKLA., FEBRUARY 12, 1976

PART 2

Printed for the use of the
Committee on Interior and Insular Affairs

U.S. GOVERNMENT PRINTING OFFICE
82-326 WASHINGTON : 1977

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

74
.In 8/13
In 2/39/
P.L. 2

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

HENRY M. JACKSON, Washington, *Chairman*

FRANK CHURCH, Idaho
LEE METCALF, Montana
J. BENNETT JOHNSTON, Louisiana
JAMES ABOUREZK, South Dakota
FLOYD K. HASKELL, Colorado
JOHN GLENN, Ohio
RICHARD STONE, Florida
DALE BUMPERS, Arkansas

PAUL J. FANNIN, Arizona
CLIFFORD P. HANSEN, Wyoming
MARK O. HATFIELD, Oregon
JAMES A. McCLURE, Idaho
DEWEY F. BARTLETT, Oklahoma

GRENVILLE GARSIDE, *Special Counsel and Staff Director*
DANIEL A. DREYFUS, *Deputy Staff Director for Legislation*
WILLIAM J. VAN NESS, *Chief Counsel*
D. MICHAEL HARVEY, *Deputy Chief Counsel*
OWEN J. MALONE, *Senior Counsel*
W. O. (FRED) CRAFT, Jr., *Minority Counsel*

SUBCOMMITTEE ON INDIAN AFFAIRS

JAMES ABOUREZK, South Dakota, *Chairman*

HENRY M. JACKSON, Washington
LEE METCALF, Montana
FLOYD K. HASKELL, Colorado

DEWEY F. BARTLETT, Oklahoma
JAMES A. McCLURE, Idaho
PAUL J. FANNIN, Arizona

FORREST J. GERARD, *Professional Staff Member*

CONTENTS

Hearings: Page

August 6, 1975 ---- 229
August 7, 1975 ---- 349
February 12, 1976 ---- 465

WEDNESDAY, AUGUST 6, 1975

STATEMENTS

Bartlett, Hon. Dewey F., a U.S. Senator from the State of Oklahoma ---- 229
Belvin, Harry, chief, Choctaw Nation, accompanied by Charles McIntyre, executive director, Choctaw housing authority ---- 308
Chopper, Johnnye, chairman, Cherokee Nation housing authority ---- 240
Crossland, Thomas Mack, executive director, Cherokee Nation housing authority ---- 243
Davis, Vernon K., executive director, Osage housing authority ---- 324
Denoya, L. L., chairman, Osage housing authority, accompanied by Vernon Davis, executive director, Osage housing authority ---- 322
Froman, Ron, executive director, housing authority of the Creek Nation of Oklahoma ---- 257
Keel, Leland D., executive director, Chickasaw Nation housing authority ---- 269
Munson, Ed, attorney, Cherokee Nation housing authority ---- 246
Perry, Kirk, president, Oklahoma Indian Housing Authorities Association ---- 281
Risenhoover, Hon. Ted, a U.S. Representative from the State of Oklahoma, as presented by Gregory Pitcher ---- 231
Swimmer, Ross, chief-elect, Cherokee Nation, accompanied by Johnnye Chopper, chairman, Cherokee Nation housing authority; Thomas Mack Crossland, executive director, Cherokee Nation housing authority; and Edward L. Munson, attorney ---- 237
Tanyan, Ed, chief, Seminole Nation, accompanied by Marguerita Vietta, executive director, Seminole Nation housing authority ---- 297
Vaughn, Jim, Director of Equal Opportunity Division, Area Office of HUD, Oklahoma City ---- 340
Vietta, Marguerita, executive director, Seminole Nation housing authority ---- 298, 307
Whitecrow, Jake L., executive director, Northeastern Oklahoma Intertribal Council, Inc ---- 317

THURSDAY, AUGUST 7, 1975

STATEMENTS

Attocknie, Joe, Commanche Tribal Council, accompanied by Doc Pewewardy ---- 419
Bartlett, Hon. Dewey F., a U.S. Senator from the State of Oklahoma ---- 349, 351
Bellmon, Hon. Henry, a U.S. Senator from the State of Oklahoma, as presented by Hon. Dewey F. Bartlett ---- 350
Black, Kenneth E., executive director, United Indian Tribes of Western Oklahoma and Kansas, accompanied by Lee Motah, chairman, Comanche Tribe ---- 353
Edwards, Glenn W., executive director, absentee Shawnee Housing Authority ---- 382
Halfmoon, Hubert, coalition of western Oklahoma Indian housing authorities and executive director, Caddo housing authority ---- 364

Page

Hall, Jo Ann, executive director, Sac and Fox housing authority 390
Henderson, Arn, professor of architecture, University of Oklahoma 428
Johnson, Mae, past chairman, Kiowa housing authority 447
Motah, Lee, chairman, Comanche Tribe 354
Pardopony, Stacy, chairman, Comanche housing authority, accompanied by Jerree Toyebo, executive director, and Randy Parker, chairman grievance committee 414
Perry, Kirk, president, Oklahoma Indian Housing Association 410
Pinezaddleby, Bob, chairman-elect, Kiowa housing authority, accompanied by Bill Quetone, vice chairman-elect 403
Poolaw, Kent, Kiowa tribal member 424
Vaughn, Jim, Director of Equal Opportunity Division, Area Office of HUD, Oklahoma City, accompanied by Howard Freeman and John Seay, Department of Housing and Urban Development 448

THURSDAY, FEBRUARY 12, 1976

STATEMENTS

Bartlett, Hon. Dewey F., a U.S. Senator from the State of Oklahoma 465
Davis, John W., area Director, Oklahoma City area, Indian Health Service, Department of Health, Education, and Welfare 467
James, Charles, area Director of Anadarko 499
Nahwooksy, Reaves, coordinator of Indian programs, U.S. Department of Housing and Urban Development 503
Peake, Ron, Chief, Division of Housing Services, Central Office, Bureau of Indian Affairs, Department of the Interior 477

APPENDIX

Additional material submitted for the record 545

INDIAN HOUSING

WEDNESDAY, AUGUST 6, 1975

U.S. SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS,
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Muskogee, Okla.

The subcommittee met, pursuant to notice, at 9:30 a.m. at the Holiday Inn, Muskogee, Okla., Hon. Dewey F. Bartlett presiding.

Present: Senator Bartlett.

Also present: Ella Mae Horse, professional staff member, Hazel Elbert, legislative assistant to Senator Bartlett, and Don Bluejacket, field representative for Senator Bartlett.

OPENING STATEMENT OF HON. DEWEY F. BARTLETT, A U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator BARTLETT. The hearing on Indian housing will come to order. First, I will read an opening statement, then I will call on Gregory Pitcher to read a statement for Congressman Risenhoover.

There exists a unique relationship between Indian people and the Federal Government. Such a relationship is derived from treaties, statutes, executive orders, administrative determinations, and the Constitution itself. Yet despite this special status, and the legal and moral responsibility emanating from it, Indian people have not always benefited from or even been able to participate in all of the Federal programs designed to improve the living conditions of Americans.

This situation is particularly true in the case of Federal housing programs. While the Housing Act brought public housing to most of the country in 1937, this basic act was amended and funded for some 25 years before its public housing provisions were made available to American Indians living on trust land. It was not until then that it was administratively determined that Indian tribes had legal authority to establish, under Indian law, the tribal housing authorities which could develop and operate low-rent public housing projects.

Although some federally sponsored housing programs have been designed principally to serve Indian constituencies, the bulk of Federal housing programs available to Indians are programs designed to meet the needs of urban, high density, mass construction type techniques. Sadly, most Indian housing authorities have not been successful in adapting these programs to their very unique situation.

If it were only a question of adapting Federal programs to Indian needs the situation would not be so critical. The fact is that the delivery system itself, as presently constituted, is a complex process necessi-

tating coordination among three Federal agencies and a local housing authority.

HUD has major responsibility for the planning, funding, and developing of Indian public housing, and this responsibility can extend to providing streets and some sanitation facilities; the Bureau of Indian Affairs is responsible for providing most access roads to Indian housing projects and for approving all site leases, as well as performing some preliminary site tests; and the Indian Health Service is responsible for providing most water and sanitation facilities.

In 1969, in an attempt to coordinate agency activities and avoid embarrassing situations that were beginning to receive national attention—such as new Indian housing units that lacked water and sanitation facilities or passable access roads—a tri-agency "Memorandum of Understanding" was signed. It enunciated the responsibilities of the Indian Health Service in relation to the developments of HUD and BIA financed housing, and required the funding agencies to give IHS notice of their development plans well in advance of housing construction.

This memorandum of understanding never fulfilled its designers' intentions, primarily because it lacked any means of enforcement, but even more importantly, because no one agency was assigned the responsibility of coordinating each other's activities.

In only a few instances have tribal housing authorities been able to move in to fill the leadership void. This triagency agreement was, however, immensely important because it established for HUD and the Bureau of Indian Affairs an annual Indian housing production level of 6,000 units per year from fiscal years 1970–74. Although this production level commitment has never been fulfilled, the agreement did establish a precedent which Congress seized upon in the Housing and Community Development Act of 1974.

It is my understanding that a new triagency memorandum is now being formulated by the same three agencies. I am afraid that unless the new memorandum establishes fixed and reasonable production levels, includes meaningful enforcement procedures for insuring that those units are provided, and assigns lead agency responsibility to one of the three signatories, this agreement too will not fulfill its goal of more and better housing for Indian people.

In the last Congress we enacted a housing and community development bill—Public Law 93–383—that has wide-ranging significance for tribal housing programs. The new law alters the traditional public housing programs that many tribes only recently learned to benefit from, while, at the same time, providing the first legislative set-aside of traditional public housing contract authority for Indian use only.

The legislation also provides Indians with greater access to the rural housing programs of the Farmers Home Administration, through extension of all these programs to land where leases are the only form of security that can be offered, and by enabling public agencies, such as tribal housing authorities, to become sponsors of FmHA rural rental projects.

While these provisions, and others, will enlarge and diversify tribal housing programs, the Indian housing delivery system will remain, to

a large extent, dependent on Federal agencies for much of its housing funds. This will mean that unless there are changes in the way in which the Federal agency bureaucracy processes Indian housing applications and assists in the development and operation of Indian projects, the national Indian housing effort will continue to move at a painfully slow pace, lagging far behind the rapidly increasing rate of housing needs, to say nothing of the rate of inflation.

The purpose of these hearings today is to receive testimony from tribal leaders and housing authority representatives who work with appropriate Federal agencies to provide "safe, decent, and sanitary" housing to their constituent tribal members.

The Bureau of Indian Affairs informs me that in the State of Oklahoma there are a total of 17,594 Indian housing units. Of this number 10,023 reportedly are in standard condition, and 7,571 are currently substandard. The Bureau reports further that 4,342 Indian homes are in need of immediate replacement and that 3,229 require some form of renovation or improvement.

While there are no bills currently before the Subcommittee on Indian Affairs, I hope to utilize the findings from this as well as other hearings to urge a major Indian housing act that will be in keeping with Indian housing needs, hopes, and aspirations.

Now I would like to call on Gregory Pitcher who is here to represent Congressman Risenhoover from the Second District.

Mr. PITCHER. Thank you, Senator.

Senator BARTLETT. Greg, it's nice to have you here, and I'm glad both of us are back in Oklahoma.

Mr. PITCHER. Thank you. It is good to be back in Oklahoma.

Mr. Chairman, at this time I wish to read for the record a statement by Congressman Ted Risenhoover.

STATEMENT OF HON. TED RISENHOOVER, A U.S. REPRESENTATIVE FROM THE STATE OF OKLAHOMA, AS PRESENTED BY GREGORY PITCHER

Mr. Chairman: Problems of Indian housing are not unique among the crisis facing the entire problem of homes in America—especially among low- and middle-income families.

While housing has enoyed an upturn in recent weeks, the factors of high interest rate and spiraling costs of construction still prevail.

Certainly, I acknowledge that housing starts in May were greatly improved—they still were the lowest for that month since 1946. I regret the veto of the Emergency Housing Act since it was aimed at stimulating the construction of some 500,000 homes for middle-income families besides providing for public housing for low-income families in small towns and rural areas. Certainly, this would have benefited Indian people as well as thousands of other families.

When Public Law 93–383 was enacted, there was a set-aside of traditional public housing contract authority for Indian use only. I believe this reflected the special problems facing Indian people. And, for a country which seems to send aid to people anywhere in the world, I can see just cause in seeing that our own Indian people have decent housing.

During the time I have been the Congressman from the Second District, we have seen great reluctance by the administrators of that law to get the program moving.

Particularly, I have heard the name of Robert Breeden of the HUD office in Oklahoma cited repeatedly as the cause of the slowdowns, delays, and setbacks in awarding contracts. There have been some valid reasons for delays which deserved to be rectified and, in many cases, were resolved.

Because of poor payment by some Indian housing recipients, the administration decided it should delay or stop additional construction. This was an outright display of penalizing future homeowners because a percentage of present owners were not being responsible.

State Welfare Director Lloyd Rader, the local Indian housing authorities and responsible Indian leaders joined in urging these families in arrears to budget their finances and start catching up with their back payments.

Since a few new contracts have started to be released, I assume that this leadership—which we urged and helped to form—was effective.

Yet, in our work, we have met many problems.

In early February we asked the Cherokee Housing Authority for background data and information to assist us. To date, we have not received the background facts which would have assisted our effort to spur new Indian housing. This reflects poorly on the authority and on its management team.

There still is cause for concern about both the Federal administrators and the Cherokee Housing Authority. I believe that both parties need to reexamine their motive and make certain they are enforcing the letter of the law and abiding with the spirit of the legislation.

After long meetings—both here in Oklahoma with Indians in public housing, housing officials and HUD officials in Washington—we are seeing some progress.

Then, we are confronted with new allegations which are cause for concern and due full investigation.

I make reference, and submit for the record, a letter for Robert Breeden from T. R. Holbird and Kenney Diffee of Stillwell, concerning construction of new homes. I ask to submit that letter, since I was among those furnished a carbon copy.

These are serious allegations concerning a firm owned by the vice president's son and a large sum of money.

Mr. Chairman, the governing boards of the Indian housing authorities must reexamine their actions and question their decisions. The Indian people who benefit from this housing must demand unquestionable integrity. The Federal Government administrators must closely examine not only the physical work on new housing but the administrative work involved in this commendable undertaking.

We have a chance to solve problems for our people and I want to be strongly on record in favor of doing the job expertly and now.

Mr. Chairman, at this time I request that the letter from K & T Construction Co., be made a part of the record at this point.

Thank you.

Senator BARTLETT. Mr. Pitcher, thank you very much for delivering Congressman Risenhoover's statement.

[The letter referred to follows:]

MAY 27, 1975.

MR. ROBERT H. BREEDEN,
Director, Department of Housing and Urban Development,
Area Office, Oklahoma City, Okla.

DEAR MR. BREEDEN: We are confronted with a serious problem in Tahlequah (Cherokee County), Oklahoma which we urgently need your help in resolving.

We are two minority individuals, T. R. Holbird and Kenney Diffee. Both of us are of Cherokee decent.

We have joined together as K & T Construction Company, to submit a bid on a low rent, HUD financed project in Cherokee County, Oklahoma as a minority contractor. This bid was submitted on May 1, 1975, as a joint venture with Aztec Development Company. It was in accordance with the published invitation to bid, as required by law.

Aztec Development Company as a joint venture partner, was to furnish materials, financing, record keeping, and insurance. K & T was to provide a site and undertake the actual physical construction. Aztec has a long history of satisfactory performance in the mutual help home construction program. Aztec also has a staff of qualified people who assisted in the preparation of the proposal and bid.

On May 1, 1975 our proposal and bid was delivered to the Housing Authority of the Cherokee Nation at their offices south of Tahlequah. This bid and proposal was accepted by the Housing Authority Board.

There was one other bid and proposal submitted. It was by IBEC, a corporation headed by one Rodman Rockefeller, a son of Vice President Nelson Rockefeller.

The amounts of the bids were K & T Construction, $1,017,300 and IBEC, $1,368,400.

From these bid totals you can see that we were $351,100 lower than the other bidder. On May 12, 1975 at the offices of the before mentioned Housing Authority and much to our surprise IBEC was selected as the builder of this project.

At the beginning of the meeting held on May 12, Mr. Mack Crossland stated to the board that they didn't have to accept the lower bid and that the amount of money shouldn't be a factor. We asked the Housing Authority Board on what basis the developer was selected. Mr. Goodlow Proctor, a board member, answered that they selected IBEC because they wanted to be assured that the project would be speedily constructed with quality and they liked their site. He further stated that they had the finances to back them. Upon questioning, Mr. Proctor assured Mr. Holbird that the board in no way intended to question the capabilities or financing of K & T or Aztec.

We believe that since these are federal funds to be used, that the amount of money used should be of utmost importance. We further contend that we have the expertise at our disposal to match or exceed that of IBEC. Finally we contend that some consideration should be given to the fact that we are a local minority owned business.

We all are aware of the difficulties of collections which has existed in the Cherokee Housing program. We are all aware of the unemployment problems within minorities and the construction industry. Therefore, we do not believe that you can simply ignore a difference of $351,000 in this instance.

We further contend that if this decision is allowed to stand, that it indicates a total disregard for the taxpayers money and welfare by the Cherokee Housing Authority and by HUD.

We believe that we were discriminated against in this project due to the political power of IBEC. We invite your attention to an article in the Wall Street Journal dated March 26, 1975. We believe that this power may be direct or implied.

We earnestly seek your assistance in investigating these alllegations which we have set forth. We believe that if the small contractor, the heart of our industry, is to survive must seek justice and fair play through people such as yourself.

Yours truly,

K & T CONSTRUCTION CO.,
T. R. HOLBIRD, KENNEY DIFFEE.

Senator BARTLETT. Is there anything else you would like to say personally?

Mr. PITCHER. No, sir; and thank you very much.

[Subsequent to the hearing the following information was received for the record:]

HOUSING AUTHORITY OF THE CHEROKEE NATION,
Tahlequah, Okla., August 18, 1975.

Re Indian Housing Hearings held in Oklahoma, Holiday Inn Muskogee, Okla., August 6, 1975.

Hon. Dewey Bartlett,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BARTLETT: Please let the record show our response to freshman Congressman Ted Risenhoover, 2nd District (Democrat) allegations of mismanagement and discrimination. We are enclosing for the record a letter from Mr. Leonard Chaires, Assistant Regional Administrator for Fair Housing and Equal Opportunity, Dallas Region VI. The letter is self explantory. The Board of Commissioners of the Housing Authority of the Cherokee Nation of Oklahoma carefully considered project sites and design criteria before selecting IBEC Housing Company of Oklahoma as Developer. The Board follows this procedure in every case when accepting or rejecting proposals for housing development cost is not the primary criteria for Developer selection and no discrimination was intended by the Board in rejecting K. & T. Construction Company.

Congressman Risenhoover's allegations of mismanagement by the Cherokee Nation Housing Authority is completely unfounded and it is apparent that his information sources are unreliable. It is regrettable that a U.S. Congressman must lower his priorities to the level of attacking a struggling Indian Housing Authority trying to house its people. Whatever his motives or motives of his advisors, the Cherokee Nation Housing Program is the largest and most successful Indian Housing Program in the Nation. We are proud of our achievements and welcome inspection by the Department of Housing and Urban Development or the general public.

Please let the record show that Mr. H. R. Crawford, Assistant Secretary for Housing Management is highly knowledgeable if Indian Housing problems and is working very closely with Indian Housing Authorities in effort to assist them whenever possible.

Best wishes.

Sincerely,

THOMAS MACK CROSSLAND,
Executive Director.

P.S.—Please let the record show that Congressman Risenhoover's information he requested from our Authority was sent to him March 24, 1975, as per attached copy of transmittal letter.

Enclosures.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
REGIONAL OFFICE,
Dallas, Tex., August 8, 1975.

Mr. THOMAS MACK CROSSLAND,
Executive Director, Housing Authority of the Cherokee Nation,
Tahlequah, Okla.

DEAR MR. CROSSLAND: Complaint of K. and T. Construction Company against the Cherokee Nation Housing Authority was forwarded to the Dallas Regional Office from the Oklahoma City Area Office on June 12, 1975.

Our letter to complainant on June 27, 1975, advised that there was no jurisdictional remedy under Executive Order 11246. A copy was furnished the forwarding Office in Oklahoma City with the assumption that the Cherokee Nation Housing Authority, as respondent, would be advised. We were not aware of the failure to inform you until a telephone call was received in this office on August 7, 1975, from Edward Munson, Attorney for your Authority.

We regret the informing failure and are enclosing a copy of the determination letter to the complainant.

Sincerely,

Leonard Chaires,
Assistant Regional Administrator for Fair Housing and Equal Opportunity.

Enclosure.

JUNE 27, 1975.

K. AND T. CONSTRUCTION COMPANY,
Care of Aztec Development Company
Stillwell, Okla.

GENTLEMEN: Your letter of May 27, 1975, addressed to Mr. Robert H. Breeden, Director of HUD Area Office, Oklahoma City, has been forwarded to the Regional Office of HUD, Dallas, Texas.

Executive Order 11246 dated September 24, 1965, and subsequent amendments, provided as a condition for approval that the applicant for Federal assistance involving a construction contract undertakes and agrees to incorporate the provisions prescribed for Government contracts by Section 202 of said order, Paragraphs one to seven. It provides that the authorized areas of discrimination are because of race, religion, color, national origin or sex.

In your complaint there does not appear to be jurisdictional remedy under Executive Order 11246 since it is stated in your letter that: "We believe that we were discriminated against in this project due to the political power of IBEC."

In view of the above the Assistant Secretary has determined not to accept your complaint because of lack of jurisdiction.

Sincerely,

LEONARD CHAIRES,
Assistant Regional Administrator for
Fair Housing and Equal Opportunity.

HOUSING AUTHORITY OF THE CHEROKEE NATION,
Tahléquah, Okla., March 24, 1975.

CONGRESSMAN TED RISENHOOVER,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN RISENHOOVER: We are transmitting herewith, the information you requested sometime ago. We are sorry for the delay, however, we are shorthanded and trying to process the annual re-examination of income.

1. Attorneys used by LHA, past and present. 1968–1975
   a. Field Solicitors, BIA, Muskogee, Oklahoma
   b. Jim Groves, Tulsa, Oklahoma
   c. Gene Mowery, Stillwell, Oklahoma
   d. Elton Johnson, Tahlequah, Oklahoma
   e. Ross Swimmer, Tahlequah, Oklahoma
   f. Jack Brown, Miami, Oklahoma
   g. Ernest Brown, Pryor, Oklahoma
   h. Fred Green, Sallisaw, Oklahoma
   i. Dan George, Sallisaw, Oklahoma
   j. Keen and Munson, Tahlequah, Oklahoma
2. Department of Housing & Urban Development Inspectors.
   a. JohnShaw, Dallas and Oklahoma City
   b. Preacher Bassett, Dallas, Texas
   c. J. T. Mayes, Oklahoma City
   d. Johns Allen, Oklahoma City
   e. Harvey Collins, Oklahoma City
   f. Emory Hayes, Oklahoma City
   g. Wilbur Ash, Oklahoma City
   h. Robert Maddox, Oklahoma City
   i. John Powell, Oklahoma City
3. Housing Authority of the Cherokee Nation Inspectors.
   a. Albert Lacey, Tahlequah, Oklahoma
   b. Arnold Price, Jay, Oklahoma
   c. Bill Moss, Tahlequah, Oklahoma
   d. John Hair, Jay, Oklahoma
   e. Joe Whitmire, Sallisaw, Oklahoma
   f. Bud Hendricks, Grove, Oklahoma
4. Contractors who have built for Housing Authority.
   a. IBEC Housing Company of Oklahoma, Tahlequah, Oklahoma

b. Aztec Development Company, Tahlequah, Oklahoma
c. Dale Smith Construction Company, Tahlequah, Oklahoma
d. Allen Construction Company, Shawnee, Oklahoma
e. Southern Construction Company, Sallisaw, Oklahoma
f. Porter and Rhodes Construction Company, Lawton, Oklahoma
g. ADCO Construction Company, Jay, Oklahoma

5. Operating Budget for Housing Authority since 1970–1975.

	Amount	Employees	Payment due to substantiate budget
Fiscal year:			
1970	$81,080	9	$7
1971	96,258	11	7
1972	116,206	13	7
1973	132,010	15	9
1974	162,160	18	9
1975	184,800	20	12

Sincerely,

THOMAS MACK CROSSLAND,
Executive Director.

Senator BARTLETT. At this time I would like to thank Mr. Jack Ellison for his tremendous help in making this hearing work smoothly, which I am sure it is going to; for helping us contact the witnesses; and for the luncheon. I also want to thank Bob Lay of the BIA Housing Office.

Before we start, I would like to know how many HUD people are here. I know there are a few. Would you mind raising your hands, please?

Three of you. Good. As you know, you have not been contacted about testifying so you are probably not prepared to testify or make any statements. However, we would like for you to either respond to any comments that will be made or to make any statements you would like. I would also like to ask you questions that will probably come to mind as the hearings unfold and then schedule you at the end, if that would be agreeable with you.

Mr. FREEMAN. It might be appropriate at the end, I imagine. We can speak to our own function, not necessarily for HUD, but Jim Vaughn here is with Equal Opportunity, Don Seay with Housing Management, and I am a multifamily representative for the Indians.

Senator BARTLETT. All right. Then if that is agreeable with you, we will just include the three of you as a panel at the very end.

Mr. FREEMAN. Fine. Thank you.

Senator BARTLETT. The first panel is headed by Chief-Elect Ross Swimmer of the Cherokee Nation.

Mr. SWIMMER. Thank you, Mr. Chairman.

Senator BARTLETT. Chief, if you would, proceed as you wish.

Ross, I congratulate you on your election.

STATEMENT OF ROSS SWIMMER, CHIEF-ELECT, CHEROKEE NATION; ACCOMPANIED BY JOHNNYE CHOPPER, CHAIRMAN, CHEROKEE NATION HOUSING AUTHORITY; THOMAS MACK CROSSLAND, EXECUTIVE DIRECTOR, CHEROKEE NATION HOUSING AUTHORITY; AND EDWARD L. MUNSON, ATTORNEY

Mr. SWIMMER. Mr. Chairman, I appreciate the opportunity of being here today representiing the Cherokee Nation of Oklahoma. I am chief-elect. There still is time for confirmation; the swearing in won't be until the 14th. But I do feel that my past experience with the Cherokee Nation of Oklahoma and the election, which is over now, does give me the authority to at least express my opinion.

I would like to introduce the panel for your information. Mr. Ed Munson on my right is acting as counselor, attorney, for the housing authority. Mr. Johnnye Chopper is the chairman of our housing authority; and at the end of the table is Mr. Thomas Mack Crossland, the executive director of the housing program.

Unfortunately, I have not been able to sit down with these gentlemen for too long a time before the hearings. I did receive word of the hearings recently. Because of my experience in the Indian housing program and because of my recent experience in campaigning in eastern Oklahoma, I would like to express a short statement about the housing program.

I appreciate the chairman's remarks. From your statement, I think you are well aware as to what some of the problems are that we are facing in Indian housing today.

I also appreciate the comments of Congressman Risenhoover. I think that anytime an allegtion is made concerning our housing authority or tribe or anyone who is working for our housing authority or tribe, this is something that definitely will be looked into.

I will be working with the housing authority regarding this and I think that any problems along these lines can be resolved. There is, to my knowledge of the Indian housing program, apparently a misunderstanding that I think can be resolved to the Congressman's satisfaction. I respect his efforts in this matter and we will be working closely with him also.

My recent tour through eastern Oklahoma has resulted in personal findings of a susbstantial number of inadequate housing units. When I am speaking of inadequate, I mean everything from not having indoor plumbing and water to log cabins where you can stand in the front and look all the way through the house and see the backyard. These conditions do exist in Oklahoma. They exist in eastern Oklahoma.

Some of the new programs that have been proposed by HUD to help alleviate Indian housing problems in eastern Oklahoma do not

fit this situation that well because there is not the ability of developing a large number of housing units on a particular site.

In too many cases an Indian resident is living on a small acreage, in some cases his original allotment, that would restrict itself to one housing unit. This housing unit may be as much as 30, 40, 50 or even 100 miles from any one contractor's operating headquarters.

Without having the mutual help type of program where a contract is let, say, for a number of units built in a certain area where the contractor can be assured of having several units to build, it is virtually impossible for an Indian resident to hire a private contractor to come out and build him a house, whether it's financed through Farmers Home, HUD, or through his judgment funds of the Indian tribe.

The mutual help program has benefited particularly the Cherokee Nation of Oklahoma and the Indians that live in our jurisdiction. And I am sure that you will find from testimony of other housing authorities that it has also benefited those tribes and those housing authorities.

It is one method of delivery of housing that has been very effective, but it hasn't been without problems. Those problems stem principally from the Federal bureaucracy involved in getting housing units actually from the drawing board into the field.

I would suspect that our executive director could tell you that it takes as little as 1 year and sometimes as much as 3 years to actually conceive a project, find the participants for the project and get to the stage of construction.

At that point in time the participant takes occupancy of the house, but he does it with a lot of hesitancy, because even today, it is my understanding, that we have not formulated a handbook for mutual help housing. Two years ago I received a proposed draft of the handbook for mutual help housing.

Now, it is incredible to me that a few Indian housing authority leaders and tribal leaders and a couple of people from HUD cannot sit down and review the situation so that a housing handbook could be developed so that we could give adequate, proper and correct information to Indian housing participants.

Our housing authority has suffered in the past from a relatively high delinquency ratio that is brought about not by the reluctance or the failure necessarily or the inability of the Indian participants to pay their housing rent. It is brought about because they do not know what they are going to receive when they do pay that rent. There is nothing on record today from HUD saying that any one of these houses will be paid for.

Now, we are talking about an area in eastern Oklahoma, particularly in southern Adair County that has right now a 70 percent non-English dominant speaking people. You give them a five or six page mutual help occupancy agreement that even I am sure Mr. Munson and I would disagree on as far as being able to come out from reading the thing with the same interpretation, you give them something like that and you might as well give them five blank pages because it doesn't make any sense. And there are very few people at the local HUD office or even at the Washington office that can agree on the actual meaning of what is in that agreement.

My feeling is that the program can be simplified, the delivery system can be simplified, the construction of the program can be simplified,

and it can be made effective. And I also feel that in many cases, the Government is asking us to build housing that is not necessarily necessary for the Indian people.

One thing that came to mind—and I am sure that there are very good reasons for having this—but the thing that is most amazing to me is that we now have smoke detectors in all of our houses. Is that not correct?

Mr. MUNSON. Yes, sir.

Mr. SWIMMER. I have got a substantially more expensive house than what they build for Indian housing and it doesn't have a smoke detector.

Now, I don't know how many of the things like this that we are going to be required to build into our Indian housing program, but the more things like this we put in, the more expensive it is, the longer it takes for the people to pay it off, and the people don't understand why the house costs so much.

You made a statement concerning the alinement of the three agencies—the Public Health Service, the BIA and the Housing and Urban Development Administration. These three agencies must get together and they must decide who is going to be responsible for Indian housing, because as it is now, it is up to the local housing authorities pretty much to pull these people into line and to get something done and coordinated, and there is very little help at least in the past that I have seen in actual coordination between the three in developing a housing unit.

I don't mean lack of cooperation in the sense that they don't want to help, but it is the idea of perhaps a too expensive well or who is going to control the well driller, is it going to be the Public Health Service or is it going to be the BIA or is it going to be HUD, or you know, is it going to be the contractor or the LHA.

I visited several houses in the Kenwood area and they have sulfur wells and yet they are awfully deep wells, but right across the street shallower they have good water.

Somebody has to be responsible for patrolling these operations and and it is not just as simple as it seems. You say, well, the contractor should do it because Public Health Service oftentimes requires wells be drilled deeper and what-have-you to meet certain requirements.

What I am trying to say is, to simplify the program, simplify the construction, particularly the time it takes to get from the inception of the housing project to the time it takes to get out to the field with it.

There is no need for a 1 or 2 or 3 year delay from the time a housing authority comes up with 50 participants in desperate need of housing until the housing is built. It increases construction costs; then you have contractors coming back in wanting to increase costs because they bid the project 3 years ago and it is not feasible to build it today. You have participants who wait, and wait, and wait. They fail to go out to take advantage of other programs because they feel like any day they are going to get the house. And I could cite some various examples but I won't take the time here.

I do appreciate your being here today, Senator. I think it is a great advantage to the Indian people to have you on their side, particularly on this matter, and I trust that you will do whatever you think is neces-

sary to help alleviate the Indian housing problem in Oklahoma, particularly in eastern Oklahoma.

We have a situation where you are not simply helping one race of people. The Indian population of eastern Oklahoma is, I suppose if you counted everyone that was a descendant, that was a member of the tribe, would approach 70 to 80 percent. So, when you do help the Indian population of eastern Oklahoma, you are helping Oklahoma.

And I think this is true of all Oklahoma, and I am not discriminating against other Indian tribes, because the Indian housing authorities are located in the poverty areas in rural Oklahoma and this is where, unfortunately or fortunately, the Indian people do live, and they live there to a greater extent than the non-Indian people do.

So, as a practical matter, the Indian housing authorities are the most viable delivery system of housing for rural Oklahoma of any organization in the State.

So, I appreciate the opportunity of making these few comments and your being here today, and I will turn it over to the housing authority of the Cherokees.

Senator BARTLETT. Thank you very much, Chief Swimmer, for a very comprehensive and fine statement.

We will now hear from Mr. Chopper, chairman of the Housing Authority of the Cherokee Nation, and then I assume Mr. Crossland, after which we will have some questions for the entire panel.

STATEMENT OF JOHNNYE CHOPPER, CHAIRMAN, CHEROKEE NATION HOUSING AUTHORITY

Mr. CHOPPER. Mr. Chairman, it is indeed a pleasure to be here, to be invited to participate in this particular meeting, and I am here today representing Mr. Keeler, whose tenure is very short now since we have our good friend now, Ross, the elected chief.

But I would like to say this, that we are grateful indeed, and we would like you to convey, Mr. Senator, this to the other Members of the Congress for the fine things they have done for Indian people, especially Mr. Keeler would like for them to know that we appreciate the great magnitude and efforts that have gone into it to help improve the status of our Indian people, and though he is not going to be around very much longer, we are very desirous to ask and to help in some small way to see that some of his goals be reached, and we realize that they will probably never be reached—and I am basing this on the statement that you read in your statement about something with reference to the Bureau of Indian Affairs as to the needs of the Indian people in the area, and I think that the figure that you read was something like 7,571.

Well, we are aware this morning that our needs would probably gobble up that entire allotment if, you know, it were granted to us, and I think that Mr. Crossland here will have reference to this in perhaps his position paper.

But I do want to thank the American public, the American taxpayer for what they have done for our Cherokee Indians, not only our Cherokees but for the Indians in their entirety.

And I am happy to say that this morning we have been again privileged to act as the LHA for the eight small tribes in northeastern

Oklahoma, which answers the age-old question: Am I my brother's keeper? And we have done so without one allocation of houses for them. We have borrowed from our allotments and built homes for these people because they have need.

So, we of the Cherokee Housing Authority and the tribe itself feel like that we are helpers of not only our own people but of others, and we shall continue to do this.

But I would like to read my statement for the record, and have a very short brief remark beyond this.

Personally, I have been involved in our housing program from the very beginning. Back on June 18, 1965, when the enabling legislation occurred, why, Mr. Keeler was very interested in this and asked if I would serve on the board of commissioners if it were created.

After some thought and study I thought maybe this could be a little input that I could have to help our fellow Indians. At the time, I was with the Department of Agriculture and I gave up a way of life that I was trained to do in order to do this. And incidentally, Senator Bartlett, I am quite familiar with your development in the Grove area. I have walked over a lot of it with the Department of Agriculture.

But anyway, I gave up this way of life to serve on this particular board. It just changed my entire way of life, actually, but I am not sorry that it did.

Even though the progress has been remarkable in some areas, we have had a lot of problems. We expect a lot more problems—one gentleman referred to them as growing pains at one time—and I am sure that we will continue to have problems in different areas, but I feel that this morning as one that has been involved in this thing for so long, I have some good knowledge of the needs.

Being a fullblooded Cherokee Indian, I live with the Indians, I visit them in their homes. I worship with them, I know the needs, and I have visited so many homes in relationship with my activities serving as a committeeman on the board for the BIA HIP program.

And I am here to tell you this morning, Senator Bartlett, that it is sometimes alarming to the extent that you want to cry to visit some of the homes. And yet, when you talk to them about the programs that we have, they are very reluctant because of what Mr. Swimmer just said pertaining to, you know, the lack of knowledge or lack of having the necessary ingredients to explain to them the procedures and how are they going to buy a house under this particular setup and program. They are reluctant.

And recently, in the city of Prior, adjacent to the city limits, I contacted an Indian family there, and as I looked on the home, and I saw that it was not a condition where that you could feasibly renovate the house, and as I walked into the house and to see the conditions of the house, I looked up to the ceiling there and you could see beyond the ceiling, you could see even beyond the roof of the house. Now, this is one of the sad places that I have had the misfortune of visiting.

But with a program such as this, if it can have some continuity, perhaps modified or even programed, new legislation, and this is what we are asking for this morning, I say, we can take care of these many problems that we have because, after all, we are part of a great society.

Indian people have always had an input in whatever the Government has done. I am thinking about the times when many of us who

served in the armed forces, when the Government needed people, we were there to respond. I recall in Washington, having visited the magnificent monument of the States, of the Iwo Jima picture there, you know, that you have. I remember reading that there was an Indian boy there who helped raise the flag, by the name of Ira Hayes, if I recall correctly.

And the Indians have always been a part of this great Government, and we don't feel like, you know, we want to be treated just a whole lot different from any others, but we are unique in many ways. Perhaps we haven't made the developments that we should have made, but we have made great strides, and it has been because of leadership we have had, Mr. Keeler, and we are looking forward to Mr. Swimmer's leadership.

And I think with everyone being united, working together, I think that we can solve the many problems that we have because the problem that we have had is the fact that Indian families with children are without proper housing, and as a result there was a great dropout rate.

The children today, from studies that have been made where we have housed Indians, we find out that the little children have improved in their grades. And not only that, they are willing to say to their non-Indian playmate, "Come home with me and stay all night with me."

Why? Because we have had a program for them where they could enjoy a house, safe, decent and sanitary.

And this has upgraded our Indian children. It has helped those that are a little bit older that are going out into the labor market get better jobs, an incentive.

This has been a tremendous, wonderful thing that the Government has done for our Indian people. And we are alarmed this morning to think that maybe they would do away with something like this when we are just at the very begining, because in our case, we decided, a couple of us in the early stages, that we need something like 4,000 units, you know, just for the Cherokees.

But subsequently, once the ball got to rolling and we completed our first pilot project, why, the Indians got concerned and they began to participate in this program and we expanded rapidly. And we saw real quickly that we needed not only 4,000 units but maybe 7,000 units. Today we have approximately 2,000 units or thereabouts, after about an 8- or 9-year period of time. So, you can see what Mr. Swimmer was referring to when he said the delivery system has been too slow.

We appreciate what we get, yes, but we feel like it can be improved and I know and I just feel like that with the congressional delegation that we have here from Oklahoma and your counterparts in Washington, that you will give us something that we can continue to better improve the economic condition of our Indians, their health conditions and all the good things that go with our American way of life.

And I want to say, Senator Bartlett, in conclusion, that we appreciate the privilege of being here, of having this opportunity to speak very briefly—I haven't said a whole lot but because of the time, I just want to say thank you for inviting us and convey our appreciation to the people back in Washington.

Thank you.

Senator BARTLETT. Thank you very much, Mr. Chopper. I am going to be in those Delaware County hills Friday night. I am looking forward to it.

Mr. Crossland.

STATEMENT OF THOMAS MACK CROSSLAND, EXECUTIVE DIRECTOR, CHEROKEE NATION HOUSING AUTHORITY

Mr. CROSSLAND. Senator, there isn't a whole lot that I can add to, I think, what has already been outlined here. Actually, I would like to echo all they have outlined.

In the hand-in paper that I have here for you I have covered some 15 pages of the areas that have given the housing authority an awfully hard time and in the interests, I think, probably of the other housing authorities that are also here behind us, I would be free to answer any of your questions later to the panel.

So, if I could be of service during the hearing, let me know, please.

Senator BARTLETT. Mr. Crossland, thank you very much, and thank you for the position paper. It will be made a part of the record.

[The position paper follows:]

POSITION PAPER OF THE HOUSING AUTHORITY OF THE CHEROKEE NATION OF OKLAHOMA

FORWARD

Although the United States Housing Act of 1937 established a program of low rent housing for those states who would avail themselves to its guidelines, Oklahoma did not pass the enabling legislation until October 1967. Shortly after passage of the Oklahoma Housing Act of 1967, which was patterned after the United States Housing Act of 1937, the Cherokee Nation of Oklahoma, under the leadership of Chief W. W. Keeler, met in executive session and declared a need of 8,000 dwelling units for the tribe's poorly housed citizens. A Housing Authority was established and an application submitted to the Department of Housing and Urban Development in Forth Worth, Texas.

To date, the housing authority of the Cherokee Nation of Oklahoma has assets and liabilities of 35 million dollars which translates to 31 individual projects, 1507 mutual help and 289 low rent. A program reservation has been issued for an additional 200 dwelling units of which some 40 units are designated by the authority as being for the elderly and of a low rent nonownership type.

The aforementioned units are of a conventional mutual help—low rent nature which is the backbone of our housing program. However, we have been informed unofficially several days ago, that our Authority was to receive 200 Section 8 Housing units. Hopefully, the units would be used to satisfy existing housing needs but, should this not be the case, new construction would be necessary, thereby reducing the 200 units to something similar 100 dwelling units.

The Section 8 Housing Assistance Program has merit, but it remains to be proven whether or not it will be adaptable to our particular housing needs.

And finally, the housing authority of the Cherokee Nation of Oklahoma would like to go on record as saying "think you," Housing and Urban Development and Federal Government, for what we have today.

It may sound trite, but we have some constructive criticism which we feel will greatly impove the delivery system and refine the overall effectiveness of the Indian housing program. We will address ourselves first the problem areas encountered by this authority.

NO SPECIFIC GUIDELINES FOR ADMINISTERING THE MUTUAL HELP HOUSING PROGRAM

At a meeting in Albuquerque, New Mexico, on April 17-19, 1974 an attempt was made to draft an Indian housing handbook. Both the Department of Housing and Urban Development and Indian housing authority representatives la-

bored diligently over the handbook and a rough draft, not inconsistent with Indian thinking, was formulated by the body. On May 11, 1974, our authority received a typewritten copy of that draft, but to date (August 4, 1975), we have nothing published in a final form.

The basic low rent program includes the following programs or subprograms which are utilized in Indian areas.

a. Conventional low rent program

b. Mutual help homeownership program

c. Turnkey III homeownership program

Our authority can perform with little or no difficulty in meeting the criteria of HUD-FHA handbooks when developing and managing conventional low rent elderly-nonelderly housing projects. The Turnkey III Home-ownership Program is of no concern to Oklahoma Indian housing authorities because this method of housing development is used extensively by the reservation Indians. The mutual help method of dwelling construction, however, is where the difficulty seems to arise for Oklahoma Indian housing authorities.

Things like site selection, marketability, appraisals, leases, provisions for utilities and streets, specific responsibilities of Indian Health Service/Bureau of Indian Affairs with regard to water, sewer, roads, design standards, environmental impact, state clearing houses, state planning districts and so forth, all present unique problems to a rural oriented Indian housing authority.

Summarily, because many executive directors and housing commissioners cannot second-guess the areas or regional DHUD representatives, they are accused of delaying their housing program.

IMPROVING INDIAN HOUSING DELIVERY

Concerning the condition of accounts receivable in Indian housing, in some areas this problem is very critical, whereas in others there is an acceptable percentage of collections.[1]

It appears that many DHUD areas are not releasing new units because of prior problems with collections. The position taken by DHUD is possibly justified. However, the only persons being hurt by this action are Indian families awaiting final approval of their homes. This situation is just another long delay in the processing of an application, a delay which, in many cases creates frustration, depression and outright hostility to the entire Indian Housing Program.

We are certainly not advocating a complete disregard of critical accounts receivable. We are, however, recommending HUD management take up this problem separately through training and direct contact with each local housing authority. Processing of the application for program reservation could then proceed without delay.

National American Indian Housing Council strongly urges all Indian housing authorities to make every effort to reduce accounts receivable whenever this problem exists.

Economic feasibility has also been a question of concern for HUD in approving additional units. This position appears to be in direct conflict with the stated purpose of low income housing. An applicant whose income is "too low" is disqualified from participation in a program designed to upgrade his standard of living! It seems easy for statisticians in a HUD office to make such a determination. However, it is very difficult for the Executive Director of an Indian housing authority to notify a desperately needy family of their disqualification.

This difficulty is compounded by the family's lack of comprehension of the reasoning behind such a decision. Such a position by HUD dooms the very low income family to the dark dungeon of poverty, health deficiency, despair and substandard housing forever. One needs only to tour the majority of Indian Reservations to witness deplorable living conditions of most Indian families.

For the Federal Government to question the need for standard housing on Indian reservations through delays of voluminous paperwork only alienates the very parties the program is designed to aid.

In conclusion, the delays that currently stymie program reservation could very easily be remedied by a more realistic approach to the intended purpose of mutual help housing, that is, to place needy Indian families into safe, decent and sanitary homes as quickly as possible.

---

[1] NAIHC report, July 25, 1975.

STEREOTYPE PROBLEMS

In the early days of our housing program, while still processing applications through Region VI at Forth Worth, Texas, the authority was taken advantage of by contractors who were not genuinely interested in building quality houses for our people. We still have some of those dwelling with us today. It was only natural that Indian Housing was to be stereotyped as a rectangular block house with no carport and tar paper roofing. Oklahoma Indian housing authorities, as well as other, have realized their predicament and have sent inferior contractors on their way.

What most HUD Officials and others who investigate see are those units constructed in the infancy of an authority. Perhaps this is the reason why the general consensus of HUD (which responds to the administration's direction) is to do away with the program altogether as not being workable.

Or, another reason which could be argued is that the Federal Government wants to pass the burden of financing public housing along to private investors, but yet, be willing to subsidize low income families who cannot afford the rent otherwise.

In the latter thinking, Section 8 Housing was conceived and is with us today. Section 8 for the Indian or reservation or tribal trust land spells doom. An investor or savings and loan must have fee simple title to the intended house site; this cannot be the case of federally restricted lands. But under the mutual help-low rent housing program as we know it today, a long term lease cannot suffice in lieu of fee simple.

Oklahoma Indians have obviously mastered the technique of housing production as the DHUD records will attest; however, the Cherokees as well as other tribes are experiencing management problems. Most of this is due to the life style of our people and some of the responsibility lies at the feet of the authority and DHUD.

A great deal of emphasis was placed on housing production in the early stages of our program with management only seen occasionally and not heard from. Many management problems are with us today, such as computation of house pay-off, payments in lieu of taxes, operating subsidy and so forth. We as Cherokees are making strides in solving our own management problems, and other tribes are getting more and more sophisticated.

We continue to be burdened, however, with myriads of paperwork and inexcusable delays at the DHUD area and regional level. As one HUD employee put it in a recent meeting "they (HUD) have finally made something simple and workable complicated and unworkable."

Cherokees, along with the Creeks, Choctaws, Chickasaws, Osages and Seminoles, have protested what appears to be deliberate delays in processing applications, program reservations and annual contribution contracts. It does little or no god at all to seek relief through the regional DHUD office for delays arising at the area DHUD office.

We work primarily through the area offices and have no rapport or sympathetic ear at region. Consequently, we (Cherokees) must seek help from the DHUD central office or our congressmen in Washington, D.C., which further alienates the region and area DHUD office.

RECOMMENDATIONS

As Cheokees, we would like to make several constructive suggestions which may or may not be the consensus of other Indian housing authorities.

We have asked for but have not received a favorable response to our request for an Indian desk at the area HUD office. We feel that a person, or persons of Indian descent with similar cultural backgrounds, and handling only Indian programs would greatly reduce the friction at the place where it is needed the most, increase production and assist in solving complex management problems.

We would like to suggest that a significant reduction in paperwork be attempted. We are forced to complete insignificant and irrelevant FHA forms which are time-consuming and not applicable to Indian housing.

We would like to suggest a uniform rent schedule for all Oklahoma Indian housing authorities. Some Indian LHA's are charging rents lower or higher than their neighboring authority; for instance, the Cherokees charge $125.00 per month maximum rent and another Indian LHA charges $80.00 per month.

We would like to suggest that DHUD make arrangements to fund Indian LHA's to pay mutual help in lieu of taxes to counties where projects exist. Presently, a pilot for in lieu of taxes is allowed for low rent and provided for in the operating budget.

We would like to suggest more technical assistance from area DHUD. Seldom do we see area representatives from HUD until it is too late.

We would like to suggest that if we are to move from Dallas, Texas (Region VI), then we should be able to select either Denver or Kansas City. To date, we have never been considered when decisions are made affecting Indian housing authorities.

Senator BARTLETT. Mr. Munson, do you have a statement to make?

STATEMENT OF ED MUNSON, ATTORNEY, CHEROKEE NATION HOUSING AUTHORITY

Mr. MUNSON. No, sir, I have not prepared a formal statement, although being the attorney serving with Mr. Ralph Keen, the attorney for the housing authority, I know from experience exactly what our chief-elect as well as our housing authority executive director are saying with regard to the misunderstanding by the people.

I have been, because of delinquencies, working closely with our people in trying to get them to understand what the program is about, and one of our biggest problems in regard to this is that the housing authorities have never been adequately funded with any funds for educational purposes to inform the people what HUD is trying to do and what, through these legal documents, the requirements are for these programs.

Now, these are some of the things that I know Mr. Crossland has outlined in his paper, so I would merely echo their remarks, that there are problems but we all feel they can be solved if we cooperate and work together.

Senator BARTLETT. I have some questions, Mr. Munson. I will start with you on the matter you just brought up.

I think you all touched on it one way or another—the counseling matter, the handbook that the chief-elect mentioned, the agreement, and your deferring to all these.

Now, what do you think should be done to have communications with members of the tribe so that there would be clear understanding?

Mr. MUNSON. Well, first of all, I think we have got to begin with HUD itself because many times the questions that we are asked from our participants we cannot answer because we have not been furnished the information from HUD.

Now, one example I can give you of this is a problem that we have been fighting for a number of years, where we are trying to give a payoff figure to a participant. He wants to know,

I have had this house for four years; I have in some manner received funds; how much do I owe on this house? You have told me that eventually it will become mine but for some reason I am ready to do it early. How much do I owe?

And we have as yet received only what I would term tentative formulas, that we have got no one to say that is exact, from HUD, so we are not able to relay the information to the people.

Once again, we have this in regard to guidelines as to how projects are to be administered. Once again, these are items that are proposed to be covered in the handbook but they have not as yet been delivered to the housing authorities; therefore, we are in a position of not

having complete and accurate information to give to our tenants and participants, so we are somewhat caught in the middle requesting the information from HUD that our participants want. And I am afraid that oftentimes we take a lot more of the heat than possibly we deserve, but we have all got to work together to solve it.

We have also got some problems regarding what is called in lieu of taxes. When the Housing Authority Act was enacted and through the enabling legislation made law, there was provision for in lieu of taxes, which means that since it was Federal property that was involved for these units, the title was vested in the housing authority, therefore not taxable, that the Government would provide in lieu tax moneys to the counties so that the school systems, the road systems, would not suffer because they have invited public housing into their domain, and they must invite us in. We don't go into areas where in essence we are not wanted. We get cooperation on this.

But we have never been funded these in lieu tax moneys and we are now more or less rubbing a sore spot in trying to work with our city, county, State and Federal Governments in saying, where are these moneys, what happened to them, you promised us there would be in lieu tax money paid and they have never come forward.

Once again, we are caught in a position, as a housing authority, because HUD has never funded the housing authority for these in lieu tax moneys, and we must have their permission as well as their funding to do this. So once again I say, we are caught in the middle, this time between HUD and the local government entities.

There are many, many other of these type problems, but as I say, it essentially begins at the top of the bureaucracy. We must get the cooperation, we must be taken off of what many times we feel is bottom priority. We know we are a small percentage of the national housing program, but we do need some attention and assistance, and if this would come forth we feel that many of our problems would be alleviated.

Senator BARTLETT. Thank you, Mr. Munson. Any one of you may respond to these questions, but possibly they might be directed to Mr. Crossland.

How long has your tribal housing authority been established?

Mr. CROSSLAND. It was established in 1965, late 1965 or 1966.

Senator BARTLETT. Late 1965 or 1966?

Mr. CROSSLAND. Yes, sir.

Senator BARTLETT. How long have you been executive director?

Mr. CROSSLAND. Approximately 4½ years.

Senator BARTLETT. How many low rent units does the housing authority have under occupancy?

Mr. CROSSLAND. At this particular time we have 236.

Senator BARTLETT. How many under development at the present time?

Mr. CROSSLAND. I have in development? We just let the contract—are you talking about low rent?

Senator BARTLETT. Low rent units, yes.

Mr. CROSSLAND. We have not started on the upcoming project. Fifty is in the increment that we have, the one I think which was alluded to a little earlier.

We do have the 50 of the low rent, we have 100 which is under construction here at this time, we have a program reservation and I am advertising at this particular time for some 200 mutual help units.

Senator BARTLETT. How many should be developed in the future?

Mr. CROSSLAND. Oh, my, that is an excellent question. What do you say, Chief?

Mr. SWIMMER. Something like 4,000.

Mr. CROSSLAND. I would say in combination probably 4- to 6,000.

Senator BARTLETT. Do Indian families adjust easily to living in low-rent projects?

Mr. CROSSLAND. No, sir, they do not.

Senator BARTLETT. Do they occupy low-rent projects for long periods of time?

Mr. CROSSLAND. Almost always.

Senator BARTLETT. Are families required to vacate low-rent units after a specified number of months?

Mr. CROSSLAND. No, sir.

Senator BARTLETT. Are eviction rates from mutual help houses high, medium, or low?

Mr. CROSSLAND. I would say—here, at this time I would say they would be probably about 2 perceent, which isn't very high at all, would be low.

Senator BARTLETT. Two percent would be the percentage of evictions?

Mr. CROSSLAND. Yes.

Senator BARTLETT. What happens to these families? Where do they go? Does the tribe have a policy?

Mr. CROSSLAND. No, sir. Actually, after they leave our housing project I don't know what happens to them. I guess they probably seek other housing or maybe go live with other people, I don't know. Anyone want to comment on that?

Mr. SWIMMER. Often they join another family that may be in a mutual help house or they go back to where they came from, throw more sticks on the wall.

Senator BARTLETT. Yes, Mr. Munson?

Mr. MUNSON. If I may respond to that, we have now found that those who are evicted are coming back and making additional application for reentry, and this is a decision that we are facing now because we have proved at one point in time that they could not fulfill their responsibility.

Senator BARTLETT. You mean, back into the same unit?

Mr. MUNSON. No, not necessarily the same unit but they would like another house. They do want back in the program.

Senator BARTLETT. Oh, I see.

Mr. MUNSON. And I can cite you some examples. As I said earlier, I did work somewhat with the delinquency problem, where the individuals would be in a mutual home, not fully understanding, because many people thought it was a give-away program, and we know not for sure where all of this type of incorrect information comes from, but it was there, and because of the pressure from HUD to catch up these delinquency rates in order that our programs could continue, we were forced into a position of eviction in several cases, where now the people after being out with the general public and

seeing the housing situation in the rural areas have found that this was the best housing that they could get, and they now want back in.

Senator BARTLETT. Mr. Munson, does the housing authority or the tribe, have a program of making certain that the Indians who are renting low-rent housing understand the agreement, do understand that there is a rental to be paid, and do understand the full terms of their obligations?

Mr. MUNSON. We have a procedure that we go through that is an explanation of the agreements. As a matter of fact, our Chief-Elect here was one of the first to implement a full closing type procedure where we attempt to explain these things thoroughly.

However, it is not always possible because you have individuals coming in who are desirous of only one thing, they want the keys to their units, they are so glad more or less to get it, they waited so long to get it, that oftentimes I feel they are not listening as you are trying to explain this thing, although time and time again you ask them, "Do you understand?"

We have bilingual personnel available to explain this in Cherokee as well as English, but as I say, many times they seem to be geared to wanting one thing and that is to get in the unit because they have waited so long.

But there are other things I feel can be done but it is all an educational process which currently the housing authorities are not funded to do.

Senator BARTLETT. Do you think that your program should perhaps be a little more deliberate? By that I mean perhaps the educational process should have more than one step. I don't mean the building of houses should have more than one step, but I am referring to the educational process rather than just acquainting the people who will be renting just as they are about to sign an agreement or just as they are about to receive the keys; but instead of doing that, to have a program where they would be discussing this in advance and would know before they got close to the time when they would receive the keys that they did have very definite obligations. Would this be of some value?

Mr. CROSSLAND. Yes; this is happening now. At the time of application we usually do counsel these people, that is, those that usually do hand-carry the application. Now, if there is an instance where it isn't, where they don't bring it in their own selves or by hand, we actually don't have any way then in the housing program until we have him back in the office again.

As an outright group of people, having all of them there, say, 10 or 15 at any one whack to help orient these people into the housing program, this isn't happening because I don't have staff force.

Senator BARTLETT. What kind of a program do you have, or how do you proceed with those who have been evicted and then apply for reentry?

Mr. CHOPPER. Perhaps maybe I could lend some support to what we might be thinking of doing as the housing chairman. This is somewhat new and I am sure that the housing board in a regular meeting will be discussing this procedure, but I personally—and my opinion is that individuals like this would have been evicted, have had their one chance in a lifetime, let's say—I feel like since we have something over 2,000 valid applications that we should, you know, take care

of those people first, and of course we would consider them in the proper sequent in which the application came in.

Now, this is just my personal opinion. This would be a matter for board action when and if it comes up. This is, like he said, it is rather new that we find out that these people are coming back now.

But I would like to emphasize one point here. These people in these cases are only paying the minimum which is $12. Well, they have to live somewhere and they go out and rent some, let's say, an old shack. This is oftentimes the case and they may pay $40 or $50 or $60 for this thing and they have just left a good modern house where they were only paying $12 a month.

So, there is something we don't understand, and certainly as Indian people I feel like we will have to consider people but consider them on the basis as to the time when their application came in.

Senator BARTLETT. You are saying, this is something new with you and you will have to take a look at it and develop a policy?

Mr. CHOPPER. Yes; we will need a policy.

Mr. MUNSON. If I may also respond to that, I believe that you are getting into a question not really possibly as far as the Cherokee Housing Authority is concerned, but realizing the magnitude of the eviction from our units that is being taken under consideration.

To my knowledge, we have had actual eviction of 11 families. Now, this goes through a very lengthy legal process that utilizes the laws of the State of Oklahoma. An eviction is not an immediate going out and kicking someone out of the house.

First of all, they have been sent notices of delinquent payments by the housing authority monthly for a number of months before they are put under consideration for eviction.

Then they are notified by a member of the legal section of the housing authority that there is a problem, there is something happening here, their payments are not arriving, to please come to the housing authority to discuss the problem.

If that does not work, then we are forced into a possible situation of filing suit against them. This goes through the district courts, through the proper procedure, for forcible entry and detainer. Now, this has the sheriff serve them.

Once again, as you will see, the problem is getting the participant's attention. There is something wrong, we are not getting his payments. But our biggest problem most of the time is making this contact that we can help him.

Now, if he has become unemployed, if he has become disabled, if there are emergency situations that arise and we know about them, we are able to adjust the situation and oftentimes even help the person by referring them to other agencies for assistance.

But it is the case where you cannot make contact that you have the problem of eviction, or the case where the person has been misinformed and will not listen to what is our regulations and our guidelines that we are required to follow.

So, once again, back to my point, I think the problem of evictions is very small. I hate to contradict my executive director here but I don't believe it is close to 2 percent, but in my case I think we are talking around 11 families.

Now, we have had others whom we have not had to evict but have come in and voluntarily given the house up either by saying, "It is a misunderstanding, I didn't know how it worked, I thought if I made my payments it would be all right." But once again, this goes back to the communication problem. And we, unfortunately, do not have the staff and are not funded to where we can go out in the field and make this communication contact always. Now, we have done it in many instances, but serving 14 counties, it would take considerable staff and funding in order to make this communication gap disappear to alleviate the problem.

So, I think the problem of eviction is not near as great as many people think.

Senator BARTLETT. Of those 11 families that you have had to evict, did you go through the courts to evict any of them?

Mr. MUNSON. Yes; we have gone through the courts on every one.

Senator BARTLETT. You have?

Mr. MUNSON. Yes. We always utilize the judicial process.

This involves the filing, the service by the sheriff, the notice of hearing—the actual hearing date.

If it is by default, if they fail to appear, even upon the sheriff's service, there is an additional hearing scheduled, then a notice of execution—which the notice of execution is an order for the sheriff to remove—a hearing is set for that.

So, there are five hearings actually that are gone through from the point of filing suit until the actual time that you have to go out and evict a person and, you know, we are fully utilizing the judicial process, otherwise we would feel we would be negligent in our operation.

Senator BARTLETT. What do you do with the house after it becomes unoccupied?

Mr. MUNSON. After it becomes unoccupied the house is inspected to see that it is still safe and inhabitable. If it isn't we do our best in some way through our minimal budget to obtain funds to rehabilitate it and then we move on to the next application that is willing, in that particular area, to accept this house.

So, it is immediately taken over almost because of the demand we have for housing by another housing participant.

SENATOR BARTLETT. How many housing units could your housing authority place under contract in the next 2 or 3 years if units are available?

Mr. CROSSLAND. That is an excellent question. I would say that we do have the expertise to probably place, I would say, at least 1,000 a year under ACC if we had it the next 4 years.

Senator BARTLETT. At the present rate of unit allocation from HUD how long would it take to adequately house all of the low-income families that need assistance?

Mr. CROSSLAND. Gee, I don't think we ever will get all of them because there will always be some more right behind that as you go along. If you say you can do it within the next 2 or 3 years, then in that period of time you will have some more, so I don't think you will probably ever get to the end of the line.

Mr. CHOPPER. At the present rate I would think it would take approximately 10 years, with the delivery system we have now, to try to build 2,000 units.

Senator Bartlett. How many mutual help homes does the tribal housing authority have under occupancy?

Mr. Crossland. I believe 1,576 is the figure.

Senator Bartlett. How many do you presently have under development?

Mr. Crossland. At the end of the whole project—I have got about 45 under construction and other 100 which will be under construction right away.

Senator Bartlett. How many applications do you have on file?

Mr. Crossland. I have got approximately 3,000 to 4,000 applications on hand at this time.

Mr. Swimmer. I think you contradicted yourself at one point. We have 2,000, I believe we said, that are ready to build, but we have an additional group of participants that are without land and it would be up to the tribe or through the purchase of land to build more, but we take these in priority as those participants who have land available to build on, they furnish the land to the housing authority and the housing authority constructs the house. Those without land are built in a second priority and as land becomes available or is developed in the areas that they are building.

So, it is the total of between 3,000 and 4,000 units that he is talking about.

Senator Bartlett. Speaking of land, what are the housing requirements for land?

Mr. Crossland. An acre is all we ask for if it is in the outlying areas. If it is an urban type setting, average size house, around 65 or 88 feet by 150 feet.

Senator Bartlett. Does HUD provide the funds to purchase that?

Mr. Crossland. Yes.

Senator Bartlett. Is there a requirement that the land be taken out of trust and, if so, under what conditions and why?

Mr. Munson. Yes. The requirement from HUD is that the title be free and clear, which means that if it is restricted or held in trust, that the restrictions must be removed so that they get free and clear title.

This goes along with the theory that eventually the homeowner will own this home once it is paid off, and therefore at that time it will be marketable as to him, and in order to do this, the restrictions will be removed.

Oftentimes this problem arises because family members will want to give the land to another family member, and under the law this transfer oftentimes requires the removal of restrictions itself, so we are in that position.

The only other position we have on that is in regard to tribally leased land, which are oftentimes taken along the same procedure on a long-term lease through the tribe or through the Bureau.

Senator Bartlett. Chief-elect Swimmer, you may want to answer this, but anyone of you may feel free to respond. You talked, I believe, about the need to improve the alinement of the different agencies. What Federal agency in your opinion should be responsible for the full coordination and implementation of Indian housing?

Mr. Swimmer. You know, I thought about that coming over and it is a pretty tough question without doing some pretty extensive research on it to determine which one would be the most feasible.

I would want to think that the Bureau of Indian Affairs would be, but I hesitate to make that recommendation without discussing it with some other people.

The Department of HUD at the present time is the most feasible but we have waited and waited and waited to get some cooperation from them concerning the handbook, ideas and methods of development that would expedite the housing and haven't received really any substantial help there.

Of course, I don't think that HEW necessary would be, so I think it is between the Bureau and HUD. If the Bureau would have the proper personnel, then that would probably be the place to do it.

But again, without doing some more research into it—and perhaps one of the other housing authority members would like to answer this—I would hesitate to say definitely today that I want one or the other to take the responsibility.

I would say today, and I would make a suggestion later on to you when I have done some research, that an agency does need to say, "we have control of Indian housing and you can come to us." This is very much what we are trying to set up in the tribe so people can simply get answers and not go to three or four different agencies to get those answers.

Senator BARTLETT. Oh, you are saying there needs to be clear line of authority regardless of who is selected?

Mr. SWIMMER. Very much.

Senator BARTLETT. One final question. According to a report compiled from information furnished by each Indian housing authority within the Five Civilized Tribes, and the Osage tribe there are applications pending at the HUD State office on 1,375 housing units. What is the status of the applications made by your housing authority, especially those submitted in 1974?

Mr. CROSSLAND. At this particular time I am advertising the 200 that I have been allocated back in 1974, but this only happened here as of late. I have been authorized to advertise here just recently.

Even so, with the advertising now that I have, I would not expect to go to ACC for at least a period of 18 months. Eighteen months is about the earliest that I could maybe see that I could get off the ground and actually have the money in my hands and actually do anything. Eighteen months.

Senator BARTLETT. What do you think that it should be?

Mr. CROSSLAND. It should be a little more, I think 90 days.

Senator BARTLETT. We need to move on but I have some more questions I want to ask you. I want to cover one area here, the financing mechanism.

How do you obtain money to build projects? [Laughter.]

Senator BARTLETT. Passing the buck—or, the microphone.

Mr. MUNSON. Anywhere we can get it. Actually, we are funded from HUD for our projects. We advertise through the legal notices requesting proposals for projects. Then this is, if accepted by the housing authority board, referred to HUD for their approval and goes through negotiations.

Then we are put on projects with a number of other projects in Oklahoma, which are funded through the sale by housing authority bonds and notes.

Senator BARTLETT. Is there private money involved in this?
Mr. MUNSON. In the purchase of bonds and notes, yes.
Senator BARTLETT. With HUD backing?
Mr. MUNSON. Yes.
Senator BARTLETT. Do you like that system?
Mr. MUNSON. It is a workable system, yes.
Senator BARTLETT. Is there any system that you would suggest as an alternative to it or a replacement for it?
Mr. MUNSON. I haven't really given any consideration myself to alternative financing sources, because this is the primary source that HUD has utilized for Indian housing as well as I understand all public housing in Oklahoma.
Senator BARTLETT. Is there short-term borrowing?
Mr. CHOPPER. Yes, there is. The project notes that are sold to finance these houses are turned over several times and if they are financed for a length of time it is usually 40 years. These project notes are put on the market and sold as Government-backed securities, and the advantage to these is that the rate is generally around 4 percent.
Any other type of financing, either private or even Government-guaranteed like FHA or VA would require at least an 8-percent financing, so it is beneficial to both the housing authority and the Government to finance in this method.
The problem is, again, in obtaining I guess some paperwork that has to be done at the HUD level or the EAO as far as selling these project notes and getting the money and getting the money to the housing authority in order for them to start construction.
Following the advertisement of the project, as our director said, sometimes it takes as long as 18 months to get to the point where you are actually starting construction, the reason being that you advertise for 90 days and then you wait for HUD to say we have sold the notes and your money is coming. And I guess it is because oftentimes they combine a sale of project notes with housing authorities all over the United States and they sell one big issue.
But it is short-term rollover financing that bears interest around 4 percent.
Senator BARTLETT. On mutual help rental projects then, bonds are sold and so many retired every year, is that accurate?
Mr. CHOPPER. Yes, sir. As I understand it—and again, this is things that I picked up, not necessarily from HUD directly—but I think that what happens on these, I think that basically the payback on this thing is that the participant pays a minimum fee of $12 a month which covers housing authority overhead, administration and insurance costs on these houses. Anything above the $12 a month goes into a sinking fund and is paid in each year by the housing authority or each month by the housing authority to the Federal Government.
In addition to this, the Federal Government sets up its own sinking fund that guarantees the payment of these notes, and at that point in time when the two funds reach the cost of the project and the project is retired and the notes are retired and the houses or the contract is paid for.
This average length of time appears to be around 20, 25 years, but there is nothing from HUD saying that is what it is, and to my knowledge, at least up until about a year ago, we had never received any

figures from the Government from HUD as to how much had been paid on these project notes, and that is the only way that we can determine how much the house cost and how much is presently owed on the house, and that is why we haven't been able to tell participant what they owe on the house so that they could go to another organization to get financing.

And if some of these people would do that, it would be a way of retiring some of these project notes early and also getting our people out of mutual help business, or some of our Indian people, because when they do become high income oftentimes they would just as soon go ahead and finance the balance of their house conventionally because their payment would be less than the maximum payment they would be making under our program, and they could go to the Veterans' Administration or in some cases FHA for a guarantee and pay it off. But without knowing what the payoff is we can't very well let them do that.

Senator BARTLETT. Are you receiving ACC payments on all your housing projects, and how soon after you build are you required to start paying on a project?

Mr. CHOPPER. I don't know that we are receiving any ACC payments or that we have been notified that we received any. We have to receive them but they are credited to the project at the HUD level in Washington and we haven't, to my knowledge, received any notice that any of our projects have been paid down or how much has been paid down or how much has been applied on the ACC.

On our payments, I assume we are paying every year or every month. Whatever the excess monthly rental collected is that we send to the Government, we send the money each year.

Senator BARTLETT. Due to large areas covered by some Indian housing authorities, such as your own, would you suggest for reasons of efficiency or for other reasons that tribes should establish more than one housing authority?

Mr. CHOPPER. No, sir, I don't think more than one housing authority is necessary, but I do think that part of what Mr. Munson and Mr. Crossland touched on would be good, and that would be to have—well, I won't call him a branch office—but have somebody at different areas, or for that matter, have someone working out of the main office available to counsel with the people and work our problems that they need to have worked out. This is an educational thing with the participants themselves.

The construction and this sort of thing from central point, central housing authority, is really not a problem. Oftentimes the individual communities, like Stillwell, Folsom and I think some of the others, have their own housing authorities. If we work with them then we work with cooperative agreements between the housing authorities and they can help us and we can help them. I don't think that is a problem, at least not that I know of with our housing authority.

Senator BARTLETT. On communications to the people involved, do you think the lead agency or HUD or the housing authority should have the responsibility?

Mr. CHOPPER. I think that the housing authority should have the primary responsibility for communicating with the participants. I think maybe it has been misleading in what we have said today. We are talking about communications and criticizing HUD. The reason why

is that if we don't have the answer at the tribal level or the housing authority level, then we look foolish when we come to tell our participants something, and this is how our housing authority got off on the wrong foot.

There was a statement that went out some years ago that no house payment would ever be more than $50.00 a month, and this has been confirmed by me on several occasions and simply is not true and it was not true then, and I honestly believe it was said in good faith and the Government corrected it.

Senator BARTLETT. But you are saying that there does need to be coordination between HUD, Indian Health Service, and other agencies?

Mr. CHOPPER. Absolutely. Absolutely. It has got to be a people oriented program.

Senator BARTLETT. Are you aware of HUD denying to Indian housing authorities any benefits that it extends to other housing authorities?

Mr. CHOPPER. Not to my knowledge. How about the rest of you?

Mr. MUNSON. I don't know that we have been denied any benefits. I think oftentimes we do not get adequate information that puts us in a position to adequately compete for additional programs that HUD may have available.

Now, as I said earlier, we understand our position in national housing, that we are a very small percentage, and maybe the information just doesn't filter down to us as fast as it does to some other agencies, but I don't think we are actually denied anything. Oftentimes we are late in getting the information so we can participate in additional programs.

Mr. CHOPPER. I also think this is principally because we are involved in what we would like to term a home ownership program and probably the only LHA's that are. I don't believe that your metropolitan housing authorities do really much of anything but recommend housing.

But it is a unique program and one that we are emphasizing today, that is, the mutual help program. It is beneficial to us and I think that it is a workable program, but with a little cooperation and ideas received from the Indian housing authorities I think it could be the best program in the United States, and perhaps instead of trying to work into other programs into our area, perhaps the mutual help program ideas could be worked into some of the metropolitan areas, because I do think it has got some real possibilities if it is structured properly to work nationwide, not in just rural America.

Senator BARTLETT. Well, thank you very much. We do need to move on and I do thank the panel from the Cherokee Nation. Thank you, Chief Swimmer.

The next person I would like to call on is Mr. Ron Froman, executive director of the Creek Nation housing authority. Is there anyone, Ron, who will be testifying with you?

Mr. FROMAN. No, sir.

Senator BARTLETT. While you are getting in position, I would like to thank everybody for their cooperation on rescheduling the hearing for today. I scheduled it earlier, just prior to the Fourth of July, and then delayed it until today because of a trip to Somalia, I want to thank everybody for making that trip possible.

We are glad to see you, Ron. You may proceed as you like.

STATEMENT OF RON FROMAN, EXECUTIVE DIRECTOR, HOUSING AUTHORITY OF THE CREEK NATION OF OKLAHOMA

Mr. FROMAN. Thank you. Chief Claude Cox was scheduled to come over here with me this morning but he had an emergency and he couldn't make it. He sends his regrets and asked me to say a few words in his behalf and to express his appreciation for your scheduling these hearings on housing here in the State.

I have a statement. I would like to read it and I will proceed with that.

Senator Bartlett, it is an extreme pleasure to have the opportunity to appear before you concerning the present housing situation for the Creek Nation, as well as other Indians living in the State of Oklahoma.

Your interest and efforts within the Senate have been of tremendous importance to us and I would like to take this time to publicly thank you for your efforts a year ago in cosponsoring the amendment to the Housing and Community Development Act of 1974 that created the set-aside of public housing funds for the exclusive use of Indians. For without this set-aside, all of us who deal with housing are certain that we would not have a program today.

As you know, this set-aside of public housing funds was to be provided in the amount of $15 million of annual contribution contracts for the fiscal year just ended and for the current year in which we are operating. For the State of Oklahoma this amounted to 1,250 units in fiscal year 1975 and 1,400 units for fiscal year 1976 that were required to be funded in each fiscal year. This has not been done.

The sad truth is that only three projects totaling 200 units were funded and with the present posture and the present efforts being exerted on the part of HUD, housing production for 1976 does not appear to hold much promise.

We have asked ourselves why this has occurred. We have no answers, only suspicions. We worked through the system which resulted in the set-aside of public housing funds. It now appears that our efforts and your efforts, Mr. Senator, will be thwarted and undermined by bureaucrats who simply do not want to build any houses for Indians here in this State.

In February 1975—only 3 days after the allocation of those 1,400 units to those various tribes here in the State—the Oklahoma City area office with concurrence from the Dallas region requested a directive from the HUD central office to suspend all housing applications for all tribes in Oklahoma.

When this request was denied by the central office the regional administrator at Dallas requested that the Indian housing authorities in Oklahoma be removed from his jurisdiction and be assigned to the Denver HUD region. I strongly protest such action and request the Senator's assistance in this matter.

Documents submitted to the HUD area office by many Indian housing authorities over the last few months have been lost for no apparent reason. There are many requirements of Indian housing authorities that are not germane to their rural setting.

With each project we constantly have to overcome additional requirements. Many times these requirements are met but our documents

are simply lost ,or lay on someone's desk for weeks at a time. The net result is that Indian families must spend another winter in their deplorable housing.

I cannot stress enough the importance of this housing program to the tribes of Oklahoma. Many, if not most of our tribal members, either have or reside on trust property. This program is the only housing program available to these people. Other programs such as Farmer's Home Administration, FHA, and VA insured mortgage are not available to these people regardless of the amount of income they make; nor for that matter, is conventional home financing.

The public housing program has had a tremendous economic and social effect upon our people. I do not know of a single program that is in more demand or has better acceptance than the Indian mutual help housing program. For the first time in their lives, families have a chance to escape the clapboard houses and the dirt floors to a modern home.

We are extremely thankful for the housing that we have. But when some 50 percent of our Indian families are living in substandard housing, I am sure you can understand our frustrations with our inability to produce houses because the agency that has the responsibility and the requirement by law of delivering such units, simply does not want to.

Many people have recommended or will recommend the creation of an Indian housing segment within HUD. This is all well, fine, and good, but the simple truth of the matter is that we do not have enuogh work to justify the creation of such a segment. The only thing lacking is simply a will to do the job.

Although these adminstrative changes may be helpful, due to the past history, many of us are skeptical that these changes will increase the housing production to the level required by the Housing and Community Development Act of 1974.

Many of us feel that the only way we will be able to satisfy housing needs for Indians residing on trust property is the enactment of legislation that will deal with the uniqueness of this trust relationship.

The housing industry in this country is based upon land held in fee simple. With trust land we are not talking of fee simple lands. We are talking of land held in such a status that it makes it extremely difficult, if not impossible, for any Indian family to utilize the avenues available to other citizens in Oklahoma in their quest to obtain housing.

Legislation should consolidate the housing program to a single agency with a comprehensive approach that will deal with the levels of income and the uniqueness of the trust situation. And I strongly recommend that the agency to do this program should be the agency that has the trust responsibiliy of these lands. This legislation should contain at a minimum:

(1) A low-income housing program similar to the program at present with definite production goals included.

(2) Shallow subisdy programs, similar to the type of subsidy such as Farmer's Home Administration 502, FHA 235 programs, and VA insured mortgages.

(3) Guarantee authority enabling home financing institutes to assist individuals and tribes in development housing.

(4) Community development funds to enable the development of necessary water and sewer facilities, roads and other community necessities.

It is essential that such legislation be undertaken as soon as possible. If not done immediately, the Indian housing program will terminate June 30, 1976, for lack of any additional authorization.

I would like to make a few more comments that I heard recently on some of the other testimony, Senator, and maybe some additional clarification of some of the points I made.

Senator BARTLETT. Yes; please proceed.

Mr. FROMAN. The first thing that I think we all have to recognize is that we don't have an Indian housing program in this country. We simply have a public housing program that Indians participate in, and as such, we are covered under those public housing requirements and regulations, be it they fit the Indian housing situation or they don't.

We did a recent study, and I think Mr. Ellison and also I think Mr. James at the Anadarko agency will bear this out, is that we constantly hear, "Why don't Indians participate in Farmers Home 502 Administration and the VA programs and what-have-you?" I can't really understand why, but I do know this, that we do not have a single "Farmers Home" house that has been built on trust property here in the State of Oklahoma. We do not have a single VA-insured mortgage on trust property here in Oklahoma, nor do we have any FHA 235's.

Now, we mentioned earlier, in your statement, of leaseholds, of taking advantage of the long-term leasehold basis. Well, this has worked in other parts of the country on reservations where the tribes will make long-term leases and individual leases on this thing, but we haven't done it here and we don't have—well, let me say this:

We have very little land here in Oklahoma that is held by the tribes, and most of the land that is held by tribes is not subject to housing. It is in remote areas and what-have-you, so, you are looking at individual trust territory.

And I think if you will review and look throughout the country where we have individual trust property such as here in Oklahoma, you will find the same situation, that the farmers home program simply is not available to those people, because on a leasehold you are looking at the lessee and the lessor as the same person. And as such, it doesn't look to me like it would be feasible at all, and not only is it not feasible, I think that production records reflect that they simply hadn't been able to get it done.

You know, most of the Indian people here live in a rural area and they live on trust property, and surely to goodness, somewhere along the line somebody would have taken advantage of one of these programs if it was in fact available. For the Government or the administration to say that these programs are available to Indians, they just simply don't do it. You know, you can make that statement, but when it actually comes down to going and getting one of those houses, that's a different story.

The next thing, it was mentioned of population, of how many people we have here. I can't speak for any other tribe other than Creeks. And we did a study, we did a housing survey that was recently

completed about 6 months ago. We did show that within the eight-county jurisdiction of the Creek Nation we have 5,600 Indian households. Of those 5,600 Indian households, 3,400 families were living in substandard housing.

I don't know how the Bureau arrived at their statistics or comments on what they had here in Oklahoma, but I am just simply saying that what is true for the Creek Nation, I am almost certain is true for any of the other Five Civilized Tribes here in Oklahoma.

It appears to me that the thing we are faced with here is an indifference on the part of the primary agency that is required to do this project for this housing and that is the Department of Housing and Urban Development.

Prior to our asking the Oklahoma congressional delegation to sponsor an amendment to this House bill of this Housing and Community Development Act of 1974, Chief Cox, myself, Chief-Elect Swimmer, and Mr. Bob Stopp, from the Cherokee Nation, we had a meeting with then Secretary Lynn, of HUD, and discussed this program, and what we were hoping to do was convince him to continue with this housing program of the mutual help housing program for Indians, especially here in the State because it is the only thing that we have got.

He told us then that he would—we asked him specifically, if we were successful in obtaining a set-aside of public housing funds for Indians, which at that time was included in the Senate bill, what would be the administration's reaction He told us then that he would recommend to the President that they veto that bill, specifically because of that.

Now, if you go on down the line, there has been no directives sent out from the central office anywhere to instruct the field office to get the required number of units under annual contributions contract or get them funded. And the law reads that the Secretary shall be required to do so, and they have simply flaunted that law and they haven't done it.

And as I stated earlier, we had 1,250 units at the beginning of the fiscal year here in Oklahoma; we have only funded three projects. Those projects are a 50-unit project for the Comanche Housing Authority, the 50-unit project for Seminole Housing Authority and a 100-unit project for the Creek Housing Authority.

Now, I simply—people are asking each one of the individual directors, myself and I am sure the rest of them, "When can I get my house?" I can't tell them within a year when I am going to get the money to build that house. And that money that we are talking about should have funded at least a year ago because the requirements of the individual housing authorities were met. We submitted applications on time with no additional supplemental information obtained in it and we still don't have those funds.

I don't know if we have mentioned the mutual help handbook and so forth. We are talking about a housing program that has been in existence in this country for Indians starting back in 1962, 1963, on some of the western reservations in Oklahoma. It really didn't become effective until about 1967 although the authorities organized and so forth. They didn't actually start producing houses until 1967. But we are looking at something that went 10 years that we didn't have a thing. And individual Indian authorities, they had to make their own interpretations and what-have-you, and we didn't have a thing to

work with other than trying to get some houses built and trying to get some people in them, and as a result, there were several misinformation that was given out in the past years simply because we didn't have anything to give them. And so, we had to make either verbal requests from HUD, advise, or attempt to try to answer those questions as best we could with information that we had at hand.

And other than that, I think I am through.

Senator BARTLETT. Mr. Froman, thank you very much. I would like to ask some questions to follow up on your conversation with Mr. Lynn.

What did he say in answer to your questions about delay in funding?

Mr. FROMAN. He didn't give me any answers at all with this thing other than offered some sympathy to us, that we couldn't do this thing.

But it was amazing, the things that we have done. I know I have been on probably seven or eight trips with the delegations from the Five Civilized Tribes on housing over the last 2 or 3 years. At that time—I would like to add a little further to that conversation, as best I can recall.

He told us then that he thought that he could much better do this program administratively than they could legislatively because he felt that they could have a better shot at getting it past the Office of Management and Budget administratively than we would legislatively because they simply didn't want any special programs. That is what he told us. Well, at that same time he was telling us this——

Senator BARTLETT. Is that what he said he would veto?

Mr. FROMAN. Yes, sir. Following the conversation he told us—and we asked him pointblank that if they were successful in obtaining that set-aside, what would his reaction be, and he said that he would recommend veto.

Now, I would like to add one other thing to this, that at the same time we were talking about all of this, he was saying that they had not considered, they had not made a decision yet whether they were going to continue with a public housing program for Indians or not. Now, this was in April, and I believe the date was about April 9, 1974.

Well, at that very time, the administration of the HUD bill that they were proposing was completely omitted, public housing funds. There wasn't a single thing in there for it so how—and, you know, so we asked him, "Do you have to need additional authorization?"

And, you know, we are not legislative people; we are just people down here in the sticks of Oklahoma trying to do a job.

And, of course, they told us then that they didn't need any additional legislative authorization. We found out later that they did, and that is why we asked the U.S. congressional delegation to do this job.

But as far as the time delays and so forth and so on, there's nothing been done on that. There has been no requirements, no schedules that they sent to do that.

We can submit an application down there and it will sit there for 4 months before we do it. And, Senator, it is just simply the matter of them reviewing that application for content and writing a one-paragraph letter of no more than 20 words or 30 words in that

letter. And that is a simple requirement and we can't even get that done.

Senator BARTLETT. You referred to a meeting with a congressional delegation, and I believe you were there and I believe I was there.

Mr. FROMAN. Yes, sir.

Senator BARTLETT. Has there been any change in what you reported at that time in the matter of processing applicants?

Mr. FROMAN. There has been a few changes, yes, sir, there sure has.

I submitted a request to advertise a certain project that was submitted on June 4 with an attached—what do you call it, I guess it was certified mail. That thing has been lost. I don't have it. I have had to resubmit it just last week to do it. I don't know when I am going to get approval to readvertise that project. It is the same advertisement that I have submitted for the last 3 or 4 years. I can't get that done either.

We had one other thing—and I would like to bring this to your attention—it hasn't just been going on for 2 or 3 months; it has been going on for a long time.

Last year when we got 790 units here in Oklahoma, those 790 were allocated the first of April. Not one of those units has been funded yet. Now, I submitted an application of 100 units, is what we got out of that.

We submitted that application in May. The Cherokee Nation submitted one on April 28. And Mr. Crossland—I think my dates are right and if they are not I am only off for two of them. But the only reason I am speaking for the Cherokees is because it affected both of us. And if they want to answer some other questions on this matter they may do so.

That application laid down there all summer. When the housing bill was signed——

Senator BARTLETT. What year was this, 1974?

Mr. FROMAN. 1974, yes, sir. That laid down there all summer. There was no additional requirement or additional supplements to that application on the part of the Creek Housing Authority. That sat down there all summer. And on the 22d of August I was invited up to witness the signing of that housing and community development bill, which was with a great deal of pride in my behalf and my family and my tribe.

That was on a Thursday. I came back on a Friday, and we received a call that said that there had been a moratorium on Indian housing. It had been done the very next day. There was no such thing never, and yet I still couldn't get my application, and since we didn't have that application approved, they said, "Well, you are not going to get any funds."

The same thing occurred to the Cherokees. That was 150 units that they had. And we asked why and they said, "Well, we have a telegram here." They said it was a moratorium on housing. This was Mr. Breeden that said it. He waved the telegram at us. We didn't read it, we assumed he was telling us the facts as he knew them.

We went to Atlanta and met with Secretary Lynn, Assistant Secretary Lubar, and we asked them, "What is this business of a moratorium on Indian housing? We just signed a bill that said you are

required to do $15 million worth of annual contributions contracts." "Well, we don't know a thing about it."

And it took a direct call from the Secretary himself to get that application approved.

Senator BARTLETT. You mentioned, Mr. Froman, in your remarks on page 2, and I will just read what you say:

> In February, 1975 the Oklahoma City area office with concurrence from the Dallas region requested a directive from the HUD central office to suspend all housing applications for all tribes in Oklahoma. When this request was denied by the central office, the regional administrator at Dallas requested that the Indian housing authorities in Oklahoma be removed from his jurisdiction and be assigned to the Denver HUD region. I strongly protest such action and request the Senator's assistance in this matter.

Senator BARTLETT. Could you expand on that?

Mr. FROMAN. Yes.

Senator BARTLETT. And also advise this hearing what reasons were given for that action.

Mr. FROMAN. Well, the first reason—of course this was done without our knowledge. We found out about their request for a directive to suspend all applications after the fact was done.

The reason we found out about it, as you know, in the spring there were several housing authorities here in the State—I assumed that we were one of them also—that experienced some problems with rent collections. The problem was, you know, not nearly as severe as it was made out to be.

Senator BARTLETT. What delinquency does the tribe have?

Mr. FROMAN. Right now we are overall percentage somewhere in the neighborhood of 10 percent. Total delinquency on 700 units occupied, sir, is only $4,500.

Now, at the time that this was being incurred, the Creek Nation—there were several news articles concerning some of the housing authorities here in Oklahoma concerning their rent collections. I might add that we never were a part of it. Because one authority was experiencing some difficulties in this thing they assumed that all authorities were experiencing the same difficulty and with the same inability to solve this thing.

And so, that request was made under the signature of Mr. Breeden to suspend all housing applications for all tribes. The way we found out about this request was that Assistant Secretary Crawford, Housing Management Division in central office, replied to that letter denying such requests.

And in that letter he went on about some of the difficulties that we had. We should make out certain goals, certain percentages, certain dollar levels to work towards. As long as the individual authority is working towards those goals and meeting the requirements of these accounts receivables, then proceed with the application.

And the last paragraph of that letter—I wish I had a copy of it, I wish I could read it. I don't know if anybody has a copy of it here. But in the last paragraph of that letter he stated, "I most emphatically disagree with your request to suspend all applications for all tribes in the State of Oklahoma."

Senator BARTLETT. Mr. Froman, would you obtain a copy of that and mail it to my office and provide that for the record?"

Mr. FROMAN. Yes, sir. [The letter was not received in time to be included in the record.]

Now, as to the reason——

Senator BARTLETT. Could I ask you a question and then go into the reasons?

Mr. FROMAN. Yes, sir.

SENATOR BARTLETT. Were you advised, or do you have any knowledge of what the HUD regulations or rules of thumb are regarding delinquencies in rental payments?

Mr. FROMAN. Yes, sir. I don't have anything—we don't have—there have never been any directives issued to a single authority advising as to what level was acceptable.

At one time they told us 10 percent was acceptable. When we met 10 percent they said, "Well, I think the region is going to ask for 5." So, when we got close to 5 they said, "Well, OK, we are going to settle on 10."

Now, I know what it is today and what it will be tomorrow I don't know. But I think it depends and it looks to me like—and this is somewhat of a facetious remark—but it looks to me like it depends on how close we are going to be to an ACC as to what level it is going to be.

Senator BARTLETT. Proceed with your other answer that you are in the process of providing.

Mr. FROMAN. Well, in relation to—I have no answer on this as to—there is an outstanding request now by Mr. Morgan, who is the Regional administrator in Dallas at region VI, to transfer these Indian tribal authorities to the Denver region. Why that request was made I certainly don't know. I have suspicions and, again, that suspicion simply comes down to the fact that I don't think they want to do this program.

Senator BARTLETT. I have a series of questions that I would like to ask.

I might announce now that lunch has been set up for 11:30 for this group in order to beat the hotel luncheon crowd that generally arrives here about noon. I will try to reconvene at 1:15 if we can, or as soon after that as possible, or certainly by 1:30.

The next witness on the agenda is Mr. Leland Keel, executive director of the Chickasha Housing Authority. We will begin the afternoon session with him.

So, Mr. Froman, if you would answer these questions—but first do you have anything else you would like to say?

Mr. FROMAN. I do have one thing that is of extreme concern to me, and it has been a question that has come up within the last 30 days and that is this—and it is more of a question than it is anything else.

The requirement was, on the part of HUD, to execute $15 million worth of contributions contract for fiscal year 1975 and again for 1976 in the same amount. As I stated earlier, we only funded 200 units here in Oklahoma. That meant 1,050 units that would remain available to carry over.

My question is, and knowing the answers to the questions that we have raised in the past, are they simply going to say for fiscal year 1976, "We are only going to execute $15 million"?

Does that mean a carryover of funds? Does that mean—in other words, what I am saying, we have a study out now by the National

American Indian Housing Council that says only 1,500 units were funded in fiscal year 1975, or roughly $4 million worth of annual contributions contracts.

Senator BARTLETT. Mr. Froman, I would think it is a very good question.

Mr. FROMAN. My question is, for fiscal year 1976 are they only going to be required to do $15 million worth of ACC's or $26 million, counting the carryover for fiscal year 1975?

Senator BARTLETT. I think we can get something from HUD on the record, but I would suggest, in addition to our efforts, that right away you write a letter to Secretary Hill of HUD and ask that question. Send us a copy. We will encourage the Secretary to respond in time to have her answer be a part of this record. And if you will, send us a copy of your letter to Secretary Hill.

Mr. FROMAN. All right.

Senator BARTLETT. How long has your tribal housing authority been established?

Mr. FROMAN. It became established starting in I think 1965. Finally became established July 1, 1966.

Senator BARTLETT. And when did you become the director?

Mr. FROMAN. Three years ago.

Senator BARTLETT. How many low-rent units does the housing authority have under occupancy?

Mr. FROMAN. We have two programs. We have 228 low-rent units or low-rent apartment complexes, and we have 422 mutual help houses.

Senator BARTLETT. How many under development at the present time?

Mr. FROMAN. Twenty-six. I have got 350 that I have application for, approved program reservation for, but I don't have them under development.

Senator BARTLETT. How many should be developed in the future?

Mr. FROMAN. If you accept the fact that this is the only housing program that is available for these people, then I have got 3,400 that needs to be developed. That is the only way they are going to get it, through this program.

Senator BARTLETT. Do Indian families adjust easily to living in low rent projects?

Mr. FROMAN. Some have a difficult time, they really do, because you are moving them in from clapboard houses and dirty floors, you know, with outdoor toilet facilities and so forth and so on.

And it was mentioned earlier by Mr. Swimmer that we have a language barrier. They simply can't read instructions to do a hot water tank or light one or a pilot light on the furnace and stuff like this, but it is not every family that is this way, sir.

Senator BARTLETT. Are there other problems that you can expand on?

Mr. FROMAN. We have had some houses that were built several years ago. They weren't built by this administration, or under my jurisdiction, that we have had a great deal of difficulty with. I am not so sure that there is any answer to them other than tearing them down and rebuilding them.

Senator BARTLETT. Are you talking about construction problems?

Mr. FROMAN. Yes, sir. We tried to deal with these as best we can with the limited amount of money, because we certainly can't go back and request any more development money to do the repairs that are necessary on some of those units. There is not many of them but what there are they are enough to cause concern.

Senator BARTLETT. How about the maintenance on your housing units?

Mr. FROMAN. It depends. You can't make any general terms about it. We do have some problems with some families with this. And we were fortunate enough to obtain some funding from HUD to help us with this.

I think we were the only ones in Oklahoma that got it. There was only about four Indian tribes throughout the whole country that got it. It is a target project program designed to fund an authority to take care of specific problems that they are faced with. We do have that and we have a training program, a tenant training program, which is being funded under this program. It has only recently been started and we haven't been able to evaluate the results of it yet.

Senator BARTLETT. Do the families in low rent housing occupy these units for a long period of time?

Mr. FROMAN. Well, they are going to occupy it for the rest of their life or for the rest of the time that house stays there. We very seldom have any moveout or anything like that on the mutual help houses.

On the low rent side, you know, we have a substantial amount of turnover there, probably similar to what you have in any other public housing project. But the mutual help housing, we don't have very much turnover.

The only turnover we have had is in relation to evictions. We haven't done very many; we have only evicted four families since we have been there.

But as far as how long they are going to occupy it, they are going to occupy it the rest of their life or the life of the house.

Senator BARTLETT. On your four evictions, over what period of time was that?

Mr. FROMAN. That is over a period of 3 years, sir.

Senator BARTLETT. What happens to those four families?

Mr. FROMAN. I don't know. The way we utilize the eviction, that is the absolute last resort that we do. As to what happens to the family after that, I assume they obtain housing some way the best way they can.

Senator BARTLETT. Do you have a program to counsel families to understand the need to pay rent regularly and promptly?

Mr. FROMAN. We do, several different ways. On the initial application, when we approve the family, we actually start processing toward finalization of a house, we explain two things.

We start off at that time. They have to sign that mutual help occupancy agreement. We explain then as best we can, as related earlier by Chief Swimmer here and counsel—there is a vagueness in that thing that is difficult for us to explain—but we do explain that one thing, that they shall and they must pay rent to occupy that house.

And when we lift the restrictions—it is a court procedure when we lift the restrictions on giving them a piece of ground—the attorneys at that time, not only the attorney for the authority but the probate at-

torney or the—excuse me, I can't think what the name of the attorney representing the Bureau of Indian Affairs on that thing—the solicitor's office. Excuse me. The solicitor also enforces that and it is part of the court proceeding of lifting the restriction that under that you have to make payment to live in this house.

Senator BARTLETT. What does the housing authority do with a house after it becomes unoccupied?

Mr. FROMAN. Well, the only way we have ever had one become unoccupied is through an eviction, and if we obtain that from a family—most of the families we obtain, trust property is held in joint ownership. We have very few original allottees left. We do have some. If it has come from family, you know, they had joint ownership, each one has to sign over their interest to this individual who in turn passes it to the authority.

Then we make that house available to another member of that family, provided they meet the low income requirements and have been living in substandard housing, because we think we have a moral obligation to keep that house within that family, and the land in that family from where we got it.

Senator BARTLETT. How many housing units could your housing authority place under contract in the next 3 or 4 years if units were available?

Mr. FROMAN. The present ability we have now, we could build some 500 units a year without really too much extra work on it. We built 235 last year and we have 101 we built since the beginning of this year.

Senator BARTLETT. Would that have any effect on your delinquency rate on rentals?

Mr. FROMAN. I think it went down. The mutual help program, when it was initially started, as I mentioned earlier, we had some problems with communications. Most of our delinquency is involved with those units where we had some problems with.

The delinquency over the last, probably the last 300 units that we built is way below that of the old existing tenants. So, it has reduced substantially.

Senator BARTLETT. What delinquency rate do you think would be a proper goal for a housing authority?

Mr. FROMAN. I hate to view this in terms of a rate because if you viewed it in rate, a person that is a dollar late, he will be a percentage point, you know, any one family, if he is a dollar he is a hundred.

So, I think it should be reviewed in relation to dollars more than a percentage figure. As I stated earlier, we have somewhere in the neighborhood of $25,000 a month and our deliquency that we have, total dollar amounts, is less than $5,000.

You are dealing with families of a low-income nature and if they have anything that occurs to them, such as medical or car breakdown or anything involving—you know, for you or me may not be a substantial outlay of money but it may be all they have. It may be a full month's wages or a full month's earnings.

If they have something that occurs that they have to take care of, they have to take care of it. And, you know, if they become delinquent that one month it seems like it takes them forever to recover.

So, from the standpoint—I think you have to look at it on each individual case, and each individual authority.

Senator BARTLETT. Does the BIA provide any assistance for welfare families in housing projects?

Mr. FROMAN. Yes, they do. Most of the BIA welfare programs that I am familiar with, it is on emergency cases only, and they have provided some assistance to us in this manner, you know, where families have become, you know, just destitute because of some happening or some occurrence and you might say needing emergency help, the Bureau has helped them. And we have a very close relationship with the housing officer of the Bureau of Indian Affairs in Okmulgee.

Senator BARTLETT. Would this assistance help with rent payments—

Mr. FROMAN. It sure has, it sure has.

Senator BARTLETT. What is the criteria for qualifying for housing, such as income levels?

Mr. FROMAN. We just recently changed that the other day. The minimum requirement that we handle over there as far as income limits go is $5,000. The maximum is $9,000. And for a family of 10 we are talking about $9,000.

The minimum would be $5,000 a year. We have raised it at various levels through the years. I think when we first started it was $3,000 and there was a minimum, and you had to make a certain amount before you could get in one of these houses. And the maximum several years ago was $3,900, the maximum amount of money that could be made.

With the cost of living and the way it is going and with the number of families and, you know——

Senator BARTLETT. Now, your current spread is $5,000——

Mr. FROMAN. Five through nine.

Senator BARTLETT. Five through nine.

Mr. FROMAN. And it is varying levels, you know, depending on size of the house.

Senator BARTLETT. Well, one last question. I have run over just a little bit.

Mr. Froman, what Federal agency should be responsible for full coordination and implementation of Indian housing?

Mr. FROMAN. The way it stands right now—we are talking about public housing, the way it stands now, and this is the only housing program we have got. And that housing program is within HUD and should remain there.

If we are talking about a new program, a comprehensive program for Indians, then I strongly recommend that the Department of Interior take that program because we are talking about land, we are talking about trust land and, you know, HEW or HUD, about trust relationship with those agencies and they look at you like you are an idiot. You know, that is something that the Bureau of Indian Affairs has to screw around with. They don't have to do that.

Senator BARTLETT. Mr. Froman, I thank you very much. I appreciate your answers and I appreciate also the statement that you made and the contribution you made to this hearing.

[Whereupon a recess was taken.]

AFTERNOON SESSION

Senator BARTLETT. The hearings will continue. I am sorry we didn't get started a little earlier.

We have before us Mr. Leland Keel, executive director of the Chickasaw Housing Authority.

Before we get started, we are going to divide up the time and leave a little bit for the representatives who are here from HUD and finish definitely at 5:30, so we will be going for about 4 hours and we will put a time limit on it. If anybody feels they want more time, just tell us about it. But anyway, the main thing is, we are trying to get a good record on this whole matter of housing and have a lot of different questions answered by a number of different individuals.

Mr. Keel.

STATEMENT OF LELAND D. KEEL, EXECUTIVE DIRECTOR, CHICKASAW NATION HOUSING AUTHORITY

Mr. KEEL. Senator, if I may, I would like to have this report on Indian Housing entered into the record.

Senator BARTLETT. It will be entered into the record in its entirety following your testimony. [See p. 274.]

Mr. KEEL. Overton James, Governor of the unconquered and unconquerable Chickasaws sends his greetings and he wants this committee to know that the Chickasaw Nation is very grateful for the housing that they have received. He went on record as stating that this is the best program that has helped the Indian people in their social and economic conditions today.

We would like for that to be entered into the record.

Senator BARTLETT. Yes, that will be in the record. For one who has been conquered but who is unbowed.

Mr. KEEL. Senator, I have my position papers in. I am only going to make a statement and then I would be happy to answer any questions that might arise.

Today I would like to point out that we have the same problems that the Creek and the Cherokee Nations have. The reason for these delays are lack of resources, manpower, and money assigned to the Indian housing program.

For example, the past year one HUD staff member was assigned to the Indian program for technical assistance. Approximately three housing management officers have attempted to carry the full load for all Indian housing in the Oklahoma HUD office. They do have certain various staff there that offices with HUD but they can't give any help, only listen to their problems, and they have no authority to carry out any complaints that we might bring forth.

To go on further, we also need local funding that the law requires to help carry out these programs in the areas that we cover. This shows that there is little or no interest above the State level in the HUD organization.

I would like to point out also that most of the achievements that have been accomplished have been through congressional delegations' efforts dealing with the HUD central office. I would say that this has resulted in only a piecemeal delivery system and has not provided an effective system for the continued flow of Indian housing.

And I would recommend at this time very strongly in this move that they are talking about to Denver, recommend that somewhere or somehow a HUD office or some type of office, maybe in the Department of Interior, of an Indian action team be set up to approach our problems or handle our programs.

Also, Senator, it appears to me a direct attempt by the top administration of HUD is to abort the will of the Congress in the Indian housing program.

With this, Senator, I close my statement.

Senator BARTLETT. Mr. Keel, thank you very much. I will start a series of questions here.

How long has your tribal housing authority been established?

Mr. KEEL. It was established in February of 1966.

Senator BARTLETT. And how long have you been executive director?

Mr. KEEL. I have been with the housing authority 7 years and I am in my fifth year as executive director of the Chickasaw Housing Authority.

Senator BARTLETT. How many low-rent units does your authority have under occupancy?

Mr. KEEL. Senator, we have got three programs that we are working with. One is a leased housing program and we have approximately 300 units under the leased housing program.

We have got 479 low-rent units, and then we have our mutual help program which has 692 occupied and we have under development 351, for a total of approximately 1,800.

Senator BARTLETT. And how many under development at the present time?

Mr. KEEL. That was 351.

Senator BARTLETT. How many should be developed in the future?

Mr. KEEL. The tribal office has run a survey and we came up with a total of a need of around between 4,500 and 5,000 units to complete the program.

Senator BARTLETT. Do Indian families adjust to living in low-rent projects?

Mr. KEEL. Senator, in our low-rent projects—you are talking not of the mutual help, I am sure you are talking just of low rent?

Senator BARTLETT. Low rent.

Mr. KEEL. This is very hard for them to adapt to the low-rent project. More or less in our part of the country, and I am sure it is the same elsewhere, that the Indian people want to be out by themselves or out in the rural areas and they do not care about living in the clustered or urban parts of our country.

Senator BARTLETT. Do they occupy the low-rent project for a long period of time?

Mr. KEEL. No, sir, they don't. These low-rent units will change continuously.

Senator BARTLETT. Do you have the program to counsel families to understand the need to pay rent regularly and promptly?

Mr. KEEL. No, sir, we don't.

Senator BARTLETT. Do you plan to have such a program or do you think you should have one?

Mr. KEEL. We should have this, very definitely, and I think this statement I made, that this is no concern of HUD and higher offices to get some type training program out to the people. We need it very definitely.

Senator BARTLETT. What is your rate of failure to pay or what amount of money is involved?

Mr. KEEL. Senator, the last month we were 6.3.

Senator BARTLETT. Delinquency?

Mr. KEEL. Delinquency, correct. And that is against about $45,000 per month rent.

Senator BARTLETT. What do you do with a house after it becomes unoccupied?

Mr. KEEL. Mutual help?

Senator BARTLETT. Low rent.

Mr. KEEL. Low rent? We have a waiting list. We contact people that is on the waiting list and assign them to this. We have a long waiting list, not only for low rent but mutual help and the leased housing.

Senator BARTLETT. How many housing units could your housing authority place under contract in the next few years if units were available?

Mr. KEEL. Senator, at the rate we are going now, as Mr. Froman and Mr. Crossland brought out earlier, it has taken us about 18 months to get a contract. At the rate we are going now, we couldn't get any out.

Senator BARTLETT. Are families required to vacate low rent units after a specified number of months?

Mr. KEEL. No, sir, only if they are delinquent in their payments.

Senator BARTLETT. At the present rate of unit allocation from Housing and Urban Development, how long would it take to adequately house all of the low-income Indian families that need housing, in the Chickasaw Tribe?

Mr. KEEL. This would be hard to say but, like I say, we ran a survey and it shows that we need anywhere from 4,500 to 5,000 units. With HUD's organization now the way it is set up, we could never meet these needs at the rate we are moving today.

Senator BARTLETT. How many mutual help homes does the tribal housing authority have under contract?

Mr. KEEL. 692 mutual help homes.

Senator BARTLETT. How many under development?

Mr. KEEL. 351.

Senator BARTLETT. How many applications do you have on file?

Mr. KELL. 2,000 for mutual help; 2,600, I think—I think it was 2,600, close to 3,000.

Senator BARTLETT. According to a report compiled from information furnished by each Indian housing authority within the Five Civilized Tribes and the Osage Tribe there are applications pending at the HUD State office on 1,379 units. What is the status of the applications made by your housing authority, especially those submitted in 1974?

Mr. KEEL. Those submitted in 1974, we received those somewhere along in April or might have been a little later. I think there was one about August.

Anyway, we advertised, we got everything up to the HUD office about September or October of 1974, our necessary paperwork. It had been there since that time. We have not received funding on any of them.

Senator BARTLETT. Do you think tribes, particularly the Chickasaws, should have more than one housing authority?

Mr. KEEL. Do I think the Chickasaws should have more than one housing authority?

Senator BARTLETT. Yes.

Mr. KEEL. No.

Senator BARTLETT. Do you think Indian housing authorities will soon reach a point where they will have so many units under occupancy it will be impossible to keep rental delinquencies within reason?

Mr. KEEL. Senator, I cannot believe this. Chickasaw Nation covers 13 counties and we have approximately 1,800 units scattered all over the 13 counties, in the woods, back in the hills, in the cities, and we are keeping our delinquent rate just right around—it has never gone over 10 percent. Of course, mutual help might jump up to over 14 percent but overall it's an average of about 6.3.

Senator BARTLETT. Due to the fact that Oklahoma Indian housing authorities were organized under the Oklahoma Housing Authorities Act of 1965 and as such are corporate and political bodies of the State of Oklahoma, should they be allowed to hire private auditors to audit books on a periodic or annual basis rather than use Department of Interior auditors on a 3- and 4-year basis?

Mr. KEEL. Senator, every year that I have been a director we have requested or the Board of Commissioners have requested an audit through the Bureau of Indian Affairs. Back in 1971 they told us that we were scheduled to have an audit within the next 2 years.

In 1972 we requested another audit. Of course, they said it would be the following year that we were scheduled. The following year they did not come. They wrote us and told us after we requested it again that they found no signs of fraud or had none reported, therefore they would not come and audit.

I don't see how any organization that is dealing in money and as much money as we are—of course to HUD it is not very much money, but to an organization such as us—can operate without having at least one audit per year. And I would strongly recommend that an individual auditing firm be hired to audit the books.

Senator BARTLETT. Does that mean then that your housing authority has not had an audit?

Mr. KEEL. Not since 1971.

Senator BARTLETT. What audits did you have, say, between 1966 or 1967 and 1971?

Mr. KEEL. None.

Senator BARTLETT. You had one in 1971?

Mr. KEEL. One in 1971.

Senator BARTLETT. That was the only one you had?

Mr. KEEL. Yes, sir.

Senator BARTLETT. Would that be par for the course? Is that the same for the Cherokees and Choctaws, the one in 1971, was that done by——

Mr. KEEL. BIA.

Senator BARTLETT. BIA, and not the Department of the Interior? Department of Interior audited the Cherokee Nation Housing Authority and the Choctaw Housing Authority in 1971 as well as the Chickasaws. Did that apply to the other two nations and the Osages?

Mr. FROMAN. The last audit the Creeks had was in 1971.

Senator BARTLETT. I meant to ask about the Creeks.

Mr. DAVIS. The Osages had not been audited ever.

Senator BARTLETT. The Osages have not been audited ever? And how about the Seminoles?

Mr. TANYAN. Seminoles had theirs also in 1971.

Senator BARTLETT. OK. Seminoles also in 1974. I got a little mixed up there, I'm sorry.

Mr. Keel, what is your opinion of the new section 8 subsidy? How do you think the program will benefit housing within the tribal nations of Oklahoma?

Mr. KEEL. Senator, when we heard and saw what was happening in housing in 1974 when we are getting ready to write this particular housing bill, we knew it would not work. I believed that under this program it was a way to either stop housing—of course, Mr. Froman advised you earlier how they led us up to the last minute believing that they were going to take care of the Indian people. By the time the bill got into the markup stages, why, there was nothing in there to provide housing for the Indian people. We feel they got an amendment to that bill to keep us out of the section 8 program.

I believe it was designed, like I say, to either stop housing altogether or either HUD is overbuilt in some of their programs and 236's, 221D's, these things are vacant, they have gone bankrupt, and I think it is their intention to lease these units and rent them out to the people.

There is no money in there for new construction for 3 years. There is no existing houses that you could lease that are decent and sanitary in the Chickasaw Nation.

They ran a survey in Ada this year, 2 or 3 months ago, and there were only four vacancies in Ada that had decent, safe, and sanitary homes.

If you can't build E units with this money you have no program.

Senator BARTLETT. It seems that you are obviously satisfied with what you can get in the way of funded housing programs, that you would like more, that you are dissatisfied with the speed in which you get it, and the coordination, you are dissatisfied with the amount of the funding.

Could you tell me what suggestions you have, including any I mentioned, that would make the program better?

Mr. KEEL. Senator, I believe, to organize an effective program for the—again, it is not only in Oklahoma but across the United States. They are going to have to set up a different program within HUD to be funded, creating new programs, or either in the Department of Interior. We cannot, we just can't build any houses at the rate we are moving now.

It seems like that HUD—of course, we only represent about one-tenth of 1 percent of their programs, and they treat us like a stepchild. We are not important enough to be considered an organization that needs attention.

We would like to see an organization set up with the Department of Interior or through HUD that would directly be related to Indian people and not to public housing.

Senator BARTLETT. Which would you prefer, Interior or HUD?

Mr. KEEL. Senator, it would depend on—if Congress would set the office up and fund that particular office, it really wouldn't make that much difference. If they keep it within HUD, of course, we are going to have the same problem we are having today. But if they set it aside, an organization in HUD, why, then of course we could work with it and fund that particular program and let them work only with

Indian housing authorities throughout the United States, or it could work with the Department of Interior, either way.

Senator BARTLETT. Are you aware of HUD denying to Indian housing authorities any benefits that it extends to other housing authorities?

Mr. KEEL. Well, I mean, just that I know for sure. It's just hearsay, that maybe prior to these hearings, prior to us being in Washington, some of them weren't getting units because of high interest rates. Of course, this stopped everybody. But we are not the only one that are past due. We have city housing authorities that are having the same problems we are having, collecting rents, yet they go ahead and receive their community development funds, they go ahead and receive practically all of the benefits that they should be given, but yet the Indian housing authorities are needing in this area, yes, sir, I would certainly say so.

Senator BARTLETT. Mr. Keel, do you have any other suggestion or any other statement you would like to make?

Mr. KEEL. Senator, the only thing I would like to say, that I would like to back up what Overton James had said, the Governor of the Chickasaw Nation: This is a good program. It has helped the Indian people. We have had a few surveys where the Indian children are going to school, we are having a less of a dropout rate, the families are beginning to get involved. Get into the mainstream of the American way, and beginning to get out and compete, and in the last 7 years we have seen it bring these children along and now we have more of an enrollment in the Chickasaw Nation in higher education than we have had before, and this is what I think the program is all about, bringing these children up and letting them get out where they can compete, get them off of welfare and let them get in and get in the mainstream of life and go to work and be some type of source to their community.

Other than that, Senator, that's all I have to say.

Senator BARTLETT. Thank you. One final question. Some of the other witnesses have mentioned concern about the pending request of the Dallas region to remove Oklahoma's office from its jurisdiction. What are your feelings on this matter?

Mr. KEEL. Senator, I don't know how in the world we have worked out of the Denver office in Oklahoma. Some authorities can't even go to Oklahoma City. They don't even have the funds to travel to Oklahoma City, they are not large enough.

I don't see how in the world we could work out of Denver with all the paperwork we have to ship, send, and carry, and try to keep in good communications with the housing authorities.

Senator BARTLETT. Mr. Keel, thank you for your very fine statement and for your presentation.

[The report referred to by Mr. Keel follows:]

HOUSING AUTHORITY OF THE CHICKASAW NATION,
Ada, Okla., August 5, 1975.

Senator JAMES ABOUREZK,
Chairman, Subcommittee on Indian Affairs
U.S. Senate,
Committee on Interior and Insular Affairs,
Washington, D. C.

DEAR SENATOR ABOUREZK: Transmitted herein is a report on Indian housing based upon actual facts and experience. HUD emphasis is toward solving administrative HUD problems. This Authority desires the emphasis to be that

of expediting the processing of Indian Housing from legislative-appropriations to moving a deserving family into a safe, decent, sanitary house.

Sincerely,

LELAND D. KEEL,
Executive Director.

EXHIBIT B

This exhibit is to report effect of the "Staff Report on the Indian Housing Effort in the United States with Selected Appendixes," Indian Housing in the United States," February, 1975.

It is apparent that a "Problem-solving" approach is utilized with regard to the referenced report and the new Mutual-Help Handbook.

The report lists all the problems involved within the program and the new handbook seeks to solve the problems. There is no mention of the benefits of the program and the positive benefits to Indian people of this country. The report gives a very negative view to the program with total disregard to its worthiness.

The relationship to this report reflects in the new handbook. The problems to be resolved are Administrative mostly within HUD and appear to disregard the real problem of delivery.

The handbook requirements are new "safeguards" to protect HUD. These will increase time to deliver housing. In addition the requirements can successfully stop the efforts to obtain Mutual-Help Housing.

EXHIBIT C

This exhibit is to report the procedures of the present system in Oklahoma, why the delays occur and possible anticipated effect of the New Mutual-Help Manual.

Attached is Oklahoma City Area Office Administrative procedure for delivery dated December 3, 1974. A time table is contained herein and problems are explained.

Step 1.—Oklahoma Indian Authorities are not allowed to submit an application until HUD transmits a letter instructing the Authority to apply. Any application submitted without this HUD letter will be returned. The application per HUD instruction must show the number of housing units applied for to be the number in HUD's letter of instruction. Therefore the actual need of the particular tribe is not reflected in the application.

HUD Form 52470C is required although HUD does not allow relocation in Mutual-Help housing. Should an Indian family desire to build a Mutual-help house on his Indian trust land and their existing house is located on the donated site: then HUD will disapprove the site because relocation is not eligible.

HUD Form 52470A: a portion of the application requires housing statistics based upon a market that in reality is totally unrelated to the housing system and goals of Mutual-help housing. HUD's application approval criteria is based upon tribal needs while this form cannot show the tribal needs. An entire tribe can be needing of housing while this report can show no housing is needed.

HUD Form 52472 relates to the local governing body. Due to the unique non-reservation status of Oklahoma Indians the body is the principal officer of the tribe. OMB circular A–95 requirements respond to a separate number of governing bodies. In instances of an authority operating in several counties "governing bodies" can become practically infinite. Also jurisdiction of clearing houses within the State can be numerous. In addition clearing house review does not address the needs of the tribe alone. The review is based upon accepted methods disregarding the specific tribal needs.

TIMETABLE FOR STEP 1 (IN DAYS)

Item	Preparation	Approval
1. Application with supporting documents (application requested by HUD is assumed)	14	30
2. Supporting resolutions and notices (State law requires 30 days legal notice)	30	(1)
3. Clearinghouse approval—clearinghouse legal notice and waiting period time		60
4. HUD approval of 3 above		30
Total		90

[1] Submitted with item 1.

The above assumes the authority has the expertise to present all forms to be acceptable to all HUD sections, governing bodies, and clearinghouses. Also asssumed is there is no requirements by any single person involved in the Step 1 process. One requirement usually requires repetition for the entire process. The time can easily be doubled or tripled. These assumptions continue through all steps.

Step 2.—This step requires a minimum of two board meetings and two HUD conferences. As in all steps the requirements have developed through use of the referenced HUD handbooks. Most requirements have developed through policy required administratively by HUD. This has led to the great diversity between HUD Regional and Area offices.

HUD's review process of Plans and Specifications has been a problem. HUD prepares comments on preliminary plans and specifications for the developer to correct. Upon resubmittal of corrected documents a complete review is usually prepared disregarding the previous comments. The new comments require the developer to again resubmit plans and specifications corrected as required. This sequence has occurred five times as one example.

The developer submits a price when plans and specifications are originally accepted. If approval of plans and specifications has consumed for example one year; then, the developer is expected to negotiate a price based upon his original price being one year old. The processing time from negotiation can consume one additional year. This can force the developer to execute a contract based upon two years old prices. The alternative is to begin the process over.

As the ACC has previously been executed based upon possibly inadequate prices the authority funds then must be used to produce as many units as possible. This may lead to reducing units from the total abandonment of the project in its entirety.

TIMETABLE FOR STEP 2 (IN DAYS)

Item	Preparation	Approval
1. Submit advertisement for HUD approval	1	15
2. Advertisement for accepting proposals (advise HUD by letter of date) board meeting	1	30
3. Comparison chart	3	(1)
4. All proposals to HUD with documents	1	15
5. Concurrence of turnkey program	3	10
6. HUD conference	(?)	10
7. Board meeting (legal notice period) to approve plans and specifications	10	
8. Submit documents—HUD review	1	30
9. Board meeting (notice period) to approve final plans and specifications	10	30
10. Negotiating conference		10
Total		150

[1] Submitted with item 4.

HUD has recently reduced review of Plans and Specifications to two reviews although the second review can have comments which agreed upon at contract signing.

Step 3. The submission of the development program is based upon negotiated prices. With regard to economic factors this becomes critical if a delay is experienced from this time to final contract award as mentioned previously.

TIMETABLE FOR STEP 3 (IN DAYS)

Item	Preparation	Approval
1. Prepare form	2	10
2. Board meeting	10	
3. Submit documents	1	30
Total		40

Step 4. The Problems involving site approval are infinite. Listed herein are a few. This Time Table will vary depending upon numerous factors.

GENERAL RULES

1. An alternative should allow the Authority to pursue new sites at development program expense and donated sites are most often rejected. In addition, use of trust lands cannot meet all sub-state clearinghouse master plans. An Indian's trust land location determines where his site is to be with total disregard to agency plans. There is no choice where the house must be built. Families have lived on their lands for at least one generation. When their site is disapproved the alternative is to move away from their land to a suitable site. Most often they choose not to leave. Their alternative at this point is to not have a house. HUD's rejection often cannot consider these facts if they are restricted from sound judgement by policy.

2. The sub-state clearance cannot address its criteria to the specific plight of the individual Indian's land location.

3. Due to the problems in obtaining clear title, suitable water and waste systems on Indian land it is more frugal and expeditious to obtain cluster sites. The additional environmental statements, HUD inspection, and Indian Health Service Assistance, make this approach lengthy and almost impractical to pursue. Other requirements make it impossible to purchase approvable sites in a sub-division where other subsidized housing exists. The concurrence of the local governing body where a site might be located again does not consider the needs of the tribe. The city might choose for various reasons not to agree to furnish HUD required services.

4. Due to budget cutbacks it is increasingly difficult for HUD personnel to make field inspections because of travel expense. The Authority may await HUD inspection of sites for months before processing and continue.

Displacement and relocation is previously mentioned. If the Indian lives on his site then the site is automatically rejected.

APPRAISALS

If the Bureau of Indian Affairs furnished appraisals budget money and a qualified appraiser must be present. Adequate time must be available to avoid delay depending upon the workload of the authority's needs.

If HUD furnishes appraisals (at the Authority's expense) as listed above time and money are important to accomplish the task.

Step 4 timetable therefore cannot be established. Should any single factor cause site rejection the process must begin again. A critical point is that after approval where a water well is required a rejected water well causes starting over. If title work, percolation rejection, rejected well, HUD disapproval (test boring to be required), and other factors cause rejection all the incurred expenses must come from the development budgets. For this reason again the completion of the housing goal is hindered.

The new Mutual-Help handbook makes site approval prior to contract award a requirement. Due to timing of negotiation, site processing delays, and contract award this alone should be enough to cause Indian housing to be effectively stopped.

OVERVIEW

The total timetable in this example is 280 days without considering time to process all sites for one contract. In addition, the time from approval of the development program to the execution of the Annual Contributions Contract making funds available may be another 60 days. In reality the timetable from submittal of an application to actual construction is at best one year and usually eighteen months.

Other processing requirements occur during and after construction, but will not be discussed as the major factor is getting to the construction phase.

STEP 1

MUTUAL-HELP TURNKEY LOW RENT PUBLIC HOUSING APPLICATION

(References—Handbook 7405.1: Handbook 4010.1—Change dated Nov. 4, 1974)

The application will be prepared in six copies. All copies of each form will be stapled together.

Form Number and name of form

HUD–52470—Application.
HUD–52470A—Supporting data for application for low-rent housing program.
HUD–52470C—Relocation needs (submit only if displacement occurs). If no relocation a statement to that effect must be included with application.
FHA–3166—Statement of intent of local authority to comply with requirements or project selection criteria.
HUD–9009—Suggested form of general certificate of local agency.
HUD–52471—Suggested form of resolution by local housing authority authorizing submission of application for a low-rent housing program.
HUD–52472—Suggested form of resolution by local governing body approving application of local housing authority for preliminary loan for low-rent public housing.
HUD–53037—Statement of local authority as to compliance under Title VI of the Civil Rights Act of 1964.
HUD–9011—Certificate of recording officer.
HUD–9012—Extract from minutes of meeting.
HUD–9013—Notice of special meeting.
HUD–9014—Resolution.
FHA–2472–LGB—Resolution approving application for program reservation for low-rent public housing (tribal governing body).
HUD–52480—Preliminary loan contract (If loan requested).

Certificate of Compatability

In addition:

1. A Section 3, Affirmative Action Plan, must be submitted to cover the project area in which it is expected the homes will be built.

2. A copy of the application must be submitted to the Sub-State Planning Region and one copy to the State Clearinghouse. Their review will be in accordance with the provisions of OMB Circular A–95. After comments are received from both of these groups they will considered by the Housing Authority prior to submission of application to HUD. If comments are adverse and the Housing Authority determines to proceed they will justify their reasons in application. Comments from both groups must be included with application.

3. You are reminded that you must hold a Joint Public Meeting between the Commissioners of the Housing Authority and its governing body. Public notice must be published at least 10 days prior to and not more than 30 days prior to the meeting. To substantiate the meeting you must include with the application: Certified resoultions of both bodies; extract of minutes of meeting of both bodies; and notice of proof of publication.

STEP 2

MUTUAL-HELP TURNKEY LOW-RENT PUBLIC HOUSING PROPOSAL THROUGH NEGOTIATION STAGES

(Reference—Handbook 7425.1)

1. Submit 5 copies of the proposed form of Advertisement for Proposals to HUD for review.

2. Advertise for Proposals in a newspaper(s) of general circulation in the area served by the Authority. Follow procedures outlined in paragraph 1–3 of the referenced Handbook and Oklahoma State Statutes. For better coverage, also use trade journals for advertising.

3. Advise HUD in writing of the opening date, time and place.

4. Review all proposals received and make comparison chart. Be sure the proposals contain Section 3 (Affirmative Action) Program.

5. Submit all proposals to the Housing Authority Commissioners. The Commissioners select the developer and name him by resolution.

6. Submit two copies of the following to HUD:
   a. All proposals complete with exhibits.
   b. Proof of publication of notice of meeting.
   c. Minutes of the meeting.
   d. Certified copies of the Resolution selecting developer.

7. After receipt of approval from HUD, notify Developer of his acceptance as Developer. Developer should state whether he desires to go regular Turnkey

or follow the Accelerated Turnkey Program outlined in paragraph 1–1d of the referenced Handbook. His selection of method to be followed must be in writing and concurred in by your Authority and submitted to HUD for concurrence.

8. Notify HUD of an acceptable date for a design and feasibility conference.

9. Design and feasibility conference held.

10. Commissioners review Preliminary Plans and Specifications. If acceptable they pass Resolution and forward the following to HUD for review:

a. 5 copies of the Plans and Specifications.

b. Proof of Publication and Notice of Meeting.

c. Certified Extract of the Minutes of the Meeting.

d. Certified copies of the Resolution adopting the Plans and Specifications.

11. HUD submits comments on Plans and Specifications. Comments are forwarded by the Housing Authority to the Developer for correction. Final Plans and Specifications are submitted to the Housing Authority who review and accept or reject them. If acceptable they are forwarded to HUD for review with the following:

a. 5 copies of the Plans and Specifications.

b. Proof of Publication and Notice of Meeting.

c. Certified Extract of the Minutes of the Meeting.

d. Certified copies of the Resolution adopting the Plans and Specifications.

12. Developer submits form HUD–2328, Contractor's and/or mortagagors cost breakdown, prior to negotiation conference.

13. LHA, Developer and HUD hold negotiation conference to arrive at an acceptable price. Conference will be held not sooner than 10 days after LHA has been notified plans are acceptable and Contractor or LHA has forwarded 5 copies for final review.

Step 3

MUTUAL-HELP TURNKEY LOW-RENT PUBLIC HOUSING DEVELOPMENT PROGRAM

(References—Handbook 7425.1; Handbook 7410.1)

Sections 2 and 3 of Chapter 4 of Handbook 7410.1 give instructions on the preparation of the Development Program for a Conventionally Bid project. It will furnish guidance for the completion of individual line items for the Mutual Help Housing Development Program and should be used as a guide.

For Approval of the Development Program, five copies of the following items will be submitted to HUD:

a. Development Program, form HUD–5080, as appropriately modified for Mutual-Help Turnkey Housing.

b. Minutes of the meeting of the Housing Authority approving the Development Program.

c. Proof of Publication of the Notice calling the Housing Authority meeting for the purpose of approving the Development Program.

d. Resolution approving the Development Program adopted at the meeting of the Housing Authority.

Step 4

MUTUAL HELP TURNKEY LOW RENT HOUSING SITE APPROVAL, SITE SELECTION AND APPRAISALS

(References—Circular HPMC 4400.47; Handbook 7410.2; Handbook 1390.1; Handbook 1390.2; Handbook 7425.1; Handbook 7410.1.)

GENERAL RULES

1. Each site must be approved by HUD. This includes land purchased, donated, tribal land and trust land.

2. A statement must be obtained for each site from the appropriate sub-state planning group. The statement must address the issue of general adequacy of site and state if the site is in or out of the 100 year flood plain.

3. If several sites are to be within the corporate limits of any City or Town you must furnish with the Form HUD-52651, Preliminary Site Report, a letter from the City or Town agreeing to furnish services and facilities to the site.

4. Personnel from this office will normally not physically inspect sites which contain less than 10 dwelling units. If our desk review indicates a site inspection is necessary in an individual case such an inspection will be made.

DEVELOPER TO FURNISH SITES—SITES KNOWN AT PROPOSAL STAGE

If the Developer is to furnish the sites and sites are known at the time he submits his proposal he must so notify the Housing Authority. When the Housing Authority submits the proposals for our review they will furnish us the following items in addition to those specified in Step 2 Checklist:

1. Form FHA 3166—Statement of Intent of Local Authority to Comply with Requirements of Project Selection Criteria.
2. Form HUD 52651 (with attachments).

If some of the sites are known at the time the proposals are submitted, the Housing Authority should submit the above information for the sites whose locations are known.

DEVELOPER OR HOUSING AUTHORITY TO FURNISH SITES—SITES NOT KNOWN AT PROPOSAL STAGE

If the Developer of the Housing Authority are to furnish the sites and sites are not known at the time the proposals are received the following steps should be taken: (These should be commenced no later than when the Developer is designated).

1. Locate appropriate sites.
2. For sites containing ten or more sites, submit in duplicate the following:
   a. HUD 52651 (with attachments)
   b. Form FHA 3166
3. For sites containing one through nine units, prepare and submit in duplicate a Form HUD 52651 (with attachments). If one or more of the sites have details in common these may be grouped on a single HUD 52651 with single set of attachments.

APPRAISALS

1. If the Bureau of Indian Affairs is doing appraisals for the Housing Authority these may be submitted with the HUD 52651 for the sites.
2. If a HUD appraisal is requested you will furnish this office:
   a. Form FHA 2013—Request for Commitment.
   b. Approved HUD 52651 covering site.
   c. Check for fee (Par. 6-20, Handbook 7410.1).
3. For a single site you may include both site approval and appraisal in one submission. You should submit:
   a. Form FHA 2013—Request for Commitment.
   b. Form HUD 52651 with attachments—all in duplicate.
   c. Check for fee.

NOTE

The provisions of Section 213 (c) of the Housing and Community Development Act of 1974, requires us to submit your application to the local governing body as soon as sites are known. They have 30 days to comment.

STEP 5

MUTUAL-HELP TURNKEY LOW-RENT PUBLIC HOUSING
CONTRACT OF SALE

(Reference—Handbook 7425.1)

Development Program is approved and ACC list is prepared. ACC list is approved and Annual Contributions Contract prepared. ACC executed by Housing Authority. Now ready for contract of sale.

The Housing Authority submits to HUD at least ten days prior to the date of the signing of the Contract of Sale the following items in five copies:

a. Approved Plans and Specifications. Should contain signature blocks for signatures of H.A. and Developer.
b. Proof of Publication advertising the meeting of the Commissioners.
c. Certified minutes of the meeting of the Housing Authority Commissioners.
d. Resolution adopted at the meeting authorizing the Chairman to sign the Contract.

The Contract must contain:

a. Current Federal Wage rates.
b. Home Town Plan certification (if applicable).

c. Section 3 compliance.

d. Form HUD–53018—Special Conditions Relating to Labor for Turnkey Projects.

At the time of signing:

a. Contract must be signed by the LHA Chairman and the Executive Director and sealed by LHA seal.

b. If the Developer is a Corporation, the President or Vice Prsident must sign and the corporate Secretary attest the signature and affix the Corporate seal.

At the time of signing:

The Housing Authority must have estimated cash needs for a six months period and submit the following HUD forms:

a. Original and two copies of form HUD–5216—Request for Funds.

b. Original and two copies of form HUD–5204—Requisition for Funds.

EXHIBIT D

This Exhibit is to present an insight regarding problems in processing within the HUD office.

The Oklahoma City HUD office was moved from Fort Worth and HUD was reorganized administratively five years ago. HUD personnel have made various changes and explanations of Mutual-Help housing. Various HUD administrative changes have caused a situation where individual employees have not been totally involved in Mutual-Help processing. As an individual becomes knowledgeable of the ways the program works, HUD emphasis causes changes in duties. This creates hardships on Indian authorities as they must wait for an employee to learn the program. As there is no individual who understands the entire program, Indian authorities must rely on many individuals who do not always understand the entire program. Therefore our instruction in regard to processing becomes inconsistent within the state. The inconsistencies are coupounded within the various HUD regions.

As there is no handbook for Mutual-Help, it is most difficult for individual employees to intepret Mutual-Help processing in relation to Low-Rent public housing. The Area Office processing all forms and correspondence within several internal sections. These sections include, for example, management, legal, architectural, etc. Any form or letter that is transmitted must clear all sections. If any one section has a requirement, the document is retured to the local authority. Upon re-transmittal, the same document must again go through all the sections. Chances of any one document surviving the scrutiny of all these sections is slight.

As all documents must go through this processing, it is important that it be absolutely correct upon the first submittal. The problems in processing are infinitely compounded by requirements of individuals who are not fully aware of the functions of the entire program. Therefore, it is a necessity that HUD develop a specialized section comprised of employees who have been involved in the Mutual-Help processing.

Senator BARTLETT. The next witness is Mr. Kirk Perry, president of the Oklahoma Indian Housing Authorities Association.

Mr. Perry, proceed as you like. You can either read your statement or we will insert it in the record in its entirety.

STATEMENT OF KIRK PERRY, PRESIDENT, OKLAHOMA INDIAN HOUSING AUTHORITIES ASSOCIATION

Mr. PERRY. Thank you, Senator Bartlett.

I would like to begin by very briefly mentioning the program that was sponsored by the Oklahoma Indian Housing Authorities Association this year. It was called a housing aid program. It was funded by the Bureau of Indian Affairs.

The Bureau gave this association $90,000 to have this housing aid program. Each authority in the State participated in the program and they hired mostly mutual help participants. These participants at-

tended a training session where they gained some expertise in six basic things, such as family budgeting, management of the home, minor maintenance.

These housing aides went and visited the mutual help participants and tried to instruct them on some of these basic type things they need to know about. In addition, they try to make the participants aware of the resources available to them locally and through various Federal programs and agencies, and this is one method that seems to have helped to some degree to assist these participants in learning some of the things they need to know about being a homeowner.

The Bureau has contacted me recently. They are preparing some pamphlets that would be handout material for a program such as this. Also, they speculate that there may be a chance of funding it again this year.

And I notice in the possible draft of the mutual help handbook there is a provision for some participant training, and I would very much hope that this type of training could be included in a housing authority's function. I think it is worthwhile. These people get into the homes and have no one to turn to in some cases. And there are a lot of things that they need to know. If they have a contact, some means of communication, maybe they can get their problems ironed out.

I have prepared a position paper. [See p. 287.] I would like to add, my job, I am the deputy director of the Chickasaw Housing Authority and this year's president of the Oklahoma Indian Housing Association. So, I will go through this position paper now.

[Letter dated August 5, 1975 to U.S. Senate, Committee on Interior and Insular Affairs, Washington, D.C., attention: Senator James Abourezk, chairman, Subcommittee on Indian Affairs, follow:]

The enclosed is presented by the Oklahoma Indian Housing Association in behalf of the Indian housing authorities of Oklahoma.

Our continuing goal is to pursue housing for Oklahoma Indians in any appropriate method.

The aim of the enclosures is to hopefully provide insight to assist all our friends within the delivery vehicles to provide positive action to continue this worthwhile program.

In this paper we have four sections, A, B, C, and D. There is an attachment to A and there is an attachment to C.

The attachment to exhibit A is a position paper prepared by the Oklahoma Indian Housing Association I transmitted to your subcommittee and it is dated April 4, 1975.

The topics pointed out in this position paper, in some instances there has been some action taken in varying degrees that relate to these items that were pointed out. I will try to be very brief with this exhibit A.

This first item in the original position paper discusses a single agency to provide the housing goal for Indian families. And the statement in the exhibit A is that portions of the mutual handbook to be published by HUD and the Federal Register appear to extend HUD services thereby giving some relief to the processing problems involved in the "Tri-Agency Agreement."

This third party concept in the original position paper, No. 2, the concept has not been approached to my knowledge.

A system whereby a "force account" method of delivery could be utilized for the benefit of all parties.

Senator BARTLETT. Excuse me. Would you describe your third party contract concept?

Mr. PERRY. OK. The third party was—that was with an organization such as OIHA. The concepts is, if an agency such as a Federal agency, HUD, Department of HEW, Department of the Interior, were not able to do this, possibly this could be contracted to a third party where they might provide these services.

Back to the item 3. The forced account method is approached in this handbook where it might be a possibility in certain instances. Of course, we don't know what the Federal Register copy will be like, but I think some of the basic material that I saw in the possible draft should be in there.

Item No. 4 was requesting this type of section. Of course, it was resolved today.

Item No. 5, requesting the congressional hearings to be held in Oklahoma. This is covered in Item 5. That is resolved and I am sure the tribes of this State appreciate this hearing in Oklahoma.

Item No. 6 in the original paper requested a separate branch of HUD to be formed under an Assistant Secretary for Indian Housing, and this branch would be composed of specialized employees knowledgeable in processing Indian programs. It seems that steps are being taken in this direction except that no action has been taken in the Oklahoma City area office. We understand that, for example, Los Angeles will have an assistant regional administrator who will have a staff to provide services for those authorities in their area.

Item No. 7 was stating that there were not may benefits reaped from the Housing and Community Development Act of 1974 by Oklahoma tribes. The tribes have not realized yet any benefits except for the mutual help set aside in that bill.

Item No. 8, there was concern that the establishment of this handbook without Indian input would create some problems for us. It seems that there will be benefits pro and con in the new mutual help handbook. The problem of expediting processing is not to be resolved.

Item 9, a simplified system in the the requirement to obtain a preliminary loan to expeditiously allow the authority to begin operations is essential. Basic requirement of good management necessitates funds for operation. It seems the problem will be approached in the new handbook.

Item 10, this problem has been acted on and other problems quickly occurred to prevent execution through annual contributions contracts. This problem stated in item 10 was that the authorities were not collecting their accounts receivable and their programs were stopped temporarily. And we did get relief on that. Now we have other problems.

Item No. 11——

Senator BARTLETT. Excuse me. On item No. 10, could you summarize what the tribes have done to improve their delinquency rate on collections?

Mr. PERRY. The tribes have been operating for quite a number of years as housing authorities, and to my knowledge none of them were

ever—it was not insisted that they immediately take some kind of action towards improving their accounts receivable.

It seems like suddenly, with this telegram, or this directive from Mr. Breeden that these programs be stopped until the accounts were all collected, it just seems like suddenly they out of nowhere said stop, here it is, you have to do this. And Mr. Froman covered this in his statement earlier about the problem about the accounts receivable.

Did that answer your question at all?

Senator BARTLETT. Yes, but I was wondering too, apparently progress has been made in this from what you said and from what Mr. Froman and others said.

Mr. PERRY. Yes, The authorities have approached these problems of course from their own individual standpoints about making collections, and there is progress being made.

Senator BARTLETT. Has your association been able to provide suggestions or help to the various housing authorities as to how to proceed?

Mr. PERRY. OK. The way our association works, the membership is made up of directors and board members of all the State housing authorities, and our goal is to provide this type of service but only upon the request of an individual authority. And sometimes, due to our tribalness, we don't really like to get involved in each other's business.

Item No. 11 was asking for some insurance relief. Our rates in the mutual help housing are pretty high and this has to be absorbed of course in our operating budgets. And it seems that Oklahoma was being left with all the other States on a nationwide insurance policy and where there have been casualty losses in other areas that affected the Oklahoma area where our casualty losses were somewhat less. There is an organization now approaching this to see if Oklahoma can get its own insurance, and maybe our insurance rates can be somewhat lower. So this problem is being approached.

Item No. 12, this States training and maintenance subsidiaries are required to assure a continuing beneficial program to the Indian people. Again, this problem is approached in the new manual and we are hoping something can be accomplished on it.

Item 13 says there is a definite need for an additional program such as those included in the Housing and Community Development Act of 1974. And item 13, again, is approached—it seems like HUD is expanding some of its services to mutual help projects where it was formerly just low rent projects.

Item No. 14, various authorities and this association has continually requested an Indian desk within Oklahoma City, and this problem, it seems, is not coming along very well. One of the gentlemen stated earlier that we have just a very few people in HUD who are aware of our program and who work with the Oklahoma authorities and I know some of the other regional housing associations have requested that an Indian branch be set up within HUD to provide them some services. And this is another thing that the OHA needs, a separate branch within HUD so that we can get our things processed.

Item No. 15, this is requesting HUD technical assistance whereby HUD is supposedly supposed to give us some. And this problem is being approached by HUD setting up a training program. This is

$500,000 through the target projects program that is already designated by HUD to be used for training Indian housing authority personnel, and we hope that it will get into effect very shortly, within the next few months.

Item No. 16 refers to modernization funds being used on mutual help projects and HUD has answered this question and said that modernization is eligible as long as the money isn't used for some tenant damages, so we now know that we can use modernization funds.

Item 17 refers basically to the prototype costs that we are limited with, and once again, the problem is approached in the new manual. Of course, any of these problems that are being approached, we don't know what the effect will be at this time.

Item No. 18 requests that 6,000 units per year for the next 5 years be designated for Oklahoma because of the need we feel that we have. Of course, presently the program has stopped so we don't know what we will get, if anything.

Item No. 19 is that the OHA doesn't feel admission of continued occupancy and income limits for Indian families should exist, and I believe this problem was approached in the Housing and Community Development Act of 1974 saying that the occupancy limits can be lifted.

Senator BARTLETT. Would you repeat what you said about item 19?

Mr. PERRY. Item 19 is talking about continued occupancy income limits, and I think we have some relief through the language in CD74. What the problem was, that an Indian family, a low-income family, would move in and if they tried to better themselves and make a little more money they would get to the point where they weren't eligible and they would have to move.

Senator BARTLETT. On middle-income housing, is HUD providing a program in Oklahoma for middle-income housing?

Mr. PERRY. Not that I know of.

Senator BARTLETT. But for non-Indians they are?

Mr. PERRY. Yes.

Senator BARTLETT. And these are not available to Indians?

Mr. PERRY. I think it is not so much the way that the program is; I think it is more that the Indian people are not that aggressive.

The difference between the mutual help and these other programs is that there is a tribal housing authority who serves these Indian people and does the paperwork and the legwork for them, whereas if they have to do on their own they have to do it themselves and some are quite hesitant to get involved with the red tape and so forth.

Senator BARTLETT. Is a tribal housing authority authorized to provide help for an individual on middle-income housing?

Mr. PERRY. I am not that well aware of the laws myself so I cannot answer that.

Senator BARTLETT. Is there more to your presentation or are you ready for questions?

Mr. PERRY. I will tell you what, since this is all written out I think it would be better if I were to not read this and let you ask questions.

Senator BARTLETT. All right. We will put that in the record in its entirety.

What Federal agency, in your opinion, should be responsible for full coordination and implementation of Indian housing?

Mr. PERRY. I think with the way our allocations and laws are at this moment in time that most expeditiously it would be within HUD. If we have to go to another agency I am sure there will have to be a structure set up with laws and regulations and so forth and this will will take longer.

Senator BARTLETT. You went over a number of suggested areas. Are there any other areas in the existing program that you think need improvement?

Mr. PERRY. Yes, sir; there are other portions within this paper I have that are included in the rest of the exhibit.

We have talked to our legislators about problems that we have and we have not always identified them. This exhibit C identifies a little more specifically what our problems are. And I feel that because of the nature of them, our friends who help us in HUD, they have to go by the rules. They can't say, Well, this rule is here but since this is an Indian authority we will forget it. They can't operate that way.

So, we have to get involved with all these rules under public housing or Federal law and so forth. So, I feel after we get a new handbook we are still going to have the same problems. I think the thing that will help us most is, instead of cutting the redtape—I heard a man say one time that when we cut the tape we cut it lengthwise, making it twice as long. I hope this is not what we are getting into.

Senator BARTLETT. Who is preparing the handbook?

Mr. PERRY. HUD is.

Senator BARTLETT. And are there inputs from the housing authorities?

Mr. PERRY. If I understand it correctly, sir, I believe they had personnel in from regional HUD offices and they sat down and talked about the problems and they approached them in this new mutual help handbook. I understand it is to the Federal Register within the next few weeks.

Senator BARTLETT. This would be for use nationwide?

Mr. PERRY. Yes, sir.

Senator BARTLETT. I wonder if I could poll the housing authority representatives here, to see if they are in accord with this position paper that has been introduced. It hasn't been read in its entirety but it has been partially read.

How about the Creeks?

Mr. FROMAN. I helped with it. I gave some ideas initially but I haven't read the whole thing.

Mr. PERRY. Do you think it would be appropriate to very rapidly read through this?

Senator BARTLETT. No; I don't think we need to do that, but this will be in the record. I guess Ron hasn't read it.

Mr. Crossland, have you?

Mr. CROSSLAND. I haven't read it but I had input in this.

Senator BARTLETT. I see. But generally, do you think this would be authoritative of the Cherokee and Creek Housing Authorities?

Mr. CHOPPER. Yes.

Senator BARTLETT. How about the Osages?

Mr. DAVIS. We had a little input into it but also this has been discussed for the past couple years.

Senator BARTLETT. So you would generally subscribe to it?
Mr. DAVIS. Yes.
Senator BARTLETT. Mr. Keel?
Mr. KEEL. Senator, the Chickasaws agree.
Ms. VIETTA. The Seminoles agree.
Senator BARTLETT. Seminoles agree with it. Anybody else?
Mr. MCINTYRE. Choctaws agree with it.
Senator BARTLETT. Choctaws agree with it. Absentee Shawnees?
UNIDENTIFIED ATTENDANT. Absentee Shawnees agree with it.
Senator BARTLETT. Is there anybody else represented?
[No response.]
Anybody disagree with it?
[No response.]
None. OK. Mr. Perry, do you have anything else you would like to say? I think those are all the questions we have.

Mr. PERRY. No, sir. I would like to say in ending that I appreciate the opportunity to be sitting here and that I appreciate the support that our members in the OHA have because there was somewhat of a degree of unity within the organization and we are trying to get set up as an established service organization.

Senator BARTLETT. Thank you, Mr. Perry, very much for a fine presentation.

[The position paper referred to by Mr. Perry follows:]

EXHIBIT A

This exhibit is to report action regarding the OIHA position paper presented to this sub-committee on April 4, 1975. This paper is attached reference.

Item 1.—Portions of the Mutual-help handbook to be published by HUD in the Federal Register appear to extend HUD services thereby giving some relief to the processing problems involved in the "Tri-Agency Agreement."

Item 2.—This concept has not been approached.

Item 3.—The "Force-Account" method is to be acceptable in certain instances in the new "Mutual-Help Handbook."

Item 4.—Resolved.

Item 5.—Resolved.

Item 6.—Steps are being taken in this direction except no action has been taken in Oklahoma City Area Office.

Item 7.—A slow approach is being taken toward expediting the delivery system. Oklahoma Tribes still continue to realize no benefits from the Housing and Community Development Act of 1974 except that processing of housing unit allocations is still underway.

Item 8.—There are benefits pro and con in the new Mutual-Help Handbook. The problem of expediting processing is not to be resolved.

Item 9.—This problem is approached in the new handbook.

Item 10.—This problem was acted upon, but other problems quickly occurred to prevent execution of New Annual Contributions Contracts.

Item 11.—This Association is approaching this problem but positive results are not in sight.

Item 12.—This problem is approached in the New Manual.

Item 13.—This problem is approached in the New Manual.

Item 14.—This problem has become more difficult.

Item 15.—This problem is being approached by HUD's funding of a training program.

Item 16.—HUD has answered this question positively although it is not likely this function can be of benefit.

Item 17.—This problem is approached in the New Manual.

Item 18.—Presently there is no action to resolve the problem.

Item 19.—This problem is resolved.

OKLAHOMA INDIAN HOUSING ASSOCIATION,
Ada, Okla., April 4, 1975.

DEAR SIR: Please find attached copies of Position Paper as adopted by the membership of the Oklahoma Indian Housing Association during a Special Meeting on this date.

Copies of this Position Paper are initially being transmitted to the Congressional Committee on Insular Affairs, the United Indian Tribes of Western Oklahoma and Kansas and the Intertribal Council of the Five Civilized Tribes of Oklahoma.

Sincerely yours,

KIRK PERRY, *President.*

Attachment.

MEMBERS PRESENT AT A SPECIAL MEETING OF THE OKLAHOMA INDIAN HOUSING ASSOCIATION HELD APRIL 4, 1975, SHAWNEE, OKLA.

Those Present:
Kirk Perry, Chickasaw Deputy Director & President, OIHA.
Jerry Duncan, Chickasaw Fiscal Director & Treasurer, OIHA.
Duane Ellis, Absentee Shawnee, Housing Chairman of Board & 1st Vice-President, OIHA.
Johnnye Chopper, Cherokee Housing Commissioner & 2nd Vice-President, OIHA.
Jo Ann Hall, Sac & Fox Housing Executive Director & Secretary, OIHA.
Leland D. Keel, Chickasaw, Housing Executive Director.
Hubert Halfmoon, Caddo Housing Executive Director.
Mrs. Guy, Caddo Housing Authority.
Thomas Mack Crossland, Cherokee Housing Executive Director.
Roy Allensworth, Cheyenne-Arapaho Housing Executive Director.
Charles McIntyre, Choctaw Housing Executive Director.
Ron Froman, Creek Housing Executive Director.
Jim Littlesun, Pawnee Housing Authority.
Glenn Edwards, Absentee Shawnee Housing Authority Executive Director.
Marquriette Vietta, Seminole Housing Executive Director.

RESOLUTION SUPPORTING ORGANIZATIONAL POSITION PAPERS

Whereas, the members of Oklahoma Indian Housing Associates have been presented a paper by the National American Housing Council dated March 26, 1975, and a position paper prepared by the United Indian Tribes of Western Oklahoma and Kansas, and by unanimous decision of this organization fully support these position papers, and now, be it

Resolved That the Oklahoma Indian Housing Association does hereby fully support these position papers.

CERTIFICATION

We, Kirk Perry, President and Jo Ann Hall, Secretary, of the Oklahoma Indian Housing Association do hereby certify that the above Resolution to be a true copy as approved at a meeting held on January 24, 1975, at the CTSA Building, Route 5, Shawnee, Oklahoma by unanimous vote.

KIRK PERRY, *President.*
JO ANN HALL, *Secretary.*

POSITION PAPER ON INDIAN HOUSING, PREPARED BY THE MEMBERS OF OKLAMOMA INDIAN HOUSING ASSOCIATION

The Oklahoma Indian Housing Association is a non-profit organization which represents the Oklahoma Indian Housing Authorities. Its purpose is to provide a means of representing the Oklahoma Indian Housing Authorities in a concentrated effort to promote and to resolve problems peculiar to tribal Indian Housing Authorities. The membership of this Association is composed of the Executive Directors and/or Chairman of the Oklahoma Indian Housing Authorities.

It is the general consensus of this Association that the HUD delivery system for Indian housing is inadequate and totally unsatisfactory in its present supply of critically needed Indian housing. Possible solutions offered are:

(1) A single agency, funded and responsible for meeting the goal of providing adequate housing for Indian families.

(2) Establishing a third party contract Agreement with an organization such as OIHA.

(3) A system whereby a "Force Account" method of delivery could be utilized for the benefit of all parties.

(4) Request Congress to establish joint session hearings between the Interior and Housing Committees with the goal of establishing an effective system utilizing all available resources.

(5) Request Congress mandate Congressional hearings that includes the State of Oklahoma with regard to critically needed housing programs for Indian families in Oklahoma.

(6) Request a separate branch of HUD be formed under an Assistant Secretary for "Indian Housing." This branch should be composed of specialized employees knowledgeable in processing Indian programs.

(7) The Housing and Community Development Act of 1974 does not benefit Oklahoma Indian tribes. The Department of Housing and Urban Development interpretations and priority funding are some of the reasons for the exclusion of Indians from the Act. In addition, the intent of the Indian Housing set aside can not be achieved. Oklahoma Indian Housing Association does not agree with the former Secretary of Housing and Urban Development Lynn's statement that HUD's inability to expeditiously execute Annual Contribution Contracts was due to the problems arising from the necessity of coordinating HUD processing with the processing of the Indian Health Service and the Bureau of Indian Affairs, (and) limited by the lack of administrative capabilities of the individual Indian Housing Authorities. First of all, past experience of the Indian Housing Authorities has proven that the slow delivery system belongs entirely to HUD. The coordinating of agencies has nothing to do with the execution of Annual Contribution Contracts (ACC).

(8) It is the concern of the Indian Housing Authorities that the Indian Housing Handbook to be published in the Federal Register will be another stumbling block in the delivery system. Hopefully, the language can be broad enough to apply to all tribal situations. A possible benefit of the handbook could be forms producing more pertinent information for Indian Housing. Present forms in the delivery system are designed for programs that do not apply to Indian Housing.

(9) A simplified system in the requirement to obtain a preliminary loan to expeditiously allow the Indian Housing Authority to begin operations is essential. Basic requirement of good management necessitates funds for operations.

(10) Presently, the Area Office allocation of Program Reservations are being withheld or execution jeopardized, based on the Indian Housing Authority's inability to collect all rents due. However, this criterion does not apply to other public housing authorities for the issuance of funds. The inequity cannot be tolerated in good conscience, by the Indian Housing Authorities and their tribal members. Delinquencies of Indian Housing Authorities should be subsidized as are other public housing authority delinquences.

(11) Premiums for insurance of the Indian Housing simply subsidizes insurance companies. An insurance company must make a profit on the policies they write. We should not renew the fire and extended coverage insurance on Indian Housing, but rather, as a loss occurs, simply charge a line item, casualty loss, in the operating budget.

(12) It is a recognized fact that training and maintenance subsidies are required to assure a continuing beneficial program to Indian people.

(13) There is a definite need for additional programs. In addition to Mutual-Help housing for Indian families, such as middle income housing, training and maintenance, and community development, within the HUD structure. These types of programs have been available to other people since the inception of the Housing Act of 1937.

(14) The Oklahoma City Area Office has provided Indian Housing Authorities with an "Indian Desk". Even though this action has been needed and requested repeatedly by the Indian Housing Authorities, it is apparent that one man cannot possibly meet the needs of all the Oklahoma Indian Housing Authorities. We request that an adequate number of subordinate employees be supplied to the "Indian Desk" to efficiently and effectively process the existing programs of the Indian Housing Authorities.

(15) Failures of Indian housing authorities can be avoided with technical assistance. Since HUD is required to provide technical assistance, we feel some action should be taken to provide this assistance.

82-326—77—pt. 2——5

(16) Modernization is an eligible activity for low-rent public housing. Therefore, modernization should be expanded to include Mutual-Help Indian Housing. HUD officials stated in the "Scottsdale Meeting" that modernization is an eligible activity in Mutual-Help programs.

(17) Historically, house construction costs exceed prototype construction in Indian areas. The Oklahoma City HUD Area Office has authority to exceed prototype costs by 10 percent. Costs of Indian housing should be raised in certain cases to exceed prototype costs. This relief should eliminate future amendments to annual contribution contracts and loss of units. In relation to prototype costs. the minimum property standards should be a minimum. Houses must be designed to produce minimum maintenance and be durable. Technical assistance needs to be provided by HUD to the Housing Authority Board of Commissioners to help assure quality housing as a final product. In addition, the Board of Commissioners should be allowed more input into contract language, with HUD technical assistance.

(18) We feel that we require 6,000 units per year for each of the next five years for a total of 30,000 units for Oklahoma Indian families.

(19) We do not feel admission or continued occupancy income limits for Indian families should exist.

EXHIBIT B

This exhibit is to report effect of the "Staff Report on the Indian Housing Effort in the United States with Selected Appendixes," "Indian Housing in the United States," February, 1975.

It is apparent that a "Problem-solving" approach is utilized with regard to the referenced report and the new Mutual-Help Handbook.

The report lists all the problems involved within the program and the new handbook seeks to solve the problems. There is no mention of the benefits of the program and the positive benefits to Indian people of this country. The report gives a very negative view of the program with total disregard to its worthiness.

The relationship to this report reflects in the new handbook. The problems to be resolved are Administrative mostly within HUD and appear to disregard the real problem of delivery.

The handbook requirements are new "safeguards" to protect HUD. These will increase time to deliver housing. In addition the requirements can successfully stop the efforts to obtain Mutual-Help Housing.

EXHIBIT C

This exhibit is to report the procedures of the present system in Oklahoma, why the delays occur and possible anticipated effect of the New Mutual-Help Manual.

Attached is Oklahoma City Area Office Administrative procedure for delivery dated December 3, 1974. A time table is contained herein and problems are explained.

STEP 1

Oklahoma Indian Authorities are not allowed to submit an application until HUD transmits a letter instructing the Authority to apply. Any application submitted without this HUD letter well be returned. The application per HUD instruction must show the number of housing units applied for to be the number in HUD's letter of instruction. Therefore the actual need of the particular tribe is not reflected in the application.

HUD Form 52470C is required although HUD does not allow relocation in Mutual-Help housing. Should an Indian family desire to build a Mutual-Help house on his Indian trust land and their existing house is located on the donated site; then HUD will disapprove the site because relocation is not eligible.

HUD FORM 52470A a portion of the application requires housing statistics based upon a market that in reality is totally unrelated to the housing system and goals of Mutual-help housing. HUD's application approval criteria is based upon tribal needs while this form cannot show the tribal needs. An entire tribe can be needing of housing while this report can show no housing is needed.

HUD Form 52472 relates to the local governing body. Due to the unique non-reservation status of Oklahoma Indians the body is the principal officer of the tribe. OMB circular A–95 requirements respond to a separate number of governing bodies. In instances of an authority operating in several counties "governing

bodies" can become practically infinite. Also jurisdiction of clearing houses within the State can be numerous. In addition clearing house review does not address the needs of the tribe alone. The review is based upon accepted methods disregarding the specific tribal needs.

TIME TABLE FOR STEP 1

[In days]

Item	Preparation	Approval
1. Application with supporting documents (application requested by HUD is assumed)	14	30
2. Supporting resolutions and notices State law requires 30 days legal notice)	30	(1)
3. Clearing house approval—clearing house legal notice and waiting period time		60
4. Approval of 3 above		30
Total		90

[1] Submitted with 1.

The above assumes the authority has the expertise to present all forms to be acceptable to all HUD sections, governing bodies, and clearinghouses. Also assumed is there is no requirements by any single person involved in the Step 1 process. One requirement usually requires repetition of the entire process. The time can easily be doubled or tripled. These assumptions continue through all steps.

STEP 2

This step requires a minimum of two board meetings and two HUD conferences. As in all steps the requirements have developed through use of the referenced HUD handbooks. Most requirements have developed through policy required administratively by HUD. This has led to the great diversity between HUD Regional and Area offices.

HUD's review process of Plans and Specifications has been a problem. HUD prepares comments on preliminary plans and specifications for the developer to correct. Upon resubmittal of corrected documents as a complete review is usually prepared disregarding the previous comments. The new comments require the developer to again resubmit plans and specifications corrected as required. This sequence has occurred five times as one example.

The developer submits a price when plans and specifications are originally accepted. If approval of plans and specifications has consumed for example one year; then, the developer is expected to negotiate a price based upon his original price being one year old. The processing time from negotiation can consume one additional year. This can force the developer to execute a contract based upon two years old prices. The alternative is to begin the process over.

As the ACC has previously been executed based upon possibly inadequate prices the authority funds then must be used to produce as many units as possible. This may lead to reducing units from the total abandonment of the project in its entirety.

TIME TABLE FOR STEP 2

[In days]

Item	Preparation	Approval
1. Submit advertisement for HUD approval	1	15
2. Advertisement for accepting proposals (advise HUD by letter of date) board meeting	1	30
3. Comparison chart	3	(1)
4. All proposals to HUD with documents	1	15
5. Concurrence of turnkey program	3	10
6. HUD conference	(?)	10
7. Board meeting (legal notice period) to approve plans and specifications	10	
8. Submit documents—HUD review	1	30
9. Board meeting (notice period) to approve final plans and specifications	10	30
10. Negotiating conference		10
Total		150

[1] Submit with 4.

HUD has recently reduced review of Plans and Specifications to two reviews although the second review can have comments which agreed upon at contract signing.

STEP 3

The submission of the development program is based upon negotiated prices. With regard to economic factors this becomes critical if a delay is experienced from this time to final contract award as mentioned previously.

TIME TABLE FOR STEP 3

[In days]

Item	Preparation	Approval
1. Prepare form	2	10
2. Board meeting	10	--
3. Submit documents	1	30
Total		40

STEP 4

The Problems involving site approval are infinite. Listed herein are a few. This Time Table will vary drastically depending upon numerous factors.

General Rules

(1) An alternative should allow the Authority to pursue new sites at development program expense and donated sites are most often rejected. In addition, use of trust lands cannot meet all sub-state clearinghouse master plans. An Indian's trust land location determines where his site is to be with total disregard to agency plans. There is no choice where the house must be built. Families have lived on their lands for at least one generation. When their site is disapproved the alternative is to move away from their land to a suitable site. Most often they choose not to leave. Their alternative at this point is to not have a house. HUD's rejection often cannot consider the facts if they are restricted from sound judgment by policy.

(2) The sub-state clearance cannot address its criteria to the specific plight of the individual Indian's land location.

(3) Due to the problems in obtaining clear title, suitable water and waste systems on Indian land it is more frugal and expeditious to obtain cluster sites. The additional environmental statements, HUD inspection, and Indian Health Service Assistance, make this approach lengthy and almost impractical to pursue. Other requirements make it impossible to purchase approvable sites in a sub-division where other subsidized housing exists. The concurrence of the local governing body where a site might be located again does not consider the needs of the tribe. The city might choose for various reasons not to agree to furnish HUD required services.

(4) Due to budget cutbacks it is increasingly difficult for HUD personnel to make field inspections because of travel expense. The Authority may await HUD inspection of sites for months before processing and continue.

Displacement and relocation is previously mentioned. If the Indian lives on his site then the site is automatically rejected.

Appraisals

If the Bureau of Indian Affairs furnished appraisals budget money and a qualified appraiser must be present. Adequate time must be available to avoid delay depending upon the workload of the authority's needs.

If HUD furnishes appraisals (at the Authority's expense) as listed above time and money are important to accomplish the task.

Step No. 4 timetable therefore cannot be established. Should any single factor cause site rejection the process must begin again. A critical point is that after approval where a water well is required a rejected water well causes starting over. If title work, percolation rejection, rejected well, HUD disapproval, (test boring to be required), and other factors cause rejection all the incurred expenses must come from the development budgets. For this reason again the completion of the housing goal is hindered.

The new Mutual-Help handbook makes site approval prior to contract award a requirement. Due to timing of negotiation, site processing delays, and contract

award this alone should be enough to cause Indian housing to be effectively stopped.

Overview

The total timetable in this example is 280 days without considering time to process all sites for one contract. In addition, the time from approval of the development program to the execution of the Annual Contributions Contract making funds available may be another 60 days. In reality the timetable from submittal of an application to actual construction is at best one year and usually eighteen months.

Other processing requirements occur during and after construction, but will not be discussed as the major factor is getting to the construction phase.

STEP NO. 1—MUTUAL-HELP TURNKEY LOW RENT PUBLIC HOUSING APPLICATION

(Reference—Handbook 7405.1: Handbook 4010.1—Change dated Nov. 4, 1974)

The application will be prepared in six copies. All copies of each form will be stapled together.

Form Number and name of form

HUD–52470—Application.
HUD–52470A—Supporting data for application for low-rent housing program.
HUD–54270C—Relocation needs (submit only if displacement occurs).
If no relocation a statement to that effect must be included with application.
FHA–3166—Statement of intent of local authority to comply with requirements of project selection criteria.
HUD–9009—Suggested form of general certificate of local agency.
HUD–52471—Suggested form of resolution by local housing authority authorizing submission of application for a low-rent housing program.
HUD–52472—Suggested form of resolution by local governing body approving application of local housing authority for preliminary loan for low-rent public housing.
HUD–53037—Statement of local authority as to compliance under Title VI of the Civil Rights Act of 1964.
HUD–9011—Certificate of recording officer.
HUD–9012—Extract from minutes of meeting.
HUD–9013—Notice of special meeting.
HUD–9014—Resolution.
PHA–2472–LGB—Resolution approving application for program reservation for low-rent public housing (tribal governing body).
HUD–52480—Preliminary loan contract (If loan requested).
Certificate of compatability.

In addition:

(1) A Section 3, Affirmative Action Plan, must be submitted to cover the project area in which it is expected the homes will be built.

(2) A copy of the application must be submitted to the Sub-State Planning Region and one copy to the State Clearinghouse. Their review will be in accordance with the provisions of OMB Circular A–95. After comments are received from both of these groups they will be considered by the Housing Authority prior to submission of application to HUD. If comments are adverse and the Housing Authority determines to proceed they will justify their reasons in application. Comments from both groups must be included with application.

(3) You are reminded that you must hold a Joint Public Meeting between the Commissioners of the Housing Authority and its governing body. Public notice must be published at least 10 days prior to and not more than 30 days prior to the meeting. To substantiate the meeting you must include with the application:

Certified resolutions of both bodies; extract of minutes of meeting by both bodies: notice of proof of publication.

STEP NO. 2—MUTUAL-HELP TURNKEY LOW-RENT PUBLIC HOUSING PROPOSAL THROUGH NEGOTIATION STAGES

(Reference—Handbook 7425.1)

(1) Submit 5 copies of the proposed form of Advertisement for Proposals to HUD for review.

(2) Advertise for Proposals in a newspaper(s) of general circulation in the area served by the Authority. Follow procedures outlined in paragraph 1–3 of the

referenced Handbook and Oklahoma State Statutes. For better coverage, also use trade journals for advertising.

(3) Advise HUD in writing of the opening date, time and place.

(4) Review all proposals received and make comparison chart. Be sure the proposals contain Section 3 (Affirmative Action) Program.

(5) Submit all proposals to the Housing Authority Commissioners. The Commissioners select the developer and name him by resolution.

(6) Submit two copies of the following to HUD.

(*a*) All proposals complete with exhibits.

(*b*) Proof of publication of notice of meeting.

(*c*) Minutes of the meeting.

(*d*) Certified copies of the Resolution selecting developer.

(7) After receipt of approval from HUD, notify Developer of his acceptance as Developer. Developer should state whether he desires to go regular Turnkey or follow the Accelerated Turnkey Program outlined in paragraph 1–1d of the referenced Handbook. His selection of method to be followed must be in writing and concurred in by your Authority and submitted to HUD for concurrence.

(8) Notify HUD of an acceptable date for a design and feasibility conference.

(9) Design and feasibility conference held.

(10) Commissioners review Preliminary Plans and Specifications. If acceptable they pass Resolution and forward the following to HUD for review:

(*a*) 5 copies of the Plans and Specifications.

(*b*) Proof of Publication and Notice of Meeting.

(*c*) Certified Extract of the Minutes of the Meeting.

(*d*) Certified copies of the Resolution adopting the Plans and Specifications.

(11) HUD submits comments on Plans and Specifications. Comments are forwarded by the Housing Authority to the Developer for correction. Final Plans and Specifications are submitted to the Housing Authority who review and accept or reject them. If acceptable they are forwarded to HUD for review with the following:

(*a*) 5 copies of the Plans and Specifications.

(*b*) Proof of Publication and Notice of Meeting.

(*c*) Certified Extract of the Minutes of the Meeting.

(*d*) Certified copies of the Resolution adopting the Plans and Specifications.

(12) Developer submits form HUD–2328, Contractor's and/or Mortgagors Cost Breakdown, prior to negotiation conference.

(13) LHA, Developer and HUD hold negotiation conference to arrive at an acceptable price. Conference will be held not sooner than 10 days after LHA has been notified plans are acceptable and Contractor or LHA has forwarded 5 copies for final review.

STEP NO. 3—MUTUAL-HELP TURNKEY LOW-RENT PUBLIC HOUSING DEVELOPMENT PROGRAM

(References—Handbook 7425.1; Handbook 7410.1)

Sections 2 and 3 of Chapter 4 of Handbook 7410.1 give instructions on the preparation of the Development Program for a Conventionally Bid project. It will furnish guidance for the completion of individual line items for the Mutual Help Housing Development Program and should be used as a guide.

For Approval of the Development Program, five copies of the following items will be submitted to HUD:

(a) Development Program, form HUD–5080, as appropriately modified for Mutual-Help Turnkey Housing.

(b) Minutes of the meeting of the Housing Authority approving the Development Program.

(c) Proof of Publication of the Notice calling the Housing Authority meeting for the purpose of approving the Development Program.

(d) Resolution approving the Development Program adopted at the meeting of the Housing Authority.

STEP NO. 4—MUTUAL HELP TURNKEY LOW-RENT HOUSING SITE APPROVAL SITE SELECTION AND APPRAISALS

(References—Circular HPMC 4400.47, Handbook 7410.2, 1390.1, 1390.2, 7425.1, and 7410.1)

General Rules

(1) Each site must be approved by HUD. This includes land purchased, donated, tribal land and trust land.

(2) A statement must be obtained for each site from the appropriate sub-state planning group. The statement must address the issue of general adequacy of site and state if the site is in or out of the 100 year flood plain.

(3) If several sites are to be within the corporate limits of any City or Town you must furnish with the Form HUD–52651, Preliminary Site Report, a letter from the City or Town agreeing to furnish services and facilities to the site.

(4) Personnel from this office will normally not physically inspect sites which contain less than 10 dwelling units. If our desk review indicates a site inspection is necessary in an individual case such an inspection will be made.

Developer to furnish sites—Sites known at proposal stage

If the Developer is to furnish the sites and sites are known at the time he submits his proposal he must so notify the Housing Authority. When the Housing Authority submits the proposals for our review they will furnish us the following items in addition to those specified in Step No. 2 Checklist:

(1) Form FHA 3166—Statement of Intent of Local Authority to Comply with Requirements of Project Selection Criteria.

(2) Form HUD 52651 (with attachments).

If some of the sites are known at the time the proposals are submitted, the Housing Authority should submit the above information for the sites whose locations are known.

Developer or Housing Authority to Furnish Site—Sites Not Known at Proposal Stage

If the Developer of the Housing Authority is to furnish the sites and sites are not known at the time the proposals are received the following steps should be taken: (These should be commenced no later than when the Developer is designated).

(1) Locate appropriate sites.

(2) For sites containing ten or more sites, submit in duplicate the following:

(a) HUD 52651 (with attachments)

(b) Form FHA 3166

(3) For sites containing one through nine units, prepare and submit in duplicate a Form HUD 52651 (with attachments). If one or more of the sites have details in common these may be grouped on a single HUD 52651 with single set of attachments.

Appraisals

(1) If the Bureau of Indian Affairs is doing appraisals for the Housing Authority these may be submitted with the HUD 52651 for the sites.

(2) If a HUD appraisal is requested you will furnish this office:

a. Form 2012—Request for Commitment.

b. Approved HUD 52651 covering site.

c. Check for fee (Par. 6–20, Handbook 7410.1).

(3) For a single site you may include both site approval and appraisal in one submission. You should submit:

a. Form 2013—Request for Commitment.

b. Form HUD 52651 with attachments—all in duplicate.

3. Check for fee.

Note:

Act of 1974, require is to submit your application to the local governing body The provisions of Section 212(c) of the Housing and Community Development as soon as sites are known. They have 30 days to comment.

STEP NO. 5—MUTUAL-HELP TURNKEY LOW-RENT PUBLIC HOUSING CONTRACT OF SALE

(Reference—Handbook 7425.1)

Development Program is approved and ACC list is prepared. ACC list is approved and Annual Contributions Contract prepared. ACC executed by Housing Authority. Now ready for contract of sale.

The Housing Authority submits to HUD at least ten days prior to the date of the signing of the Contract of Sale the following items in five copies:

(a) Approved Plans and Specifications. Should contain signature blocks for signatures of H.A. and Developer.

(b) Proof of Publication advertising the meeting of the Commissioners.

(c) Certified minutes of the meeting of the Housing Authority Commissioners.

(d) Resolution adopted at the meeting authorizing the Chairman to sign the Contract.

The Contract must contain:

(a) Current Federal Wage rates.

(b) Home Town Plan certification (if applicable).

(c) Section 3 compliance.

(d) Form HUD–53018—Special Conditions Relating to Labor for Turnkey Projects.

At the time of signing:

(a) Contract must be signed by the LHA Chairman and the Executive Director and sealed by LHA seal.

(b) If the Developer is a Corporation, the President or Vice President must sign and the corporate Secretary attest the signature and affix the Corporate seal.

At the time of signing:

The Housing Authority must have estimated cash needs for a six months period and submit the following HUD forms:

(a) Original and two copies of form HUD–5216—Request for Funds.

(b) Original and two copies of form HUD–5204—Requisition for Funds.

EXHIBIT D

This Exhibit is to present an insight regarding problems in processing within the HUD office.

The Oklahoma City HUD office was moved from Fort Worth and HUD was recognized administratively five years ago. HUD personnel have made various changes and varying explanations of Mutual-Help housing. Various HUD administrative changes have caused a situation where individual employees have not been totally involved in Mutual-Help processing. As an individual becomes knowledgable of the ways the program works, HUD emphasis causes changes in duties. This creates hardships on Indian authorities as they must wait for an employee to learn the program. As there is no single individual who understands the entire program, Indian authorities must rely on many individuals who do not always understand the entire program. Therefore, our instruction in regard to processing becomes inconsistent within the state. The inconsistencies are compounded within the various HUD regions.

As there is no handbook for Mutual-Help, it is most difficult for individual employees to interpret Mutual-Help processing in relation to Low-Rent public housing. The Area Office processes all form and correspondence within several internal sections. These sections include, for example, management, legal, architectural, etc. Any form or letter that is transmitted must clear all sections. If any one section has a requirement, the document is returned to the local authority. Upon re-transmittal, the same document must again go through all the sections. Chances of any one document surviving the scrutiny of all these sections is slight.

As all documents must go through this processing, it is important that it be absolutely correct upon the first submittal. The problems in processing are infinitely compounded by requirements o findividuals who are not fully aware of the functions of the entire program. Therefore, it is a necessity that HUD develop a specialized section comprised of employees who have been involved in the Mutual-Help processing.

Senator BARTLETT. Mr. Ed Tanyan, chief, Seminole Nation, who is accompanied by Marguerita Vietta, executive director of the Seminole Nation Housing Authority.

And if you would, proceed as you wish.

STATEMENT OF ED TANYAN, CHIEF, SEMINOLE NATION, ACCOMPANIED BY MARGUERITA VIETTA, EXECUTIVE DIRECTOR, SEMINOLE NATION HOUSING AUTHORITY

Chief TANYAN. First of all, we want to express our thanks to you for showing your concern for HUD problems or housing problems that Indians are facing, and second, I would like to introduce my Assistant Chief, Thomas Palmer, sitting directly behind me, and also the housing authorities that we have come along with us and also the secretaries and also my executive director here.

Senator BARTLETT. Thank you for being with us.

Chief TANYAN. I want to give you a little short, brief background of our tribe affecting this housing situation.

When it was first presented to our general council—my governmental structure is made up with a general council of 42 members and they are the governing body of our tribe, and whatever they say, that's the way we are governed by. So, whenever the HUD problem, the housing was presented to them, they turned it down two or three different times, and finally in 1969 they finally accepted it.

And so we had a slow start. I guess we are about one of the last of the Five Civilized Tribes or the eastern part of the Oklahoma Indians to accept this housing, and so we had a lot to learn, you know, from ground up to learn how to go about implementing the program. So, therefore, we ran into some problems, many problems.

And after we did get the program, the people that are participants, they weren't quite sure as to what their duties, what their obligations were, what their commitments were. We weren't quite aware of how much we were supposed to commit to them, explaining to them that is what you had to do in order to maintain the house or to live in it, whether it has been given to you or whether you had to make payments, all this.

You know, since it is a new program, I don't think that we fully went through all the way with it and therefore we ran into delinquent problems, and I think that is quite true with the other tribes, and I know that our tribe at one time was the highest one on the delinquent but now we are back on the average. We are in pretty good shape, which the director will explain later on.

I will just take a couple more minutes showing our appreciation, on showing how much our tribe really appreciates this housing program, the HUD, how they had given us an opportunity to move out from out in the sticks, most of us, closer to the roads where our children would be able to go to school more regularly than where we had in the past, where we had to live way back out in the sticks, and which I appreciated myself because I experienced it myself.

Being a chief, I have been on the road. I have experienced all the way, I know what it is to live in a substandard home. And I sure appreciate what the Government has done, but still yet, I think with a

little more planning with the other tribes that the program could be more effective.

And the delivery system, how it was discussed today, how it could be—more units could be allocated. I think that through your office that could be ironed out and I think that after understanding and hearing our problems that I think you will have more insight to work with our problems and I am sure that you have worked with the Indians on our other problems before, and I know that if you hadn't been concerned that you wouldn't be down here today.

And so, I really appreciate that, and for a statistical standpoint I will turn it over to Marguerita and she will give you more.

STATEMENT OF MARGUERITA VIETTA, EXECUTIVE DIRECTOR, SEMINOLE NATION HOUSING AUTHORITY

Ms. VIETTA. Senator Bartlett, thank you. We do appreciate the opportunity to come here and voice some of our problems. We appreciate your time; I am sure it is valuable.

Our problems are exactly the same as all the others you have heard, so there is no point in repeating.

One thing that I would like to mention that hasn't been mentioned heretofore is the section 8 program. Of course, Mr. Keel touched on this briefly. Our authority has 200 units of leased housing. We will lose these units in June of 1978. This will displace 200 low-income families, not only Indians but all races.

Now, we have been told we can apply for 50 units of this section 8 housing. This will leave 150 families without housing if we can't do something in the meantime.

Senator BARTLETT. Let me interrupt a second. What will cause that again?

Ms. VIETTA. The new section 8 housing. Section 23 leased housing is being phased out. And we do not have any low-rent projects at all. We got a late start. Originally we were with the Chickasaw Housing Authority in Ada and then eventually had our office in Wewoka.

Now, we have one more problem that I haven't heard mentioned here today. Indian Health Service is responsible for the design of our septic system, and in order to get our bidding sites approved by HUD we must have it coordinated with the Indian Health Service.

In our area we have what they call a low percolation rate. In fact, we have been required to utilize the sand filter type septic systems.

Now, this—I don't know if you are familiar with this type septic system or not—but all the liquid waste comes from the tank and is filtered through the sand and gravel and that liquid which might eventually come through the affluent line is passed into a ditch and carried off to an intermittent water source. Okay; this is all under the ground, it is not unsightly.

On the project we have under construction now we have all our septic systems designed and ready to go, and all of a sudden our Indian Health Service area office decides that this is no longer acceptable, we have to have a lagoon type septic system.

Now, we are not ashamed of our area, but we have one small county, and the land that has belonged to the Indians is very rapidly getting away from them. So if we are required to go to a lagoon-type septic

system and we don't lose the land, it is only an easement but it does deface the land and we are not able to utilize that land space any more.

So, I understand Farmers Home Administration has turned thumbs down on the lagoon septic system, and yet, you know, we are being required to use this type septic system in order to be able to build a house. But it does deface that land that could be a site for another needy family.

Senator BARTLETT. Is that the only system that is approved, or are there other options?

Ms. VIETTA. The commissioners and I have traveled to the Oklahoma City area office of Indian Health Service and discussed this with Mr. Clark and Wayne Craney and we were told that the State Health Department would not let us utilize the sand filter-type system any more and they are going to require the lagoon-type system.

Have you ever seen one?

Senator BARTLETT. No, I have never seen one.

Ms. VIETTA. They are ugly things.

Senator BARTLETT. Well, how does Farmers Home get around it in your area?

Ms. VIETTA. I don't know. Now, this is one of my questions: Why—well, here is another thing, too. If we are talking about an environmental program, the city of Norman, Okla.'s sewerage goes into the Canadian River which flows right through our county and yet we can't even let a little trickle out in a bar ditch.

Senator BARTLETT. Is there anyone here from Indian Health Service?

Mr. CHOPPER. Mr. Bartlett, I work with them. I am not their employee but I am attached to them, and I think this complies with the State and Federal Health Code that brings this about. There is really nothing they can do about it. They must comply with whatever the sanitarian says in that particular area.

Senator BARTLETT. I am just wondering though what FHA, the Farmers Home Administration does in this area, if they are not permitting——

Mr. CHOPPER. Well, I was thinking that the NPS that we are speaking about is all the same. Now, if there are any exceptions I am not aware of it.

Ms. VIETTA. I have not had time to investigate this but now I do understand that Farmers Home Administration—now, they might just reject the building site.

Senator BARTLETT. We will write letters to appropriate people and agencies to try to find out.

Ms. VIETTA. This is one of the problems and one of the reasons that we have been accused of being real slow, you know, with our building program. But we do have problems that are unique to us and probably no one else. Our title clearances are very tedious and slow, you may have many errors involved, and it is just a very slow process.

Senator BARTLETT. Have you been advised of any other option you have in any other system that is approved?

Ms. VIETTA. Well, we can just abandon the site. And that is not much of a choice.

Now, everyone else has gone on record about the Denver thing and I want to be sure we are in there, too.

Senator BARTLETT. All right.

Ms. VIETTA. I think that is the sneakiest thing they have ever done to us. We accidentally found out about it and why this is I don't know. It would not be economically feasible at all. We have enough trouble with our tribal budget as it is. So, if there is anything that could be done to stop that——

I would like to suggest, if I may take the liberty, that you ask for a copy of this letter. I haven't seen it. I don't know what reasons Mr. Morgan gives, but none of us were contacted or even approached on this. And I know we are just a small percentage of the overall HUD program, but right now in Oklahoma that is about the only thing that HUD has going.

Senator BARTLETT. We will do that. We will see if we can find out what the reason is.

Would you back up a minute, would you elaborate on why the title clearance system is slow?

Ms. VIETTA. All right. We have individual trust land involved and sometimes this land has been in this one family and it comes right down from the original allottee. And you have many, many years involved. It may be undivided. It is more than likely restricted.

And all of this can be taken care of, but it is a very slow legal process and it has to be done right and it has to be done very carefully.

Senator BARTLETT. Who provides that service for you?

Ms. VIETTA. The housing authorities have tribal attorneys or if they are a large authority have their own attorney.

Senator BARTLETT. Is that done here in the State or is that funneled——

Ms. VIETTA. Yes, sir, it is done here in the State.

Senator BARTLETT. Is that title work provided free of charge?

Ms. VIETTA. No, sir. We receive money in our development budgets for title work.

Senator BARTLETT. Does the BIA provide the title work free for some of the tribes?

Ms. VIETTA. This I don't know. I don't believe they do on the eastern side. If I am wrong, correct me.

Mr. CROSSLAND. They have in the past, but they don't now. In the early stages of the housing program they offered this expertise but now, as she outlined, they have money for it.

Ms. VIETTA. I guess this is about all I have to say except one last thing.

Our project 934 was advertised in June 1973. February 12, 1975, we signed our contract. And we are very grateful for all our——

Senator BARTLETT. What were the reasons given for the delays, or what were the problems that you encountered?

Ms. VIETTA. Part of it was our fault. We had a very high accounts receivable. Now, they didn't just come down and tell us, we had been warned. I will have to hand it to our HUD office on this.

Senator BARTLETT. What was your accounts receivable delinquency rate when you were first warned?

Ms. VIETTA. I don't know the first time but when they finally stopped us it was 79 percent. It is 9 percent today.

Senator BARTLETT. Nine percent. What did you do, or what was done by whoever did it, to effect that improvement?

Ms. VIETTA. Well, we began in August 1972. We sent letters to all of our delinquent participants and had them meet with the Commissioners and the Director in a meeting in the office. And we try to explain to them, you know, why we had to now get these payments in, that the houses were not gifts, regular payments had to be made, and this is in their mutual help leasing occupancy agreement.

And then we waited and waited and worked and worked and finally when we got cut off from any additional units, then those people waiting for units were a little upset so we then sent 30-day notice letters and took legal action, such as Ron described this morning. And it is all done through normal legal channels.

And after judgment was received, there is a period of time they have to catch these house payments up or make arrangements if it is not so far out of hand. But we were in such bad shape that our time for making arrangements was over. We had to have money in order to keep going.

When a mutual help participant does not make their payments then they do not even pay their share of the insurance rates on their home, so we have, you know, to collect.

Senator BARTLETT. How long did it take you to go from the 79 percent to the 9 percent?

Ms. VIETTA. One year.

Senator BARTLETT. What is the quality of the housing?

Ms. VIETTA. The first 100 units of housing we had were not of the highest quality. We do have construction defects and we have inspected—well, we had one home burn, so we have 99 units left.

Now, these have all been inspected. The inspection reports have gone forward to HUD. We tried to work with the Indian action team through our tribe to repair these defects, and due to a conflict in Federal regulations we couldn't do it.

But HUD has given us approval to use funds we have to correct the defects and the invitation for bids will appear in 10 newspapers this weekend, but we do have to go to the conventional bid method for this.

Senator BARTLETT. How would you describe the level of treatment that the houses receive from the people who have rented them?

Ms. VIETTA. As a general rule, I think most of our people deeply appreciate their homes and I would, to be very honest, I would have to say that they do take care of them.

I am sort of like Ron Froman here. I don't know—and some of the Cherokee gentleman. I don't know what the people were told in the beginning of the housing program, and I, like Chief Swimmer, think probably that they were told that their payments were not ever to be, you know, ever over $50 a month. But according to HUD regulation 70–460–5.1 which is dated back in 1970, we are required yearly to give an income verification and reexamination and adjust the rents accordingly.

Now, in the event, during this time if a participant has a loss of income or any kind of an emergency, if he will come into the authority and let us know we can adjust this house payment downward.

Senator BARTLETT. Did the Seminoles find it necessary to evict any one during this period?

Ms. VIETTA. Yes, sir.

Senator BARTLETT. How many were evicted?

Ms. VIETTA. Two in mutual help. We have had three evicted in our low-income housing.

Senator BARLETT. In your low-income leased houses three have been evicted there?

Ms. VIETTA. Yes.

Senator BARTLETT. What did they do?

Ms. VIETTA. Well, I don't know what the people in the leased housing did, or mutual help either, really, but our board has passed a resolution whereby if these homes have been constructed on family-allotted land, then you will have more than one heir who will be qualified for this type housing and this is, here again, a moral obligation we feel and this home is passed to another qualified family member.

Senator BARTLETT. I see. You mentioned in your statement that it takes time to get the paperwork through the channels. Then you suggest that the Oklahoma City area office personnel be required to process the paperwork. Exactly what do you mean, or what suggestions have you to expedite it?

Ms. VIETTA. All right. Now, I think—what has happened to us up there, about a year ago we had three multi-family representatives. During a recent reorganization we were left with one man to cover 16 Indian housing authorities, and his grade was reduced. But he was a very capable man, he had a great deal of technical knowledge.

Well, being a progressive person he, you know, was not going to take this and live with it, so he transferred and there went our technical knowledge and we do have someone appointed in his place. I do not know the gentleman.

But my suggestion would be that the Oklahoma City area office, since the bulk of their workload right now is Indian housing, they either be given the personnel or appoint the personnel to help us with our units.

One more suggestion. We have never been allowed to tell them, you know, in writing, what we need. If we could tell them what we need in the way of units and then let them tell us what they can give us in the way of honoring our $15 million a year set-aside, then we would be happy with this. We don't want to be unreasonable, but we sure do need these units.

Senator BARTLETT. Are you saying there needs to be more coordination?

Ms. VIETTA. Yes, sir. For instance, in April we were passed over, we didn't get a single unit. And until February of 1975 the Seminole Nation had not received any units since June of 1970, so we were beginning to feel a little left out.

And then we signed a contract for 50 units of mutual help in February and then again in February we were allocated an additional 50 units. And if they could know our needs, you know, it might be possible that we could receive more units if our management is where it should be.

Senator BARTLETT. What were the reasons you were denied any units for that period of almost 5 years?

Ms. VIETTA. Well, I don't know. I have only been there a little over 3 years and I have only been director 1 year. But when all this trouble first started and someone testified—I believe our chief—this was so new. The paperwork is an unbelievable maze. None of us really had the technical know-how or knowledge, and the emphasis was to produce, produce, produce. And then all of a sudden the emphasis is management, management, management.

And so, you have—what we are coming to now, I think, is a happy medium. And a steady flow of units in accordance, you know, with economics and with this law we have that is being ignored, and the proper processing of our paperwork, I don't think you wouuld ever hear another word out of us but a thank you.

Senator BARTLETT. Have you and Chief Tanyan discussed your housing allocations with Mr. Breeden or one of his people?

Ms. VIETTA. No. I asked Ray Shackelford why we only received 50 units and he said, "Well, the decision was made downstairs." So, by that I feel I was real lucky to get 50 units.

Chief TANYAN. Senator may I interject something here?

Senator BARTLETT. Yes.

Chief TANYAN. Although all the pressures that has shown by the tribe that has received the homes, there is a general feeling now that since the fuel prices are going up—and we had last year, last celebration, I think Chief Belvin was at one of our celebrations last year and I don't know if he heard it—we had a short session with Morris Thompson, and at that time the general council requested that if we do get extra allocation for the fuel for that following winter. Well, he said it is rather hard, he didn't know where he could get it from, you know.

But anyhow, looking back then and now, people, while they want the house and then the fuel that has got to go with it, you know, it kind of gets them confused, you know, how will we be able to operate and keep comfortable in the house? And, you know, that's a question right now, Senator.

And although we need the allocation, I guess that's our problem to solve, but, I mean, I am just talking about——

Ms. VIETTA. That also is a contributing factor to our delinquency, I believe.

Senator BARTLETT. Is this mostly LPG?

Ms. VIETTA. Yes, because of the rural sites.

Senator BARTLETT. Both a matter of costs and a matter of availability?

Ms. VIETTA. Right. And this is a new experience. We have moved people into these new homes, nice homes, off the dirt floors. We have also moved people out of houses who never in their entire life, when the lady was 57 or 58 years old, who had never before been in a home with gas or electricity or running water.

And it becomes a problem to know how to say—you know, "Well, I have never had to make a house payment, and I have never had to go and pay for propane, I don't even have a car."

But they are so proud of the house and they are actually comfortable, you know. It is kind of a slow process. And I realize that we are not any better than anyone else to have to pay, but it is something

that needs to be taken into consideration and, you know, we are not asking for any special favors.

But this is one of the contributing factors.

Senator BARTLETT. What Federal agency do you think should be responsible for full coordination and implementation of Indian housing?

Ms. VIETTA. We feel that at this point in time our best place is with HUD. Everybody gets their housing there. But we need to get what the Federal law said we can have, $15 million a year set aside.

Chief TANYAN. I would like to add to that. We are the smallest tribe in the whole five tribes and our land base is the smallest, too, and we figure, in that the other tribal leaders are thinking highly of our tribe, see that we get our equal share, but even then, you know, a lot of times it don't come out like that.

I don't mistrust anybody and I want them to feel the same way about me, but what I am saying is, you know, if we go under the Secretary of the Interior, if it comes from Interior Department, if the housing goes under that, if we go by land base and the Seminoles—you may have to count us out because we only cover 31 miles long and about 21 miles wide.

But if I have a signed agreement with them that you will get your fair share and shake, I will be willing to go along with them if that is the way they want to go. But other than that, I will have to stay with her, like she said, you know.

I like to go along with a group that is, you know, they feel that's the best way to go. But I am not one that tries to be off by myself. But that's the way I am. But I like to see that my people get a fair shake too.

Senator BARTLETT. Yes?

Mr. HARJO. I am one of the Seminole commissioners, and I think the director and the chief have touched on a very important—one thought I would like to add to their statement is—I think the other tribes touched on a little—but it is a maintenance man.

I feel like there should be somewhere we could have a well-trained maintenance man here. This is our biggest problem that we are facing as commissioners. We get these complaints every day by the dozens. That is, after the warranty is terminated, I mean.

We have to try to locate some professionals, say, on their electrical appliances, or gas appliances, or plumbing defects, you see. Maybe they might be minor but this repair costs is pretty high when you call a professional out. And if we had a man well-trained, I think in many cases he can repair these at a very low cost.

And this is a major problem because most of them are low income families in there and they cannot provide their own expenses to call in a professional to make these repairs, and this is causing a big problem with those that are living in these mutual help homes.

And not only that, our HIP program homes and repair dwellings as well. We need a maintenance man to cover both. I think it is very important.

Senator BARTLETT. Mr. Harjo, you are raising a good point. Do you consider that the homes are adequately being maintained or are they—you are raising this as a problem. What percentage would you say are not being adequately maintained?

Mr. HARJO. Well, I don't know. We haven't made a survey on that. She has a record of the report that comes in daily.

Now, I do know that as commissioners we have been stopped on sidewalks, or church grounds, and said that we have turned these complaints in the office and we haven't been contacted, you see, and we have this back and forth statement, you know, and——

Ms. VIETTA. Could I clarify this just a little bit?

Senator BARTLETT. Sure.

Ms. VIETTA. In the content and context of the mutual help program—now, this is a home ownership type program—and also in the leasing occupancy agreement there is a statement that the participant will maintain his house and grounds to the satisfaction of the authority.

Now, the contractor is liable for material and workmanship for a period of 1 year, and the payments are based low enough in the mutual help home, and the theory is to train the people to live in their own home and be responsible for the upkeep, but I would like to point something out.

We have provisions to perform major maintenance items for people. Now, we have even been called out to swat flies.

Senator BARTLETT. I assume you send the commissioner out?

Ms. VIETTA. Well, we don't even own a fly swatter, but that's the truth. We have the submersible pumps. We do have a problem with water logs. The pump burns out and naturally persons of low income cannot take care of this type maintenance and HUD makes provisions for this.

We have the major maintenance items done for them and charge it back to them and they can pay it back any way they want to.

Senator BARTLETT. Now, is this in self-help or low rent?

Ms. VIETTA. In self-help. Now, currently, we have about $6,000 worth of chargebacks, so we haven't, you know, neglected too terribly many of them.

Senator BARTLETT. How about in the low rents?

Ms. VIETTA. Now, in the low rents this is the responsibility of the homeowner and the tenant, unless you have some malicious tenant damage. At this point you can have a repair done. Our security deposit is not adequate to cover most damages.

Senator BARTLETT. Whose responsibility is it that it be maintained?

Ms. VIETTA. The tenant.

Senator BARTLETT. And who is responsible for seeing that it is maintained.

Ms. VIETTA. The housing authority.

Senator BARTLETT. Housing authority?

Ms. VIETTA. Right.

Senator BARTLETT. How often do you check both the self-help and low rent?

Ms. VIETTA. The mutual help homes, at the end of 1 year there is a final yearend inspection and from this point on the participant is supposed to take care of anything he can himself other than major maintenance items. And I think the other housing directors will bear me out on this.

Senator BARTLETT. Is there any inspection on self-help after 1 year?

Ms. VIETTA. Not after the 1 year in our authority. Now, we do not have units enough to pay the salaries—and none of us get exorbitant

salaries in our authority. We don't have the money to hire the personnel to make inspections and we feel like they are the people's homes and they have to live in them.

Now, if it is brought to our attention that there is a safety hazard or a fire hazard there we will check, and as much as we are out in the country, if we see these things we do call it to the houseowner's attention.

And in leased housing, we are attempting now every 90 days to inspect the occupied dwellings to make sure that the tenants are not deliberately and maliciously destroying any property. If their grass needs cutting, we have cards we take out and leave there.

But it is also a training process.

Senator BARTLETT. How do you handle the maintenance when you find it is needed in the low-rent housing?

Ms. VIETTA. In the low-rent housing we have one maintenance man for a leased housing project.

Senator BARTLETT. For the 99 units?

Ms. VIETTA. For the 200 units.

Senator BARTLETT. 200 units.

Ms. VIETTA. Well, we have 241 mutual help occupied.

Senator BARTLETT. Does HUD provide any money for maintenace training?

Ms. VIETTA. No; they haven't provided any money for the training.

Senator BARTLETT. Do you have any program for this?

Ms. VIETTA. Yes, Sir; we initiated an orientation program for the 50 units we have under construction now. We call the people in 10 or 15 at a time.

We have a paper written telling them where the money comes from to build this house, what their responsibilities are for the home and to the housing authority, and what our responsibilities are to them. This was done in both languages and we spent 4 and 5 hours each session with the people. They asked questions. And this is before a footing had been dug. Also, at the time they apply.

Senator BARTLETT. Do you go into problems of replacing fuses and water faucets?

Ms. VIETTA. Yes. We do this at the time we hand out the keys. And also during this year on this last project our contractors have been really good to show the people how to replace washers or light the central heating unit or whatever.

Senator BARTLETT. Have you found from experience that your programs of acquainting a person with how to operate his home, how to maintain it, is adequate?

Ms. VIETTA. No, sir; it is not adequate. We just do not have the personnel nor the funds. I feel like we do the best we can with the personnel we have.

Senator BARTLETT. I think you referred to major maintenance. What do you consider major maintenance?

Ms. VIETTA. All right. Now, repairs on a water pump, they are, you know, under the ground and it is a kit with adapater. And this requires pulling the pump, and ordinarily it will run between $250 and $300 for repair of these water wells.

Senator BARTLETT. How deep are your wells?

Ms. VIETTA. They average 300 in depth, some more shallow, some deeper. They are very expensive.

Senator BARTLETT. Well, I guess our time is about up, and I thank you both very much. Is there any other statement you would like to make?

Ms. VIETTA. No, sir; we would just like to thank you again for being here.

Chief TANYAN. We appreciate this opportunity very much.

Senator BARTLETT. Thank you, Chief Tanyan and Ms. Vietta.

[The prepared statement of Ms. Vietta follows:]

STATEMENT OF MARGUERITA VIETTA, EXECUTIVE DIRECTOR, SEMINOLE NATION HOUSING AUTHORITY

We of the Housing Authority of the Seminole Nation of Oklahoma wish to thank the Congressional Delegation for the opportunity to express our views on some of our problems we encounter in the construction of housing for low income Indian Families within our area of operation.

With respect to the delivery system of units, we wish to state that our criticism is that we are not allowed to apply for the units needed to meet our critical housing needs, but are told how many units we may apply for. We are also told that we are allocated units based on our management ability. Our management review as received after the most recent HUD inspection was very good, and has been steadily improving for the past year. Yet, we were only allocated 50 units out of the 1975 February allocation to the Oklahoma City Office.

On the other hand, we understand there are 200 units in our area office not yet allocated. The time involved from the allocation units until the ACC is issued is extensive and may be held up for many reasons. We fully realize it takes time to get the paperwork through channels, but our suggestion would be to give the Oklahoma City Area Office the personnel required to process our paperwork.

In regard to personnel, recently in a reorganization in our area office, one capable man was given all the 16 Indian Housing Authorities, statewide to handle production wise. In order to get this job, he was reduced in his civil service grade. He has since transferred to Phoenix, Arizona to regain his grade and to be in a position for promotions. All his technical knowledge has been lost to us and he has been replaced by a gentleman who has no knowledge of our program.

Most recently in our area another problem has arisen. Our lands are very limited. Indian Health Service has been assisting with the design of our sanitary systems for rural homes. Our soil is such that we were required to use a great may sandfilters at additional costs. Now, we are told that sandfilters are not approved by the state and that we must use the lagoon type systems, which takes another precious acre of land.

These lagoons are open sewage systems, quite unsightly, when the national emphasis seems to be on beautification of our country and improvement of our environment. Most of our lands are in fairly remote areas and yet we are required to contruct these lagoons or not construct a home for a needy family. However, the City of Norman, Oklahoma's sewage dumps into the Canadian River which flows through our county. We are not allowed anymore to filter the liquid waste through sand and gravel and have it run into a ditch which flows on to an intermittent watercourse.

The Indian Housing Authorities have been accused of being slow to develop their units after the ACC has been issud. Let me point out that the legal work involved in clearing title to construct on allotted land is very tedious and time consuming. If we were assured of units coming in, we could work ahead in order to have a smooth flow of building sites for contractors. Since we cannot be assured of units, we must work slowly and cautiously in order to conserve monies.

We do not feel that our housing needs should be met by any agency other than the one whose responsibility it is to meet the housing needs of the American citizens. The $15,000,000.00 we were able to have written into the emergency housing act is only a drop in the bucket of the billions of dollars spent on other programs, but we are told this is too costly to the government. Gentlemen, in Seminole County a short time ago, one of our elderly Indian women died in a very sub-standard home in a rural area.

By the time her body was discovered, the dogs had eaten away a portion of her remains. If this can happen in the United States of America, then we feel there is something wrong with our values. Enough units to construct a project with elderly units would have prevented this and I am quite sure, the national government would hardly miss what this would cost. We work, vote, pay taxes, but have very little or no voice in the way federal monies are spent. It is good to share, but charity begins at home.

Our recommendations are:

(1) Honor the commitments on housing given to the Indian.

(2) In no way consider Mr. Morgan's recommendation to place the Oklahoma Indian Housing Authorities under the Denver Office. This will be a fatal blow to Oklahoma Indians.

(3) For once, allow the Indian Housing Authorities to have some input into the organization of an Indian unit at the area and regional level, so we can fight for our needs here rather than in your offices in Washington. The time spent in travel could be well spent here at home getting our jobs done.

(4) Give the Oklahoma City Area Office the personnel required to handle the production for our Indian Housing Authorities. Frankly, one man, no matter how capable cannot handle this job.

(5) Allow us to state our needs from the many applications we have on hand, an insure a steady flow of units until our need is met and then we will not ask for more. Let us apply for what we need and prove this need and the feasibility.

(6) Let HUD be our vehicle for housing, but put enough teeth into our bills so there can be no doubt as to what HUD must do for us. We have utilized HUD as our vehicle for housing and are familiar with this, even with the problems. To change to another would set us back five years.

Once again, thank you for your indulgence and the opportunity to once again speak for our housing needs.

Senator BARTLETT. Next is the chief of the Choctaw Nation, and the housing authority director, Charles McIntyre.

Chief BELVIN. And his assistant, Bill Frazier.

Senator BARTLETT. Right. We are happy to have all of you. Chief Belvin, proceed as you desire.

STATEMENT OF HARRY BELVIN, CHIEF, CHOCTAW NATION, ACCOMPANIED BY CHARLES McINTYRE, EXECUTIVE DIRECTOR, CHOCTAW HOUSING AUTHORITY

Chief BELVIN. Thank you, Senator. We certainly do appreciate this opportunity to talk with you and to present some of our problems. And as most of them have said, we echo their sentiment in saying that we are really happy you came to see us because you are bringing the government right down to the people, right down where it should be. And we certainly do appreciate it.

And we would like for our director to lead off on this panel, please.

Mr. MCINTYRE. Thank you, Chief. First of all, Senator, I would like to say that I appreciate the remarks that were in yesterday's Muskogee paper about your approving of an Indian housing program because I do think this is one of the best things that has ever happened to Indian people.

It could be refined and improved, and, goodness knows, we need far more houses, but we appreciate what we have got up to now. We just need to expand on it and improve on it and make it more effective and make it more viable.

We think we need some money for educating the people—I think the Cherokees brought this up in their presentation earlier in the day—because we made a study in Pittsburgh County around McAlester and Kiowa in conjunction with the University of Oklahoma.

Out of all those participants who had Indian homes in that area, when they were asked what they thought about the Indian housing program, the services that had been provided for them, 92 percent of the people said that they appreciated the program and if they had it to do over again they would take the same steps. So, we think that speaks real highly for the Indian housing program.

Another thing, some of our people are very backward and reserved, you might say. I know a lot of people think, well, you are a member of a fast, civilized tribe, you should be able to make your own way and not need any special help on housing or education or medicine or anything like that. But I can tell you of an instance which contradicts that.

Not too long ago in McCurtain County there was an Indian family that motioned for me to come over, they had a problem with their shower. They said the contractor didn't put in the shower properly and they had been living in the house 6 months and hadn't been able to take a shower.

So we went over there to check this out, and we turned on the hot water faucet and the cold water faucet and got a nice even temperature coming out, and then there is a little ear there between the two knobs that you turn to the reverse, reverse side, and that transfers the water from coming out down from the faucet to the overhead shower, and it worked perfectly. These people had just been neglecting to turn that little ear over between the two knobs. So, we think this is a needed program; we would like to see it continue.

Another reason why we think our people appreciate the program and why we think they are being helped is that we have about a 1-percent turnover rate in our mutual help homes. Now, it is a little higher than that in the low rent, but in the mutual help it is around 1 percent.

And we have only had to evict around three people where we have actually had to go out and evict them. Now, on other occasions, it is true we have threatened to remove others, but when they saw it might come down to their having to be evicted from their home, they have always made provisions to come up with their back rent. So, with a 1-percent turnover rate, we think that speaks highly of the Indian program.

We think also that if the Indians were thrown out into the general populace to try to shift for themselves in getting housing, we don't think that very many of them would qualify if they had to go to the Farmers Home Administration or United Builders or Jim Walter or some private contractor. We don't think they are qualified for that because there are strenuous restrictions and regulations that have to be met. And as poor as most of our people are, we think that they would be on the outside looking in if they had to go that route.

Now, in regard to who should be responsible for Indian housing, HUD, the BIA or the Department of Labor or HEW or whoever, I am not sure about that. But what we do need is someone that is really sincere about this program who, when they are given the responsibility, that they will really work at it and apply themselves and get behind it and do their utmost to see that these programs are carried on in the proper fashion.

I think in the past we have had too much foot dragging. Perhaps part of that was the fault of individual housing authorities, but I

can't help but believe that part of this responsibility should be borne by the Department of Housing and Urban Development.

I can cite you one real good illustration that happened about a year ago, where HUD told us they were going to put a stop to the processing of all Indian housing authority units because they had to find out who the chief officer or the executive officer was of each tribe. And we have been building houses since about 1966. And here, just a year or so ago, they had to stop the program to check to see who the top officer was in the tribe.

Of course, that only stopped us for about 2 weeks and then they allowed us to continue on to some degree. But I think this is one of the illustrations that causes us to slow down from time to time.

I think this handbook is needed very badly because there are too many loose ends I think in regard to the Indian housing programs whereby you don't know what the particular policy is in regard to things dealing with Indian housing, for instance, like paying out a house. I believe it was the Cherokees that brought this up earlier. We have some idea how to pay out a house but there is no concrete positive way that you can tell a person how to pay out a house. It is more or less guesswork. So, we think we need this Indian handbook and it has been promised to us for some time. We still haven't seen it and I don't know how close we are to actually making it a reality.

But I believe in summation, I would just like to say, we appreciate what we have. We just need more.

Senator BARTLETT. Mr. McIntyre, do you have a prepared statement?

Mr. MCINTYRE. It was incorporated in the Oklahoma Indian Housing Association position paper.

Senator BARTLETT. Fine. Mr. Frazier, do you have anything to say? We would like to hear from you if you do.

Mr. FRAZIER. Thank you, Senator Bartlett.

I would just like to reemphasize what most of the other tribes or other housing authorities and personnel have said. However, I do have a few facts of our own that I would like to mention.

The Housing Authority of the Choctaw Nation has at this time 100 units under program reservations for fiscal year 1974 and they have 125 units for fiscal year 1975. Of course, now we are operating in the 1976 fiscal year and our 1975 units are still not under construction.

The amount of approved applicants on file in our offices from nine counties total 3,412. I had one of the girls look that up yesterday, so that is up to date. I don't know just exactly what percentage this would be of the total Choctaw families needing homes or home improvements.

And some of the HUD personnel, I have no quarrel with them. I am relatively new in this housing business, and I have not called upon many of the individuals at HUD where I didn't get any help or encouragement, especially from Don Seay—I think he is in attendance here today—in the Indian accounting, and any accounting problem that I have had, why, he has always helped and given me an answer right away.

However, we can't account for these new units unless we get——

My question is: Where is the bottleneck in the processing procedures of these new units? And my plea is to find the problem, simplify the processing procedure and repair all breakdowns in communications

between HUD, the low rent LHA and the participant, because what we are primarily interested in is mutual help and to me mutual help means it takes all of us, the participants, the housing authority, HUD personnel and any others.

I appreciate the time and your listening to our problems. And that is all I have, Mr. Senator.

Senator BARTLETT. Mr. McIntyre, sir, you have mentioned some very good results you have had in relationship with one particular man with HUD. How have your communications been on all levels of HUD?

Mr. MCINTYRE. Well, I think unsatisfactory for the most part. I don't know whether this is from not being organized well enough or not being frank and sincere about the Indian housing programs or not, but I think we have had entirely too much foot dragging and too many reasons for not doing things rather than providing ways of processing these units.

I think we should take a positive attitude rather than a negative attitude. And I believe the negative has outweighed the positive in the past too much.

Senator BARTLETT. What is your delinquency rate on rentals?

Mr. MCINTYRE. Around 8 percent overall.

Senator BARTLETT. Did you have a problem with that earlier? Did you have a higher rate at any time?

Mr. MCINTYRE. Yes, sir, but not to any great degree. I would like to kind of boast about that a little bit because I think we have always been in pretty good shape in that respect.

Senator BARTLETT. What have been the main areas of misunderstanding or, say, lack of understanding by a person who is in low-rent housing or mutual-help housing as far as any part of their responsibility is concerned, either making a payment or maintaining the house? Where are they apt to not fully understand what you would like them to understand to have the program be as successful as possible?

Mr. MCINTYRE. Well, I think that stems from the fact that we don't have a handbook and that there have been different agencies and different people going around I think with a different purpose in mind and they meant well but they simply gave erroneous information.

Like, for instance, I have had people come to me and say, "Well, I was promised that I would have this house paid out in 17 years when the people came around and talked to me." And I don't see that on any document in the housing authority offices where anyone was told that they would have the house paid out in 17 years. But I hear this so much that I have got to believe that somebody did tell them this.

Then, too, I have heard some say that they were promised that their payments would never go over $25 a month no matter how much they make. And I think this was erroneous because it clearly states on the Mutual Help and Occupancy Agreement that the people are supposed to pay according to their ability to pay. So, this hasn't been disseminated in the proper manner, I don't think.

And I think those are a few of the instances where this lack of understanding came about.

Senator BARTLETT. Mr. McIntyre, how has your experience been in maintenance?

Mr. McINTYRE. Well, that is something where I think we need some extra help, some extra funds.

Now, for young people this isn't too much of a problem because they can go out and make the money to take care of whatever happens to their house. But in the case of old people or handicapped people or those that are underprivileged—well, let me backtrack and say the old people and the handicapped people who are on fixed incomes.

Let's just say an old person gets $150 a month from old age pension. Now, if their pump burns out, that pump is going to cost more than that family gets for their monthly check, and then what are they going to do for food and what are they going to do for clothes and how are they going to pay for various other bills that come up? So, I think in the case of old people, we really do need extra maintenance funds to help them.

Senator BARTLETT. Excuse me. At that point do you have a program, as Ms. Vietta said the Seminoles have in their authority, apparently in the case of a major item of maintenance such as a pump, that can provide help in that area?

Mr. McINTYRE. Yes, sir, we can do it but the way we have to do it is to go ahead and buy the pump and replace it for them and then take this from that individual's reserve, but oftentimes the reserve is not going to cover the expense we have had in taking care of the maintenance problem.

So, that is the reason I think we need extra funds in that respect.

Senator BARTLETT. What do you do in that case?

Mr. McINTYRE. Well, we just go ahead and do the maintenance work, like replace the pump or like in the wintertime where an old family has their heating system go out, we go ahead and take care of that heating system because we think we get less criticism in repairing that heater than we would if we went ahead and turned our back on that old family and maybe some expired due to the cold weather, the elements of that sort.

I think we would get far more criticism in that respect than if we went ahead and repaired the heater for the people, and then let these people pay back or use up their reserve on that, and then as they make their monthly payments then a portion of this would go to building up their reserve again to $200.

Now by law that must be maintained at $200 if at all possible to take care of things where people may not have cash on hand. Then we can take that $200 from the reserve and take care of the particular maintenance problem.

Senator BARTLETT. If you take care of a major maintenance problem and that, exhausts the reserve, are you required then to change the rental payment?

Mr. McINTYRE. It probably would mean requiring a change in the rental payment to build the reserve back up to its proper level.

Senator BARTLETT. If an occupant's income increases from, say, $3,600 per year to $8,500 per year, what effect would this have on their payments and also their continued residency in that unit?

Mr. McINTYRE. Well, it would definitely increase their payments, and as far as their maintaining residency in the house, they could do that.

Now, at one time—and I am not sure exactly where this came from—the word got around that if a person got above a certain level then they would have to move out of the house because they were no longer considered to be needy or handicapped or underprivileged, but I think there has been a different philosophy on that now where instead of moving the people out you just simply raise the monthly payment in line with their income.

Senator BARTLETT. Do you have a minimum and a maximum range for qualification?

Mr. MCINTYRE. Yes, sir, initially when they first move into the house. But after they move into the house, especially in the case of young people who may be going to college, or others who may get lucky and get a good job or something of that sort, well, then their payments are merely increased in line with their income and their salary.

Senator BARTLETT. What are your minimums in the Choctaw Nation?

Mr. MCINTYRE. $4,900 for two and $9,000 for 10 or more. The same as what the Creeks voiced a few moments ago, yes, sir.

Senator BARTLETT. Is that pretty standard among all the housing authorities?

Mr. MCINTYRE. Yes, sir, it is.

Senator BARTLETT. Once a house is under construction or a house is improved and then from that point on through the life of that house, what suggestions have you for improving what you might call the delivery system as far as the Indian people are concerned?

In other words, where you see there needs to be improvements in the system, other than getting additional moneys available for housing, beyond that point, what improvements do you recommend?

Mr. MCINTYRE. You are putting emphasis on the delivery system?

Senator BARTLETT. The delivery system, yes.

Mr. MCINTYRE. Well, I will get back to what I said originally. I think what we need are sincere, dedicated people working whether it would be in the—well, whatever agency it is, whether it be the Department of Labor or in the BIA or HUD or the Corps of Engineers or whoever has input in this—is for them to get as knowledgeable and to get as good a background as they possibly can on Indian housing so that their input would be valuable and so that we can coordinate this thing and push it along in the right direction, in the same direction.

Senator BARTLETT. Do you have a preference of an agency to be the lead agency?

Mr. MCINTYRE. No, I think more research would have to be done along that line to determine just which one would be the best.

Senator BARTLETT. We have no more questions but we would like to hear from the Chief or you, Mr. McIntyre, any more remarks or suggestions that you have.

Chief BELVIN. Thank you, Senator Bartlett.

I think that Charles said that this is one of the finest programs that we have for the Indian people and I agree with that.

Early in the inception of this program, I remember some of the Indians were really skeptical about it because, "Now, listen, if I go buy land and the Government puts it in trust, they may do anything they want to with it because * * *"—they were basing their opinion on some

of the unhappy experiences they had had with the Federal Government in the past.

Now, the Indians will never forget some of these things, and I was interested in what Chief Tanyan said when he spoke about the Indians being slow in his tribe to accept this program.

I remember the five tribes in our organization, when they started with the program back earlier we wanted all of the five tribes to go together because we thought there would be strength in numbers and we would probably be more successful if we could get together on it.

On another leadership, not Tanyan, however, the Seminoles pulled back back they were fearful. "Just as sure as the Government gets an interest in some of my possessions I could lose it." Now, that is brought about because of misunderstanding, and eventually, when they began to see what was happening among the other tribes, then they got interested and, as he told you, they are going along very well now from what I have learned from other sources.

It is a good program. It has a lot of things in it, I think, some bugs in the program that I think should be ironed out, that should be eliminated.

Now, I want to tell you a few things here that I have observed and some things which I have had a direct interest in.

Of course, we set this program up in 1965, formed a housing authority. For quite some time there was a lot of redtape trying to get some things done. I remember the Government representative who was called, I believe, the Housing Development Office at the time out of the area office. We kept having him to report to us in our five tribes' meetings, and he usually reported they were making progress but they weren't getting any houses.

And 1 day my brother Frank, just kind of jestingly, said, "Well, I will tell you, we have had this program on for a couple of years"—I think it was—"and they haven't driven a nail." He says, "We are going to look into this and we will just get some of our Congressmen in it and have an investigation."

Well, the gentleman got up and walked out the door. Directly they called for him and someone said, "He's gone to Dallas; he is going down to the regional office to see about getting some houses." And it wasn't long we started driving nails.

Now, we say, my brother's little quip about this situation was the thing that got us our first house. I don't say this is literally true but that shows you that when someone is really dragging their feet and when you really put the pressure on, why, then they finally bestir themselves.

And I feel also that back earlier, under another housing director, some things were being done wrong and the Indian people are being kept in the dark on it.

Now, I don't know what he had done with the housing authority here in Oklahoma City, but he certainly established such a rapport with them that he could almost do what he wanted to do and we were left out of it.

And so, he did things that lost him his job.

One of the members right here in the Oklahoma City office said, "Well, Chief Belvin sure rues the day he let that man go because he is sure going to slow down his housing business." And it did.

Well, I sent him a little word, I wanted to meet him. I said, "You come down to the Choctaw Nation and let's have a talk." The years went by and he never did. He hasn't to this good day.

Then I wrote a letter in to Mr. Breeden, I believe it was, because they seemed arrogant—I am just going to tell you just how I see it—they seemed arrogant with us, they seemed unsympathetic. They would write Charles letters and I couldn't get any copies of those letters.

Senator BARTLETT. How long have you been director now?

Mr. MCINTYRE. Three years.

Chief BELVIN. Three years. Just sometime last year I managed to euchre a letter out of them, a copy of the letters they had been sending him.

Now, Charles is an easy man to get along with and he didn't tell me all these things, so I somehow or other got a little suspicious that they were worrying him around a little bit.

So I wrote a letter to Breeden and I sent you a copy and the rest of the delegation, that I wasn't getting anything, not one carbon copy, or words to this effect, and I was complaining about it. And so, right after that I have been getting those I think regularly ever since, which I do appreciate, because I thought I needed to know, because he is our expert in this field.

But actually, my being in the position I am in, I am certainly interested in what is going on. And I do know that there has been some neglect from this office here, and I want to tell you what I would recommend and I won't be a bit mealymouthed about it.

That we could have some organization or some agency furnish, to see about this deal, that has got some milk of human kindness in their heart for the Indian people, someone who has got compassion, who has got understanding, who can understand the Indian problem and will be sympathetic toward the Indians in this, because this is something that the Indian people really need.

And I won't be the chief here long, but I'm not going to lose interest in Indian affairs. I will be one of the John Q. Public Indians. But I will be out there pushing and I will be able to read and write, I hope, and I hope I won't be tonguetied.

I am going to continue to work for the Indians. It won't cost them anything what I do, I will tell you that, because I won't be on the payroll, but I am going to still push for these good programs for Indians because we are getting out of the woods and I am certainly appreciative of what you people in Congress helped us to do, because, Dewey—Senator——

Senator BARTLETT. Use Dewey. That gets my attention.

Chief BELVIN. That's what I used to call you in the State senate.

Now, you people always respond. It doesn't matter what we write to you, we get a letter from you. And whether you can offer any real help, you can certainly let us know that you sympathize, that you are willing to hear us, and many times you help us. We appreciate that.

Now, we have had a little trouble down in our area because of some misconceptions and some people—after we let the other director go, Charles, being tenderhearted and all, he kept some of those people on the board that were working in the office with him.

I told him one day that was dangerous, because I felt they would never transfer their loyalty from their old director to him. And that's

kind of human nature. And by the way, they found a way to hurt him. And they started doing some hurting.

Well, I cracked down and removed every member of the board because there was a little gimmick that I used and it was legal. And we put us a brandnew board in there. We got the thing started up now and it is working along nicely. And yet there are some things that we haven't got corrected exactly.

But if we could get us a housing authority—and I want to recommend that consideration be given to lodging with the Department of the Interior and let them work this situation out, because they are people, with their organization, that understand the Indians. They formed an organization, we all know, which exists only because of Indians.

And I think that this Department can handle this situation in a way that it would be successful and I believe would proceed with much less difficulty than we are running into now.

And I hope that the Seminoles won't think that we are going to forget them, because we aren't. We will certainly fight for them to get right into the organization. I don't think we have to worry about that trust responsibility even being considered, not exactly, because I think there is a way around that.

There is always a way to work things and work them out properly and legally if people just put their minds to it.

I could say a lot of things, Dewey, but I am just simply given to too much gab and people get tired hearing me now. But that's some of the things I want to recommend.

Thank you very much.

Senator BARTLETT. Chief, we appreciate it very much and we appreciate you and Mr. McIntyre and Mr. Frazier being with us. Your suggestions are always welcome and appreciated. You have done a good job.

Chief BELVIN. Thank you, sir.

Senator BARTLETT. Thank you all very much.

We will continue. I understand that James Allen is not here but Jake Whitecrow, executive director, Northeastern Oklahoma Intertribal Council, Inc., will be presenting testimony.

Yes, sir?

Chief BELVIN. There is one thing I would like to emphasize.

Many of the Indians are not able to purchase their homesite but many of them have come to me and called me and written me wondering if there was any way that they could get a homesite.

And I remember that one of the housing authorities' directors at one-time, and I wrote a letter on it, he said it is a poor commentary when we have to say that a program that is designed to help the poor people, some of them are so poor they can't take advantage of the program.

And if there could be some way worked out to where that homesite could be purchased and become a part—now, there would have to be some work done on this, and a lot of real positive thinking—he wondered if there couldn't be some way worked out where that homesite could be bought and become part of the purchase price of the building, put it all together, and let them pay it out.

But the way it is handled now, it would have to be changed to do that. But I say, we could think about it and maybe work out something

to help these people get them homesites because we are really working with disadvantaged people.

Thank you.

Senator BARTLETT. Thank you very much.

Did you want to say something?

Mr. CROSSLAND. I would like to respond to what he just earlier said.

Senator BARTLETT. Yes, Mr. Crossland.

Mr. CROSSLAND. The Government cost budget has an item in it that you can plug in x number of dollars for the purchase of—which I have been doing for years, I have been doing this for the last 2 or 3 or 4 years—there is an item which, if you put it in there, you can get the money. I have not been turned down yet.

Senator BARTLETT. Thank you. I think Mr. McIntyre was discussing that too.

This is Mr. Jake Whitecrow speaking in behalf of the Northeastern Intertribal Council, and representing the president, James Allen.

STATEMENT OF JAKE L. WHITECROW, EXECUTIVE DIRECTOR, NORTHEASTERN OKLAHOMA INTERTRIBAL COUNCIL, INC.

Mr. WHITECROW. Thank you, Senator.

I want to first of all let you know that our president, James Allen, was unable to be here today because of personal commitments and he asked me to come down and represent him, make this statement for him in regard to the housing conditions and the situations that we have and the Intertribal Council's support for further housing for our Indian people.

In addition to this, we would like to also state that the Intertribal Council of Northeastern Oklahoma does not have a housing authority but we do participate with Cherokee Housing Authority and they do furnish our people some homes within our community.

So, with that, I would like to read our prepared statement, and I would like also to preface this statement with the fact that we were not absolutely sure as to whether or not all of the group here today were going to be from Oklahoma, so we wanted to make special reference to this. So, if you are already an Oklahoman, then you won't have to consider these remarks to any great extent, but if you are not an Oklahoman, then we want to make you feel welcome.

My name is Jake L. Whitecrow, executive director of the Intertribal Council, Inc. I am here at the request of Chief James Allen, chief of the Seneca-Cayuga Tribe of Oklahoma and president of our Intertribal Council. He has asked that I bid you welcome to our Great State of Oklahoma.

For those of you who are not real Oklahomans, may we say that by the time you leave us we hope you may consider being one of us. We are most proud of our country and most definitely proud of our State.

Although the eight tribes comprising the membership of our Intertribal Council are comparatively few in number as regards to being recipients of Indian housing, we do feel strongly the requirement to make a statement about this vital issue.

It is our understanding that our Indian housing program, as we presently know it, is in jeopardy. It is our intent and purpose here to-

day to emphasize the need for continuing our Indian housing programs.

We fully recognize the many problems that we have in achieving proper dwellings for our people. We have only just begun meeting our needs. Much work needs to be accomplished before consideration is given to abolishing any of our housing programs or projects.

Irregardless of what you digest from our presentation, we certainly hope you see the need to maintain, continue, and improve our housing for the American Indian.

At the offset, I want to say that the idea behind the entire housing scheme appears on the surface to be good; however, in truth we question its validity and real genuine value at grassroots to the Indian. We cannot fully resign ourselves to this feeling of goodness, especially when we are continually beset with words of complaint, dissatisfaction, discontent, and displeasure with the Indian housing shortcomings.

Our statement to you now is not to go into a specific against Indian housing, to give name, dates, houses, locations, and/or sites, but to give you the view of Indian housing as we perceive it.

Furthermore, we feel that specifics would be rather redundant, for many of the reports we receive on the housing shortcomings have previously been stated and documented. However, for clarity, let me direct your attention to the staff report on the Indian housing effort in the United States with selected appendexes, prepared at the request of Senator Henry Jackson, chairman of the Committee on Interior and Insular Affairs to the 1st Session of the 94th Congress and printed in February 1975.

In the section containing the report to Congress, done by the Comptroller General of the United States, page 33, there is a checklist of deficiencies listed which reads very similar to reports we receive from the grassroot Indian:

Heating and ventilation facilities needing repair and/or adjustment.

Water or plumbing facilities needing repair.

Electric facilities needing repair.

Sanitation facilities needing repair.

Roofs needing repair.

Lack of complete or comprehensive planning and coordination to insure that all facets of the house are completed within the same timeframe.

Lack of followthrough to insure that projects were completed.

The above-related deficiencies pretty well sum up and give a good representation of the same type reports we get. I am sure that others making representations to you not only will verify our deficiency statement listed above, but will continue to enumerate other examples so that you will have a clear picture on Indian housing.

Indian housing does have a problem and there is a solution to the problem. What it is exactly, we cannot say for I am not an expert on problem solving for Indian housing. However, I suspect that possibly at the very base of the solution can be found the word "attention." This word should not be connotated in the military sense, but rather in that manner of the act or state of attending, especially through applying the mind to an object of sense or thought.

Should this be done, much good probably could be achieved and a great step toward resolution be accomplished. Some examples for which this word can be applied are as follows:

Attention of planning.

Attention to completion.

Attention to detail.

Attention to response—when a client requests adjustment, repair, or simply putting in working order the first time.

Attention to the needs of the Indian family houseowner.

All of which sound so simple they surely will sound ridiculous to some. But a moment or reflection will and could accomplish much toward solving a humanistic problem.

It is not our intention to try to second-guess the experts or to downgrade a Federal agency for we feel the need for their help, advice, guidance, and at times forebearance. However, we often reflect upon to whom we would consider the proper agency to work with and administer the Indian housing.

At present, as you know, we have three separate Government entities operating the Indian housing program:

The Bureau of Indian Affairs; Department of Housing and Urban Development—HUD; and the Indian Health Service in HEW.

All are decent agencies and give service to the Indian.

We would suggest that as this problem is so serious with an estimated 63,000 Indian families still in substandard housing reported in the early 1970's, that regardless of whom does the administering of this program, that this Government entity or entities do the following:

1. Plan for the Indian, taking into consideration his needs, where he is physically located in the United States, and packaging a house to suit these two requirements.

2. Establish an Indian desk staffed with trained people who are familiar with Indian people if, after a thorough search, a qualified Indian person cannot be found to fill this position. At the least, the second person should be an Indian, who may be better qualified to make determinations suited to Indians than the non-Indian housing expert, but who is there to be trained into and move up and obtain his full leadership position. As this Indian desk (and staff) is a key responsibility, much care needs to be used in filling it.

3. Develop a prototype house which can be flexible enough to be utilized in various parts of the country.

4. Develop contracts with teeth in them so that the contractor who performs shoddy or sloppy work, fails to live up to the agreement, or fails to make timely, accurate, and needed repairs and/or adjustments to faults omitted in the original, that they are faced with both a monetary penalty and be cut off from doing any work in projects or programs where any Federal monies are used.

5. Devise a good system of inspectors for rural (and urban areas too as needed) to pass on houses. Also, have evaluations to follow up for both the houses and the inspectors.

6. Make it known that the Government is serious in having Indian housing for the Indian people and not merely giving lip service to such a thing.

7. Give these suggestions a period of trial to see how well they may work, then add others as can be ascertained from field input and your own expertise.

8. Accelerate the building to fit the Indian needs.

9. That if more than one entity does the administering, they write their instructions jointly and they make their requirements, methods of applying operation, etc., all the same and not varied.

Senator, this concludes our prepared statement.

These comments were made as a result of the many complaints that we received from those 50 persons, or actually 68 persons, that we have in operation living in homes in our northeast corner of Oklahoma.

We have 102 applications on hand for housing. We have a dire need of housing and the Inter-Tribal Council is presently just getting into the housing business.

Hopefully, we will be using all the Farmers Home Administration programs and continue using the Cherokee Housing Authority.

Senator BARTLETT. What experience are you having with maintenance?

Mr. WHITECROW. Maintenance on our homes in our area is very poor. The time lag from the time that a receipient or a participant makes a complaint in regard to receiving maintenance on a home—and especially on home damage as a result of a storm. We had one complainant who stated that as a storm hit last May it was September before they received any assistance on their problem. The adjustment was done almost immediately. However, before the maintenance was actually fulfilled, we had a great time lag.

Senator BARTLETT. Have you had any comparison of the statistical variation between the housing handled by the Cherokee Housing Authority as far as the eight tribes are concerned as compared to the Cherokee Nation?

Mr. WHITECROW. No, sir, we haven't. In fact, we are just getting ready to get involved with Mr. Crossland and the Cherokee Housing Authority. Hopefully we will be able to get some representation on this board in the near future.

Senator BARTLETT. What role do you play or does the Inter-Tribal Council play with the Cherokee Housing Authority?

Mr. WHITECROW. We have a cooperating agreement with them signed by the Inter-Tribal Council and originally signed by seven of the eight tribes back in 1971.

Senator BARTLETT. Do you provide any service to the Cherokee Housing Authority?

Mr. WHITECROW. No, sir, not as an Inter-Tribal Council, not as yet.

Senator BARTLETT. Mr. Whitecrow, although you have discussed the agency problem I don't think you made any recommendations. If you had a choice, which agency do you think should be the lead agency, or what comments do you have to make on the agencies of Government handling Indian housing?

Mr. WHITECROW. Inasmuch as Senate bill 27 currently being considered in the Senate, which transfers the Bureau of Indian Affairs from the Department of Interior to the Department of Health, Education, and Welfare, that in the event this particular bill comes about, I seriously question whether the Department of Interior would be the ideal location for a central housing administration unit.

I would think after several negotiation sessions special consideration in regard to trust relationship of the land.

Senator BARTLETT. Who is the author of that bill?

Mr. WHITECROW. I am not quite sure, but it is Senate bill 27 and there are only seven lines in that particular bill that does this.

Senator BARTLETT. I am not familiar with that.

Mr. WHITECROW. Senate bill 27, yes.

Senator BARTLETT. I sort of thought the HEW had about everything they could handle. We have had a number of meetings lately with HEW and I think they do have quite a responsibility. But I didn't know that that bill did provide that.

Are you receiving full cooperation from the Farmers Home Administration in the effort that you are making?

Mr. WHITECROW. Yes, sir. The Inter-Tribal Council as we have it is one of the pilot programs that the Department of Agriculture has established. We have had several meetings with the Department of Agriculture personnel.

Our problem thus far has been getting our Indian people totally involved and informed in regard to the programs. We are still currently involved with trying to get this informaion out to the people in the community.

Senator BARTLETT. Will you be forming a housing authority for this yourself or will you be utilizing the Cherokee Housing Authority?

Mr. WHITECROW. Considering the size of the area, we have got to give this a little bit more consideration.

Senator BARTLETT. So you are still in the formulation stage of developing an operating entity, knowing which entity you can use.

Mr. WHITECROW. That's right.

Senator BARTLETT. How do you feel about your progress today? Is it moving along? Do you expect to have any houses under construction this calendar year?

Mr. WHITECROW. Hopefully we will have. We have just recently negotiated a contract with the Indian Action Team office out of the Denver area, having negotiated a $250,000 contract. Hopefully within the next 6 months we will be getting involved in utilization and delivery service of the HIP program through the bureau in our community, and possibly 6 months to a year following that we will very definitely be involved in construction of houses.

Senator BARTLETT. Mr. Whitecrow, thank you very much. Your information is very interesting and obviously a little different from the other housing authorities' and will be particularly helpful.

Is there anything else you would like to say?

Mr. WHITECROW. No, sir. I want to thank you for your time.

Senator BARTLETT. You are very welcome. Thank you for being here.

I am going to call a 10-minute recess until just a couple minutes to 4 and at that time Mr. Denoya, chairman of the Osage Housing Authority, accompanied by Mr. Vernon Davis, will be testifying, and then after that the three gentlemen from HUD will be on deck.

So we will commence again in 10 minutes.

[A brief recess was had.]

Senator BARTLETT. The hearing is once again in session. We have Mr. Denoya, chairman of the Osage Housing Authority, and Mr. Davis.

Mr. Denoya, do you have a prepared statement?

Mr. DENOYA. We have a statement, Senator Bartlett, copies of which have been given to them. I don't intend to read it, just make some comments.

STATEMENT OF L. L. DENOYA, CHAIRMAN, OSAGE HOUSING AUTHORITY, ACCOMPANIED BY VERNON DAVIS, EXECUTIVE DIRECTOR, OSAGE HOUSING AUTHORITY

Mr. DENOYA. Realinement of the organizational structure concerned with Indian programs—housing and others—in HUD seems the most promising way to improve the housing program delivery system. At present those concerned with various Indian programs are scattered throughout regional and area offices, making coordination and cross-feeding of information difficult internally in HUD, as well as contact by outside agencies.

A proposal by the Denver regional office at a recent National American Indian Housing Authority Council meeting in Reno, Nev., to consolidate those concerned with Indian programs into an Indian programs unit seems to hold the most promise for improving coordination on various programs as well as expediting action on individual programs. It also would appear that such consolidation would not only improve the delivery system but offer savings in personnel.

In the course of the past few years the procedural steps involved between allocation of housing units to an Indian housing authority and turning the first shovel of dirt on construction have been expanded both in detail and time, resulting in weeks of good construction time being consumed on nonproductive refining of the program.

It is felt these intermediate procedural steps between allocation and approval to start construction should be reviewed with the view towards streamlining and simplification. An attempt on timing should also be made which will utilize the less desirable construction seasons for processing programs, and the more productive construction season for building.

First of all, I would like to express the regret of Chief Sylvester Tinker of the Osages. He had to attend a funeral in Colorado and was unable to be here.

Our prepared statement that has been submitted follows pretty much the same comments that have been made by other tribes today. And I think we pretty well plowed the ground that the organizational structure needs review with an effort toward streamlining the system some way to cut down this long leadtime between allocation of housing units to an authority and turning a shovel of ground.

One thing I would like to add in the area of organizational structure, at a recent meeting of the National American Indian Housing Authority Council, which was held in Reno, Nev., the regional director at Denver submitted a document for legislation which outlined a system for establishing a consolidated organizational structure pointed toward better Indian coordination.

And without going into the details of that, I would like to refer your staff to it so they can run it down, because it was laid out in fairly com-

plete form, and at that housing authority council meeting out there it was discussed in considerable detail and I think there were over 200 housing authority representatives out there from the United States, and I think most, the majority of these people, felt that this Denver proposal had a lot of merit.

And, really, it was designed to consolidate people who were concerned with Indian programs to make them more accessible and to improve cross research between Indian programs and Indian oriented people.

Senator BARTLETT. These are recommendations as to how to improve the program, what it is to provide?

Mr. DENOYA. Not necessarily the program but the organizational structure in HUD, designed to establish points where Indian questions could be studied and the people could be found that are now scattered throughout the organization.

Senator BARTLETT. How large a document is this?

Mr. DENOYA. Oh, it is about a 10-page document.

Senator BARTLETT. We will find that and put that in the record. [See p. 335.]

Mr. DENOYA. And it was submitted in the form of future legislative action in this area.

Senator BARTLETT. Was that a resolution?

Mr. DENOYA. I believe it was passed as a resolution by the Indian Housing Authority Council out there, National Indian Housing Authority Council.

Senator BARTLETT. To whom was it directed?

Mr. DENOYA. I assume that it was submitted to HUD. But it is a document that consolidates into one document the feelings of a lot of people in this area about reorganization or organizational structure in HUD.

I would like to address myself for just a minute on attitude. It doesn't make any difference, and this has been stated by other people today, where the administration of Indian programs finally rests. Now, it is in HUD and I think strictly could be improved, but I think there is enough legislation behind it, enough regulation behind it that if the attitude of HUD was such that they wanted to really get behind and proceed with the program, it could function well. It has in the past and I can cite an example.

I guess the reason we are problably last on the list here, we are the youngest housing authority here in Oklahoma. We were established in 1971 and shortly thereafter we got our first allocation of houses, 100 units. A year later we turned the first spade of dirt, 1 year.

We have got another 100 allocations as a result of the 1974 bill that has been discussed, and we are already 16 months and we haven't negotiated a contract yet.

So, in that 5-year period, 4- or 5-year period, the energy that comes out of HUD to proceed down the line with one of these programs after housing has been allocated has lessened a great deal in this 4 or 5 years, yet they have more legislative authority behind them now than they did 4 or 5 years ago.

So, it has to be attitude in my view, that from the top level down, and if the top says, "We are not interested in pursuing this program

very fast," as this filters down to a regional area office it is not going to move.

And I think whether it is in the HUD, BIA or anybody else, it needs this command line down the line that says, "OK, we have got the program approved legislatively, we have got the money set aside, let's get after the program." This is what has gone out of the organizational structure as I see it. Consolidating Indian activities within HUD might improve this considerably, I don't know.

But anyway, that proposal was felt by the National Indian Housing Authority as having considerable merit and it has been put into form that can be dealt with by one of the regional directors.

I would like to ask Mr. Davis if he has any comments. Like I say, the ground has been pretty well plowed today on our feelings.

Mr. DAVIS. I don't plan on reading this statement. You all have copies of it, but if you have any questions you would like to have answered on it—I know it is pretty late.

STATEMENT OF VERNON K. DAVIS, EXECUTIVE DIRECTOR, OSAGE HOUSING AUTHORITY

Mr. DAVIS. At the present time we are experiencing a crisis in the delivery of mutual help homes. There seems to be someone or something slowing down the processing and allocation of units to the local authorities. When the allocation is made, it seems that things really slow down in the area office. This slowing down can be seen by comparing our first project with the project we are now trying to get under an annual contributions contract. The organizational meeting to establish this authority was held in December 1970, and a request for 100 mutual-help units was submitted to the area office. One year later we had signed the contract of sale and were in the construction phase of the project.

On our second project we were notified by the area office in April of 1974 that they were in a position to allocate us 100 units. In less than a week our application was in the area office being reviewed. It has now been 15 months and we haven't even been in for a negotiation conference with our developer and the area office. The way things are going at the present I am sure that we will not be able to start construction before the spring of 1976.

It would greatly increase production if a division of Indian housing were to be created with the HUD area office. This division should be staffed with HUD representatives and a representative of the Indian Health Service, along with easy access to a housing representative of the BIA. Anytime a housing authority had to go to the area office to work out a problem, all parties concerned with the production of mutual-help housing would be available, and these people should have the authority to make a decision.

In the Oklahoma City area office of HUD it seems that they are changing the production representatives, appraisers, and inspectors constantly. The majority of these people have no experience in this type of program. I can remember when the area office took pride in their work and in the quality of the homes that we were able to produce by working together. The last time that our authority was visited by a production representative was in January 1975, when we opened the

proposals for our latest project. You cannot efficiently operate an authority without close contact with the three agencies charged to provide Indian housing.

At times you can become very discouraged, but you keep trying; and when that family moves into their new home, and you see the smiles and sometimes tears of happiness, you know it is well worth the effort.

Senator BARTLETT. Well, I have two lines of questioning. They are a little different from the others, so we might proceed in that direction if you would like. We are trying to round out our inputs and we can't always ask exactly the same questions. We would like to, but there is just not enough time.

What is the extent of non-Indian participation in your housing program?

Mr. DENOYA. We have about 10 percent, don't we, Vernon?

Mr. DAVIS. Yes; it just so happened that at that time we were under the Fair Housing Act and could not discriminate. So, as people came in they were assigned a date, time and stamped on their application. That's the way we process them. It happened that 90 percent was Indian, 9 percent white and 1 percent Spanish-American.

Senator BARTLETT. As far as you know would this just be a similar situation in the other housing programs?

Mr. DAVIS. I have no idea.

Mr. DENOYA. I don't know either.

Senator BARTLETT. What about the Choctaws, what percentage of non-Indian are there in your housing?

Mr. MCINTYRE. Two percent.

Senator BARTLETT. OK. What are the requirements with regard to non-Indian participation?

Mr. DENOYA. We have a new policy on that at the moment. Just established this very recently. In the new housing bill it does set aside and strengthen the preference to Indians, which we didn't have before, and our policy on preference is Osage first, Indian non-Osage second, and other than Indian third.

Senator BARTLETT. Does the non-Indian have to come up with the equivalent of what the housing contribution would be?

Mr. DELANEY. I am not sure I understand that, Senator.

Mr. DAVIS. Yes; the same equity.

Senator BARTLETT. The same equity?

Mr. DENOYA. Oh, yes.

Senator BARTLETT. I gathered from what you say that the percentage of Indians in the future would probably be considerably higher than what is has been.

Mr. DAVIS. Yes, sir.

Senator BARTLETT. Would you anticipate then that you would have a percentage somewhat similar to the Choctaws of 98 percent Indian, something in that area?

Mr. DAVIS. Approximately.

Senator BARTLETT. I think I know the answer to this but I will ask the question anyway. Does that give extra units for houses occupied by non-Indians?

Mr. DAVIS. No, sir.

Senator BARTLETT. All right. In some of the problem areas of coordination, what are some of the problems that you have had with water and sewer as far as the construction is concerned?

Mr. DAVIS. Well, it is a planning problem mostly. If you have good cooperation, if you can get the people together. It is just a logistics problem.

Senator BARTLETT. Where do your problems generally develop?

Mr. DAVIS. Well, programing, or say, our developer on his wells and septic tank installation, drilling the wells and having a Public Health representative there on the site to inspect it, which it is a requirement to inspect it.

Senator BARTLETT. Have you been involved with the rural water district?

Mr. DAVIS. Yes, sir.

Senator BARTLETT. How does that work?

Mr. DAVIS. It works real well.

Senator BARTLETT. Have you had any problems as the Seminoles had with the lagoon type sewer system or any other problems?

Mr. DAVIS. On our first project we didn't. We had one site that wouldn't percolate correctly so we did install a sand filter. We don't have too much problem with percolation tests in our area of operation.

Senator BARTLETT. Who provides the access roads and long driveways?

Mr. DAVIS. Well, the housing authority has in the past. We don't have that many in the rural sites because of the restricted lands in the area of operation. We haven't got, I'd say, maybe 5 percent where there was any lengthy drive had to be installed and this was done by the developer for his convenience to get the site to build the house, and then maintained later on by the participant.

Senator BARTLETT. So, the BIA or HUD are not involved in that?

Mr. DAVIS. No cost whatsoever.

Senator BARTLETT. Has that been a problem?

Mr. DAVIS. No.

Senator BARTLETT. What about the maintenance of that road?

Mr. DAVIS. Well, we have no problems to date with maintenance.

Senator BARTLETT. Well, is that on the county system?

Mr. DAVIS. No; it is off usually across private property, which you have an easement, and usually it is on a ranch where they have the equipment, you know, someone can come in and grade it for them. And then the county does sometimes stop by and grade it off for them.

Senator BARTLETT. Is there anyone with a primary responsibility for maintenance?

Mr. DAVIS. No.

Senator BARTLETT. How about landscaping, curbs, and sidewalks? Is that provided and who would furnish those?

Mr. DAVIS. They haven't been furnished in the past, as far as our project was concerned and our development program.

I understand now that there will be some funds available for clustered type housing where you can't go on individual sites but there will be some site improvements, such as asphalt streets and curbs. We had one site, we had trouble with the grading and stuff which was a clustered site of approximately 12 houses, and we are going to work that out with the city and county combined. They are going to work that out for us.

Senator BARTLETT. Are there requirements at the present time for sidewalks, curbs, surface roads, streets?

Mr. DAVIS. No, the only requirement I know and that is the latest HUD requirement, and I don't know if it has been changed or not, that they weren't going to improve any of these sites where they weren't adjacent to an already road.

Senator BARTLETT. Does that mean in the street in front of the house?

Mr. DAVIS. Right. Or on, say, a rural site that is not on a county road. They might waive a little bit, you know, a little bit one way or another. It would probably be up to the individual inspector who comes out to look at the site, but that was the statement that I have heard. We haven't started construction on these new homes so I don't know exactly what it is going to be.

Mr. DENOYA. You actually have some leeway there, Senator, because you go out on this man's land and you pick the site where you want to put this house and you can put it next to a road rather than sticking it out in the middle of his land, on your advice where you can guide the thing where it is accessible.

Senator BARTLETT. How do you consider the adequacy of the houses' lighting? Are the houses roomy enough, well designed, well constructed?

Mr. DAVIS. I will say that if you don't do a well-designed house it is your own fault. The competition is pretty fierce in this program and if you don't get in there—you can't get your dollar's worth if you want to take the time to do it.

Senator BARTLETT. How about the construction quality?

Mr. DAVIS. We have had real good experience so far. Of course, this might be because it is his first time for building mutual help type homes and he was a custom builder. In the past he had built very expensive homes. He is a craftsman and that is how he wanted the houses to look.

Senator BARTLETT. Did HUD give you a lot of leeway in the design of the house that can be used?

Mr. DAVIS. You just more or less have to stay within a square footage and you can design around that square footage.

Senator BARTLETT. How many designs were actually used, variations?

Mr. DAVIS. On our first 100 units we had 3, 4, or 5 bedrooms, each one had five different elevations, they were all the same floor plan. But in that we had five choices of floor tile, five choices of brick. I guess that's about all.

Mr. DENOYA. And we had 13 bidders, so we had a lot of competition.

Mr. DAVIS. We try to keep it from being stereotype, where if you see 15 houses in one area, "Look, that's public housing."

Senator BARTLETT. Where are your housing projects located?

Mr. DENOYA. In Osage County, all of them. Pawhuska, Fairfax, Hominy, and then scattered sites.

Senator BARTLETT. In Pawhuska and Hominy, are they in the cities?

Mr. DAVIS. We have a cluster of houses and then some individual houses in Pawhuska and then we have a cluster of houses in Hominy of about 17 and then some individual houses built in Hominy where a man owned a lot, a separated lot from the cluster.

And in Fairfax, four or five houses and then the rest of them are built on scattered sites on individually owned land.

Senator BARTLETT. On the Indian housing authority's staff, are the salaries adequate, in your opinion?

Mr. DAVIS. I think so, because we only have a staff of three people.

Senator BARTLETT. How are salaries determined?

Mr. DENOYA. They are determined by the number of units and so much per unit.

Senator BARTLETT. Is there a range that is permitted with leeway with the board to decide within that range according to——

Mr. DENOYA. Yes.

Senator BARTLETT. But the range is established by——

Mr. DENOYA. I think the range would come according to the number of units you have. If you only have 100 units you take the maximum that you can allow for administration, maintenance, et cetera. But if you have several hundred units, then that is reduced down, the way I visualize it—we only have 100 units—taking less and less.

Senator BARTLETT. Who would make that decision?

Mr. DENOYA. The board.

Senator BARTLETT. The board would decide that? The board would decide the number of people in the authority on salaries, or would that still be determined by the number of units?

Mr. DENOYA. The arrangement you have is your contract with your director——

Mr. DAVIS. You see, we have a rather unique situation. I am not a salaried employee of this housing authority. I am under the contract with them and they pay me x number of dollars and I have to furnish all the——

Mr. DENOYA. That is the kind of arrangement we have established, a contract arrangement with our director, and then he provides out of the available money his staff that is required.

Senator BARTLETT. I see. How are the other housing authorities' personnel determined?

Mr. DENOYA. I am not sure. Maybe somebody—I'm not really sure.

Senator BARTLETT. Yes; Mr. Crossland?

Mr. CROSSLAND. What was it?

Senator BARTLETT. The question has to do with numbers of employees on an Indian housing authority, the salaries, and how those salaries are determined.

Mr. CROSSLAND. It is per unit, as he just indicated. You have x number of dollars which is allocated to you by HUD operating budget man, which I think Don Seay can answer that. Why don't you answer that, Don? You are an expert—you only have x number of dollars and you get so much per unit. What do you allow, four and a half per unit for administration salaries?

Mr. SEAY. That has gone up now.

Mr. CROSSLAND. Has it? Well, you only have x number of dollars and you can hire the people out of that.

Senator BARTLETT. Mr. Froman, do you have a comment?

Mr. FROMAN. Yes; I would like to make one comment if I might, Senator.

In the development program, or developing the cost of an annual contributions contract, there is a certain amount of money allowed for administrative costs to allow the authority to develop a project.

When these authorities that we are looking at here, and some others within the Five Civilized Tribes and I am sure it is true for the Osage Tribe, is that they have to carry development staff to develop those projects, yet we can't get the ACC or the money that is funded to get those programs.

And also, at the same time we are caught between a rock and a hard place because we can't relinquish development staff because it is still there.

In other words, the vine is out there. You know, it may be that we may try and get them but we may not be very successful in getting them. But it's still there and we still have to carry those people.

So we come down to the net result is, we either overrun an existing development program or we operate on a deficit on our management program.

In other words we receive x number of dollars per unit for those units we haven't built and under management. We also receive so much money within the development program to handle the development staff, but as you can see, we haven't executed any ACC's for a year and a half, and some of the authorities could be in very much danger of, you know, going bankrupt because we simply can't get that money for the ACC's.

So, we are caught between a rock and a hard place. And that is one of the reasons that it is extremely urgent to get those development programs underway.

Mr. DAVIS. You need a constant flow to operate.

Senator BARTLETT. So your suggestion to the problem you are talking about is a constant flow?

Mr. DAVIS. You can't do any planning if you don't.

Mr. FROMAN. I am not suggesting, but what I am telling the Senator is that the problem of not getting an annual contributions contract or getting to the development stage is twofold.

The first and immediate problem is that we can't house Indian families.

The second, and I guess more permanent problem for the Indian authority, is that if we don't get there then we face the probability of going bankrupt because we don't have that money to spend, because it is there and we don't have it.

Senator BARTLETT. I see. What happens to your staff when it is completed, your development staff?

Mr. FROMAN. Well, I assume that once it was all completed that either that staff would shift to a management status or a management staff position because you are looking at more units under management requiring more personnel, or then they would simply have to be laid off because there would be no more use for them.

But at the same time, we can't lay them off if we are sitting there with 350 units and we sign an ACC and sign a contract for sale. We don't have any more work to do because the work hasn't been done.

I might add, the way we have got——

Senator BARTLETT. I was just wondering, why would you have the development staff aboard if you weren't in position to proceed ahead and develop the housing?

Mr. FROMAN. That is a very good question. There are several of us, I know myself, the Creek Nation and the Cherokee Nation, recognize that we have a problem like that.

We request preliminary loan contracts to cover the development costs, or in other words, that cost that was necessary to get a project going.

We thought when we did that that we made the smart move and I still think we did. The only thing, it took us almost a year to get the preliminary loan contract. We submitted those in June which was just a formal thing, it was right along with the program reservation in June of 1974. And I think we received the money on the preliminary contract sometime in early spring. Now——

Senator BARTLETT. Assuming that the money is available and eventually a program is funded and you are given the green light and signed up properly, but before you get to that point as you are trying to develop that program is it possible for a housing authority to develop a program with the staff that it has before the funds are available?

Mr. FROMAN. It would be almost impossible, sir. You are looking at—Within the Five Civilized Tribes, we transfer title. The title is held within the housing authority. You are dealing with trust property, you are dealing with court procedures, you have to go to court to lift the restrictions. You are dealing with property that is jointly held and you have to go through the determination of heirship or even fight title suits and everything.

An average time on each one of these housing for an application from the time you say all right, this one Indian family, we are going to build you a house, so we are going to start the title work to bring about the transfer to the housing authority, I would say the average time sometimes runs 6 or 7 months, sometimes longer than that, depending on what you find when you get into it.

So, if you don't have development staff to take care of that problem, then you wind up signing a contract and you simply don't have any work to give a developer.

Senator BARTLETT. So what you are saying then is you have work for a development staff prior to the funding for that staff?

Mr. FROMAN. Very definitely. Really, as far as the development staff it goes to after a contract of sale, you are talking about housing authority inspectors or—most of the work is done prior to signing the contract.

Senator BARTLETT. You know, when you talk about another stage it always sounds like you are recommending delay. But should there be a means of funding the preliminary actions that are normally taken by the development staff before funding that now takes place?

Mr. FROMAN. There is. There always has been. That is the preliminary loan contract, but just try and get one, you know. It is worse than pulling teeth.

Mr. DAVIS. Senator, I had a preliminary loan approval in January of this year, final approval, and I have yet to receive a nickel of it.

Mr. DENOYA. What you do actually, you charge your costs. We took on one person additional on our housing authority staff and you charge it against your current program. Hopefully, when you get your preliminary loan approved you pay that program back. That's the only way you can do it because, like Ron says, most of the work takes place before you sign the contract. Administration in the development has to be completed, lock, stock and barrel, almost before you get to the contract stage.

So, you are forced to take on, if you need additional staff, you are forced to pay it out of your current program until you can get your own preliminary loan contract approved. That is what we have done.

Senator BARTLETT. Do you think that the housing program should be consolidated into a single agency?

Mr. DAVIS. I think you have got a good delivery system right now with Housing and Urban Development, if you can staff it with people that are knowledgeable in the program. You can't take an FHA man and stick him up there as an Indian housing rep.

Mr. FROMAN. Amen.

Mr. DAVIS. And you can't do that three times in 6 months. We would spend our time constantly training the HUD representative.

Senator BARTLETT. The coordination with HUD and the other two agencies——

Mr. DAVIS. They will balance themselves out.

Senator BARTLETT. That's not part of the problem that you see?

Mr. DAVIS. No, sir. I haven't had that problem because I think if you get in there and your housing authority produces, these other agencies are going to produce also. If they can see some results you are going to get cooperation.

But lately in HUD you have not received this cooperation. Like my statement here, they used to take pride in how they did. They would look at the numbers on the wall every Friday night and say, well, we did this.

Senator BARTLETT. Let me ask some of the other housing directors who are here how they would answer that question about consolidation into a single agency. We haven't asked it quite in that way before. Got any volunteers?

Mr. Crossland?

Mr. CROSSLAND. Yes; I will volunteer.

I don't think so. I don't think that is your answer.

I think probably a whole lot like he just stated here, Vernon stated, HUD is perhaps an excellent place for MH housing. However, I don't think moving it without expertise and legislation—well, if you were to move it, you are faced with 2 or 3 years. This is what is going to happen to you right fast.

So then the only other thing then that you should need to do is to—I don't like to leave HUD, but I think maybe go to the ARA stage like they are doing out in Frisco, where they are hiring an Indian team to handle only Indian housing, only, the regional administrator.

We haven't had one of these fellows for the reason that R. D. Morgan, he is an Indian hater from the old school, and he is open with it. And it has also come to pass here of late that R. H. Breeden here at the area level has been doing some of these tactics too.

So, I think from my own thinking, I think HUD is the vehicle but I think that there needs to be some reorganization happening here soon.

Senator BARTLETT. You are talking about an Indian division or an Indian element within HUD at various levels?

Mr. CROSSLAND. Yes. This is what is happening now. I think Frisco has an Indian team, and the aim is to handle only Indian housing. This would expedite the whole thing.

Mr. DAVIS. You could see they have a good production system by looking in the late sixties and early seventies what our production was.

Mr. CROSSLAND. Yes. We had a high rate of production in the early

stages. They are just going down, down, down and work has just about stopped right now, you see.

But I don't think just putting it all under one agency and say, you handle the whole thing, that would be too clumsy.

Senator BARTLETT. Mr. McIntyre, do you have any comment?

Mr. MCINTYRE. This is sort of loaded with a lot of if's, I think. If we could get the proper amount of money and the proper amount of staff to handle this, maybe a single agency could do it. But I am a little reluctant to say that with a good deal of assurance, because I don't know any one agency would get enough to fund the entire thing and all that that engulfs.

So, I think it is going to be a joint thing or several people or several agencies combining together with their efforts. It would take frank people, hard-working people, well-meaning people in on those staffs, agencies, to help us out.

Senator BARTLETT. Mr. Froman?

Mr. FROMAN. I guess obviously I might put a dissenting vote in.

Senator BARTLETT. If we don't have a little controversy, we don't have America.

Mr. FROMAN. We keep talking about three agencies. We really don't have three agencies, we have got four Federal agencies involved in this housing to create a little three-bedroom house out in the country.

You have HUD which has the primary funding responsibility and it is the primary agency now.

You have the Bureau of Indian Affairs although here in Oklahoma they play a lesser role here in Oklahoma than they do elsewhere. If you go into other parts of the country they play a very primary role in the development of a housing program. But being as we are in Oklahoma we will stay in Oklahoma.

HEW, Indian Health Service, plays somewhat of a lesser role. They used to play a very prominent role and I think when you talk about—in some other areas of the country—they still play a very prominent role.

As you know, when we first started this housing program, HEW put in all the sewer and water systems. This was several years ago. They couldn't stay above—they couldn't produce the production level—so we consolidated that and put it in the development program and paid for it right along with the developer. He had responsibility of doing it. That was, when we finished the house we had a finished product that was ready to be moved into. We really in fact had a turnkey project.

Well, the Department of Labor now, we haven't even discussed that, this part of it. And for those folk who operate in a single county, the Osages, they are very fortunate. For us, housing authorities that operate in a multicounty area, it is somewhat a different tune.

As you know, we have to pay Davis-Bacon wage rates for these projects. Most of our projects are multicounty. We have requested time and time again that for the authorities that operate in a multicounty area that they have one base wage rate that applies to the full county or the full jurisdiction, but we can't get it.

So, when we are working in Muskogee County we pay a different wage rate, and if we got to Okmulgee County we pay a different wage rate.

The net result is, if you have a countywide project, or multicountywide project, you have to pay the highest wage rate there is going, in other words, to meet and to comply with the Davis-Bacon.

I don't have any problem—if it was possible to get these wage rates at the time of contract—signing it would be a different story, but we haven't been able to do that yet. It gets worse and worse. We have had projects stalled because we simply couldn't get the wage rates. We either didn't get them ordered in time or we didn't get them.

So, as a result of that, I think there should be serious consideration to consolidating the entire function under a single agency to get our house built.

Senator BARTLETT. Which agency would you pick?

Mr. DAVIS. Corps of Engineers, don't forget them now.

Mr. FROMAN. Yes, we have the Corps of Engineers involved too in a little old 4,000-square-foot house.

I guess—when you are talking about housing, you are talking about land, you are talking about Indian land. If you consolidate into a single agency there is not but one agency it can go to.

In other words, if you consolidate it to put everything under HUD, there is no way you can get the Department of Interior out of the picture because they have their trust responsibility on that Indian land.

So, if you are going to consider consolidating it into a single agency, there is not but one agency that can do the job and that would be Interior because of that trust responsibility.

And if you go west and go to other Indian States where we are talking about reservations, then it becomes more pronounced there than it is in Oklahoma.

Senator BARTLETT. All right. Here is a question about the Indian team in California. Do they have the full authority for implementation of the housing program or does that team have to clear policy and procedure with the HUD director?

Mr. CROSSLAND. They have got full authority.

Mr. VAUGHN. May I respond, Senator?

Senator BARTLETT. Yes, sir, please do.

Mr. VAUGHN. I am Jim Vaughn, Department of Housing and Urban Development.

The Indian team that has been set up in the San Francisco region and has been now requested for the Denver region and I believe the Seattle region has a request in also for approval by the Secretary, is not an Indian housing team. It is a HUD Indian programs team.

I believe there are 39 members, staff, set up in San Francisco.

Senator BARTLETT. Do you favor that approach?

Mr. VAUGHN. Yes, sir, I really do. It is my own opinion. I think until we get that approach we are going to—I laugh at that statement that has been made about the Indian housing being half of 1 percent of the total national housing and the only people that are really concerned with it is that one-half of 1 percent.

It is hard, I think, for any agency management to really get concerned on 1 percent of their program, and I believe this is what happened to us, with a moratorium on public housing, and since Indian

housing has been hitched right to that, I am afraid we at HUD have made crooks and liars and cheats out of ourselves as well as our Indian authorities in that we have to abort the laws of the land to really carry on Indian housing programs.

These people are sitting here very nicely saying they are cheating or stealing from this development program; this is illegal but they still have to do it to continue on in operation. Everybody says, "That's fine, don't worry about a thing." Some day there will come a knock on somebody's door.

Senator BARTLETT. Where does the change need to be made?

Mr. VAUGHN. I think, sir, that we have to get a channel or a chain of command from the Secretary from which our authority flows at the field office level. I think that it has to start there, carrying out the will of the Congress through the Department.

And I think that when we put 1 percent of the total program from HUD and spread it out under the various program areas that we now are working under or possibly we work under now, that it loses a lot of the interest for upper management—talking about top level management—now from the central office on down to our area office because it is a very small part of the total program that we have.

And until it gets here, where the one-half of 1 percent is, no one can really get that excited about it.

Senator BARTLETT. Would the development loan that Mr. Froman was talking about, if that were made available would that resolve the legal question you are talking about?

Mr. VAUGHN. Yes, sir, it could. But it is caught in the morays of the moratorium that started several years ago, as you well know.

I don't know why and I don't know who is holding it now, but I do know, in defense of our office—if I have to defend, I don't think I do—we have people who are conscientious and who are knowledgeable and we could do the job well with the policies and the funding, resources of funding, of our upper administration.

Senator BARTLETT. I don't want to do all the questioning to you; it is not fair to you while you are standing back there because we will have you up here in a minute. But, does Dallas have any plans similar to San Francisco and California?

Mr. VAUGHN. I would have to talk very nonspecifically because what I heard was hearsay, and the word that we were getting down here is that this is what we are going to try to do. This is secondhand information. I was not privy to firsthand information.

I understand that about a year ago, Mr. Morgan did make a request to set up an Indian team for Oklahoma. He also made a request for staffing. They denied the request for staffing, our central office denied the request for staffing, increased staffing. They dropped it, I understand, at that point. There were just no resources for this type of team coming from the central office.

Now this again, I am not really as familiar with the exact details, but this is what we got at the area level.

Senator BARTLETT. Well, if there was such a team in the Dallas region, then there would be, I suppose, logically a team in the Oklahoma City office. Really, what I am asking you, is in your opinion, should there be? Would it have to flow all the way to really make sense?

Mr. VAUGHN. I believe, sir, that since the primary workload right now—of the Indian housing and dealing with Indian tribes—we have, I believe, two or three small tribes in Texas, two or three in Louisiana, several in New Mexico, who have been serviced in housing programs from the Los Angeles area office—if all those were pulled back in here—I would say that a central regional team would be the most feasible approach.

And I am talking now my own opinions on this. If we do not service the New Mexico Indians, which are significant in number out there, then I would say that an Indian team primarily assigned to Oklahoma could service the Oklahoma Indians, maybe better than we do now, in trying to fold the Indian housing program into noncompatible low-rent programs. That is my opinion.

Senator BARTLETT. Thank you very much, Mr. Vaughn.

I guess that is all the questions I have, Mr. Davis. Do you have any other statement you would like to make?

Mr. DAVIS. I just want to thank you for the opportunity to sit here and chat with you.

Senator BARTLETT. Well, good. Thank you for being here.

Mr. DENOYA. I would like to say the same thing, Senator. We appreciate the opportunity to come down here and talk to you about this.

Senator BARTLETT. Well, you provided us with some very good information. We appreciate it very much.

[The document referred to by Mr. Denoya follows:]

POSITION PAPER: INDIAN HOUSING—PREPARED AT THE REQUEST OF THE NATIONAL TRIBAL CHAIRMAN ASSOCIATION AND NATIONAL CONGRESS OF AMERICAN INDIANS

Housing for American Indians stands at a crossroad in its development. Many questions have been raised in recent months concerning Indian Housing. This paper prepared at the request of both the National Tribal Chairmans Association and the National Congress of American Indians will attempt to bring into focus those questions. It is imperative and extremely urgent that the tribal chairman and other Indian leaders acquaint themselves with these problems for without your leadership and interest in this field, it may well stall the present Indian housing program or far worst, a complete cessation of that program.

The paper views the problem in two parts: (1) Implementation of the Indian set aside, and (2) A separate comprehensive Indian Housing Program and Community Development Program.

I. Implementation of the Housing and Community Development Act of 1974.—On August 22, 1974, the President signed the Housing and Community Development Act of 1974, Public Law 93-383, Landmark legislation for Indians because it contained the first set-aside of public housing contract authority specifically for Indians. Section 5(c) of this act requires the Secretary in part to:

Enter into contracts for annual contributions,[1] out of the aggregate amount of contracts for annual contributions authorized under this section to be entered into on or after July 1, 1974, aggregating at least $15,000,000 per annum, which amount shall be increased by not less than $15,000,000 per annum, on July 1, 1975, to assist in financing the development or acquisition cost of low-income housing for families who are members of any Indian tribe, band, pueblo, group, or community of Indians or Alaska Natives which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs, or who are wards of any State government, except that none of the funds made available under this sentence shall be available for use under Section 8. (leased housing)

This language translates into approximately 6,000 units per year. The above language was written into the act by last minute amendments sponsored by Sena-

[1] Contracts for annual contributions between HUD and housing authority commit HUD to repay the yearly principal and interest on bonds sold by the housing authority to fund a project.

tor Montoya in the Senate and by the Oklahoma Congressional delegation in the House.

It was felt that this language was necessary due to the decrease in funding of Indian housing projects by HUD over the last few years as outlined by the following table:

INDIAN HOUSING ANNUAL CONTRIBUTIONS CONTRACTS LOW-RENT PUBLIC HOUSING PROGRAM—FISCAL YEAR 1971-74 (BY REGIONS)

Region	Fiscal year 1971 [1]	Fiscal year 1972 [2]	Fiscal year 1973 [2]	Fiscal year 1974
Boston	0	70	0	0
New York	0	0	10	0
Atlanta	470	0	0	75
Chicago	405	85	80	0
Dallas	2,295	1,585	353	325
Kansas City	64	209	0	0
Denver	1,871	812	669	175
San Francisco	1,929	645	171	0
Seattle	270	300	215	85
Total	7,304	3,706	1,498	660

[1] ACC executions.
[2] ACC list approvals.

The National American Indian Housing Council secured a contract with the Bureau of Indian Affairs to monitor the production effort of HUD in hopes of assisting in the realization of the "Indian set aside."

The following is the number of units placed under annual Contributions since July 1, 1974, by the respective HUD regions.

Region:	*Units*
Boston	40
New York	0
Atlanta	200
Chicago	0
Dallas	201
Kansas City	0
Denver	119
San Francisco	40
Seattle	260
Total	860

Our best estimate of the number of units that will be placed under annual contributions contracts by June 30, 1975, is 3,000 or approximately half of the amount required by law.

It appears that the principal factor lies in a lack of desire on the part of HUD to process the necessary paperwork. In some isolated cases the Indian Authority itself must also share the blame.

In the attached letter signed by Secretary Lynn in reply to an inquiry by Ten Senators (also attached)* the Secretary explained HUD's position on the lengthy processing time of Indian applications.

Typically, it has taken about 18 months from the time we allocate the units until the ACC is signed and construction can begin. We agree the processing time is too long and we are making every effort to shorten it. However, the time necessary to complete the essential processing steps is only partly under HUD's control. In addition to problems encountered in the processing of public housing applications generally, the production of Indian housing is complicated by many special problems, including difficulties arising from the legal status of Indian trust lands, and problems arising from the (the necessity of) coordinating HUD processing with processing of the Indian Health Service and the Bureau of Indian Affairs, which are integral members of the group of Federal agencies responsible for delivering the final product. The number of units that can be processed to ACC in fiscal years 1975 and 1976 by the Indian housing authorities is also limited by the current administrative capabilities of individual Indian housing authorities.

The above statement is at best misleading. First of all Indian Health Service and the Bureau of Indian Affairs do not play a role in the processing of an

*Retained in the committee files.

individual Indian application to an Annual Contributions contract. Their roles of road building, and of construction of water and sanitary facilities only begins after the securing of an Annual Contribution Contract.

Secondly, the legal status of Indian trust lands does not present any problems in conducting a conventional public housing program. This problem was solved by the General Council of PHA back in 1962. The legal status of trust property does present a problem for other HUD housing programs and conventionally financed housing but that will be dealt with as a separate matter later in this paper.

In addition, I do not feel anyone can honestly accept the premise that the Indian housing authorities are less capable today than in Fiscal Year 1971 when they executed annual contributions contracts for 7,304 units.

What has HUD done to alleviate this serious problem? Although some activity and thought is present in HUD, little positive action has been taken. Recently some of the regional and Area Offices have designated an individual to take charge of the Indian housing production in those offices. We understand the same is being considered at the Central Office level. This action was recommended by almost all of the Indian participants' at the HUD sponsored National Indian Housing Conference held last November at Scottsdale, Arizona.

The processing of applications is a cooperative effort between the Indian Housing Authority and HUD. The following steps must be taken immediately if we are to realize the fruits contained in the Housing Act.

1. A strong directive should be issued by the Secretary instructing the field office to process those Indian applications immediately and without undue delay.

2. That HUD recognize the congressional mandate by creating an Assistant Secretary for Indian Affairs or a Special Assistant to the Secretary for Indian Affairs. The office would be responsible for all Indian housing production and management. In addition, HUD should create in the regional and field offices, an Indian housing section with the sole responsibility of the Indian programs.

3. The individual housing authority commissioners and appropriate tribal officials must insure that the housing authority is also acting without undue delay.

Of special significance which needs separate attention is the congressional intent of the Indian housing set-aside as manifested by the attached letter* to the then Secretary, James E. Lynn.

In summary, the intent of the set-aside was that prior years housing authorization be funded from carry-over of prior year funds and that the $15,000,000 each for fiscal 1975 and 1976 was intended to consist of new authorizations. The Secretary in a letter dated January 29, 1974, took the position that the prior year authorization would be funded from fiscal 1975 funds and that 6,000 units allocated in December 1974 would be funded into fiscal 1976 funds. The net result is a loss of 6,000 units. The Secretary alluded to the fact that consideration would be given to additional authorizations in fiscal 1976. However, on February 3, 1975, only five days after the above letter was signed HUD submitted their budget request for 1976 to fund only 6,000 units of public housing, that being the Indian public housing units recently allocated. This means that they will not be able to authorize any additional units in 1976.

To insure that this intent is honored by HUD, the National American Indian Housing Council, has asked the Oklahoma Congressional delegation and Senator Stevens, along with some other Senators, to sponsor an amendment to the Energy Independence Act of 1975 to assure that the set-aside of Fiscal 1976 funds is comprised of units authorized in fiscal 1976. The Senators and Congressmen have agreed and the proper language is being prepared. We hope that the NTCA and NCAI will actively support such a measure.

II. A separate comprehensive Indian housing and community development program.—The proposition of a comprehensive Indian housing program invokes many questions such as:

1. Necessity of such a program.
2. Type and range of such a program.
3. What agency should administer the program.

Analysis of the present housing programs and special needs of Indians must be made in an attempt to answer these complex questions.

LOW-INCOME HOUSING

One needs to review the history of public housing and the housing needs in Indian Country to gain an insight into its problems. Public Housing in this country was created by the Housing Act of 1937. This basic Act was rewritten and refunded for some twenty-five years before it was made available to America's

*Retained in the committee files.

first citizens in 1962. Thousands of Units were constructed before this time, but not one was occupied by an Indian family.

In 1969 President Nixon committed HUD to the building of 30,000 units of Indian Public housing over the next five years. However, one can seriously question the validity of that intent in that no more than 5,000 units was ever allocated in a single year. On July 1, 1974, 4,900 units of that commitment remained to be allocated. In addition 6,568 units had been allocated, but were not under Annual Contributions Contracts. The 6,568 units were comprised of 4,000 allocated in fiscal 1974 and 2,568 in prior fiscal years dating as far back as 1969.

The current housing program is part of a national housing program. The program is greatly effected when the national housing interest changes. No better example can be given than the moratorium placed on all subsidized housing on January 5, 1973. Our programs were immediately stopped. The results of the evaluation of the nation's Public Housing that was pursued revealed a menagerie of problems and both the Congress and administration have been reluctant to proceed with these programs. The policy of the administration is to extract the Federal Government from subsidized housing. This is reflected by the budget requests of HUD as outlined below:

The funding levels were as expected and there were no requests for new programs, as the following highlights from the budget show:

	Fiscal year 1975	Fiscal year 1976
Housing:		
Sec. 8 (units)	200,000	400,000
Public housing (new units) [1]	38,000	[2] 6,000
Public housing modernization	[3] $40,000,000	$20,000,000
Sec. 202 loans (elderly)	[4] $34,000,000	[5] $215,000,000
Public housing operating subsidies	$450,000,000	$525,000,000
Community planning and development:		
CD block grant ($2,175,000,000)	$2,445,000,000	$2,500,000,000
Urgent needs fund	$50,000,000	$50,000,000
Sec. 701 grants	$100,000,000	0
Other:		
Policy development and research	$65,000,000	$57,000,000
HUD staffing	15,200	15,200
Equal opportunity	$11,900,000	$12,700,000

[1] These contain 6,568 units and other public housing under program reservation as of July 1, 1974.
[2] Those units required by law for Indians.
[3] Fiscal year 1974–75.
[4] 1,700 units.
[5] 10,750 units.

The units to be built under the *Section* 8 program are estimates of what HUD would like to see built and will require a Congressional appropriation of 642.3 million dollars for new contract authority for FY 76. The goal of 200,000 units of Section 8 housing to be approved by the end of the current 1975 fiscal year is regarded as unrealistic: HUD Under Secretary James Mitchell conceded, "If we can make 200,000 units this (fiscal) year, we'll be very, very fortunate." In any case, such a goal in a short time period would seem to favor applications for existing housing, rather than for new units or even substantial rehabilitation.

Except for the Section 8 program, the only other assisted housing requested is 6000 units of low-rent public housing for Indians. HUD Secretary James Lynn had announced on December 4 that 15 million dollars would be made available for these units in order to "fulfill and complete a five year agreement to provide 30,000 units of Indian housing." (It should be noted that the 38,000 units in the 1975 budget were for prior commitments and do not represent new units committed for that year.) Most informed sources anticipate that any housing legislation which will be presented for enactment after July 1, 1976, will be devoid of any public housing.

VETERANS ADMINISTRATION

We know of no V.A. insured mortgages on trust property.

F.H.A. Almost no known activity on trust property outside of Navajo. At Navajo, there has been some housing constructed here over the last few years.

FARMERS HOME ADMINISTRATION

Following is a table reflecting the sum total of Farmers Home Administration's 502 housing program:

Lease for housing on trust property as of Mar. 1, 1975

Area:	
Navajo	101
Portland	15
Aberdeen	49
Eastern	27
Billings	0
Muskogee	0
Sacramento	14
Phoenix	149
Minneapolis	0
Anadarko	0

CONVENTIONALLY FINANCED HOUSING

No data available concerning these types of mortages on trust property.

COMMUNITY DEVELOPMENT FUNDS

No known Community Development Funds have been approved for Indian reservations or tribes. There are some applications submitted, but at present are unable to determine the funding levels.

ECONOMIC DEVELOPMENT AND HOUSING

Much activity has taken place over the last few years concerning economic development and the raising of the standard of living in Indian country. Economic development is a coordinated effort involving industrial development, assessment of work force inventory, job training, to mention but a few. The basic ingredient missing in today's economic development activities is housing. Public housing does not meet this need for it addresses itself to the low-income and to the impoverished. As shown above, housing for those families who require little or no assistance is not available. Until Indians and the federal government address themselves to this situation, the present economic development activities will fail.

When one speaks of a comprehensive Indian housing program the first question that arises is, "What Agency should conduct the program?" If you accept the proposition of such a program, then the above question becomes a mute subject. If such legislation is to be written, it will have to be written by the Interior Committees in the House and the Senate.

What should a comprehensive Indian Housing and Community Development Bill contain and when should such legislation be enacted? This legislation should contain at a minimum:

1. A low-income housing program similiar to the present program will definite production goals included.
2. Shallow subsidy programs similar in type of subsidy as Farmer Home Administration 502 and FHA-235 programs.
3. Mortgage guarantee programs enabling individuals and tribes to develop and construct housing by utilizing conventional financing methods.
4. Community Development Funds to enable the development of necessary water and sewer facilities, roads, and other community necessities.
5. It is essential that such an undertaking be taken by Congress in this session. If done this session, it would cause little delay in the housing efforts for low-income Indians. By the time such legislation is enacted and regulations prepared it could conceivably become operational by June 3, 1976. If delayed, the public housing program could terminate June 30, 1976.

Each tribal leader recently received a copy of a staff report prepared by the Committee on Interior and Insular Affairs, United States Senate entitled "Indian Housing in the United States." This report was prepared for hearings on Indian Housing which will begin in late April and May of this year. These hearings could well determine the future of the Indian housing effort. For the first

time Indians have the opportunity to formulate a housing program geared to their unique situation.

Senator BARTLETT. Now we will have the three gentlemen from HUD, please.

Let me ask you each to identify yourself. If you will, start on my left.

Mr. SEAY. My name is Donald Seay. I work in the Housing Management Division.

Mr. VAUGHN. I am Jim Vaughn. I am the Director of Equal Opportunity Division of the area office of HUD in Oklahoma City.

Mr. FREEMAN. I am Howard Freeman, Representative for the Indians in the Housing Production Mortgage Credit Section.

Senator BARTLETT. Why don't you just proceed as you will. I would appreciate it if you would comment on any of the questions that have come up. I think you have already covered some of it, but there are certainly a lot more suggestions and criticism, your comments on any of these would be welcome.

STATEMENT OF JIM VAUGHN, DIRECTOR OF EQUAL OPPORTUNITY DIVISION, AREA OFFICE OF HUD, OKLAHOMA CITY

Mr. VAUGHN. All right. First of all, I would like to say, I am not here representing the Department because Senator Breeden is the man who must do that. We are here at his request and at the invite of Ella Mae Horse on the phone.

Senator BARTLETT. She is right here.

Mr. VAUGHN. Glad to meet you.

I have talked to her on the phone.

Senator BARTLETT. Ella Mae Horse.

Mr. VAUGHN. We are here primarily to observe and to listen and we will report back to Mr. Breeden those things that we feel are significant here and, of course, this is all he asked that we do.

If I may, I would sort of like to go back and give a little history of how our situation has been developed in HUD.

As all of you know, we have been caught in the moratorium crunch on public housing and I am sorry to say that Indian housing is public housing. Under the laws of the land it is part of the public housing, and I think this is where the real bind has hit us.

Our situation in the Indian tribes in Oklahoma are not compatible—not legally compatible, if I may say—with the overall operations of an Indian housing program due to the fee, or the restricted lands and so forth that has been discussed several times here today.

I think that our major problem right now in HUD—and I am talking about primarily at the area level because that is where we live day-to-day—we do not have the resources, Senator, assigned to the Indian program to carry out the dictates of the Congress, whether we are talking about the 1974 HUD Act or the old 1968 Housing and Urban Development Act, and on back as far as the 1937 Housing Act.

So, the resources that have been designated and assigned to the Indian programs are just not here to really successfully carry out the technical assistance that we should be providing. And I would like to also state that I don't think it is because we don't want to do it. It is because the resources are not available.

As was pointed out, Mr. Freeman here has been appointed as our Indian housing representative, servicing 15 Indian tribes who are doing 80 to 90 percent approximately of all public housing operations in this State at this time. Our Indian programs have represented a large part of your public housing workload in the development aspects. One man cannot under the widest stretch of the imagination service that kind of a project load and be in training at the same time.

We have had turnover, we have had, as you know, a reorganization in February of this year, we went into RIF status as we discussed earlier in the day, we got a good man who was highly technically competent into the Indian housing representative position, he in turn has since then found promotional opportunities in other regions of HUD and is gone.

Mr. Freeman was detailed, informally detailed to this position 3 weeks ago, and he knows what an Indian housing authority is, sir, and I guess that is about all you could say. He is learning. He has documents that you wouldn't believe, file cabinets full of them, and we have contracts waiting until they are paid. And I am sorry to say that in the past we have broken with our problems in processing, and it is no secret. It is something that all of us know.

But again, without the resources, without them allocated to this program, and without management of which we have very little, I am sorry to say too that our formal management structure that relates to Indian projects and Indian programs just really hasn't gotten started yet.

And so, in my function of equal opportunity, I attempt to deal only in around-the-fringe areas. I have no line authority. I can go to the authorities and talk to them about title 6 or try to advise them on how they might get assistance through other Federal programs, other HUD programs, but to assist them in the technical processing and the technical management aspects of their programs, I cannot do it, I am not in that field, any more than these people can go and provide assistance and guidance in other fields where we are not technically competent.

So, our problem is resources.

Senator BARTLETT. With reference to the resources problem, on the total amount of money that is available for Indian housing in Oklahoma, are you then saying that not a large enough share of that is going for human resources to coordinate that program?

Mr. VAUGHN. Let me separate administrative and program funds, if I may, sir.

Senator BARTLETT. All right, that will be fine.

Mr. VAUGHN. I think the administrative funds that we operate under administratively in the Department, in our area office, we have a ceiling limitation of 152 positions to cover all functions of HUD for the entire State of Oklahoma, excepting FHA functions in the eastern part of the State.

Every department that we have, our people are backlogged in processing of the various applications, particularly in our bloc grant area. Now they are heavily into the discretionary bloc grant program. Everyone is working double time and the resources are just not available for reprograming from one functional area to another functional area. That is, we have no Indian housing experts who can be reassigned

into the Indian function here, and it is not a separate, distinct function. It is another part of it.

Senator BARTLETT. Let's see; you divided it into administration and program, is that right?

Mr. VAUGHN. Right.

Senator BARTLETT. Do you have adequate staffing in administration?

Mr. VAUGHN. No, sir, I don't think so.

Senator BARTLETT. Don't have enough numbers there.

Mr. VAUGHN. In some of our program areas I think we do. In some of the areas I think we are inadequate.

Senator BARTLETT. I understand that in programing you also said that you are short of sufficient personnel to operate the programs?

Mr. VAUGHN. Yes, sir, and particularly the Indian programs.

Senator BARTLETT. Now, the complaint that you have heard expressed many times today has been that there is not adequate construction money, there is not adequate rates of approval, there aren't enough Indian houses being built. What you are saying is that the office in Oklahoma City is not well staffed enough to handle the housing starts and the existing houses that have already been constructed?

Mr. VAUGHN. I think that is true, sir. Of course, that is my own opinion and I think our housing management staff is not adequate to provide post development or after occupancy management assistance.

Senator BARTLETT. What happens to the total moneys available for Indian housing that are not made available in Oklahoma?

Mr. VAUGHN. Again, I am going to have to defer to Don Seay, who is a Financial Management Analyst who works in our Housing Management Division. And informally—and I don't really know, but I do know that it is programed wherever it can be best and quickest utilized, and of course we in Oklahoma can be proud that our housing authorities have the ability and we generally get fallout moneys every year from other regions when they cannot get the program under ACC or into development.

We have 54 percent of all mutual help housing in the Nation in Oklahoma, which really smacks good to me that our housing authorities are excellent, have excellent management and, even with the problems that they have.—(Jim Vaughn, Oklahoma City E.O. officer)

Don might—could talk more about how the moneys are distributed, I don't know.

Senator BARTLETT. All right. I will call on Mr. Seay and you can respond on that and anything else you would like.

Mr. SEAY. On construction funds, allocation of funds?

Senator BARTLETT. Yes.

Mr. SEAY. I am not in the construction end of it but as far as I understand, the allocations of units are made at the Washington level and the regional and area offices take what the central office hands down.

Senator BARTLETT. One thing that seems to come out of the hearing so far is that the housing authorities, including the executive director, seems to expect much quicker action on requests than he gets. Why is this so? It seems to me that if funds just aren't in the pipeline that would be told to him. There shouldn't be any surprises of delays, if that's the way it has to be, but there seems to be tremendous delays that we heard discussed.

Could you just comment on that? How would you explain that, and what in your opinion should be done that isn't done, and what the housing authorities should do that perhaps they are not doing?

Mr. SEAY. Well, here again you are talking about—the complaints I heard today were mainly in regards to the development of new projects and new units which I, as a housing management representative, wouldn't be involved in that end of it.

But I think it goes back to what Mr. Vaughn said. It is a matter of making resources available to process these things that had to be processed in order to get the units built.

Mr. VAUGHN. I think too, Senator, that one of our problems is that not only at our level but when our ACC listings, for example, are sent forward for approval at the central office, and this is much, much after the funds have been allocated to a specific tribe by unit numbers generally. Sometimes we don't know what happens to those. Once they leave our area all we can do is call and they say, "Well, they are in the process," whether they are in central office or——

So, I think approval authority held at the central office level always slows the actual process. I don't think that we have that much of a problem normally in the routine office processing in Oklahoma City. Our problem is generally waiting on central office of HUD, sometimes only authorities who must resubmit or have to go through the legal site clearance, have to go through legal site ownership problems and all of these things.

So, we are talking about many different types of delays. Some of it I don't know where it is. I do know we have in-office delays, because Mr. Freeman is here and he should be processing, that type of thing is what I am saying. If you have one horse and it lays down, the wagon is not going to move until you get him back up on his feet and pulling again, and that's our problem.

We have a real lack of staff in really expediting some of these most critical pieces of paper. And we are talking about hundreds of different pieces of paper on each project, Senator, not just talking about an application that floats through and everybody reviews it. We are talking about many, many different pieces of paper on every project, so——

Senator BARTLETT. Is it possible to reduce the paper transfers?

Mr. VAUGHN. I think so, sir. But that again——

Senator BARTLETT. How about if you made less copies so less people would have to look at the number of copies that you have, would that speed things up a lot?

Mr. VAUGHN. I think it would, yes, sir.

Senator BARTLETT. How many people sign off on these programs?

Mr. VAUGHN. There are about seven different review functions, namely, equal opportunity, costs section and several others, but these are specific reviews of different parts under the legal requirements of review of the project. And Senator Breeden signs the project as the authorizing official.

We do review them and we do make our recommendations to the director either for approval or to ask for more information.

Senator BARTLETT. Are your program applications sent directly to the central office or are these processed through the regional office?

Mr. VAUGHN. I am not certain, sir. I think they have to go—and again, that's a real broad term, "program application."

Normally Mr. Breeden makes allocation of units to the local housing authorities in Oklahoma. He gets an overall lump sum allocation. That's the way I understand it.

And then the request for annual contributions contract must go at least to the regional level, I know, and after that I don't know where it goes. We have several down there now I understand. Then it comes back to us and at that time it is executed.

Senator BARTLETT. Did the movement to the regions speed up the total process rather than having everything go from the State to Washington? Did that eliminate or did that add to the number of signoffs and slowdowns?

Mr. VAUGHN. I couldn't really answer, Senator. I don't really know what the results were of the change there.

Senator BARTLETT. Mr. Seay, I might just get back to you for a minute. Someone complimented you and I want to give you a chance to defend yourself, so if you have anything to say about anything, I call on you to say it.

Mr. SEAY. Well, I would like to mention, last week I was in attendance at a section 8 meeting, a training type meeting in Dallas regional office in relation to the human resources problem that we already have.

The comment was made by our ARA housing management for this region that with the influx of section 8 workload hitting the offices now, and the fact that there are no more manhours allowed to take care of this workload, that as far as housing management goes in the area office, that they expect, by computing this increase in workload in view of secion 8—which is the biggest push at this time—and the fact that no more manhours will be made available, they expect that we would have the manhours to work the section 8 program, plus only 30 percent of the workload they are currently doing, which would mean that 70 percent of our housing management work would have to go by the wayside, just let it slide.

I don't know what effect this will have on the Indian housing authorities, but that is another problem that is going to worsen in the future.

There was something else I would like to mention, Senator. There has been several comments made about the area offices' stand that was taken in regards to the delinquent payment of participants, and I would just like to make some comments about that because I have worked with that very closely in housing management.

It was some I guess 2 or 3 years ago that it became apparent that the trend of nonpayment was such that the housing authorities were very soon going to be in dire straits financially because, as someone mentioned earlier, if that participant does not make his payment, the administrative charge that comes off that payment is not received by the authority and that is what they have to depend upon to pay their salaries, their insurance and everything else that they operate on.

So, that trend was alarming, and we proceeded to bring that to the attention of the housing authorities, and it was brought to their attention in many different ways, in meetings, by letter, in citing specific percentages in dollar amounts delinquent, and if this trend was not corrected they were going to have very severe financial problems.

As one of the directors mentioned earlier though, this did not improve. There were many warnings, warnings to the ownership here, delinquencies of the—I think the Seminoles said 79 percent, and that was not as large as some of the others. But anyway, there were many warnings about the financial disaster that could result.

And it was not until our director made the decision that as long as additional projects were continuously approved without any requirements in this line, that this situation would continue to worsen rather than improve. And once the stand was taken by our office that was taken—of course, we are not very popular—but once it was taken, and only then, were there any improvements whatsoever in the accounting situation.

Senator BARTLETT. What was the stand specifically that was taken?

Mr. SEAY. That no more units would be approved until the condition was reversed.

Senator BARTLETT. Was there any clear-cut level of percentage with the agency?

Mr. SEAY. Yes, sir, we indicated—there is no concrete percentage, but we indicated that 10-percent delinquency was the maximum that it should be in any housing program.

Senator BARTLETT. In other words, what it amounted to then was, the situation was promulgated by the director that there would be no more housing starts until the delinquency rate on rentals reached a point of 10 percent or below?

Mr. SEAY. No, sir; not necessarily that far down, but until the point was reached that it was apparent that the housing authorities were making an effort to reduce it and that progress was being made.

And this was not a blanket stop. It was just some authorities were not affected at all, very few, about one or two were not affected at all because they had acceptable levels. Only those who were exceedingly above that.

Senator BARTLETT. Do you look upon Indian housing as being significantly different from other public housing?

Mr. SEAY. It is very much different, I believe.

Senator BARTLETT. Does it require more signoffs than public housing requires? And what are these differences? I think they have been alluded to today but I thought you might kick them off.

Mr. SEAY. I don't know that it involves any more signoffs but the complexities involved are greater.

Senator BARTLETT. You have some title differences, do you not, on these trusts? That doesn't require any more signoffs?

Mr. SEAY. No.

Mr. VAUGHN. The problem is, Senator, that with a conventional low-rent public housing project we have one site to contend with, one site review, one site legal requirements on the ownership and so forth. And here we are talking about 150 of the same complete set of documents for 150 units of housing scattered over some 17 counties in some cases.

So, there is a vast significant difference in the processing requirements between a routine or a regular low-income housing project.

Senator BARTLETT. As far as you know, is there allowance made in the allocation of personnel to the Oklahoma City office for the additional requirements that I assume must be on the Oklahoma City of-

fice because of the higher percentage of Indian housing to this office, perhaps more than any other office in the country; would that be correct?

Mr. VAUGHN. I don't know, sir, of the specific allocations.

Senator BARTLETT. Well, if Oklahoma is getting 50-some percent of the Indian housing funds, then I would think that the Oklahoma City office would have more business in Indian housing than any other State.

Mr. VAUGHN. I am sure we do, sir, but I have never known of a separate or validated resources issuance to us because of the Indian programs.

Senator BARTLETT. You are saying that you don't know of any relief you have received or any additional personnel?

Mr. VAUGHN. Right.

Senator BARTLETT. Would that be one of the problems that you have then, that there isn't consideration of your additional workload?

Mr. VAUGHN. I believe it would, sir; yes. I think that——

Senator BARTLETT. And I know you are not Senator Breeden, I know Senator Breeden very well. Do you know whether the Senator has made such a request?

Mr. VAUGHN. Innumerable times, sir, and I am sure Mr. Morgan doesn't have the resources at the regional level either. I say, "I am sure." I assume he doesn't although other area offices similar in scope to us—we have about the same staffing as other similar area offices who have no significant programs.

But we have never had a formal validation system to evaluate our reasons of needs and related to the Indian housing in addition to other routine programs.

But again, that goes back to what I said before. Until we begin to make this function as a function and as a mission that Congress has assigned to us, I think we are going to be sitting here next year and the year after that, until we realize that we are talking about good management from the top down.

Senator BARTLETT. Thank you, Mr. Vaughn, and Mr. Seay.

Mr. Freeman, I will call on you for any remarks you may have.

Mr. FREEMAN. I would just like to reiterate—we have talked about human resources. Actually, we get it down to very basic things. As Jim Vaughn has just mentioned, when I am here at this meeting nothing is going on back at my desk. There is no secretary, no assistant, the paperwork is just remaining in the in-box and will do so today and tomorrow.

My function as a multifamily housing rep is one of being a coordinator between the housing authorities and the area office. The paperwork, so to speak, comes into our office, all the documents on all the different projects. It is then funneled out for review to the different sections, roughly seven or eight throughout the office, and then reprocessed back through my office.

And this processing is affected throughout the entire office as a result of this restructuring and realinement that we have had this past spring. We have had numerous changes in personnel and this has affected the efficiency of the office.

In addition to the realinement and restructuring and the reduction in force in some cases, also the fact that we have had to have a ceiling on our personnel, we do not have an adequate force to serve in all areas.

I believe that is all I have. Mainly, it is a matter of human resources at the local level.

I would like to say this, if I might. These are policy matters to be handled at the central office. Setting up elaborate superstructures at the central office or other areas, we still need working people down at the working level in order to get the work out, and this is the main problem that I personally feel.

And as has been said earlier today, we need people that are dedicated that believe in this program. I think it is a wonderful program because we are not having instant ghettos, we are not putting people into high rises, we are putting them out in housing where they want to be and where they want to live. And think this is the type of program that we need but we just need to adequately serve it.

Senator BARTLETT. Do you feel that the paperwork and the procedures and the routines can be reduced in scope considerably? Is that also a possible remedy?

Mr. FREEMAN. It is a possible remedy, Senator. I haven't as I mentioned before, I didn't understudy into this position. I am one of the results of the realinement——

Senator BARTLETT. Was the realinement created for the purpose of better handling the problem?

Mr. FREEMAN. I think probably the realinement, as I understand it, was created to reduce the force throughout HUD. Mainly the realinement is in the HUD area office, throughout the Nation. It was a reduction in force, it was also a reduction of the higher grades, to reduce the grades to get more in line with the grade point averages.

Mr. VAUGHN. As dictated—the realinements were really basically for the purpose of lining up for the block grant which was approved in the 1974 HCD Act. So, this was primarily the purpose of it. And this took place at the same time we reduced the staff significantly, 10 percent or so, maybe 8 percent or something in this line.

I understand we are in a RIF posture again, further reduction. That is a rumor only that was discussed in our staff meeting but no one had any formal notice of it at this time.

Senator BARTLETT. Well, I thank you three gentlemen very much for your comments.

I wish to thank everybody who has participated for their testimony and comments.

The record will be open for 2 weeks.

Also, I wish you would pass on to Senator Breeden that we should have a rough copy of the transcript of this hearing in 3 or 4 weeks, probably the first of the month, and we would like to send that to him. That would help refresh your memories perhaps a little bit too.

We would like, if you would, to have him comment on the points raised, suggestions made, and this would be a very important part of this whole hearing. I think it would be very valuable to have his inputs and your inputs on a very, very specific basis, if that is possible.

Mr. VAUGHN. All right, sir. I will be very happy to do that.

Senator BARTLETT. Mr. Ellison, is there anything you would like to say since we are in your territory?

Mr. ELLISON. Senator, I would just like to express our appreciation for your taking time from your busy schedule to come down here and hear the problems of our Indian people in eastern Oklahoma.

We think that we have covered a lot of ground here today. I think it has been very well done. Everyone has had an opportunity to express their own feeling, and I am sure that something good will result.

Senator BARTLETT. Jack, thank you, and thanks for your hospitality.

I would like also to say, which I forgot to mention earlier that we will be continuing these hearings tomorrow morning in Anadarko on the western side of the State.

There was a question asked of me earlier by an individual who had some inputs that she wanted to make, and we would certainly be interested in comments from others too.

The record will be open and you are encouraged to furnish the subcommittee your comments and testimony.

I want to thank you very much. I think we have a good record, and if any of you have suggestions as to how we could do a better job tomorrow on the western side of the State as far as questions or directions are concerned, let us know that, too, because we want to build just as good a total record as we can.

There may be some followup questions that might come to some of you and if they do, I hope you can let us know.

Thank you very much. We will recess until Thursday, August 7, 1975, at Anadarko.

[Whereupon, the hearing was recessed, to reconvene Thursday, August 7, 1975.]

INDIAN HOUSING

THURSDAY, AUGUST 7, 1975

U.S. SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS,
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Anadarko, Okla.

The subcommittee met, pursuant to notice, at the Wichita-Caddo-Delaware Building, Anadarko, Okla., Hon. Dewey F. Bartlett, presiding.

Present: Senator Bartlett.

Also present: Ella Mae Horse, professional staff member, Hazel Elbert, legislative assistant to Senator Bartlett, and Don Bluejacket, field representative for Senator Bartlett.

OPENING STATEMENT OF HON. DEWEY F. BARTLETT, A U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator BARTLETT. Our Indian housing hearing will come to order. I apologize for the late start. I am very happy to see so many good people here, including representatives from HUD and the Indian Health Service.

I want to convey my real appreciation for the interest of the various tribes and housing authorities and also for your willingness to have the hearing postponed. I had the opportunity of making what I think turned out to be an important trip to the Indian Ocean and to Somalia, and that caused the necessity for postponing the hearings that were scheduled for just prior to the Fourth of July.

I want to thank the area director, Charles James, and the deputy area director, Charles Delaney, for making the arrangements here, along with Kenneth Black, chairman of the Otoe Tribe and executive director of the United Western tribes.

I would like to introduce a few others who are with us. On my right is Ms. Ella Mae Horse. She is on the staff of the Interior and Insular Affairs Committee and is from Oklahoma and is very knowledgeable in the area of Indian housing. Also, Mary Hefter is with us from Dallas and she was with us yesterday as a recorder. Hazel Elbert is on my left. She is my member on the Interior staff and on the Subcommittee on Indian Affairs in the Senate. Don Bluejacket is my staff person on Indian matters. He is a field man in northeastern Oklahoma.

Sarah Richard, who is sitting——

Mr. BLUEJACKET. She left.

Senator BARTLETT. Oh, she was sitting right over here. She will be back and when she comes in I will introduce her. Sarah is the field

representative for Senator Bellmon in the Lawton office, which we share. In this way we are better able to coordinate our activities.

I want to also thank Robert Bauer, the housing assistance officer, for the help that he has provided us, and again particularly to Ella Mae Horse who has made the arrangements.

I have a statement by Senator Bellmon that I would like to read, and then I have a statement of my own—and it won't take just a minute and—I will read them both. First is the statement by Senator Henry Bellmon.

STATEMENT OF HON. HENRY BELLMON, A U.S. SENATOR FROM THE STATE OF OKLAHOMA, AS PRESENTED BY HON. DEWEY F. BARTLETT

The Subcommittee on Indian Affairs, of the Committee on Interior and Insular Affairs is to be congratulated for scheduling these hearings to examine the operation of the various Indian housing programs. Particularly I wish to congratulate my distinguished colleague, Senator Dewey Bartlett, for his willingness to chair these hearings during the August recess. This is further evidence of the interest Senator Bartlett has long exhibited in problems related to Oklahoma Indian citizens. His service in the Senate as a member of the Interior Committee has made it possible for him to render great service to American Indians in Oklahoma as well as in other States.

My interest in Indian housing was first generated during a tour of the Anadarko area while I was serving as Governor. In my opinion one of the major problems which must be solved in order for the Indian housing program to move ahead is the water problem in the Anadarko area. As a member of the Senate Agriculture Committee which has jurisdiction over the Farmers Home Administration's rural water programs, I pledge to do all in my power to see that water needs of rural residents are adequately met.

I grew up on a farm during one of Oklahoma's droughts and I know from personal experience the importance of water. I also know how difficult it is for each rural farmer to solve its water problems on an individual basis. This is one reason I am a strong supporter of rural water districts which help pave the way for building Indian homes as well as homes of other rural residents.

On many occasions I have had the opportunity to visit current Indian housing programs in various parts of the State. I have been impressed with the quality of the homes which are presently being constructed, many of them through self-help arrangements which provide opportunities for future homeowners to learn valuable skills. Also I have been impressed with the high degree of success which various Indian housing authorities have achieved in meeting their financial obligations. While there are exceptions, it appears that the majority of the Indian housing authorities are conducting their business affairs in an exemplary fashion. At the same time they are helping to provide the education and training which their clients will find valuable for the rest of their lives.

In conducting these hearings, Senator Bartlett will undoubtedly gain many insights which will enable the U.S. Senate to write better laws and further improve the Indian housing programs.

Again, I congratulate him for his past success and I assure him of my continued support in programs which will benefit America's first citizens.

Senator BARTLETT. I hadn't read that before so I wasn't reading it to mention my name several times, but I am glad to have the statement from the Senator. I do know of his interest in this program.

STATEMENT OF HON. DEWEY F. BARTLETT, A U.S. SENATOR FROM THE STATE OF OKLAHOMA—Resumed

We had a very good day I thought yesterday and certainly I learned that the Indian housing program is more complicated than I had realized before and I really feel that these hearings today will be exceedingly beneficial, just as the Senator said, and having better recommendations to make to the agencies involved as well as perhaps to write legislation if it is decided that legislation is needed.

There exists a unique relationship between Indian people and the Federal Government. Such a relationship is derived from treaties, statutes, executive orders, administrative determinations, and the Constitution itself. Yet despite this special status, and the legal and moral responsibility emanating from it, Indian people have not always benefited from or even been able to participate in all of the Federal programs designed to improve the living conditions of Americans.

This situation is particularly true in the case of Federal housing programs. While the Housing Act brought public housing to most of the country in 1937, this basic act was amended and funded for some 25 years before its public housing provisions were made available to American Indians living on trust land. It was not until then that it was administratively determined that Indian tribes had legal authority to establish, under Indian law, the tribal housing authorities which could develop and operate low-rent public housing projects.

Although some federally sponsored housing programs have been designed principally to serve Indian constituencies, the bulk of Federal housing programs available to Indians are programs designed to meet the needs of urban, high density, mass construction type techniques. Sadly, most Indian housing authorities have not been successful in adapting these programs to their very unique situation.

If it were only a question of adapting Federal programs to Indian needs the situation would not be so critical. The fact is that the delivery system itself, as presently constituted, is a complex process necessitating coordination among three Federal agencies and a local housing authority. HUD has major responsibility for the planning, funding, and developing of Indian public housing, and this responsibility can extend to providing streets and some sanitation facilities; the Bureau of Indian Affairs is responsible for providing most access roads to Indian housing projects and for approving all site leases, as well as performing some preliminary site tests; and the Indian Health Service is responsible for providing most water and sanitation facilities.

In 1969, in an attempt to coordinate agency activities and avoid embarrassing situations that were beginning to receive national attention—such as new Indian housing units that lacked water and sanitation facilities or passable access roads—a triagency "Memorandum of Understanding" was signed. It enunciated the responsibili-

ties of the Indian Health Service in relation to the developments of HUD and BIA financed housing, and required the funding agencies to give the Indian Health Service notice of their development plans well in advance of housing construction.

This Memorandum of Understanding never fulfilled its designers' intentions, primarily because it lacked any means of enforcement, but even more importantly, because no one agency was assigned the responsibility of coordinating each other's activities. In only a few instances have tribal housing authorities been able to move in to fill the leadership void. This triagency agreement was, however, immensely important because it established for HUD and the Bureau of Indian Affairs an annual Indian housing production level of 6,000 units per year from fiscal 1970 through 1974. Although this production level commitment has never been fulfilled, the agreement did established a precedent which Congress seized upon in the Housing and Community Development Act of 1974.

It is my understanding that a new triagency memorandum is now being formulated by the same three agencies. I am afraid that unless the new memorandum establishes fixed and reasonable production levels, includes meaningful enforcement procedures for ensuring that those units are provided, and assigns lead agency responsibility to one of the three signatories, this agreement too will not fulfill its goal of more and better housing for Indian people.

Last Congress we enacted a housing and community development bill—Public Law 93-383—that has wide-ranging significance for tribal housing programs. The new law alters the traditional public housing programs that many tribes only recently learned to benefit from, while, at the same time providing the first legislative set-aside of traditional public housing contract authority for Indian use only.

The legislation also provides Indians with greater access to the rural housing programs of the Farmers Home Administration, through extension of all these programs to land where leases are the only form of security that can be offered, and by enabling public agencies, such as tribal housing authorities, to become sponsors of Farmers Home Administration rural rental projects.

While these provisions, and others, will enlarge and diversify tribal housing programs, the Indian housing delivery system will remain, to a large extent, dependent on Federal agencies for much of its housing funds. This will mean that unless there are changes in the way in which the federal agency bureaucracy processes Indian housing applications and assists in the development and operation of Indian projects, the national Indian housing effort will continue to move at a painfully slow pace, lagging far behind the rapidly increasing rate of housing needs, to say nothing of the rate of inflation.

The purpose of these hearings today is to receive testimony from tribal leaders and housing authority representatives who work with appropriate Federal agencies to provide safe, decent and sanitary housing to their constituent tribal members.

The Bureau of Indian Affairs informs me that in the State of Oklahoma there are a total of 17,594 Indian housing units. Of this number 10,023 reportedly are in standard condition, and 7,571 are currently substandard. The Bureau reports further that 4,342 Indian homes

are in need of immediate replacement and that 3,229 require some form of renovation or improvement.

I learned in testimony in Muskogee that the number of the people who are expert in this area question these numbers and assure me that they are way, way low.

While there are no bills currently pending before the Subcommittee on Indian Affairs I hope to utilize the findings from this as well as other hearings to urge a major Indian Housing Act that will be in keeping with Indian housing needs, hopes and aspirations.

Senator BARTLETT. Again, I am sorry for the delay in starting and would like to have as our kick-off person Kenneth E. Black, executive director of the United Tribes of Western Oklahoma and Kansas, accompanied by Lee Motah, chairman of the Comanche Tribe.

It is good to see you both and to have you here. You may proceed as you desire. Do you have a prepared statement?

Mr. BLACK. Yes, sir.

STATEMENT OF KENNETH E. BLACK, EXECUTIVE DIRECTOR, UNITED INDIAN TRIBES OF WESTERN OKLAHOMA AND KANSAS; ACCOMPANIED BY LEE MOTAH, CHAIRMAN, COMANCHE TRIBE

Mr. BLACK. Honorable Chairman, Senator Bartlett, with me is Lee Motah, past president and officer emeritus of the United Indian Tribes of Western Oklahoma and Kansas.

The United Indian Tribes of Western Oklahoma and Kansas, composed of 23 tribes under the jurisdiction of the Department of Interior, Bureau of Indian Affairs, Anadarko Area Office, have continually and reiterate today to your committee the critical and real need for housing for our people.

You and the committee are probably aware of the government statistics which cite that 75 percent of our people live on less than $2,500 per year, that we suffer 70 percent unemployment and we live 15 to 20 years less than our fellow Americans. Despite these appalling statistics, our people have and continue to serve in our country's Armed Forces, work when given the opportunity, and pay taxes like all the citizens of our country.

Public Housing Legislation was enacted in 1937, but it wasn't until 1961 that legal authorization was given to Indian tribes to establish under Indian law tribal housing authorities that could develop and operate low-rent projects. This authorization had the effect of creating the first real housing program on reservations and other restricted lands in the long history of Federal domination of Indian life.

Though conventional low-rent housing projects were begun on some reservations, an even more important event for Indian housing was the development of the Mutual-Help program. It provides home ownership at a relatively low cost, since families donate their labor as down payment and are expected to provide their own maintenance.

Other Federal housing programs of HUD-FHA, the Veterans' Administration and the Farmers Home Administration (USDA), have made little or no impact upon the housing needs of our people. The other subsidized and nonsubsidized HUD-FHA and Veterans' Administration programs have also fared poorly and contributed little

in Indian country because they require private lending institutions for home financing. A town of Indian country would reveal few such institutions and, where they do exist, their lending record to Indians is negligible.

Available housing data lead to one important conclusion: that the housing programs of the Department of Housing and Urban Development, low rent, mutual help, and Turn Key III are the Indian tribes' major housing resource. There can be no doubt of HUD's acceptance and recognition of its role in Indian housing, for in April of 1969 the agency signed a 5-year, 30,000 unit commitment to Indian housing. On March 22, 1974 HUD released 2,200 units of Indian housing, the final allocation for fiscal year 1974. There is presently a backlog of 4,700 units lacking any financing mechanism and have not been completed because of Congress' major concerns at the time was the possible impeachment proceedings of public officials and a moratorium on public housing.

Such is the state of our housing needs at this hour. There is, in addition to the need for housing, an alarming and critical need for the delivery system of the Government to the local housing authority. The regional offices are sadly lacking in expertise in the development of Indian housing and appear to place obstacles in the paths of development of housing. Region to region do vary and some areas are permitted to build homes with basements. We who live in tornado country have been unable to convince our local HUD agency that they are a necessity.

At a time when our country is faced with energy shortage and fuel bills exceed the ability for our people to pay, we find it takes major legislation to install appurtenances which would allow us to heat our homes with wood.

The creation of one Indian desk to deal with all of the tribes in our country will not solve the problem of delays. The assignment of an Indian desk in each regional office would insure some measure of success, but the regional office would require a written mandate from Congress to build an amount of Indian housing each year before the needs of Indian housing could be filled and met.

We appreciate the opportunity of being given the opportunity to testify on behalf of our constituency and pray that you and the committee will develop the mechanism for financing and delivery system to fill the needs of our people for adequate housing.

Senator BARTLETT. Mr. Black, thank you very much. Mr. Motah, I would like for you to proceed as you wish.

STATEMENT OF LEE MOTAH, CHAIRMAN, COMANCHE TRIBE

Mr. MOTAH. Senator, going around about in the various conferences in regards to housing, I have observed this. The great question when allocation for housing is asked, the word "reservation," always gets in the way as far as Oklahoma is asking for something for their own people here in Oklahoma.

Now, they want us to define that, define the word "reservation" so that Oklahoma can get some allocation for funding for housing or whatever it might be.

Now, Senator, when you consider this what Mr. Black has read, remember, that we would like to have that reservation. Now, don't apply that on us.

Now, for many many years the Indians in Oklahoma have been penalized in Federal program because when Federal program is granted it would always go to the reservation and Oklahoma is left out. Now, we want that corrected whereby that Federal appropriation might come to the Indians in Oklahoma.

Now, that's the problems today. I just came back from Wyoming in a conference there last week, and that seems to be the question again, that reservation.

Now, again we are Indians too here in Oklahoma, and I think we are more Indians than anybody.

Senator BARTLETT. That's right.

Mr. MOTAH. The major thing, I think, Senator, as far as my observation is, that we need a housing act for the Indians that will be controlled mostly by the Indians themselves. We want to have a hand in it.

Now, I have dug into one of the housing programs of the reservation and they seem to have more hand in it than anybody else and that's why they are getting a little bit ahead of us here by 10 years.

Now, that is my observation, Senator. I would like for you to consider that very seriously, because we have other problems that delay us here in our program, but that's homework to be done, taken care of by homework here. I believe we can do that, but the main thing is to get the Federal appropriation over here so we can use it.

Now, we need a lot of money, we need a lot of money. I know that's a big headache to Congress but we do need a lot of money to carry out our program here among our Indian people.

I could take a lot of individual cases to tell you but that would take a lot of time. I think that I would just prepare a letter or a narrative of the program, some of the handicaps that we have here; I could maybe submit it to you that way, that would save time that way. There are others here that might want to say something but I don't want to take up all the time, but those are the major things that I have observed and things that are blocking the way for the Indians in Oklahoma.

That's in all Federal appropriations, not only in housing but in all Federal appropriations. We would like to get that equalized where Oklahoma would get just as much appropriations as the reservation people that they're getting. Thank you.

Senator BARTLETT. Mr. Motah, thank you very much. I always welcome your suggestions and advice. They always come from an honest heart and a dedicated person to the Indian people and the American people.

I certainly agree with you about your concern on legislation being restricted to reservation Indians as it has been in the past in the OEO programs and many others. We have a form amendment that we make to bills that exclude or that are written solely for reservation Indians so that they will include Oklahoma Indians.

I used to think that perhaps this was done on purpose. It amazes me that it still happens—even in the health bill it was discovered during markup that the language in the Health Manpower Title would prohibit Oklahoma Indians from participating in that title. Fortunately, we were able to correct the error early during consideration of the bill. I am sure it wasn't in there on purpose; it was just one of those things that is customary to do in writing up Indian programs.

So, I would welcome hearing from you either now or after this meeting about your experiences; about where attention needs to be given to existing law or bills and I will be happy to offer an amendment to correct any discrepancies that still exist because this is very vital to Indian affairs.

Yes, Mr. Black.

Mr. BLACK. Senator, in the Housing and Community Development Act of 1974, I think if you would have the staff to investigate this matter I think you would find that Oklahoma Indians have yet to share in this act. The local HUD agency makes a determination as to who is eligible, and we find that it is difficult to shake any funds loose from our local regional HUD office.

One other point that I would like to make before we close is that we have a housing improvement program. There are a lot of our people who are elderly and do not want to purchase new home, they want to live in their old home, and these homes need to be repaired. However, each year we find that this allocation of funds is probably the same or very little raised if any in appropriations.

I would suggest to the Senator that if the HIP housing program could be extended to, say, not 10 percent but 25 percent more than it has in the past, in order to repair some of the older homes where older people do not want to move into new homes to pay for new homes, they want to live in old homes and these homes need to be repaired.

Senator BARTLETT. How much money is being allocated now?

Mr. BLACK. Mr. Bauer?

Mr. Robert BAUER [BIA housing officer for the Anadarko area office]. Excuse me just 1 minute. You are talking about the area?

Mr. BLACK. Yes.

Mr. BAUER. It is $671,000.

Mr. BLACK. Now, that sounds like a tremendous amount but you have got to remember that we have 23 tribes over here and 54,000, and I mean, real Indians, Senator.

Mr. BAUER. That was for 1975.

Senator BARTLETT. 1975. And how many units did that money improve?

Mr. BAUER. I don't have that figure right here but I could——

Senator BARTLETT. Could you provide that for the record? Could you also provide the backlog of homes needing repair as well as the numbers? I think perhaps your numbers may vary from the numbers I read.

Mr. BAUER. I have those figures.

Senator BARTLETT. Oh, fine.

Mr. BAUER. The number of housing units needing renovation in the Anadarko area, 1,347, and the number of total housing units required is 2,177. And I would like to point out that this only relates to existing homes. It does not relate to the people who are moving back or the mobility of the Indian people. It only relates to the homes that are

existing. The new homes required contains families who are living in an over-crowded condition as well as houses that need to be replaced.

Senator BARTLETT. I see. Could you make a statement—you probably don't have figures on the numbers moving back.

Mr. BAUER. No.

Senator BARTLETT. It is pretty hard to anticipate, but could you give me some idea of how much movement there has been?

Mr. BAUER. I will try. At a later date? Or do you want——

Senator BARTLETT. If you can. Just, I mean, as a general statement, not citing specific statistics.

Mr. BAUER. I don't believe I am prepared to make that kind of judgment.

Senator BARTLETT. All right. Could you research that a little bit? That might be interesting to this particular point.

Mr. Black, we would like for you to make any additional remarks that you have.

Mr. BLACK. I am finished. Thank you.

[Subsequent to the hearing, the following information was submitted.]

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Anadarko, Okla.

Hon. DEWEY BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: During that part of the public hearing on Indian Housing in Anadarko, Oklahoma on August 7, 1975, relating to the need for the number of dwelling units in the Anadarko Area, you requested comments on the mobility of Indian families. You will recall that this item came up when there was discusison during Mr. Kenneth Black's testimony about the variance in the number of units needed between the Bureau of Indian Affairs' statistics included in its Annual Housing Inventory Report and the number of applications for new housing which the Tribal Housing Authorities have on file. One of the reasons given for the difference was the mobility of Indian families from one location to another, both locally and nationwide.

A copy of the Bureau Annual Housing Inventory Report is enclosed. In this report, it is estimated 1,214 families are living in overcrowded conditions with other families and that 984 units in substandard condition need to be replaced. This means a total of 2,198 new dwelling units should be constructed to meet the need for new homes for those Indian families living in substandard conditions in the Anadarko Area.

The purpose of the Bureau inventory is to determine the scope of need of the Bureau's Housing Improvement Program and to provide justification for funding. The inventory contains information only on Indian families who are members of the twenty-three tribes residing in the Anadarko Area and does not pertain to members of other tribes who may be resident in the Area.

When new federal policies and programs generate employment and training opportunities in the Area, there is an influx of Indian families, both members of resident and non-resident tribes, who return to the Area. It is difficult, if not impossible, to determine the number of Indian families who move from one location to another.

The inventory information represents the best "educated" guess based on the knowledge of employees, who have worked at the various agency locations within the Anadarko Area for many years, and of various tribal leaders; but the number of applications on file with the Tribal Housing Authorities may be more accurate since the applications on file were submitted by both resident families and by transient families in the Anadarko Area jurisdiction.

Sincerely,

HERMAN J. LEWIS,
Acting Area Director.

Enclosure.

ANADARKO AREA HOUSING INVENTORY: FISCAL YEAR 1975

Reserve/tribe/agency	Total number existing housing units (1)	Housing units in standard condition (2)	Sub-standard condition (subtotal) (3)	Housing units needing replace-ment (4)	Housing units needing renova-tion (5)	Total new housing units required (6)	Housing units needing replace-ment (7)	Families needing housing (8)
Anadarko agency:								
Apache	132	60	72	30	42	85	30	55
Caddo	244	79	165	37	128	61	37	24
Comanche	686	163	523	240	283	405	240	165
Delaware	54	33	21	7	14	18	7	11
Fort Sill Apache	16	5	11	2	9	16	2	14
Kiowa	761	285	476	160	316	347	160	187
Wichita	101	39	62	6	56	19	6	13
Total	1,994	664	1,330	482	848	951	482	469
Concho agency: Cheyenne-Arapaho	577	223	354	204	150	454	204	250
Horton agency:								
Iowa	76	35	41	12	29	22	12	10
Kickapoo	115	64	51	39	12	45	39	6
Potawatomi	125	15	110	56	54	74	56	18
Sac and Fox	13	10	3	1	2	1	1	0
Total	329	124	205	108	97	142	108	34
Pawnee agency:								
Oteo-Missouria	103	60	43	18	25	148	18	130
Pawnee	153	84	69	15	54	130	15	115
Ponca	225	164	61	26	35	161	26	135
Tonkawa	27	23	4	0	4	30	0	30
Total	508	331	177	59	118	469	59	410
Shawnee agency:								
Absentee-Shawnee	210	137	73	35	38	42	35	7
Potawatomi	386	341	45	21	24	27	21	6
Kickapoo	101	70	31	26	5	34	26	8
Iowa	18	6	12	5	7	5	5	0
Sac and Fox	187	110	77	27	50	32	27	5
Other	85	58	27	17	10	42	17	25
Total	987	722	265	131	134	182	131	51
Anadarko area total	4,395	2,064	2,331	984	1,347	2,198	984	1,214

Senator BARTLETT. Well, we have some questions here that I think may develop some other observations on your part. We want as much imput as you would care to make, so don't hesitate, Mr. Motah or Mr. Black. If this brings to mind some other aspect of the whole housing program, please let us know. We are interested in trying to evaluate the needs as well as to evaluate the delivery system. So, we want to get into the problems of the delivery system including problems of the housing authority and problems that HUD has, the Indian health service, BIA, individuals who are either in a mutual health unit or a low rent.

Do Indian families adjust easily to living in low-rent projects or self-help projects? And would you maybe answer one separately from the other.

Mr. BLACK. I would have to answer from the self-help because I don't know of any of our people who are living in low-rent subsidized homes. We only have mutual help, so I couldn't answer the problem. We don't have any low rent.

Senator BARTLETT. All right. Would you answer the self-help? How do they feel about that?

Mr. BLACK. We find that for the most part they adapt very easily to living under these conditions and I find that they are proud of their homes. They attempt to take care of them in a manner that any other citizen would, and that if there is any difficulty it is difficulty of coping with the fuel bills or coping with the rent understanding with the local housing authority, and of course, just like Mr. Motah said, this is homework that needs to be satisfied at home.

Senator BARTLETT. Yes.

Mr. MOTAH. Senator, another point I want to explain to you, that a lot of my Indians in Oklahoma, they are landless, they are landless Indians, and they have no site to build their home on. The site has to be purchased by these families. Most of our people are landless and they have large families and the need would be funding of a site for the Indian people to build their home on. We don't have that. A lot of our people are asking from various agencies trying to get funding to get their sites and that's where the lacking is too, Senator. We need more money for the sites so that the people can build their homes.

Then another thing we are running across is—well, that's homework, I better not say that. The main thing I want to emphasize to you is site funding for our people that are going to build homes.

Senator BARTLETT. Mr. Motah, that is a very good point. Let me, if I may, ask Mr. Vaughn who is with HUD, or one of the others, to respond on this. There are possibilities here, and could you point out just what HUD can do as far as land purchase is concerned?

Mr. FREEMAN. I am not familiar enough, Senator, to answer that question. It was brought up yesterday that possibly the funding could be developed within the development fund but I can't really speak to it at this time.

Senator BARTLETT. Is there anyone here who can provide a response? Do they know how other tribes are doing this?

Mr. VAUGHN. I believe it is allowed. Apparently the cost in some areas may be higher than in others.

Mr. MOTAH. Mr. Bauer might.

Mr. BAUER. Well, I hesitate to speak for HUD but——

Senator BARTLETT. Well, perhaps you can speak for BIA.

Mr. BAUER. I believe that there is provision, if I am not mistaken, for the acquisition of a tract of land on which to build a mutual help home.

Senator BARTLETT. I think also there are provisions for donating land, too. Would you see that the record is provided with a full explanation of what the possibilities are and also what the experience has been so we can get an idea of what is possible and see if there is any problem of lack of knowledge on the part of the housing authorities, or whatever the problem may be? Before you answer, let's get this gentleman here a second.

Mr. HALFMOON. We purchased about $30,000 worth of land under our last program, so it is provided for.

Senator BARTLETT. Mr. Black?

Mr. BLACK. Senator, now, in yesterday's hearings I got the impression—and I need to have some clarification and probably some verification—I am under the impression that the local HUD agency is going to move the Indian desk to Denver, Colo. It just came out in yesterday's hearings.

Senator BARTLETT. This was mentioned in yesterday's hearings, yes. I would like your thoughts on it.

Mr. BLACK. Well, we are having a time dealing with them here in Oklahoma. If they get farther away, why, it is going to be more difficult. I think that they ought to create an Indian desk right here in Oklahoma City to deal with us. Our people don't have the funds to go traipsing off to Denver for the purpose of getting their housing.

Senator BARTLETT. How would you visualize an Indian desk or an Indian task force in HUD on Indian housing? This was mentioned yesterday as you may recall as being utilized in California and apparently being considered in other regions.

Mr. BLACK. Well, if it could insure the delivery faster and quicker than—you see, I took office in 1970 and did all the work necessary to meet the requirements of HUD. I didn't complete any housing until the latter part of 1973 because I was so busy filling out forms, and when we would go to HUD they would say, well, you have to go to public health to get this, and then they kind of placed the chicken before the egg business with me.

And finally now, even in the development stages today, I still run into this, "Are you sure that public health will come up with the sanitary requirements?" And I have to go over and get a written statement from public health, "Yes; they will." And then I take it back to HUD and HUD looks it over and says, "Well, OK," and then 4 or 5 months later we got the OK, you know, to build the house. You know, there is just too much time.

I think if the local regional office would set aside three people to deal with Indian housing, to expedite the paperwork and to expedite whatever is necessary to build homes, I think this would solve it much more than another study task force.

Senator BARTLETT. Oh, I wasn't referring to a study task force; I was referring to a work task force.

Mr. BLACK. I agree with that wholeheartedly.

Senator BARTLETT. Now, what is there that is different about Indian housing from other public housing?

Mr. BLACK. All right. No. 1, our land is held in trust by the Bureau of Indian Affairs, and sometimes, Senator, this land is undivided and has many heirs to the land, so consequently the participant who wants a house is unable to clear the land for a home.

And in our case, in many cases for our side—I am speaking of the west side—that the participant cannot serve the title to the land or get permission to build a home on their land, then the local housing authority purchases a couple of lots in town and they eventually get the home, you know. There is a lot of things in getting these clearances of title which takes time.

Now, the other thing is that once we get a home public health service is responsible for providing us with water and sanitary requirements. And these two agencies, while they are members of the same Government, seem to be not on speaking terms.

Senator BARTLETT. Is there also a difficulty in comparing public housing with Indian public housing in the fact that there is more title work because the units are inseparable, ownership of separate tracts?

Mr. BLACK. Yes, sir.

Senator BARTLETT. Is there also a difficulty of additional coordination with the Bureau of Indian Affairs and the Indian Health Service?

Mr. BLACK. Yes, sir, there is.

Senator BARTLETT. Is there also a difficulty in coordinating with the Indian housing authority which hasn't had perhaps the experience, since the Indian housing authorities haven't been permitted to operate until fairly recently, that it might require more time?

Mr. BLACK. Yes, sir, there is a good possibility of this; however, I find that most housing authorities are very up-to-date and have done their homework well.

Senator BARTLETT. Have you observed a lack of communications between the three agencies or, say, all the agencies of Government and the housing authority and the individual who is going to participate in a mutual help house, as far as the terms are concerned, as far as what his payment would be, as far as when his ownership would take place, as far as his obligation and who is to maintain and all that?

Mr. BLACK. Yes, sir. I think that under the best of conditions we would still have this communication problem. I see that in St. Louis, you know, the Negroes—I'm sorry, it's blacks now—the blacks had this huge public housing and they had the same problem we did only the Government wrote them off as bad debts and just, you know, huge edifices. I think that we could fare better than this.

Senator BARTLETT. What could be done to improve this? Does part of the responsibility exist with the housing authority and part with HUD and part with the BIA and the Indian Health Service?

Mr. BLACK. I think the responsibility must lie with the Bureau of Indian Affairs and also the local housing authority, that responsibility. I think it is only HUD's responsibility to get us the housing that we need.

Senator BARTLETT. Do you think that there is a need for a directory, information available to everybody but certainly particularly to the person involved who is going to buy a mutual or low rent housing?

Mr. BLACK. Yes, sir.

Senator BARTLETT. Would you explain the procedure for obtaining the title clearance? This goes back to what we were talking about earlier.

Mr. BLACK. I usually have a lawyer accompany me when I come to any type of hearings, and today my lawyer is over there at Talihina and I am sure that he could explain the title clearance probably much better than I can.

All I know is that I own property and if I was to build a home on that property I would have to have the permission of the other heirs, and the Bureau of Indian Affairs and our lawyer would have to help us clarify this matter.

Senator BARTLETT. Now, who pays for that?

Mr. BLACK. That's our problem too. We don't necessarily—my lawyer is kind of serving for free. And I think the local housing authorities do have funds for legal assistance in this matter. Am I correct, Mr. Halfmoon?

Mr. HALFMOON. Yes, sir.

Senator BARTLETT. I realize that you are not a housing director and you may not know all these figures, but let's see what happens.

At the present rate of unit allocations on housing and urban development, how long would it take to adequately house all the low income families who need assistance?

Mr. BLACK. I am very optimistic in all of my dealings. I would think that 5 years would be a safe estimate of completing the housing, if housing were made available, you know. If every tribe and housing authority requested the amount of housing necessary and needed, then they could fill their needs within a 5-year term.

However, if they are only allowed, say, 2,100 for the State of Oklahoma and then the eastern Indians get 2,000 of them and we get 100, it's going to take a little bit more time than that to satisfy our needs.

Senator BARTLETT. Mr. Motah, do you have any different observations or any additional observations?

Mr. MOTAH. Senator, at the rate that we are going now, I would say that it would take a little more time because everything is so slow. Communication is in the way. We just can't get things done like we ought to. My friend here, I think he shot 5 years low. I think by 10 years we might see some light, not completion, but we might see some light here that we might carry on. But otherwise I think it might take 10 years time to get to see the horizon and get to know where we are going.

Senator BARTLETT. Due to the large areas covered by some of the Oklahoma Indian housing authorities, for reasons of efficiency should tribes establish more than one housing authority?

Mr. BLACK. I wouldn't recommend it.

Senator BARTLETT. What about the payments due, has there been much of a delinquency problem in the mutual help housing?

Mr. BLACK. In discussing this matter with various housing authority executives, I find that we do have somewhat of a delinquency problem. I find also that this is a lack of communication on the part of the housing authority and the participants.

I have attended housing meetings in my local area and informed the people that these houses must be paid for and that if the payments are too high or such that they can't meet them, then it is a matter of going in and discussing this matter with the local housing authority. You know, they are unaware of the financial stability of the participants and the participants are reluctant to go in and discuss this personal finance with the housing authority.

Senator BARTLETT. Excuse me, Mr. Black. Are you saying that the housing authority does not have an accurate up-to-date picture of payments?

Mr. BLACK. Oh, yes, they do have. I am positive that these housing authority directors who are going to appear later will give you an accurate——

Senator BARTLETT. What is the Otoe's deficiency rate?

Mr. BLACK. Around in the 60 to 70 percent.

Senator BARTLETT. Currently?

Mr. BLACK. Currently.

Senator BARTLETT. Now, how long has it been at this rate and has there been progress made in reducing it?

Mr. BLACK. Yes, sir, this was brought to our attention, the tribal council and the housing authority, in April or May of this year. And then, of course, we started a series of meetings with the people to brief them on their responsibilities in meeting the requirements.

Senator BARTLETT. Are you making progress on it?

Mr. BLACK. Yes, sir, we really are. I couldn't quote you how good a progress but we are making progress.

Senator BARTLETT. Are you referring, when you say that, to all the tribes or just the Otoes?

Mr. BLACK. Yes, sir. I would be safe in indicating to you and the committee that progress is being made in all of the housing authorities.

Senator BARTLETT. Now, what happens if a person just continues not to make payments? What ultimately would happen?

Mr. BLACK. I don't know that our people have done anything in this line but I have been reading in the papers that some housing authorities have been taking eviction action towards the participants and attempting to bring these houses into line with what they are supposed to be sold for.

Senator BARTLETT. We had testimony yesterday—and I can't recall the tribe perhaps it is just as well not to mention them by name—but apparently they were not one of the highest, but it seemed to me the figure was 78 percent delinquency, or maybe it was 87, one or the other, 78 or 87, some little time ago, and at that time they started working on the matter and they had it down to 9 percent. I think the number of evictions that were stated by various housing authorities were not too numerous and yet there was some progress made.

What has been the experience of the various authorities as far as auditing is concerned? How many audits have most of them had, if any?

Mr. BLACK. I wouldn't know the exact number but I am sure that nearly all of the housing authorities have been audited at one time or another.

Senator BARTLETT. There is not a required yearly audit?

Mr. BLACK. Yes; I think it is in the contract that it is required. However, HUD and the Government don't have enough people to run around doing the audits, so consequently we have had to depend on our Bureau personnel, we have had to depend on the U.S. Office of Audits to provide this service.

Senator BARTLETT. Would you have available to you an overall record of the audits of the various tribes? If you have any information on that we would appreciate it for the record. I will be asking the individual housing authorities this same question.

Mr. BLACK. We can make this available to you, however, we would have to—we can. We will contact the local housing authorities and while we may not get the audit we will get yes and no, we have been audited, dates and so forth.

Senator BARTLETT. Yes. I am not interested in the audits. We would like to know the dates of the audit and what their policies are.

Mr. BLACK. Right.

Senator BARTLETT. As you know, in fact you have already commented on the problems that exist currently with the three-agency operation. Which agency of the three currently involved in the program do you think should be the lead agency in such a tri-party operation?

Mr. BLACK. I would recommend the Bureau or Public Health. Apparently we are just unable to make any headway in HUD, and the Bureau is responsible to us and I would think that the Bureau would be the person held accountable for getting the housing to us.

Senator BARTLETT. Mr. Motah, do you have any additional ideas on that?

Mr. MOTAH. I think that the Bureau should be because of all the trust responsibilities, programs that they have set up in the Bureau of Indian Affairs, I think that they should be the one.

Senator BARTLETT. Would you favor, placing the whole program in one bureau, one agency? Either or both of you may comment.

Mr. BLACK. If it didn't require too much time I think probably we could get houses built.

Senator BARTLETT. When I said "one agency, one bureau" I also meant to say "one department." I wasn't trying to exclude anybody.

Well, I think that's pretty much the crop of the questions. Is there anything else either of you would like to say?

Mr. BLACK. No, sir, and thank you very much.

Senator BARTLETT. Thank you, Mr. Black, and Mr. Motah. Appreciate it very much. Very fine testimony and it will help our record.

We have Mr. Hubert Halfmoon who is President of the Oklahoma Housing Association representing Western Housing. Mr. Halfmoon, welcome, and please proceed as you desire. Do you have a statement?

Mr. HALFMOON. Yes, I have a statement. Yes, sir. We do not have a position paper. We will get a position paper to you to be in the form of a resolution signed by each member of our coalition high enough—I am a temporary officer of our newly formed Coalition of Western Oklahoma Indian Housing Authorities.

Senator BARTLETT. Fine.

Mr. HALFMOON. And I am speaking on their behalf and each member of our coalition group will be given the opportunity to speak on their unique problems affecting them individually, and the statement that I will be making will be common problems that we all have within our own——

Senator BARTLETT. Well, if any member has a statement that they would like to submit in addition to the people we already have offering testimony, we will be glad to receive it. Our record will be open for 2 weeks, so any additional statements from individuals will be a part of the record if you will send them to the subcommittee.

Mr. Halfmoon, proceed.

STATEMENT OF HUBERT HALFMOON, COALITION OF WESTERN OKLAHOMA INDIAN HOUSING AUTHORITIES AND EXECUTIVE DIRECTOR, CADDO HOUSING AUTHORITY

Mr. HALFMOON. This statement is submitted on behalf of the Coalition of Western Oklahoma Indian Housing Authorities to Senator Bartlett of Oklahoma and his panel now conducting public hearings on Indian housing in western Oklahoma.

Mr. Senator, our Indian housing program under the Department of HUD is a great program for which we are extremely grateful; however, without your interest and concern, and others like you, we could lose this program.

Generally, all our western Oklahoma Indian housing authorities came into existence in late 1966, after the Oklahoma Housing Authorities Act was passed in 1965, however, for some unknown causes, production did not commence until late 1969 or 1970, a period of 3 years of inactivity productionwise. Production continued for 3 years on allotted units until the end of 1972 with no production activity on new units after the moratorium. There may be at this date two completed A.C.C.'s for 150 units and no production starts under the new allotment.

We are very concerned about the future of this program as we know it, due to the many adversities we encounter when attempting to expedite, or even move our development program.

HUD area office, operating under directives from regional and central office, with no major decisionmaking powers, makes for a very frustrating situation to efforts exerted by Indian Housing Authorities in attempting to move programs.

Indian Housing Authorities have lost many precious months of production time due to HUD's imposed penalty of withholding units from Indian housing authorities with delinquent balances.

This is a low income program, and certain amounts of delinquencies can be expected, especially in rural areas lacking industry for gainful employment, and the problems further compounded by the high cost of fuel.

Nevertheless, this program is still a lease-buy, home ownership situation, with a sweat equity element involved and already paid for, which makes for a value in some instances in excess of the delinquent balance, that the succeeding participant is willing to pay to take over the house thereby clearing the delinquent situation.

HUD area has now advised that this is no longer the situation; however, another worm has surfaced to delay the so-called delivery system in the form of required audits before units can be released.

Efforts are being made for these audits through the Interior Department as required, to no avail at the present time.

We have a very great need for housing aides or counselors for the implementation of a Home Ownership Education Service.

Program Needs Recommendations

1. Many national conferences on problems of Indian housing have been held and recommendations made with heavy emphasis on a separate Indian housing program, due to the uniqueness of existing treaty obligations for Indian Trust Lands, uniqueness in the never ending confusion in the interpretation of discreetly inserted language pertaining to the reservation and nonreservation Indians. Since these recommendations have never been adopted, it makes one wonder if these conferences were only token gestures to satisfy our Indian people or were they for real.

2. If the above cannot be adopted, then we will have to settle for less, and less would be as follows:

(a) To transfer Indian housing to another bureaucratic agency, if HUD cannot or does not want the Indian housing program.

(b) If HUD will, then give back decisionmaking powers to this area office and beef up staff.

(c) Any contemplated moves of Indian housing in Oklahoma to Denver should definitely have input by all the Indian housing authorities involved.

(d) Urgently need a field accountant.

(e) Need a HUD prepared payoff formula.

(f) Indian housing manual.

Let me read this last one here. This is from the Cheyenne Arapaho Indian Housing Authority, presents this to submit to you also.

Request Senator Bartlett to inform Secretary Carla Hills, Department of Housing and Urban Development, that no action be taken on the planned move by Department of Housing and Urban Development to transfer the Oklahoma Indian housing program, the administration, from Oklahoma City to Denver until he has had an opportunity to review the plans and has had time to solicit opinions from the Oklahoma tribal housing authorities and Oklahoma Indian tribes.

Senator BARTLETT. Mr. Halfmoon, thank you for your statement and also this request from the Cheyenne Arapaho Indian Housing Authority.

I will contact Secretary Hills concerning this, and also I want to discuss it not only at the Washington level but at the area level in Oklahoma, possibly at the regional level, and I will ask in addition that there be an opportunity for the various Indian tribes and housing authorities to express their opinions. I will do that. And I thank them for their suggestion.

You mentioned that the Indian housing authorities have lost many precious months due to HUD's moratorium or imposed penalties of withholding units of Indian housing because of delinquent balances.

Mr. HALFMOON. Yes, sir.

Senator BARTLETT. Does that still exist?

Mr. HALFMOON. No, sir. At the present time that is no longer the case, but then, the auditor requirement is another thing that is holding up Indian allocation of units, and we have tried every way we can to try to get these audits going. But the latest information I have is——

Senator BARTLETT. Let's get on the audits next. What do you think should be done about the delinquent balances?

Mr. HALFMOON. We should keep on our delinquent balances, yes, but I do not think that this is the criteria to withhold units, because we are penalizing people that are not even responsible for this particular situation.

Now, if this had been a low rent project—now, we have a low rent project, and if we have $60 as a bad account we could lose it, it's gone. Well, that's a charge-off. In our Indian mutual help program a delinquency is not necessarily a chargeoff for the simple reason that participant number one may owe this balance, no telling how much—well, we will say, $200, $300 or $400—and they will be evicted.

Our policy of the Coalition of Western Oklahoma Indian Housing Authorities is to give that individual one more chance because they have never had this opportunity to acclimate themselves to this type of timely rent payments that they have to make.

But if they are delinquent, we will go on ahead and evict them or else ask them voluntarily to leave because we need to have this house lived in and paid for. And then we will get participant No. 2 which will be a qualified person, not necessarily within the family group, and give a lease, give a year's lease on this mutual help property that we have asked the participant No. 1 to leave voluntarily. And, of course, if he doesn't leave voluntarily we will have to evict him through the courts.

But the point is that he owes us $200 to $400, and then we say, Now, if you can convince us that you want this house back you will need to pay your delinquent balance out, and then if you convince us that you need this house and you will be responsible for it and all, well, then we will move you back in but no more of this.

And, of course, his gesture of wanting to move back in and his desire to convince us would be that he would pay his delinquent way before the due time. Otherwise—Now, it is still a delinquent balance until it is paid for. All right.

Now, he says, You go jump in the lake, I don't care to pay you, you go take over that house if you want to but I still have that trust property. So, in this particular situation, we will look at the family group because the trust property is very, very sacred to the Indian family, immediate family.

So, we will take a look at our applicants and look for a brother or sister or first cousin or closely related person that would be eligible for this so that we can place him, that eventually some way or other it will relieve this situation, and in order also——

I mentioned the fact that there was a paid-for sweat equity element in this first participant's account. So, the second participant does not have any equity, so he buys and pays the delinquent balance of the first party and buys this second equity so we are, in fact, eliminating our delinquent balance altogether.

We are going to have very, very few if we operate in this manner. We will defer the time of final collections on them but not more than 2 years.

Senator BARTLETT. I see. But you do see the high rate of delinquency that exists though as a real threat to the smooth operation of the program and a real concern of the housing authorities and others?

Mr. HALFMOON. Yes, yes.

Senator BARTLETT. Do you see the housing authorities reducing this to some such figure as, say, 10 percent, which was the figure used on these. Or what level do you see being achieved, or would be desirable?

Mr. HALFMOON. I think eventually it will get around to 10 percent, yes, eventually.

Senator BARTLETT. How soon do you think that will be?

Mr. HALFMOON. I would say in about 2 to 3 years this ought to be done. Now, let me explain something just a little bit here and I have made this comparison to HUD personnel in trying to fight this particular policy of theirs with regard to penalizing the withholding of units from Indian authorities for delinquent balances.

In western Oklahoma we have actually been in business since 1970, production wise. Management operation didn't begin until sometime the middle of that year and we have been in operation for, say, business operation, for about 5 to 6 years now.

It has been my experience in private industry that most businesses, the majority of businesses, small businesses, fail or have a hard time for the first 3 or 4 years, and if they can benefit from past experience businesswise, they will go on ahead and make it, and I think this is what we need.

We need a little time. We have never had this program before, and we have some pretty good administrative policies and we have got to better educate our local housing authorities administratively, and we have got to get some funds somewhere, and this is the purpose of this particular organization now, that we will search for sources of funds outside of HUD and outside of BIA in order to help us with our program in this area, the educational process of our Indian housing administrative staffs.

Senator BARTLETT. I notice you mention an Indian housing manual. Presumably you are talking about the manual presently being prepared by HUD. Is that what you are referring to?

Mr. HALFMOON. Yes, this is the Indian housing manual that I am speaking of. It has been in the process since 1971, if I remember, because I sat in on the conference in 1971 when Secretary of HUD Romney was then running the program, and we were dealing with associates and the counselor, Joe Berstein, and since then we have had one or two other sessions.

Senator BARTLETT. Have you prepared any pamphlets in your group?

Mr. HALFMOON. No, sir.

Senator BARTLETT. Do you think that would be of value.

Mr. HALFMOON. Yes, sir, I think it would, then, we are supposed to have this manual coming out before long from all indications, and this will be our bible as far as we are concerned. And right now we have——

Without this housing manual, Senator, we have accomplished more because we were able to bend some rules and regulations as far as our Indian housing programs have been concerned. Most of the handouts to us, or the circulars that we get, rules and regulations that come in weekly, replacement sheets and all, have been in regards to low rent and very, very little in—I don't know about very little in mutual help housing. And we have got to get together with HUD.

And I think in the last 5 years we have more or less tried to put our own input into what will be needed in this handbook because of our actual production in the years that we were producing.

We had one of the highest production rates here in Oklahoma until the moratorium and that was due to the fact that we didn't have so many procedures to comply with. We had some shortcuts and we were very unfortunate in having one of our HUD officials, one of the top HUD officials in the area office, that had an accident and we lost him, because he seemed to be a very dedicated man. He helped move a lot of our programs, and it seems like after he left we have gone backward.

Senator BARTLETT. On the matter that you got into just a second ago, the required audits, what is your understanding of what is required, and what is the practice of audits by the various housing authorities?

Mr. HALFMOON. Well, I have been to the HUD area management office and this is the requirement now, to loosen the units. They have gotten off the delinquent kick and now they are on the audit requirements.

Audit requirements I think are every 2 years, to be—there is an interagency——

Senator BARTLETT. Set by regulation or by law?

Mr. HALFMOON. There is an interagency agreement that exists between HUD and the BIA, that the housing authorities with mutual help housing projects be audited by the Interior Department every 2 years.

Senator BARTLETT. When was that laid down?

Mr. HALFMOON. I was instructed in this when I had my last audit in December of 1971, from Mr. Streeter and his staff of auditors. That came about at that time because I was requesting an annual audit from then on and Mr. Streeter then informed me that they could not come out except every 2 years.

Senator BARTLETT. Who did they audit then?

Mr. HALFMOON. The Caddo Indian Housing Authority, the housing authority of the Caddo Indian tribe of which I am the executive director.

Mr. HALFMOON. No, sir. I have requested an audit back in December. I have had no response.

Senator BARTLETT. Who did you request that of?

Mr. HALFMOON. I requested through our area director, Mr. James, Indian Housing, the Bureau of Indian Affairs.

Senator BARTLETT. The Department or the Bureau of Indian Affairs?

Mr. HALFMOON. The Bureau of Indian Affairs is the proper channel in which to get services of the Interior Department on a request for these audits.

Senator BARTLETT. And what is the status of that request?

Mr. HALFMOON. I have had no response, and I have asked him. He says he knows he sent it and he has had no response either.

Senator BARTLETT. Is there any policy of the Interior Department on audits? Has there been in the past and is there today?

Mr. HALFMOON. No, sir. I don't know, I am not aware of their policy on that. I have been informed they are short handed.

Senator BARTLETT. You haven't been turned down, have you? Has there been an acknowledgement of the letter?

Mr. HALFMOON. I have had no acknowledgment of the letter that I sent in, as a response to that letter that I sent in. I have had no——

Senator BARTLETT. When was that?

Mr. HALFMOON. In December of 1974.

Mr. VAUGHN. Senator, may I interrupt?

Senator BARTLETT. Yes; I wish you would.

Mr. VAUGHN. I talked with Mr. Reaves Nahwooksy who is in our central office today, this morning. He informed me that he had been in close contact with the Department of Interior regarding these audits and that they have assigned one man to the national Indian housing program and did not intend to assign any more additional this year and would possibly but two in next year. That was his word from the Department of the Interior this morning.

Senator BARTLETT. Could you give me any idea of how much ground one man could cover? How many audits he could make and how many audits would be required if it was done every other year?

Mr. VAUGHN. I don't believe he could take care of our western Oklahoma tribes full time. I don't believe he could take care of the required audits.

Senator BARTLETT. On a—in other words, just one person——

Mr. VAUGHN. Continuously working, I don't believe one person could complete the audits of just the Western Indians.

Senator BARTLETT. When you say "the audits required" are you referring to the one every other year or one every year?

Mr. VAUGHN. One every other year.

Senator BARTLETT. One every other year. And when you say that this one man couldn't do this, were you advised that there would be one man for the western tribes?

Mr. VAUGHN. No, sir, one man nationwide.

Senator BARTLETT. That's what I thought.

Mr. VAUGHN. Reaves Nahwooksy indicated that one man-year would be assigned to audit of Indian housing programs by the Department of Interior and that next year potentially two man-years would be assigned. This was the word that he gave me this morning at 9 o'clock.

Senator BARTLETT. Well, we will make a note to write a letter to the proper person in Interior to ascertain this information. I am just trying to figure out how to get the inputs. I think it would require coordination with HUD and Interior, and perhaps we could make a request of both Departments to, No. 2, give us their best judgment as to how many auditors would be required to do the job that they think should be done. Apparently, HUD thinks auditing every other year is the proper way to proceed, and No. 2, how many people this would take.

Then we need to find out what the attitude of the Department of the Interior is on this matter, in having someone other than the Department of Interior doing it; and then, if that is done, the attitude of HUD as to how that would be funded, and trace this thing down a little bit as to just what the thinking of both departments would be. I don't know whether the BIA would be getting involved in that or not. We are not trying to hold anybody out, but I think we need to proceed in that way and we will.

Mr. VAUGHN. Senator, I think Mr. Nahwooksy has made many, many attempts in this area and probably would have a lot of good information in that area.

Senator BARTLETT. Yes. Well, good. I appreciate that, I know Mr. Nahwooksy and I also know that he is from Oklahoma, in fact, from the Lawton area.

So we will be in touch with him and in some way or other we will be proceeding with letters to try to pin that down as to just what the thinking is. All right, sir.

Mr. Halfmoon, do you have anything else you would like to say on audits?

Mr. HALFMOON. Well, I think just today I was talking to Mr. James in regards to this audit and I think he has some idea about trying to start something of his own here for the Indian housing authorities. You might ask him to comment on that.

Senator BARTLETT. All right, I will. Mr. James?

Mr. JAMES. Yes, I will. I will be pleased to comment on this audit problem.

Senator BARTLETT. Also I would like to know how often you think that the audit should be. I am not trying to put you on the spot. I will just say this myself: I think that many people who serve on boards handling significant amounts of money, particularly the housing authority, would like to have an audit for their own protection.

Mr. JAMES. Well, there are two distinct advantages of having regular audits. First, I think they should have one not less than annually.

Senator BARTLETT. Not less than annually?

Mr. JAMES. Right, one each year. And the advantage being, of course, that the need isn't so much to have an audit as it is to have them assisted in the technical bookkeeping processes.

Senator BARTLETT. So you are saying particularly—I am not trying to put words in your mouth—but are you saying that particularly at the beginning of the housing authorities' operations that it would be even more important?

Mr. JAMES. Yes, indeed.

Senator BARTLETT. To provide assistance on how to proceed. I see Mr. Vaughn nodding his head in agreement with that.

Mr. JAMES. And also, I think the problem that Mr. Halfmoon and I are having, they have about three auditors on the Interior staff in the central office, we have none down here whatsoever, and they are scheduled out 3 and 4 years ahead of time and it is kind of like putting the grease on a squeaking wheel, so that schedule is quite often changed around to fit the priorities and sometimes somebody gets left out completely.

And what we need here—and this is my opinion and I am trying to develop a process—that even though housing is not in my bailiwick of authority, I still have the same problems, and I still devote a great amount of resources for the HUD housing programs in a coordinated type effect.

And what my proposal is, or my plans are, is to try to develop a local auditing capability. And we are doing a little bit of that now.

Senator BARTLETT. Would that be agreeable with HUD?

Mr. JAMES. I am not satisfied that it would be agreeable with HUD and that is one of our communications problems.

Senator BARTLETT. That is one of the things you need to develop?

Mr. JAMES. Right.

Senator BARTLETT. And this would be a BIA rather than Interior operation? It would be a local Bureau of Indian Affairs auditing, either service or person or team or however you develop it?

Mr. JAMES. An auditing service.

Senator BARTLETT. And how would this be funded, or is this in the process of development?

Mr. JAMES. That is the other problem, you know, funding, because we get no money, we get no resources at all to deal with the HUD program. We have to do that with Mr. Bauer's staff of one man, and that is rather difficult to do.

Senator BARTLETT. In other words, you are trying then to work out a program within the current budget you have to accomplish this?

Mr. JAMES. Yes, within my administrative budget. You see, I have concluded that it requires so much of my efforts that it is going to pay me just to set up a system and then get on with the problem.

Senator BARTLETT. Let me see if Mr. Seay would like to say something.

Mr. SEAY. Yes, Senator, I would.

Senator BARTLETT. Mr. Seay with HUD.

Mr. SEAY. We had the same audit problem with our non-Indian housing authorities which HUD had the responsibility of auditing. The manpower problem within HUD was such that the audits were being neglected as much as the Indian authorities are being neglected.

The solution to that problem was simply the turning loose of the audit responsibility from HUD's auditors to making the possibility of hiring independent public accountants to come in and do the audits on a regular basis.

Senator BARTLETT. On a regular contract basis?

Mr. SEAY. Yes.

Senator BARTLETT. What would these audits average on a yearly basis, if you had a yearly audit of an average size housing authority?

Mr. SEAY. Here again, it is not done on a yearly basis, it is done every 2 years.

Senator BARTLETT. All right. On that basis, what would it require?

Mr. SEAY. Oh——

Senator BARTLETT. Is this on a bid or negotiated basis?

Mr. SEAY. It is negotiated with the auditor on a proposal contract basis, which is approved by our regional inspector general for audit.

Senator BARTLETT. And this is paid for by HUD?

Mr. SEAY. Yes, it would be paid for through HUD's funding.

Senator BARTLETT. And it would be negotiated by the housing authority?

Mr. SEAY. Right.

Senator BARTLETT. Now, I interrupted you, so I didn't get the approximate figure.

Mr. SEAY. Well, it is kind of hard to say. It depends of course on how large the authority is and how long it has been since the last audit. For an average size housing authority, on a regular basis, I would guess in the neighborhood of $1,000 or $1,500 for a 2-year audit.

Senator BARTLETT. Is this being suggested for housing authorities or is it not being pushed because of inadequate funding, or what is the status of this way of having audits done as far as Indian housing is concerned?

Mr. SEAY. There is the matter of the agreement between the Department of the Interior and HUD which places the responsibility for the audits on the Department of the Interior; therefore, HUD does not have the option of pursuing this with Indian housing authorities.

If it were not for this agreement, I think it would be possible to proceed in this fashion and resolve the audit problem.

Senator BARTLETT. Well, that is very interesting. In other words, do you know whether there has been a request by HUD of the Department of the Interior to permit Indian housing authorities, where Department of the Interior does not provide this service, to handle their audits in the same manner in which public housing is being handled?

Mr. SEAY. I couldn't say for sure. I know there was some movement underway and we would like it to be that way, but whether or not central office has made this request of the Department of the Interior I couldn't say.

Senator BARTLETT. How important do you think auditing is?

Mr. SEAY. I think it is extremely important to the function of the housing authority. The reason—the comment was made earlier about the hangup on the cost of audits, on development of need. From a very simple standpoint HUD, who is responsible for funding the program, does not know how much money the housing authority has to develop with becaues we do not know how much has already been spent or for what purpose it was spent.

So HUD, of course, cannot authorize more units when we do not know how much money is available on one authority, how much is left to spend.

Senator BARTLETT. Are housing authorities generally, in your opinion, ill informed of the financial status of the housing authority because of lack of auditing and because of perhaps inadequate bookkeeping?

Mr. SEAY. The bookkeeping and financial records of the housing authorities, particularly in the West, I am sorry to say are atrocious, and very few of the authorities really know where they stand financially. I am not saying that applies to every authority. We have several that are in this position.

Senator BARTLETT. Let me say this: I am aware of a number of private enterprise operations where people have thought that they had an adequate picture of their financial status to the extent that they thought they were operating in the black, but because of inadequate accounting procedures, were actually operating at a loss and didn't know it. That may sound hard to believe but I happen to know about it, so I know that this is accurate. Generally speaking, good auditing would require good bookkeeping and accurate records and would tend to improve them if they did not exist.

Mr. SEAY. That's right.

Senator BARTLETT. In other words, good auditing more or less demands good recordkeeping with good bookkeeping.

Mr. SEAY. You cannot audit books that are not there and that is some of the problem with some of the authorities. There is nothing an auditor can audit.

Senator BARTLETT. Is there an advantage in auditing to having an auditor, or CPA, who is familiar with Indian housing procedures? In other words, I am talking about having an auditor who more or less specializes in this, or is it that much different?

Mr. SEAY. It would be a definite advantage to have an auditor that is familiar with the program.

Senator BARTLETT. Mr. James, do you have any other comments to make in regard to the questions I asked Mr. Seay?

Mr. JAMES. No, sir.

Senator BARTLETT. To either add or to disagree either way?

Mr. JAMES. I am in just a little bit of disagreement.

I don't think we need to get so sophisticated as to have the CPA connotation placed on our need, because our problem right here basically on the ground is that we have a training apparatus. Each time a housing authority changes somebody has to be on the ground with that young man to set up his system and the books are not that complicated.

Senator BARTLETT. But to establish proper bookkeeping?

Mr. JAMES. The proper procedures and just basic bookkeeping process. And then audits can come annually and we can have a CPA audit, any legal requirements met by CPA audits.

Senator BARTLETT. Now, in your opinion, if the Indian housing manual included bookkeeping, would it require more than a very good manual to properly instruct a board and a director if he was not knowledgeable about proper recordkeeping?

Mr. JAMES. I don't think it is that difficult.

Senator BARTLETT. You don't think it is that difficult?

Mr. JAMES. No. I find myself faced with a real problem of going down—someone is requesting an audit as he mentioned a while ago, you go out to audit and you can't even find books, so, you know, you have got to have something basic to start with.

Senator BARTLETT. Let me get back now to Mr. Seay for just a second. How difficult do you think it is? I think we need to recognize here that in auditing the authority does need to satisfy the auditor with the manner in which he keeps his books.

Mr. SEAY. Well, I might answer that in this way, referring again to our non-Indian housing authorities. We have had experience with CPA's who have been hired by non-Indian authorities to audit their books, and the non-Indian authority books are simpler than Indian authority books.

Senator BARTLETT. They are simpler to handle than the Indian books?

Mr. SEAY. Yes. And the CPA, you know, even a CPA has great difficulty in understanding the peculiarities of HUD's accounting system. HUD's accounting system, as I understand it from every accountant I have ever talked to, is peculiar to any other normal accounting system and that causes——

Mr. BAUER. Could you speak up a little bit?

Senator BARTLETT. You were saying that the HUD accounting system is different from any other accounting system, and that one of the requirements is that the housing authority accounting system must tie in with the HUD accounting system, is that correct?

Mr. SEAY. When I say HUD accounting system I mean the accounting system that is devised for the housing authorities to use.

Senator BARTLETT. That they require?

Mr. SEAY. Yes. And for that reason I would say that it is a difficult system to keep your books on as well as to audit. And the suggestion that Mr. Halfmoon had, field accountant to deal with the Indian authorities, would be very worthwhile.

Senator BARTLETT. In other words, you are saying that an auditor must not only insist on the books being handled in a certain way, it must be handled in a certain way to satisfy the HUD requirements, is that right?

Mr. SEAY. That's right.

Senator BARTLETT. Mr. Halfmoon, let me bring you into this now. Where do you agree or disagree or what thoughts have you on what we have covered?

Mr. HALFMOON. I think I am one of the few people in our program besides Ron Froman of the Creeks that had their own accounting as far as our housing accounting is concerned.

Mr. Seay is right in the fact that there is some uniqueness in this system, the format of the HUD accounting system. And to me, I don't feel like—I have argued with him off and on in regards to trying to—directorship work and other work that I have been doing is pretty pressing and I have been trying to move my work over to somebody else, and I know a CPA that can give personal attention—that is what we need in our Indian housing authorities, is that we give our work to somebody that can give the Indian housing authorities personal attention from the very beginning, from the very inception of their money allocation to operations, and he insists that a CPA is not sufficient to do the work unless he has had the experience.

All right, I am not a CPA. I have a firm in Oklahoma City, a CPA firm that will certify my work, because in private industry it is just what they are familiar with. But this CPA, I don't see why he can't take a little time, and I could work with him to get him going on this stuff, and then we can I think help our Indian authorities getting somebody, help our Indian housing authorities.

If we don't get that, we need an accountant through HUD. This is what I ask in this paper. We need an accountant through HUD to help us with Indian housing, field accountants, and we have been needing this very desperately for years.

Senator BARTLETT. Mr. Seay, let me ask you again a couple questions. If the Department of the Interior would permit HUD to operate with private auditors as it does in public housing, non-Indian public housing, is there any problem of selecting auditors who are familiar with the requirements of HUD or does that get worked out pretty quickly?

Mr. SEAY. There are a number of auditors, particularly since the non-Indian authorities have been using them since 1972, that are becoming very familiar with HUD accounting.

Senator BARTLETT. Mr. Seay, let me ask you whether you know whether the proposed handbook devotes any space to auditing?

Mr. SEAY. I hope it does but I don't know as I haven't seen it lately in its latest version, so I don't know whether it does or not, but I would recommend that it would.

Senator BARTLETT. You would recommend that it would? I assume all of you would recommend that it would.

Mr. JAMES. Yes.

Senator BARTLETT. Is there anything else any of you have to say on the auditing?

UNIDENTIFIED ATTENDEE. Senator, does this come from the group or just those three?

Senator BARTLETT. Let me just have your name so I can make sure that it gets in the record. What is your name?

UNIDENTIFIED ATTENDEE. Levi Stevens.

Senator BARTLETT. And your question was?

Mr. STEVENS. The question was: Does this just apply to them or can we also question something here and make statements?

Senator BARTLETT. Oh, you bet. I would like to have you make your comments right now. Are you scheduled to appear later?

Mr. STEVENS. No. I wish I was. There are a number of things that——

Senator BARTLETT. Well, tell you what we will do, we will schedule you later. Is that all right?

Mr. STEVENS. I think this hearing, this fits in with what Mr. James is saying. I feel that it is very important that I say this portion——

Senator BARTLETT. All right. Be glad to have you say it right now.

Mr. STEVENS. On May 5, 1975, I wrote a letter to Mr. Charles James, superintendent, Anadarko Area Office, Bureau of Indian Affairs, Anadarko, Okla., and also in this I wrote to Morris Thompson, Bureau of Indian Affairs, Washington, D.C., the Commissioner; Ed Gregory, contracting officer, Bureau of Indian Affairs; and James Hill, Pawnee Indian Agency, and I believe this here what I am talking about is exactly what I am saying with the failures that HUD have in our Indian programs.

One of the other things that I saw that I was listening, the man from HUD says that we can't find some things. He says we are sort of unique, someone says you are sort of a unique program and you might ask for auditing in a little different way. And I believe I would read this letter to you and I believe this fits in the scope of what we are talking about today.

DEAR MR. JAMES. This letter is being written out of concern for and in regard to contracts to Indian people. I am referring not only to the Indian people in the Anadarko Indian Agency area, but all Indian people who have contracts with the Bureau of Indian Affairs.

I write of the contracts I have represented for my tribe, the Tonkawa Indians of Oklahoma. I have tried to keep the accounts of the contracts to the Tonkawa Tribe to the best of my ability.

The contract I am speaking of did not provide enough funds to contract a regular accountant. Pawnee Indian Agency would not keep the records of accounts, only the vouchers of spending.

Pawnee Indian Agency let us know they did not have the contract, but only the Tonkawa Tribe.

I am not a bookkeeper or accountant but I tried to keep these records and what paperwork that was needed. If I was to make any errors in the contract, I was sure the contracting officer representative of the Bureau of Indian Affairs would correct me.

We had in the contract Special conditions; no one spoke to it.

Monitoring and observing contract performance; this had never came about.

Fiscal accounting; no one came down.

Contractors use of Bureau program employees; and I definitely state in this letter that I did not get no help from them.

General Provisions Cost Reimbursement contract; and Disputes.

No one contacted me or corrected my errors if any.

My contracts were not disputed.

I modified the contracts with the contracting officers when I felt the need was there. I was never disapproved in making modifications.

Finally after two years or more, it was not a contracting officer of the Bureau of Indian Affairs who came to look at the records of the contracts but an auditor from Denver, Colorado, contracted by the Bureau of Indian Affairs, to audit my program funds.

This was not an audit finalized but an interim audit. A full audit was to come later in the year.

Before the year ended, the audit was put into the hands of the Federal Bureau of Investigation.

Still the contracting officer did not come and see my records and say this is the mistake.

Then the auditor came again from Denver, Colorado. This was the same person.

The auditor and I spoke and he said that there was another person with him, who was the lead auditor. Finally the second day this person came, looked at my contract and stated that all that was needed was the amount of money the government would ask for.

My understanding was this: The money that was said to be mis-used only had to be returned.

After a time, an agent from the Federal Bureau of Investigation came to my office and took my records of the contract. The agent did not realize another audit had taken place after the one he had.

At the time of this writing, there has still not been a contracting officer to see me concerning the contracts.

No one from the Bureau of Indian Affairs has said, "This is wrong in the contract." The government who gives the contracts has not said to me, "This is wrong and this is how it is to be corrected," et cetera.

Part 300—"General Provisions—Cost and Reimbursement" never has entered the contract as of now.

The two that has monitored the program has been the auditor and the Federal Bureau of Investigation.

I am not a person that knows all the rights and wrongs of the land. But in the thinking of the rights and wrongs, am I wrong in thinking that the contracting officer for the Bureau of Indian Affairs should come and look at my records and tell me I am wrong—at least look at my records just once in over two years—and explain this is wrong.

I am not happy with what is being done to me mentally at this time, but if some one is to suffer in this decision it is me, I'll not complain. Promises from the Government to the Indian people in this contract still hold.

Some one did not monitor the program from the Bureau of Indian Affairs.

—and I feel this is one of the things that is happening now.

Treaties or contracts, we will agree, whether it be made in the 19th or 20th Century, they are still kept by Government to the Indian people.

We can read between the lines there.

I must be guilty. Not only myself, but some one wrote this before I received the contract as to what they were going to do.

The Auditor?! Who was to see the amount of money spent and not tell me how to spend the money.

The Federal Bureau of Investigation, who said, or saying, "You are wrong and this is why."

The Bureau of Indian Affairs, saying this is how the contract reads, you do it this way and this is how it will be done.

But, if we don't fulfill our obligation that's all right, because I am the government and we don't have to keep our word.

But again, someone representing the Bureau of Indian Affairs signed with me to approve the contract.

Treaties or contracts, who ever signed these, should be responsible—like Both.

My concern is this: Don't let this happen again. If we are to be held to the words of the contract, then let it so happen to the Government.

Respectfully,

LEVI STEVENS.

And, sir, what I am saying here, I believe, fits into the scope that we are talking about now.

HUD has made us sign a contract as to what we are going to do. And then this gentleman comes up here with this bit of saying, we are a little different and we can't let the CPA do it.

Now, who is going to come and monitor and correct us if we don't know anything about it? Who are going to tell us these mistakes? If we don't have anything to put down, we don't know what is allowable and disallowable in this case.

Maybe we are trying to do for the betterment of the program, we are trying to use good judgment, and this is why some of these things are done.

In this case here it was equipment, equipment wasn't in the contract.

You see, someone should come down and monitor—if they are going to so willingly give these contracts someone should come down and monitor these things.

And, like Mr. James has spoken, if we are going to have a different program than HUD, the experts should come down here. I made this statement the other day in Tulsa to one of the experts that had come

down telling us how we should run our program, but we don't know all that clear about it.

But yet we have people in Washington that are supposed to be experts. I think they should take some time to come down and explain the program and set it before them and say, this is how it should be done and we will come down and help with what the need is. But what they do is, as I was told, instead of doing that they say, we don't hold a contract but you hold a contract. And we are accountable to this thing.

No one is monitoring these things. And it is true even in this program here, and I think it is true in other programs.

It isn't all our fault. There isn't anywhere that I can see in here that it is all our fault, because the Government has promised in this contract also what they are going to do. This is why I am so objective of that Public Law 638 that is set out right now. I am objecting to a lot of things in that thing.

I could sit here and go on for hours simply because we are penalized, but the Government is never penalized. This is what I am saying. We are being hurt, and this isn't right. They are giving us a rope and saying. "Here is a rope, now how do you want to be hung?" You know, this is how we are being said about today. And that's why I have a lot to say. But when I was asked to come up here I had nothing to say, but somewhere during the period I will be up there, somewhere.

Thank you.

Senator BARTLETT. Mr. Stevens, we are glad to have you. Stay there, right there. [Applause.]

Let me call on Mr. Halfmoon. He suggested that there is an urgent need for a field accountant.

Mr. HALFMOON. Yes.

SENATOR BARTLETT. Now, would the field accountant, in your opinion, serve as a monitor at Mr. Stevens' request?

Mr. HALFMOON. Now, he is talking about—what other programs are you talking about?

Mr. STEVEN. Well, I think I am covering the whole fields of all contracts that we made. I don't care what it is.

Mr. HALFMOON. Housing authority, as far as contracting for housing authority, unit production, and this is the area which housing authorities are in, is the mutual help housing production, low rent, and other programs under HUD.

Now, other programs come under HUD, like——

Senator BARTLETT. What I am getting at is, do you see your field accountant performing a monitoring service or an advisory service different from the auditor?

Mr. HALFMOON. Yes. Yes; he is out there to instruct, to monitor, and to advise, just like you put it.

Senator BARTLETT. So this would in a sense, although it is slightly different, provide the kind of service coming from, I assume, HUD?

Mr. HALFMOON. Yes; the initial funds. HUD's initial funds to Indian housing authorities are never monitored for the first year, practically, and they don't know what to do with them.

Some of them have refused these funds, or maybe they weren't advised how to use them, but they couldn't account for these funds after

a period of time, as I understand it. These are rumors now. I don't have any concrete facts, but these are rumors in regards to——

Senator BARTLETT. To your knowledge, are the housing authorities, the boards of the housing authorities, advised or monitored on the kind of records they keep?

Mr. HALFMOON. No, sir. Not by us.

Senator BARTLETT. Are they by anyone?

Mr. HALFMOON. No, sir.

Senator BARTLETT. Should they be?

Mr. HALFMOON. Yes, sir.

Senator BARTLETT. By whom?

Mr. HALFMOON. By HUD, field accountant of HUD. They are responsible for that money. I think they are responsible to keep a watchdog attitude about it.

Senator BARTLETT. Now, Mr. James, the service that you were talking about earlier, I may have misunderstood it a little bit. Maybe I didn't. Would it have been a service of establishing a field accountant, a service of advising, monitoring, as well as audit? Or would it have been just strictly after the fact, the audit after the end of the first year or subsequent years?

Mr. JAMES. I think we are all saying the same thing in different words.

Senator BARTLETT. All right.

Mr. JAMES. What I was alluding to is the need to have monitoring and assistant-type individual, whether he be in the Bureau or HUD or where, to go out and give these people the guidance, the guidelines and the basic techniques of bookkeeping and instruct them as to what you need to do in order to prepare for audit. And then——

Senator BARTLETT. So he wouldn't actually have been doing the auditing?

Mr. JAMES. No; he continues to monitor and go back on call and that sort of thing and be sure that he is ready for audit, because we are wasting all of the auditors' time when we send for them and bring them down and we are not prepared, the books are not ready.

So, it is really folly to complain about not having audits when you don't even have the basic bookkeeping system.

Senator BARTLETT. All right. Let me get Mr. Seay back a second, if you don't mind, Mr. Seay.

I think my questions of you were more along the lines of auditing and not preparing for an audit, not giving the advice—we touched a little bit on that—but do you agree with what Mr. James just said, that there is a need in addition to auditing for a field accountant, if that would be the proper title, to make certain that the board and their designee would be having the proper kind of books so that they would fulfill the requirements of the HUD audits?

Mr. SEAY. Yes, sir, I do agree with that.

There is another area that many of the Oklahoma housing Indian authorities, as well as other authorities, services they use that does principally the same function, and that is what we call our fee accountants, who are professional people.

Most of them who work in Oklahoma authorities are former HUD field accountants and auditors, and they perform the bookkeeping

function for many of your housing authorities, and all the local staff has to do is to keep the daily accounting type records and forward these items on to the accountant who prepare the actual bookkeeping entries and prepare the appropriate financial reports to HUD.

This type of service has proved to be very beneficial to those authorities who have taken advantage of it and provide—but here again, you would need some assistance to these authorities to make sure that they understand what they have to provide to their field accountant.

Senator BARTLETT. Is this field service available now to Indian housing authorities?

Mr. SEAY. Yes. It is not "field," it is fee accounting.

Senator BARTLETT. Oh, fee accounting.

Mr. SEAY. He is under contract. He is not a HUD employee. He is an independent businessman who is under contract, independent contract with the housing authority.

Senator BARTLETT. Each housing authority has a fee accountant?

Mr. SEAY. Some of them do not. It is an option that is available to them.

Senator BARTLETT. They would have a fee accountant who would be consultant to advise them as to how the books would be kept?

Mr. SEAY. Yes, sir, and he would do the actual bookkeeping in his office and the authorities submit to him copies of their check vouchers, rental receipts and all of this type of thing.

Senator BARTLETT. He would be qualified to prepare the books in line with requirements of the auditor?

Mr. SEAY. Right.

Senator BARTLETT. Now, are the housing authorities advised and recommended to follow this procedure?

Mr. SEAY. Yes, sir, they certainly are.

Senator BARTLETT. And who pays for this?

Mr. SEAY. The housing authority pays for it. It is included in their operating budget.

Senator BARTLETT. They pay for it. They are given funds specifically for that?

Mr. SEAY. Well, it may not necessarily be funding especially for that. It would just be a part of their operating expense, as opposed to having a staff accountant or a staff bookkeeper.

Senator BARTLETT. What in your opinion needs to be done here that isn't done in this area?

Mr. SEAY. Well, you get back to the need for some field assistance, because even though an authority may have a fee accountant, it doesn't guarantee that everything will work out all right, because he can only perform his function if he is supplied the proper information in the appropriate manner from the housing authority.

Senator BARTLETT. So you would agree with Mr. Halfmoon that there should be a field accountant?

Mr. SEAY. Yes, sir, I would, to assist other authorities who feel inclined to do their own books themselves and also to give assistance to those authorities who have fee accountants and to see that appropriate information is given on a timely basis.

Senator BARTLETT. So either way the board would go, the field accountant would have a role to play?

Mr. SEAY. Yes, sir, but a much lesser role than the authority that would have the fee accountant.

Senator BARTLETT. In your opinion, would this reduce the problems that do occur when an audit is made?

Mr. SEAY. Yes sir, it certainly would.

Senator BARTLETT. All right.

Well, we are approaching the noon hour and there is a luncheon scheduled at noon. We will resume after lunch with Mr. Glenn Edwards, executive director of the Absentee Shawnee Housing Authority.

I want to ask Mr. Halfmoon just one more question and it will just take a second—maybe two more questions.

Thank you very much, Mr. Stevens, for your very informative presentation.

Mr. Halfmoon; You mentioned, as did Mr. Motah, the problem with reservation Indians provisions in housing legislation. Can you give me some specifics on that where there has been denial to Oklahoma Indians because of some interpretation of this in the statute?

Mr. HALFMOON. No, sir, I could not give you any specifics, but this is one thing I have to, more or less, emphasize at this point at these national conferences again.

It seems to me that the people in Washington cannot differentiate between reservation Indians and nonreservation Indians. Of course, we have nonreservation Indians here in Oklahoma even though we have trust property.

And when he was addressing us—and if he is responsible to put out this handbook of which he was responsible and drafting a handbook originally, Mr. Joe Berstein of HUD, associate counselor of HUD, actually put out the first draft, or the drafts on Indian housing, as far as the mutual help program was concerned.

Senator BARTLETT. I think I understand your point.

Mr. HALFMOON. So he made some comment in there, sometimes that he couldn't differentiate and a lot of times he had a hard time interpreting him.

Senator BARTLETT. Well, I thank you very much. Earlier, I introduced Mrs. Richards who is with Senator Bellmon's staff but she was out of the room. Sara, will you stand up, please?

We are very happy to have you and thank you for your help.

And thank you, Mr. Seay.

We will recess until 1:30 p.m.

AFTERNOON SESSION

Senator BARTLETT. The afternoon part of our hearing will come to order.

Mr. Glenn Edwards, executive director, Absentee Shawnee Housing Authority. Mr. Edwards, we are happy to have you; proceed as you would like.

I would like to announce not only to Mr. Edwards but to others that our witness list is growing; we want to get all the inputs we possibly can. Our hearings were scheduled until five and we might be able to run over that just a little bit, but I think Mrs. Elbert has

a plane to catch in Wichita and we are going to fly her up there. We are going to have to leave somewhere in the neighborhood of 5 o'clock or maybe a little after. So, we will probably have a time limit on each witnesss.

Mr. EDWARDS. Thank you, Senator. Senator, I know a lot of the points, a lot of the detail points have been covered. You know, I attended the Muskogee meeting also, to better inform myself as to what was presented on behalf of the Five Civilized Tribes. I know at lot of detail points were considered, but this is kind of an effort on our authority's behalf to enlighten you, Senator Bartlett, to the fact that there are small housing authorities that do exist in the State of Oklahoma, and some of the critical problems we face, so I will start with that.

STATEMENT OF GLENN W. EDWARDS, EXECUTIVE DIRECTOR, ABSENTEE SHAWNEE HOUSING AUTHORITY

Mr. EDWARDS. Senator, please accept our sincere appreciation for all the past efforts you have made on behalf of the Indian housing authorities in the State of Oklahoma.

Senator, our authority was duly created pursuant to the authority of the Constitution and statutes of the State of Oklahoma including, particularly, the Oklahoma Housing Authority Act (68 OSA 242), and duly organized on the first day of January, 1966, on behalf of the Kickapoo, Pottawatomie, and Shawnee tribes of the Shawnee Agency area.

Since that time, our authority has received allocation of 25 units, January 14, 1970; 60 units, June 15, 1971; 100 units, June 28, 1972, which totals 185 units under annnual contribution contract. Of that total, we currently have 120 units completed with an additional 15 under construction and have the remaining 50 mutual help units in various stages of paperwork.

We are currently attempting to get our 1974 allocations under annual contributions and have run into many adverse time problems. Applications were submitted for 20 units of mutual help homes, June 17, 1974. Our authority received a program reservation, October 30, 1974. We advertised for bids and closed bids on December 17, 1974

Having selected our developer, preliminary plans were submitted. Our developer was approved by the HUD area office, April 4, 1974. Final plans and specifications were submitted to the area office for review and evaluation. Housing management has recommended 10 different items be added or corrected and knowing well these same house plans are being used for constructing units for the City Housing Authority of Shawnee, Okla.

This is a brief condensed effort to show you, Senator, how difficult it has been for our authority to get 20 units of housing to annual contribution contract—1 year and 1½ months—and still no contract.

Senator, our authority currently has 100 approved applications that obligate all the units we have under contract, as well as the 120 units in the pipeline from the Department of Housing and Urban Development, which leaves our authority with 298 applications that we are unable to serve for lack of units.

The absentee Shawnee tribe recently ran a survey on the social-economic condition of our tribe. It was found we have an unemployment rate of 18 percent and an underemployment rate of 29 percent, making a total rate of 47 percent.

These factors present the awesome fact that approximately one out of every two absentee Shawnee families need the mutual help housing program, or some type of Federal housing program to assist their housing needs.

I am sure the other two tribes that we represent housingwise are in the same situation, although I have no facts or statistics to add today.

Statistics provided by the Bureau of Indian Affairs, Department of Housing and Urban Development, the 1970 census and the Indian Health Service, we feel are very inaccurate when you consider these documented facts: That we have approximately 2,000 members enrolled in the absentee Shawnee tribe, approximately the same number for the Kickapoo tribe, with the Pottawatomie tribe having a total enrollment of 11,000 members plus.

Those factors alone make it very obvious that our housing needs are much greater than the BIA, HUD, 1970 census and the Department of Housing and Urban Development statistics reflect. It is our strongest recommendation, Senator, that new legislation must provide more mutual help housing for our people.

Senator, 1,250 units of Indian housing for fiscal year 1975 were allocated to the State of Oklahoma with only 200 units executed to annual contribution contract. As an Indian housing authority, we are very concerned with: Will the Department of Housing and Urban Development provide the balance of 1,050 units to the authorities of the State of Oklahoma, and will the same action affect the fiscal year 1976 allocations?

Senator, I have one last comment to make concerning the possible move of the Indian housing program from the Oklahoma City area office. Denver would be such a difficult distance to communicate and the Denver office, I do not believe, is familiar with Oklahoma's non-reservations problems.

The Dallas regional office really does not want to be concerned with our unique problems, which leads me to believe maybe the Interior Department would be our answer, even with the transition problems. But, I do believe the Oklahoma City area office has the qualified personnel to process our Indian housing needs if they were made available to the Indian program.

Thank you, Senator. If there are any questions, I will try to answer them.

Senator BARTLETT. Thank you very much Mr. Edwards. I will ask you the question I generally end up with first because you talked a little bit about the three agencies and departments involved, and I made some comments on it.

Which of the three, if all three continue to participate in the Indian housing program, do you think should be the lead agency?

Mr. EDWARDS. Well, at this time and point, with all the transition problems, you know, I think the Interior Department is really concerned with the housing effort, but I feel that with the transition prob-

lems we would have in the Interior Department would create a time delay.

But I really feel that HUD has the program under control if they would just make the program available to the Indian housing program.

Senator BARTLETT. Do you think that the whole program would improve if a task force concept were created in the area office of Oklahoma City?

Mr. EDWARDS. Very definitely. Maybe even the regional level.

Senator BARTLETT. Possibly the regional level?

Mr. EDWARDS. And have it tied in up in Washington.

Senator BARTLETT. Do you favor having the whole program in one agency?

Mr. EDWARDS. Yes; I do.

Senator BARTLETT. Which one?

Mr. EDWARDS. Probably the Interior Department.

Senator BARTLETT. You heard the discussion this morning on auditing and help in the field for preparing books and so forth—what has been your experience with auditing; what are your thoughts on this?

Mr. EDWARDS. Well, Senator, I have, you know, only been involved in the housing program for, well, it will be 2 years this coming December. Before that I was involved in various private industrial, for instance, commercial, residential building design.

And as far as the auditing situation, it is an important thing to our authority, but I feel that probably if they would allow us enough money to have a field auditing system, I believe that would definitely improve our accountability with respect to the Department of Housing and Urban Development.

But I can't see why the BIA has to come and audit the HUD program. It is beyond me. I feel like HUD should be responsible for this. But I don't know what came about in the agreements before I ever came about, but I presently have a fee accountant. We pay them out of a certain account for our authority.

Senator BARTLETT. Have you had an audit since you have been abroad?

Mr. EDWARDS. Yes; they were just completing an audit that ran through 1972 when I came on. Since then we have had no inquiries of, can we have an audit or how soon can we have one or anything like that.

Senator BARTLETT. Do you think your fee accountant is providing you with books that accurately reflect your financial status?

Mr. EDWARDS. Well, I don't feel like he really gives us—he is located in Dallas—and I really feel that the personal contact isn't there that we really require and it takes weeks at a time, you know, to get answers on the variables that we need onboard.

Senator BARTLETT. Are you set up in such a way that you can advise a participant in the program who is in a house just where they stand?

Mr. EDWARDS. As far as assistance that we have developed on our own behalf, HUD—everything that we develop is subject to HUD approval, so we have dealt with some of the HUD personnel who have, by the way, been moved to other offices, but we have developed a payoff schedule and in the event the person is concerned about what the balance is on his house we can give him a figure because we know

what we paid in development of those houses. We know exactly the exact amount as well as the administrative overhead.

Senator BARTLETT. You can give him an accurate figure?

Mr. EDWARDS. Yes; I can.

Senator BARTLETT. Do you check it out with HUD?

Mr. EDWARDS. Yes; Mr. Larry Mumford from HUD assisted us in developing this system but it just hasn't been approved by HUD or no one else.

Senator BARTLETT. Do you believe that HUD should give you approval of your system in writing?

Mr. EDWARDS. Yes; I think it's exactly and to the dollar of what each individual owes against that house.

Senator BARTLETT. I am not sure I understand you correctly. Do you think the program you are operating should be approved by HUD or do you think it has been approved by HUD?

Mr. EDWARDS. I don't feel like it's been approved but I feel like it should be approved.

Senator BARTLETT. And you would like to have the assurance that it was approved?

Mr. EDWARDS. Yes, sir, I really would.

Senator BARTLETT. Have you requested to have it approved?

Mr. EDWARDS. Yes; I have.

Senator BARTLETT. What kind of answer did you have?

Mr. EDWARDS. I have received no answer. They have been submitted to our particular processing for showing a participant that a payoff has been submitted to HUD but no response. As a matter of fact, the fellow that I submitted it to has gone on to the regional office.

Senator BARTLETT. Did you submit that in writing?

Mr. EDWARDS. Yes, sir, I did.

Senator BARTLETT. How long ago did you submit it?

Mr. EDWARDS. Approximately a year ago.

Senator BARTLETT. Mr. Halfmoon mentioned in his statement that they urgently need a HUD-prepared payoff formula, so apparently you received the formula from HUD but an unofficial one rather than an approved formula?

Mr. EDWARDS. Correct, yes.

Senator BARTLETT. Would you know whether a prepared payoff formula is part of the handbook that's under preparation?

Mr. EDWARDS. Well, from all the comments that I have had from the multihousing representative in the Department of Housing and Urban Development area office, he has informed us that all of these items will be covered in the mutual help handbook but I haven't seen a copy of the mutual help handbook and I can't say that it will be in there or not.

Senator BARTLETT. Mr. Seay mentioned earlier that there are in his opinion an ample number of fee accountants available—I believe he said or maybe I am thinking that he mentioned the same about monitors—but at any rate, why is it necessary for you to use one in Dallas? Not that I have anything against Dallas, but it seems like Dallas would be a considerable distance out of your normal traffic pattern, and I just wonder if you feel that that is a good arrangement to have the fee accountant that far away.

Mr. EDWARDS. Not really, but this particular accountant has always been involved in public housing and this is one of the main reasons I think—I have only heard of two, one in the State of Oklahoma and one in Dallas, that are familiar with Indian housing programs, and they handle a large bulk of the housing accountability files for all the various housing authorities in the State of Oklahoma, and they are located in Dallas.

Senator BARTLETT. But you only know of one fee accountant in Oklahoma who has had experience with public housing continually?

Mr. EDWARDS. Yes, that's correct.

Senator BARTLETT. OK. How much of a problem are you having with the participants understanding the contract?

Mr. EDWARDS. Well, when I first came on in December of 1974, participants continually came in questioning about various things concerning the program, things that they I don't believe were really informed of at the beginning of the program due to the fact I don't believe even the administrative heads of the housing programs then had any rules or guidelines and they were really concerned about misinforming the participants.

So, basically, what I did with each participant when they did come in, I tried to update them as to the current status of housing and the regulations, and I think probably you could justify this through the number of participants that are in our particular housing program.

But we do have a problem with the mutual help occupants' agreement as far as them being able to understand all the rules and regulations governing that contract.

Senator BARTLETT. Who do you think should be responsible for making certain that the participants in Indian housing are properly informed of what they are signing, what they are committing themselves to, that they fully know their responsibilities and also fully know what to expect from others?

Mr. EDWARDS. Well, I think it is a procedure situation. I think HUD should technically inform all the administrative and commissioner people involved in the housing program at that particular time.

There has been many turnovers of housing personnel extensively in the State of Oklahoma, and this creates an adverse problem because people generally that come in as commissioners or as directors aren't really that familiar with the rules and regulations. And HUD, if there is a change in personnel, I feel should be responsible for informing those people in the responsible positions at the LHA level as well as maybe even having participant hearings to let them actually see the problems the LHA actually has to live with.

Senator BARTLETT. In other words, you are saying that you think it is HUD's responsibility to see that the executive directors and the members of the housing authorities are informed and then it is in turn the housing authorities' and the directors' job to see that the individuals are eligible?

Mr. EDWARDS. Yes, sir.

Senator BARTLETT. You mentioned earlier I think the turnover in HUD. How has that affected you?

Mr. EDWARDS. Well, the realignment they had—I forget how long ago it was—if I am incorrect maybe a HUD official will correct me—I believe we had three housing representatives to represent all housing

in the State of Oklahoma. So, the realignment came about and they eliminated two of the housing representatives and designated only one. And, from what I understand, he is currently leaving and the person that they have replaced him with—this is an adverse comment against the person, I think he has good intentions but I don't believe he is familiar with the Indian housing process, and I feel that HUD has qualified personnel within their office that would assist the Indian housing program if they were given a chance.

Senator BARTLETT. What do you think needs to be done as far as HUD in Oklahoma properly providing the responsibilities of HUD to the Indian housing program? And I am referring to the question of whether you think additional staff needs to be involved; whether the staff that is utilized needs to be coordinated as an Indian task force specializing in Indian public housing; whether there is the desire of those who are operating to function in the Indian public housing area; whether the ones involved with whom you have contact are sufficiently knowledgeable of the differences that exist in Indian public housing as compared to other public housing?

What I am trying to do is have you answer me in a very broad way what changes you think need to be made in the delivery system of HUD in Oklahoma.

Mr. EDWARDS. Well, I think, Senator basically we need people that are concerned with the Indian people. When we don't deliver 20 houses in the time of 1½ years, really, what are we doing? I mean, we have got the need of 300 people down in our particular authority but yet we can't process a small amount of housing. And to me, we need somebody that is absolutely concerned with Indian housing, and I feel like the Indian people will have to provide that because I feel like they understand the housing situation.

Senator BARTLETT. What do you mean by that, "the Indian people should provide the service"?

Mr. EDWARDS. Well, I am saying that qualified Indian people that could hold a position in the area office that would be specifically concerned with processing Indian housing and had the power to make decisions.

Senator BARTLETT. Do you think, that additional staff are needed or just different staff?

Mr. EDWARDS. No, I think we need a different staff and additional personnel. Right now I think we have one representative and he has no staff.

Senator BARTLETT. You mean one representative in the HUD office?

Mr. EDWARDS. Yes; to oversee all the Indian processing systems, realty, costs, application.

Senator BARTLETT. But you have a number of other personnel who are involved?

Mr. EDWARDS. Yes; that are totally involved with other public housing also.

Senator BARTLETT. Do you think that there should be the task force concept where you have people who are specializing in Indian housing?

Mr. EDWARDS. Yes, sir, Senator, I do.

Senator BARTLETT. Is the one person who is involved with Indian housing only a coordinator, is that more or less his role?

Mr. EDWARDS. Yes; basically this concept, I believe. I think he gets all the necessary approval signatures on all the documents that the Indian housing authorities submit and then he in turn sends them to the authorities.

Senator BARTLETT. And, in your opinion, does he have the interest in the program?

Mr. EDWARDS. I believe so. I believe so.

Senator BARTLETT. Does he have the authority that you would like to see him have?

Mr. EDWARDS. No, sir.

Senator BARTLETT. And do you think he has enough staff?

Mr. EDWARDS. No, sir, I do not.

Senator BARTLETT. What other problems do you see in the delivery system?

Mr. EDWARDS. Well, I think we have kind of, you know, basically covered the problem in the delivery system of getting approval of every document that the housing authority has to issue in respect to the delivering the houses to people that need them.

Senator BARTLETT. You may recall that yesterday there was concern expressed by several directors that they probably operated illegally but in an approved way and had difficulty operating development personnel without the funding to do the work that is necessary for a new project. Then at such time as the project would be funded and approved they then would be able to pay for whatever they had already done.

I think in the cases I can recall they were talking about mostly low rent housing and not mutual and self-help housing. Do you have that same problem in self-help housing? I think it was mentioned by someone this morning—that perhaps the rules should bend a little bit. That is not completely unusual in Government programs. Sometimes the rules aren't very easy to follow and get the job done.

But, are there areas where the rules are cumbersome and difficult; where they could be improved, or where you are required to operate illegally to get the job done; or where it is very difficult to go from one stage of development to another because of inadequate funding?

Mr. EDWARDS. Senator, I don't know whether I am, you know, getting you question correctly, but I have a situation before me now where our authority went out and purchased 33 acres of property in order to develop for housing. And I believe we have had this particular 33 acres for something like 3 years. And only since the time that I have become associated with an authority I have been able to accomplish getting the necessary preliminary site approved for this particular site.

Three years have been lost in planning and attempting to get houses on this particular tract. And I don't know the reasoning behind it, but apparently from what I heard, the housing authority did not get approval to purchase this particular site. The authority at that time made judgment that it would be a good site and today I still contend that it is a good site.

Senator BARTLETT. Have you been told that it is not a good site?

Mr. EDWARDS. No, sir, I have not, and it was only recently, the first part of this year, that I was told that the site was approved.

Senator BARTLETT. Oh, you say the site was approved?

Mr. EDWARDS. Yes, after, you know, time delays, for no particular reason other than us not submitting preliminary site requests.

Senator BARTLETT. I guess I am a little mixed up. What is the problem that you are having?

Mr. EDWARDS. Well, we did attempt to have a project in line with the 33 acres, but due to the time delays we did not accomplish getting the necessary Indian health facilities up to the site and we experienced time delays in their behalf because they would not commit any money because HUD had not approved the site. And then HUD asked us, well, if you can get Indian Health Service approval, then we will come in and approve the site.

Senator BARTLETT. Has the site now been approved?

Mr. EDWARDS. Yes, sir, it has. And we are presently in the process of trying to line up a project for the 33 acres.

Senator BARTLETT. What are the problems you are having in coordinating with Indian Health Service and BIA that you have not mentioned?

Mr. EDWARDS. Well, the concept of our authority is to build housing out on the Indian property, and we have to process all realty problems through the Bureau of Indian Affairs concerning trust property.

But there is also a lack of funds to be able to construct units if there is an Indian Health Service rejection to the site. For instance, if a percolation doesn't test out or we don't get good water.

But, what I am saying is that we need more money provided for the sand filter system as well as the lagoon system so that we can go ahead and construct on the Indian trust property.

Senator BARTLETT. Is their lagoon system an open system?

Mr. EDWARDS. Yes, sir, it is. And from what I understand, it has become a State regulation that we are required to go to an open lagoon system.

Senator BARTLETT. Is that by the State health department?

Mr. EDWARDS. I don't—well, the source that I got it from is the Indian Health Service.

Senator BARTLETT. What functions in the whole process seem to function best? Where does the delivery system work best and where does it work the worst?

Mr. EDWARDS. Senator, I have yet to experience a good situation in the 2 years that I have been involved in it.

Senator BARTLETT. You mean there is not one part of the delivery system that delivers promptly its function, approval, or disapproval?

Mr. EDWARDS. Probably the operating budget would have to be the best. We do receive prompt reply to the approval of our operating budget.

Senator BARTLETT. By whom?

Mr. EDWARDS. By the regional office.

Senator BARTLETT. How long did that take?

Mr. EDWARDS. I think that took a period in excess of 30 days. This was a revised budget.

Senator BARTLETT. So, you would consider, compared to what you are receiving in response, approval, or disapproval of a program in 30 days would be shooting a birdie or par?

Mr. EDWARDS. Very definitely.

Senator BARTLETT. All right. Now, how about answers to correspondence? Do you get answers normally within a couple of weeks on questions? How does that work?

Mr. EDWARDS. Well, It varies depending on what we submit. But some of the easy things that I think would be easy to take care of, for instance, to send in a preliminary site inspection over to the area office—I don't understand what their system is now, but I only recently submitted six preliminary sites, valuations, I received one back. And I believe we submitted those in March of this year and——

Senator BARTLETT. Is there any problem of knowing who to contact to try to speed those up?

Mr. EDWARDS. Well, generally, when I really have an adverse problem and there is nothing being done, I talk to Robert Breeden.

Senator BARTLETT. Then what happens?

Mr. EDWARDS. Well, I talked to him the other day concerning a site that we are trying to negotiate with urban renewal in the city of Shawnee, and he informed me that at that time all I was to submit was a letter from our developer saying that he would be able to meet the minimum property standards on the grading of the site. We submitted that and we haven't received a site approval yet on that particular tract.

Senator BARTLETT. Did you do that after you talked with Senator Breeden?

Mr. EDWARDS. Yes, sir, it was up there the following day and this was something like 2 months ago.

Senator BARTLETT. So, you fulfilled what you felt was a requirement and that didn't work either?

Mr. EDWARDS. No, sir, I went ahead and bought the tract.

Senator BARTLETT. OK. Well, I really appreciate very much your comments, Mr. Edwards, and I am sorry we are out of time. Thank you very much.

Mr. EDWARDS. Thank you, Senator.

Jo Ann Hall, with the Sac and Fox Housing Authority, is the next witness. Jo Ann, what is your position?

STATEMENT OF JO ANN HALL, EXECUTIVE DIRECTOR, SAC AND FOX HOUSING AUTHORITY

Ms. HALL. I am the director of the Sac and Fox Housing Authority.

Senator BARTLETT. All right. Would you proceed as you desire.

Ms. HALL. I am going to echo more or less some of the comments that Mr. Edwards has made.

Our authority is mostly concerned also with the HUD delivery system. There seems to be a great deal of time lost with processing required paperwork through the present routing system.

Development budgets have taken months to be processed through the area office before going to the regional office. There seems to be a breakdown within the HUD area office with the various HUD personnel.

Our authority attempts to follow the HUD directive as closely as possible in order to operate within HUD guidelines.

And our authority would very much regret having to operate through the Denver region. All of us would have a greater benefit if an Indian housing authority branch could be established within the

HUD area office in Oklahoma City staffed with personnel to handle our paperwork that is required rather than going through personnel who are involved in community development and other public housing.

Senator BARTLETT. Would you like to have that headed up by a person who would have the authority to solve any problems that would occur in the processing of papers, applications, requests, within the HUD organization?

Ms. HALL. Yes.

Senator BARTLETT. Would it be good to have someone who even beyond that could resolve, perhaps coordinate but resolve also, or take it to the proper positions where it could be resolved between the agencies?

Ms. HALL. Yes, very much. That is really about all I have to——

Senator BARTLETT. Go right ahead. I didn't mean to cut you off.

Ms. HALL. No, that's all that I have.

Senator BARTLETT. All right. Ms. Hall, I think you sent us a copy of a letter——

Ms. HALL. That's right.

Senator BARTLETT. That you wrote to Senator Breeden. How long ago was that?

Ms. HALL. That was just last week that I sent the letter.

Senator BARTLETT. Oh, I see, you sent the letter last week.

Ms. HALL. That's right.

Senator BARTLETT. You haven't heard from him yet?

Ms. HALL. No, I haven't gotten a letter back.

Senator BARTLETT. What are the main problems that you have experienced in the delivery system, not only with HUD but with all the participating governmental departments?

Ms. HALL. Well, mostly, seems like paperwork seems to get lost. We are told we have to have a certain item, we do our best to get it available as soon as possible and to the HUD office, and it is misplaced or mislaid or someone is waiting for someone else to——

Senator BARTLETT. Is there much difficulty in your knowing what you are required to do in getting at it?

Ms. HALL. Sometimes.

Senator BARTLETT. Would you expand on that a little bit?

Ms. HALL. Well, seems like regulations change sometimes and we don't always receive notification of those changes. Just recently on a—this doesn't have anything to do with a regulation change—but there is a breakdown with the personnel between themselves on this preliminary loan contract that it was a part of our application for 50 units of housing and——

Senator BARTLETT. Now, is that a preliminary loan for the purpose of developing the projects?

Ms. HALL. Yes.

Senator BARTLETT. Is that loan approved in time to do the development? Is there any problem with the approval of that loan?

Ms. HALL. Yes.

Senator BARTLETT. What kind of a problem?

Ms. HALL. Well, the person in the legal section apparently didn't realize that he was to start processing the preliminary loan contract, and this is the breakdown I was mentioning earlier within the HUD office with personnel.

He received a letter, a program reservation being made to our authority for the 50 units, and this is supposed to trigger him to prepare the contract and have it sent to our authority for our board to pass, and I was told that he did not realize that he was supposed to do this.

Senator BARTLETT. How did he find out what he was supposed to do?

Ms. HALL. Well, I wrote my letter to Mr. Breeden and then I went up just the other day to visit and we all had a conference and this came about. That's when he found out.

Senator BARTLETT. That's when this came out?

Ms. HALL. Yes.

Senator BARTLETT. How long a delay had there been?

Ms. HALL. Over 30 days, from the time it was promised verbally to me.

Senator BARTLETT. Do you know what an ombudsman is, a person you are supposed to go to to find out how to solve a problem, or who solves problems? I guess Mr. Breeden is the ombudsman of HUD then.

Ms. HALL. Yes, sir. Sometime I don't think Mr. Breeden is aware that these problems exist until they are brought to his attention.

Senator BARTLETT. Have you received the preliminary loan contract?

Ms. HALL. No, I haven't.

Senator BARTLETT. How long ago was the meeting with Mr. Breeden?

Ms. HALL. It was just last Tuesday.

Senator BARTLETT. So you wouldn't expect to receive it this soon?

Ms. HALL. No.

Senator BARTLETT. What other kind of problems have you experienced?

Ms. HALL. Well, similar to what Glenn had said, Mr. Edwards, about the preliminary site inspection. We are required to fill out a form and to send it in to have every site that we expect to purchase be approved through the HUD office. And they are limited to their travel funds and sometimes it takes 3 to 6 months at times to get a site approved. They may sometimes lose the site, the seller will back out.

Senator BARTLETT. Do they say that the travel allowance is the reason that they haven't made the inspection?

Ms. HALL. No, I haven't been told that directly but that's the reason. I have just overheard comments on that.

Senator BARTLETT. What kind of delays are you talking about, 3 months, did you say?

Ms. HALL. Sometimes, 3 to 6 months.

Senator BARTLETT. Three to 6 months. This would be an approval or a disapproval of a preliminary site inspection?

Ms. HALL. This is a preliminary approval of the site so that you can submit it for appraisal.

Senator BARTLETT. Oh, I see.

Ms. HALL. Then it has to be appraised and that takes over 3 to 4 months.

Senator BARTLETT. So you have a 3 to 6 months delay would that be the average?

Ms. HALL. I would say 3 months.

Senator BARTLETT. Three months would be the average range of the preliminary approval?

Ms. HALL. That's right.

Senator BARTLETT. And then for the appraisal, it's another how many months?

Ms. HALL. Three months.

Senator BARTLETT. Three months on the average.

What do you feel are the problems with the delivery system as far as HUD is concerned? Additional staff?

Ms. HALL. Yes; I think they need additional staff definitely, but I don't feel like a lot of their personnel are really concerned with the Indian housing program at all. There are other things that they would rather do.

Senator BARTLETT. Do you think it is a matter of preference, or do you think it is a matter that apparently Indian housing is more time-consuming than public housing?

Ms. HALL. I don't know what is involved with the other part of their programs but I feel like it is lack of concern.

Senator BARTLETT. Lack of interest, lack of concern?

Ms. HALL. That's right.

Senator BARTLETT. Are the personnel with whom you have contact knowledgeable about the function that they are supposed to take with the exception of the one-man authority mentioned?

Ms. HALL. There are some that are experienced in the procedures we have to follow, such as the management and what-have-you, but I don't feel that they are experienced in our problems and with mutual help because it is unique and different.

Senator BARTLETT. Would you rather see a different lead agency than HUD if the present three agencies continued handling Indian housing?

Ms. HALL. No; I wouldn't I would rather it stayed with the HUD office. I would feel that we would lose a lot of time in transition.

Senator BARTLETT. And you would like to see the Indian task force you mentioned?

Ms. HALL. That's right. I feel that would be best.

Senator BARTLETT. Would you rather that, than have the entire program in the one agency such as HUD?

Ms. HALL. I am sure it would be better.

Senator BARTLETT. Have it all in one agency?

Ms. HALL. Yes.

Senator BARTLETT. Which agency would you prefer?

Ms. HALL. Prefer HUD.

Senator BARTLETT. What thoughts have you on bookkeeping and auditing?

Ms. HALL. We have the same fee accountant that Mr. Edwards has, and Jack Caster in Dallas, Tex., and I definitely feel like a field accountant to help the authorities is very much needed. One of the main reasons is also, because, like he mentioned earlier too, there is in some authorities a great changeover in personnel with new commissioners and that they need to be aware of procedures to follow, and I think it would be of benefit, a great deal, if there was a field accountant.

Senator BARTLETT. When did you have your last audit?

Ms. HALL. I believe it was in late 1972.

Senator BARTLETT. Is that the only audit that your housing authority has had?

Ms. HALL. I believe it is.

Senator BARTLETT. How often do you think there should be audits?

Ms. HALL. Every 2 years.

Senator BARTLETT. Do most of the board members also want an audit of your housing authority?

Ms. HALL. I imagine that they would.

Senator BARTLETT. Do you have, through your fee accountant or through your own information, the necessary financial information to apprise yourself of where you stand and also inform the people in the mutual help housing unit?

Ms. HALL. On the payoff for a unit?

Senator BARTLETT. On anything that may come up, either your own operation in the construction stage or the individual's payout request.

Ms. HALL. Before Mr. Edwards worked with Mr. Mumford in HUD to work up the payoff I was not aware of any way to fix up a payoff and had asked Mr. Caster to send me what he thought would be the best procedure to follow and he noted at the bottom, "There is no approved HUD payoff system," and I had no knowledge of it until Mr. Edwards informed me of what they had come up with.

Senator BARTLETT. Are you using the same system that Mr. Edwards is using?

Ms. HALL. Yes.

Senator BARTLETT. But you have never had that really checked?

Ms. HALL. No.

Senator BARTLETT. So that is sort of an unofficial HUD payoff formula?

Ms. HALL. That's right.

Senator BARTLETT. How badly do you feel that a directory or Indian housing manual is needed?

Ms. HALL. I feel that it is needed very desperately.

Senator BARTLETT. Have you or your authority put out any written materials at all in the form of programs?

Ms. HALL Information sheets?

Senator BARTLETT. Yes; such as that.

Ms. HALL. We have prepared information sheets and we mailed them to all of our people living in homes and we give them to each applicant when they come in to apply for a home.

Senator BARTLETT. What information is included in that?

Ms. HALL. It starts with how the mutual help process was established and what the income limits are and what the participant's responsibilities are in the construction stages of his home, and also how his payment is broken down and how it is used.

Senator BARTLETT. What are your income limits?

Ms. HALL. For a one-person I believe it is $4,200, for two people, $5,600.

Senator BARTLETT. Is it just the one figure or range?

Ms. HALL. It ranges between one person to ten persons and graduates—I'm sorry, I can't give you the exact figures.

Senator BARTLETT. Could you send us a copy of that information.

Ms. HALL. Yes.

Senator BARTLETT. I might ask the other directors who are here if they would do likewise and send us a copy of any information sheets they have and also the income requirements.

What has been your experience on this self-help part as far as the person or persons doing the work on time?

Ms. HALL. Well, it is a problem to a certain extent but we have a good share of our people that meet their mutual help contribution, they put in their work hours, sweat equity, but there are cases where there is a problem in having a participant meet his responsibility.

Senator BARTLETT. What do you do when somebody doesn't meet his responsibility in the project?

Ms. HALL. We withhold the keys to his house until he meets the mutual help requirement.

Senator BARTLETT. Can he meet it on some other house in some other way?

Ms. HALL. Yes, he works on some other houses, or maybe he plants grass or does landscaping, shrubbery, hauls off trash for other participants, that sort of thing.

Senator BARTLETT. What is your delinquency rate?

Ms. HALL. It is under 10 percent now.

Senator BARTLETT. What was it when it peaked out?

Ms. HALL. I think about 27 percent.

Senator BARTLETT. What year was that?

Ms. HALL. That was over a year ago.

Senator BARTLETT. What did you do to reduce it, or what more did you do?

Ms. HALL. We have a good communication. After the 5th we send out reminders, after the 10th we send out another notice, after 30 days we file in small claims court.

Senator BARTLETT. To your knowledge, just generally speaking, do the other housing authorities follow a similar program?

Ms. HALL. Many of them do.

Senator BARTLETT. And have most of them started those within the last year?

Ms. HALL. I think some of them did, yes.

Senator BARTLETT. What is the total amount of payment that you should receive each month or year, whatever you might have in your mind?

Ms. HALL. Do you mean the monthly payment, the maximum and the minimum, or——

Senator BARTLETT. No, I mean, just what would the monthly payment be for the housing projects?

Ms. HALL. In average?

Senator BARTLETT. No, in total dollars. The total dollars or the average, either one.

Ms. HALL. Are you talking about participants' payment?

Senator BARTLETT. Yes. How much is owed each month?

Ms. HALL. Nine hundred—you mean delinquency?

Senator BARTLETT. No.

Ms. HALL. Total income?

Senator BARTLETT. What is the total income?

Ms. HALL. OK. About $1,300 a month.

Senator BARTLETT. What should the total income be? How much is delinquent?

Ms. HALL. Well, $1,300 is the rents that are assessed.

Senator BARTLETT. OK.

Ms. HALL. But last quarter we were delinquent about $900. I believe that's right.

Senator BARTLETT. You mean $900 came in or $900 delinquent?

Ms. HALL. Delinquent.

Senator BARTLETT. That would be a lot more than 9 percent?

Ms. HALL. Well, maybe my figures aren't right. I can send you a copy of my last report.

Senator BARTLETT. OK. The reason I was asking about figures, one of the other directors felt that sometimes a percentage figure might be misleading. In other words, a person might be just behind $1.00, be delinquent, whereas the dollar amounts are important as well as the percentage, although I think probably both of them are important.

Ms. HALL. It is over $3,000, is what our rents are, instead of $1,300.

Senator BARTLETT. I see. Is the $900 delinquency of last month high?

Ms. HALL. The biggest portion of this $900 are two accounts that are delinquent, ostensibly——

Senator BARTLETT. That is an accumulative figure?

Ms. HALL. Yes.

Senator BARTLETT. So, in other words, your total delinquency is $900 current?

Ms. HALL. That's right.

Senator BARTLETT. All right. Now, what has happened when you have gone to the small claims court?

Ms. HALL. Well, usually we don't have to go to court.

Senator BARTLETT. You just file?

Ms. HALL. We file and they usually come in and pay the amount.

Senator BARTLETT. Have you had any evictions?

Ms. HALL. No, we haven't.

Senator BARTLETT. Do you anticipate that you will have?

Ms. HALL. Yes. We have one family who we finally have been able to contact and I feel like we will have to evict them. But they have the chance to come in and meet with the board and it is up to the board, of course, to decide on whether or not we will allow them to remain in their home. We hope they will come in with the cash and from now on keep their payment current.

Senator BARTLETT. What is the quality of construction?

Ms. HALL. I think we have excellent quality.

Senator BARTLETT. What is the quality of maintenance?

Ms. HALL. I think it is very above standard. I think most of our people take very good care of their homes. We have a very small percentage that don't.

Senator BARTLETT. The individual is responsible for the maintenance?

Ms. HALL. That's right.

Senator BARTLETT. How is the maintenance monitored?

Ms. HALL. We visit with them occasionally but we——

Senator BARTLETT. Do you have a regular routine on maintenance?

Ms. HALL. No, we don't. We are trying to establish something where we can visit more often but it is hard to find the time and the——

Senator BARTLETT. Who does the visiting?

Ms. HALL. Sometimes I do and we have an inspector who works with the authority full time.

Senator BARTLETT. How often do you think they should be inspected?

Ms. HALL. Maybe once a year.

Senator BARTLETT. Now, you have, I assume, a very detailed inspection prior to turning over the keys?

Ms. HALL. That's right.

Senator BARTLETT. Is there anything else you would like to provide?

Ms. HALL. No, sir, Thank you.

Senator BARTLETT. Ms. Hall, thank you very much. I appreciate your testimony.

[Subsequent to the hearing the following information was submitted.]

SAC AND FOX INDIAN HOUSING AUTHORITY OF OKLAHOMA,
Shawnee, Okla., August 11, 1975.

HON. DEWEY BARTLETT,
Russell Office Building,
Washington, D.C.

Dear Mr. BARTLETT: As discussed at the hearings held in Anadarko, Oklahoma on August 7, 1975, we transmit herewith a copy of the information Sheet that is given by our office to each person applying for Mutual Help housing with our Authority. This sheet contains various sources of information which gives the participant a better understanding of how Mutual Help Works.

Also enclosed are copies of Reports of Tenants Accounts Receivable for the last two quarters of this year. At the time of my testimony, during the hearing last Thursday, I gave incorrect figures with respect to these reports. We have in the past year lowered these percentages by a considerable degree.

Our Authority now has 133 houses in occupancy and 74 houses under construction. We have a Program Reservation for an additional 50 units, and have just recently advertised for bids on these 50 units. As things now stand, these 50 units may, in all probability, be the last our Authority will be assigned. The future is very uncertain beyond 1976. We have on file, over 200 applications for housing (and receive additional applications each month)—we are quite concerned with being able to provide houses when we know of only 50 additional units being made available.

Our tenants seem well pleased with the construction of their homes. Of course there is always room for improvement. The square footage of living space is limited and could be increased.

As I stated in Anadarko, our Authority would very much regret being forced to operate through the Denver HUD Office, mainly because of the distance from Oklahoma and because we believe processing of required paper work would be even further delayed due to our being, more or less, imposed on that office.

Even though we have had many delays as a result of what seems to be an indifferent attitude by the HUD area office personnel, we would rather remain with that Agency than change to the Department of Interior—if it is possible to improve upon the present HUD system—by the establishment of an Indian Branch within the area office, staffed with sufficient personnel who are experienced in Mutual Help housing.

One item changed by HUD in the processing of units, which has caused a great distress to Housing Authorities is the amount of time involved before reaching the stage of signing the Annual Contributions Contract. The signing of the ACC enables the Authority to sign the Contract of Sale with Developer, and begin construction. In the past, the Authority, once having received HUD's approval of a development program, was issued an ACC. After which, the Authority advertised for bids; received HUD's concurrence of the developer; approval of plans and specifications; negotiated and signed the contract with the developer. Now, it is necessary to advertise for proposals; receive HUD's concurrence of the selected builder; receive HUD's approval of the plans and specifications; hold negotiations at HUD; submit a development program and if approved by HUD, an ACC is issued. Ten months to one year may be involved. It is quite difficult to explain to a family, who has dire need for housing, why it takes so long before their houses can be built. I do not know if it is possible to change the procedures involved, but if each could be expedited, instead of delayed, surely we could reach ACC at an earlier date.

Thank you for giving the Indian Housing Authorities of Oklahoma an opportunity to express the frustrations we experience in trying to obtain decent homes for our people, and our hopes for a brighter future.

Sincerely yours.

JO ANN HALL,
Executive Director.

Enclosures.

MUTUAL HELP INFORMATION SHEET

1. In hopes of rendering every possible assistance to those families in need of a decent, safe, and sanitary home, the following information is furnished.

Question. How did the Mutual-Help program come into being, and under who's control does it exist?

Answer. The Mutual-Help concept was intially made possible by the enactment of a program for the citizens of Puerto Rico. Following the passage of Acts by the Congress, the branch of our government responsible for carrying out and implementing the provisions of the Act, analyzes the Act, and then writes implementing regulations. During, or sometime after, the analysis of this Act someone discovered that the program could be made available to others, and in particular for Indian Tribes. The program was first applied by the Indian Tribes in the Littleton, Colorado, area. However, under the Federal Housing Act, Oklahoma was not eligible for assistance due to the fact that the Federal Act stated that a State had to first pass what is termed an "Enabling Act."

Oklahoma, unfortunately, did not pass an enabling act until 1965, and was not effective until early 1966. Then, and only then, could the Indian Tribes of Oklahoma initiate the programs for eligible Indian families of their area of operation. The Oklahoma Act established a Housing Authority within each Tribe or Band, and provided for the Tribe's Governing body to appoint five (5) persons to serve as Commissioners of the Housing Authority and carry out the provisions of the State and the Federal Housing Acts. The five Commissioners serve without pay, and for a term of three (3) years. They may be reappointed again and again, and can only be removed from the Board (except at end of term) for a cause—that is to say if the person failed to do his duty in a sincere and proper way. The Commissioners of an Authority are the Governing Body—that is to say they set the rules under which the program is administered, and serve to insure that each applicant is afforded an equal and fair opportunity to participate in the programs available through the Housing Acts. All Housing Authorities in the State of Oklahoma are Agencies of the State (Not Federal Government) and are governed accordingly.

Question. Who is eligible for a Mutual-Help Home?

Answer. A. There must be a family, and under the Housing Act a family has been defined as: (1) Two or more related persons living together; (2) An elderly person 62 years of age or older; (3) A person handicapped or disabled in the terminology of the appropriate Section of the Social Security Act.

B. Have a need for a decent, safe, and sanitary home, and not be able to acquire one under other programs without creating a financial hardship.

C. Have an annual income of no more than:

Number in family:	*Gross income*	Number in family—Continued	*Gross income*
1	$5,000	6	$7,750
2	5,750	7	8,125
3	6,250	8	8,500
4	6,750	9	8,750
5	7,250	10	9,000

(Certain income is not counted. The best method to determine what is to be counted is to take that income that you pay taxes on your Federal Income Filings each year.)

D. Agree to certain terms with the Housing Authority—Generally these are: (1) To live in the home; (2) Take care of it; and, (3) Make monthly payments to the Housing Authority based upon your income and number of dependents residing in the home. These are general terms, yet basically they stipulate the agreement. Briefly, you agree to a fair and equitable arrangement, to be honest, and do your best to provide a decent home for your family within the limits of your ability.

Question. How is the home paid for, when is it payed out, and when is it deeded to the participating family?

Answer. The Annual payments are made by the Federal Government in behalf of the participant each year until the debt is paid in full. The monthly payments that this participant (occupant) makes are broken down and part goes to pay: Taxes to the Local Government; Insurance; other local administrative cost;

and, the remaining amount is set up in an account until there is an amount equal to one full years' house payment, and then it is paid on the debt which in turn shortens the number of years before the home is paid out. Keep in mind that the Federal Government is making the payment each year from the Government funds (not yours) and will continue each year until the home is paid out. The money that the participant payed only shortens the years by whatever number that his payments accumlate to. For example, say Mr. & Mrs. Joe Fox were paying $40 per month on a 4 bedroom home. Then approximately one half of this would go for Insurance, Taxes and other local administrative cost, and the balance would be set aside until the total set aside amounted to one full year payment. Currently it would take about $2,000 to make the annual debt. Therefore, Mr. Fox would pay $240 per year into an accumulating fund and in a little over 8 years he would have enough to chop off one year debt against his home. Thus, based on the current cost of construction (July 15, 1974) and the interest on borrowed money, Mr. Fox would have clear title to his home in 16 years. This means Mr. Fox would have actually paid the annual debt on his home twice, and the Federal Government paid it sixteen times, or the debt was paid in 18 payments:

Federal Government 16 payments of $2,000 equals	$32,000
Mr. Fox 2 payments of $2,000 equals	4,000
Total cost, plus interest	$36,000

One of the many good things about the Mutual-Help program is a seemingly complex means of obtaining a good home that really works no matter what the initial cost may be. For example, in the beginning stages of the program in Oklahoma some of the Tribes were getting homes built, (1969) for under $10,000 for a 3 bedroom home, where today that tribe is paying $15,000. However, in the two cases the participant would pay the same monthly payments whether his home cost $10,000 or $15,000.

Question. Who has title to the home?

Answer. The Title to the home and the building site (some sites are on long term lease) remains in the name of the Tribal Housing Authority until the debt against it is paid off. The property is under mortgage to the Federal Government. The participant (occupant) is living in the home under an agreement between the Housing Authority and the participant (occupant), which states in brief terms that provided the participant remains in the home, keeps it up, makes his monthly payments, that when the debt has been paid the property shall be deeded to the participant free and clear of all debts and controls.

Question. Suppose a participant wants to move from the area and could no longer occupy his home or, the family breaks up someway?

Answer. The participant has an interest in the home on the day he moves in. Some have more than others. The amount of interest (which is often called "Equity") one has depends on how much value he and his family contributed toward the initial cost. Some participants furnish the building site, plus they contribute the required labor in the building of the home. In the case of one furnishing the site, the amount he had in equity might be anywhere from $300 to $3,000 more than the participant who only performed labor. In addition to the initial equity the participant's equity is each year increasing and the Federal Government has made the annual debt payment for him, plus he has probably paid in some above the administrative cost. Therefore, the interest builds up each year. The interest, or equity, that one has, is owned by that participant, or his heirs should he die. Therefore, it is a right to property and would be handled about like a purchaser of a conventionally financed home.

If the participant wanted to move. He could do one of two things.

(1) He could find someone who met the qualifications of a Mutual-Help participant and get this party before the Authority as one to assume the present occupant's position in the home, and he may sell his interest to this party or give it to him as he sees fit.

(2) If he cannot find a person eligible, or one that can afford to purchase his equity, he may sell out to anyone who has the financial ability to pay off the entire debt against the home.

If the participant should die, then his interest would be handled much the same way as it would if he were buying through a local bank or Savings and Loan

office. If he had a will in effect then the will would tell who gets his interest, if not, then it would be part of the estate that the courts would rule on. If there was a surviving spouse then in most all cases the spouse would at least be able to remain in the home. Should there be no spouse, then the heirs would have to meet the requirements of a participant before they could occupy the home. If they did not, then they would have to sell to a party that did, or pay off the entire debt.

Question. What type home, and what size will the participant be entitled to?

Answer. The Housing Authority's Board of Commissioners are charged with the responsibility of providing each qualified applicant with a decent, safe, and sanitary dwelling, adequate to meet the needs of the family, and in so doing insure that the home is within the income limits of the eligible applicants. Thus far the Authority has been able to provide a brick veneered home, with central heat, modern convenience, with a carport and storage room. The size of the home each applicant will receive is based on the number of eligible dependents who reside with the family head (applicant) and the age and sex of the dependents. Generally the following will apply:

A. Husband, wife, two boys, and two girls would receive a three bedroom home having approximately 1000 square feet of dwelling space.

B. Husband, wife, three boys, and one girl (depends on age) would very likely receive a four bedroom home having approximately 1200 square feet of dwelling space.

C. Mother, three sons, and one daughter would likely receive a three-bedroom home.

D. Good guide to follow is: One bedroom for Husband and Wife and one for each two children of the same sex. For example, Mother (with no husband) and one daughter, and three sons would be entitled to a three bedroom home. However, if there were two daughters, then this family would required a four bedroom home.

Question. What restrictions does the participant incur in respect to enjoyment of the home, the upkeep, and alterations.

Answer. The Housing Authority's Board of Commissioners want you to live in the home as any private citizen would expect to do under the rights afforded a citizen of this country. The agreements you will enter in assures the participant of that right. However, since the Title to the property remains in the name of the Authority and is mortgaged to the Federal Government, the Authority must exercise a certain amount of control. For example: The participant cannot alter the home without first obtaining permission from the Board. Any requests for alternations that would improve the value of the home would certainly be approved. However, an alteration that would tend to decrease the value, or alter the intended use of the home would very likely to be disapproved. The participant agrees to keep the home and grounds in good state of repairs, and at least once a year a representative of the Board will visit the home to assist the occupant in any maintenance problems, and to inspect for any defects that might develop. This visit should be of great help to the occupants, and therefore be a welcomed occurrence. The participant should never hesitate to call on the Authority's staff for assistance on any matter, and should keep a record of problems encountered so that during their next visit to the Authority's office, or when visited in their home they might advise the Authority of the problems they have found.

Question. What about insurance and taxes?

Answer. The Housing Authority maintains an insurance policy in force which covers any loss to the home and to any contents that were put there by the Authority. The coverage has a $100,000 deduct, therefore if damage does occur the first $100.00 would have to be the responsibility of the occupant. The taxes are paid by the Housing Authority. The cost of these two items are part of the monthly payments made by the participants. So that full benefit of the Insurance coverage can be achieved, the occupant should immediately notify the Authority staff, and follow up the notice in writing. Do not attempt to make repairs, except temporary emergencies, until the Insurance Company representative has told you to do so. Remember, the policy the Housing Authority carries *does not* cover the participant, his dependents, nor their personal property. Therefore the participant needs to consider his needs for insurance coverage and take such steps as he deems necessary.

REPORT OF TENANTS ACCOUNTS RECEIVABLE

Local Authority HOUSING AUTHORITY OF THE SAC & FOX INDIANS OF OKLAHOMA

Locality SHAWNEE, OKLAHOMA Quarter Ended MARCH 31, 1975

Project No.(s) OKLA. 90-1, 90-3, & 90-4 No. of Dwelling Units 123

No. of Tenants in Possession (Last Day of Current Quarter) 123

Total Charges to Tenants (Last Month of Current Quarter) $3,661.00

Accounts Receivable	End of Current Quarter: Number of Accounts (1)	End of Current Quarter: Aggregate Amount (2)	Last Report: Number of Accounts (3)	Last Report: Aggregate Amount (4)
1. Tenants in Possession:				
(a) One Month or Less	5	$ 77.75	10	$ 226.75
(b) Over One Month	9	950.00	6	740.00
(c) Sub-Total	14	$ 1,027.75	16	$ 966.75
2. Vocated Tenants Accounts	-0-	$ -0-	-0-	$ -0-
3. Total Tenants Accounts Receivable	14	$ 1,027.75	16	$ 966.75

4. Collection Loss	
(a) Charged to Loss this Period	$ 288.00
(b) Charged to Loss this Year to Date	$ 288.00

5. Percentage Analysis – Accounts Receivable of Tenants in Possession:	
(a) Percent of Accounts Delinquent	11 %
(b) Percent of Amount Delinquent to Total Current Charges	27 %

General Comments: (Explain any circumstances causing a worsening collection record and corrective measures being taken)

PREPARED BY	Norma J. Elephant Name	Bookkeeper-Clerk Title	April 8, 1975 Date
APPROVED BY	Jo Ann Hall Name	Executive Director Title	April 8, 1975 Date

HUD-

Local Authority HOUSING AUTHORITY OF THE SAC & FOX INDIANS OF OKLAHOMA

Locality SHAWNEE, OKLAHOMA Quarter Ended JUNE 30, 1975

Project No.(s) OKLA. 90-1, 90-3, 90-4, 90-5, & 90-6 No. of Dwelling Units 133

1. No. of Tenants in Possession (Last Day of Current Quarter) 133

2. Total Charges to Tenants (Last Month of Current Quarter) $4,170.00

Accounts Receivable	Rental & Equity Payments End of Current Quarter Number of Accounts (1)	Rental & Equity Payments End of Current Quarter Aggregate Amount (2)	Charge-Backs End of Current Quarter Number of Accounts (3)	Charge-Backs End of Current Quarter Aggregate Amount (4)
3. Tenants in Possession:				
(a) One Month or Less	2	$ 100.00	-0-	$ -0-
(b) Over One Month	8	1,103.00	-0-	-0-
(c) Sub-Total	10	$ 1,203.00	-0-	$ -0-
4. Vacated Tenants Accounts	-0-	$ -0-	-0-	$ -0-
5. Total Tenants Accounts Receivable	10	$ 1,203.00	-0-	$ -0-
6. Total of Column (2) and (4)		$ 1,203.00		

7. Collection Loss

(a) Charged to Loss this Period $ -0-

(b) Charged to Loss this Year to Date $ 288.00

8. Percentage Analysis - Accounts Receivable of Tenants in Possession:

(a) Percent of Accounts Delinquent - Line 3(c) Column (1) divided by Line 1 8 %

(b) Percent of Amount Delinquent to Total Current Charges - Line 3(c) Column (2) divided by Line 2 28 %

General Comments: (Explain any circumstances causing a worsening collection record and corrective measures being taken)

9. Work Out Agreements (these same accounts are a part of Lines 3 and 4 above.)	Number of Accounts	Amount
	2	$47.00 per month total

APPROVED BY Jo Ann Hall (Name) Executive Director (Title) July 30, 1975 (Date)

HUD-52295

HUD-52295

Question. What should the participant do when there is a failure of the equipment, or a fault develops in the house?

Answer. There is a Warranty on the range, refrigerator, hot water tank, furnace and well pump. If something happens to one of these items, do not attempt to make the repairs yourself. First, call or visit the office of the Authority. If it should happen outside of the normal office hours and you are unable to locate an official of the Authority, and it is an emergency, then call a capable, responsible representative of the needed maintenance trade. But, immediately get word to the Authority's staff as soon as the office is open. Keep in mind, that should the faulty item become inoperative due to damage or neglect on the part of the occupant, that the cost of the repair will have to be borne by the occupant. Also, remember, if a maintenance man is called by the occupant and it should prove that the item reported as faulty was really just of adjustment—such as the furnace, hot water tank, etc., then the occupant will have to bear the cost of the maintenance mans' call. The same applies to a stopped up sanitary waste line. If the stoppage is not a fault of the builder, then the occupant will have to pay for the maintenance call. Generally speaking, the dwelling structure is under warranty for one year against defects that occur due to the builder not building in accordance with the plans and the specification applicable to the home. The occupant should not contact the builder on defects, he should in all cases advise the Housing Authority staff. The warranties on the appliances, and the dwelling equipment vary, therefore if any of these items fail within the first five years do advise the Housing Authority staff immediately.

Question. What recourse does a participant have when satisfaction is not obtained?

Answer. The Board of Commissioners serve on a voluntary basis, and would not be on the Board were they not truly concerned about their fellow man. Therefore, each act is done in hopes of better serving the needy Indian family. The Board within the limited amount of funds available, hire a staff to carry out the Programs and policies the Board established. The Board frequently monitors the effectiveness of the programs and policies, and sincerely welcome suggestions, recommendations, and complaints. Anytime a participant feels he is not satisfied he should appear before the Board and express his disapproval, or ask for redress. Certainly the Board expects its Staff to render every reasonable assistance within the guidelines established by the Board, and desires to hear from those participants not receiving fair and just service.

Senator BARTLETT. Next witness is Bill Quetone, chairman of the Kiowa Housing Authority, and he is accompanied by Bob Pinezaddleby. I think Mr. Quetone went to the phone, but Mr. Pinezaddleby, why don't you start and proceed as you like. Are you the director of the Kiowa Housing Authority?

Mr. PINEZADDLEBY. Well, it goes a little farther back.

Senator BARTLETT. All right.

STATEMENT OF BOB PINEZADDLEBY, CHAIRMAN-ELECT, KIOWA HOUSING AUTHORITY, ACCOMPANIED BY BILL QUETONE, VICE CHAIRMAN-ELECT

Mr. PINEZADDLEBY. Recently, on June the 7, Bill Quetone and I were appointed or elected by the tribe to serve as housing authority members and we more or less won the elections and so forth, and waiting our turn to take the oath of office and go through the right procedures. And we went through all the process, getting ourselves lined up as housing authority members.

But, since then we have met some protests and some legal moves that were made by some of the members that indicated that they had lodged protests against us.

Well, we made some inquiries with the HUD officials, we made inquiries with the officials that, you know, could tell us something,

because we are more or less just starting from scratch, so to speak. It was our—and as members of the Kiowa Housing Authority.

So, in giving you these steps for involvement we are still held in question about serving on the housing authority. And last Monday we met as a housing authority. In the executive session we went through the processes of electing the officers and getting ourselves more or less lined up for the program

And within that time there, right after we became officers and so forth, why, we were given a summons to the district court that we were illegal, ineligible to serve on the Koiwa Housing Authority.

Senator BARTLETT. What position were you elected to?

Mr. PINEZADDLEBY. I was nominated, elected as the chairman of the Kiowa Housing Authority and Bill Quetone was elected as the vice chairman.

Senator BARTLETT. Have you functioned as chairman?

Mr. PINEZADDLEBY. No; I haven't had a—see, we had this restraining order or injunction placed against us, so that's where everything stands.

Senator BARTLETT. I see. You proceed as you would like.

Mr. PINEZADDLEBY. Now, our questions would be in the line of what authorities do the tribal entities have, what authority does the Housing and Urban Development, or HUD, would have, and also what is the strength of our tribal constitution?

You see, all of these things have been brought out before us and, so, right now I guess, in a way, we are in limbo.

But the question that I have is in regards to the using of the State courts in giving directions to the tribal housing authorities. And we are scheduled to appear in the district court on August the 12th and this will more or less give us some indication where we stand as elected officials.

And we want to get into this whole matter because it has certainly affected us within the bounds of our tribal constitution or entity, and that we are wondering whether the State courts have, you know, jurisdiction within the tribal sovereignty or within the tribal laws and——

Senator BARTLETT. Mr. Pinezaddleby, this hearing of course, is a hearing to listen to suggestions regarding the Indian housing program. This question you raise is a legal matter which I would leave to your attorney and also to the courts to decide.

However, I am not trying in any way to cut you off. I would be glad to hear your suggestions on any changes you think should be made in the system, any ideas you have would make an improvement in the Indian housing program and the delivery system that is currently a part of it.

Mr. PINEZADDLEBY. Well, within the Kiowa tribe we had a visit with the HUD officials and we went through several items here that I think would be helpful, should be continued in that we would work out our program, you know, develop a program that would be helpful to the tribe that we represent, to set up an auditing process which we heard about this morning, and set up a filing system and verifying the income of participants, and developing the housing and management process, program.

And this, you know, we want to more or less follow it as we—we would continue, you know, as members of the housing authority. And

this is going, of course, back to how the old housing authorities operated. And a number of the things that we heard this morning, of course, need to be in the process.

And what I am saying here is that we go in the legal processes that we have to follow through on, and this is where we more or less find ourselves, you know, in limbo, so to speak.

And the HUD officials gave us, you know, a real good rundown of what we need to do and I concur with whatever suggestions they make to the point of working with us and helping to strengthen and better the program as it is. And, of course, this is the way that I would want to operate in following the processes, the procedures of the Oklahoma housing laws and also the HUD program, you know, as it was set up.

So, this is where we stand, you know, in this whole process, and I go along with it. And what I am saying here is that we haven't been able to make any input to the program.

But our question is, you know, these legal matters that come up and whether the tribal laws would have the precedence over State jurisdiction and so forth.

Senator BARTLETT. Well, it would be, as I said presumptuous of me to act as a judge and I will leave that up to the courts and also your attorney, but I would be interested in hearing any suggestions that Mr. Bill Quetone has regarding the Indian public housing program.

Mr. QUETONE. Well, we just got in, I don't know if we got in or not.

Senator BARTLETT. Mr. Pinezaddleby explained your position in limbo and that you have an apparently pending court action.

Mr. QUETONE. Yes.

Senator BARTLETT. We would be very interested in any suggestions you have about the Indian housing program.

Mr. QUETONE. Well, the housing program as it is, you know, I served on Kiowa business committee 4 years, and they assigned me, you know, to the housing authority from the business committee and I worked with them hand in hand. And we had the program started pretty well and we got quite a few houses built. But by that time my time ran out and——

Senator BARTLETT. That is on the business committee?

Mr. QUETONE. That is on the business committee So, I had to be dropped off from working with the housing committee at that time.

But what gets me now is that, why that we, since we, since I was away off from the business committee on the housing, the houses are not being built. For almost 2 years they haven't built any houses at all and no repairs whatsoever.

And then we worked at the same time with the rural water people and at that time we were drilling wells, so the HUD people told us to stop and that Public Health was putting, they would take the money from our housing project, program, to put in with the HUD to get this rural water deal started. So, that's when we quit drilling wells.

Senator BARTLETT. You say they were taking housing money to put it into a rural water system?

Mr. QUETONE. Yes; and we thought this was real good because most of our people living in areas where there is, it's hard to get water by drilling unless you go way down, you know, and maybe strike an

artesian well or something like that, and people that were drilling wells didn't have that kind of money, so that way they got together for rural water systems.

I understand it is phase 2. Phase 1 has been started but just recently the tribal chairman, that's me, to make a survey of these people that own phase 2, now many people there were that wasn't going to get on phase 1. Phase 1 is the one that is being started now, rural water.

So, we have 13 families south of Mountain View, the driest part of the county, practically all of them are hauling water, and they are not going to get on this phase 1 system.

Senator BARTLETT. How many families are on them?

Mr. QUETONE. Well, I have it right here. It's 13. That's what they sent me.

Senator BATTLETT. Al right. It has a map on there too. All right. Thank you.

Mr. QUETONE. Just recently I spoke with an area office, Public Health office in Oklahoma City, and they said it wouldn't be feasible to do that. But it seemed like our people, 13 families, all of them hauling water, are the people that need it, and it's just over the line of where that phase 1 starts.

Senator BARTLETT. Is this a copy we may have?

Mr. QUETONE. Yes.

Senator BARTLETT. All right. We will put this in the record.

[The information referred to by Mr. Quetone follows:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
July 9, 1975.

MR. BOB CANNON,
Chairman, Kiowa Business Committee,
Lawton, Okla.

DEAR MR. CANNON: We are in receipt of your letter of June 10, 1975 to Bill Axlund of our Lawton office regarding your request to add participants to Phase I of the Washita Basin Water Project.

The attached map shows the portions of Phase II waterline which would serve the homes listed in your proposal. Phase I extends to within two miles east of the red arrow on the map with a six-inch line. Mt. View is one mile east and one-half mile north of the red arrow.

The design and location of the proposed lines is based on economy, hydraulic design, and terrain of the land. To reach the northern most six homes would require three (3) miles of six-inch line, one and one-half (1½) miles of three-inch line, one (1) mile of two-inch line plus another two-to-three miles of spur lines. Proposed waterlines to serve the southern seven homes would be connected to the southern portion of Phase II twelve miles south of Gotebo. Again, this configuration of waterlines is based on economy, hydraulic design, and terrain.

In order for it to be economically feasible to serve these thirteen homes would require financial participation of the non-Indian homes along the lines, probably through FHA loans. Since the water district is planning to prepare Phase II for bidding as soon as possible, hopefully this fall, they would probably prefer to incorporate the above mentioned lines in their overall loan rather than take out a separate smaller loan at this time.

We can assure you that we are working with the Water District to initiate Phase II as soon as possible. Phase II will serve not only these thirteen homes

but many others including several others which have made inquiries in the vicinity of thirteen miles due south of Carnegie near State Highway 58.

If you have further questions or comments please do not hesitate to call.

Sincerely,

JAMES A. CLARK, JR., R.S.

KIOWA TRIBE OF OKLAHOMA,
Anadarko, Okla, June 10, 1975.

MR. BILL AXLUND,
Project Engineer,
USPHS Indian Hospital,
Lawton, Okla.

DEAR MR. AXLUND: The following list of Kiowa Families are submitted to your office in the hopes that these people might be added to the phase one of Rural Water District Inc., plans for this year.

I would appreciate positive consideration given this request. The problem these people have had to endure these many years will be resolved and for many it will be the first time that they will have running water from a quality source. If the tribe can be of assistance in supporting you in the implementation of this plan please call my office.

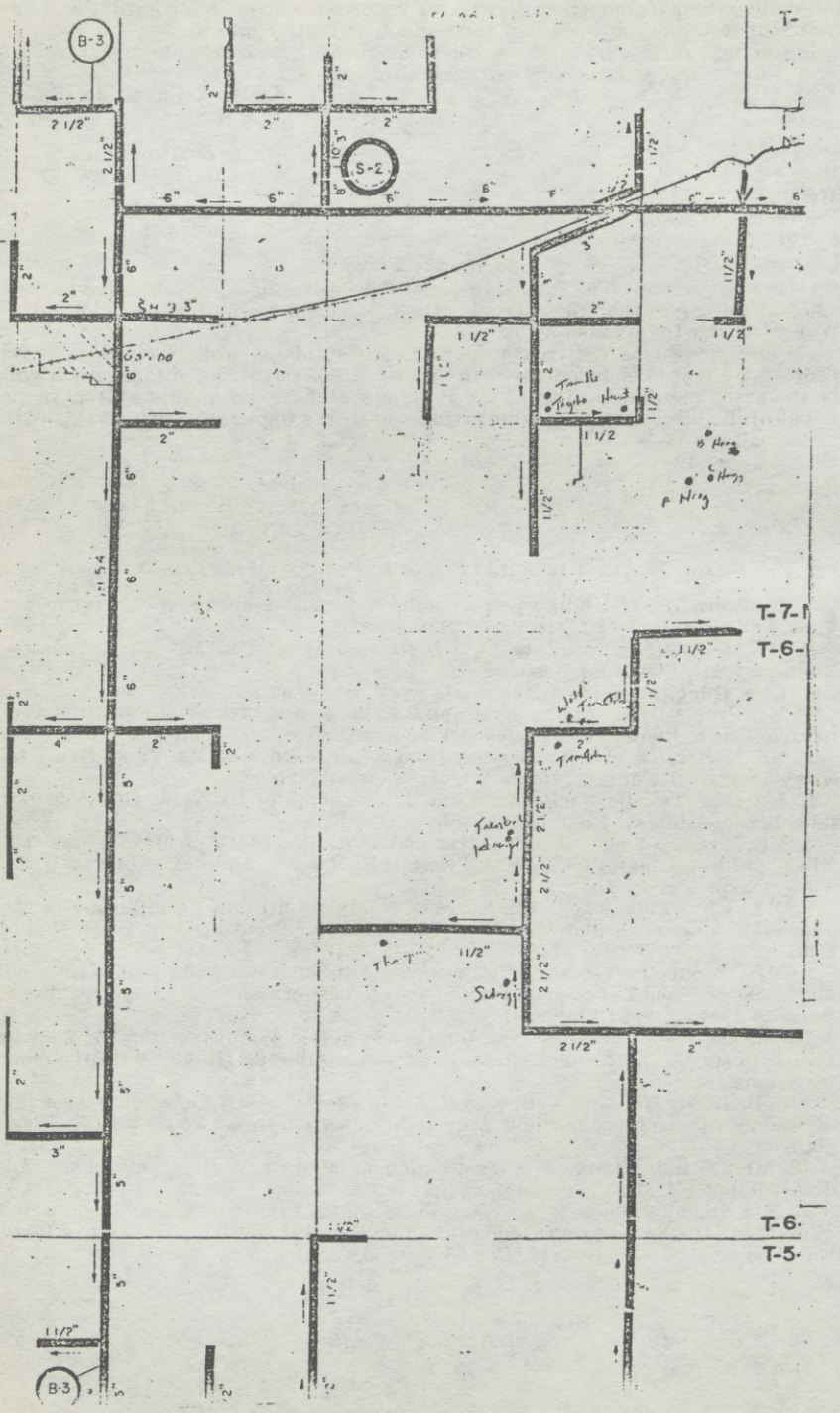
Sincerely,

BOB CANNON,
Chairman Kiowa Tribe.

Enclosure.

RURAL WATER PARTICIPANTS SOUTHWEST OF MOUNTAIN VIEW

1. Bradford Haag, 1 mile west, 2 south, ¼ west, ½ south and ¼ west of Mt. View. Address: Route #1, Mt. View, Oklahoma.
2. Mr. Beryl Haag, 1 mile west, 2 south and ¼ west of Mt. View. Address: Route # 1, Mt. View, Oklahoma.
3. Lena Haag, 1 mile west, 2 south, ¼ west and ½ south.
4. Mr. Ernest Hunt, 2 miles west and 2 south of Mt. View. House west side of road. Address: Route #1, Mt. View, Oklahoma.
5. Mr. Melton Toyebo, 3 miles west and 2 miles south of Mt. View. House on east side of road. Address: Route #1, Mt. View, Oklahoma.
6. Mr. Fred Tsoodle, 3 miles west and 2 miles south of Mt. View. House on east side of road. Address: Route #1, Mt. View, Oklahoma.
7. Mr. Mark Sadongei, 3 miles west and 7½ miles south of Mt. View or 1½ miles south of Lonewolf Chapel on west side of road. Address: Route #1, Mt. View, Oklahoma.
8. Mr. Allen Tsonetokoy, 3 miles west, 5 miles south and ½ mile east of Mt. View or 1 mile north and ½ mile east of Lonewolf Chapel on the south side of road.
9. Mr. Marcus Tsonetokoy, 3 miles west, 5 miles south and ¼ mile east and about 200 yds. south of road or 1 mile north ½ east of Lonewolf Chapel. Address: Route # 1, Mt. View, Oklahoma.
10. Mr. Bell Wolf, 3 miles west, 5 miles south and ¼ mile east of Mt. View or 1 mile north, ¼ mile east 200 south of road. Address: Route #1, Mt. View, Oklahoma.
11. Mr. Keith Tientiah, 3 miles west, 6 miles south of Mt. View house west side of road across the fence north of Lonewolf Chapel. Address: Route #1, Mt. View, Oklahoma.
12. Mrs. Wanda Haumpo, same location as above a white frame house. Address: Route #1, Mt. View, Oklahoma.
13. Mr. Bobby Thompson, 3 west, 6 miles south, 1 mile west, 1 mile south and ¼ west of Mt. View on south side of road or 1 west, 1 south and ¼ west of Lonewolf Chapel. Address: Route 2, Box 88, Gotebo, Oklahoma.


B-3
S-2
T-7-
T-6-
T-6-
T-5-
B-3

Mr. QUETONE. And something else that bothered me since we got elected, I went over to the HUD office and I couldn't find any kind of minutes over there of meetings, and I wanted to make a report to the people in our general council and I couldn't find any minutes, and I tried to find out how many people paid on their homes and I couldn't find any records. And I was told that any records that come in there, they take them home.

So, I have been unable to find any kind of record, any money that was paid in or receipts or anything.

Senator BARTLETT. Are you speaking of the housing authority?

Mr. QUETONE. The housing authority, the Kiowa Housing Authority. And I am kind of reluctant to go in there because there is no records of anything, so I don't want to be the goat.

Senator BARTLETT. When was the last audit?

Mr. QUETONE. There never was an audit as far as I know. And while we were on the business committee we asked for an audit from HUD and we never got it. And the Oklahoma City HUD office made a partial audit but they were reluctant to tell anybody about it.

Senator BARTLETT. Who asked for the restraining order? Is that what it was?

Mr. PINEZADDLEBY. Yes. One of the candidates.

Senator BARTLETT. I was questioning your election.

Mr. PINEZADDLEBY. Yes.

Mr. QUETONE. We had people that were really in dire need for homes, and I have been working with the help program, rehabilitation program, and there are a lot of homes that need repairing, but we don't get enough money.

I think 2 years ago we just repaired 19 homes with what money we got and then they weren't just half done.

Senator BARTLETT. How much money did you receive at that time?

Mr. QUETONE. At that time we had $40,000 and then we got—from $40,000 we went to—no, we got $38,000, then we got 45 houses, and last year, late this past year we got 58.

And I was helping up to the time I put in as a candidate for the housing authority. Well, they asked me to vacate. At that time we had just 10 homes completed but half the money was gone and you couldn't—what money we get you just couldn't repair a home like it should be because you just didn't have the money. And most of our homes out here need roofs and that's the highest cost there is, on the roofs, so we try to fix the roofs because we have to stop the leaks inside so there won't be any damage.

Senator BARTLETT. Yes.

Mr. QUETONE. So we get the roofs and a few things and then our money is gone.

Senator BARTLETT. I am afraid our time is up. I am going to have to allocate about 20 minutes to each person or group in order to get finished. I would suggest though if you have additional comments you would like to make—we are not trying to cut anybody off—we would be happy to have you submit them and they would be a part of the permanent record.

Mr. PINEZADDLEBY. I would like to comment on this.

Senator BARTLETT. I will give you 1 minute. That's about all we have got.

Mr. PINEZADDLEBY. We were wondering, you know, about this whole matter of tribal entity, you know, giving the direction of the program, and I don't know about the other tribes, you know, but the question that we were hit on was about that there was no amendment in our tribal constitution in regards to, you know, the proper ways in which we can be elected and all that. And I think we——

Senator BARTLETT. Well——

Mr. PINEZADDLEBY. We are facing something here that might——

Senator BARTLETT. Well, I think in addition to—You know, apparently you are going to be in court, and any legal question, of course, I would refer to your attorney. Any question that concerns the programs, I would refer you to the HUD people and of course Mr. Breeden, the BIA, and the Indian Health Service on any questions.

And as far as your constitution is concerned, I would refer you to the BIA. I think you should be able to receive some information from all the agencies on any question you have.

Mr. PINEZADDLEBY. Well, you know, we want these directions to help us, more or less.

Senator BARTLETT. Right. I would suggest you talk to these people and also put your questions in writing so, you can get answers and know specifically what they are.

Mr. QUETONE. There is not any kind of reports made to the Kiowa Tribe of people, housing authority.

Senator BARTLETT. If you have, any difficulty getting responses from the agencies, let us know. We will certainly try to facilitate your getting in touch with people. But I think that there will be an interest on the part of the agencies to work with you.

Mr. QUETONE. Okay.

Senator BARTLETT. Thank you very much. We appreciate your being here.

Next we have Mr. Kirk Perry, president of the Oklahoma Indian Housing Association.

STATEMENT OF KIRK PERRY, PRESIDENT, OKLAHOMA INDIAN HOUSING ASSOCIATION

Mr. PERRY. Senator, there is a point I wanted to make yesterday I didn't get to make. At this time I would like to read through this exhibit C. There is an attachment to exhibit C that is a form that HUD prepared for Indian housing authorities in December of this year, I believe it is, and this is the process that we are using currently. And the point I wish to make will be in this section.

This exhibit is to report the procedures of the present system in Oklahoma, why the delays occur and possible anticipated effect of the new Mutual-Help Manual.

Attached is Oklahoma City Area Office administrative procedure for delivery dated December 3, 1974. A time table is contained herein and problems are explained.

Step 1 is in reference to the attachment.

Step 1. Oklahoma Indian authorities are not allowed to submit an application until HUD transmits a letter instructing the authority to apply. Any application submitted without this HUD letter will be returned. The application per HUD instruction must show the number of housing units applied for to be the number

in HUD's letter of instruction. Therefore, the actual need of the particular tribe is not reflected in the application.

HUD Form 52470C is required although HUD does not allow relocation in Mutual-Help housing. Should an Indian family desire to build a Mutual-Help house on his Indian trust land and their existing house is located on the donated site, then HUD will disapprove the site because relocation is not eligible.

HUD Form 52470A, a portion of the application, requires housing statistics based upon a market that in reality is totally unrelated to the housing system and goals of Mutual-Help housing. HUD's application approval criteria is based upon tribal needs while this form cannot show the tribal needs. An entire tribe can be in need of housing while this report can show no housing is needed.

HUD Form 52472 relates to the local governing body. Due to the unique non-reservation status of Oklahoma Indians the body is the principal officer of the tribe. OMB Circular A-95 requirements respond to a separate number of governing bodies. In instances of an authority operating in several counties, "governing bodies" can become practically infinite. Also, jurisdiction of clearinghouses within the State can be numerous. In addition, clearinghouse review does not address the needs of the tribe alone. The review is based upon accepted methods disregarding the specific tribal needs.

Time table for step 1 is as follows:

[In days]

Item	Preparation	Approval
1. Application with supporting documents (application requested by HUD is assumed) [1]	14	30
2. Supporting resolutions and notices (State law requires 30 days legal notice)	[2] 30	([3])
3. Clearinghouse approval—clearinghouse legal notice and waiting—period time		60
4. HUD approval of 3 above		30
Total		90

[1] This is assuming HUD has allowed it.
[2] Before this public meeting and the time it is submitted with the first step in this item.
[3] Submitted with 1.

The above assumes the authority has the expertise to present all forms to be acceptable to all HUD sections, governing bodies, and clearinghouses. Also assumed is, there is no requirements by any single person involved in the Step 1 process. One requirement usually requires repetition for the entire process. The time can easily be doubled or tripled. These assumptions continue through all steps in this portion.

Step 2. This step requires a minimum of two board meetings and two HUD conferences. As in all steps, the requirements have developed through use of the referenced HUD handbook. Most requirements have developed through policy required administratively by HUD. This has led to the great diversity between HUD regional and area offices.

HUD's review process of plans and specifications has been a problem. HUD prepares comments on preliminary plans and specifications for the developer to correct. Upon resubmittal of corrected documents a complete review is usually prepared disregarding the previous comments. The new comments require the developer to again resubmit plans and specifications corrected as required. This sequence has occurred five times, as one example.

The developer submits a price when plans and specifications are originally accepted. If approval of plans and specifications has consumed, for example, one year, then the developer is expected to negotiate a price based upon his original price being one year old. The processing time from negotiation can consume one additional year. This can force the developer to execute a contract based upon two years old prices. The alternative is to begin the process over.

As the annual contribution contract has previously been executed based upon possibly inadequate prices, the authority funds then must be used to produce as many units as possible. This may lead to reducing units from the total appropriation of the project in its entirety.

Time table for Step 2 is as follows.

[In days]

Item	Preparation	Approval
1. Submit advertisement for HUD approval	1	15
2. Advertisement for accepting proposals (advise HUD by letter of date) board meeting	1	30
3. Comparison chart	3	(1)
4. All proposals to HUD with documents	1	15
5. Concurrence of turnkey program (from the developer)	3	10
6. HUD conference		10
7. Board meeting (legal notice period) to approve plans and specifications	10	
8. Submit documents—HUD review	1	30
9. Board meeting (notice period) to approve final plans and specifications	10	30
10. Negotiation conference		10
Total		150

[1] Submit with step 4.

Hud has recently reduced review of plans and specifications to two reviews although the second review can have comments which may be agreed upon at contract signing.

Step 3.—The submission of the development program is based upon negotiated prices. With regard to economic factors this becomes critical if a delay is experienced from this time to final contract award as mentioned previously.

Time table for Step 3 is as follows:

[In days]

Item	Preparation	Approval
1. Prepare form	2	10
2. Board meeting	10	
3. Submit documents	1	30
Total		40

Step 4—The problems involving site approval are infinite. Listed herein are a few. This time table will vary drastically depending upon numerous factors.

GENERAL RULES

1. An alternative should allow the authority to pursue new sites at development program expense as donated sites are most often rejected. In addition, use of trust lands cannot meet all sub-state clearinghouse master plans. An Indian's trust land location determines where his site is to be with total disregard to agency plans. There is no choice where the house must be built. Families have lived on their lands for at least one generation. When their site is disapproved the alternative is to move away from their land to a suitable site. Most often they choose not to leave. Their alternative at this point is to not have a house. HUD's rejection often cannot consider these facts if they are restricted from sound judgment by that policy.

2. The sub-state clearance cannot address its criteria to the specific plight of the individual Indian's land location.

3. Due to the problems in obtaining clear title, suitable water and waste systems on Indian land it is more frugal and expeditious to obtain cluster sites. The additional environmental statements, HUD inspection, and Indian Health Service assistance, make this approach lengthy and almost impractical to pursue. Other requirements make it impossible to purchase approvable sites in a sub-division where other subsidized housing exists. The concurrence of the local governing body where a site might be located again does not consider the needs of the tribe. The city might choose for various reasons not to agree to furnish HUD required services.

4. Due to budget cutbacks it is increasingly difficult for HUD personnel to make field inspections because of travel expense. The authority may await HUD inspection of sites for months before processing and continuation of this process.

Displacement and relocation is previously mentioned. If the Indian lives on his site, then the site is automatically rejected.

APPRAISALS

If the Bureau of Indian Affairs furnished appraisals budget money a qualified appraiser must be present. Adequate time must be available to avoid delay depending upon the workload of the authority's needs.

If HUD furnishes appraisals (at the authority's expense) as listed above, time and money are important to accomplish this task.

Step 4 time table therefore cannot be established. Should any single factor cause site rejection the process must begin again. A critical point is that after approval where a water well is required a rejected water well causes starting over. If title work, percolation rejection, rejected well, HUD disapproval, (test boring is to be required), and other factors cause rejection all the incurred expenses must come from the development budget. For this reason again the completion of the housing goal is hindered.

The new Mutual-Help handbook makes site approval prior to contract award a requirement. Due to timing of negotiation, site processing delays and contract award, this alone should be enough to cause Indian housing to be effectively stopped.

OVERVIEW

The total timetable in this example is 280 days without considering time to process all sites for one contract. In addition, the time from approval of the development program to the execution of the annual contributions contract making funds available may be another 60 days. In reality, the timetable from submittal of an application to actual construction is at best one year and usually 18 months.

Other processing requirements occur during and after construction, but will not be discussed as the major factor is getting to the construction phase.

Senator BARTLETT. I am glad you read it. That was included in the report yesterday.

What I wish you would do is give copies of this to the HUD people who are here. I would like to have them respond very briefly when they come on at the end on this report but I think that it would be good to have a detailed response in writing as soon as it could be obtained, not only by HUD but also by the Bureau of Indian Affairs and also the Indian Health Service.

So, we will make sure that each of the three agencies receive copies so that we can have written reports as soon as possible.

Mr. PERRY. Mr. Bartlett, I have given some of these gentlemen here copies and most of the authorities did get copies.

Senator BARTLETT. They do have copies. Well, we will ask them to submit that and we will be in touch.

Thank you, Mr. Perry, very much.

Is Mr. Stacy Pardopony here?

Mr. PARDOPONY. Yes, Senator.

Senator BARTLETT. You are to be accompanied by Jerree Toyebo and Randy Parker?

Mr. PARDOPONY. Yes.

Senator BARTLETT. I am sorry we are limiting everybody to 20 minutes, but it is the only way we can do it to accommodate all the witnesses we have. Mr. Pardopony, you have full sway until 3:35, 20 minutes.

Mr. PARDOPONY. Thank you.

Senator BARTLETT. Proceed as you would like.

STATEMENT OF STACY PARDOPONY, CHAIRMAN, COMANCHE HOUSING AUTHORITY, ACCOMPANIED BY JERREE TOYEBO, EXECUTIVE DIRECTOR, AND RANDY PARKER, CHAIRMAN, GRIEVANCE COMMITTEE

Mr. PARDOPONY. All right. Senator, I know our time is limited so we will go right on with our——

Senator BARTLETT. You can submit anything you want that you don't get in.

Mr. PARDOPONY. All right, sir. I did not think I was going to make it here today, Senator, because my other commitments with the Army—I am the contracting officer at Fort Sill, so I had other contract negotiations and I didn't know if I was going to make it or not, so I had these people prepare a statement for me.

But, nevertheless, I will have Mr. Parker go into this review that I had planned. Mr. Parker is chairman of my grievance committee of my housing authority.

Senator BARTLETT. Mr. Parker, go right ahead.

Mr. PARKER. Thank you. The prime purpose, or the thing that we want to get over this afternoon, is to make known our stand or position or whatever you would like to call it on the mutual help housing program.

When we were notified sometime ago that the program would come to an end in fiscal year 1976, we made a review of all the things that we felt like had held up production or had stood in the way of the housing authority accomplishing its mission, which was to provide houses for low income members of the Comanche Indian tribe.

So, one of the things that we came across—and, incidentally, we will write this up for you and hand it in——

Senator BARTLETT. It will be made a part of the record.

Mr. PARKER. Yes, sir. Was that the long lead time—and I think this has been covered before—and I think just estimating, lead time is approximately 18 months from the time that the allocation is made until construction actually starts.

Now, going back to the 5 years that we are talking about, I think there was an estimate of 5 years with that time ending with fiscal year 1976, we felt like that this lead time that is involved in getting the necessary paperwork processed prior to construction just makes—actually, we are not talking about 5 years, we are talking about 2 years.

So, that is one reason why we have taken the stand that we have taken, and this is, we are of the opinion, that mutual help should continue beyond 1976. So we would like to go on record as saying for that particular reason the long lead time that it takes to process papers, which is not the fault of the housing authority, that we need additional time.

Also, in the time that we have been in operation we have had a moratorium which lasted for 1 year. During this year there was no housing—I think the other housing authorities will verfy this—there was no production at all, so we have lost about 1 year in production time.

And also, on one particular project that we had—I don't recall just which project it is but I think it was Oklahoma 1–10–2. After the

allocation and the time that the paperwork was prepared it come contract time, signing time, and we found out that they didn't have the proper wage rates.

So, what actually happened was that we waited almost a year before the current wage rates were made available to the housing authority so that we could go ahead and sign the contract. This was another year that we had to wait.

Now, what we did was, we got hold of Representative Steed and he did quite a bit of work in expediting, getting the current wage rates out of the Department of Labor so that we could proceed.

So, for those two reasons, for that one reason we would like to see the program extended beyond that time.

Senator BARTLETT. Wait a minute. When did the moratorium end?

Mr. PARKER. I think it was in 1970—invoked I think in January 1973, January or February, and ended in that fall, somewhere in November or December because I think we signed a contract in 1974. But all the paperwork was held up for that length of time so we lost a year in production.

Now, another item is that—and I think this has been covered before—but we cannot—well, I will go back. Initially, I think when we first went in we requested approximately 2,000 homes. This was our estimate. And for a while it was our understanding that against this original 2,000 we were allotted I think 100 homes initially and then I believe 200.

Now then, since that time, we can't program until we are notified by HUD, and I think that we are getting homes now at, depending on the allocation from the State, and also depending on our ability to perform in the management area—in other words, this includes collections and things like this.

Now, I feel, or we feel like that we should be allowed to make known our housing requirements. In other words, the Comanche Tribe needs, I believe, around 650 homes. If we could get 650 homes we would fill most of our need.

Now, we are getting homess at the rate of 15—and I believe 100—and we are only notified—that we make the application when HUD notifies us. So, what this does—now, you throw in the 18 months that I spoke about earlier, then—in other words, you lose production time, because if you—what I am saying is that if we would get our allocation in 600, one batch of 600, then we could operate. Here we are only talking about paperwork possibly of 18 months or less for one project of, say, 650 homes.

Now, past records show that other tribes have received, say, upward of 1,000 homes. So, I think that if we receive this allocation then we could fill all of our needs.

So, this is one thing that we wanted to go on record as saying, that we feel like that mutual help should continue because of the time phase, time lapse.

Now, we have other problems that a little bit—I would say in-house type problems, but I think it is the desire of Mr. Pardopony to bring that in also.

Senator BARTLETT. Mr. Pardopony, would you like Jerree Toyebo to proceed? What is her position?

Ms. TOYEBO. I am the executive director.

Senator BARTLETT. Executive director of the Comanche Housing Authority?

Ms. TOYEBO. Yes.

Senator BARTLETT. Please proceed as you would like.

Ms. TOYEBO. Well, I would like to continue on Mr. Parker's statement there. I would like that the mutual help program be carried on.

Like he said, approximately 650 more homes are needed to satisfy the needs. At this present time we have 723 applicants waiting for homes and we have 210 units under management, that means, unoccupied.

We have 994 under various stages of construction. We have 50 under ACC but we have not as of this date signed a contract, and we received 176 allocations which we are fixing to advertise for.

Now, on these recent 50 that we received, we received them in 1973 and it has taken us since the last of July to get ACC's executed. And it seems like that the delay is in the HUD area office. And I would like to see something done where we could alleviate some of the problems that we are having in the area office. We definitely need an Indian housing unit or an Indian housing section.

Some of the people up there I feel aren't concerned with the problems that Indian housing has. We are different from, we are unique from the other programs that they have and I understand that Indian housing only takes up 2 percent of the total housing programs that HUD has.

Senator BARTLETT. Is that on a dollar basis?

Ms. TOYEBO. Yes, sir. Yes, sir. And each housing authority is unique and they each have their individual problems, but we are trying and we always have tried, and I believe that all of our commissioners are sincere in their efforts, and I know that they don't receive any money for this, and I would like to see that the Indian program continues.

Senator BARTLETT. With the large number of applicants you have, how do you process them, on a first-come, first-served basis?

Ms. TOYEBO. Yes, sir. We have an eligibility list. When they are approved they are put on that roster and when we receive an allocation the first 50 are taken off, provided they have their paperwork done, we are able to clear sites for them and they have water.

Now, another thing I would like to say also, is title work—most of our participants donate their sites. We have made very little land acquisition. Right now with the change of the administration at the area office here and the field solicitor's office, our employees are having trouble getting the title work done.

The field solicitor says you do it a certain way and they do it that way and then it is sent on to the area realty office and they reject it, they say you did it wrong, you are supposed to do it this way. So, some of our work is at a standstill.

And I think we need to get some of these policies in the area office resolved.

Senator BARTLETT. When they donate their land, is this usually land that is in trust, restricted land?

Ms. TOYEBO. Yes, sir.

Senator BARTLETT. Do they have the restrictions removed?

Ms. TOYEBO. No, sir, it stays in trust.

Senator BARTLETT. And are there any problems involved with the trust land?

Ms. TOYEBO. Yes; the housing papers are prepared and it is up to the participant to get the heirs to sign. Some of these lands have had as many as 30 and 40 heirs to sign.

Senator BARTLETT. What kind of difficulties have you had, if any, in the participants being knowledgeable about their contract, their obligations?

Ms. TOYEBO. Well, some of them don't understand it but we are sitting down with them trying to explain it. If they will just come to the office and sit down with us and talk, but you find a lot of our people won't do that. They would rather gripe about it, they would rather take it to the other sources, get a little warmed up about it and go to higher authorities.

That is not the way to do it. We are there to help them, we are there to assist them, and the housing program is for them.

Senator BARTLETT. What do you do when they don't cooperate with you the way you would like them to?

Ms. TOYEBO. Well, there is nothing you can do with them. I don't care what race it is, you have a certain little group that you never can satisfy and you never can get them to cooperate with you.

Senator BARTLETT. What is your deliquency rate?

Ms. TOYEBO. Right now it is 38 percent and I can state that in October of 1974 when we had changed administration, when I took over as the director, we were 98.6 deliquent and we had been down to 9 percent.

Senator BARTLETT. You were almost up to Procter and Gamble's—

Ms. TOYEBO. Yes, sir; yes, sir.

Senator BARTLETT. 99 and 44/100——

Ms. TOYEBO. We were 9 percent 2 months ago because——

Senator BARTLETT. You were 90 percent——

Ms. TOYEBO. Nine, 9 percent.

Senator BARTLETT. Oh, 9 percent?

Ms. TOYEBO. Yes. Because of these outside organizations getting involved with a participant and their grievances, a lot of them are telling you, "Don't pay, don't pay, they are cheating you, they are using your money in a different way, they are not using it right, they are not paying for your house," and because of the summer activities such as powwows it has gone back up to 38 percent.

But I have with me 54 letters of eviction that are going to be filed at the courthouse.

Senator BARTLETT. Will that be filed in the small claims court or do you use the district court?

Ms. TOYEBO. We have used both.

Senator BARTLETT. This is in the district court?

Ms. TOYEBO. Yes. If the participant has been delinquent more than one time, which is the case—a lot of these participants have been in small claims courts as many as two, three, four times, and if it is more than, oh, say—well, we have a policy that anybody that is 45 days delinquent gets turned over to an attorney for collection there in town. We have had two occasions where we have had to evict.

Senator BARTLETT. Is your procedure similar to that of Jo Ann Hall?

82-326 O - 77 - 13

Ms. TOYEBO. Yes, sir, it is.

Senator BARTLETT. And what happened to the two evictions?

Ms. TOYEBO. The two evictions that we had, the housing authority purchased the lots, the acre and a quarter that we had, and they were given so many days to pay up and they didn't respond. So, they were given 10 days in which to vacate the premises.

They vacated and then the new participants went in and cleaned up and moved in.

Senator BARTLETT. Was that on land in trust to the Federal Government?

Ms. TOYEBO. Yes; it is recorded at the agency, the deed is, under the housing authority's name.

Senator BARTLETT. So this will be the new participant ending up owning the house eventually? Does the new participant receive the opportunity of owning the house as the original participant did?

Ms. TOYEBO. Yes, sir, they do.

Senator BARTLETT. In other words, they have all the rights of the original participant?

Ms. TOYEBO. Yes, sir. They are on a year-to-year basis first.

Senator BARTLETT. What about your auditing and you books?

Ms. TOYEBO. OK. They had an audit—this was before I came—they had an audit in the early part of 1972 on our books. We use Mr. Curtis Greer out of Dallas. He is a fee accountant. All we do is——

Senator BARTLETT. Is this the same man that the others use?

Ms. TOYEBO. No, sir.

Senator BARTLETT. A different man in Dallas?

Ms. TOYEBO. I know of only two fee accountants, and they are Mr. Jack Caster and Mr. Curtis Greer. They are both in Fort Worth and Dallas.

Senator BARTLETT. You do not know of one in Oklahoma?

Ms. TOYEBO. No, sir, I do not. We keep the books on a day-to-day basis and then at the end of the month they are sent to him with all the check vouchers, tax forms, he reconciles and gives us our monthly basis.

Senator BARTLETT. Are you able to prepare a payoff statement based on a formula——

Ms. TOYEBO. To the participant?

Senator BARTLETT [continuing]. To the participant?

Ms. TOYEBO. Yes; I am, but it is not approved by HUD. I have a copy of one.

Senator BARTLETT. Was it the same one that was first presented by Mr. Edwards?

Ms. TOYEBO. I don't know, I haven't seen his. This was sent to me by Mr. Greer.

Senator BARTLETT. By Mr. Greer, who is your fee accountant?

Ms. TOYEBO. Yes.

Senator BARTLETT. Let me see. Is Mr. Edwards here? There he is right in front of me.

Do you know whether this is the same one?

Mr. EDWARDS. I don't believe it is because I have also had one that came down from my fee accountant in Dallas. A very different concept. Didn't even relate to the one we had.

Senator BARTLETT. In other words, if you use the two different formulas you come up with two different answers, right?

Mr. EDWARDS. Right.

Senator BARTLETT. Could you two interchange formulas and then send us a comparison of the two formulas, pick out a specific participant in each of your housing districts and run it through and then just submit us the results, whatever it is?

Ms. TOYEBO. Yes.

Senator BARTLETT. All right. Well, I think our time is up and I am sorry it is. I want to thank all three of you for very fine testimony today.

Mr. PARDOPONY. Thank you, Senator, appreciate it. I thank you.

Senator BARTLETT. If you have anything additional to talk about that you would like to submit, please do. The record will be open for 2 weeks.

Joe Attocknie, tribal council. Mr. Attocknie, you are with the tribal council of the Comanche tribe?

Mr. ATTOCKNIE. Yes, sir.

Senator BARTLETT. All right. Please proceed as you would like.

STATEMENT OF JOE ATTOCKNIE, COMANCHE TRIBAL COUNCIL, ACCOMPANIED BY DOC PEWEWARDY

Mr. ATTOCKNIE. Thank you, Senator.

Senator BARTLETT. And with you is Mr. ——

Mr. ATTOCKNIE. Mr. Pewewardy. I want to read you a letter from Mr. Pewewardy and then if you have any questions regarding the letter, why, he will be in a better position to answer your questions than I will. That is why I have asked him to sit up here with me.

Senator BARTLETT. That's fine.

Mr. ATTOCKNIE. Now, the committee on housing, some people might, especially those that have received houses, feel that the housing program is all right. But there is others that didn't receive housing. Of course, you know, you are going to get complaints from them, especially when they know that somebody has a better house than them still received a house, a new house.

There are some very terrible houses. And it is one of my greatest hopes that sometimes Congressmen come to the Comanche housing area and see where people are living. Two cases I very much want Congress to look into, but it so happened that we was able, before Congress came down—we had Congress to come down. I spoke to Mr. Jaeger up in Washington about a month and a half ago maybe and invited him to come through and see some of the houses that we were living in.

Two very deplorable—in fact, it was a shame that people had to live in those homes—one that—she can't see, she can just barely see a shadow here, a shadow in front of her, and then a Daisy Tahahwah at Richards Spur. Do you know that they couldn't see how people lived in them houses that they have to live in.

Eventually the home improvement done something about them, repaired them houses before my hope that some Member of Con-

gress would come through and take a look at those houses. I don't know how they overlooked that.

If they were conscientious about this job of housing for the Comanche people, somebody, someone—I know they drive back and forth, some members of the housing authorities drive within a quarter of a mile of those houses back and forth to work.

And we mentioned that the wood was rotten, you could pull off pieces of the lumber, but the home improvement people repaired them. They are not so shameful now.

And then another thing that, because we wondered how come these houses and other houses like them were taken care of—I know that there were other houses that should be condemned but we made an effort to repair them, our work coordinated the home improvement program.

And people that ask to repair these houses, they were telling me, this is a waste of money, after the houses—in fact, home repair people wouldn't work on a couple of those houses. They said those houses should have a big round ball dropped on top of them or they should be burned.

But anyway, I asked these home improvement—in fact, I asked Jerree, Louis, and myself, when you talked to the woman who was talking here a while ago, what kind of priority do you have, and they told us first-come-first-served because we brought up the woman at the woman's request, Sophia Mesetky, she wanted a new home, and we told them and we told Jerree and she told us, I believe she said, I don't remember her figures too good, but I believe she said we have 722 applicants and first-come-first-served. That leaves Sophia 723. Now, there is no priority there. First-come-first-served, I don't call that priority.

And anyway, I could talk a little longer here but I am going to read Mr. Pewewardy's letter here.

Lawton, Okla., August 6, 1975.

COMMISSIONERS,
COMANCHE TRIBAL AUTHORITY,
Lawton, Okla.

DEAR SIRS: For many years American Indians have been fighting defensively for their right to exist. We still remain after many generations of physical and cultural genocide to feel pressed by shattering problems, most of them created by the white race's consuming desire to take over our land.

By and large, it should also be remembered that our Indian leaders have created a portion of these problems. Failure to recognize these facts leads to all sorts of ludicrous and unjust results. Many words have been expounded against the profundity of injustices to Indians.

To further illustrate this profundity, this preposterous situation, we have numerous complaints concerned with the Comanche tribal housing program. The numerous complaints have compelled us to take corrective measures to help alleviate the unpleasant and distasteful atmosphere in the housing program. Complainants of the Comanche tribal housing program assembled in the Hotel Lawtonian on August 4, 1975 to discuss these grievances.

It is regrettable that we take this course of action that produces confrontation with friends and relatives. Fortunately, there has been little reported name calling although many members have reported incidents of intimidation by the housing authority.

We are badly in need of a leader to provide a constructive communication and a congenial atmosphere for our people. We sincerely believe the commissioners must build bridges for understanding and cooperative measures be taken among tribal members in order to reduce ignorance and misunderstanding of

the program which, in many cases, leads to permanent suspicion and tension. Prompt and intelligent handling of complaints and requested judgment is highly essential as it would often head off a rapidly increasing bitterness in the minds of our people who believe that they have been given the runaround treatment.

Complainants have indicated that the Executive Director is the main focus of poor relations within the housing authority. We sincerely feel the Executive Director is hostile, has no diplomacy in dealing with our people in their housing problems, and is totally unsympathetic towards their need. The Director's impatient attitude has created bitterness among our people whereby animosity appears noticeably on the increase.

At the moment the most pressing problem is restoring the confidence of our people and encouraging them to be more cooperative with the housing authority.

We presently have a beneficial program for our people which we definitely need to continue, but to ease the tension and suspicion we need to seriously consider the numerous complaints in existence at this time.

It is the opinion of many of our people that there are no alternatives but to seek the removal of the Executive Director. Therefore, for the welfare and benefit of our people, we urgently request the removal of the Executive Director as a solution to most of the disharmony that exists today.

Hopefully you will consider our request seriously so that a more friendly atmosphere may reunite our people.

Please let me hear from you on this most important matter at your earliest convenience.

Thank you for your time and consideration.

Sincerely,

Doc Pewewardy.

This is one of the carbon copies mailed to the Comanche tribal business committee which I was a member, and I want you to hear both sides of our program here, those that speak favorably for it and those that have complaints, and I am sure that Mr. Pewewardy can say something about this.

Senator BARTLETT. All right. Mr. Pewewardy? Please proceed as you like.

Mr. PEWEWARDY. I was called about an hour ago from my job in Lawton, Okla., and came up here without any papers, the evidence I may have, so I talk from what I can remember.

Mainly, my purpose here this afternoon is more or less to express myself on the ways of money that is going into the houses. It is a good program, a beautiful program that we all need, but it is the waste of money that it has been operated.

All these homes that have been built that we know of, there are quality of construction, there is something wrong with these homes, they are little homes, the material that's in the homes, they are odd brands.

Well, you can't go downtown and buy the materials to repair them. So, unfortunately, the people are stuck with the situation whereby it is frustrating.

Some of these homes are new. There is a breakage in them, and your faucets, et cetera, and your bricks are broken, cracking, and your roofs are leaking.

All these that are come about, when they were new, complaints were made about them and no corrective action was taken whereby they can restore the satisfaction of the participants.

So, it seemed that we put a lot of money in there which is not justifying the quality that has been built. So, if we are going to spend money, let's spend it in such a way that we can receive our money's worth.

Senator BARTLETT. Am I correct, Mr. Pewewardy, that before keys are given to a house it is inspected by the tribal housing authority inspection group and also HUD? Is that correct?

Mr. PEWEWARDY. Yes; I understand they were but in some instances they say, "Well, if the participant finds something wrong we will tell the inspectors, we will get to that later."

Senator BARTLETT. Do you have any documentation of this existing in any of the houses with which you are familiar?

Mr. PEWEWARDY. I have.

Senator BARTLETT. Will you submit it to the committee?

Mr. PEWEWARDY. I don't have it at this time. I have it at home.

Senator BARTLETT. Our record will be open for 2 weeks, so if you have any independent authority or documentation of this I will be glad to receive it.

Mr. PEWEWARDY. Yes.

Mr. ATTOCKNIE. I believe that is—are you through?

Mr. PEWEWARDY. The letter that he has read, I think this more or less concerns the tribe itself. We don't want to get you involved because we can solve our own problems.

But, primarily, my concern is the conditions of the homes. They are not built properly, poorly built. A lot of tax money goes into these homes. If we are going to build homes, let's build homes where they can be——

Senator BARTLETT. What do you think of the workmanship of the homes?

Mr. PEWEWARDY. Poor.

Senator BARTLETT. And why is it poor?

Mr. PEWEWARDY. Because you have poor material.

Senator BARTLETT. How about the people?

Mr. PEWEWARDY. In plain English, they are cheap, because all your floors, they are warped, it's like a wave. And your doors are easily broken and sometimes you can't close the doors because your doors expand, you can't lock it, there's no security. And then your stoves are too close, they are a safety hazard, they are too close to the wood.

Senator BARTLETT. If you would give us specifics on this we would appreciate it.

Mr. PEWEWARDY. All right.

Senator BARTLETT. I appreciate your comment on your own letter that was read by Mr. Attocknie, because that was directed to the commissioners and the housing authority, of course, is in charge of priorities of houses built and the selection of the director, and I think the matters you raised are matters for the housing authority.

So, I thank you very much.

Mr. PEWEWARDY. But now, is this, it seems we have some testaments year after year what corrective action has been done. I just got through reading a book back here concerning all this talk that's been put down on developing these homes. They still build these homes in the same condition. There is something wrong with them.

And now you put the tax money back in these homes to repair them. Why don't you build them correctly in the first place, then they don't have to be repaired back over again. That's a waste of money. Do it right in the first place.

Senator BARTLETT. Well the hearings are for the purpose of improving, evaluating the program and taking suggestion for improving the delivery system where needed, the caliber of workmanship, the quality of materials. This includes everything that goes into the whole program.

I am hoping that some good will come of these hearings. I don't want people to expect results too quickly because, in the first place, we anticipate that it will probably be the first of next month before the rought draft of the proceedings will be available and at that time I anticipate as soon as possible after that having a meeting in Washington of the BIA area directors and go over this possibly with some other people at that time, and then later, hopefully, to have hearings again in Oklahoma on this matter with the HUD officials the main participants, and follow that with a few representatives of a few of the housing authorities commenting on the comments made by the HUD officials and other matters, and then giving again the HUD officials an opportunity for rebuttal.

Then, after all that, we would need to evaluate the total transcript and decide what recommendation we would make in the current operations and also what legislation we might want to write.

So, the only reason I am saying this in a little bit of detail is that—in addition to this, I will be making some informal suggestions to HUD and to the Department of the Interior, the BIA, and possibly even the Indian Health Service, trying to improve it more quickly than otherwise would be done.

But our process is going to be a rather deliberate one and we will probably be asking for other inputs on specifics that I know we haven't covered, so that, hopefully, when we end up we will have covered as much as we could and then, hopefully, action will be taken by the appropriate agencies to improve the delivery system that Congress hopefully will take action with legislation.

Again, you know, this is a deliberate process, it is set up that way. And so, I don't want anybody to expect these hearings to bring about real quick actions in a whole lot of areas. Perhaps in a few. I am not trying to make excuses for myself or for the members of the Interior Committee, but I do want you to know that our processes are rather deliberate processes.

However, I don't question the urgency of the program. I have learned a lot about it. I am very happy to have all of our inputs, and of course all the inputs that are made including yours will come to the attention of HUD officials and representatives of the various agencies as well as Members of the Congress.

Mr. PEWEWARDY. May I add here, Senator, concerning the housing, this is poverty people. Since the employment rate is so high, we have people that's unemployed who cannot make their payment. So how do you expect these people to make their payment when they have no job?

So, this is one of the problems we are faced with. It is a program for them but still they have got to get out and make their payments. With what? They have no money. There is no money, there is no jobs available for them. So what are you going to do about that?

Senator BARTLETT. Well, this is one of the problems that has been discussed and there have been comments made on this question. If you have any suggestions to make on it I will be glad to have you include them.

Mr. PEWEWARDY. Well, I don't know of any at the moment. But this program is for poverty and those people that have a low income. If a person is unemployed, he is unfortunately in a jam where he can't pay his monthly payments.

Senator BARTLETT. Well, I think the——

Mr. PEWEWARDY. So, there must be some kind of solution.

Senator BARTLETT. I think you can talk to the various housing directors who are here and some of the authority members, the BIA and HUD and others, and there are ways this is being approached. I think they can give you a good answer.

Thank you very much.

Mr. PEWEWARDY. Thank you.

Mr. ATTOCKNIE. Thank you.

Senator BARTLETT. Mr. Kent Poolaw, Mr. Poolaw, proceed as you like.

And are you a Kiowa?

Mr. POOLAW. Yes, sir.

Senator BARTLETT. And do you have any position besides being a U.S. citizen.

Mr. POOLAW. Well——

Senator BARTLETT. That is a good enough position.

Mr. POOLAW. Well, I will have a position, I am going to school.

Senator BARTLETT. All right. That is a good position.

Mr. POOLAW. First, I would like to welcome you here, Senator Bartlett to Anadarko.

Senator BARTLETT. Thank you.

STATEMENT OF KENT POOLAW, KIOWA TRIBAL MEMBER

Mr. POOLAW. I appreciate your taking the time out of your busy schedule to come here and hear the problems and needs.

I represent, not in an official capacity, but I represent people who come to me and ask me to come here today to speak to you and to bring their problems and the problems that most of them here spoke about, that is, the houses, how they can be fixed, when the other sets of homes are to be started, their feelings of trying to make their living conditions a little bit better.

Now, we feel like there is hope today. Everybody who has been here before me has indicated that they will attempt in their ways to better conditions of the Indian people, and I feel that it is the responsibility of each Indian citizen to feel that way, and your responsibility as an official of the U.S. Government and us also, as we elect you, that it is your job to fight this for us and seek ways and means of providing better care.

I would like to comment on Mr. Pewewardy for he spoke about unemployment.

Senator BARTLETT. Yes.

Mr. POOLAW. I feel like it is the responsibility of the tribal government to attract industry to where their large majority of people are seated, here in this area or in the Kiowa, Comanche, Wichita, Apaches,

Delawares, et cetera. I feel it is the responsibility of the Kiowa, Comanches, and Apaches to attract industry here and possibly people can get jobs and pay the rent on their houses.

Now, I have a job but does that mean my brother down the street has a job? No, he doesn't. The people down the street may not have any source of income, so what are they going to do? Go to their housing authority and seek help from them when there is no communications from the housing authority?

And I only speak for the people who have asked me to come here and I speak against—I don't like to use that word but the Kiowa housing authority, which is the housing authority which I fit in as far as tribe goes, the Kiowa housing authority has a lack of communications for its people and service. I feel like the responsibility up to date, the problems up to date, are to be blamed on the Kiowa housing authority, the people we elect to serve us.

Senator BARTLETT. Are they elected or are they appointed by the tribal chairman?

Mr. POOLAW. Well, you have to use the word "elected" but, you know, you can't have 7,500 Kiowas go and say, "I want to appoint" this person. The tribe has got to have an election. So, it is really appointed, appointed.

Senator BARTLETT. They are appointed by the chief?

Mr. POOLAW. No; they are appointed by the people.

Senator BARTLETT. Oh, appointed but it is an election?

Mr. POOLAW. Yes; it is an election.

The problems that are facing the people are: they don't have the means with which to pay their rent, they don't have the means to fix their houses up because they have little children to think about, they have their families they have to feed and clothe and get ready for school.

And we feel like, sure, they signed a contract. But many years ago when my people were here, long before any white man was on this Earth, my people lived, they survived because they had the great spirit to help themselves. The great spirit may be Jesus Christ, it may be God. How do you feel? Who are your higher powers?

But my people didn't have to face that problem. All they had to do, if they were strong enough, was to get on a horse and go chase a buffalo. They had to keep peace and they had their food, they had their moccasins, they had what they needed.

Now, as modern ways of life come into the country we are just not ready for it, so we need a lot of help, from you, the President of the United States, from people we elect to serve us, my tribal people, these Indians here. That is why a lot of us are going to school, because we recognize that this is the only way that the Indian people in the United States can get anywhere.

It is not going to take militant action, it is not going to take action against people to cause a war or anything with the United States. It is going to take togetherness. And, like today, we are having togetherness, if I can come to you and sit here and ask you, would you, in your way, see that my people at least have a roof over their heads, or have something to say "I am proud of, to wake up."

I have seen many times that I woke up on the street, woke up in Washington, woke up right across from the White House in Lafayette

Square, Lafayette Park. I know what Washington is. I know what big cities can do for you.

So, what I want to say, Mr. Senator, is that my people, the only thing they ask for is to live a life where they can be proud of, to wake up every morning and say, "I have got a house" or "I got this."

And a long time ago they didn't have to do that, they had it. But yet, am I putting the blame on you or the U.S. Government or anybody else? No, all I am asking is that now—not now, but maybe in 1976 we can say, yes, happy birthday, yes, we got our houses, we got our job, we got our opportunities. We want to do that. And where we can sit down and talk about it instead of saying, put a gun to our head and say, "I am going to shoot you if you don't do this." That way I don't believe in. I had brothers die for the American tribe.

But yes, back to housing, I really feel that something can be worked out and I really feel that you are the man who can do it. If I sit here and criticize you or if I sit here and praise you or if I sit here and say this, it is not me, it is only you who can do anything with the hearings today, only our input to you, whether it is good or bad, whether it is sad, whether it is happy.

A lot of people live in $100,000 homes, you know, they are not worrying about what is happening here today. People that have got $60,000-a-year jobs, they are not worried about it. The only thing they are worried about is if they have their visa for a trip to the Soviet Union, or China. The only thing the Indian people are worried about, are they going to have any homes, are they going to be covered this winter, are they going to have something after this.

I thank you very much. I know, I have a lot to say; I don't feel I am in an official position to do it, I don't think I am qualified to do it as far as housing.

Now, in a couple years I can tell you all about registered nursing because that is what I am going to be, but now I can't tell you anything about housing except to say that I am concerned and I am sure the people out there that said they are afraid to come here because, well, they don't belong here, and I come to speak for them. And this is how they feel and this is how I feel.

So, I feel like improvements can be made. We can forget the past and try to look forward to the future as far as housing is concerned.

Again, I thank you.

Senator BARTLETT. Kent, I thank you. I think you expressed yourself very well and I think you expressed the feelings of a lot of young people as well as other people about the responsibilities all of us have.

You mentioned jobs. Jobs are very important. It is not the total problem. You mentioned housing and it is very important. It is, again, not the total problem.

We have made progress in this State. The Indians made tremendous progress. About 10 or 12 years ago our unemployment ran about 3 percent higher than the national average, and we would follow these cyclical variations. We have improved that so that now we are currently about 3 percent lower and better than the national average.

I recognize that there are areas in the State that are much higher than the average of the State. I recognize that Indian unemployment is much higher than the average, non-Indian or nonblack, or the unemployment of the whites is the lowest.

Our problems still exist but we have made progress, and I think it is important to recognize the progress we have made, not for the purpose of being satisfied and sit on our laurels, but to encourage us a little bit to make that much more progress.

This is one of the reasons why Governor Boren and I were together in New York meeting there Sunday night, calling on heads of businesses on Monday and Tuesday. This was a Democratic Governor and a Republican Senator working together trying to bring more jobs to our State. And I think we were successful and I think there will be some announcements forthcoming very soon.

I am going to be talking tomorrow to a group of teachers in vocational technical education in Stillwater. I have been close to this program a long time, and this again gets into the area of jobs because it is part of the educational system.

I think your position as a student and working toward being a registered nurse is going to be very important, not only to yourself but to presumably other Indians, or at least others, and this helps in the total problem. All this helps in housing, because with a job a person can certainly better care for himself and his family.

So, the part that you have provided, at least in general terms, is very valuable to the insights we have in what does improve our environment, and we appreciate very much your making your statement.

I wish you well in your position as a student and as a person who has a goal of registered nurse.

That gets into another very difficult problem area of health. And I think we have enough problems with public housing without trying to solve the health problems here today.

Thank you very much, Kent, for being here.

Mr. POOLAW. If I may make one comment?

Senator BARTLETT. Yes.

Mr. POOLAW. I started writing to your office about a year ago, not as an official, you know, not as an official member of anything, really, but I have never failed to get an answer from you and I have never failed to get a response from your office. I am not saying this today because you are here. I am saying this because I mean what I say.

I had a job program at the State Federal prisons here in Oklahoma, American Indians had these programs. We didn't have any money. We didn't know where to go, where to turn to. So I remembered hearing you speak one time at Tony's Restaurant here, Senator Bartlett, and you said,

> If I can do anything for you, if I can be of any help to you, you feel free to write to me and I will do what I can to help you.

I remembered what you said, so I wrote to you and asked you to give me 50 books on drugs. I named the books. I said, well, you could get them at Rockville, Md., at the NIAAA, which is the National Institute of Alcohol and Alcohol Abuse. And about a couple weeks later here they came. So, thank you for them.

Senator BARTLETT. Well, I hope they did the job. Mr. Poolaw, you do have an official position as an American citizen.

Mr. POOLAW. Thank you.

Senator BARTLETT. Now we will have a 5-minute recess, then Professor Henderson will be next followed by the three HUD officials. I will make it not more than 10 minutes, or probably just a little less.

[Whereupon a brief recess was had.]

Senator BARTLETT. We will proceed.

Prof. Arn Henderson of the University of Oklahoma. Professor, go right ahead, proceed as you would like.

STATEMENT OF ARN HENDERSON, PROFESSOR OF ARCHITECTURE, UNIVERSITY OF OKLAHOMA

Professor HENDERSON. Thank you, Senator.

I would like to offer some comments in the way of summary remarks on the report that you have there before you. This report represents a 3-year study that was funded by the National Science Foundation. This is a comprehensive study of Indian housing in the five-county area of southwestern Oklahoma.

I want to just simply highlight some of the aspects, some of the significant aspects of this research.

First of all, I would like to say that I believe the mutual help program is a qualified success. I say "qualified" because I believe there are some shortcomings in the program which I would discuss first.

First of all, there appears to me to be extraordinarily cumbersome administrative arrangements to the program. The fact that you have three separate Federal agencies interacting with Indian housing authorities seems to me to place a very serious obstacle to the housing authorities and put these people at a real disadvantage. It is just absolutely mind-boggling, the kinds of problems that housing authorities have encountered in their dealings with HUD, with the BIA and with Indian health.

One of our recommendations relative to this point is that there should be a separate and singular vehicle developed for the comprehensive administration of Indian housing in the United States rather than three Federal agencies. I would like to add in this respect that I think it is a great credit to Indian housing authority commissioners, particularly in Oklahoma, in the area that I am not familiar with, that they have been able to obtain housing for their Indian people. They worked with a great deal of tenacity and they have had to overcome a number of obstacles to do this.

Senator BARTLETT. Professor Henderson, do you feel that there should be one agency in charge of the entire program with the whole program operating within that agency?

Professor HENDERSON. Yes, sir, I do.

Senator BARTLETT. And you prefer that to a task force concept of HUD personnel with liaisons to other agencies?

Professor HENDERSON. Yes, sir. It would seem to me to simplify the whole process if there is one agency involved.

Senator BARTLETT. Which agency would you recommend?

Professor HENDERSON. I would recommend the Bureau of Indian Affairs.

Senator BARTLETT. Do you have a concern about the changeover from one to the other?

Professor HENDERSON. I would imagine that there would be problems in this respect but I think, considering the long range goals and aims of the program, I think that it could be greatly simplified and streamlined and some of the administrative problems eliminated by housing authorities having to deal with only one agency.

Senator BARTLETT. Fine.

Professor HENDERSON. A second negative aspect of the program is that there appears—and this relates in large part to the first one—is that there appears to be a lack of communication between housing authority and participants. We have found that there is a great deal of lack of awareness and misunderstanding about the program itself on the part of many people.

The thrust of this segment of the research was concerned with interviews with approximately 150 mutual help participants, and we found that the people do not understand very well many aspects of the program, and I think, related to this is the housing authorities need to develop a very good and very comprehensive education program because we find individuals who want information about such mundane things as operating a thermostat and taking care of a house and maintenance on a house.

Now, I don't offer this as a criticism of any particular group. In fact, we find variance among the different authorities that we studied. Some of them seem to do a better job in this respect than others do.

A third problem area seems to be the——

Senator BARTLETT. Would you advocate a good detailed handbook for the members of the housing authority and the director as well as the individual participants?

Professor HENDERSON. Yes, sir. I certainly would. I think that the lack of any kind of a handbook or manual simply compounds the problem.

A third problem area has to do with the requirement for trust land for participation in the program. This can lead to very poor vocational strategies. We believe that many Indian people have very strong symbolic attachment to the land, to the land that they have inherited, and that this means a great deal to them.

However, there are situations where people are simply located in places that are difficult to get to and from, and they are in some remote and inaccessible areas.

A fourth problem would have to do with the lack of choice in design, and let me add a footnote here, that I have a certain ideological position that I have to defend in this respect, and this, from my perspective, is a very serious problem with the program, that is, the choices that the individual participants are offered are minimal and they are insignificant kinds of choice, choice that has to do with the color of paint of the trim, with the color of the brick of the house, is in my opinion not a very significant choice.

The program, in terms of design, needs to have greater flexibility in it so that those people that wish to choose a carport as shelter for a car can do so. Those people that wish to have a screened-in porch for their family can do so. Those people that wish a basement in their house can make certain kind of tradeoffs in order to obtain this. Individuals who wish to have a space in which to do arts and crafts in their home, which in some cases is a major source of income for the

families, the program should have this kind of flexibility in it to accommodate varying kinds of needs.

Senator BARTLETT. You are suggesting this within the cost range that is permitted?

Professor HENDERSON. Yes, sir. I think that is entirely feasible.

Now, in terms of the positive aspects—I said earlier that I believed the mutual help program is a qualified success, and the only reason I say it is qualified is because of these negative factors that I have just cited. I think it is important that the houses do provide much better features and amenities than they do in previous residences.

Second, there is much less crowding in the household. We found a decrease in the number of people per household in this study.

And third, there is a very high——

Senator BARTLETT. Excuse me. You mean a decrease in the number of the new houses as compared to older houses or former houses of the same or similar likeness?

Professor HENDERSON. Yes, sir, that is correct.

And third, there is a very high level of satisfaction on the part of the people, of the users, of the participants, with this program.

Over 90 percent of the people have said that if they had to do it all over again, in spite of some inadequacies, in spite of their perception of poor workmanship, bad materials, et cetera, over 90 percent of the people indicated that they would go through it again in order to get a new house.

Moreover, over 90 percent of the individuals indicate that this is going to be a permanent home for them, that they do not plan to move anytime in the future.

In summary, I would offer a very strong endorsement for continuance of the program. I think it is important to realize that there is a great deal of substandard housing here in this area of Oklahoma. The housing of many Indian people is in dismal condition. Moreover, there are very few alternatives the Indian people have in this part of Oklahoma.

The HIP program is a good program, however, it is underfunded. Low rent housing, that is, the kind that is offered by the various communities in this part of Oklahoma, is not an effective alternative for Indians, largely because of the policies of municipal housing authorities.

The open rental market here in this part of Oklahoma is——

Senator BARTLETT. When you are speaking of low rent housing you are speaking of non-Indian low rent housing or were you speaking of Indian low rent housing?

Professor HENDERSON. No, sir. I am alluding to low rent housing that is operated by municipalities.

Senator BARTLETT. Which would be non-Indian?

Professor HENDERSON. Yes, sir, which would be non-Indian. But, ostensibly, they are open to all citizens, but in practicality many Indian people are excluded from this.

Senator BARTLETT. What are those exclusions? Or why are they excluded?

Professor HENDERSON. Well, I think it is probably an attitudinal problem on the part of the housing authorities in these communities. We find evidence that the fact that there are Indian housing authori-

ties leads to almost a consolidation of anti-Indian attitudes in terms of accepting them as tenants.

You know, for example, a typical comment would be, "Well, you know, the Indian housing authorities, they have housing, you should go to them for housing," you see. The open rental market in southwestern Oklahoma is a very poor alternative for Indians. We find evidence of a lot of discrimination.

So, I would strongly endorse the continuance of the mutual help program. I think it is impacting significantly on the lives of the people in spite of some shortcomings.

I might just add as a footnote also, although we are specifically concerned with housing, I think there is a real need to consider policies for world economic development in this area, particularly for Indian people, because this is almost a classic example of what I would characterize as molecular planning, that is, you sort of fiddle with one of the molecules of the structure when you should be addressing the entire structure itself.

Although we may have improved housing for our Indian people, there is still, I think, danger of generations of people being trapped in poverty. Even though they have better housing, we are still going to see cycles of people trapped in poverty.

Senator BARTLETT. What observations have you on the delinquency rates of collection?

Professor HENDERSON. Senator, I am not really prepared to go into any kind of indepth comment on the housing authority administration. Our concern with this research did not really address that particular problem. We do not have a great deal of data on that. The focus of our research was looking at this as a housing environment from the standpoint of the needs of the people and the relationship between housing and culture.

Senator BARTLETT. I assume then that you probably did not study the requirements of auditing, good bookkeeping and so on?

Professor HENDERSON. No, sir, we did not go into that.

Senator BARTLETT. We will make your report available to the people in Washington, and if you would like, we could include, in addition to your remarks, the conclusions and recommendations which appear in chapter 8. That would, I assume, cover most of the suggestions you have, is that correct?

Professor HENDERSON. Yes, sir. I would like to see that appear in the record and I believe that does actually summarize the major points of the research. That would be fine with me.

Senator BARTLETT. Would you endorse low rent Indian housing for senior citizens among the Indians?

Professor HENDERSON. Yes, sir, I think I would. I would say this, that I would urge a policy of low rent housing in conjunction with the mutual help program, because I think that there needs to be a balanced —any housing program needs to be a balanced one, and I think that rental housing is very, very important as an adjunct to a mutual help program, because we have to realize that there are some individuals who for a variety of reasons are either not interested or ill prepared to become homeowners.

As far as the question of low rent housing for senior citizens, I would have to give a very qualified yes, but at the same time I would have

to point out that we don't really know from a behavioral standpoint very much at all about the needs of senior citizens in Indian communities. You know, this is the kind of thing that I would love to do some research on.

I would like to take this, take one small liberty in this respect too. This research was conducted from 1971 to 1974, and during the course of the research we would occasionally run into some criticism from people. They would say, "Well, gentlemen, why don't you take that, why does the Federal Government fund this research project, what do we need this research for, why don't we take that money and build more houses with it?"

Well, one time just for the heck of it, I calculated what that amounted to in terms of percentages. This grant we received represents —I am referring now to all of the mutual help housing built in Oklahoma up to 1974—that this research represents 0.0001 percent of the money expended for housing.

Senator BARTLETT. What are your comments on housing which ultimately ends up in somebody's ownership such as mutual help housing and such as some low rental housing compared to strictly rental housing without equity ownership?

Professor HENDERSON. Well, I think generally, in my view, that any housing program should be a balanced one, and the mutual help program, I don't think that can be a panacea for the problems of housing for low income Indian people.

Senator BARTLETT. Well, some of the low rent housing, in fact, if Indian land is donated, then that leads to an equity ownership too in low rent housing.

Professor HENDERSON. Yes, sir.

Senator BARTLETT. What I am referring to is the success of the program of equity ownership low-income housing versus rental low-income housing. I am sure you have studied that considerably. There has been a lot written on it. I am not speaking just of future housing but there has been a lot written on non-Indian housing where there has been suggestions made toward equity ownership, that this develops the pride you were talking about in ownership and the satisfaction with the ownership.

It is not prevalent in strictly rental property and the care and maintenance becomes much more of a problem in some areas, and I am speaking of non-Indian housing.

I am not trying to put forth my own thoughts, but just strictly from what I have read, would ask you what your opinion is as to the balance or the merits or the goals; do we strive for more equity ownership one way or another or should we try to achieve a 50/50 balance or just how should it be divided?

Professor HENDERSON. Senator, I don't think that I am really prepared to offer any kinds of figures, whether is should be a 50/50, 60/40 or 70/30 kind of a split.

I have a lot of faith in programs such as the mutual help program that do offer the opportunity for individuals to develop equity to become homeowners, because all of the research that I am familiar with indicates that this is the goal of people in America, whether they are white or black or Puerto Rican or Indians.

Many people ultimately want to become homeowners and own their own property. I think the program, as I say, I think the intent of the program is very good, but nonetheless there are some individuals who, because of some circumstances, may not be ready to move into an ownership kind of a program, and that is why I suggested that there needs to be, in conjunction with the ownership program, a low rent program.

Senator BARTLETT. Should there be a goal in the low income Indian housing program to maximize a percentage, a high percentage of equity ownership?

Professor HENDERSON. Well, as I understand it, that is the current policy. I think that is a desirable and admirable goal. I am not sure that it is terribly realistic.

Senator BARTLETT. Do you conceive, in your opinion, to the extent that it could?

Professor HENDERSON. Well, I can only speculate on that. One of the things that seemed very disappointing to me is the kinds of problems that many of the housing authorities have to go through in dealing with three separate agencies and the kinds of delays that seems to involve, and I think that is terribly frustrating to housing authority commissioners.

You know, these people have worked very, very hard to get housing for the people.

Senator BARTLETT. Would that affect the mix that you want though homeownership versus rental properties?

Professor HENDERSON. Well, sir, I expect that it may be difficult to set any kind of national policies in this respect. That probably needs to be a decision that is made by the housing authorities themselves. The situation in one area may be very different from a situation in another. I would be most reluctant in this point to suggest what that mix should be.

Senator BARTLETT. You suggested that some people for various reasons would not be suited for home ownership, yet need low rental housing. Could some of those who would be in that category qualify for homeownership with proper orientation, proper preparation, proper education?

Professor HENDERSON. Well, I think that probably depends—oh, gosh, Senator, there are just so many variables there that I am——

Senator BARTLETT. Give me another variable, yes or no.

Professor HENDERSON. Sir?

Senator BARTLETT. Give me another variable, yes or no. I mean, is there any progress that could be made with any kind of an educational program or not?

What I was really getting at is whether you are referring to a lack of knowledge of how to maintain a house or perhaps to just provide the sweat equity, or are you referring to a person who just doesn't want for some reason to own a house and have no deside to?

I know you said before, and I would share your opinion, that most Americans want to own a house. I think most Americans have pride in ownership of a number of things.

Professor HENDERSON. Well, Senator, I could envision actually both of those circumstances, either in the case of a family who does not want

to at this particular time become a homeowner, perhaps they are in a very mobile stage in their life.

Senator BARTLETT. Apparently you feel that an educational program is not the answer to try to encourage people for homeownership.

Professor HENDERSON. Well, the educational program that I was alluding to earlier, Senator, had to do with the level of maintenance for individuals in existing homes.

Senator BARTLETT. Yes. All right, Professor Henderson, thank you very much. We appreciate your comments and we will be happy to make your report available to all those in Washington who would like to avail themselves of it.

And if you have any other conclusions or recommendations to make we will be happy to include them in the record.

Professor HENDERSON. Thank you, Senator.

[The report referred to by Professor Henderson follows:]

Chap. 8 of "Housing and Community Alternatives for American Indians: A Final Report submitted to the National Science Foundation , Research Applied to National Needs." by Arn Henderson, Professor of Architecture and James Bohland, Assistant Professor of Geography, the University of Oklahoma.

VIII

CONCLUSIONS AND RECOMMENDATIONS

One of the more important conclusions drawn from the analysis is the futility of molecular planning. By molecular planning we speak of the piecemeal, non-integrated collection of various programs loosely termed development. A housing program in and of itself can have little impact on the problems of health care, employment, or technical training that are critical if the Indian population is to improve its lot. Likewise, programs geared to these problems can not be isolated from housing concerns. To do so results in "fiddling" with molecules when the concern should be on the entire structure.

The response of the majority of Indians indicates that housing concerns are of less importance than worries about employment possibilities. This problem, of course, is not unique to Indians but is common to many isolated rural areas. Thus, regional economic development is not simply an Indian concern. Care must be taken, however, to involve all minorities in regional development programs. Many Indians in the area perceive their world to be separate from the white world. Unless a concerted effort is made to include Indians in regional development programs this view will be perpetuated.

There is also some evidence that the lack of integration of housing with other problems can have a negative effect on personal development. It must be remembered that purchasing a home constitutes one of

the largest investments a family makes. This is particularly true for low-income families. The opportunity to claim ownership with reasonable financial obligation may come once or twice in the life of a family. Consequently, there is considerable locational inertia once a home has been purchased. While there appears to be a "propensity to move" with higher income groups, ownership brings a "propensity to stay" with the lower-income family.

This inertia effect can be significant if economic opportunities in the area decline or, for that matter, remain stabilized. An individual becomes fixed in an environment that has few amenities to offer him. No where is this more evident than in our urban housing experience. By locating subsidized homes in zones of deterioration we have insured the continued existence of a poverty zone in our cities. Although the environments are different the same process can be operating in rural areas.

The authors wish to emphasize that we are not condemning the current programs in the region, nor are we condoning certain aspects of same. The programs as conceived have filled a need in providing quality homes to families who otherwise would be unable to purchase or renovate a home. However, we do feel that as currently conceived the programs will not meet the future needs of the area. There exists a strong possibility that rural slums could become the living memory of such programs.

Slums, however, will not occur if an integrated approach to the housing problem is developed. In other portions of this chapter we have outlined some specific aspects of the current programs that need re-examination. Before looking at these specifics we wish to discuss some of the principles that should underlie any new programs.

1. Autonomy

A housing program should be flexible enough to accommodate differences in preferences, life-styles, etc. This flexibility should be present at the lowest level, the individual, as well as at the other stages in the hierarchy, for example, tribal. Not only should individuals or groups be permitted to accommodate new ideas, innovation should be encouraged. The authors recognize the economic consequences of such a policy. Risk-taking can be uneconomical, however, it can also lead to new and effective house designs, financial policies, or locational strategies.

2. Integration

We have continually stressed the need for integrating various programs within the region. This is essential. However, another form of integration should also be a guideline. The authors are amazed at the lack of interaction among tribes or individuals attempting to deal with a common problem. Programs that encourage cooperation at the higher level, inter-tribal, are needed. This should not be construed as a call for abolition of tribes or tribal housing authorities; quite the contrary, these institutions are important and must persevere. However, cooperation in developing strategies for obtaining funds, designing programs, and developing policy guidelines is needed.

3. Continuance

Any housing policy should recognize the need for long as well as short term costs and benefits. In the haste of desires to obtain a physical symbol of success, poor decisions may evolve.

The problems of Indians in this area will not be solved in 5 or 10 years. A realistic set of short and long term priorities must be formulated to guide development in the region.

4. Reciprocity

As noted above many of the problems of this area are not strictly Indian problems, but are common to all people in the region. Significant increases in long term economic growth will not come because of policies directed towards one sub-population. Indians or blacks should maintain their cultural autonomy and strive for greater control over programs that are directed to their betterment. However, there are areas of need, for example, scarcity of water, which all groups must work together to solve. These must be identified and ideas and resources must be pooled to solve them.

Housing Programs

Rental Housing

The rental market should be a priority item in any housing program. The rental market for Indians in the study area is in tragic conditions. Quality rentals are almost non-existent. White landlords discriminate against Indians and low-rent public housing that is operated by municipalities is not an effective alternative. Monies should be made available to tribal housing authorities for the development of low-rent units. The current policy of development of home ownership programs does not address either the problems or the needs of the low-income Indian renter.

Home Improvement Program (HIP)

The role of the HIP program in southwest Oklahoma is an important one in the overall housing system. Under present housing strategies it is the only effective alternative open to elderly Indians. Moreover, many families express a desire to remodel their present home rather than acquire a new house through the Mutual-Help program.

There are several problems which impede the effectiveness of the HIP program. Foremost of these is the level of funding. This should be dramatically increased. Information about the program is not reaching the target population, especially those who may need it most. Hence, an agressive and forthright information program should be

developed. Guidelines should be clarified, care should be taken in the supervision and inspection of work to be sure it is completed, and fewer restrictions should be placed on the types of renovation appropriate under HIP.

The Mutual-Help Program

The Mutual-Help Home Ownership program is a uniquely designed program for Indians and is made possible through the cooperation of three federal agencies - HUD, BIA, and PHS - working in conjunction with tribal housing authorities. As our data indicates, the program is impacting on the lives of Indian people in southwestern Oklahoma in significant ways: it is alleviating overcrowding; houses provide better features and amenities than previous residences; and there is a high level of satisfaction by users with their new housing. The program is thus successful in providing an improved housing environment for Indian families.

It is somewhat surprising that the program works as well as it does. Certainly one of the key factors for the success of the program is the tenacity of tribal housing authorities in pursuing with a single-minded zeal the acquisition of housing for their Indian people. In this sense, Indian housing authority commissioners are unique and display dissimilar attitudes from those commonly found among white community leaders. The question of whether the program is good or bad, or whether or not the community should accept the program are not valid questions. Indian tribal leaders have recognized that Indian housing is universally

poor and that the Mutual-Help program is the first viable housing program that has actually delivered housing in a significant way.

There are many obstacles that have in the past and continue to impede the housing acquisition process. Foremost among these, from both the Indian individual and the housing authority perspective, are the problems inherent in dealing with a bureaucratic structure. The program, with the involvement of three separate federal agencies, is complex and there appears to be an overabundance of red tape. The procedures followed by the three agencies involved in the administration of the Mutual-Help program are poorly understood by Indian participants, and in most cases are viewed as badly coordinated and duplistic. Moreover, Indian housing authority commissioners have frequently complained about buckpassing in their dealings with governmental agencies. In addition, there appears to be a lack of consensus on procedures within the bureaucracy itself. There are no written guidelines for the program.[1] Agency personnel indicate this is desirable because of needed program "flexibility", yet this is often the source of many misunderstandings and sometimes results in what appears, from the point of view of Indian housing authority commissioners, as arbitrary decisions.

It is not within the scope of this research to design a comprehensive vehicle for an Indian housing delivery system. Yet it appears the existing program is more complex than it need be and the involvement of three separate federal agencies is cumbersome. It is recommended that these agencies focus on the development of a single autonomous sub-agency that will develop and administer all aspects of a comprehensive national program relating to housing for American Indians.

There are a number of other specific problem areas related to the Mutual-Help program which affect the interfacing of individual recipients to the housing delivery system. These are summarized below.

1. Trust Land

   Restraints, real or imaginary, about the need for trust land should be re-examined and a more flexible system developed. This provision not only limits the number of people eligible for the program, it can also lead to poor locational strategies.

2. Housing Authority Jurisdiction

   There are jurisdictional inconsistencies that have resulted in tribal housing authorities' inability to provide housing within certain municipalities. In other communities in Oklahoma, outside the study area, this has taken the form of open conflict between municipal and tribal housing authorities. If Indians are present in <u>any</u> area, tribal authorities should have the option of pursuing legal remedies to provide housing.

   Another problem related to jurisdiction is that of the difficulties members of "outside" tribes who live within the former KCA reservation area may experience in obtaining housing. Since specific tribal affiliation is not a prerequisite for participation, any qualified low-income Indian should be allowed to participate.

3. Design Flexibility

   Doxiodus has spoken of the "goal of freedom is to increase our choices to the maximum".[2] The single aspect that stands out most clearly in this analysis is that Mutual-Help houses do not

provide for the kind of flexibility and freedom of choice that should be an integral part of a housing policy. Although Mutual-Help houses are having a significant impact on improving the housing environment of Oklahoma Indians, there are numerous inadequacies. Many complain the public components of the house--the kitchen, dining area, and living room--are far too small for their family. The concept of uniformity for the sake of standardization and prefabrication should be re-examined.

Other needs can be cited: the need for space for arts and crafts by some families; extraordinary storage needs; a perceived need for storm cellars; the need for larger bedrooms that will accommodate a bed, bureau, desk, and closet for a bulky item such as a roll-away bed for visitors. There is a need for choices between different features and amenities so that an urban family might select a carport and a rural family might select a screened-in porch.

A kind of flexibility is needed that will accommodate the varying needs of either nuclear or extended families by a means other than adding or subtracting a bedroom. Since extended families are an important social institution for Oklahoma Indians, house designs should be flexible enough to permit a fluid household size. Experimentation in houses should be encouraged; different models developed and systematically evaluated. In summary, some significant kinds of options and alternatives should be the goal lest the user forever remain a utilizer.

4. Program Information

Information about the provisions of the Mutual-Help program among

Indian particpants is vague and incomplete. A positive, forthright, and direct information program should be developed. Potential participants need to be aware of the disadvantages of home ownership as well as the advantages.

5. The Development Process

The Turnkey process utilized by tribal housing authorities for the development of housing deters user input into the design process. Also, housing authorities are disadvantaged in terms of technical assistance that would normally be provided under a more traditional process where the architect/planner is an agent of the client, in this case the housing authority. Moreover, a policy of letting contracts to a single developer in units of 50 or 100 or more has an effect of discouraging the development of small Indian contractors and sub-contractors. It is recommended that the Turnkey process be abandoned and a traditional architect/contractor process utilized.

6. Sweat Equity

There is little evidence that the "sweat equity" component of the Mutual-Help program, in its current operational form, instills "pride in ownership". It is recommended the entire concept should be re-examined and more effective means of accruing equity sought.

7. Inspection

Many of the particpants are justifyably concerned over the quality of materials and workmanship in Mutual-Help houses. A more rigorous inspection policy should be pursued and materials exceeding FHA minimum property standards specified.

8. Post-Occupancy Counseling

There is a critical need for an effective program of counseling once the participant occupies the house. Respondents have repeatedly expressed a desire for information on landscaping techniques, home repair, operation of heating systems, advice on furniture purchases, etc. Obviously counseling on the importance of making regular house payments is desirable. It is strongly recommended that a comprehensive counseling program be adopted and include the following: credit counseling, debt management, maintenance of appliances, consumer education, and home care and maintenance.

Many of the problems associated with the Mutual-Help program illustrate the need for greater technical assistance to tribal housing authorities. One possible vehicle for such assistance is through the development of state and national associations of Indian housing authorities. In Oklahoma an association has recently been formed and there appears to be a growing awareness of the need for a national organization.

Finally, our studies of Indian housing in southwest Oklahoma indicate that possibly as much as 50% of all housing is sub-standard. Houses are small and in very poor condition; there is excessive overcrowding; and individuals are highly dissatisfied with existing environments. Supportive data from the 1970 census indicates this picture is typical for other areas in America where Indians live. Clearly, continued federal efforts on a massive scale will be required in the coming years.

The late President John F. Kennedy spoke of the "Indian problem" as being really the white man's problem when, in the following passage, he emphasized the task ahead:

"But when the American Indians lost their power, they were placed on reservations, frequently lands which were strange to them, and the rest of the nation turned its attention to other matters.

Our treatment of Indians during that period still affects the national conscience. We have been hampered--by the history of our relationship with the Indians--in our efforts to develop a fair national policy governing present and future treatment of Indians . . ."[3]

Senator BARTLETT. We have a request for 5 minutes from Mae Johnson, past chairman, Kiowa Housing Authority.

STATEMENT OF MAE JOHNSON, PAST CHAIRMAN, KIOWA HOUSING AUTHORITY

Ms. JOHNSON. The only thing I would like to bring before you is the fact that this is a very badly needed program among all Indians. I say this with much authority. In the work that I did when I was employed by the BIA educational counseling it really amounted to me going after runaway youngsters. And I would go into homes, and the homes, in most of the cases, sad to say, were very deplorable.

When I became a member of the Kiowa Housing Authority I thought, now, this is a chance to do something for the people. I did quite a bit of research and I found that the greatest percentage of our people, Senator, Kiowa people, come under that program.

Well, we started out with the program, we had growing pains, and after 2 years time—I was one of the original members—we got started off on an even keel and built over 250 houses, including the 40 houses that was left by the first contract. This is a very conservative figure for homes for the Kiowa people when you think about the number of Kiowas there are in the tribe.

Out of some 6,000 people, Senator, I would venture to say, and I am bold enough to tell you, that 70 percent of our people would come under that category.

I am very concerned too with the fact that the houses are not quite as big as I would like to see them, the floor space is rather limited. There is a lot of improvements that could be made, but I am so happy to know that the door has been opened and there is a program, and I would like to look, for you to look also, on the positive side when you can think of the continuing program for the Kiowa Tribe, because I think the benefits to my people far outweigh the entanglements that they may be in now.

And I would say, if you would indulge my opinion, I don't think that the criteria in the field of income is broad enough, because I am ready to challenge anyone to show me a man with family of five on an income of even $9,000 to $12,000 that can do anything but rent a home. He cannot build. And it is my desire, rather than for rental houses, that our people be encouraged to put their roots down and to look on that house they were living in with pride and know they own it.

Thank you.

Senator BARTLETT. Thank you very much. I appreciate your remarks and you stayed well within your 5 minutes, so I compliment you on that. You do better than the members of the Senate do.

Well, now we will have the people from HUD. I don't know whether there are more than three. I know we have in the center Mr. Jim Vaughn, on the left Mr. Howard Freeman, on the right Mr. John Seay. Are there any other HUD representatives?

Mr. VAUGHN. No. That's all.

Senator BARTLETT. Let me call on Mr. Vaughn to kickoff with any remarks that he would like to make pertinent to the discussions here today, and if you could, in any kind of a summary, comment on the information that was read by Mr. Kirk Perry.

STATEMENT OF JIM VAUGHN, DIRECTOR OF EQUAL OPPORTUNITY DIVISION, AREA OFFICE OF HUD, OKLAHOMA CITY, ACCOMPANIED BY HOWARD FREEMAN AND JOHN SEAY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. VAUGHN. Again, we thank you for the opportunity, and we are fully aware that the problems that have been discussed here today are problems.

I might give a little history lesson here to go back, that some of our programs have aspects built into them, laws, formal Federal laws passed by the Congress requiring certain activity be carried out in all phases of Federal projects, some of them as much as 150 years old and still require specific actions.

For example, our fair housing requirements in these programs, we still have to have site selection review. These are things that have to be done by the law.

If we can get those laws canceled, Senator, we can process these things in 2 days. If we don't have to comply with Federal law we can process them in 2 days because all we would have to do is say yes, that looks good, and sign it. But we do have the Davis-Bacon requirements. We do have environmental impact statements that must be made.

Legally, that is required on every mutual help site. An arbitrary decision was made in Washington about—well, on mutual help if there are 10 units going to be in one place then we must have an environmental statement. Otherwise, if it is less then 10 units we can go without an environmental statement.

We have to have appraisals on each of those to protect people's and the Government's involvement in this program, the safety and the sanitary conditions, the environment that these people live in. All of these are considerations for the people who participate in this program. It is not for HUD, because the will of the people has dictated to the Congress that these things must be done, not that we do anything but carry out the will of the Congress through the authorities that are delegated to this department.

And again, I am not apologizing. I am only saying that if we don't have the Federal requirements we could process them very quickly because it would be a word-of-mouth contract made and someone would start building.

But we do have a multitude, myriad of different laws that by direct inclusion in new laws or by reference to old laws. So, these are things that are a consideration in the process or steps we must go through.

Kirk Perry read the many steps and the different phases. Each of those are not based in arbitrary decisions by the area office or the regional office or the central office. They are based on a requirement that they are meeting the requirement of a Federal law somewhere, a procurement law, a labor law, or many, many other laws.

So, these are things that must be done, and with the resources we have. I think we could carry on our mission that is assigned and dictated by the Congress—if we don't have the resources, sir, we are going to have a time of it, and we do have that now.

Again, I agree that all the problems discussed here are problems, but they are problems that could be solved with the assignment of re-

sources and skills of individuals whether they are with HUD or whether they are with any other agency, and with management both at the local level and up through the various management levels and in the Congress.

As I say, we have attempted and will continue to process every application as quickly as possible, and that's not fast enough.

I am through.

Senator BARTLETT. Fine Mr. Freeman.

Mr. FREEMAN. I would like to digress just a moment if I may.

The question was raised yesterday and again this morning about the site acquisition for the landless Indian.

Actually, the housing authorities do have authority to use their development program under the annual contributions contract to acquire land for sites for the mutual help. That was the question, I believe, this morning and I believe that is the primary answer.

I can't add too much more to what Jim Vaughn has already said. Our problem is multitudinous due to the various rules, directives, policies, regulations. We have approximately seven to eight sections that require review on all Indian housing.

I am the multifamily housing representative for the Indians. I have been detailed to that position in the last 3 weeks. I have a lot to learn, there is no question about it, but I do have an interest in this housing. I think it is a vital program, a very worthwhile program. I think it has had its start but there is a slowdown due to these many rules and regulations that we have to follow.

I have heard this morning and again this afternoon and in yesterday's meeting the matter of long delays on preliminary site reports and then, of course, once the site has been approved by an appraiser, then the housing authority has to resubmit, which is a duplication in a sense but again it is required. We can't do it at the same time by regulation. An appraisal is made at a later time.

Again an appraiser has to go out to that site and make his appraisal report, and this has to be processed again through the office.

As an actual fact, we have two multifamily housing appraisers performing these appraisals. In addition to that work, they perform appraisals on HUD-acquired properties, such as apartments, mobile home parks, nursing homes, this type of thing. They also—we have a new program called 223F. Under that program we are appraising existing apartment houses.

So, the multifamily housing appraiser has other functions other than that Indian housing program, and as a consequence—this is true throughout the entire office other than my own division where I do deal with 15 Indian housing agencies or authorities. The other sections throughout the office have to interweave their work, both the Indian housing and their additional functions, and this presents a problem, and then the question comes up of what is the priority and this is an internal thing, but nevertheless it is something HUD has to face.

Thank you very much.

Senator BARTLETT. Thank you, Mr. Freeman. Mr. Seay.

Mr. SEAY. Senator, I have one area that I would like to make a comment on in the hope that it may prevent any authorities having a misconception about something.

82-326 O - 77 - 15

It was mentioned this morning again about the accounts receivable situation among the housing authorities, and I wouldn't want the housing authorities to get the idea or the impression that our office has thrown up our hands in terms of accounts receivable and decided to drop the whole matter. It is still very much a concern to our office and if we didn't show that concern I believe we would be doing an injustice not only to the housing authorities but to the participants as well.

And I might comment that on the western side of the State there are only, I would say, two or three housing authorities in this last 18 months that have really made any specific improvement in their accounts receivable.

There has been much reluctance on this side of the State to take full legal steps in terms of collections. But in those cases where authorities have followed the recommendation of our office to pursue the matter legally to whatever extent is necessary, they have seen, as in the case of the Comanches, a great improvement. But those who are still reluctant to do so continue to have an exceedingly high large accounts receivable situation upwards in some cases of 80 percent of the participants delinquent in that fashion in their payment.

And I just wanted to make that comment to show that we are still concerned in that area.

Senator BARTLETT. Mr. Seay, thank you very much. I didn't say from the beginning how much I appreciate the three of you being here listening to the full proceedings and then commenting at the end.

I might just throw in, Mr. Seay, in regard to delinquency, that I would hazard a guess that the Members of Congress, as far as funding of future programs is concerned, would be adversely influenced by high delinquency rates. This could affect future funding and future programs.

Mr. Vaughn, you mentioned Davis-Bacon. I know that that is not in your department, that is in the Department of Labor. But is there any reason why there should be a delay that was cited this morning—if I remember correctly it was approximately 1 year—in getting the figures and then it required the efforts of Congressman Steed to find the prevailing rates—should that not be rather readily available?

Mr. VAUGHN. Yes, sir, in most cases it is, and I could get involved in it in my capacity as equal opportunity for the area office. We do get involved in this in that most of our equal opportunity complaints come through because of a lack of interest in the contractors paying their respective wages.

And I think some of our directors brought up the fact that they might have to have county wage rate schedules for 17 different counties on one project, one contractor, and he has to pay Davis-Bacon in this county at one rate and so on.

The problem has been, sir, that the Labor Department has not made wage surveys, to my knowledge, the past year and a half—that is, because they are supposed to be comparable with industry in the area they have surveyed. They have not had the resources, I guess, or for whatever reason, they have not made the survey.

They have come back and asked our wage clerk—we have a GS–6 lady who is our wage requirements clerk to review the payrolls that we get on Federal projects throughout the State and throughout the specific area.

Now, to review those and average them out as citizens of this State, and from that arbitrarily sit down and say a carpenter makes this much and a plumber so much. We did not get the request or directive from our headquarters to make these surveys and I am speaking now out of my territory because I do know Miss Wycoff well and she is a real fine employee. She worked hard to get these in.

But we did request the wage rates from the Labor Department, and waiting for them we had no knowledge what the status was until we got back the request from our central office folks on down through the chain of command for our wage clerk to make the survey for them from existing payrolls, which, again, by the time she got this directive to make this survey 1 year had passed.

Senator BARTLETT. What recommendations have you, general regulations or law, to improve this situation? How often is this a delay?

Mr. VAUGHN. I think we have had a problem all along with it.

Senator BARTLETT. What would be the average delay would you say about obtaining the prevailing wage rates?

Mr. VAUGHN. It would be a real rough average. I could only tell you what I think it has been because I have worked with various contractors and with our Labor Department's people.

I would say that generally 60 days average. Some of those may come within 2 weeks, some of them may come within 6 months, or in some cases even longer than that. But you have to remember that we may have to get as many as 17 different wage rates on one project.

Senator BARTLETT. So, what suggestion have you? For example, would you have a recommendation as to what to do if you have a multicounty situation where you have got to get from 17 counties or 10 or more, or would you have recommendations just about the whole program?

Mr. VAUGHN. First, I think that——

Senator BARTLETT. I realize what the law is but I was just wondering.

Mr. VAUGHN. Well, under the law, of course, the Labor Department is responsible, and my first suggestion would be the necessary resources to carry out the dictates that the people have put on them.

Second, I think wider areas of competition in the labor area would cut down a lot in having to get so many wage rates for a specific project.

Senator BARTLETT. I didn't understand what you meant by competition.

Mr. VAUGHN. Well, the competitive area generally is where the survey area covers, or when they say roughly counties or it might be metropolitan area of Oklahoma City or Muskogee or so forth.

But by combining these areas where roughly similar economic or labor market conditions exist, by combining them into larger areas than counties which somebody maybe arbitrarily said county, I guess, as a labor market area, I guess, somewhere down the line in the past, by maybe combining them getting them Indian-nationwide, because these people don't function really in the cities to a great extent anyhow, the larger cities where higher wages do prevail.

So, I think it could be by combining several of these smaller jurisdictional areas into one larger one it might cut down a lot of the resources required——

Senator BARTLETT. In other words, are you suggesting establishing sort of a rural prevailing wage rate?

Mr. VAUGHN. Yes, sir. Let's take Muskogee or Tulsa, for example, where a plumber may draw $12 an hour, I mean, that's a fall-apart figure. The same plumber could go to Frederick and he might get $4.50 an hour under the same dictates of the labor policy.

Senator BARTLETT. Yes.

Mr. VAUGHN. So, I don't think that we should fix the average on, that is, the large metropolitan area, but I think our rural, smaller towns do have pretty much similar—and I think some kind of study could be determined, much larger areas which would come under one wage rate and therefore cut back the need for making multiple wage rates.

Senator BARTLETT. You mentioned the environmental impact statements and the provision that sites must be acquired in projects of less than 10 units or 10 units or less, one or the other, and most of the Indian self help, mutual help programs and set-aside State, the low rent program would be excluded from that requirement.

Mr. VAUGHN. Right.

Senator BARTLETT. So, this wouldn't be a major source of delay, would it?

Mr. VAUGHN. No, sir, except that it is a legal requirement that it may be done on every site. Someone arbitrarily said, well, let's just don't do it on a single site, but if there are 10 units let's do one.

Now, we do check each and every one of them for—because we don't have resources, Senator, down there to——

Senator BARTLETT. I don't know what you mean. When you get up to 10 units then you have got to do what?

Mr. VAUGHN. On those 10 units, if they are on one site——

Senator BARTLETT. Well, I understand that, but most of these are not on one site, are they?

Mr. VAUGHN. No, sir. But if they were we would have to give an environmental impact statement and that's why there was an arbitrary point fixed where we would not have to do this, because we do check flood plains as part of environmental reviews in our——

Senator BARTLETT. That would not be in the law, I don't assume; that would be a regulation, is that correct?

Mr. VAUGHN. It is a regulation which emanates, sir, from the 1968 Housing Act and I guess from the 1937 Act also. I am talking informally now because I don't know the direct reference, but I do know that they——

Senator BARTLETT. If that could be increased would you suggest increasing it for Indian housing or not increasing it? I am talking about the exemption.

Mr. VAUGHN. I think, as long as our mutual help program professes that it is, Senator, it is not going to impact us, as long as there is 10 units cutoff point. Below that we would not have to make a statement or get a statement from the tribe.

Senator BARTLETT. So, you are not too much bothered about that. OK. You mentioned OSHA, I believe.

Mr. VAUGHN. Right.

Senator BARTLETT. Would you recommend exemption from OSHA? If you don't I will.

Mr. VAUGHN. I would, sir, if I had any authority to recommend it.

Senator BARTLETT. Well, more seriously, on the self-help program, what kind of restrictions do you have in terms of delays, of time consumed and value? I mean, just weigh the good versus the bad?

And I realize we don't want people to be hurt and the safety and health of people are very important, but I do know that in some cases the requirements of OSHA go beyond that, in my mind.

Mr. VAUGHN. And I am sure that in many people's minds our requirements go way beyond what is reasonable too in many cases.

But, to me, the primary reason that we do have these delays, as I have stated several times in the past, and I have no valid leg to stand on when I say it, but I think the lack of resources is not only with us but with other agencies who deal in this program, the lack of resources that can be transferred to the local level where these people are really on the firing line doing the day-to-day work.

We are just really short in all areas almost as far as the administrative aspects of the program go. As I say, people borrow from Peter and then have to pay back from somebody all down the line, maybe even past Paul.

Senator BARTLETT. But how much time would you say is spent, is taken up with OSHA requirements? Or would you rather present that for the record?

Mr. VAUGHN. I think I could probably better get the answer from people who would really have firsthand knowledge. I could only generalize.

Senator BARTLETT. All right. Then could you also get their valuation of the program, the benefits versus the costs and money and time, and what they would think of exempting mutual help housing from OSHA?

Mr. VAUGHN. I think most people would love that, sir, especially the contractors.

Senator BARTLETT. And low rental Indian housing, would you see what kind of response we get?

Mr. VAUGHN. If I might——

Senator BARTLETT. Yes.

Mr. VAUGHN. As I would also say, sir, on our mutual help participation—and again, this is an area like I sort of talked about before, a Pandora's box, you don't open who is really providing the labor and who is being certified as having provided it. We have a new requirement from the Labor Department now where we must pay Davis-Bacon wages to these participants. This is going to increase prototype costs of these homes.

Senator BARTLETT. Is that a new requirement?

Mr. VAUGHN. Yes, sir, relatively new. The new Indian Handbook, the draft we have, does approach this, and if they use the tools of the trade they must be paid just as any other employee of the contractor would have to be paid.

Senator BARTLETT. That hasn't been the case in the past?

Mr. VAUGHN. It has not been fired up yet, sir, but I understand it will be published very shortly in the Federal Register.

Senator BARTLETT. Are you referring to just mutual housing?

Mr. VAUGHN. No, the mutual help handbook does have this requirement in there, that if they use the tools of the trade they must be

paid. This will really create havoc where we have been able to in the past—our contractors have in the past said, OK, your labor is going to be $2 an hour and if you work 750 hours we will put your $1,500 in here. Some of them work it, some of them certify that they have worked it, and so forth, but anyhow, it always ends up that it is in the record that it has been taken care of.

We are beginning to talk about—let's talk about a qualifying carpenter who picks up the hammer and does some of the carpentry work on his unit. In the Muskogee area, for example, he would have to be paid $10 an hour and he would work 150 hours and he would meet his mutual help requirement, while his grandmother, trying to get her house built across the creek, who has no skills, would have to work 750 hours.

There are a lot of discrepancies that I think must be addressed and I think maybe will be in the near future.

Senator BARTLETT. Mr. Freeman, you talked about the site matters. Would your position be anything of an ombudsman? In other words, would your position be as a coordinator for Indian housing so that if somebody, as mentioned this morning, writes a letter and doesn't get a response, to contact you, say, at least before they contact Senator Breeden?

Mr. FREEMAN. I might receive a letter and prepare an answer for the Senator to that extent.

Senator BARTLETT. Somebody is still adjunct to that action.

Mr. FREEMAN. I am not in the policymaking, decisionmaking, but——

Senator BARTLETT. I understand, but are you in a position of chasing out the problems that exist, finding the proper person to make sure that person in HUD knows a particular problem exists?

Mr. FREEMAN. Yes Sir. Ms. Hall had a problem. We received a letter that the Senator has received a copy of, I believe, and Tuesday before I left for Muskogee I heard about the letter and the problem and then proceeded to find out why.

And I did contact our area council. I found out that a letter had been written I believe on June the 24th stating that a preliminary loan contract would be forthcoming from HUD and that the program reservations had been issued. And then there was a breakdown in this particular case with the area council, they hadn't taken any action as a result of that June 24th letter from the HUD office, and until this time that the Sac & Fox Housing Authority came in with the letter that you have received.

So I got into that and then had an opportunity to talk to Ms. Hall in our office, but before I could do that, I had a peculiar incident.

I tried to use the WATS line to call out to Shawnee and I was informed that any telephone calls that were made within the new 50-cent zone out of Oklahoma City that went into effect this Monday, that I had to get my supervisor to approve them and fill out a form and keep track of the minutes, and so I didn't make the telephone call, but fortunately, I ran into Ms. Hall in our office and was able to conduct some business.

Mr. VAUGHN. I might say, Senator, that all Federal agencies in Oklahoma City, not just HUD.

Mr. FREEMAN. This is a new regulation, if it is out of a 50-cent zone you have to get written approval from your——

Senator BARTLETT. I understand we come under that too, yes?

Mr. FREEMAN. I just thought I would throw that in, Senator.

I would like to add one thing.

Senator BARTLETT. Can't you get blanket approval?

Mr. VAUGHN. No, sir.

Senator BARTLETT. Each individual one?

Mr. FREEMAN. Right. And each individual section then has to keep track of these forms signed by the user and myself.

Senator BARTLETT. When did this go into effect?

Mr. FREEMAN. Monday. I wasn't aware of this when I tried to make this call on Tuesday and I was informed and couldn't make the call. Now, if it is beyond that roughly 50-mile zone you can do it, just dial the WATS operator and call.

Senator BARTLETT. That is a part of a new Federal contract?

Mr. FREEMAN. I guess so, sir.

Senator BARTLETT. Mr. Freeman, would you be the one that a housing director should contact when they have a problem with some part of the delivery system?

Mr. FREEMAN. As far as strictly the Indian housing authorities.

Senator BARTLETT. Strictly Indian housing authorities?

Mr. FREEMAN. Right. At the present time we have three multifamily housing representatives in the Housing Production Mortgage Credit Division and one multifamily housing representative is assigned by position description for Indians, specifically for Indians, and I would be that one.

Senator BARTLETT. Do you have any assistants?

Mr. FREEMAN. No, sir.

Senator BARTLETT. Do you need any assistants?

Mr. FREEMAN. Yes, sir; even a clerk-typist, sir. I have to write out my letters in longhand and then seek help in order to get the letters written.

Senator BARTLETT. If I were a housing director and I had a problem and the normal procedure seemed to me to be handled in a rather lax, tardy way, I would contact you by letter, and then would I expect to get an answer?

Mr. FREEMAN. Well, as we have mentioned here, it would depend on the problem. If I get right on it and it is a simple question, possibly I can phone——

Senator BARTLETT. If I am not within 50 miles.

Mr. FREEMAN [continuing]. Or possibly I can write. If it is a lengthy problem it might take several months.

Senator BARTLETT. Now, if it was going to take several months would I hear from you prior to that that this was going to take a while?

Mr. FREEMAN. Yes, sir; even a clerk-typist, sir. I have to write out do that.

Senator BARTLETT. I just wouldn't be hanging there for 3 months thinking it was going to happen the next day?

Mr. FREEMAN. As I say, I haven't been tested yet.

Senator BARTLETT. Do you all agree with suggestions that have been made by many people that there be an Indian task force set up in the area office at Oklahoma City of HUD?

Mr. FREEMAN. I would say that we have got to have adequate personnel to do the job. We have the task, but as we stand right now, the work is interwoven into the other sections, whether it be the legal section, equal opportunity, the evaluation section as far as appraisals go, the architectural section as far as the inspections of the houses, this sort of thing, the inspection of the plans and specifications, all that has to be done by other sections throughout our office and it has to be coordinated throughout the office, and reviewed, and finally acted upon.

Senator BARTLETT. Now, is that part of your operation, say, just as speedy or just as slow as the part that would directly involve the Indian housing as a unique housing effect?

Mr. FREEMAN. Well, again, like I say, it is interwoven and it is a question of priorities.

Senator BARTLETT. I understand. What I am getting at is, Indian housing is unique. What you are telling me, I think, is that it is interwoven and——

Mr. FREEMAN. I would personally—let me interrupt, Senator, if I may.

Senator BARTLETT. Go ahead.

Mr. FREEMAN. And this is strictly my own opinion and not the policy. I would like to see people in each section responsible for Indian housing so that when something comes in to that section, that individual, whether it be an evaluation section for appraisers on the architectural section, that they would get—or it may require more than one individual in the case of the architectural inspectors.

I would think that the State program for Indian housing would require at least two full-time inspectors in the architectural section to devote all their time to Indian housing.

Possibly in the evaluation section an appraiser for preliminary site reports. It would require one full-time man to do nothing else, and possibly a backup to do nothing else but Indian housing.

The Indian housing program is big. As we mentioned yesterday, or as Jim mentioned here, we have these numerous sites. It is not a matter of just going out to one site and inspecting that. You have multiple sites to look at and they are in difficult places to reach.

Senator BARTLETT. What you are saying is, there needs to be someone in HUD who is fully responsible for Indian housing with other people in various sections of the whole HUD operation who would be devoting full time to Indian housing and who would be responsible to the person in charge?

Mr. FREEMAN. Right.

Senator BARTLETT. Now, in addition to that would there not be the means of coordinating and getting answers on interagency or interdepartmental problems as a result of those, such as the one about the matter of monitors?

As I understand it, HUD has auditing requirements and HUD has a facility of financing means to satisfy those auditing requirements.

HUD also has an agreement with the Department of the Interior that they have responsibility and they are now fulfilling it. It would seem to me that that would be, besides coming under what we used to call "snafued" in World War II, it would also come under the category of problems that should be resolved and someone should have

the responsibility of knocking a few heads together to get something changed.

Would you agree with that or at least for the authority to start it up the chain of command to get an answer?

Mr. FREEMAN. I would basically agree with that, sir, but I feel that is an agreement entered into by the central office as with the other agencies and would have to be resolved at a level——

Senator BARTLETT. I understand it might have to be resolved high up, but is there anything that would prevent someone in the system from suggesting that the highups maybe have a problem or should have a problem or should know they have a problem?

I mean, should somebody start off up the ladder a suggestion that there needs to be a change made somewhere?

Mr. SEAY. Senator, an attempt was made sometime ago by our office to get permission to have the audits done either by HUD auditors or by independent accountants and it got as far as the regional office and died there.

Senator BARTLETT. Let's see, the regional office in Dallas?

Mr. SEAY. Yes.

Senator BARTLETT. That's death right there.

Mr. SEAY. Yes, sir.

Senator BARTLETT. Can you get any copies of that correspondence? Maybe I can jump it up a notch.

Mr. SEAY. What it was, we had a request for individual housing authorities to the regional office for audit, to have their audits, and those were turned down. I can give you a copy of their refusal and the reason for their refusal.

Senator BARTLETT. Can you also give me a copy of the request?

Mr. SEAY. Yes, sir.

[Subsequent to the hearing the following information was received for the record.]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
Oklahoma City, Okla., August 25, 1975.

Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: As requested during the Senate Hearing on August 7, 1975, at Anadarko, Oklahoma, this office is pleased to forward copies of memorandums from the Area Office to the Dallas Regional Office requesting permission to authorize audits of Indian Housing Authorities and the reply by the Regional Office for the denial of such action and the reasons therefore.

This office was also asked to comment on two additional matters which were to be included in the record of the hearing of the Senate Subcommittee on Indian Affairs.

At this time the Area Office cannot cite any incidents of adverse effects on Mutual-Help Indian projects relative to increased development costs or slowdown in production as a direct result of OSHA (Occupational Safety and Health Act).

Regarding the documents submitted by Mr. Kirk Perry, President of the Oklahoma Indian Housing Association, and specifically Exhibit "C" of that documentation, this office cannot directly comment on the preparation period of time since it is assumed that this time is for work being done by the Indian Housing Authority on documents to be submitted to the Area Office. In a general way, the preparation periods appear reasonable and as noted in Exhibit "C", some time intervals are required as a matter of State laws.

The Area Office is currently making an in-depth study and analysis of both Indian and Non-Indian housing projects, completed and in process, relative to time intervals of submissions and issuances by the Area Office during the

numerous processing stages. As soon as this study is completed, it will be forwarded to your office.

If further clarification or additional information is required, please advise.

Sincerely,

ROBERT H. BREEDEN, *Director.*

Enclosures 2.

MEMORANDUM

MARCH 31, 1975.

To: Robert H. Breeden area director, Oklahoma City, Okla.
From: A. Jantz, Office of Audit, 6ZA.
Subject: Request for Audit Advice—Apache Tribe of Indians, Okla.

Under existing operating procedures, I am compelled to answer both questions posed in your March 27, 1975 memo in the negative. That is to say that now HUD can neither audit an indian housing authority nor authorize the tribe to retain an independent public accountant to do so.

It is my understanding that the Department of Interior has the sole authority and responsibility to make audits of indian housing authorities as well as providing accounting assistance to them. I also understand that HUD and the Department of Interior are renegotiating the audit services agreement now. Also, as part of the negotiation, some of the audit problems we have experienced are being addressed.

Accordingly, I have forwarded a copy of your March 27 memo to my Washington office to be used as a point of discussion with appropriate program officials there. Hopefully, I will get some feedback by the latter part of this week.

In any event, as information becomes known to me, I will keep you advised.

A. JANTZ, Jr.,
Regional Inspector General.

MARCH 27, 1975.

ROBERT H. BREEDEN,
Oklahoma City Area Office,
Audit—Apache 128-A.

Attached please find a letter from the Chairman of the Housing Authority of the Apache Indians of Oklahoma wherein he requests they be allowed to hire an independent accounting firm to audit their Authority's books.

We have made this audit a requirement prior to their assuming any future development action. The authority had previously been advanced funds for development of 50 units of Mutual-Help housing, but had not progressed in a timely manner. During this period of time, the advanced funds, approximately $50,000, were spent. Their ACC was then cancelland and all funds were requested to be refunded.

Since that time the Housing Authority has been reorganized and are wishing to move forward on a new project of 50 units. Our prerequisite, that we have placed on this happening, is that an audit be made on the previously advanced funds so the air may be cleared of any suspicion of wrong doing.

As you will note in the attached letters, the Authority has attempted, in the usual channels, to have an audit made to no avail.

Our question to your office is can we, HUD, make the audit or can we allow them to contract an independent firm to accomplish this.

We will be expecting an answer at your earliest convenience.

Senator BARTLETT. Who was it turned down by, the HUD regional office?

Mr. SEAY. HUD Regional Inspector for Audit.

Senator BARTLETT. Was it a good reason, in your opinion?

Mr. SEAY. The reason was simply because there was a contract between HUD and the Department of the Interior, which we knew that already.

Senator BARTLETT. That's the problem. This was a lawyer that came to that conclusion?

Mr. SEAY. An auditor.

Senator BARTLETT. Oh, auditor.

Is there any effort made in the HUD operation to review the regulations that would pertain perhaps in all public housing—I am referring more specifically to Indian public housing—from the point of view of streamlining them or reducing them or trying to eliminate a signoff or two or three, or a copy or two or three, and, in short, to speed up and streamline and make more efficient the operation?

Mr. VAUGHN. Yes, sir, there has been. As we talked yesterday, discussed yesterday, there has been an attempt of field representatives advising and assisting our central office in the development of our new procedures handbook in the mutual help program, which hopefully will eliminate some of the duplicative steps we are now going through. We still have to meet those legal requirements but maybe they will be combined. We have not had the handbook long enough to know what it says.

One of our problems, Senator, and this is my own opinion in working at the bottom in the field where the workload is carried out, we have a pyramid in HUD.

By that I mean that the workload is at the field and is at the bottom of the pyramid which is the point of the pyramid instead of the base of it as it normally is in good operational structure.

Senator BARTLETT. You mean, there is less personnel at the bottom than there is at the top?

Mr. VAUGHN. Yes, sir; there is—I understand—now, I don't know the numbers, but I understand there is more personnel in the central office and regional office than we have in all the field offices combined. So, that is for what it is worth.

When we attempt to write day-to-day operational handbooks without knowledge of what is happening in the field and the problems that must be dealt with here—I am talking about "they," they collectively, the central office technicians who are assigned the responsibility for writing operational handbooks—that is for us to live with on a day-to-day basis, when they do not know that we have nonreservation Indian people in Oklahoma.

So, this is one of our problems. We do not have—the Indian housing authority should be writing the handbooks and we should be coordinating it and getting their input, and I am sorry to say we haven't done that.

Now, we do—Ray Shackelford from our office did go and one man from the Seattle office did go. Two or three others were invited and didn't show up.

Senator BARTLETT. Where it is being written?

Mr. VAUGHN. It is being written in Washington, sir.

Senator BARTLETT. For Oklahoma Indians or——

Mr. VAUGHN. For all Indians. Mutual help program.

Senator BARTLETT. In other words, this would only be used for mutual help. How about the low-rent program?

Mr. VAUGHN. Well, of course, we have the standard program handbook system which doesn't apply to Indian housing authorities to any great extent.

Senator BARTLETT. But there is not a handbook in preparation for low-rent housing?

Mr. VAUGHN. Not a new one, sir, because we are phasing in the title 8, or section 8, and we do have a new section 8 in it.

Senator BARTLETT. You know, in the hearing yesterday there was a lot of desire and concern about the handbook, it wasn't differentiated really between mutual help and low rent.

Mr. VAUGHN. It is supposed to be in final typing and should be entered in the Federal Register, Reaves told me this morning, within a couple weeks.

Senator BARTLETT. Should there be also an Oklahoma version of that?

Mr. VAUGHN. No, sir, I am sure there won't be.

Senator BARTLETT. Should there be?

Mr. VAUGHN. I think there should be, yes, sir. I think there are enough differences. Ray Shackleford assured us that they attempted to get a clear cut dual system where nonreservation Indians were considered along with reservation Indians.

Senator BARTLETT. Ella Mae was asking me the question, asking if the new regulations would be printed in the Register. Will the handbook be printed in the Register?

Mr. VAUGHN. I don't believe so.

Senator BARTLETT. There will be no opportunity to comment on the handbook?

Mr. VAUGHN. I am not going to say either way, Senator, because I am not sure I understand that everything that is in the handbook will be in the Federal Register. But this is informal information I have had.

Senator BARTLETT. Will, in the form of regulations, Indians have a chance to comment on that?

Mr. VAUGHN. Yes, sir, they will. I understand from Ray Shackelford that our rules and regulations are in the dictates of the Federal Register format. Probably a handbook reflecting those rules and regulations will come out.

Senator BARTLETT. Should there be a handbook for low rent Indian housing?

Mr. VAUGHN. I believe there should, sir.

Senator BARTLETT. Should there be one for Oklahoma low rent Indian housing, or at least a chapter?

Mr. VAUGHN. I think there should be at least a chapter of differentiation between reservation and nonreservation low-income housing for Indian people and low-income housing for non-Indian people in metropolitan areas. I think there is a distinct difference here.

Senator BARTLETT. What are the main regulation changes you would suggest being made?—forgetting about the law.

Mr. VAUGHN. I think that——

Senator BARTLETT. Or including the law, depending on what you think about and what you think the law is. One of the things I am convinced of, frequently the regulations actually do go beyond the requirements of the law and I don't know whether they do here or not.

Mr. VAUGHN. I don't know if they do or not. Sometimes I think maybe they do and sometimes I think maybe they don't, and again, I think primarily it is the——

Senator BARTLETT. We write some dumb laws.

Mr. VAUGHN. I didn't say that, Senator.

Senator BARTLETT. And also some dumb regulations.

Mr. VAUGHN. Yes, sir.

Senator BARTLETT. And some of the dumb regulations come from the dumb laws but some of them don't.

Mr. VAUGHN. I think, Senator, with the existing legislation that we have, with proper appropriations and funding of those, through the dictates of the will of the people through the Congress, and with the proper organizational structure within the agencies that now have responsibilities in these areas, I believe with proper funding and with proper organizational structure that most of the problems that we have heard discussed these two days would really be eliminated, sir. I really believe that, through an Indian program.

The professor, I believe, mentioned that we are talking about just a segment of the whole problem when we are talking about housing. I feel that way, too. I think that economic development and industrial development and many other things must play a part in our housing overview.

So, I think we have already started, for example, with the Kiowa-Comanche-Apache coalition in the southwest part of the State.

And I think it is a great idea of marrying some programs using resources they have. We have the rules, and we have the laws and we have people that have the knowledge to do this, but they haven't been brought together in a management configuration.

This is one of our biggest problems, is management. We do not have formal structural management where authority and responsibility are transferred in a systematic way down the chain of command so that—there has got to be a pecking order, Senator, and right now no one knows who has got the ball or where the piece of paper is laid awaiting approval. The pecking order has been scattered, so no one really knows who to call to find out where things are.

I am not criticizing our part of that management. I am just saying that it is a thing that seems to be common in all of our Federal agencies at this time, and I can speak with some authority because I wrote the management format process for several years in administration, in personnel administration, management, analysis and so forth.

And it is my own observation that we do not have a management system in the Federal process, not formal and not really stratified and laid out to do the job. We have got the people, we have got the program, we have got the laws. We have got everything but the will of the administration, and I have got to say that, about the higher echelon administration in the various departments. If they really want the program to go, Senator, it will go because they will allocate resources to do it and get people in there who can make the program go or the pecking order comes into play and we ease those people who do not comply with the dictates of the higher echelon structure out of the program and get somebody else. But we are not doing that, I am sorry to say.

Senator BARTLETT. I don't know whether you are familiar with a program that has been used by a number of Governors. We had it operating in Oklahoma when I was in the Governor's office. We called it management study of State government, brought in business and professional people to take a look at what we were doing and make recommendations as to how our government could adopt more modern, better, more efficient business practices, and anyway, the recommenda-

tion was made for a savings of roughly $40-some million and we finally realized $28 or more million.

Mr. VAUGHN. It really worked.

Senator BARTLETT. Would you recommend something like that for the Federal Government?

Mr. VAUGHN. Yes, sir.

Senator BARTLETT. I have recommended that not only for management operations but also for uncovering changes that I think are greatly needed in our programs, because one of the problems we are having is our programs are going to call for the spending of more moneys in the foreseeable future that is accumulating in the coffers of the Federal Government.

Well, I am glad you would support that. That has been used in 20-some States successfully. In fact, I don't know of one failure. I realize the Federal Government is much, much larger, but a couple of the States were fairly good sized States; California was one, Ohio was another one.

Mr. VAUGHN. Well, the Congress dictated 10 years ago or more the program planning, the budget approach to management in the Federal structure, and I have never seen it implemented yet, Senator.

They told us we would have to learn it to with it. We haven't yet as far as I know in any Federal department. I have never seen it fully implemented. This is what I am talking about, where we have validated resources needs, not somebody coming up screaming, Senator Bartlett, help me get x dollars because I want it. But here the validated data where we do need these resources to carry out your will, which is that of the Congress.

So, I think this is one of our biggest problems, not only in the Federal but all of our operation. We have gotten in such a hurry we have overrun our capacity to keep up with ourselves paperwise and this is one of our problems.

Senator BARTLETT. Well, I thank each of you very much. Do either one of the three of you have anything else you would like to say?

Mr. VAUGHN. We thank you, sir, and we will get together these things that you have asked for.

Senator BARTLETT. Good. Well, I appreciate it and we will proceed, as I said earlier, in trying to set up another hearing, probably in the fall, and we'll hear first from the HUD people who Senator Breeden would like to have us hear from, including himself, and regional people as well as people from Washington, and then probably a much smaller number representing the Indian housing authorities, and there will come an opportunity then for the HUD people or just a few of them to have a rebuttal.

Thank you very much, and I appreciate your being with us all the time and I wish you would thank Senator Breeden for your being here.

I would like to thank Mr. James and Mr. Delaney for their assistance in arranging the hearing and then call on Mr. James for any remarks he would like to make.

Mr. JAMES. Senator Bartlett, I don't have any specific remarks to make, except that I want to express my appreciation that the program went well, and I hope that the facilities were satisfactory to you, and we were pleased to have you. I wish you could stay longer but I know you have got to go, and we like to have you in the area because I think

that we in the Bureau here are making some very significant inroads on changing some of our philosophy from the old bureaucratic do-as-I-say system that we used to have to one of a service organization.

And that is my general objective here as area director, to convert our system into a service element and we all understand that we are here to serve these people, and that is the only reason we are here.

And again, I just want to say we are glad to have you and I hope everything is satisfactory to you.

Senator BARTLETT. Well, thank you very much. We have been more than satisfied. We appreciate the hospitality we received and the arrangements of Mr. Delaney.

I want to thank you very much, and also to hear any comments from you that you would like to make.

Mr. DELANEY. Senator, as I have often told you, the Indian people in Oklahoma, from the time you were Governor, have appreciated your efforts in their behalf.

Again, we want to thank you, and I am sure I express their concern of your continued interest in them.

Thank you.

Senator BARTLETT. Thank you very much, Charles.

Mr. Bauer, I want to thank you also and ask you for any comments you would like to make.

Mr. BAUER. I would like to echo the statements that have been made by most of the people in the housing authorities level.

I think somebody expressed it when they said that the program has only been in effect a short time. I have been in this program for 9 years now and I have seen the housing authorities become quite sophisticated. There have been internal problems as there is in every program, but I would like to confirm to you that I am sure that these housing authorities are going to work out their own problems.

One thing that I am concerned about, and I presume they discussed this at Muskogee although they didn't mention it much here today, and that is the fact that the legislation will go out of style on June 30, so to speak. And I presume that one of the purposes of this hearing is to gather testimony to help write new legislation; is that correct?

Senator BARTLETT. Yes.

Mr. BAUER. Well, this is a concern to all the people in the housing authorities, and I am positive that it is of some concern to the Indian people who do have a need for Indian housing.

Thank you.

Senator BARTLETT. Thank you very much, Mr. Bauer.

I would remind everybody who is interested who has testified that if they would like to add to their testimony that we would like to receive it in letter form.

Yes, sir?

Mr. VAUGHN. One last recommendation. I think the next hearing that you have, Senator, we shouldn't have program people from the HUD office down here to answer for their regional director. I think we should prevail upon your office to get Mr. Breeden here and let him know what is going on in his office.

Now, we have requested his presence many times at other meetings and he avoids us like we have got the plague, but I think your office could call on Mr. Breeden to come to these meetings and he would

know firsthand from listening to these people that we have serious problems in the production of our homes.

And I want to thank you for coming and I appreciate, again, the opportunity to be here.

Senator BARTLETT. Thank you very much. We will certainly invite Mr. Breeden and also those of his staff that he would like to have come, and we will also invite and encourage people from the regional office and from Washington to testify. Our hearing wouldn't have full significance unless it is well attended, so we will certainly encourage everybody to attend.

I would also like to remind anyone who hasn't testified that if they have something they would like to communicate to us, that we will make it part of the record. If there are any figures or facts that may have been incorrectly stated or appear to be, we appreciate any corrections or differences of opinions as to what the facts are.

I want to thank, again, Mr. James, Mr. Delaney, Mr. Bauer, and I want to thank everyone who participated.

I think the hearings have been very successful, and I think that they will lead, hopefully, to an improved Indian housing program. At least we have learned a lot, and I think with the followthrough on this hearing leading to some, I hope, formal discussions and then later to another hearing. I think that we will finally end up with information from which we can make good recommendations to the departments that are now operating the program, as well as for legislation.

And with that, a final thanks, and the hearing is ended. The record will be open for 2 weeks.

[The hearing was adjourned, subject to the call of the Chair.]

INDIAN HOUSING

THURSDAY, FEBRUARY 12, 1976

U.S. SENATE,
SUBCOMMITTEE ON INDIAN AFFAIRS,
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Oklahoma City, Okla.

The subcommittee met, pursuant to notice, at 9 a.m. at the Lincoln Plaza Hotel, Oklahoma City, Okla., Hon. Dewey F. Bartlett presiding.

Present: Senator Bartlett.

Also present: Ella Mae Horse, professional staff member, Hazel Elbert, legislative assistant to Senator Bartlett, Don Bluejacket, field representative for Senator Bartlett.

OPENING STATEMENT OF HON. DEWEY F. BARTLETT, A U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator BARTLETT. The Indian housing hearing will come to order.

We'll have testimony from now until 11 o'clock, have a coffee break for 15 minutes, and then come back in session until 12:30; and an hour off for lunch and back at 1:30 and probably should be able to finish in the early afternoon.

Last August the Indian Affairs Subcommittee conducted hearings in Muskogee and Anadarko for purposes of obtaining from Indian housing authorities their opinions of the Indian housing delivery system and problems encountered with it in their efforts to deliver safe, adequate, and sanitary housing to their tribal members on a timely basis.

Testimony at those hearings revealed such problems as a lack of commitment on the part of HUD at all levels to implement the program for Indians; lack of staff at both the regional and local levels to process applications on a timely basis; lack of coordination between the three governmental agencies involved in the program; and numerous other problems, all of which indicated to me that the program may not be given an opportunity to fulfill the purposes for which it was designed, to upgrade the standard of living of its participants.

Of immediate concern to the majority of housing authorities at the August hearing was the pending move of the Indian housing program from the Dallas region to the Denver region; the need for specific guidelines under which the housing authorities could operate; and the need for audits of the various housing authorities.

I do want to thank the members of HUD and others who did testify at those hearings. They gave very important testimony that gave us a point of view from both sides and it was that testimony that led me to

82-326—77—pt. 2——16

believe it was in the interest of objectivity to schedule another day of hearings which is today, for the purpose of hearing from the Indian Health Service, the Bureau of Indian Affairs and the Department of Housing Urban Development give to them equal time opportunity.

At the conclusion of those hearings, I indicated that I would hold further hearings on the Indian housing program to hear from the three governmental agencies involved in the delivery of housing to Indian people with the hope that many, if not all of the problems cited might be resolved. It is for this reason that we are convening these hearings today.

As I indicated in my opening statement at the previous hearings, while there are no bills currently pending before the subcommittee pertaining to Indian housing, I hope to utilize the findings from this as well as other hearings to urge a comprehensive Indian housing act that will be in keeping with Indian housing needs.

I would like to introduce representatives from our congressional staffs and would like to call on each of them to make any statement or comments if they care to.

First, Jim McClure from Speaker Carl Albert's staff; Jim, would you care to make a statement?

Mr. McCLURE. No; I'm here to listen to you and to listen to these people.

Senator BARTLETT. Jim, thank you very much for being here. We work together on a number of things including REX and other matters of interest to Oklahoma.

Shirley Bridges, from Senator Henry Bellmon's staff.

Ms. BRIDGES. I don't have any statement.

Senator BARTLETT. We're very happy to have you here.

And LaJaunna Binger, from Congressman English's staff.

Ms. BINGER. No, I don't have anything for you.

Senator BARTLETT. All right. We're very happy to have you too.

We're going to move right ahead, the first witness, John W. Davis, area director, Oklahoma City area. Indian Health Service, Department of Health, Education, and Welfare.

He will be accompanied by James A. Clark, Jr., assistant area director for environmental health.

Mr. Davis, if you would just proceed as you would like.

Mr. DAVIS. Good morning, Senator.

Senator BARTLETT. Good morning, we're glad to have you here.

Mr. DAVIS. On my left is James A. Clark Jr., assistant area director for environmental health, Mr. Clark has been in the Oklahoma area for about 8 years, prior experiences in the Indian health program on the Navajo Reservation, Aberdeen area, Alaska area. He is very well versed in both technical and program aspects of public and the relationships of public housing aspects of it and a valuable addition an asset to the program.

Senator BARTLETT. We're happy to have him too.

STATEMENT OF JOHN W. DAVIS, AREA DIRECTOR, OKLAHOMA CITY AREA, INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. DAVIS. Mr. Chairman, in accordance with what I understand to be the Department's policy, I have prepared a formal statement which has been made available to the committee and your staff members.

I am prepared to read the statement into the record if the chairman so desires.

Senator BARTLETT. That will be fine.

Mr. DAVIS. All right.

The sanitary facilities construction program of the Indian Health Service was authorized in 1959 with the passage of the Indian Sanitation Facilties Construction Act, known as Public Law 86–121, which provided for constructing water supply and waste disposal facilities for Indian homes and communities. Initially, all existing homes were served under this program. However, in 1965, enabling legislation was passed which provided for the forming of housing authorities and authorized public housing programs in Oklahoma. This act authorized Indian housing authorities, leading to the formation of 16 such entities in Oklahoma. This area also deals with three Indian housing authorities in northeast Kansas as well. Providing support to Indian housing programs has, therefore, constituted the major part of the sanitary facilities construction program in this area during the 1970s.

When Indian housing programs became active, it was necessary to utilize a portion of the yearly "121" appropriation to provide sanitary facilities for housing projects. In 1969, a triparty memorandum of understanding was executed by the Indian Health Service of the Department of Health, Education, and Welfare. Department of Housing and Urban Development, Department of the Interior, and Bureau of Indian Affairs. This document spelled out responsibilities and also shifted the responsibility for constructing individual on-site facilities to the Department of Housing and Urban Development entirely with the IHS contributing only technical assistance. In 1971, there was a further policy modification in that the Department of Housing and Urban development would thereafter be responsible for on-site facilities in clusters with negotiation of cost of participating agencies.

Beginning in fiscal year 1973, funds were allowed to the area quarterly, based on projected need, for housing activity. Fund control is maintained in the area office, for housing and regular project funds with project approval delegated to the area director. However Indian housing activities are also supported, included the BIA housing improvement porgram (HIP), other federally sponsored housing such as FHA and VA homes, Tribal housing programs and the limited number of homes which are improved through the conventional loans or private resources of Indian homeowners.

The Indian Health Service, Oklahoma City area, has participated in housing activities in projects by providing sanitary facilities and technical services for a number of housing projects. Through fiscal year 1975, approximately 5,876 housing units were served with sanitary facilities on housing projects, including 4,199 HUD financed homes, 1,267 HIP homes, and 410 units of other housing. Of this number, an estimated 488 existing homes in the project area or community were also served alone with HUD housing project. In addition, technical services, consisting of site evaluation and construction inspection for Housing and Urban Development mutual-help homes were provided for 5,889 units through fiscal year 1975. In fiscal year 1976, an estimated 974 new and renovated housing units will be served by the Indian Health Service with facilities and 1,555 new mutual-help units to be provided with technical services.

The Indian Health Service participation in the various types of Indian housing programs is basically to provide offsite facilities for the Department of Housing and Urban Development housing units and cluster housing projects, technical services for site evaluation and construction inspection to scattered Department of Housing and Urban Development Mutual-Help units and to provide all sanitary facilities up to 5 feet of the home for other types of housing. Homeowner training is also provided to participants within available IHS resources. The general priority followed in the use of housing project funds is for: (1) HUD housing projects (Indian Housing Authorities), (2) BIA, HIP housing, (3) tribal housing programs, and (4) individual participant financed home improvements. Housing funds allocated to the Oklahoma City area on the basis of a projected quarterly fund request are utilized to fund projects as they are developed by field staff in accordance with this general priority and the availability of funds.

Site evaluation of proposed Mutual-Help homesites and construction inspection of the sanitary facilities for the homes being constructed is provided by the Indian Health Service as a technical service to Indian housing authorities. This basically consists of three phases: (1) conducting percolation test and evaluating sites on other factors to see if adequate waste disposal can be provided; (2) evaluation of the potential for water supply; and (3) inspection of the construction of the facilities, provided that adequate water supply and waste disposal can be provided and the site is approved.

The onsite facility for Mutual-Help homes generally include individual water wells and subsurface waste disposal systems. However, alternate individual facilities may be utilized depending if conditions dictate. These include farm pond filter system for water supply, and individual sewage lagoons for waste disposal. The Indian Health Service works closely with the respective housing authority to see if some type of suitable facilities are provided to participants, if technically economically feasible to utilize a site.

Indian Health Service participation is limited, by administrative policy, to technical services and/or offsite facilities for the HUD housing and all facilities within 5 feet of the home for other types of housing. Where community facilities are available or feasible, community water and/or waste systems are provided for new or reno-

vated homes. Such systems are readily available in most communities, but for scattered sites or small cluster sites, it is much less feasible to construct community facilities. Current water quality standards have made it much more difficult to provide waste disposal facilities for small systems. Wherever such community facilities are provided, the cost assuring arrangements for on and off-site facilities are negotiated between the participants, for example, the housing authority, Indian Health Services and cities, rural water developments and so forth, if participating as a third party.

Regular projects to provide sanitation facilities for existing homes have been conducted under the 121 program since the beginning of the program. Since the advent of Indian housing programs, a large share of the IHS budget has been devoted to provide facilities for new or improved houses. Through fiscal year 1975, a total of 4,285 existing Indian homes have been served under 121 projects at a total cost of $10,401,536. There are no regular projects currently projected in fiscal year 1976.

Beginning in fiscal year 1971, a series of seven areawide projects have been funded for the connection of existing Indian homes to city or rural distribution and/or waste collection system, along with the provision of necessary onsite facilities. From fiscal year 1971 to fiscal 1975, a total of 751 of the above units were served under 63 subprojects at a total cost of $2,225,464. This type of project has increased in popularity with participants, and the Oklahoma City area Indian Health Services advisory board has responded by placing this as first priority for regular project for a requested 200 homes yearly.

The Indian Health Service participated with many other agencies in providing the facilities required in these various projects, including the Bureau of Indian Affairs, Economic Development Administration, EPA, HUD, Farmers Home Administration, USDA, other Federal agencies, State planning agencies and many units of State and local government. Whenever possible, the Indian Health Service participates in such cooperative projects contributing funds on behalf of Indian participants to provide service for them at a minimal cost for maintenance responsibilities.

The Farmers Home Administration, through their State office in Stillwater and county offices, have been very cooperative and interested in Indian health activities. Whenever possible, they have coordinated developing a project with Indian Health Service and have kept us informed of activities in progress. An estimate of 1,447 new and existing Indian homes have been served on a number of rural water district/association projects for which the FHA has principally funded water, sewer and solid waste collection systems. Under arrangements with the FHA and respective water districts, it has been possible for the Indian Health Service to prepay the entire per unit cost for many of these Indian homes and in turn obtain a very favorable water rate which excludes loan amortization charges.

Finally, in our housing activity, the role of the housing authority—commissioners and staff—is crucial to successful construction of suitable housing units with adequate sanitary facilities and other utilities. We feel that, through concentrated efforts of our staff, we have improved our coordination and rapport with Indian housing authorities in Oklahoma and Kansas. It is our policy to utilize the resources

available to us to provide facilities and services to Indian housing projects to the maximum extent possible and on a timely basis. Overall, our relations with housing authorities are very good, although improved coordination on proposed projects, especially with community sites. that would give us more leadtime to respond.

There are specific issues which the Indian Health Service would like to point out as specific problems. These can be briefly summarized as follows:

1. The Indian Health Service has the responsibilities for sight evaluation and construction inspection, but no commensurate authority. Only the housing authority, or HUD, can direct a developer. This puts the Indian Health Service staff in a situation where they must rely on persuasion and diplomacy to secure adoption of our recommendations.

2. Rejections of sites by Indian Health Service, for lack of acceptable percolation test results or inadequate water supply has eliminated many potential building sites and frustrated prospective participants and the housing authorities. Even though the Indian people and Indian Health Service has experienced sewage system and water supply failures and the problems attendant with such failures, it is difficult for prospective participants to accept this approval of their sites.

3. Request for service to homes being improved, which includes complete bathrooms, by Indian people through conventional loans or personal finances cannot be responded to in all cases.

4. Oklahoma is one of the leading States in the number and extent of rural water district/association systems. Since these systems are particularly developed for large areas and numbe rof users, it is necessary that all users be included and funded during the development period prior to construction.

5. There is a continuing need to assure that BIA, HIP plumbing meets national plumbing code requirements and customary standards of workmanship, regardless of the procedure followed in contracting this work.

6. Training of Indian participants and provision for maintenance of the completed facilities is a continuing need. Programs to develop tribal maintenance organizations are now in the initial stages, and this area will need greater efforts.

7. There has been, and will continue to be, a need for as much coordination as possible with HUD and the housing authorities for the proposed number of units to be constructed per fiscal year and providing leadtime for serving cluster housing sites.

We are aware that there are problems and difficulties in the Indian housing programs and the provision of sanitary facilities and technical services concerning the applicable agency, housing authority, homeowners and other participating parties and individuals. However, we feel that significant accomplishments have been made in constructing new and improved homes. There is an estimated need for 8,000 new or improved more housing units in the Oklahoma and Kansas area, and these need to be served with adequate water and waste systems. When these needs are met, it will greatly contribute to the betterment of health and well-being of the Indian people.

The corporation of the Indian Housing Authorities has significantly assisted our program and we look forward to future success in

corporative housing projects. It will, however, require the continuing efforts and cooperation of those agencies and groups concerned with Indian housing to resolve problems and to develop new and innovative techniques to allow timely construction of new homes with adequate utilities systems.

I wish to thank the committee for this opportunity to testify regarding the Indian Health Service activities with Indian housing, a most important phase of our total problem. If the chairman wishes, my staff and I are available to respond to questions either now or during the course of the hearing.

Senator BARTLETT. Mr. Davis, thank you very much for your fine statement.

I want to apologize to everybody for my lack of voice but I hope you can hear me all right, I'll talk right into the microphone.

Mr. Davis, in your statement, you said, "that the role of the housing authority is crucial to successful construction of suitable housing units with adequate sanitary facilities and other utilities." Would you concur that the key element in Indian housing is the local tribal housing authority in that it should be the mechanism for whatever coordination that takes place?

Mr. CLARK. Yes, there's no question that you have to work with and through the housing authority, otherwise you would have to go additional steps to coordinate with nothing accomplished.

Senator BARTLETT. Do you think that coordination has been sufficient?

Mr. CLARK. In most cases over the last 2 years, our working relations with the housing authority have been good with a few exceptions, and these were caused by other problems of the authorities.

Senator BARTLETT. Are there any areas in which you feel that there hasn't been sufficient knowledge, either on behalf of the housing authority or the participants in the housing program of the facilities and utilities are provided?

Mr. CLARK. It was indicated in the statement there was a need for more training of the homeowners on the operation and maintenance of their facilities. We are able to provide only about a third of the need.

Senator BARTLETT. How could that be increased or how should that be improved?

Mr. CLARK. There are several avenues available, depending on how the tribes would want to work it out. The community health representative program could be used, or the Indian Health Service could carry out the training, or both CHR's and IHS working together help resolve this problem.

In fact, this is being done in some areas with the tribes and housing authorities.

Senator BARTLETT. Would this be an area where you would anticipate the Indian Health Service would take some lead in direction in trying to improve the knowledge that the homeowners have?

Mr. CLARK. Yes; another aspect of this problem is maintenance. We are working with a number of tribal groups now to help them establish a maintenance program, which would necessarily go along with training. An example of the problem—if you have a septic tank in the ground and you don't get it pumped out, the solids carry over to the drainfields which can cause them to fail. We've been working

with some of the tribes to establish a continuing training program by the assignment of CHR staff to the training activity.

Senator BARTLETT. Do you have any information in the new handbook that's coming out that will be available to the authorities and occupants of the housing units?

Mr. CLARK. Do we have a handbook?

Senator BARTLETT. Well, I understand there's going to be a handbook available and I just wonder if you had any written material that is available or do you think that it would be good to have written material that would be available to the occupants of the homes?

Mr. CLARK. We do have written material with pictures and diagrams showing how to take care of a pump, how to check the septic tank, and change faucet washers. General things that an individual can do himself.

Senator BARTLETT. But is there any program sufficient to acquaint the individual occupant?

Mr. CLARK. We're only able to handle about a third of it now.

Senator BARTLETT. I see. And the reason you can't handle more than a third is what?

Mr. CLARK. Staff.

Senator BARTLETT. I see. Is there any way that the housing authority could help on that?

Mr. CLARK. Yes; if they have the resources, we would work with the housing authority to train their staff to carry out this function.

Senator BARTLETT. In your testimony item number one, you say "the Indian Health Service has responsibilities for site evaluation and construction inspection that no commensurate authority, only the housing authority or HUD can direct a developer, this puts Indian Health Services staff in a situation where they rely on persuasion and diplomacy to secure adoption of our recommendation." What suggestion do you have to correct this?

Mr. CLARK. If the proposed new agreement between the three agencies is signed, I believe the problem would be taken care of in that it would give us the authority to reject a site if the water quality and quantity were unsatisfactory or if there was no suitable method of sewage disposal available. I don't know what the status of the agreement is at this time.

Senator BARTLETT. Agreement with——

Mr. CLARK. With HUD, BIA and the Indian Health Service and its part of the proposed regulations that were set up for the new Indian housing manual that was proposed sometime ago but have not been finalized yet.

Senator BARTLETT. What authority would this give the Indian Health Service?

Mr. CLARK. If the water was not a safe quality or quanity to serve the home or no feasible method of providing a sewage disposal system, we could reject the site and then they would have to find another site for that family.

Senator BARTLETT. I see. As it is now, you do not have the authority to reject the site?

Mr. CLARK. It is now a recommendation to the housing authority.

Senator BARTLETT. How often are the sites that you recommend to be rejected not rejected?

Mr. CLARK. I don't know the exact number, but its less than it used to be. We have found out together with the housing authorities that if a home is built where you don't have adequate waste disposal systems, problems are created for everybody. If we had the authority to reject sites, this would place the burden of refusal on us rather than the housing authority.

Senator BARTLETT. What percentage of the sites inspected are rejected or recommended for rejection?

Mr. CLARK. I could give you a definitive answer by writing a reply if you like.

Senator BARTLETT. All right.

Mr. CLARK. I can give you an idea, for every hundred sites approved we would probably have to evaluate 125 and maybe in some areas even more.

Senator BARTLETT. You say that 25 percent might be——

Mr. CLARK. This does not mean that site can't be used, sometimes an individual sewage logoon can be used even though the site was rejected for a poor percolation rate.

Senator BARTLETT. What percentage of those 25 would be used?

Mr. CLARK. Five to ten percent.

Senator BARTLETT. Are you talking about, then, 1 to 2 to 2½? What percentage of the time do you recommend a site be turned down and yet it was built? Did the system ever work where you said it wouldn't?

Mr. CLARK. Yes; it has happened, and the reverse has been true too.

Senator BARTLETT. Well, I'm glad to hear that the Indian Health Service doesn't claim infallibility.

Mr. CLARK. No way, sir.

[Subsequent to the hearing Mr. Clark submitted the following:]

A review of site evaluations involved in two projects in the Oklahoma City Area of the Indian Health Service yields a rejection rate of approximately 11.7 percent. Of a total of 6,387 sites evaluated, 746 were rejected.

Senator BARTLETT. Would you explain to me, if possible, what could be done to improve the delivery of services on housing projects. Is there anything that can speed up the time involved in the inspection that you make on water and percolation tests?

Mr. CLARK. This is pretty well in hand now; however, there is a time lag between the time we hear about a project and when it is implemented.

Senator BARTLETT. What causes the lag time?

Mr. CLARK. I'm not sure, but I believe it's some of the approval mechanism that must be completed before the housing authorities have the authority to construct houses.

Senator BARTLETT. We had testimony at the other hearings from a number of people on housing authorities recommending that one agency handle the whole Indian housing program; how would you look upon that and which agency would you pick?

Mr. CLARK. You have an agency now that has the responsibility by law, and you have participation by both Indian Health Service and the Bureau of Indian Affairs at least as advocates of the Indian people. I really haven't considered if it would be better to change. Under the present circumstances, I think the advocate role needs to be there and strengthened to keep the program going.

Senator BARTLETT. An advocate role?

Mr. CLARK. At least for the Bureau of Indian Affairs and Indian Health Service.

Senator BARTLETT. I see. In the development of Indian housing projects at what point does HUD notify you that an Indian project is being developed?

And I've got other questions here that Hazel Elbert will ask you about and I'll excuse myself a minute.

Mr. CLARK. Most of the communications we get for the initiation of a project comes from the Indian Housing Authority.

Ms. ELBERT. Did you understand the question; at what point in the development of housing projects does HUD notify you that a project is being developed?

Mr. CLARK. I didn't answer that directly; did I?

There is a bit of a communication problem. Occasionally we get a copy of the letter that goes to the housing authorities saying that its all right for them to sign a contract with the developer.

We do have contact with some of the HUD people where they verbally tell us the status of the projects but this is an informal type of an arrangement.

Ms. ELBERT. Is that adequate notification and if not, why not?

Mr. CLARK. Well, if we had a schedule, an idea of when the ACC was going to be issued to the housing authority, it would give us lead-time so we could work out details with the housing authority. This would permit us to dovetail our construction of the sanitation facilities with the housing authority, particularly for cluster sites.

Ms. ELBERT. The Senator wants to ask this last question but I have another question here.

The Absentee Shawnees now own a building in Shawnee where its arranged that the GSA sublets to Indian Health Services. GSA pays the sum of $19,000; IHS pays GSA $42,000; where does the difference go?

Mr. DAVIS. I would like to provide an additional response to this for the record because I will have to check with our executive office because this is just as confusing to me as an administrator as it is to the Absentee Shawnee people. Therefore, we will prepare an answer to this question for the record and for the benefit of the Absentee Shawnee tribal committee.

Ms. ELBERT. Thank you.

[Subsequent to the hearing Mr. Davis submitted the following information:]

The difference between the $42,000 paid by the Indian Health Service to GSA for the rental of a facility owned by the Absentee Shawnee Indian Tribe and the $19,000 that the GSA pays to the Tribe is essentially a "service charge" by GSA to cover that Agency's administrative and management costs associated with the rental lease.

Senator BARTLETT. Mr. Clark or Mr. Davis, either one, I understand you're having some problems with funding of the rural water district in western Oklahoma, north of Lawton, I think that HUD made some committment there; can you explain that situation to me?

Mr. CLARK. Yes.

Senator BARTLETT. Is there a solution to the problem as you see it?

Mr. CLARK. I hope so.

We've worked with HUD Indian housing authority in the Lawton area and the Farmers Home Administration to set up a Caddo County No. 3 rural water district which would serve 443 Indian homes and 145 non-Indian homes in the area.

We have a memorandum agreement whereby HUD accepted the responsibility to pay a unit charge of $2,280 for 219 units for the first phase of the program and there was an internal difficulty with one of the housing authorities that they were not able to respond to the commitment; HUD managed to come up with something over $200,000 and we're now attempting to work with the Farmers Home Administration to see if we can take up the slack of the $300,000 that we are short. We'll be talking to the people in the Farmers Home Administration area office about that tomorrow.

Senator BARTLETT. I see. At what level of your agency does the most significant coordination occur with BIA and HUD?

Mr. CLARK. At the service unit level where our field staffs are, where they work with housing authorities and agencies staffs.

Senator BARTLETT. Do you inspect the facilities for which you are responsible after the home is completely constructed?

Mr. CLARK. We primarily do it during construction.

Senator BARTLETT. During construction?

Mr. CLARK. During construction and then, of course, a final is done after they are installed.

Senator BARTLETT. Do you believe that using a good method on behalf of the housing authority would be an improvement over the turnkey job method of construction?

Mr. CLARK. I really have no opinion on this because we can work with them no matter which method is used and fit into their operations.

The construction method would have to come from the housing authority, whichever one they feel would be the best.

Senator BARTLETT. Well, I thought that as far as the equipment and facilities for which you would have, perhaps responsibility of seeing that the sewage system would work, I suppose, in addition to the quality of the water, do you have any responsibility in the delivery of the water in the house or is it just strictly quality?

Mr. CLARK. Well, its quality and quantity and it varies.

If an individual well has to be drilled, which is done by the contractor of the housing authority, then we check the water quality and see that his drilling methods are correct. We would do the same for the waste disposal system the way we would handle it for each type of home construction wouldn't make that much difference. There are several of the housing authorities that have gone the other way, for instance, the Comanche Housing Authority asked us to install waste disposal facilities and they reimbursed us for the installation of them. Where we have our own crews, this works very nicely.

Senator BARTLETT. Do you have your own personnel who do this work, or is this done in some other manner?

Mr. CLARK. No; this is done by a force account where we have our own crews.

Senator BARTLETT. How does that cost compare to the costs that are paid on a turnkey basis?

Mr. CLARK. Well, I don't know on the turnkey basis because I'm not familiar with what their charges are to the housing authority but

I do know that where we have had contracts, our force account costs are less.

Senator BARTLETT. Does your charge fully compensate for all the expenses incurred by the Indian Health Service in providing that service?

Mr. CLARK. Yes.

Senator BARTLETT. How do you coordinate the IHS funding level with that of HUD?

Mr. CLARK. We have a mechanism whereby we go in for a request for our total estimated requirements for the year. This estimate is revised quarterly on the basis of our contacts with the housing authorities and what their plans are for construction in the upcoming quarter and what will probably be constructed down the line somewhere. Based on this request, we get a quarterly allotment from our headquarters.

Senator BARTLETT. What happens if HUD doesn't meet its target, does that ever happen?

Mr. CLARK. Yes; sometimes targets are not met. We obligate our money by specific projects so if the project is delayed, we hold the money until the project is initiated.

Senator BARTLETT. It is my understanding that HUD indicated that they may be able to fund 2,000 houses this year; would you have sufficient moneys to meet that requirement?

Mr. CLARK. If 2,000 homes were started in the next month, no, but initiation of 2,000 units means that there is a lag-time of sometimes 18 months or so, so with the increments that the Indian Health Service gets its money, we're still able to meet the demand.

Senator BARTLETT. Well, I think they are talking about contracts in sale by June 1 or in that area; would you have the moneys to meet those commitments?

Mr. CLARK. All I know is we get our allocation based on our quarterly request. I really don't know how the distribution goes to the other areas. Consequently, if it would come up I think we would be able to support 2,000 units in Oklahoma because other areas are not able to produce like we've been able to produce in Oklahoma.

Senator BARTLETT. You mean you think you would be able to meet those commitments?

Mr. CLARK. Yes; I think so.

Senator BARTLETT. In the last or in the present fiscal year I assume you are not going to be utilizing your full amount of funds available; is that correct?

Mr. CLARK. This year there will be more funds used by the Indian Health Service to support the housing program than there has been in the past because this year no money was set aside for the regular "121" program. So we would expect the amount of money we spend on housing would almost be doubled.

Senator BARTLETT. Last year you did not spend your full amount of money available; is that correct?

Mr. CLARK. We spent the full amount of money that was available to us. I can't speak for the Indian Health Service, but I could ask them for a reply for you.

Senator BARTLETT. In other words, it's only available to you on a unit basis?

Mr. CLARK. As we request it for the quarter.

Senator BARTLETT. I see.

Mr. CLARK. As we request it for the quarter.

Senator BARTLETT. Yes, I wish you would, request that of the Indian Health Service, I would be interested in knowing if funds are unexpended there, if those unexpended funds could be utilized for providing their coordination with the housing authorities and with the homeowners, then acquainting them with the operations of the facilities for which you're responsible.

Mr. CLARK. Could we term that unobligated instead of unexpended?

Senator BARTLETT. All right.

Mr. CLARK. This would address the carryover that we were talking about a few minutes ago when sometimes the project doesn't come up as planned.

Senator BARTLETT. Yes, that would be fine.

Are you authorized to carry over any unobligated funds for HUD?

Mr. CLARK. In the construction program, yes, it's not fiscal year money, it can carry over from 1 year to the next.

Senator BARTLETT. I see.

The record will be open for a couple of weeks so you have plenty of time to provide that information.

If there's any other information that you would like to provide, I would be very happy to have it.

Mr. DAVIS. Mr. Clark, thank you very much.

Mr. DAVIS. Thank you.

[Subsequent to the hearing Mr. Davis submitted the following information.]

Of the $33,046,000 appropriated for sanitation facilities assistance to Indian housing programs in fiscal year 1975, approximately $200,000 was unobligated on June 30, 1975, and was carried over into fiscal year 1976. Those funds are being used in projects to serve Indian Housing programs.

Senator BARTLETT. The next three witnesses from the Bureau of Indian Affairs, Department of Interior. Ron Peake, Chief, Division of Housing Services, Central Office, Washington, D.C.; Richard Bauer, housing officer, Anadarko area office; and Robert Lay, housing officer, Muskogee area office.

Mr. Peake, you might introduce your two colleagues and proceed as you would like.

STATEMENT OF RON PEAKE, CHIEF, DIVISION OF HOUSING SERVICES, CENTRAL OFFICE, BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

Mr. PEAKE. Thank you, Senator Bartlett and thank you for inviting us to the hearing to testify, on my left is Bob Bauer, the area housing officer in Anadarko and on my right is Bob Lay, the area housing officer in Muskogee, each of these gentlemen have been in the housing program in Oklahoma for approximately 10 years, and I believe Bob Lay was probably one of the individuals that staked out the first mutual-help house, so from that aspect of experience we would hope to be able to provide you with any answers that you would have questions for.

The Commissioner regrets that he cannot be present to testify.

I do have a brief opening statement, Senator, in reply to your request that we respond to those items of the prior Oklahoma Housing hearing

that were brought up in terms of our responsibility in the housing programs. The two items that I have a brief comment on are the audits, which have been, as you mention, a serious question here in Oklahoma and the correlation of housing statistics.

The earlier agreements between the BIA and HUD called for the Interior Department, Office of Audit and Investigation to do the auditing of Indian Housing Authorities on reservations.

There were subsequent communications and agreements that modified this earlier agreement but basically that responsibility remained intact, in fact, frankly, it was on the reservation——

Senator BARTLETT. Was that in the law——

Mr. PEAKE. No; this was first in a series of agreements between the Bureau of Indian Affairs and HUD. The 1963 agreement, was subsequently modified by memorandum in 1965, 1967 and so on, but that basic responsibility for audits remained intact.

There was always a question from the Interior audit people about the Oklahoma Indian housing authorities being reservation housing authorities and as such they talked with HUD over the past couple of years with the thought in mind that this was not a reservation situation and neither by the way, was Alaska and California. Those States were included in these discussions and as such in also recognizing that the desire of the Indian housing authorities in Oklahoma was that Interior should be relieved of the responsibility or not have the responsibility for auditing housing authorities in Oklahoma. The Department of Housing and Urban Development would take over this responsibility and provide for independent public accounts.

This was agreed to finally in a "gentlemen's agreement" last spring and I say "gentlemen's agreement" because at that time we were discussing the proposed regulations and handbook which were to be published several months from then, and, the final regs would include the provision that the Oklahoma authorities will be allowed to hire independent public accountants as they wish to to do their auditing. And in fact, the Interior's responsibility for auditing Indian housing authorities, as such, will end at the end of this fiscal year and the entire responsibility will then remain with HUD.

As I say, this does appear in the new interdepartmental agreement, it isn't published yet, I have a copy of this part, however, I would prefer to explain it, if there are any questions, because the secretaries have not signed yet and I would not want to usurp their prerogatives.

The other item that was mentioned in the first hearings that I wish to respond to initially was the housing statistics.

Frankly, this is a difficult area and from reading the last testimony I must say that we still all have different statistics.

One of the reasons we have these different statistics is that over the years we have had different service areas and in fact served different clientele for a number of reasons not the least of which was the basis of each departments legislative responsibilities.

In addition, housing authorities had the opportunity to serve a much wider clientele then the Bureau of Indian Affairs so their figures also differ from ours.

Nevertheless, recognizing these differences, we also recognize that this is not an acceptable proposition and we are now taking steps to coordinate our statistics with the Indian housing authorities statistics

and in fact, we hope to use the in-depth tribal surveys that many of the tribes have completed to conform our statistics to the basis which the tribes say is their population, service population. This will take a little while but we intend to do this and if there remains a difference in figures the housing authorities in Oklahoma will know why there is a difference and, we hope, that there will also be a clear understanding as to why the figures are different.

With that, Senator, as you wish, I and my colleagues will be available here for questions now and later on.

Senator BARTLETT. Thank you very much, Mr. Peake.

I'm not one who conducts a hearing and likes to berate the witnesses so what I'm going to say is not said to anyone of the three of you but I wish, Mr. Peake, that you would pass this back to the Secretary of the Interior because it really is amazing to me there has been an agreement between HUD and Interior for so long that left HUD, on the one hand, with the capability for auditing and Interior, on the other hand, had the responsibility but no capability and no willingness to audit and so for the last 7 years or so in Oklahoma, as far as Indian housing is concerned, there's been probably an average of about one audit per year for that time period.

Now, with the interest that the BIA and Interior are supposed to have in the welfare of the Indians I think it is unforgiveable that this kind of a roadblock can't be cleared out of the way.

Self determination for Indians is a very important thing but I think it's important to recognize that those Indian people who are given the responsibility of a housing authority are engaged in something that they haven't been engaged in before and perhaps in most cases do not have the necessary business or accounting background.

In addition, I think its very unfair to ask anybody and in this case to ask members of an Indian housing authority to accept the responsibilities for management of a housing authority without knowing that there is or will be an audit going to take place to show what the true financial facts are.

I can remember being in business for quite sometime and changing businesses and having an accountant tell us that we were operating at a profit. It turned out we weren't, we were operating at a loss because we had an audit made and it showed that.

Now you could say, well, we were sorta stupid and obviously we were, but I think that its vital to the success of this program to have audits and this is the reason why I insisted in the hearings that we had, that there be audits at least every other year. I would like to see them every year because self-determination means giving an opportunity to people to run their own show, to do their own thing but it can't be done if they're handicapped in doing it and if they're not given the usual tools, the things that most people rely on in order to know where they are, whether they're doing the kind of job that needs to be done or not.

This ties in, of course, with the regulations, the handbook and what is really expected of a housing authority. So, again, I'm not berating you but I would like you, and you'd be doing me a great favor, if you'd pass this on right up to Mrs. Hills, up to the Secretary of the Interior and to Commissioner Thompson because I think that, in the first place, I don't think these audits should take place at the end of this fiscal year. I think it should take place as of now and that HUD

showed a willingness when they testified before us at the earlier hearings that they did have the money, we wanted to bring this to the attention of Mrs. Hills and Interior at that time and we did bring it to their attention and it's still taken an awful long time. So, I think this speaks very poorly of the coordination that exists in the area of Indian housing.

Would you like to rebut or comment?

Mr. PEAKE. Just a comment, Senator.

I believe HUD is providing and they're here, of course, so they'll answer, I believe HUD is providing independent public accountants for the auditing in Oklahoma.

Senator BARTLETT. Yes; I think so.

Mr. PEAKE. But there is a further problem that you touched on and sometimes its confusing in terms of the management requirements and I would like to take a moment to give you that aspect of the problem.

Some of the problem is not auditing, it's accounting. Now, Interior never had had the responsibility for accounting, maybe it should have, maybe it shouldn't, I don't know, but we never did, that was and is a management function and the responsibility of HUD and frankly, in many places, because of the absence of accounting help there was nothing to audit.

The Interior audit staff, when they did try to do something, did not have the opportunity to perform an audit on anything that was there and couldn't obtain the proper documents from HUD nor the housing authority.

Now, accounting services, I believe, are equally as serious a problem as the auditing and should be corrected and provided. The agreements don't speak to this because it is not an interdepartmental arrangement. However, I do think the two go hand in hand——

Senator BARTLETT. Oh, you betcha.

Mr. PEAKE. For what is necessary.

Senator BARTLETT. I forgot to mention one other thing in my speech.

When you said the reason for the fact that there was no coordination between Interior and HUD on auditing was because of some language in the regulations about auditing only pertaining to reservations and, of course, this was in the regulations and not in law.

The Congress has been passing, and amending the laws to make certain that the Oklahoma Indians and the other Indians are included and that the laws do not pertain just to reservations. The Bureau of Indian Affairs has known that and supported that and I can't understand why the regulations should be an excuse when they can be changed. So, I think this is really an unforgiveable error and bureaucratic fumble on the part of the Interior or the BIA. I just can't see any reason at all for not having audits regularly.

Then, I can't see why they would want to separate the auditing and the bookkeeping functions because accounting obviously must tie in too; that is, the auditor often times changes the kind of accounting that's done and we had testimony in our earlier hearings of this occurring and and that there were different kinds of accounting procedures that were involved. So it would seem to me that this function should have been with one or the other agency or department and not split between the two of them and obviously this was not the case. Neither the accounting nor the auditing were performed and I agree

with you that we had testimony that there was nothing to audit but when there's nothing to audit, obviously, then the responsibility of the agencies is to see that there is a proper acounting procedure followed and that there are audits. I just can't see how these kind of mistakes were made and permitted to exist all this time and then expect that the program is going to function well; that the Housing Authority members are going to be able to make the decisions and to know just where they stand and what their record is on the payments and all the rest of the fiscal responsibility.

I'm not sure I have this quite right but under the new regulations, will the Oklahoma housing authority be operating the same as the reservation housing authorities, as far as the audit being made available for them or will the housing authorities in Oklahoma have to pay for the audit?

Mr. PEAKE. Up until the end of this fiscal year the operation will be somewhat different for the Oklahoma, Alaska and the California housing authorities.

As far as after this fiscal year it will be up to the Department of Housing and Urban Development as to how they wish to handle auditing and accounting, whether they wish to do it themselves or provide for IPA's and this policy will be uniform, I assume, across the country, and the Interior will not be involved.

As to the payments, I believe it will work this way.

The housing authorities will probably make their basic charge a minor amount, in order to pay the independent public accountants and if that doesn't cover the cost I'm assuming that there will be operating subsidy money put into the budget of housing authorities so that these services and these requirements can be met.

Senator BARTLETT. So, you think it will be up to the Housing Authorities to pay for the audits that they can use independent——

Mr. PEAKE. When they use independent public accountants and the—yes, sir.

Senator BARTLETT [continuing]. When they use independent accountants otherwise if HUD does the auditing——

Mr. PEAKE. I would assume they would not charge the Housing Authority but they will have to answer that.

Senator BARTLETT. I think that the commitment was made by the representative from HUD and the Commissioner of Bureau of Indian Affairs was that the audits would be made at least every other year, I'll check the record for that testimony; is that what you recall Hazel?

At the outset, Mr. Peake, you said, I believe, that your two colleagues had been involved in the Indian housing program in Oklahoma for 10 years and how long have you been involved?

Mr. PEAKE. About 8 years.

Senator BARTLETT. Eight years?

Mr. PEAKE. Yes, sir.

Senator BARTLETT. Is the program in effect today the same program that was in effect at its inception?

Mr. PEAKE. It is financed under the same law and is essentially the same program, it has one benefit today that it did not have in the earlier days and that is there was a set-aside put into the Housing and Community Act of 1974, specifically requiring the HUD secretary to place under an annual contributions a certain amount for each of the

next 2 fiscal years, fiscal years after the enactment of the law. That is a difference but essentially, Senator, the program is the same program that we started when a number of us were trying to get some housing going overseas and when the Indian Housing Authorities were also starting out trying to get the housing program going.

Senator BARTLETT. Well, because you have been involved pretty much from the beginning I wish you would call upon your experience to give this hearing your opinions on the effectiveness of the program down through the years to date.

Mr. PEAKE. Senator, I think that basically for the clientele that this program is intended to serve low income rural people it is probably the best program in the country.

It also is a program that is somewhat difficult to administer and is financed under the same law as public housing which is somewhat discredited in the urban areas, but through mutual help has had a successful application of the homeownership principle for rural areas. From the aspect of production in the housing authorities in the early days and Oklahoma played a great part in this. Oklahoma took this program and ran with it, they, in fact, were the ones that were able to produce housing in numbers far higher than other places could, even though some other places started a bit earlier than Oklahoma. They got the program going and through cooperative efforts of a lot of people, the Federal agencies, the housing authorities and the tribes and so forth, Oklahoma developed this program, defined it and redefined it and produced housing in numbers that probably equaled a third of the total produced in the Indian areas. In fact, when there were excess units in other areas they were moved to Oklahoma. This production peaked out in 1972 or so, I'm not quite sure on the date, about 1972.

Senator BARTLETT. You're talking about numbers?

Mr. PEAKE. Yes, sir, about numbers in process production or being under construction each year.

Excuse me a minute, I need to have a little conference; 1972 was a big production year, 1972 and 1973, and the residual in 1974, but after 1972, 1973, production declined quite a bit.

Senator BARTLETT. Could you——

Mr. PEAKE. I could submit those for the record.

Senator BARTLETT. Yes, fine. [Was not received in time to be included in the record.] What caused the slowdown in production? Was it the lack of experienced people?

Mr. PEAKE. No, sir. Essentially we have the same housing authorities and who have the same personnel. For good or bad, the BIA people are essentially the same people who were present during the high production years—this porgram did the job of providing the type of shelter that was never available to Indian people over the 30 or 40 years that other people in this country had housing programs or credit available to them.

Senator BARTLETT. Why didn't the Indian people have housing opportunities available?

Mr. PEAKE. Why the Indian people did not have a housing program is a difficult question, there's no real reason for it, other than the fact that Indian people live on trust lands. It's not really being an Indian that causes the housing problems, its the trust land on which Indian

live. The trust land in this country is a condition that does not lend itself to the normal sources of credit for mortgage financing nor does it lend itself to the normal workings of federally subsidized housing programs. It is difficult for our housing industry, both financially and constructionwise, to accommodate itself to trust land, but nevertheless this public housing program was finally put to use administratively to work and as I said, to get back on point, it did the job here in Oklahoma—in both numbers of houses produced, type and acceptance.

Senator BARTLETT. From the matter of the trust land and other Indian housing problems which are unique to public housing for Indians, do you believe that having a one-unit approach, if for example, the same agency would have the authority for Indian housing or if there is one agency with the responsibility, the entire responsibility, would you think that it would make sense to have, in Oklahoma. experts on Indian housing would be able to, because of experience gained, know the various difficulties with the trust property and the other unique features of public housing, have one office to work for and that this would result in a more efficient operation?

Mr. PEAKE. Can I preface my direct answer to that, Senator?

Senator BARTLETT. Yes.

Mr. PEAKE. Its obviously cumbersome to produce housing using three different departments, the housing authority and other entities required to make this program go, there's no question about that. Reducing the type of problem that results from needing to coordinate three Government departments, as well as other entities would probably be meaningful. I've come to the conclusion over my years in housing, both in the Bureau and outside, that in addition to the present cumbersome arrangement, is the the fact that you have one program only to really do the job, one program that is with any money. The Bureau has a home improvement program, as you know. It's a minor program, in terms of new house building, in terms of dollars it doesn't count. Therefore, one program intended to serve the very needy to do a housing job that serves people with a range of incomes, family size and location is probably an inadequate answer in this day and age.

The individual who has a decent salary and lives on trust land and can't get a house because of this situation and has to live in a shack is just as needy as the individual, maybe more needy in certain respects, as the individual with the lower income that also can't get a house.

We really only have the program that's designed for low-income people that's heavily subsidized, and as I said is a difficult one in terms of its administration and application.

Recognizing the present cumbersome administrative machinery needed to coordinate the program and the lack of a really comprehensive approach to housing for Indian people, the absence of lesser subsidy programs, conventional financing, and a whole range of other required items of infrastructure, I would say that a single department approach would probably be better, yes, sir.

Senator BARTLETT. And even with a one department approach, would you, and just say it was HUD, for example, or say it was BIA, either way——

Mr. PEAKE. We don't want to say that too loudly but——

Senator BARTLETT. But regardless of which agency or which department; would it be best to have a specialized unit working with Indian housing as compared to, in case it was HUD or housing, with the BIA it would be a specialized unit by necessity?

Mr. PEAKE. Again, that's a difficult question to answer.

Let me answer it directly, yes, with qualifications.

The qualifications being that if in fact, and this is touchy ground for me but you understand the position, if in fact you had legislation specifically for Indian housing I would say that that would be an acceptable answer; if you did not and say had to work with existing legislation as we do now for example, when we're talking about working in the Department of Housing and Urban Development, I would say that would be a poor approach because they are administering housing laws in which Indians participate, not administering Indian housing program set up by law. Therefore recognizing that HUD is set up to deal with large and so much more complicated housing programs because the laws that they deal with are essentially written for programs. I feel that you would have to deal directly with those offices of HUD that handle the money for their particular programs and if you did not you would not really get results, in my opinion, sir.

Senator BARTLETT. If you must tie into the money then as well as the other mechanisms, as I understand it there is such a unit doing this that operates in California; isn't that correct, as far as Indian housing is concerned?

Mr. PEAKE. You mean on the area or regional level—I was speaking to the Washington level on the regional and area level there has been an attempt, and I assume the Department of Housing and Urban Development will speak to this, there has been an attempt, not an attempt really, in a couple of regions there is an Indian programs office, and in fact I think the regional office in San Francisco has a new assistant regional administrator for Indian programs with sign-off responsibility for that program, I believe that also is the case in Denver. If you're discussing it from that point of view at that level, Senator, yes, that probably, providing for an office, that has the responsibility solely for Indian programs it would probably be a better administrative practice, in my opinion.

Senator BARTLETT. In other words, for the HUD operation in Oklahoma you think it might be an improvement in the area office here in Oklahoma City, if they had a task force or a group specializing in Indian housing in addition to their other responsibility?

Mr. PEAKE. Yes, sir.

Senator BARTLETT. OK. And then, calling upon your experience within the program; what is your opinion of the efficiency of the housing authorities in Oklahoma, the Indian housing authorities?

Mr. PEAKE. Recognizing that their Representatives are all here, I think they're all efficient.

I think that the level of efficiency in Oklahoma, for the majority of housing authorities, is at a stage where they can do their own thing. You know, for years we were the middleman and in fact during this hearing I think we're the middleman, we were the middleman between the housing authority and the Department of Housing and Urban Development. We took great pains to extricate ourselves from that

situation so that the Housing Authorities wouldn't be rubber stamps for the Bureau of Indian Affairs, I think we succeeded in doing this.

One of the successful examples of having removed the BIA from the middleman position is here in Oklahoma. For the most part the housing authorities here are capable and have staff of long standing to do their own thing and to do this HUD program. There's no question in my mind that many of them know the program as well, if not better than the Federal employees administering it.

You know, there are housing authority changes, there are complications when changes in tribal government occur, but this is normal, not abnormal and probably occurs in non-Indian housing authorities as well.

Senator BARTLETT. Do you believe that the housing authorities should be given the opportunity to advertise for the construction of housing on a bid basis as well as a turnkey basis?

Mr. PEAKE. I heard that question before and I was going to pass the buck but I don't think I will, I was going to pass the buck to Bob, but I will do it after I comment.

I think either method is satisfactory, providing the housing authority itself is satisfied with the method it uses and not coerced into accepting one method over the other, either method will produce a good result.

If I'm not mistaken in Oklahoma they've built mostly turnkey mutual help, and little low rent, and that is what I'm directing most of my remarks to, although they are different programs, they are financed under the same law.

For the mutual-help program in Oklahoma they used mostly turnkey and from the figures and whats happened up until recent years it certainly seems to be a method that produced good housing.

In other areas of the country, Senator, they don't use the turnkey method of development, they use the conventional bid method. With the stipulation that this method, this is again my opinion, that this bid method carry with it the opportunity for the housing authority to hire an architect nad inspector in order that they can have this technical expertise readily available, I think, frankly, that this works equally as well in terms of obtaining decent housing.

Bob, do you have further comments?

Mr. LAY. Well, I think we ought to explore the reason the turnkey concept came into being. One of the reasons was because the conventional method of producing houses was such a slow method. The turnkey concept was explained at a meeting in Fort Worth regional office back in 1970–71, somewhere in there and the housing authorities adopted this concept and I think this is probably one of the main reasons why the splurge in housing production in Oklahoma during those periods of time.

This gives me one opportunity to make a comment here and I feel it's very serious in the concept of the turnkey production method for mutual-help homes.

And that is the contract of sale and I'm going to just briefly outline it and I don't have an answer for it but I think it's serious in that a contract of sale is signed between a housing authority and a developer.

If during the process of the production of the home it's found for one reason or another that the contract cannot be consummated the

developer can drop out of the picture which means then that the housing authority has to go back to advertising and so on and so forth. to get the homes into production again.

I only mentioned this, not to be belittling the contractors or housing authorities or anything in that matter but mainly to point out that during this interim period you have Indian families who are in desperate need of homes sitting out there without the facility or ability to get into these homes.

I do not have the answer as to how the contract to sale should be written, a turnkey contract of sale makes provision for payment of the homes when they're built and the contractor gets paid for the homes in increments as they're built but if they're not all built, of course, he doesn't get paid. The housing authority is not out the money but we have this time-consuming process of going back through advertisement period and one thing and another, and the Indian families are, I won't say denied but they're delayed in getting access to mutual-help homes.

I only bring this out for the benefit of the record.

Mr. PEAKE. In reference to turnkey method of development, I would like to include my—I would like to include in my remarks that the turnkey method also could be helped by the provision for the housing authority to hire an architect and/or inspectors where they desire.

Senator BARTLETT. Is that available now?

Mr. LAY. I would like to say a few words on this.

I think that what Mr. Peake is referring to is another new regulation—assistance is available through the Housing Authority during the period of review of the bid proposals under the turnkey method.

I don't know right now if that is—if there's money in the Housing Authority budget to solicit that kind of assistance or not.

Mr. PEAKE. It could be permitted, whether it is or not I really could not say. I'd rather defer that question to the Department of Housing and Urban Development but it's permissible.

Senator BARTLETT. I wonder if I could go back; you were saying that the turnkey method of development resulted in expediting the construction of houses; if the bid method is used can the bid method be operated in such a way that there would be a number of houses involved so it wouldn't just be a single unit and would that expedite the matter and provide for the same speed of development that might be available the other way?

Mr. LAY. At the present time, from my experience in observing this is that there's a project that's advertised and it may consist of any number of units, not necessarily a single dwelling so the whole project is bid by a developer or a contractor on a turnkey basis.

Now, does that answer your question?

Senator BARTLETT. No; it really doesn't.

I understand that the contractors on a turnkey basis may submit different proposals, that may be difficult to compare where with a bid it can be compared with another bid.

Mr. LAY. No; there's a number of proposals, you know, submitted in response to an advertisement and the Housing Authority compares these bid proposals.

Senator BARTLETT. Are they obligated to accept the lowest bid?

Mr. LAY. No; as I understand, they are not.

Mr. BAUER. I wanted to add, one of the reasons that they went to the proposal system, you know, originally was to not have stereotype projects, stereotype houses so they decided instead of the Housing Authority hiring an architect, you know, designing one house, and the housing authorities may wind up building 3,000 or 4,000 of the same type houses, they decided to go to the proposal system and have different developers come in with different ideas so that all the houses would not look alike; that was the reason.

Senator BARTLETT. So, in that way the proposals are not exactly the same; is that correct?

Mr. BAUER. That's right, they don't have to select the low bid, they can select the proposals, maybe the best package or what they consider the best package.

Senator BARTLETT. In other words, the higher bid that might be selected could actually include more, perhaps, than a lower one.

Mr. BAUER. Maybe also a better quality house.

Mr. LAY. Half the proposals that are received, I understand the bid is negotiated between the housing authority and the developer with the department of housing area development's staff in a supervisory role.

Senator BARTLETT. Approving it?

Mr. LAY. Yes.

Senator BARTLETT. Do you feel, and I think Mr. Peake, you said that you thought having both avenues was a good way to have it; do you feel that having an occasional bidding would be good for comparisons for the housing authority and the low bidder, getting all the marbles, and occasionally saving the housing authority money.

Mr. PEAKE. It's possible, Senator, I don't think it's necessary. In many respects, I think the turnkey method is an adequate and acceptable method.

Senator BARTLETT. Is the section 8 housing program that HUD has been pushing adaptable to Oklahoma, to the Indians?

Mr. PEAKE. I don't believe section 8 is adaptable for the Indian people or for Indian areas, Senator.

First of all, even now the department is having trouble outside of Indian areas, I still believe the section that provides the new housing under section 8 is not funded, it is certainly—this new housing opportunity that would be the one in demand by the Indian people and it's this section that possibly could provide the type of homeownership program similar to mutual-help. But I frankly must say that I don't think that's a program that would work, certainly not nearly as well as the present program.

Senator BARTLETT. Let's stop right here and we'll have 15 minutes for a coffee break and will continue with Mr. Peake and his colleagues.

[Short recess.]

Senator BARTLETT. If everybody would take their seats we will continue.

Mr. Peake, have you experienced any difficulty in coordinating with the individual housing authorities?

Mr. PEAKE. I'll defer to the gentlemen here that work directly with the housing authorities, Senator.

Mr. BAUER. No, sir, no difficulty.

Senator BARTLETT. Mr. Lay?

Mr. LAY. No difficulty.

Senator BARTLETT. Do you have a good relationship with them?

Mr. LAY. I feel that we do and I certainly hope so, yes; I think so, yes.

Senator BARTLETT. Mr. Bauer?

Mr. BAUER. I've known most of the directors for a number of years and we work real close together.

Senator BARTLETT. Mr. Peake, what is the stituation in housing for urban Indians?

Mr. PEAKE. My understanding is that the urban Indians, for the most part, live in substandard conditions.

Senator BARTLETT. What is available to them?

Mr. PEAKE. The general programs that are available to any citizen of that community or that particular urban area with one caveat, Senator, there may be a circumstance where an individual might qualify, with tribal approval, might qualify for the housing improvement program grant.

Senator BARTLETT. Is that because of the recent change in the regulations of the BIA?

Mr. PEAKE. Yes, sir, it is. I have the regulations with me and I would submit them for the record if you would like, sir.

Senator BARTLETT. Yes; I wish you would.

[The regulations follow:]

[From the Federal Register, Sept. 29, 1975]

TITLE 25—INDIANS

CHAPTER 1—BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

PART 261—HOUSING IMPROVEMENT PROGRAM

Designation

SEPTEMBER 22, 1975.

This notice is published in the exercise of rulemaking authority delegated by the Secretary of the Interior to the Commissioner of Indian Affairs by 230 DM 2. The authority to issue regulations is vested in the Secretary of the Interior by 5 U.S.C. 301 and sections 463 and 465 of the Revised Statutes (25 U.S.C. 2 and 9).

Part 300 of Subchapter X, Chapter I, Title 25 of the Code of Federal Regulations was published as final regulations beginning on page 19194 of the May 2, 1975, FEDERAL REGISTER (40 FR 19194) and became effective on June 2, 1975. At the time the part was published, it was incorrectly numbered as Part 300. The Office of the Federal Register has assigned Parts 1 through 299 only to Chapter I of Title 25 of the Code of Federal Regulations which can be issued by the Bureau of Indian Affairs. The Parts beginning with 300 on up are assigned to other chapters and other offices. Therefore, Part 300 is hereby redesignated as Part 261. Sections 300.1 through 300.10 are hereby redesignated §§ 261.1 through 261.10. This redesignation includes the following changes to the Part:

1. In § 261.1 (formerly § 300.1), the phrase "of this Part 300" is hereby revised to read "of this Part 261."

2. In the first sentence of § 261.2 (formerly § 300.2), the phrase "in this Part 300" is hereby revised to read "in this Part 261."

3. In § 261.4(b)(2) (formerly § 300.4(b)(2)), the phrase "as defined in § 300.2 (i)" is hereby revised to read "as defined in § 261.2(i)."

4. In the first sentence of § 261.4(d)(2) (formerly § 300.4(d)(2)), the phrase "of this Part 300" is hereby revised to read "of this Part 261."

5. In the first sentence of § 261.4(d)(4) (formerly § 300.4(d)(4)), the phrase as defined in § 300.2(h)" is hereby revised to read "as defined in § 261.2(h)."

6. In § 261.5(a)(4) (formerly § 300.5(a)(5)), the phrase "the categories in § 300.4" is hereby revised to read "the categories in § 261.4."

7. In § 261.5(b) (formerly § 300.5(b)), the phrase "of § 300.4" is hereby revised to read "of § 261.4."

8. In the first sentence of "§ 261.7(a) (formerly § 300.7(a)), the phrase "under § 300.5(a)" is hereby revised to read "under § 261.5(a)."

9. In § 261.9 (formerly § 300.9), the phrase "categories (b), (c), and (d) of § 300.4" is hereby revised to read "categories (b), (c), and (d) of § 261.4."

10. In § 261.10 (formerly § 300.10), the phrase "of this Part 300" is hereby revised to read "of this Part 261."

This redesignation is made pursuant to the authority in 5 U.S.C. 301 and sections 463 and 465 of the Revised Statutes (25 U.S.C. 2 and 9). No other changes are being made to the text of Part 261 (formerly Part 300).

Since the regulations were incorrectly numbered as Part 300 and are merely being redesignated as Part 261 and no other changes are being made, advance notice and public procedure thereon have been deemed unnecessary. Therefore, advance notice and public procedure are dispensed with under the exception provided in subsection (b)(B) of 5 U.S.C. 553 (1970).

Since the regulations were incorrectly numbered as Part 300 and are merely being redesignated as Part 261 without making any other changes, the 30-day deferred effective date would unnecessarily delay the redesignation. Therefore, the 30-day deferred effective date is dispensed with under the exception provided in subsection (d)(3) of 5 U.S.C. 553 (1970). Accordingly, the redesignation will become effective September 29, 1975.

MORRIS THOMPSON,
Commissioner of Indian Affairs.

[F.R. Doc.75-2597 Filed 9-26-75;8:45 a.m.]

[From the Federal Register, May 2, 1975]

TITLE 25—INDIANS

CHAPTER I—BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

PART 261—HOUSING IMPROVEMENT PROGRAM

APRIL 25, 1975.

This notice is published in exercise of rulemaking authority delegated by the Secretary of the Interior to the Commissioner of Indian Affairs by 230 DM 2. The authority to issue regulations is vested in the Secretary of the Interior by 5 U.S.C. 301 and sections 463 and 465 of the Revised Statutes (25 U.S.C. 2 and 9).

Beginning on page 39729 of the November 11, 1974, FEDERAL REGISTER (39 FR 39729), there was published a notice of proposed rulemaking to add a new Subchapter X and a new Part 261 to Chapter I of Title 25 of the Code of Federal Regulations relating to the terms and conditions under which assistance is given to Indians under the Housing Improvement Program. This addition was proposed pursuant to the authority contained in the Act of November 2, 1921 (Pub. L. 67-85, 42 Stat. 208, 25 U.S.C. 13), also called the Snyder Act.

Interested persons were given 30 days in which to submit written comments, suggestions, or objections regarding the proposed regulations.

During this period comments, suggestions, and objections were submitted by interested persons. Careful consideration was given to the comments received and the following major revisions were made as a result of them:

1. *Section 261.2(e)(2).* The language of the definition in this subsection has been revised to delete the reference to the constitution of a tribe setting the standard for membership so that persons of those tribes without constitutions and those not having membership criteria in their basic governing document come under this definition.

2. *Sec. 261.2(e)(3).* The definition in this subsection has been revised to add that the person's ancestry must be of a federally recognized tribe. This requirement is part of the Department's basic policy on eligibility for Bureau services that Indian persons served must be of federally recognized tribes.

3. *Sec. 261.2(f)(2).* The definition of Alaska Native Village as a tribe has been modified to make clear that those villages listed in the Claims Settlement Act and not actually eligible are not included.

4. *Sec. 261.2(i).* The entire paragraph (5) under this section was changed to reflect more acceptable standards in terms of house size and bedroom size.

5. *Sec. 261.4.* The headings of paragraphs (a) and (b) under this section were changed in order to clarify the meaning of the categories given in those paragraphs.

6. *Sec. 261.4(a)(3)*. The cumulative total expenditure of funds for the category described in paragraph (a) was increased from $2,000 to $2,500 to reflect present costs in terms of minor repairs.

7. *Sec. 261.4(c)(2)*. The amount of downpayments allowed for Alaska was increased from $5,000 to $6,000 to reflect higher costs in Alaska.

8. *Sec. 261.4(d)(3)*. The amount of funds for new housing allowed in Alaska was increased from $25,000 to $30,000 to reflect higher costs in Alaska. A provision was added to require warranties for contractor built houses.

9. *Sec. 261.5*. Language was added to clarify the intent that the restriction on not approving more than one application from the same applicant for assistance under paragraphs (b), (c), and (d) of § 261.4 is not retroactive.

Other minor revisions were made for the purpose of clarification and understanding.

The new Subchapter X and new Part 300 shall become effective June 2, 1975.

A new Subchapter X consisting of Part 261 is added to Chapter I, Title 25 of the Code of Federal Regulations, reading as follows:

Sec.
261.1 Purpose.
261.2 Definitions.
261.3 Policy.
261.4 Program categories.
261.5 Eligibility.
261.6 Program implementation.
261.7 Appeals.
261.8 Inspection.
261.9 Flood disaster protection.
261.10 Waivers.

AUTHORITY: 42 Stat. 203 (25 U.S.C. 13).

Section 261.1 Purpose.

The purpose of this Part is to prescribe the terms and conditions under which assistance is given to Indians under the Housing Improvement Program.

Section 261.2 Definitions.

As used in this Part 261:

(a) "Secretary" means the Secretary of the Interior.

(b) "Commissioner" means the Commissioner of Indian Affairs.

(c) "Area Director" means the Officer in charge of one of the Bureau of Indian Affairs' Area Offices or his authorized delegate.

(d) "Superintendent" means the Officer in charge of the Agency or other local office of the Bureau of Indian Affairs.

(e) "Indian" means a person of Indian descent who is either of the following:

(1) An enrolled member; i.e., a person whose name appears on the formally approved membership roll of a tribe. In the case of the Five Civilized Tribes in Eastern Oklahoma and the Osage Tribe where rolls have been closed an applicant may be a descendant of an enrolled member accepted as such by the Superintendent; or

(2) A person who is considered to be a member by or who meets the membership requirements of a federally recognized tribe.

(3) A person of one-half or more degree Indian ancestry who is a descendant of a member of a tribe that has been federally recognized by treaty or otherwise. Proof of ancestry must be by rolls or records acceptable to the Secretary. Such persons are hereinafter referred to as "nontribal Indians."

(f) "Tribe" means:

(1) An Indian tribe, band, group, pueblo or community recognized by the Secretary of the Interior; or

(2) An Alaska Native Village as defined in and eligible for benefits under the Claims Settlement Act (Act of December 18, 1971, 85 Stat. 638).

(g) "Family" means one or more persons maintaining a household.

(h) "Ownership" means having fee title, trust title (including participation in multiple ownership), leasehold interest, use permit, indefinite assignment or other exclusive possessory interest. In the case of Alaska, the term also includes one who the Superintendent determines has a reasonable prospect of becoming an owner in accordance with the provisions of the Alaska Native Claims Settlement Act (85 Stat. 638).

(i) "Standard housing" means a dwelling in a condition which is decent, safe and sanitary so that it meets the following minimums:

(1) General construction conforms to applicable building standards for the region. Structures to be improved are to be in sound condition. Deterioration, if any, will not be at a level creating a health or safety hazard, or a comfort problem.

(2) The heating system has the capacity to maintain a minimum temperature of 70 degrees in the dwelling during the coldest weather in the area. It must be safe to operate and maintain and deliver a uniform distribution of heat. Applicable local heating codes are to be followed. If there are no applicable local codes, county or state codes are to be used as a guide.

(3) The plumbing system includes a properly installed system of piping. Fixtures consist of a kitchen sink and a partitioned bathroom with lavatory, toilet and bath and/or shower. The water supply, plumbing and sewage disposal systems meet minimum standards of the Indian Health Service, tribe, county or state, whichever is applicable.

(4) The electrical system includes wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for the operation of appliances. The tribal, county, or state electrical code, whichever is applicable, must be used as an alternative standard. If no codes exist, a minimum of two circuits per dwelling must be installed with provision for at least one additional circuit for future use.

(5) Family size per dwelling does not exceed these limits:

(i) Two bedroom dwelling: up to four persons (the first bedroom must have at least 120 sq. ft. of floor space and the second bedroom must have a minimum of 100 sq. ft. of floor space.)

(ii) Three bedroom dwelling: up to seven persons (the first bedroom must have at least 120 sq. ft. of floor space and the second and third bedrooms must have a minimum of 100 sq. ft. of floor space each.)

(iii) Four bedroom dwelling; adequate for all but the very largest families (the first bedroom must have at least 120 sq. ft. of floor space and the remaining bedrooms must have a minimum of 100 sq. ft. of floor space each.)

Section 261.3 Policy.

The Bureau of Indian Affairs' housing policy is consistent with the specific objectives of the National housing policy which declares that every American family should have the opportunity for a decent home and a suitable living environment. To the maximum extent possible, the program will be administered through tribes, tribal housing authorities, or other tribal organizations, or by having tribal officials participate in the applicant selection processs. Every effort will be made to use Housing Improvement Program funds in conjunction with other programs so the result will be a greater amount of housing improved than would otherwise be possible with the Housing Improvement Program funds alone. In cases where training programs are used in conjunction with the Housing Improvement Program, funds are to be limited to the purchase of materials and providing inspection and skilled labor otherwise unavailable.

Section 261.4 Program categories.

The Housing Improvement Program will provide assistance in the following categories:

(a) Repairs to housing that will remain non-standard. Under this category:

(1) Financial assistance will be granted to finance repairs and additions to existing substandard housing so that it is safe, more sanitary and livable until such time as standard housing is available.

(2) The standard to be applied in deciding whether to provide assistance is improvement in the condition of the house, i.e., improved livability or reduced health and safety hazards even though it may be obvious that such an undertaking will not improve the house to the extent that it will meet the standard of decent, safe and sanitary. Examples of the improvement that may be assisted are: weathertightening, re-roofing, electrical wiring, chimney repairs, foundation, heating, sanitary facilities, painting, additional living and/or sleeping space, and kitchen or bathroom additions in conjunction with Indian Health Service projects.

(3) The cummulative total expenditure of the Housing Improvement Program funds should not exceed $2,500 for any on dwelling.

(4) The funds shall be granted. No restrictions on the use of the home may be imposed. Repairs to homes being rented regardless of ownership may be made but rent cannot be increased as a result of the repair alone and applicants

should have a reasonable certainty that they will remain in the house for a reasonable period following the rapairs.

(b) Repairs to housing that will become standard. Under this category:

(1) Financial assistance will be granted to finance repairs, renovation and/or enlargement of existing structurally sound but deteriorated dwelling which can economically be placed in a standard condition.

(2) Upon completion of work, the dwelling should at least meet the decent, safe and sanitary standards of standard housing as defined in § 261.2(i).

(3) The cumulative total expenditure of the Housing Improvement Program funds should not exceed $10,000 for any one dwelling.

(4) Undertakings under this category are primarily for applicants who are living in their own home. Applicants who rent from Indian owners are eligible on the condition that, prior to the start of the improvement, a written occupancy agreement exists for a minimum of five years. The agreement must provide that rent for the term cannot be raised because of the improvement work. The owner must also agree in writing with the tribe that in the event the agreement is terminated prior to expiration of the term, he will hold the premises vacant for up to six months for a new occupant who meets the eligibility requirements of this Part. Repair of a rental unit occupied by an eligible applicant but owned by a non-member of a Federally recognized Indian tribe (including non-Indians) will not be made unless approved in writing by the Area Director after receiving a written justification from the Superintendent.

(c) Down payments. Under this category:

(1) The Housing Improvement Program provides grants in order to make the applicant eligible to receive housing loans from tribal, Federal or other sources of credit. Grants are only for standard housing. The applicant must establish that he has an inadequate income or limited financial resources to meet the full cost of the loan.

(2) The grant should not exceed the amount necessary to secure the loan plus the closing costs or $5,000, whichever is less. (In the case of Alaska, the grant amount should not exceed $6,000.)

(3) The method of advancing the grant must insure that the funds are used for the purpose intended. No security will be taken or lien made on the house because of the grant.

(d) New housing. Under this category:

(1) The Housing Improvement Program will provide the financing of the construction of new standard housing when it is established that there is no reasonable prospect that standard housing can be financed from sources other than the Housing Improvement Program. This category may not be used if there is an unmet need in the category given in paragraph (b) of this section, unless there is a dire need for assistance under this category and it is justified in writing and approved by the Area Director.

(2) The housing provided under this category must meet the housing standards of this Part 261. Two exceptions to standard housing will be permitted:

(i) Where one or more of the utilities are not available and there is no prospect of the utilities becoming available; and

(ii) In areas of severe climate, house size may be reduced to meet applicable building standards of the region. The house site must be chosen so that access to utilities is most economical, ingress and egress adequate, aesthetics are considered, and proximity to school bus routes are taken into account.

(3) The cumulative total expenditure of funds may not exceed $25,000 for a dwelling and equipment. (In the case of Alaska, the total expenditure of funds may not exceed $30,000.) The occupant will be responsible for all maintenance of the completed dwelling, and all utility fees, deposits or costs required for service. All contractor built houses must contain a one-year warranty against defects, materials, and workmanship.

(4) The applicant must have ownership (as defined in section 261.2(h)) of the land on which the house is built. In the case of a leasehold interest, it must be for not less than 25 years. Within five years after completion of construction if an owner of a house built on tribal lands desires to move, he must first notify the tribe of his intention. Within 60 days of such notice, the tribe shall have the right to either assume his interest in the house or designate someone to assume his interest. If the tribe takes no action, he may dispose of the house without regard to any restrictions in this Part.

(5) Adequate fire insurance where determined feasible by the Superintendent must be carried.

Section 261.5 Eligibility.

(a) Priority is given to families with the greatest need in relation to income, family size,, and of not being eligible for other available programs providing housing assistance. Each application for assistance must be approved by the tribal housing authority or other officially designated housing entity of the tribe being served. Applications of non-tribal Indians must be submitted to the Superintendent of the local agency office for approval. Applications to the housing authority or other officially designated housing entity of the tribe being served must be in writing and must establish that:

(1) The applicant is an Indian.

(2) The present housing of the applicant is substandard or inadequate in terms of capacity to meet the physical needs of the family.

(3) The economic resources of the applicant are inadequate or factors exist which make the applicant unable to secure housing from other sources.

(4) The applicant for assistance under one of the categories in section 261.4 meets the ownership requirements given under that category.

(b) After July 1, 1975, an applicant can only receive assistance one time under categories given in paragraphs (b), (c), and (d) of section 261.4.

(c) The Department of Housing and Urban Development financed houses under the administration of an Indian housing authority will not be eligible for assistance until the end of the project indebtedness to the Federal Government.

Section 261.6 Program implementation.

The Housing Improvement Program will be implemented according to the plans, priorities and requests of the tribe served. In accordance with this, the methods which may be used to implement the program are:

(a) Direct grants to applicants.

(b) Contract or grant agreements negotiated with tribes, Indian housing authorities established pursuant to tribal ordinances or state laws, or incorporated tribal organizations. The completion of a specified amount of housing construction or improvement will either be performed directly by the tribe or organization or through a program of the tribe or organization providing funds and assistance to Indians.

(c) Contracts negotiated by the Bureau of Indian Affairs' Contracting Officer or his designated representative for elements of an agency Housing Improvement Program with one or more of the following: Tribes, Indian housing authorities, Indian controlled private enterprise, incorporated tribal organizations.

(d) Contracts with private non-Indian contracting firms in accordance with normal Bureau of Indian Affairs' contracting procedures.

(e) Programs administered directly by the Bureau of Indian Affairs.

Section 261.7 Appeals.

(a) If an applicant is denied assistance by failure to obtain tribal approval under section 261.5 (a), he may appeal to the Superintendent. The Superintendent may approve assistance if the applicant is in serious need of housing. The Superintendent's decision on such appeals may be appealed by the applicant or the tribe under the provisions of Part 2 of this chapter.

(b) Denial of an applicant by a Bureau of Indian Affairs' official may be appealed under the provisions of Part 2 of this chapter. Notice of the right of appeal must be given each applicant in the notice of rejection.

Section 261.8 Inspection.

The Superintendent is responsible for inspection or the assurance that there is adequate provision for inspection by Bureau of Indian Affairs' employees, contractors, or subcontractors during the course of construction. The Superintendent is also responsible for the provision of inspection prior to the purchase of an existing house. These inspections are not necessary where inspection is provided for by the Department of Housing and Urban Development or the Farmers Home Administration or other governmental agencies.

Section 261.9 Flood disaster protection.

No Housing Improvement Program funds, under categories (b), (c), and (d) of section 261.4 will be expended in areas designated as having special flood hazards under the Flood Disaster Protection Act of 1973 (Pub. L. 93-234, 87 Stat. 977) unless the requirements for suitable flood insurance are met.

Section 261.10 Waivers.

A proposal for a waiver of the regulations of this Part 261 must be submitted to the Commissioner and will be considered if substantial justification is presented according to section 1.2 of this chapter.

MORRIS THOMPSON,
Commissioner of Indian Affairs.

[FR Doc.75-11476 Filed 5-1-75;8:45 am]

Senator BARTLETT. Would you outline briefly how that might be accomplished?

Mr. PEAKE. Under the new regulations, which are a direct result of the Supreme Court decision concerning Ruiz and another court case concerning Croi in California.

The new regulations, in terms eligibility, provide for the tribes to select the individual eligible for the housing improvement program.

We do not adhere anymore to the oft-used but ill-defined phrase of "on or near reservation."

Under the regulations it would be possible for a bona fide tribal member to apply to his tribe for a housing improvement program grant and if the applicant met all the criteria, all the criteria of the regulations, one of which would mean he is not eligible for any other housing program because this program is intended to serve the very poor, the very low income or the elderly and so forth, where income and circumstances won't permit other programs to operate.

It is possible for that individual to be selected by his tribe and given a HIP grant.

Senator BARTLETT. Would that be a prerogative of the tribe?

Mr. PEAKE. Yes, sir, it would be.

Senator BARTLETT. And what was the meaning of the provision "on or near a reservation"?

Mr. PEAKE. For years the Bureau of Indian Affairs used, as its service area in defining its service area, the phrase on or near reservation.

This was never defined clearly—the definition of this phrase depended on where you lived, was Gallap near Navajo, was Tucson near the Papagos, those kind of questions and resulting problems came up. The problem got to the courts when a family named Ruiz living in a mining community beside the Papago Reservation, 17 miles off the Papago Reservation, applied for welfare and were denied. It then escalated to the Supreme Court and the Supreme Court said in essence, it's a long decision, obviously, in essence they said that the Bureau of Indian Affairs must more clearly define its programs, so that the Indian people will know whether they are eligible for them.

You've got a very difficult circumstance, Senator, you know, is 2½ miles near or is 40 miles near, is 7 miles near or is 10 miles too far, then is this family or that family eligible based on distance. In terms of justice and equity in developing the HIP regulations we felt strongly that it was better to error on the side of justice, than injustice and as such the regulations are written where it may be possible for a tribal member living in Newport News, Va., or Oshkosh, Wis., to become eligible for the housing improvement program and his tribe select him, it is difficult to administer, it's not an easy decision for superintendents to abide by and carry on, frankly, it's difficult for tribes or tribes but housing authorities to make relocations—we feel, under the mandate laid down by the Supreme Court concerning BIA

programs this is a possible condition and the persons, who meet the need and Indian criteria should be included as an eligible applicant.

Senator BARTLETT. Could I interpret what you said to mean that eligibility then depends not on the actual distance in miles from the reservation or, I suppose, in a case of Oklahoma trust lands, but the key requirement would be designation by the tribe. So, if selected by the tribe——

Mr. PEAKE. Providing the individual meets the need and other criteria of the HIP regulations, yes, sir.

Senator BARTLETT. And he could live in Newport News?

Mr. PEAKE. Possible, impractical, but possible.

Senator BARTLETT. Right. Mr. Peake, at the—excuse me, at the Muskogee hearing a question arose regarding the difficulty encountered in developing a wide range of housing on trust property.

We covered some of this, but I wish you would explain your understanding of these difficulties, and too, what is your recommendation as to the solution to the problem.

Mr. PEAKE. Could you repeat the first part of the question, Senator, I'm not——

Senator BARTLETT. The problems connected with trust land.

Mr. PEAKE. Yes, sir. As I stated earlier the problem that the Indian people have with housing is not that they're Indians, it's that they live on trust land and our normal source of mortgage credit as well as our financial institutions in this country, cannot obtain the normal security instruments. The use of fee simple title as mortgage instruments are not very practical and they're not applicable on trust land so, therefore, the normal avenues of credit that are available to others in the population are normally not available to the Indian people. There are other ancillary reasons but this is the basic reason for the long standing problems of obtaining new housing on trust land.

Now, you know, in fact, for years it was determined that the public housing program was not available to Indian people because they lived on trust land. When administrative determinations were made by the then Public Housing Administration in the early 1960's, some 25 or 30 years after the 1937 Housing Act, that this program, by use of a lease arrangement, could be available on trust land. So, that underlying problem I think explains some of the hopelessness that some people have in obtaining credit. For housing, Senator, I guess most of us couldn't afford a house if we didn't have mortgage money available to us, certainly it would be hard to pay cash for a house.

Mr. PEAKE. I think that the housing—excuse me, I need a conference.

Senator BARTLETT. Yes, sir, take your time.

Mr. PEAKE. Again, I want to preface my remarks, Bob Bauer raises the point that individual pieces of trust land are mortgageable under certain conditions. Of course, the policy of the Department is that Indian land not to go out of trust. So, although it's possible and approvable, the general policy is that it is not desirable and that puts a wrinkle in the ability of obtaining a mortgage. It is, of course, as you know in the Muskogee area, not desired by many of the individuals who own pieces of trust land to alienate the trust—and I think rightly so.

Senator BARTLETT. Mr. Lay.

Mr. LAY. Over on the Muskogee area side, the housing authority takes warranty deeds on the land and, you know, for the mutual-help houses and this way we've gotten around the trust problem. In other words, we remove the restrictions on a piece of property, say one acre in size and then they transfer the title to the housing authority by warranty deed and this way——

Senator BARTLETT. So, that has solved the problem of financing, commensurate with the programs—how about on the western side, Mr. Bauer?

Mr. BAUER. The Anadarko area, the housing authority have two options, I guess, the individual participant in the mutual-help program can erect, if his land is in fee, he can give a warranty deed to the housing authority for the period of time that he's paying for the house. If the individual participant lives on trust property there's provisions by which he can lease the tract of land and usually it's an acre and a quarter, he can lease the tract of land to the Housing Authority for a period of 25 years with an automatic renewal option for another 25 years.

The kicker, so to speak, is that he must have control of that site and with the hairship problem getting to be what it is, on an individually owned tract of land, this is becoming more and more serious but there are provisions for him to get control of that site and make the lease with the Housing authority.

Mr. PEAKE. In answer to your last question, in the public housing program the HUD people have made a provision for a lease arrangement in that program and it works, we have leases acceptable to HUD and the whole set of arrangements make the program work well.

The problem is, that that's the only program that works, except, of course, for the HIP program which is a grant program, and we don't have this problem but other than for those programs the rest of the programs have a very difficult problem providing for housing.

Senator BARTLETT. Such as with the farmer's home?

Mr. PEAKE. Surely, especially on individual trust property, it's almost unworkable.

The answer is that you need some further addition to our fragmented housing effort in terms of shallower subsidy programs with possibly a guarantee or an insurance program, I never could figure out the difference between a guarantee program and an insurance program and also the provision to use that guarantee for conventional lending too, and therefore serve the emerging group of Indian people that have the funds which make them ineligible for the heavy subsidized programs.

Senator BARTLETT. All right. During the hearings last August a question arose as to the accuracy of the BIA figure's versus the housing authority's figures.

I think you commented on this question at the outset, can you explain the difference and how the BIA plans to right the problem, if in fact one does exist?

Mr. PEAKE. The difference arose because most of the figures were prepared before the new HIP regs, went into effect—which place our responsibilities more in line with the clientele that the housing authorities in Oklahoma serve.

Now, we're going to correct the present figures, as I mentioned in the opening remarks, our people are taking steps to use or compare with the tribal statistics developed through their programs as well as the housing authorities statistics, make them conform or make ours conform to them and if there is a difference, because of service population if there is then a difference we will explain that difference so that the housing authority or other authorities involved are well aware of the difference in statistical data.

Senator BARTLETT. Testimony received during the August hearings revealed that the housing authority experienced frustration with the ability to process applications; is this a situation encountered only in Oklahoma or is this also true through other States?

Mr. PEAKE. The time it takes to process applications under this program is overly long, Senator, it's a countrywide problem.

Senator BARTLETT. Well, from the time a housing authority learns that it has so many units until construction seems to take quite some time, I don't know what the fair statement of that would be so I wouldn't use a figure, but how long should it take, in your opinion?

Mr. PEAKE. In my opinion, from the time the housing authority submits an application to the time of the contract of sale or spade in the ground, should be 6 months. I think the whole thing can be accomplished within 6 months easily.

Senator BARTLETT. What changes have to be made in order to accomplish that?

Mr. PEAKE. I'm not sure of the answer to that question, Senator, it's a difficult one. I know that the law and the programs are the same as they have been for a number of years, yet the conditions of delay and the conditions of overly long production plague the program and have plagued the program in recent years. I guess it's something that was alluded to earlier in your statement and in other statements, it's a matter of commitment.

Senator BARTLETT. Mr. Peake, those tribes which have made tribal surveys, has your agencies accepted the figures in those tribal surveys?

Mr. LAY. The survey I assume you're discussing is the recent request by HUD for the number of units needed; is that what you're alluding to?

Senator BARTLETT. The complete planning documents that the tribes did.

Mr. LAY. I'll have to beg ignorance of that, I'm not aware of it.

Senator BARTLETT. Well, the ONAP funded tribal surveys.

Mr. BAUER. I'm not aware of that.

Mr. LAY. We had some on the east side, I believe, the Choctaws and the Creeks made a survey, I don't know whether the Chickasaws did or not; but there were three or four tribes that made a survey; have they been published?

Senator BARTLETT. Have you accepted those figures?

Mr. LAY. Well, we're thinking about using them this June, in other words, we're going to prepare a new inventory, housing inventory in June, you know, for the next fiscal year and we plan on using those; yes.

Mr. PEAKE. I volunteer my colleagues to get with the tribes and coordinate their statistics.

Mr. LAY. Let me make one comment though, since the tribes under the new HIP regulations, have the responsibility for making the deter-

mination and selection of participants, I think that it's only right that they furnish the figures, of the number of people there are eligible, or that might be eligible. This is what we plan to do, at least it's in my mind to do it. Ask the tribe to furnish us with what they think their needs are. Now, if there's another agency doing that I'm not aware of that, I'm sorry about that.

Senator BARTLETT. Jack—this is the BIA area director in Muskogee, Jack Ellison.

Mr. ELLISON. Senator, the surveys that have been made on the Muskogee area have not been presented to us, per se. However, from conversations, the manner that the tribes went about it, we think it's quite well done and so maybe with some qualifications we say that we plan to accept them.

Senator BARTLETT. Thank you, Jack, very much.

Do you feel that the BIA has caused any delay in the processing of applications and if so how can that be improved?

Mr. PEAKE. Since there is some difference that may put these men in the middle between the west side and the east side, I'll answer that and get them off the hot seat.

I guess that this is certainly possible and happens, I would say generally that the involvement of the BIA is not a significant or should not be a significant factor in delay of the delivery of these houses.

I would answer the question on improvement this way, Senator, I feel that the new interdepartmental agreement has a provision that probably should have been put into operation many years ago.

The new provision is that the Department of Housing and Urban Development will ask the housing authority to hold a coordinating meeting of all Federal agencies at the outset and that these agencies will have to sign for their responsibilities and sign the developed and agreed to implementation schedule to produce these houses. I think that having published regulations and an interdepartmental agreement as an addendum to the published regulations are a good start in better coordinating everyone's efforts.

Naturally successful implementation, Senator, depends on the goodwill and willingness of all parties at the local—intermediate as well as the Washington levels, obviously.

Senator BARTLETT. Yes. Charles, did you want to comment on the tribal surveys?

Charles James, Area director of Anadarko.

Mr. JAMES. No, sir, I don't want to comment on the surveys, because I'm not familiar with them, but I do want to make some comments before we conclude the testimony on housing.

Senator BARTLETT. All right. Let me go through some more questions and before we release the three panelists we'll hear from you in case you want to jump on them.

What will be the impact of Public Law 93–638, self-determination, on the Indian housing program, in your opinion?

Mr. PEAKE. That law mainly affects the housing improvement program right now. I can only speak to the housing improvement program.

My general opinion is that there will not be any impact, because the housing improvement program has worked much along the lines of Public Law 93–638. There are possible differences that will arise in

the method of implementation in requirements under the contracting provisions of this law.

Senator BARTLETT. Do Federal management circulars, 74–4 and 74–7, which apparently are GSA Federal procurement circulars, are you knowledgeable, and that's the old OMD, A 87 and A 102, do these ring any bells?

Mr. PEAKE. No, sir, if you wish an answer on those, I'll have to submit them for the record.

Senator BARTLETT. All right, would you do that, the full question is, Do Federal management circulars 74–4 and 74–7 apply to Indian housing programs and (OMD A 87 and A 107)? [Not received.]

Charles James, area director of Anadarko.

STATEMENT OF CHARLES JAMES, AREA DIRECTOR OF ANADARKO

Mr. JAMES. Senator Bartlett, Ladies and Gentlemen, I apologize, I wasn't scheduled to give any testimony, but I'm the area director of the western tribes of Oklahoma and Kansas and southeast Nebraska.

I feel compelled to say a few words concerning the audits.

I believe, back a while ago, when we were talking about audits there was a void there that I think, for the benefit of the tribal leaders here and a lot of people that have been concerned about the management, the financial management of the housing programs, that we must clarify a point that is bothering all of us.

I've been in the position of area director in Anadarko for 16 months now, one of my first observations was that we were, and HUD, all of us in the bureaucracy, I must be a little bit careful of my selection of words because I have the infamous reputation among my peers as being too outspoken, concerning the bureaucracy of which I am a part of, but one of my first concerns in observations when I went down here was that, that we were in effect telling the Indian people to take over their own programs and enter into the self-determination philosophy without providing them sufficient technical assistance and HUD is a—I mean the HUD programs are typical of many of the other programs that we handle in the Bureau.

We give them the programs and we say to you, "all right, you manage it, here it is, here's the amount of money that you have to deal with, but we fail to give them the technical assistance necessary to manage, you alluded a while ago to a financial system, an auditing system, well, it's obvious you can't audit something that doesn't exist and this is one of the problems that the tribal governing body are having now, they often do not have the expertise to develop an adequate financial system.

I've become so concerned about this that I am making an effort in my own office to reorient the staffing, I have even gone so far as to set up my staffing pattern with financial managers, if the Commissioner approves my staffing pattern I will be able to provide that service to the tribes and this means I can send somebody out to the field to help them set up a workable set of records so that they can sustain their records and this will provide them, of course, the vehicle by which to audit.

We went into great lengths to discussing audits a while ago, but you can't audit the books if they're not there and we can't set up the

bookkeeping system unless somebody in the organization goes down and assists them and gives them this technical guidance in order to set up their management programs, and this pertains to all of the programs that we're going to be dealing with in the Public Law 93–638 self-determination concept.

So, there needs to be a genuine interest in reorienting some of the efforts of our staffing in the Bureau to accommodate these requirements.

I believe that's all I have.

Senator BARTLETT. I want to ask you a question or two on that.

How many of the housing authorities in the western district do not have accounting, do not have the kind of accounting that can be audited?

Mr. JAMES. I venture to say that none of them have an adequate system, there's some of them that have none.

Senator BARTLETT. If they are audited well, then doesn't that all come to the surface?

Mr. JAMES. Yes, it comes to the surface but it's only in a passive manner, we do the auditing and we walk away.

Senator BARTLETT. You mean there's no followthrough by the auditor or the accountant to tie in the accounting with the audit?

Mr. JAMES. That's the problem I'm finding, yes, sir.

Senator BARTLETT. Did it not come in the testimony in Anadarko that HUD has specific auditing requirements that are different from standard CPA audits?

Mr. JAMES. No.

Senator BARTLETT. You're not aware of that?

Mr. JAMES. No, I don't recall it being different.

I think that we haven't had benefits of any of these audits that we alluded to earlier in the discussions whereupon HUD contracts for someone to go in and do the auditing, to my knowledge; Bob, do we do this today, I don't believe we have.

Mr. BAUER. Let me say, Mr. James, there are some instances where there are fee accountants employed by the housing authority to take care of accounting, the financial thing, there's a—I don't want to contradict you, but there's some housing authorities where that's in effect and when the audits are made the auditors usually get in contact with the fee accountant and carry on from there. Now, whether the procedures are different here from any other place I don't know, I'm not an accountant.

Senator BARTLETT. Let me ask you, Mr. James, what, in your opinion, is the solution to the problem that you're raising, which is the problem that you were talking about earlier too?

Mr. JAMES. I think the solution is, we must change our direction in some of our efforts within our own organizations to accommodate the needs of these tribal people in the field of expertise.

Senator BARTLETT. Do you feel that the recent agreement between Interior or, I guess the BIA and HUD, will solve the problem, assuming that the Interior Department is giving up its responsibilities and that HUD would then have both the responsibility of providing requested auditing and also would be providing the accounting?

Mr. PEAKE. Yes, sir, Senator.

Senator BARTLETT. It would all be in one agency, one department?

Mr. PEAKE. Yes, sir.

Senator BARTLETT. And there should then be an opportunity to coordinate between the accounting methods used and the competency of the accounting with the audit report?

Mr. PEAKE. Yes, sir, that's correct.

Senator BARTLETT. Of course, this would also be the responsibility of the housing authority to follow through on any suggestions made by the auditor and to the accountant in case the accountant happened to be an incompetent one, as in the case I cited in our own business operation a couple years ago. We changed accountants, obviously, when we found out we had an incompetent one.

Mr. PEAKE. We change auditors.

Senator BARTLETT. Well, this is a very important thing and I've been emphasizing the importance to members of the authority and I think it's very important to the agencies involved and it's very important to the elected officials too, because there should be an accounting made of the funds to the taxpayers and I think in some instances there cannot be a good accounting made of sizable funds expended and this certainly does not speak well of all involved.

Is there any other comments that you would have to make on Mr. James comments?

Mr. PEAKE. No, sir.

Senator BARTLETT. Mr. James, do you have anything further?

Mr. JAMES. I just wanted to say that I was glad to hear what Ron said while ago about getting this auditing business straightened out because it certainly has been a problem and it's gotten a lot of us into trouble because we didn't have clearcut guideline and we didn't have the responsibilities defined but I gather from now on we'll have that.

Senator BARTLETT. Mr. James, I was just looking at some of the testimony, a conversation in the testimony you and I had about the fee accountant; is the fee accountant a separate position from the accountant or is he the accountant who performs the accounting and keeps the books in preparation for an audit whenever that takes place, or—is he an additional person?

Mr. JAMES. My understanding is, the fee accountant is not onsite, in other words, he's not operational and he has to depend upon the tribal employees to do the day-to-day accounting.

Senator BARTLETT. Then he is, in essence, a supervisory accountant to check on the——

Mr. JAMES. Right.

Senator BARTLETT. Caliber of the accounting system and manner in which the books are posted and so on?

Mr. JAMES. Yes.

Senator BARTLETT. And then he is sort of an intermediary between those doing the actual posting of the books and the auditor as such time you reach the auditing stage which, unfortunately, hasn't been reached often enough.

Mr. PEAKE. With all due respects to fee accountants, the fee accountant's system has one weakness. The fee accountant can only work with the information provided him and, in this instance, where the fee accountant's information is usually mailed to him, if in fact it is not mailed, we have a breakdown in that system.

We could hire executive directors that are also certified public accountants such as Mr. Froman, but he would probably have an empire built before we knew it.

Mr. JAMES. The problem being that the fee accountant may be in Dallas or Kansas City and the work is going on out here in the woods.

Senator BARTLETT. Would an experienced, competent fee accountant, who would have had experience, presumably with well prepared books, be able to recognize housing authority information that was inadequate or not properly kept or is it just not within the ability of the fee accountant to recognize inadequate information?

Mr. JAMES. Well, I don't think that I'm in a position to answer that. I think that the HUD officials should respond to it. It's my feeling, of course, they could, you know, they could recognize any flaws, any dangers, but the problem that I see is that it's too late, you know.

Senator BARTLETT. In other words, the fee accountant is not in the position then to go to the phone to call for a conference to thrash out the problems that may exist, that he thinks exist?

Mr. JAMES. That's the problem, as Ron said awhile ago, he has to depend on review of that which is made available to him and if it doesn't get there or if it gets there 6 months later the damage is already set in and we're in trouble before he catches us. That is about what the size of it is.

Senator BARTLETT. Well, I think we've built up a number of questions we should ask the HUD officials on the whole accounting system.

We found out in the earlier hearings that they were prepared to do accounting and the Interior Department, unfortunately, had the responsibility and there was a roadblock created which is, I think, unfortunate that that kind of thing does happen in the bureaucracy. It looks as if no one had the responsibility to do the job but unfortunately it happened in this case, but I'm sure it's going to be corrected and will be functioning much better.

Is there anything else anybody would like to say?

Mr. Peake, thank you very much and Mr. Bauer and Mr. Lay. Mr. James, we also thank you.

We seem to be running a little bit ahead of the schedule that I announced earlier so why don't we take an hour for lunch and resume just a little bit after 1 o'clock, with the Department of Housing and Urban Development.

AFTERNOON SESSION

Senator BARTLETT. The hearing will continue.

We have the Department of Housing and Urban Development representatives: Mr. Reaves Nahwooksy, Coordinator of Indian Programs, Central Office, Washington, D.C.; Senator Robert Breeden, Area Director, Oklahoma City Office; Mr. Richard Morgan, Regional Administrator, Dallas, Tex.

Mr. MORGAN. Mr. Nahwooksy has the flu and couldn't be here, but the statement that he was to make will be given——

Senator BARTLETT. Let's see then, you have a third person?

Mr. MORGAN. Yes; Tom Peeler.

Senator BARTLETT. Tom Peeler; is that Peeler?

Mr. MORGAN. That's right.

Senator BARTLETT. What is your title, assistant to Mr. Morgan?

Mr. PEELER. I'm the attorney on the Regional Office staff.

Senator BARTLETT. Regional Office, Dallas?

Mr. PEELER. Yes, sir.

Senator BARTLETT. Senator Breeden, Mr. Morgan, whoever would like to——

Mr. MORGAN. Senator, Mr. Nahwooksy has joined the ranks of the Olympic athletes and came down with the flu and was not able to make this meeting.

A statement was prepared for him to read and I suggest in the interest of time I submit it for the record and not read it here.

Senator BARTLETT. That will be fine. I'm very disappointed that he's not here and also that no one from the Central Office is here.

The only conclusion I can reach is that this is indicative of a lack of interest by the Central Office in Indian housing; am I right or am I wrong?

Mr. MORGAN. I can't make a judgment on that, Senator.

Senator BARTLETT. Well, I hope you will pass on to whoever you would pass it on to—who do you pass thing onto as far as Indian housing is concerned?

Mr. MORGAN. Indian housing, I would report directly to the Secretary in matters of this nature.

Senator BARTLETT. I wish you would. I think that it's certainly indicative of a lack of interest and I certainly understand with Reaves Nahwooksy's illness why he couldn't be here but I would think there would be someone else who would be representing Nahwooksy's office because I think it's important for them to be here particularly on this hearing and to have a chance to make observations about the problems, at least, that do exist in Indian housing.

Mr. Morgan, if you would, proceed.

Mr. MORGAN. I have no statement at all.

[The prepared statement of Mr. Nahwooksy follows:]

STATEMENT OF REAVES NAHWOOKSY, COORDINATOR OF INDIAN PROGRAMS, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. Chairman, I am pleased to appear before this committee this morning representing the Department of Housing anud Urban Development and Secretary Hills, who regrets she could not be here. Field hearings such as these provide an excellent opportunity for both the Congress and the Executive Branch to get a first-hand look at how the programs devised in Washington are actually taking shape.

In surveying the current outlook for the production of Indian housing both here in Oklahoma and nationally, I believe it is fair to say that while much has been accomplished, much still remains to be done. But most important, I believe that the record will show that by the end of this fiscal year, HUD will be back on track in terms of meeting Indian housing production commitments which have been outstanding for several years. The Department is well on its way already.

Under Secretary Hills, the Department operates with a management-by-objectives system, which sets performance goals in all of the activities of the Department, and at all levels of the organization. A small number of objectives are considered of high enough importance to be considered Secretarial objectives and they are reviewed personally by Secretary Hills every month. Among these specially selected Secretarial goals is the production of the Indian housing. This year that goal is the list approval of annual contribution con-

tracts for 9723 units of Indian housing nationwide. Of these, 1965, or 20 percent, are assigned to Oklahoma.

It may be worthwhile to review the history of the Department's production of Indian housing, as there has been a great deal of confusion surrounding the various goals and commitments which have, or have not, been met.

In 1969, HUD executed a Memorandum of Understanding with HEW and the Department of the Interior which projected the construction of 6,000 units per year of Indian housing over the next five years for a total of $30,000 units. We acknowledge that this 30,000 units will not be reached until the end of this fiscal year. But by June 1976, the Department aims to have built, placed under construction, or completed ACC list approval for 30,094 units, spurred by this year's commitment to try to take up the slack from prior years' shortfalls.

In the 1974 Housing and Community Development Act, Congress mandated the commitment of at least $30 million over FY–75 and 76 to Indian housing. At the end of this fiscal year, the Department will have met that minimum requirement.

Over the last six fiscal years (including the current year) the State of Oklahoma accounted for 36 percent of the total Indian housing construction starts nationally.

The Department has specific goals for Indian housing production for the future. In the 1977 budget which the President has submitted to Congress, the Department identifies 7,500 units of Indian housing for funding in the transition quarter and fiscal year 1977. And we aim to meet that goal.

Several months ago, Mr. Chairman, your office informed the Department of three specific concerns which had arisen in the August hearings. I would like to address each in turn.

ADMINISTRATION OF OKLAHOMA INDIAN PROGRAMS

HUD is constantly reassessing its organization and structure seeking improvement in the delivery of services. Organization for Indian programs has been a subject of discussion for many years. One recent proposal, about which many Oklahoma Indian tribes expressed misgivings, was the transfer of the responsibility for Indian programs in this region to the Denver Regional Office where there is an Indian until at the regional level headed by an Assistant Regional Administrator. You will be pleased to know that after a consideration of pros and cons, including the views expressed by the Oklahoma Indian tribes and by the Congressional delegation, the Secretary has decided not to change the jurisdiction of the Oklahoma Indian programs to Denver.

INDIAN HANDBOOK

There does not exist a single set of regulations or handbook summarizing all HUD procedures for the production of Indian housing. The need for such a comprehensive set of procedures has been long recognized by HUD. On September 19, the Department published a set of proposed regulations applicable to Indian housing in the Federal Register for comment. Over 50 sets of comments were received and carefully considered for incorporation, including a number from the Oklahoma tribes. The final regulations have now been completed, and will be published as soon as the Interdepartmental Agreement on Indian Housing, which is a key element of the regulations, has been signed by the Secretaries of the three Departments involved. At this point, I have no reason to believe that this will not take place in the near future.

The publication of these regulations will be an extremely important step in the improvement of Indian housing programs of the Federal government. The Interdepartmental Agreement delineates clearly the respective responsibilities of the Bureau of Indian Affairs, the Indian Health Service and HUD, and assigns responsibility primarily to HUD for ensuring that projects are completed according to schedule. The regulations also contain improved procedures for Indian mutual help housing based on the last ten years of experience with the program. Specific problems in the past, such as income limits of homebuyers counselling, are all covered in the regulations. The handbook delineating in detail the procedures established in the regulations is also near completion and will soon be distributed.

The new regulations and handbook do not represent a change in the basic Indian housing production method per se; rather they are a comprehensive summary of those procedures which have been worked out in the Field to provide a coherent process and broader understanding of that process. We clearly recog-

nize that the implementation of these new procedures must not interfere with the smooth processing of applications which are already in the pipeline. Therefore, it will be the responsibility of each field office to ensure that the processing stream is not slowed as the improved processing documents are brought into use. However, HUD's Central Office personnel who have been involved in the writing of the new regulations will be available in field offices to provide assistance to HUD personnel and Indian Housing Authorities in implementing the new regulations.

AUDITS OF INDIAN HOUSING AUTHORITIES

We are also pleased to note that the Interdepartmental Agreement contained in the housing regulations delineates the respective responsibilities of HUD and the Department of the Interior providing audit service to Indian Housing Authorities. Audits in Oklahoma are the responsibility of HUD. By memorandum from the Assistant Secretary for Housing Management of January 27, I am pleased to report that the Department has made provisions for the hiring of independent public accountants to undertake immediately the audits of the Indian Housing Authorities in the State of Oklahoma, as witnesses in the August hearings had indicated would be useful.

Senator BREEDEN. Just any questions that you would care to ask.

Senator BARTLETT. All right. Well, I guess the first question would be, who in the central office is the driving force behind Indian housing?

Mr. MORGAN. The Secretary.

Senator BARTLETT. The Secretary is the driving force behind Indian housing.

How strong a driving force do you consider the Secretary to be behind Indian housing?

Mr. MORGAN. Well, we operate on management by objective system and this is one of the secretarial objectives to produce—I've forgotten the numbers natiowide—roughly 2,100 units this fiscal year in this regional—and another 300 or so by the end of transition quarter.

Senator BARTLETT. We wrote the Secretary after the August hearings and I imagine maybe, it was perhaps 3 or 4 weeks after the hearings, but we wrote to her. We heard back about a month later that the Secretary was having task force hearings or consideration of programs and then we received a final answer about a month ago. So, I haven't yet met with the Secretary, although I did ask for a meeting. I do plan to meet with her if a convenient time can be scheduled to go over my conclusions, at least preliminary conclusions, when I get back.

It's my understanding, in the recommendations that were made, that there would be a reassignment, that there would be a take charge person position created in the central office; is that your understanding?

Mr. MORGAN. I have no idea, I do not serve on the task force, and no one from this region does and I have not seen any of the reports.

Senator BARTLETT. Do you think such a person is essential to a good delivery system for Indian housing?

Mr. MORGAN. No, sir, I do not.

Senator BARTLETT. You do not?

Mr. MORGAN. I think that what's required is just a clear understanding as to what is to be expected of HUD in the whole area of Indian housing, state that to the field in clear terms and it gets done.

Senator BARTLETT. Who is supposed to do that?

Mr. MORGAN. We're talking about policy decisions that would normally be made at the highest level, the implementation of it, as long as we're talking production, go through the Assistant Secretary for Housing Production.

Senator BARTLETT. What kind of a commitment does the Department of Housing and Urban Development have to Indian housing coming from the Secretary? What do you receive as a charge in Indian housing? What does Senator Breeden receive?

Mr. MORGAN. From my standpoint, as being chiefly an administrator, I look at what is defined to me, what was expected of me as regional administrator to produce. It's been made very clear to me what it is and that's what we intend to do.

Senator BARTLETT. Well, could you provide now and also to the record, the production, both in the last 7 or so years of housing units?

Mr. MORGAN. I believe the statement that we submitted includes that information. We can go into more detail.

I might add that the record of the region, for good or for worse, is not one that I can take personal credit for. Since I have been regional administrator of the Indian program that has been the responsibility of Senator Breeden and his staff. Generally speaking, the record of production is quite impressive.

Senator BARTLETT. Could I have a copy, an extra copy, Senator?

Senator BREEDEN. Of that statement?

Senator BARTLETT. Of the number of units in this area.

Senator BREEDEN. Here's the production record.

Senator BARTLETT. Yes. What I'd like, if I could have it, is have it by years. Now, this apparently is the total?

Senator BREEDEN. This is the total.

Senator BARTLETT. I understand from earlier testimony that the peak of the output was in 1971 or so?

Senator BREEDEN. Probably. The facts are, Senator, that this office in Oklahoma City has produced 40 percent of all Indian units produced in the United States for the service and use of 16 percent of the Indian population of the Nation.

We have produced since the program began. You recall from your State senator experiences that the housing bill started about 1963. HUD got on the ground about 1965 and one of our problems in implementing that bill is that there was an abundance of caution which has caused delays and created some of our problems. We have produced 7,022 occupied homes in Oklahoma as of this instance. We will produce about 1,900 more between now and July.

Senator BARTLETT. How many?

Senator BREEDEN. 1,900.

Senator BARTLETT. 1,900?

Senator BREEDEN. Right. All together, in production and produced, the total built by this office will approximate 10,000 units by the end of this fiscal year.

Senator BARTLETT. Would you give me the number of units by years?

Senator BREEDEN. I don't have it here.

Senator BARTLETT. Would you provide that for the record, please?

Senator BREEDEN. Yes.

[The information follows:]

LOW RENT PRODUCTION CHART, INDIAN HOUSING

Fiscal year	ACC's executed		Construction starts		Construction completed	
	Projects	Units	Projects	Units	Projects	Units
1970	21	2,014	24	1,495	21	453
1971	32	2,010	35	1,566	22	504
1972	26	1,625	25	1,279	16	763
1973	14	770	11	939	8	651
1974	15	710	26	1,463	16	1,388
1975	4	216	9	469	14	798
1976 to date, Mar. 26, 1976	22	1,111	18	681	26	520
Total to date	134	8,456	148	7,892	123	5,077

Mr. MORGAN. The level of production in a given year depends on the funding as it comes down earmarked for Indian housing purposes.

Senator BARTLETT. Well, there was set aside $30 million for fiscal 1975 and 1976 each.

I guess each of you will have to use the microphone, the reporter is having difficulties so whoever speaks if they could speak into the microphone it will help.

Mr. MORGAN. I don't know what fiscal years the $30 million set aside applied to; I have no idea what fiscal years it is for.

It's reflected, as far as we're concerned, in x number of dollars and x number of units we're expected to produce.

Senator BARTLETT. Well, could you give us a breakdown of what money you actually did have in the region, apparently there was $30 million set aside in both fiscal years. Could we also see how your region shared in that distribution and I think what we're getting at is why has there been a drop since 1971?

Mr. MORGAN. Back to the original question, in fiscal year 1976 we expect—well, we have received 24 percent of the national allocation of contract authority for Indian housing.

Senator BARTLETT. Would you repeat that, I'm sorry.

Mr. MORGAN. For fiscal year 1976, which is the year that we're in right now, this region received 24 percent of the national allocation of Indian housing contract authority.

Now, the great bulk of that comes to Oklahoma, I believe there are a couple of projects in Texas that we're working on now.

Senator BARTLETT. Would that be $7½ million, roughly, say 24, 25 percent?

Mr. MORGAN. Yes; 24 percent of whatever that fiscal year allocation was.

Senator BARTLETT. What was it in fiscal year 1975?

Mr. MORGAN. I don't have those figures here.

Senator BARTLETT. I wish you would submit those figures, the total available for Indian housing from the inception of the program and the figures allocated to Oklahoma, to the region and Oklahoma. [See appendix, p. 545.]

Mr. MORGAN. Now, to the second part of your question, the probable reasons for a decline in per year production beginning in 1973 would

be, No. 1, the moratorium that was declared on all assisted housing programs in January of 1973.

There seems to be great confusion on everybody's part as to what the production levels had been up to that point. Now, when you have a complex program like this there are dozens of points in the processing stream, anyone of which could be used as a point of count.

Senator BARTLETT. Was that moratorium that you cited terminated in June or so?

Mr. MORGAN. I think that in regard to Indian programs it was sometime during the summer of 1973.

Senator BARTLETT. Then, does that money still remain there and carry over?

Mr. MORGAN. Yes.

Senator BARTLETT. So, the total production should not be reduced because of the moratorium then?

Mr. MORGAN. No; but the delay, the year in which any given event would have occurred, of course, would tend to lapse and probably would move into the next year.

Senator BARTLETT. We would like to have reasons as to why the number of units peaked out in either 1972, why since that time the number of units that have been placed under construction have been less.

Mr. MORGAN. I can't give you that, as I say, we respond to what is allocated to us.

Now, my understanding from reading this statement is that the department feels as of the end of this fiscal year, which is 7½ years rather than 6 years past the original commitment, that we will have honored the commitment that was made at that time, even with all the difficulties that we've had, the moratorium, inflation and all the rest, I do not think that a year and a half slippage, which is roughly 25 percent is inordinate under the circumstances.

Senator BREEDEN. In the beginning, if you recall, the commitment between BIA and HUD was in units and not dollars; 30,000 units of housing was the commitment to which he speaks and the Secretary speaks. We had a commitment that was in the number of houses that we would build and that has been met on a nationwide basis.

Senator BARTLETT. When was that met?

Senator BREEDEN. They've been allocated as of this year to finish up that 30,000.

Senator BARTLETT. Talking about through 1975, through fiscal 1976?

Senator BREEDEN. Fiscal 1976, would be June of 1976 and that 30,000 commitment will be finished.

Senator BARTLETT. $30 million?

Senator BREEDEN. I'm not talking about dollars, that's the original commitment in units.

Senator BARTLETT. I see.

Senator BREEDEN. And the dollars would have to come along and fulfill that commitment in units.

Senator BARTLETT. Well, I think there was some understanding during the Nixon administration of an increase in number of units going beyond the original commitment and I think the set-asides were established because of concern that the units were not being built and that's why it was set aside, to make certain that the performance would occur in the public housing area; is that not your understanding?

Senator BREEDEN. I can't answer that. The thing I think we should look at here, is that you're talking about commitments on a nationwide basis.

Senator BARTLETT. Yes.

Senator BREEDEN. All we're able to discuss are those which went to our region. Of those that went to our region, they're either built or are in the process of being built or processed. Every unit that we have now is "in the mill" to be produced. What happened to the other 30 million or the other units are not in my province to answer.

Senator BARTLETT. And who is responsible for dividing units or the money among the various regions?

Mr. MORGAN. I can't tell you who. It's a central office decision.

Senator BARTLETT. It seems to me that in a normal organization breakdown that you would know who has that authority, obviously the Secretary has but I'll assume there are others in HUD who have delegated considerable authority of recommendations in that area; who besides the Secretary, does the regional office or does our area office here in Oklahoma City confer with on Indian housing, specifically?

Mr. MORGAN. As it relates to production objectives I negotiate with the Assistant Secretary for Housing Production and Mortgage Credit.

The normal assumption is that as a result of those negotiations then the sufficient contract authorities allocated through administrative channels out in the region for suballocation to the area office. So, if you're talking about the man who is responsible for it would be the Assistant Secretary for Housing Production and Mortgage Credit.

Senator BARTLETT. Who has the authority to recommend what the allocation would be in Indian housing?

Mr. MORGAN. I think he probably has the authority to make the decision on the allocation.

Senator BARTLETT. And you do not know how that's made?

Mr. MORGAN. No.

Senator BARTLETT. Would Mr. Nahwooksy know how that's made, does he have any direct administrative line authority in the HUD organization?

Mr. MORGAN. I'm not aware of any line authority that he would have.

Senator BARTLETT. So, he wouldn't have any responsibility in this particular area?

Mr. MORGAN. Senator, I cannot answer that categorically, if you read his job description, I would assume, or his place in the organization, I would doubt that he makes the final decision on where units go.

I think the record indicates, however, that, without regard to what the original formula distribution may be, more units have tended to come to Oklahoma because of the productivity of the office. Forty percent of all the Indian housing units have been produced here.

Senator BARTLETT. If you do not know how the number of units are divided between the regions, how do you decide whether the Dallas region has gotten its fair share and how would we in Oklahoma know that we got our fair share?

Mr. MORGAN. I don't know, and I'm not sure it's my reponsibility to know.

The responsibility of the central office, in my judgment, is to allocate resources in accordance with whatever policy is established up there.

My job is to take over resources allocated to me and to get them implemented.

Senator BARTLETT. In your job then you do not see any responsibility of a commitment to an Indian housing program?

Mr. MORGAN. From a personal standpoint?

Senator BARTLETT. From your job standpoint as a regional director.

Mr. MORGAN. I have a commitment to all of the programs of the Department and my primary business is to administer them in the most efficient way I can.

Senator BARTLETT. Well, I would think to administer the Indian housing program that you would need to know what the goals are established in the legislation and the goals that are established by the President, and in the department. I would think that sometime or other there would be a get-together of these regional directors who would hoop it up for Indian housing and find out how we're doing, if there are any problems, what is our goal, and what are we trying to accomplish?

Mr. MORGAN. Senator, my problem in this region is that we are generally more efficient in all of our programs, particularly on the housing production side, than other parts of the country.

I am literally swamped with responsibilities to produce housing for Indians, for everybody else, to run mortgage insurance programs and all the rest. So, my discussion with the central office revolves principally around resources, what can I produce in an efficient way, if they want me to produce more, how can I get more resources? I simply cannot enter into decisions that relate to allocations on national resources, I'm not present in Washington, I'm not there for the day-to-day discussions that take place between the Indian housing authority and the various people in Washington, or anyone else. Those are made in an atmosphere in which I simply do not function, for geographical separation reasons if nothing else.

Senator BARTLETT. Well, I find it difficult to understand how Indian housing in an area, or in a region, can be functioning properly in allocation if the formula is not known by the regional director, and I assume if it's not known by the regional director, Senator Breeden wouldn't have any knowledge either, just what part or share the region in Oklahoma would have?

Senator BREEDEN. Senator, may I interject something?

Senator BARTLETT. You bet.

Senator BREEDEN. Senator, in the beginning I said that we have built 40 percent of all Indian housing in the United States, in this office. There are only about 13 percent of U.S. Indians in Oklahoma; there are about 16 percent in our five-State region. We have built 40 percent of all, that's in the United States—40 percent of 30,000 units would be some 12,000. So, that probably is about what our allocation was.

Senator BARTLETT. Well, are you trying to tell me then, in your opinion, the area director and regional director should not know what the formula is. That your only responsibility would be to just process the moneys that are made available to you from Washington when it's rather unclear if there's anyone in Washington at all who has charge of Indian housing. Apparently there isn't anybody that has overall charge. So if that's the case, then there's no one to go to find out even what the goals are, let alone whether those goals are being achieved. It

just could be that Oklahoma, for some reason or other, is entitled to 60 percent, I don't know, but I think that in the first place there should be goals established by the Department of Housing and Urban Development which apparently there are not. There should be a program of this amount of money by somebody who would be charged with the responsibility of Indian housing because it does have some unique characteristics that are different from other housing programs that you also had; do you agree with that?

Senator BREEDEN. The allocations of housing units is handled by the Secretary, and Assistant Secretary for housing production, who is Mr. Cook.

I'm sure that they're concerned; housing is housing, I expect it all goes through that one office. If you are really asking who the decisions are made by and where they're made, I would say that it was in the office of the Assistant Secretary for housing production. For Indian housing, like public housing and all the other housing and insured programs—if it deals with housing he's the guy that does it—that's the source.

Senator BARTLETT. I would agree with you that it's obvious, and I believe, Congress felt that there was a reason to make certain that certain funds be earmarked for Indian housing and therefore they did that so the responsibility, at least for the last 2 fiscal years, has been to allocate specifically for Indian housing. Now, would you agree, and I ask this of each of you, that there should be someone in Washington who would be the take-charge person for Indian housing and whom you could be in contact with and, obviously, he or she would be the coordinator of Indian housing, espousing the goals, the programs with the formula for distribution, and so on?

Senator BREEDEN. I think you mean to segregate a special section within housing to deal with Indians?

Senator BARTLETT. First, I'm talking about having just one person in charge in Washington.

Senator BREEDEN. Under Mr. Cook, I suppose, or have Mr. Cook responsible, I agree with you, I think that's a good idea.

Senator BARTLETT. Do you concur with that?

Mr. MORGAN. No, sir, I do not.

Senator BARTLETT. You do not?

Mr. MORGAN. I think one of the basic problems in the bureaucracy is that we have thousands of these positions already created.

In my instance I have 27 people that report to me in various capacities, most of them in capacities relating to corollary duties assigned to their own responsibilities just to create a ceremonial position, essentially.

The problem that it creates when you have this one person in Washington is that it begins to duplicate itself all the way down the organization and isolate resources that are already very scarce to us to pursue programs which are not full-time programs.

The problem we have in the field is getting clear indications of what the policy of the department is and what's expected of us as administrators. It's much clearer if that comes from the Secretary rather than from some isolated person in some special assistant slot somewhere telling us to do things that may be contrary to what our instructions

may be from some other area. That's the basic problem that confronts us.

I get very concerned everytime I hear of there being another special assistant slot created, because I know what it's going to do.

Senator BARTLETT. What is the policy on Indian housing that comes from the Secretary of HUD?

Mr. MORGAN. The Secretary made it very clear to me that I am to get under ACC 2,200 units throughout the region by June 30; we'll do it.

Senator BARTLETT. When did she convey that to you?

Mr. MORGAN. In October of last year.

Senator BARTLETT. What was the policy on Indian housing prior to that?

Mr. MORGAN. We had sufficient contract authority, I believe, allocated to us at that time which was in processing. In executed ACC's at that time, I believe we were already up to 400 or 500 units by then, we have managed to process 200 or 300 more by now and we'll have the 1,900 for Oklahoma processed by June 30.

Senator BARTLETT. What is the policy from the Secretary on the amount of time that should be required from the time that units are allocated to a particular housing authority, that the first spade full of dirt is turned, or what is your policy in that regard—I'd like to know what the charge is to you and what your requirements are?

Mr. MORGAN. I am not personally aware of a policy decision in this matter. As in the case of most programs there are processing norms; however, the processing norms under the turnkey program I don't think would be applicable to the Indian housing program because of the peculiar circumstances we operate under.

Now, there is in the process an Indian housing handbook which I assume will contain certain processing norms, which, of course, we will endeavor to meet.

Senator BARTLETT. Are these norms established by, for lack of a better word, person to handle the Secretary, is this coming from Washington or is this a handbook to which you and the area office have contributed?

Mr. MORGAN. Of course, the Secretary is totally responsible for everything that happens in the Department, I have no idea who is writing the handbook, but it comes to us the same as letters from the Secretary would, and we take it just as seriously.

Senator BARTLETT. Now, in the 7 years that the Housing Authority has existed, is this the first handbook, for the purpose of constructing Indian housing?

Mr. MORGAN. The first one I know of, yes, sir.

Senator BARTLETT. Do you consider that a rather long time to put out a handbook of information on what the goals are and what the turn-around time for construction from the point of allocation in units is? Do you consider this good management? I realize this comes from the Secretary, but do you consider this a rather confused situation?

Mr. MORGAN. Well, I think, probably, it took a little longer than usual but, of course, the difficulty in the Indian programs are such that we've experienced greatly from coping with those difficulties and I think as a result have come up with a handbook that's probably workable, although I don't think the Indian Housing Authorities agree.

Senator BARTLETT. Have they been consulted early in the development of the handbook so that those differences could be considered and perhaps in some cases accepted or altered?

Mr. MORGAN. I understand the handbook was published for comment back in the fall sometime and the Indian Housing Authorities, like everyone else, had adequate time to comment. The statement indicates that 50 or so comments were received, I don't know from whom, and have been taken into consideration.

Our representative from the Oklahoma City area office, as well as, I'm sure, one from the Denver regional office, were involved in the writing of this handbook.

Senator BARTLETT. Had the area office or the regional office complained to Washington that there was a great need for a handbook and that this was causing problems with the housing authority members and the people who were in Indian housing?

Senator BREEDEN. Yes; we did—we made our feelings known about it. Actually the work in the Indian housing, during these last 2 years, it's been sort of on and off—there haven't been many real rules and guidelines and honestly the region and I and all of us have been flying by the seat of our pants about this; we did what we hoped was the best thing we could do. It is a sort of a maverick-type problem in the fact that it deals with mutual help, that's the difference. The program attempts to adopt the turnkey procedure to the mutual help area which creates problems and it's been, more or less, a maverick in it's handling. In the draft that I read of the guidelines in the book, I think they've done a good job, I think it will be a good one.

Senator BARTLETT. In other words, you have had a difficult time knowing just exactly what was expected of your office and didn't know specifically what the demands were on the area office as far as performance?

Senator BREEDEN. I think the region and we all did, it's a maverick type of a program, in my opinion, Senator, I don't think there's anything like it in the United States. I think that they just really had to get in and work one out and I think they have.

Senator BARTLETT. Senator, what kind of a response did you get from Washington when you asked them for assistance in this area, either a handbook or other similar direction?

Senator BREEDEN. They would give us guidelines at the moment through our regional office and then told us that they were working in preparing this handbook, I haven't been there the full 7 years, you know——

Senator BARTLETT. Right. Do you feel that part of the lack of performance in this case, of publishing a handbook, would result from the fact that there isn't anyone really charged with any responsibility at the regional level, I mean at the Washington level, with Indian housing?

Senator BREEDEN. Senator, I can't particularly agree with that philosophy, I think you've got to assume that this housing Secretary is the point of contact on that.

Now, if he had anybody in Indian housing it would be somebody under him.

Senator BARTLETT. Why wouldn't the Housing Assistance Secretary be interested enough to come here and attend these meetings?

Senator BREEDEN. Senator, you'll have to ask Mr. Cook, I don't know.

Senator BARTLETT. Well, we will.

Senator BREEDEN. I don't really know.

Senator BARTLETT. Don't you think someone from Washington should be here?

Senator BREEDEN. Yes, sir, they were subpened or asked to come.

Senator BARTLETT. We were wanting to get a very high mannered person and we're sorry that Mr. Nahwooksy is sick but I understand that he's not in the administrative line position of authority which would not put him in the kind of a position that would qualify him to take responsibility for any actions that have taken place or not taken place.

Well, I hope, Mr. Morgan, you will convey to Mr. Cook my extreme displeasure that somebody from Washington was not here that he didn't see fit if he is the responsible person or the Secretary didn't see fit if she's the responsible party, to have somebody here to represent the Secretary.

Mr. MORGAN. I think we better put into perspective——

Senator BARTLETT. Yes.

Mr. MORGAN. The role that this region takes as its responsibility. That is, we're given certain tools to work with, we can either complain to central office and not do anything or we can get the job done with the tools that are given to us and that's what we have pursued, the latter, which is to get the job done.

We have a lot of things we have to deal with that we don't think apply to the region but there is a compulsion for consistency in the bureaucracy. For instance, in the unsubsidized mortgage insurance programs, we have to go through a modified cost-evaluation procedure on the existing housing which is totally useless for this region; the requirement for it simply does not exist here. Nonetheless, we have to do it. I could complain to Washington all my life and never insure a mortgage on an existing house but I think it's better for me to figure out how to get our production done, how to meet the demand. The same is true with the Indian housing program.

Now. I'm sure that I could have asked Bob Breeden and all of his staff to write memorandums to Washington—to write draft handbooks for approval and all the rest and not produce a single house down here, but the record indicates that we've produced and that, in my judgment, is the bottom line. I don't see whether it makes any difference whether we have a handbook or not if we produce; that's what counts.

Senator BARTLETT. Well, we've had a lot of testimony on the point of who had responsibility for the housing authority, particularly in the early days when they did not know fully what their responsibilities were. Some of this may still exist, although I think through various means there has been a great improvement in the knowledge that members of housing authorities have. Those who are in Indian housing have not known, in the self-help area, just what their responsibilities were and there was considerable confusion as to what their requirements were.

In an area such as this, where self-determination is one of the goals, I think it's wrong for a bureaucracy charged with the responsibility

not to make certain that the goals, the requirements are very clear, particularly when people who are asked to take on a responsibility of handling considerable moneys in a field in which they have had no prior experience. I think it's very unfair to put people in those kind of positions and to ask anybody, to ask in this case, Indians, to be on a housing authority that has not had an audit for several years, with the knowledge that there's not going to be an audit for several years, and a possible risk on his or her part that there could be accusations made later on. There is no way for that person to even know or be able to show what happened. I think that there's much more to it than just the building of houses and I think there's an educational process that HUD has not assumed and in some areas the BIA has not fully assumed, so that the program hasn't had the help it really needed to help develop the capabilities of the Indian people to determine their own future and to run their own affairs. I don't think anybody is completely independent of other people, that's why people go to school, why people gain experience before they assume much responsibility but in this case the three departments placed people in positions without proper background training.

I think it's very inexcusable that there hasn't been a handbook for 7 years and there still isn't one today, I see no excuse for that.

Mr. MORGAN. Well, I might add that the Oklahoma City office, for as long as I can recall, has conducted training courses in all aspects of housing authority management on a regular basis, I don't believe that Bob has that schedule with him but we'll be glad to furnish that.

We have some difficulties in that there is a relatively high turnover of personnel in Indian housing authority so that whoever is trained this month probably is not employed by the housing authority next month, which means that we have to retrain constantly.

With regard to the resources, admittedly, we don't have the resources to conduct quite as extensive and repetitive training as we would like, but when you view the total responsibilities that are placed upon HUD, I think that a fair share of the resources has been allocated to the Indian housing program, both to the production and the management side.

Senator BARTLETT. From the testimony I've heard there has been considerable turnover in HUD and Ron just mentioned to me that in his area, the production representative has turned over four times in the last year. So, I think that makes it very difficult for the housing authorities. How much turnover did you have in that year's time?

Mr. MORGAN. No staff positions but two secretaries.

Senator BARTLETT. So, obviously there's a problem with a complete change of representatives as far as production is concerned.

Mr. MORGAN. Of course, from our standpoint, also, we've got several problems we've been grappling with since 1973. No. 1, is a steady decrease in resources available to us for housing, region wide.

The other is, there is a complete reorientation of our programs, the termination of all of our subsidized programs with the exception of the Indian low rent, and then the startup of the section 8 program, a need to meet the ongoing demands created by our unsubsidized mortgage insurance programs. So, as a result there has been some shifting of staff, some broadening of responsibilities of staff, there's certainly

been some considerable inconvenience to staff being moved throughout the region to meet varying workload demands.

It's a problem that we constantly must deal with in the bureaucracy. Generally speaking, any organization is normally staffed up to meet last year's workload because of delays you have in personal matters.

It is regrettable that we have been moving people around, but I think there's one beneficial result and that is that there is a considerable number of people now who know something about the Indian program and when the demand comes there we can move him into the breach to meet that workload and then move him somewhere else when the workload increases somewhere else.

I might add that throughout all this, we produced Indian housing, there's been no inordinate delay in processing these applications.

Senator BARTLETT. What time interval is your goal? I think I asked that earlier, but maybe I didn't express myself clearly, but what should be the proper turnaround time from the time the housing authority is given so many units until the first spade full of dirt turns? Is there a goal established for the region or is it just up to the area director or what?

Mr. MORGAN. There is no regional norm for that. One of the problems you have——

Senator BARTLETT. How do you measure performance if you don't have performance goals?

Mr. MORGAN. We have points of count which mean 2,200, or whatever it is, 2,200 units under ACC by June 30, that's our point of count.

We have peculiar problems in the low rent programs because so many of the processing steps are taken on the low rent housing authority side over which we really have no control so that tends to influence the length of processing as well as the delays we may encounter in our own organization.

Senator BARTLETT. We had testimony earlier that 6 months would be an adequate amount of time, and we had testimony earlier in the other hearing that the average time varied from about 18 months to 2 years; is that corrrect or not?

Senator BREEDEN. I'll hand you here in a minute a series of project schedules.

I think a delay that they're experiencing and talking about is a shared responsibility of my office and the region and central office and also the housing authority.

For instance, there's one housing authority that had the paper in their office for 523 days; here's another one that had it there 142 days, and we had it 125. Here's one that had it 331 days and 203 in our office; now that was the moratorium. Here's one that had it 137 days in its office. Now, you've got to have these public hearings; you've got to do all these processes. Here's one that had it 269 days, we had it 123, and there was 3 days in the region so I think this delay business is mutual. I'll assume my part of the responsibility for it and I think HUD has too, but I think the authorities have too; part of the problem is in this schedule B business of getting the sites and getting them built and you're talking about the paperwork, basically, and everybody's got to work at these things.

Senator BARTLETT. When you have those delays of that length, whether it be in the authority or in your office, or in the regional office, isn't that a real problem?

Senator BREEDEN. Right.

Senator BARTLETT. Not counting the moratorium?

Senator BREEDEN. Right.

Senator BARTLETT. Shouldn't there be someone that worries about it?

Senator BREEDEN. There is.

Senator BARTLETT. Who is it?

Senator BREEDEN. You're looking at him.

Senator BARTLETT. What goes wrong, you don't have the responsibility for the regional office?

Senator BREEDEN. No; they're not interregional. We worry about it, we try to send people out there to try to get the paper moving and do the best we can to get it done.

Senator BARTLETT. Well, I would say, in most cases, where a program is stopped for 120 days is an awful lot of wasted time.

Senator BREEDEN. Right.

Senator BARTLETT. You can't be working hard on some kind of a difficult problem for that whole length of time. I don't think people function that way.

Senator BREEDEN. OK.

Senator BARTLETT. Do you think that there can be improvement in the speed with which these are processed or are we operating as efficiently as we can expect?

Mr. MORGAN. Well, there has to be improvement in order for us to meet this production quota that's been laid on us for the end of June and what we're doing is sending people out to the housing authorities, essentially, to do their work for them and in that way we speed it up through that process, of course, we hope that we'll get all the paper through all those many many steps that it has to go through.

Senator BARTLETT. If you do send the people out to the housing authority and do their work for them, I think you're being very unfair to them. It might, if you have, say, a housing authority that is disorganized, that's not clear on the objective and perhaps a new one or new members, take you longer to spend some time with them to have them do the work, but I think they should do it because this is what self-determination means, it's not for the regional office to do it.

My own observations are that neither the regional office, nor the area office, has probably had personnel going into these areas to find the problems where they do exist and then working with the HA's enough. I just wanted to know if you or the Senator would comment on that?

Mr. MORGAN. Well, I can comment just in general terms.

It seems that after 10 years we could expect better performance on the part of the housing authority than what we've gotten to date.

When we are under a specific producion——

Senator BARTLETT. Have you worried at all about the lack of audits from the point of view of the taxpayer, from the point of view of the housing authority members themselves, and the point of view of the Indians in the House?

Mr. MORGAN. Oh, yes.

Senator BARTLETT. What have you done about it?

Mr. MORGAN. This is one matter that where we have dealt with the central office quickly simply because we don't have within our own authority or resources and the ability to do anything about this situation. I would expect that some of the pressures that were brought to bear on

the central office from us resulted in disagreement which is now, I guess, consummated between us and the Department of the Interior.

Senator BARTLETT. You know, it's just hard to believe that two departments of government could have an agreement whereby one had, certain funds available and a capability available to do auditing and the other had the responsibility that according to testimony we have had that a 7-year period of being in existence there was about one audit, occasionally two audits, for housing authorities. In my mind, that is very poor planning from wherever it's supposed to come, be it the Washington office, the regional office, or the area offices. I just don't think it's fair to anybody concerned in this that there has not been adequate audits, adequate bookkeeping. Obviously there hasn't been and this is an area, in addition to building houses, that I think is partly the responsibility of HUD. As I understand it, the responsibility was actually split so that the auditing was the responsibility of Interior and the accounting was HUD's responsibility. Is that not correct?

Mr. MORGAN. Well, the accounting is the Indian Housing Authority's responsibility and HUD is provided money in their budget for them to hire fee accountants—there have been resources provided in the operating budget of the Housing Authority for them to hire fee accountants, who should, in addition to whatever mechanical work they may perform, perform some training for on-the-job assistants.

Senator BARTLETT. When a Housing Authority doesn't function properly, do you feel there is a responsibility of HUD to see what's wrong and to try to have the Housing Authority correct it, not go in and do it for them, but to promote self-determination by pointing out what needs to be done, what the goals are, what the requirements are?

Mr. MORGAN. Yes, sir, but I think it's a two-way street.

I think there has to be a desire on the part of the Housing Authority and——

Senator BARTLETT. I grant you that.

Mr. MORGAN [continuing]. And I submit to you that that is not the case in some instances.

The principal thrust of the Housing Authority is new construction, to build new units which is certainly a laudible goal in view of the Indian population, but it's difficult to train someone who doesn't want to be trained.

Senator BARTLETT. Well, I think it would be helpful for you to talk to more people in the Housing Authority because the testimony that we have received, Mr. Morgan, and their interest certainly is in additional units and they have stressed that, but I would say in this testimony here, from both our hearings in Anadarko and Muskogee, there is much more talk about other problems than just units.

Mr. MORGAN. Well, I think that may very well be the result of our beginning to emphasize other problems in the Housing Authority over the last few years.

We, on Senator Breeden's initiative began to put the pressure on the Housing Authority to improve their internal management.

Senator BARTLETT. Well, you know, I would think that one of the requirements that the region would have, even if nothing came from above, would be some requirements on audits, some requirement on a financial statement and if that was not forthcoming at least every year or every other year on the audit and the financial statement once a

year. I would say first 2 years of operation of the Housing Authority, it should have an audit each of those 2 years.

Then, I think somebody should start asking some questions to see what's wrong, but that hasn't been done——

Mr. MORGAN. Oh, yes——

Senator BARTLETT [continuing]. Sufficiently.

Mr. MORGAN. Plenty of questions have been asked and we know what's wrong, but what can we do about it, HUD has very little leverage, we cannot force an Indian Housing Authority to straighten up its accounting records, we cannot do it.

Senator BARTLETT. All right. What do you think needs to be done, you don't have the full responsibility?

Mr. MORGAN. What needs to done is exactly what Senator Breeden did, which was to tell the Housing Authority that there would be no more new units allocated until they straightened up their house. But we were reversed on this by central office and so the one lever we have is gone.

Senator BARTLETT. In other words, there can be no requirement on the Housing Authority for auditing?

Mr. MORGAN. There is a requirement.

Senator BARTLETT. What is the requirement?

Mr. MORGAN. It has to be audited.

Senator BARTLETT. How often?

Mr. MORGAN. I believe it's every 2 years, the usual public housing requirement.

Senator BARTLETT. Isn't that fulfilled?

Mr. MORGAN. The Department of Interior tells us that there aren't even any accounting records, that they can't audit it if there's no records. Indeed, it is our responsibility to see that there are, but what is our leverage, what is our leverage?

Senator BARTLETT. Well, the testimony that I recall doesn't show that you've been in there and had the input, I'll be glad to have comments.

Senator BREEDEN. As I said in the beginning. We've had sessions on training in manageemnt. These people know that we have, we have budget people that work with them.

Senator BARTLETT. Could you describe in some detail your management training program?

Senator BREEDEN. We go over how to prepare the budget and what financing is available and how to set their money into funds and help them in trying to set up collection records for people to make payments on the home.

Senator BARTLETT. How often do you have those?

Senator BREEDEN. I believe we have them quarterly, didn't we, Ron?

Mr. FROMAN. We still have them.

Senator BREEDEN. About every 3 months. Then we have a limited staff that goes around to these Housing Authorities and checks their records, checks on their collections, gives them the best monitoring system that we can.

Now, I agree with you that the question of audit is one that's a concern to everybody and certainly a concern to me, but the function, as Mr. Morgan has so aptly said, was a contractual arrangement that

we inherited. We were prohibited to perform audits under that contract, to even send HUD auditors in there and they haven't gone.

I think what the gentleman said from the BIA was that there were no records there, that they couldn't audit them, and I concur with that, but we have paid every Housing Authority in its budget and set up money to hire a fee accountant to set up their books and get their books in order and to keep them there and they hire them. Why they are not, I don't know, but I'll tell you the truth, in many cases they are not.

Senator BARTLETT. They're not hired?

Senator BREEDEN. There's no records there for your fee accountant to work with.

Senator BARTLETT. Well, the Housing Authority has the authority and the responsibility to have the clerical help to prepare the records for the fee accountant.

Senator BREEDEN. And we pay them for that.

Senator BARTLETT. Right. Now then, what is the problem, Senator, if they have——

Senator BREEDEN. The problem is, Senator, they have a fee accountant on contract and he goes into a Housing Authority and he can't find any records; they haven't kept their records; there's nothing for him to work on. He goes back and tells them what they should do and asks them to do it and we don't get it done.

Senator BARTLETT. Do you have anybody at that point that with the Housing Authority, then says, "Well, let's find out just what's going on"?

Senator BREEDEN. Yes, sir. We have then asked the BIA to go down and audit and try to find out what was there. And the auditors get back and say, "We've gone down there and we've researched it, we've done the best we can, and there's not enough there to audit."

Senator BARTLETT. All right. Now, at that point do you send in another person to find out what it would take to have the information made available so that the fee accountants could prepare it so that the auditor could audit it?

Senator BREEDEN. We get back with the management housing personnel, we have another meeting and we try to work with the people and try to get it done, yes, sir.

I'm going to make one recommendation here, my personal feeling about it, Senator, and I think you know that if I feel that way I'll tell you.

Senator BARTLETT. I want to hear it.

Senator BREEDEN. Under the HEW system of funding financially, HEW sets up a merit system method which gives a continuity to personnel and takes them beyond the reach of local officials if they're dealing with Federal money and keeps them on a continuity that would be, I think, effective. Now, that is not in the HUD programs nor is it in any of the others that we deal with in Indians.

I would suggest that a Federal requirement be made that the same merit system which goes through HEW in Federal funding be transported to the HUD programs, that's my personal observation.

Senator BARTLETT. That's the entire HUD program or the Indian housing?

Senator BREEDEN. The Indian housing particularly and the whole works as far as I'm concerned. I would assume there should always be

good management and that Federal funding would require proper bookkeeping to follow every Federal dollar wherever it goes.

Senator BARTLETT. I'm still curious on this, it would just seem to me that once the request was made of Interior for an audit and the report came back that there was nothing to audit or not enough to audit and then another effort was made, another meeting was called, certainly there could be suggestions made by HUD as to whom could be hired by the housing authority to keep the records, a person who could be competent. Is that ever done?

Mr. MORGAN. I believe, Senator, if anyone from HUD presumed to do that you'd be the first to hear about it from the Indian Housing Authority claiming that we're trying to cram a fee accountant or an employee down their throat.

Senator BARTLETT. Well, would you suggest that they hire a competent person. Are you saying that you made the proper suggestions and they don't follow them or what are you saying?

Mr. MORGAN. We could make suggestions in terms of a range of the accountants that we think would be acceptable.

Senator BARTLETT. Could you suggest 10 fee accountants that might fill the bill and if the IHA wanted any one of those or any other accountant but those ten would be ones you have had experience with and would know the system.

But now, from what I gather in this search for the problem or a solution to the problem, it is not the fee accountant who is necessarily the culprit, it's the person who supplies or doesn't supply—the fee accountant.

Mr. MORGAN. The original records.

Senator BARTLETT. Original records?

Mr. MORGAN. Yes.

Senator BARTLETT. All right. So, we're still back there at the very beginning, and I would think that would be an area where, in the interest of the taxpayer, in the interest of Indian housing authority and the Indians themselves, that somebody in HUD would solve that—see that that problem is solved by the housing authority. I don't think the housing authorities are trying not to have adequate records; do you?

Mr. MORGAN. I can't make a statement on that, I can only look at the results and they're not adequate.

Senator BARTLETT. What percentage are not adequate?

Senator BREEDEN. I don't want to make a guess with you, but let's see, we have 16 housing authorities in the State, I'd imagine, there's about 50 percent.

Senator BARTLETT. Well, Mr. Vaughn testified at the other hearings that 54 percent of all mutual help housing in the Nation, may be in Oklahoma, which really smacks good to me that our housing authorities are excellent, have excellent management even with the problems that they have, so apparently you're in agreement with that.

I still can't see why HUD is unable to help out in those areas where there is not competency in the preparation of the records.

Mr. MORGAN. Senator, there are 660 housing authorities in this region alone, there is very limited housing management staff available to us to perform the various responsibilities that we do have in monitoring

the activities of these housing authorities, we don't do it all, I'm the first to admit it.

Senator BARTLETT. Now, would you consider the responsibility that HUD has with the Indian housing authorities a little differently from the housing authority of Oklahoma City and Tulsa?

Mr. MORGAN. We do, the problem that we have with that many housing authorities, of course, is that a great many of them are small, very small, which presents a peculiar monitoring problem for us.

I think the record will show, I can't swear to this, that we do devote housing management staff years in excess of what would normally be allocated to Indian housing authorities on a straight arithmetical division, that we do spend considerable amounts of time.

Now, the Congress appropriates, the Congress provides staff and if the Indian programs are of such a magnitude as you indicate they are, it might very well be that the Congress may wish to give the department additional staff for this program if HUD continues to administer the housing programs.

Senator BARTLETT. Well, I think this member of the Senate would really expect HUD, with the present appropriation, to have a commitment to Indian housing which would have resulted in a handbook long before it's going to be available and would expect it to have a commitment that I'm not sure it has.

At the Anadarko hearing we received testimony to the effect that HUD has proper authority and proper funding and all that it needs is a commitment to do the job. What would be your comment on that statement?

Mr. MORGAN. What job are they talking about; producing housing?

Senator BARTLETT. I don't think that we've been differentiating just building houses from the total responsibility of the housing authority which includes having a person who keeps the records properly, the whole ball of wax.

Mr. MORGAN. I would not agree with that statement then as it relates to this region, particularly the Oklahoma City area office.

Senator BARTLETT. You feel that there is a proper commitment in Washington, the region and the area?

Mr. MORGAN. I think the question was we had the resources to do the job and I don't agree that we do, No. 1.

Senator BARTLETT. All right.

Mr. MORGAN. And I think the record of this region indicates that there is a commitment.

Senator BARTLETT. What happens to Indian housing after June 1976?

Mr. MORGAN. We are now just looking at the transition quarter, this region's production goal, of course, is to produce another 300 or so units or get them under ACC.

The magnitude of the commitment on the production side in fiscal 1977 depends totally on the outcome of the appropriations hearing and the congressional action.

With regard to staffing, availability of staffing on the housing management side, there is no increase anticipated in the transition quarter. The budget, I believe, proposes an increase in housing management staff capability for fiscal 1977, depending again on congressional actions, which should improve our capacity to deal with these kinds of

internal management problems in the Indian housing authorities as well as others.

Senator BARTLETT. How many houses are you charged to build in the region, in this area, by June 30?

Mr. MORGAN. For the fiscal year, beginning last July 1, we have a production goal to get 2,000 plus under ACC. Now, the number of starts from that point on depends upon the housing authority.

Senator BARTLETT. Do you anticipate that all of the allocations will be under construction by June 30?

Mr. MORGAN. I doubt if any will be under construction. The contract with the housing authorities we anticipate will be executed.

Senator BARTLETT. You have no——

Mr. MORGAN. They will be signed by then. I'm on the line to the secretary to that extent.

Senator BARTLETT. And how much time do you anticipate will be, on the average, for construction to take place?

Mr. MORGAN. I have no idea. There's one instance here someone was showing me where they had an ACC for 4 years and they've only got two-thirds of the houses started.

It varies from housing authority to housing authority.

Senator BARTLETT. Do you personally favor Indian housing?

Mr. MORGAN. Yes; I think there is an identified need and the Department, I think, particularly in this region, has responded as well as it could be expected to that need.

Senator BARTLETT. Mr. Morgan, considerable concern has been expressed by certain Indian groups that because of inflation, $30 million of annual contribution to the contract authority is not sufficient to finance 12,516 units that have been allocated. In your opinion are these fears valid?

Mr. MORGAN. Again, I can only speak from the regional standpoint. We don't anticipate any problem on making the money stretch, regionwide, to cover the 2,000 units plus the 300 that we have to produce during the transition quarter.

I think a great deal of credit belongs to Senator Breeden in the great diligence that he has exercised in trying to keep the cost of housing down and that we have so far been able to produce units at a per unit cost, in this region, far below what the national average is.

Senator BARTLETT. Do you favor contracts for housing being let by bids as well as turn key?

Mr. MORGAN. Senator, you're getting into an area I'm not sure I understand all the intricacies of. I have some very definite ideas on how the housing program should be run totally outside the context of existing public housing programs.

Senator BREEDEN. Senator, I'll give you a personal observation. This is my opinion, it may not conform to policy, but I am going to tell you.

I heard you discuss whether it ought to go by bid or not. Turn key is a bid situation, it's just not a conventional bid method. They bid on proposals but not in dollars; they come up with a plan and a design and the housing authority picks the developer they want after advertising. Then the price or the cost is a negotiated item and that's negotiated against a prototype which is determined by experienced daily cost studies by our department and our people.

My personal feelings are that turn key does not fit the mutual help program very well. I would say, if you're asking me, I would suggest that it all be conventional, that it all be by bid and that the mutual help phase of it be eliminated. Let them put houses out there at the bid price and build those houses for the people, either us build them, BIA build them, I don't care who builds them, personally. I think you get more bang for the buck if you go on a conventional method. Getting the mutual help is a real problem among Indian people. There are some housing authorities that get a real good deal on that: the Creeks are especially good at it; the Cherokees are, but there's some authorities that have a real difficult time in getting that homeowner to put any mutual help into that house, he's busy and they just don't do it.

I would eliminate it. I don't know what the department is going to do, but after sitting up here 4 years fighting it, that's certainly the way I feel about it.

Senator BARTLETT. Mr. Morgan, you said you did have thoughts on this, would you like to give them for the record?

Mr. MORGAN. Yes; for the record they'll be strictly personal opinions.

The original public housing program under which this Indian program functions mandated the creation of housing authorities for reasons that really don't exist in the Indian housing program—that was to increase the bonding power of local units of government.

The basic problem in financing Indian housing are mortgage credit matters and they are also the matter of getting clear title to the land.

In Oklahoma, of course, the bulk of the housing production in response to the desires of the Indians, is single family. I think the matter could be easily taken care of by simple expansion of the laws under which the Bureau of Indian Affairs operates in their direct loan program to expand it to be able to finance single family new construction or, in those instances where required, multifamily new construction. The Federal Government, BIA being its agent, would essentially be the mortgagee—they would be the lender—they would be the mortgage servicer and they would contract on a one-on-one basis with Indian families to finance the construction of housing and to assist that family in dealing with the general contractor, whoever it may be, that would be constructing it.

It would make the program much cleaner; it would make the Federal Government the mortgagee; we would not have to be as concerned as a private mortgage lender would have to be about clear title and other things and it would greatly expedite the production of houses.

Senator BARTLETT. All right. There's been considerable concern about Indian housing programs. All right. How is it that you, as the regional director, did not implement the Indian housing program earlier without the direction from the Secretary, I assume you had that authority or did you not?

Mr. MORGAN. We have processed, put in the processing applications in response to every dollar of Indian housing allocation that's ever come into this region.

Senator BARTLETT. In other words, you'd have to receive the money from Washington then before you can act?

Mr. MORGAN. Yes, sir. There's a law called the Antideficiency Act and I cannot obligate the Government for more money than I have in my hot little hands.

Senator BARTLETT. But you didn't receive any money in your hot little hands until the Secretary held hands with you recently?

Mr. MORGAN. The last allocation, I believe, came down—that's a personal matter, Senator.

I don't recall when the last allocation came down, we began processing sometime during the last summer, I believe, and it is out of that allocation that we're meeting our production quota this fiscal year.

Senator BARTLETT. But you have no authority then to act independently of directions from Washington?

Mr. MORGAN. Certainly not.

Senator BARTLETT. Just when they notify you?

Mr. MORGAN. Certainly.

Senator BARTLETT. This is Ron Froman who is sitting in as an adviser.

Mr. FROMAN. The question that many of us are concerned with, Mr. Morgan, is why wasn't the directive issued to the area office to get the units under ACC by the regional administrator? That didn't necessarily require a directive from the Secretary, did it?

Mr. MORGAN. The units were being processed in an orderly manner, it's the responsibility of the area director to look at his total responsibilities and to devote staff time in his best judgment to the accomplishment of the responsibilities over a period of time.

I think you will find that the record of production in processing in this region, since July 1, has far exceeded that you will find in any other region in the country.

Senator BARTLETT. What were the reasons that the production dropped after your assuming the regional directorship?

Mr. MORGAN. Well, it did not, sir, I became regional director in June of 1970.

Senator BARTLETT. Oh, so it went up?

Mr. MORGAN. I assume it went up, I'm not familiar with production on a year-by-year basis. As I said, we have put into process applications to cover every dollar that's come down to us.

Senator BARTLETT. I'm really surprised that you wouldn't know how Indian housing has performed over the years that you have been there, it would seem to me that you would be interested enough in one of the programs to check the results versus the allocations and in turn check that with what was available at Washington for the entire country to see if the Dallas region was receiving its fair share or not?

Mr. MORGAN. I have on my staff the counterpart to the assistant secretary to housing production that keeps track of all these things and to the extent that problems arise that need my attention they're brought to my attention. There's no way in the world that I could keep at my fingertips the production record in 235, 203(b), 236, the Indian housing program, the low rent program, community loan program, water and sewer grants and all the rest, I can't keep that information readily at hand. I can provide it for you if you'd like. I think I'm already committed to provide it.

Senator BARTLETT. Yes; I think you have.

Well, it would seem to me that perhaps you would not know the specifics but you'd know the general trend of it.

Do you know why the housing units in the Indian housing have decreased since 1972?

Mr. MORGAN. Yes; I went into that earlier, the moratorium is one of the problems plus——

Senator BARTLETT. The moratorium is long over.

Mr. MORGAN. 6 months or so.

Senator BARTLETT. Yeah.

Mr. MORGAN. Plus the fact that the allocation of Indian units has been smaller over the last few years than it has in the past which reflects generally the trend of housing production, not only in the region but nationwide in all programs.

Senator BARTLETT. You've covered some of this but I wish you'd answer again, if you don't mind, this was a specific question, I don't believe this question was answered.

What steps are being taken by HUD to implement the housing program in Oklahoma for Indians?

Mr. MORGAN. We are now processing applications for the remaining, I guess remaining, 1,100 units that are not under ACC. They will be processed by June 30 and your share of the 300 units for the transition quarter, which will be under ACC by September 30.

Senator BARTLETT. The housing authorities indicated very little technical assistance from HUD in its development of the housing programs. Are there any steps being taken to change this situation or do you completely disagree that this situation exists?

Mr. MORGAN. On the production side, as I mentioned, our people are now working with the housing authority, when the ball is in their court on each application in order to get expeditious handling on that side as well as our own. The department has addressed itself to this audit problem and we will be tending to that when the resources are available to us.

The Oklahoma City area office is continuing its training program for Indian housing authority personnel on the management side, the administrative side.

Senator BARTLETT. Have you personally ever met with an Indian housing authority.

Mr. MORGAN. Not with an Indian housing authority, no; I've met with an organization here one time.

Senator BARTLETT. Was that helpful to you in understanding some of their problems?

Mr. MORGAN. No; it was not, because it was not a type of meeting where discussions could take place. I actually was substituting for a speaker who was unable to appear.

Mr. BARTLETT. What steps does HUD take to help a housing authority experiencing management problems?

Mr. MORGAN. Well, I think that needs to be discussed on a one-on-one basis; Bob, do you have some specifics on that?

Senator BREEDEN. We continue to send out management occupation specialists and our budget officers out to work with them.

In two cases, Senator, it's become necessary for us to even cosign the checks with those housing authorities in an effort to keep track of the money. We moved to that extent in two cases and we have another one where we probably will have to do the same thing. I don't know any more to do than that. That's pushing my authority, I think, but I've done it and I've even cosigned the checks with them in an effort to get some semblance of management.

One of the basic problems in management is the feeling among the Indian people of mutual help and housing authority, this is a housing payment program, it's an equity situation and it's quite difficult in some cases for the housing authority to really collect the money. The people just don't feel that they have an obligation to pay; that's not general but there's certainly some that are.

To tell you what we have done, we have moved in into and taken over a cosignature situation, we have, will on another one, and I don't know any more to do than that.

Senator BARTLETT. Would either of you describe the task force approach that's been used by Denver and in California, on Indian housing and whether you think that would improve matters here or be of any value to HUD or to the Indians on the authorities?

Mr. MORGAN. In the case of the San Francisco and the Denver regions, their responsibilities extend beyond housing as it relates to the Indians. Their responsibilities involve community development block grant program, the 701 comprehensive grant program, and I believe, in some cases, they actually get into the unsubsidized mortgage insurance programs. So, their responsibilities cover a much broader spectrum of HUD's program activities than they do in this region and it's been the judgment of those regional administrators, and I gather, with the concurrence of Washington, to create at the region level an assistant regional administrator for Indian programs.

I do not think that that would be feasible in this region, when we're forced into a reduced staff capability situation we have to try to cut down the amount of overhead that we deal with in order that more of our remaining staff years, or higher percentage of our remaining staff years, can actually go into the production end. To create another unit somewhere, either in the Oklahoma City office or in my office would add to the overhead component that any new organizational division brings with it and I think would probably diminish the amount of productive time available to the Indian program.

I point once more to the production of the region over the last 7 years and that within the established HUD organization we have been able to produce a substantial number of houses.

Senator BARTLETT. I would like to ask each of you, Mr. Morgan and Senator Breeden, what you think of having an Indian desk, if that's what it would be called, or staff, in the area here in Oklahoma City?

Mr. MORGAN. Are you talking about an Indian staff?

Senator BARTLETT. A staff of people who would be specializing in those areas that require some additional knowledge, particularly such as the title of the land and so on.

Mr. MORGAN. That they would actually do the processing, you're talking about the Indian housing applications, I don't think that would be the most efficient use of your staff resources in view of the other responsibilities the office must bear.

Senator BARTLETT. Do you think that would tend to improve the delivery of services or not?

Mr. MORGAN. I doubt it. The experiences that we've had in the other regions where these units have been created at the regional level has been to the contrary.

Senator BARTLETT. Have you ever had one in a highly concentrated area such as Oklahoma City, as I understand it most of the Indian

houses that are built in the Dallas region are in the area of Oklahoma City?

Mr. MORGAN. Yes, sir.

Senator BARTLETT. So, wouldn't that be the place to put the talent that you have who are knowledgeable about Indian housing?

Mr. MORGAN. Well, the talent that we have is here with the exception of one or two people we retained at the regional office level.

The point I am making, however, is we do not have sufficient staff resources to support the productive workers as well as the overhead required to administer a separate division. We have spread throughout the housing production operation in this office the people who know the Indian program and can step in when the production is required and get them administered and tend to other business at other times, which, in my judgment is a much more efficient use of a very short available stafftime.

Senator BARTLETT. It's my understanding that there was a possibility of transferring the regional office for Indian housing in Oklahoma from Dallas to Denver. Is that correct?

Mr. MORGAN. Yes; I recommended that to Washington.

Senator BARTLETT. And why did you recommend that to Washington, you seem to be pretty confident in your recommendation?

Mr. MORGAN. The Indian Housing Authority communicated to me that they felt very, very strongly that their problems could not be solved except by a unit that was devoted strictly to Indian matters. Such a unit was being created in Denver, it's a unit that administers programs for Indian tribes located much further away within their own region than Oklahoma is from Denver itself, so I felt that they would be able to take on those responsibilities and administer them in an efficient way as they administered the Indian tribes in their own region.

I might add, that in region 6 the Indian programs in New Mexico are administered from the San Francisco regional office, not from mine or the Dallas area office.

Senator BARTLETT. Does this indicate any lack of support for the Indian housing program on your part to transfer it to Denver?

Mr. MORGAN. No; I think it indicated a response to the Indian wish which was to have a discrete identified unit that would tend full time to their concern.

Senator BARTLETT. Didn't they ask to have that discrete unit in Dallas?

Mr. MORGAN. I don't recall ever hearing a request for that.

Senator BARTLETT. That was my understanding.

Senator Breeden, could you elaborate on a request that you made for a directive from the central office to suspend all Indian housing applications for housing in Oklahoma?

Senator BREEDEN. I did what?

Senator BARTLETT. Did you request a directive from the central office to suspend all Indian housing applications for HUD in Oklahoma?

Senator BREEDEN. No; I wouldn't make a request to central office for anything, I'd go through my region.

Senator BARTLETT. Did you request it from the region?

Senator BREEDEN. No, sir.

Senator BARTLETT. What is the basis for—oh, we got that one.

Apparently in region 9, 23 of 26 eligible tribes received community block grants in the last fiscal year. For that same period, none of the Indian tribes and nations in Oklahoma received any community block grant funds. Is there any reason for this?

Senator BREEDEN. Senator, I think perhaps I discussed this with you over at the Fortune Tower situation.

Senator BARTLETT. Yes.

Senator BREEDEN. The question of block grants, as they have been administered, is set very firmly in the act that Congress passed; it's based and its distribution is based upon the extent of poverty and housing according to the U.S. census of 1970.

Now, there are no segments within that census for determining where and how you're going to distribute that to Indians and Indian groups.

In the areas that you discussed in the region 9, you were dealing with reservations where the reservations and the census tract could be one and the same, so you could definitely pinpoint that to a census and comply with the law. The Department is making an effort here and told us to accept any applications we get from Indian groups to see if there is a way under that segment of the law itself, in that statement relating to census, that we can fund some of them.

I would suggest that this is a place where an amendment might be effective to ask the Census Bureau when it takes its census to determine from that person whether or not he is an Indian and where he lives so that they could comply with the terms of the act.

The problem has been that you cannot comply with the act as it is now written—I don't know how they are going to do it. I know the HUD Department, through your letters and letters of Senator Bellmon and the letters of the chiefs of the various tribes, is trying to come up with something.

Senator BARTLETT. Well, I understand that fourth count data is information provided by the U.S. Bureau of Census taken during the 1970's and the fourth count deals specifically with Indian people in a specified county. This information concludes data on Indian population; why wouldn't HUD evaluate Indian community development applications utilizing the fourth count information from the 1970 U.S. Bureau of Census?

Senator BREEDEN. They should if it's there, yes, sir.

Senator BARTLETT. Since we did have a conversation in the Federal office here on the census we have talked with the—I can't think of his name—but the head of the Census Bureau, and it apparently is going to be possible to not only get information on Indian populations, but also on the city of Tatums that we were talking about which is not a matter before this particular hearing. But I think we will get the information that was the holdup there.

Mr. MORGAN. Senator, we are this year, I believe, asking Indian tribes that wish to submit applications for community development block grants, discretionary money, to submit additional information to justify or prove their eligibility under the act and we'll be considering each one of those on a one-on-one basis until some firm policy decision is reached.

Senator BARTLETT. In other words, you have a way of satisfying yourself on population or you mean you're going to disregard population?

Mr. MORGAN. We have not established any criteria; all we've asked is that the tribes come in with whatever they think substantiates a position that they are eligible applicants for community development block grants discretionary money; we'll look at each one on a one-on-one basis.

Senator BARTLETT. Well, here's part of a letter written to Senator Bellmon, I imagine Senator Breeden has seen it, in which Secretary Hills said—

> Finally I have initiated a reexamination of Department's policy for block grant funding of Indian governments. There are several points which require a resolution, among them the question you raise in your letter of November 12, funding on reservation Indian tribes. The Department will have revised guidelines for the next round of block grant applications in December, I have those guidelines being made available to the Dallas region.

Mr. MORGAN. I am not aware of any guidelines at all. We have a certain action forcing of events which is a deadline for receiving discretionary applications which is upon us. In the absence of guidelines we are having Indian authorities—Indian tribes—come in with whatever criteria, whatever information they may have and try to deal with it. The thing is, they will have met the application deadline and any problem we have to work out we can work out later.

Senator BARTLETT. I see. So, the Indian tribes then can make application in good faith that their applications will be fairly considered. Is this the information that they had?

Mr. MORGAN. Yes.

Senator BARTLETT. The Creek Nation has been informed that a housing rehabilitation program will be considered an ineligible activity and not financed simply because the rehabilitation can't be done on scattered sites and not within the HUD definition of a community. Is this still the policy of HUD?

Senator BREEDEN. You're talking about a CD grant, the same thing holds true with that one as the others, we will accept what you say and we can take it up and they can see if they can work it out.

The question is exactly what you said, basically, to limit it to communities or segments of communities and I really don't know whether it's going to fit these guidelines or not.

Mr. MORGAN. Senator, I believe that question is not whether housing rehabilitation programs is an eligible activity, indeed it is under the act. The question is whether housing rehabilitation programs is an eligible activity, indeed it is under the act. The question is whether the tribe itself is an eligible recipient of block grant funds which goes back to the other question that we answered a moment ago.

Senator BARTLETT. Well, the scattered sites in Oklahoma were created by the Federal Government in the General Allotment Act of 1906.

I'd like to request that the definition of a community be revised so that the tribes here in Oklahoma could participate in this program. Apparently this is one of the concerns that have existed: Is this now resolved because of the direction from Washington from Secretary Hills?

Senator BREEDEN. I don't know that it's resolved, Senator, I said that we would accept them, we've been instructed to accept the applications and forward them to Washington for consideration.

The guidelines and the law are going to have to be brought into conformity. I don't know, my personal opinion from reading the Community Development Act, is that it does not envision what you are asking. That's my personal feeling, I think the Department will make every effort to comply with that because I can sense that there's a need. I think that you've got to remember that the Community Development Act is not particularly aimed at fragmented approaches.

Senator BARTLETT. Well, I think the point of this statement was that the definition of a community be revised so that the tribes here in Oklahoma could participate in this program.

Senator BREEDEN. Well, I would agree to that but as you say, that's something that will have to be done by somebody that sets the guidelines; we don't have any input on the guidelines.

Senator BARTLETT. Well, it wouldn't seem to me to be fair for Secretary Hills or for HUD from Washington to give you the green light even though they haven't given you the description of the parameters of that green light to accept applications and then not process them in such a way that they would be judged on the merits and not because they wouldn't be turned down because it's an Indian tribe.

Senator BREEDEN. I don't think it will, I think it will be judged on the merits.

Senator BARTLETT. I think that's important. Do you anticipate this, too?

Mr. MORGAN. The basic problem is one of eligibility, we receive applications from everybody and the first step is to find out whether they are eligible under the law. As an example last year the problem was with urban counties. Now, these are established units of local government but there were serious questions in many, many instances whether an urban county really had the powers to qualify as a recipient under the law.

The same kind of a problem confronts us with the Indian tribes that we had with the urban counties. We considered each one on a one-on-one basis which we intend to do this year as it relates to applications received from the Indian tribes in Oklahoma.

Senator BARTLETT. Well, it would seem to me that in all justice the Department of Housing and Urban Development certainly should not encourage Indian tribes unless they are acceptable and that the judgment would not be based on that but it would be based on other parameters involved as Senator Breeden mentioned, poverty and so forth.

Mr. MORGAN. The problems that confronts us is the application deadline, which is tomorrow, which I believe is a matter of regulation—not one of the administrative decisions—it's a published regulation: Is that right, counselor?

Mr. PEELER. Yes, sir.

Mr. MORGAN. Which would require all sorts of gymnastics to change so the dilemma that the Department found itself in is to be sure that Indian tribes who want to participate in the block grant program would get their application in.

Now, we have a processing norm here of, I believe, 55 days or 45 days, something like that, which should allow us ample time to settle

the eligibility question and rank these along with all the other applications and respond to them in terms of whether we are going to be able to fund them or not.

Senator BARTLETT. So, as you accept these applications, you're not saying you can fund any Indian tribes?

Mr. MORGAN. Oh, no, or anyone else's that's received. Last year I believe we received applications requesting funds five times that that were available in the discretionary program.

Senator BARTLETT. Well, we talked with Senator Breeden the other day about certain parts of Oklahoma that haven't been participating in this program, I think they've been encouraged to participate but they haven't received any funding and obviously this makes it difficult for them. I would think that this wouldn't be a big mystery as to how it would proceed but that you would want to acquaint the people who do apply as to what the general qualifications are or what the disqualifications are so that they wouldn't be encouraged.

Now, obviously you can't prejudge it but I think you can outline the parameters that would be very helpful to them.

Mr. MORGAN. Yes, we need to look at this from two standpoints.

No. 1, the first year of the program and I think the Department did a remarkable job, really, in getting that program going given the shortness of time and the delay in the appropriations.

This year, on the discretionary cycle what we have done is establish the ranking system and published it for all potential applicants to look at and so that gives them an idea of what the Federal interests are and what kind of factors are to be taken into consideration in the decision. There are also other nuances in the regulations which do not exclude a city simply because throughout the city it is in relatively good shape, but may have an isolated pocket of poverty or substandard housing, we can take into consideration that one little pocket rather than the whole city in making our decision. So, I think the problem that we have in reaction to western Oklahoma and I think portions of Texas, I'm not sure, has been solved by the revised rating system.

Senator BARTLETT. Is it possible and feasible to establish a setaside of community development funds for Indian tribes and nations in the Dallas region?

Mr. MORGAN. I do not have the authority to do that. I think there's a serious question as to whether the statute would allow the Department to do this.

The statute is rather clear, I believe, that all applicants for discretionary funds must be—they must enter into a competition, one against the other.

Senator BARTLETT. Did we ask the question as to whether HUD accepts tribal surveys of needs and population, I don't believe we did.

Mr. MORGAN. For what purpose, Senator?

Senator BARTLETT. Well, for purposes of population and community problems.

Mr. MORGAN. I don't believe the statute would allow this, the statute is very clear, we base everything on 1970 census data.

Senator BARTLETT. OK. I think I asked this before, but I don't think I got an answer and I'll try it again.

In your opinion, how long should it take, from approval of an application until the spade is actually put into the ground?

Mr. MORGAN. Well, I can't give you an answer, I can say that the 6 months that the Bureau of Indian Affairs came up with sounds good but they were talking about 6 months over a period of which I have some control, the date of the application to the date of the ACC.

What the Indian Housing Authority does after that is more or less their problem and what they do has a direct influence on when a spade goes into the ground.

Senator BREEDEN. Senator, I think you've got to distinguish here between the time this project goes to contract and it's ready for the builder to start.

Now, each housing authority has to provide that builder with schedule B's, which means here's a site and it's ready, it's been approved by everybody that has to approve it and you can go out there and put that spade in the ground.

We have one housing authority that had 50 units to build, they were 11 months given that contractor three schedule B's.

Now, as to when you're going to put that spade in the ground, I can't tell you, nobody else can; it depends upon the activity, how quick they get the schedule B's.

In the new handbook there is a provision that the schedule B's shall be provided by the housing authority to the successful contractor when he gets his bid. In that case then you can determine when work starts.

Senator BARTLETT. How long should a housing authority take in its part of the preparation?

Senator BREEDEN. I don't know, Senator—they've got to get these schedule B's, they've got to get title, they've got to work it out with BIA, they can tell you better than I can.

Senator BARTLETT. All right. How long should it take to get to the ACC?

Senator BREEDEN. Well, I think these answers of 6 and 8 months would probably be right if the paper flows back and forth from the housing authority to our office and back to them.

Senator BARTLETT. What time would you say has been the average time?

Senator BREEDEN. Well, I gave you some times here a while ago, I don't really know what the average has been.

Senator BARTLETT. What is the range, about what were the times you gave me before?

Senator BREEDEN. I told how long they were in. For instance, on one here, it took 147 days, it was in the housing authority 121 days, in our office, region, 30 days. So, you add that up, that would be about what it took to get that one out.

Mr. FROMAN. That's about a year.

Senator BREEDEN. So, it's about a year. It just depends, I would say, 6 to 8 months is about what it ought to be if everything goes right.

Senator BARTLETT. What can the interest on all funds be used for on—ACC funds, excuse me?

Senator BREEDEN. If you're talking about an ACC, it is funded, and you put the money in the bank and you draw interest. The interest goes back to retire the bond fund; it's not usable by the authority; that's a requirement of the law.

Senator BARTLETT. What do you think of HUD establishing a statewide standard qualifying income level for Indian housing?

Senator BREEDEN. Statewide level, that income——

Mr. MORGAN. You're talking about income limits for eligibility?

Senator BARTLETT. Yeah, do all housing authorities operate on the same income level?

Mr. MORGAN. No, they set their own in the interest of self-determination.

Senator BARTLETT. They're not agreeing with you, Mr. Morgan.

Mr. MORGAN. I think that HUD has—I think that their income limits have to be approved by HUD but I don't think that it is much of a problem, I'm not aware of one.

Senator BARTLETT. I think the problem is, that if you have authorities very close together operating side by side with different standards it obviously creates problems.

Mr. MORGAN. Well, we——

Senator BARTLETT. With regard to respect of Indians.

Mr. MORGAN. I do not believe we have the authority to move in and tell the Indian housing authorities that they've got to change their income limits, the initiative will have to come from them and we've got to respond. I guess the economist does some crystal balling and——

Senator BARTLETT. Do the other housing authorities in the State have a commonality of income standards or are they all set? They all have commonality?

Mr. MORGAN. I don't know if they have commonality, if they do it's a coincidence.

Senator BARTLETT. In other words, you're saying for the record that you do not believe you have the authority to establish a statewide income standard?

Mr. MORGAN. Under existing policy, I'm not sure it's statutory, but under existing policy I do not have that authority nor do I have the authority to deal with any individual housing authority to coerce them into setting income limits.

Senator BARTLETT. There's a question about including houses with basements—apparently some of the people in Oklahoma think that it would be nice to have a basement when there's a tornado, which I think all of us can understand. Apparently in Kansas basements are permitted; and they're not in Oklahoma, if so, why not?

Senator BREEDEN. I wouldn't know if they are in Kansas, or not. they may have them.

Senator BARTLETT. Apparently they are.

Senator BREEDEN. I think you run into costs that might be above the prototype. We have not approved any basements because of costs. You've still got that prototype cost to meet.

Senator BARTLETT. Do you approve fireplaces or heatolators using woodburning?

Senator BREEDEN. I don't believe we've got any fireplaces.

Senator BARTLETT. Do you think that would be a goal consistent with saving energy, to have woodburning?

Senator BREEDEN. We have required all-purpose flues in all houses but not fireplaces.

Senator BARTLETT. Do you permit fireplaces?

Senator BREEDEN. We have not, no, sir. As an energy deal, it may be a good one, if it comes in the prototype.

Senator BARTLETT. The area in which I live, which is an Indian area, most everybody uses woodburning fireplaces, many for their sole

source of heat, I think it's surprising to many people to learn that there's as much energy derived from wood as there is from nuclear material, I think it would be one thing to look into, not particularly a fireplace but heatolator kind of fireplace heater that will actually heat the house to a varied extent.

Senator BREEDEN. Yes, sir.

Senator BARTLETT. Could you let us know what you find out about it?

Senator BREEDEN. You want to know whether we can approve fireplaces or not?

Senator BARTLETT. Yes, if you can look into it an see if there would be a saving of energy and also cost in operating the heating of the house that this could be included, I know there's been a request from a number of people that fireplaces and woodburning furnaces be included.

[Subsequent to the hearing the following information was received for the record:]

With relation to the question regarding fireplaces, the regulations[1] do provide for fireplaces as a source of heat. This office has not approved any fireplaces in the Indian houses, basically because of the costs and the fact that this is a low income and thus a lower cost home. In this area fireplaces are very expensive to build.

Further, in some portions of Oklahoma, particularly the western part, there is no available wood for use in the fireplaces because the homes are on the plains. In eastern Oklahoma there is some wood available.

For many, many months this office has required all-purpose flues to be built in every new Indian house and has modified existing homes as rapidly as possible by inserting all-purpose flues. This allows the owner to use coal or wood for purposes of heating their homes without necessarily requiring fireplaces. Since stoves that burn these fuels are generally available in this area, it is the feeling of this office that the all-purpose flue and the use of an all-purpose heater is preferable to the installation of fireplaces, from the standpoint of cost and efficiency.

(b) Cost of Alternate Fuel System. Development Cost may include, where availability and cost of fuel and local preferences indicate, the design, construction and equipment costs of an alternate fuel system, either primary or supplemental, such as coal or wood stoves or fireplaces. Where locally available coal or wood offers a ready supply of fuel at costs less than those of other fuels which might be used, strong consideration should be given to requests for the installation of stoves or fireplaces as a supplemental or primary system for heating and/or cooking. A further possibility is the supplemental installation of stove flues only, which would permit residents to install coal or wood burning stoves at their individual option and expenses.

It is clear from his memo that the Oklahoma area has been installing flues as a cost-effective way to make use of wood for heating and cooking.

Senator BARTLETT. Could you outline the new agreement that will be followed on auditing and providing the payment for audit and approval of outside auditing plus accounting?

I know we covered this earlier but I think if we could get it all in one place as to just what the policy is.

Senator BREEDEN. Senator, the last——

Mr. MORGAN. The last paragraph of Mr. Nahwooksy's statement addresses itself to this; shall I read it?

Senator BARTLETT. Yes.

Mr. MORGAN. It says:

We are also pleased to note that the interdepartmental agreement, parenthetically this agreement is part of the new processing manual, that agreement contained in the housing regulations delineates the respective responsibilities of HUD and the Department of Interior providing audit service for Indian Housing Authorities.

[1] Sec. 805.215 Design for economy in fuel consumption.

Audits in Oklahoma are the responsibility of HUD by memorandum from the Assistant Secretary for Housing Management of January 27th. I am pleased to report that the Department has made provisions for the hiring of independent public accountaints to undertake immediately the audits of the Indian Housing Authorities in the State of Oklahom as witnesses in the August hearing had indicated would be useful.

Senator BARTLETT. In other words, this means that there will be an outside audit available in every housing authority. Was it outside, independent?

Mr. MORGAN. Yes, sir, independent.

Senator BARTLETT. Will it be fiscal 1976, 1975, what year? Or is it clear?

Mr. MORGAN. There is no date certain in here but I would assume within the next few months.

Senator BARTLETT. In other words, either be a June 30 date, June 30 on a calendar year basis, the end of last year?

Mr. MORGAN. Whatever the housing authority's fiscal year is.

Senator BARTLETT. There is a question here as to the time taken for paying audit fees. Can they be paid immediately or what will the procedure be?

Mr. MORGAN. Well, the regulations aren't out yet, sir, there is a normal bureaucratic delay in the payment of anything in the Federal bureaucracy so there could be unfortunate delays in this.

Senator BREEDEN. Senator I think it's logical, that the use of auditors would be the same as for other public housing. In that case the auditor makes a bid proposal as to how much he would charge to do the work for the audit. The head of our audit section in the region then determines the reasonableness of that amount. We then advise the other housing authorities, not Indian, that if this is a reasonable amount and he approves it that they then may enter into a contract with that auditing firm to do that work. It's on a bid proposal basis and I assume that that's what it would be for the Indiana authorities.

Senator BARTLETT. All right. Now, this independent audit would be paid out of——

Senator BREEDEN. We would put it in the budget.

Senator BARTLETT. So, would a housing authority then be approved to make an amendment in its budget for the payment of this?

Senator BREEDEN. Right, when we get funded we can, yes, sir.

Senator BARTLETT. There's a question as to, I think you mentioned in New Mexico, which is not under region 6 but apparently is under the San Francisco region. Is that correct? Why is that?

Mr. MORGAN. They want to be administered by this regional office in San Francisco.

Senator BARTLETT. Well, I think you probably answered this about as well as you can without giving a specific answer to this question.

When will all the housing authorities have updated audits? I would assume that would be after the fiscal year or shortly thereafter?

Mr. MORGAN. That's a realistic guess, I think.

Senator BARTLETT. Is there a provision in any of the housing program regulations that Indian contractors are to be used where available? If so, who is responsible for enforcing this provision? Does Buy Indian apply to housing programs?

Senator BREEDEN. The regular act, what they call a section 3 of the act would require that in the bid proposal and the—wait just a minute. Mr. Vaughn, did you hear that question?

Mr. VAUGHN. Yes.

Senator BREEDEN. This is Mr. Vayghn of the Equal Opportunity Office.

Mr. VAUGHN. We do have regulations——

Senator BARTLETT. Mr. Vaughn, maybe you could come forward, you did once before very nicely. I think we have a little trouble hearing you.

Mr. VAUGHN. There are HUD regulations established which waive title 7 of the Civil Rights Act of 1964, which requires equal employment opportunity in federally financed, well, in fact, most all construction or contracts.

The secretary, several years back, did issue a circular, which is our regulation system, to exempt Indian housing contracts, specifically, from the title 7. The option is not to the tribe but the tribe may ask of the area director, who has that authority, and that's how it exists today, it's a waiver of title 7 of the Civil Rights Act of 1964.

Senator BARTLETT. I would like to just have you all sit there a minute and recess for a minute or two.

Mr. MORGAN. Senator, I've gotten calls in this order, from the inspector general in Dallas, the Deputy Under Secretary and now the Secretary, if I don't answer this right now it might be the President next; could I be excused to return these calls?

Senator BARTLETT. If you don't mind just waiting a minute.

Mr. MORGAN. All right, sir.

Senator BARTLETT. Mr. Morgan, if you would, advise me as of June 30, just where we are on the housing units for Oklahoma, just what the status is with the charge that you have been given or Senator Breeden could do this.

Mr. MORGAN. We keep a monthly chart on our progress, I'll be glad to send you these charts that are updated monthly.

Senator BARTLETT. Good, that would be even better, I'd appreciate that very much.

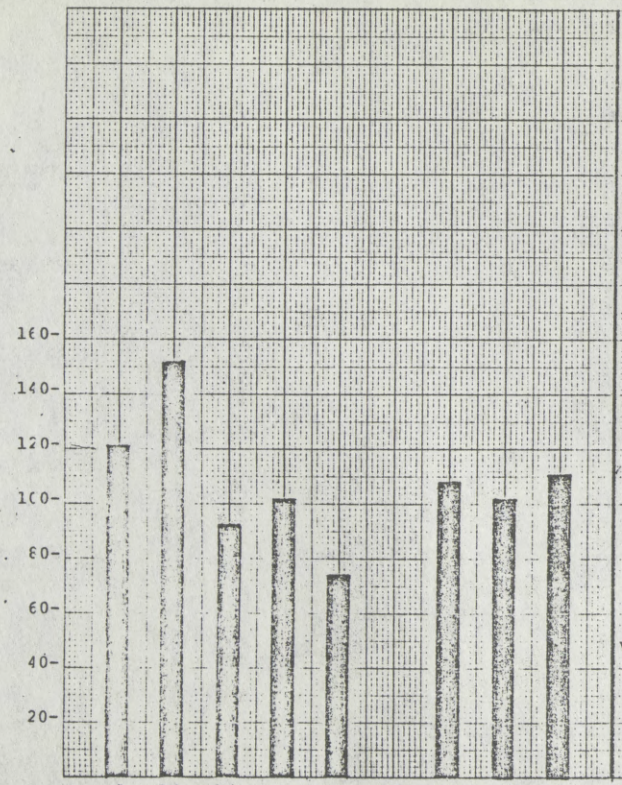
[Subsequent to the hearing the following chart was submitted for the record:]

PRODUCTION—OKLAHOMA INDIANS—INCEPTION TO JAN. 27, 1976

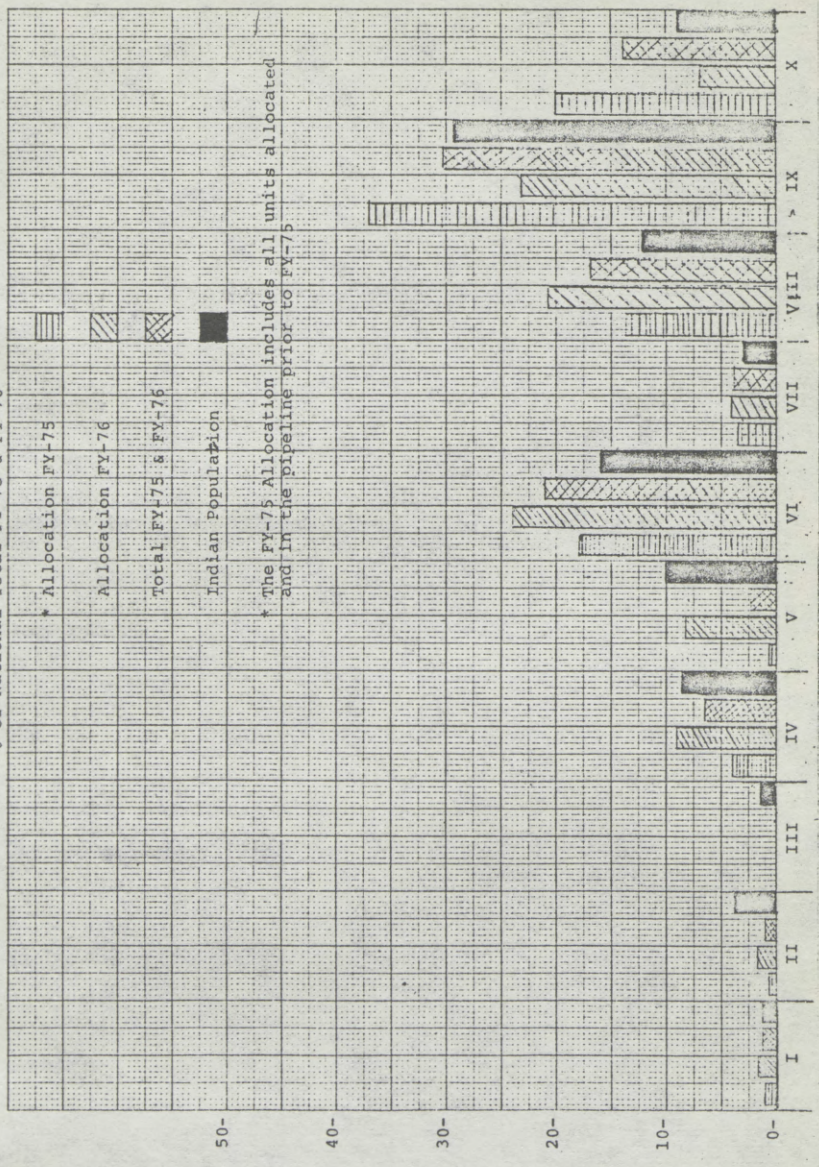
IHA number and tribe	Total number units — Under ACC June 30, 1974	Completed June 30, 1974	Under ACC Dec. 31, 1975 [1]	Accepted Dec. 31, 1975	Under construction	Allocated not under ACC	Total allocation
91—Absentee-Shawnee	185	47	205	122	83	100	30
128—Apache	50	0	50	0	(2)	0	50
77—Caddo	230	105	230	218	12	0	230
45—Cherokee	1,606	1,237	1,656	1,552	[3] 90	250	1,906
100—Cheyenne-Arapaho	150	60	250	150	100	50	300
47—Chickasaw	1,529	920	1,739	1,458	[4] 260	125	1,864
49—Choctaw	1,303	1,036	1,403	1,253	150	125	1,528
110—Comanche	259	160	359	240	119	330	689
51—Creek	605	401	821	651	[5] 163	250	1,071
127—Osage	100	100	200	100	100	75	275
114—Otoe-Missouria	50	5	50	50	0	60	110
94—Pawnee	70	10	70	52	18	0	70
54—Ponca	230	118	230	195	35	20	250
90—Sac and Fox	245	62	245	207	[6] 36	50	295
93—Seminole	459	338	509	484	25	50	559
98—Kiowa	550	254	550	230	(2)	0	550
Total	7,621	4,913	8,567	7,022	1,191	1,485	10,052

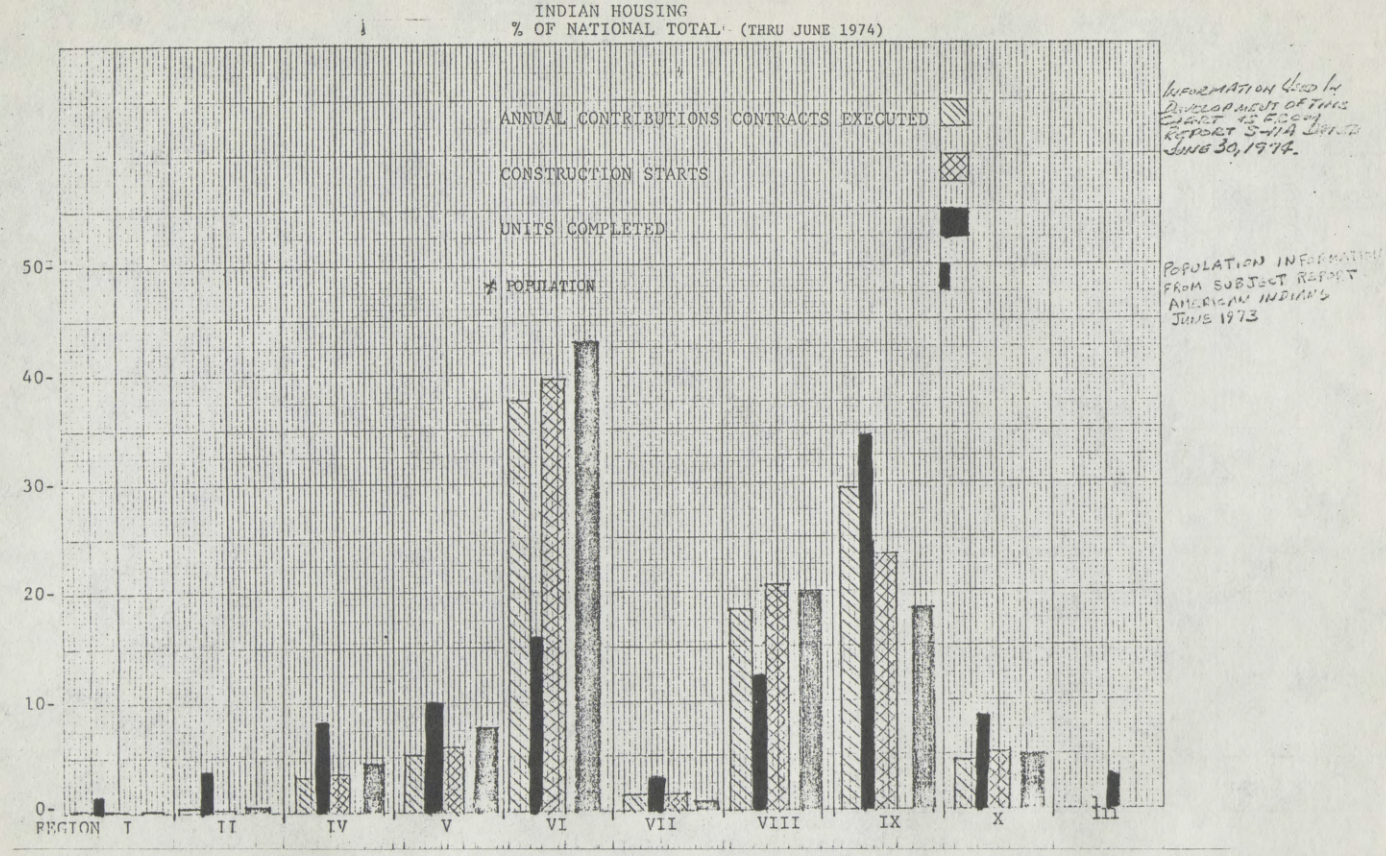
[1] Current to Jan. 27, 1976.
[2] No construction activity.
[3] Lost 14.
[4] Lost 21.
[5] Lost 7.
[6] Lost 2.

INDIAN HOUSING COST FY-75 & FY-76
% of National Average



Region	Number of Projects	Number Units ACC	Cost Unit	% of Nat. Average
I	5	96	$42,202	121.06%
II	1	50	53,327	152.99
IV	1	200	32,500	93.24
V	3	79	35,476	101.77
VI	18	882	25,862	74.19
VII	No Units Under ACC			
VIII	35	1280	37,603	107.87
IX	8	237	35,692	102.39
X	31	795	38,655	110.89
TOTAL	102	3619	34,858	100,00


INDIAN HOUSING ALLOCATIONS
% of National Total FY-75 & FY-76
* Allocation FY-75
Allocation FY-76
Total FY-75 & FY-76
Indian Population
* The FY-75 Allocation includes all units allocated and in the pipeline prior to FY-75
50-
40-
30-
20-
10-
0-
I
II
III
IV
V
VI
VII
VIII
IX
X



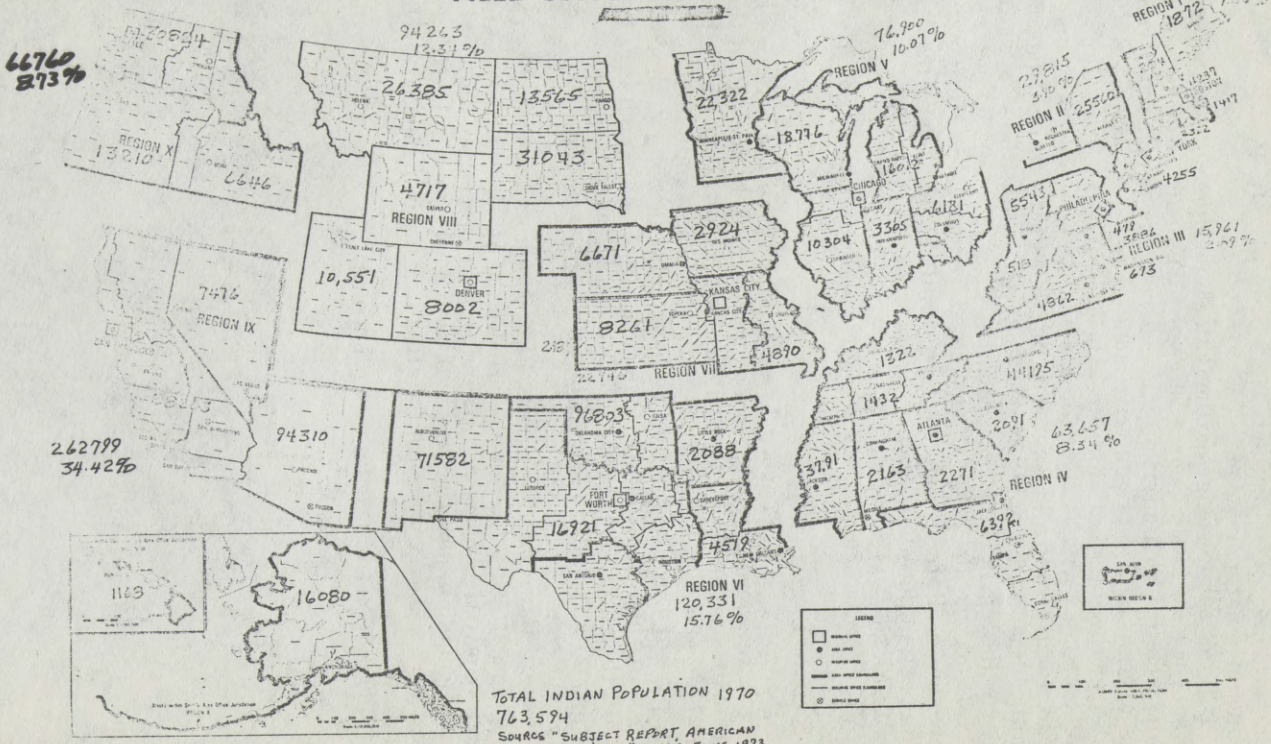
INFORMATION USED IN DEVELOPMENT OF THIS CHART IS FROM REPORT S-414 DATED JUNE 30, 1974.

POPULATION INFORMATION FROM SUBJECT REPORT AMERICAN INDIANS JUNE 1973

INDIAN

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FIELD OFFICE JURISDICTIONS



TOTAL INDIAN POPULATION 1970
763,594
SOURCE "SUBJECT REPORT, AMERICAN INDIANS" DATED JUNE 1973
DEPT. OF COMMERCE

Senator BARTLETT. I want to thank everybody for participating in this hearing, all the witnesses and certainly Mr. Peeler and Mr. Morgan and Senator Breeden.

I didn't acknowledge earlier Ella Mae Horse on my right, who is from the staff of the Senate Interior Committee; Ron Froman on my left, who has been advising me as a resource person; and Don Bluejacket, my field representative also on my left; and then from my staff, on the Interior Committee, Hazel Elbert.

The record will be open for 2 weeks, I know there are some of you who would like to add comments on some of the things that have been said today and I would suggest that you submit those in writing and they will be included in the record.

I think we do have a very good report. Mr. Morgan, Senator Breeden, and Mr. Peeler, you're certainly excused and free to call all those real important people.

Mr. MORGAN. OK, thank you.

Mr. JAMES. Senator, may I make a statement and apologize for the record?

Senator BARTLETT. Yes.

Mr. JAMES. Earlier when I was talking about the bookkeeping systems in response to the Senator's question as to how many of them had adequate accounting systems, I said none. Now, that isn't true. I was thinking about auditing, we're not getting any audits but in the western part of the State where we have eight housing authorities there is five of them that do not have adequate or no accounting processes at all, the other three have excellent management systems and would withstand any auditing, I apologize to those three.

Thank you.

Senator BARTLETT. Mr. James, I know that's appreciated by the three housing authorities because I heard from all three of them. So, we're glad to have that in the record and that will probably reduce the number of communiques that we will receive between now and 2 weeks.

I thank you all very much for attending the hearing and the hearing is adjourned.

[Whereupon the hearing was adjourned.]

APPENDIX

Additional Material Submitted for the Record

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Anadarko, Okla., February 20, 1976.

Hon. DEWEY BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: During the testimony by Bureau of Indian Affairs personnel at the public hearing on Indian housing, which you convened and chaired in Oklahoma City, Oklahoma, on February 12, 1976, you requested information on Indian housing production for the period 1972–1975.

The enclosed statistics represent our estimate of the number of units of public housing which were produced by the ten (10) tribal housing authorities in the Anadarko Area (the western one-half of Oklahoma) with the financial assistance of the Department of Housing and Urban Development.

These tribal housing authorities have recently submitted applications to the Oklahoma City Area Office, HUD, requesting 5,275 units for the three year period of 1976, 1977 and 1978.

Sincerely,

CHARLES C. DELANEY,
Acting Area Director.

Enclosure.

TOTAL AND ANNUAL NUMBER OF UNITS OF PUBLIC HOUSING CONSTRUCTED BY TRIBAL HOUSING AUTHORITIES (WITH DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ASSISTANCE) IN THE ANADARKO AREA FOR PERIOD JAN. 1, 1968–DEC. 31, 1975

Period	Mutual-help		Low-rent	
	Yearly increase	Total units constructed	Yearly increase	Total units constructed
Jan. 1, 1968 to Dec. 31, 1971	0	442	0	10
Jan. 1, 1972 to Dec. 31, 1972	130	572	20	30
Jan. 1, 1973 to Dec. 31, 1973	283	855	0	30
Jan. 1, 1974 to Dec. 31, 1974	381	1,236	30	60
Jan. 1, 1975 to Dec. 31, 1975	229	1,465	20	80

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
Dallas, Tex., March 1, 1976.

Hon. DEWEY BARTLETT,
Subcommittee on Indian Affairs, of the Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR BARTLETT: At the February 12, 1976, hearing in Oklahoma City on Indian housing in Oklahoma, you asked me to furnish certain additional information. I am hereby providing the Subcommittee with the requested information and I am also providing additional data in clarification and support of my February 12 testimony. This information is included in the body of this letter and in the exhibits attached hereto, all of which is respectfully offered for the official record.

I would like to begin by expressing my sincere appreciation to all of the Oklahoma Indian housing authorities for the extreme courtesies extended to HUD Regional Office staff members during our fact gathering mission in late February. Although we didn't find out everything we wanted to know due to an absence of certain records, there was certainly no absence of cooperation. Our people gained insight into the Indian culture that hopefully will be of advantage to us as we pursue the future goals of the Department and the Indian people.

In regard to the production of Indian housing in the State of Oklahoma. Exhibit 1 is offered. Your specific request was for "Indian housing allocations to

82-326 O—77—pt. 2——21

the State of Oklahoma by year." Since the Regional Office did not receive allocations designated specifically for Indians until after the mandate of the Housing and Community Development Act of 1974. I offer annual calculations of units placed under Annual Contributions Contracts for the years prior to the effective date of the 1974 Act, which depicts the trend in substantially the same fashion.

The decline in production in 1973 (1,558 units to 570 units) is attributable, for the most part, to the housing moratorium which was in effect, as far as the Indians were concerned, for the first five months of 1973. The impact of "stopping dead still," and the attendant effect on necessary staffing realignments even had an impact on 1974.

This is not so say that a substantial number of Indian housing units were not being produced in 1973 and 1974. Many units committed in the preceding period were still in progress. In fact, between 1970 and 1973 we undoubtedly loaded the Oklahoma Indian housing authorities with more units than they could handle. Completion of construction of a 450-unit project for the Kiowa Tribe which started in 1970 is still only two-thirds completed.

The statistics included in Exhibit 1 provide considerable insight into our performance in Region VI, particularly in Oklahoma. Between 1970 and 1974, 35 percent of the Indian housing units committed in the United States was produced in Oklahoma, for 12.7 percent of the nation's Indian population. (As an update, the figure is 36 percent through the current fiscal year.) On units completed, our performance compares even more favorably—44.51 percent through June 30, 1974. Practically two-thirds (62.7 percent) of the public housing committed to the State of Oklahoma has been used for Indians.

There is no doubt but what the Indian housing production process in Oklahoma has taken too long—far too long. Exhibit 1 illustrates this intolerable situation quite graphically. In this regard, I fully intend to meet the production goals assigned to me by the Secretary. My staff in the Region is monitoring the progress of the Oklahoma City Area Office on a weekly basis.

Exhibit 2, however, depicts a situation which might prove surprising to the attendees of the Muskogee and Anadarko hearings; 62 percent of the processing time of projects selected at random, from 8 different housing authorities, occurred in the office of the housing authority, 32 percent in the HUD office. This is not an effort to shift blame—much of the delay occurring at either office is due to the very nature of the program, particularly the delays and intricacies involved in the utilization of trust lands. My point is this—not all of the delays have occurred while an application law idly in a Federal bureaucrat's "hold" basket.

Delays can occur in an endless variety of ways, some expected, like in site selection, others part of a sequence of seemingly never ending surprises. For example, in December 1975, we were ready to go with 3 projects to build 250 units for the Creek Nation. The developer was selected, his plans were ready. Ron Froman, Executive Director of the Housing Authority of the Creek Nation of Oklahoma, telephoned to advise the Oklahoma City Area Office that the housing authority had changed its mind, they wanted garages instead of carports. Two months passed before the developer could get his plans revised. Eventually, these 60-day increments combine to form statistics such as shown on Exhibit 2.

The single greatest processing hurdle is the acquisition and making ready of the site where the prospective homebuyer wants to live. In the February 12 hearings, I heard the term "six months" bantered about quite freely as being the total length of time that it should take between unit reservation and the start of construction. Yet in the Muskogee hearings, Mr. Froman testified that "the average time sometimes runs six or seven months, sometimes longer than that," just to do the title work, "depending on what you find when you get into it."

Anyone who has ever had to round up quitclaim deeds from distant relatives can fully appreciate the problem encountered in using trust land sites. Often, before construction can start a prospective homebuyer will have to secure releases from as many as 30 or 40 heirs. When this fails, time consuming litigation is inevitable.

I received the impression at the February 12 hearing that it was the feeling of some that even if the delays were caused by the housing authority rather than by the HUD Area Office, that the blame still belonged at our doorstep because we obviously hadn't fulfilled our training obligations. Exhibit 3 will show

that this is not the case. We have spent a great deal of time and money on training, conducting or sponsorong 16 sessions attended by Indian housing authority personnel in the last 3 years, on every subject from the collection of past due accounts to the repair of leaking faucets. But we have observed that many of the trainees are no longer involved in the program. For example, our records show that in regard to the April 1975 session, approximately half of the attendees are not shown on todays Indian housing authority employment rolls.. Not a single Executive Director of an Indian housing authority who was "on board" when the HUD Area Office was created in Oklahoma City in 1970 is still employed in that capacity. (Exhibit 4)

I don't know what the reason for the turnover in Indian housing is. Some insight may be afforded by the Muskogee testimony where one Tribal Chief told of a "legal gimmick" he had discovered for disposing of an entire board of commissioners of a housing authority in one fell swoop. At any rate, I do not agree that we have been derelict in our training obligations, either formally as shown in Exhibit 3, or informally as transmitted in the daily contacts by HUD housing specialists, architects, engineers and attorneys.

The point made at the hearings that there's more to the Indian housing program than production is quite valid. I would like to see more attention devoted to the delinquency situation described in Exhibit 5. The 28.6 percent delinquency rate ($187,729 past due by mutual-help homebuyers) doesn't have to be. Marguerita Vietta, Executive Director, Seminole Nation Housing Authority, described how, after repeated warnings from the Oklahoma City Area Office, the Seminole authority was finally advised that no new units would be forthcoming until the receivables situation improved. Delinquencies were reduced from 79 percent to 9 percent in one year. Unfortunately, now that there is no specific tie-in between delinquency rates and unit allocations, Seminole deliquencies are already back up to 52 percent.

Income from an Indian housing authority's mutual help program is used to finance the authority's operating costs. Failure to adequately pursue delinquencies, therefore, can have a very adverse circular effect. If income is not adequate to support the necessary programs of education and accounts receivable collection, the expected result is a worsening of the income position, and even further stress on the staff budget. Exhibit 6 shows, even at today's managed unit levels that the annual operating costs of the mutual help program in Oklahoma is well over a million dollars. Substantial unit increases on stream, coupled with inflationary projections point to a disastrous situation if collections do not improve. The total annual operating costs have more than doubled in just the last two years.

Sincerely,

RICHARD L. MORGAN,
Regional Administrator.

Enclosures.

EXHIBIT 1

OKLAHOMA

	ACC'S executed by number of units per fiscal year—					Allocation, fiscal years—	
	1970	1971	1972	1973	1974	1975	1976
Region:							
I	0	0	70	0	0	65	100
II	0	0	0	60	0	50	100
IV	0	450	70	0	0	275	550
V	0	377	301	10	0	89	500
VI	1,940	2,373	1,558	570	334	1,203	1,450
VII	0	30	193	0	0	240	250
VIII	1,219	1,267	480	200	224	897	1,250
IX	1,012	2,116	852	209	121	2,416	1,400
X	15	225	191	265	0	1,333	400

Note: The Housing and Community Development Act of 1974 required specific allocations for Indians thenceforth.

EXHIBIT 2

PROCESSING SUMMARY

Housing authority	Project No.—	Start of processing	Contract of sale executed	Time in processing (days) Housing authority	HUD
Absentee-Shawnee	91–4	July 21, 1971	Jan. 23, 1974	523	14[1]
Caddo Tribe	77–4	July 15, 1971	July 13, 1972	142	125
Cherokee Tribe	45–27	Mar. 8, 1972	Mar. 8, 1974	339	21[2]
Cheyenne-Arapaho	100–3	Apr. 9, 1974	July 24, 1975	147	156
Chickasaw Nation	47–24	Apr. 23, 1974	Sept. 4, 1975	171	175
Choctaw	49–21	Feb. 28, 1972	Aug. 29, 1973	269	126
Comanche	110–4	Mar. 8, 1973	June 13, 1974	176	155
Creek Nation	51–13	Feb. 24, 1972	Oct. 10, 1974	455	257
Total				[1] 2, 222	[2] 1, 22∞

[1] 62 percent.
[2] 38 percent.

EXHIBIT 3

HOUSING AUTHORITY TRAINING CONDUCTED OR SPONSORED BY HUD (1973–75)

Date	Type of workshop	Nature of training	Indian attendance
Mar. 7 and 9, 1973	2 1-day "nuts and bolts" workshop for housing authority directors throughout the State of Oklahoma. Emphasis on helping directors of small-housing authorities.	1-day "nuts and bolts" workshop—emphasis on helping directors of small housing authorities.	10
Apr. 11, 1973	1-day maintenance workshop for housing authority managers and maintenance personnel east of I–35.	1-day maintenance workshop—primarily for small-housing authorities.	10
Nov. 13–14, 1973	2-day seminar for all mutual help housing authority directors and office clerks.	New housing policies and directives; new closing procedures; equal opportunity aspects; contractors and housing authority affirmative action plans: methods of administration; model lease and grievance procedures; admission policies; personnel policies; procurement policies and dispositions; preliminary site requests; environmental clearances; discussion of fuels, rent and design of houses; relocation and site consideration; income limits and other economic aspects; verification of income; computation of rents; reexamination of tenants; accounts receivable.	60
Nov. 27 and 29, 1973.	2 1-day worksyops for housing authority directors, financial and occupancy personnel involved in low-rent housing.	Methods of administration; admission policies; personnel policies; porcurement policies; disposition policies; capitalization policy; occupancy review; model lease and grievance procedures; graded rents—rent ranges; accounts receivable; audits by independent public accountants; operating subsidies.	15
Mar. 12–13, 1974	2-day seminar for all Indian housing authority personnel.	Inspections; closing documents; interest amendments (mutual-help); accounts receivable; participant and tenant selection; rent schedules and ranges; Brooke Amendment; insurance coverage; computation of payoffs on mutual help homes; accounting arrangements; operating subsidy and budgeting.	25
Mar. 21, 1974	1-day maintenance workshop for housing authority managers and maintenance personnel east of I–35.	General maintenance; plumbing maintenance; heating maintenance; construction of faucets, mixers, and valves; types of pipe—copper, galvanized, and plastic; drainage system of kitchen and bathroom; clean traps and drains; drain the plumbing; replace washer on ater faucet; repair flush tank; hot water system; electrical maintenance; safety; how a building is wired; proper use of wires and cords; fuses; city and national electric code provisions.	17
Apr. 23 and 25, 1974.	2 1-day workshops for housing authority directors, financial and occupancy personnel involved in low-rent housing.	Accounts receivable; collection procedures; operating budgets; operating subsidy; rent ranges; tenant selection; supplemental security income; income limits; production problems.	2
Oct. 8 and 9, 1974	2-day maintenance workshop for managers or maintenance personnel from housing authorities.	Simple electrical repairs; how to splice wire; what is a circuit; trace problems in circuits; overloaded circuits; plumbing; freeze protection; faucet breakdown and repair; drainage problems; waste closet problems and repair; appliance maintanance; central heating units; hot water tanks; refrigerators; kitchen ranges; carpentry repairs; hanging doors (includes lock installation); screen repair; roof repair; yard and lawn care.	13

EXHIBIT 3—Continued

HOUSING AUTHORITY TRAINING CONDUCTED OR SPONSORED BY HUD (1973–75)—Continued

Date	Type of workshop	Nature of training	Indian attendance
Oct. 17–18, 1974	2-day seminar for all Indian housing authority personnel.	Site selection; development programs; computation of payoffs on mutual help homes; A–95 clearance; accounts receivable; financial management; rent schedules and tenant selection; LHA accounting; new Housing Act.	54
Dec. 10 and 12, 1974.	2 1-day workshops for housing authority directors, financial and occupancy personnel involved in low-rent housing.	Changes in admission policies; new Housing Act; operating subsidies; operating budgets; LHA accounting; rent schedules; funding of units.	28
Apr. 23–24, 1975	2-day seminar for all Indian housing authority personnel.	Community services; CETA—funding; sec. 8 program; insurance; subsidy; energy conservation; general maintenance.	57
May 6 and 8, 1975	2 1-day workshops for housing authority directors, financial and occupancy personnel involved in low-rent housing.	Community services; new programs; funding; operating subsidies—"New Ballgame"; general management; insurance; cathodic protection; energy conservation; security.	----------
June 17–18, 1975	2-day maintenance workshop for managers or maintenance personnel from housing authorities.	Simple electrical repairs; how to splice wire; what is a circuit; trace problems in circuits; overloaded circuits; plumbing; freeze protection; faucet breakdown and repair; drainage problems; waste closet problems and repair; appliance maintenance; central heating units; hot water tanks; kitchen ranges; emergency first aid.	11
Oct. 21–22, 1975	2-day management workshop for mutual help housing authority personnel. Also board members and tribal officers.	Indian Housing Handbook (published in Federal Register, Sept. 19, 1975); Indian Rights Protection Act; performance funding; new policies on rent collection; sec. 8.	62
Nov. 13 and 18, 1975.	2 1-day workshops for housing authority directors, financial personnel, and all other personnel involved in low-rent housing.	New lease and grievance procedure; changes in tenant selection; fiscal management; sec. 8; modernization funds.	26
Dec 10–11, 1975	2-day maintenance workshop for housing authority personnel, directors, multifamily project owners, maintenance personnel.	Basic electrical fundamentals and schematics; advanced refrigeration for large AC units; absorption units; controls and conductors; schematics boiler maintenance and repair; utility analysis.	29

EXHIBIT 4

TENURE OF INDIAN HOUSING AUTHORITY EXECUTIVE DIRECTORS

Housing authority	Executive director	Date employed
Apache	Vacant	
Caddo	do	
Kiowa	Leon Botone	1976
Otoe-Missouria	Cleve Derion	1975
Pawnee	Linda Cole	1975
Ponca	Kisel Lieb	1975
Sac and Fox	Jo Ann Hall	1975
Seminole	Thomas Revas	1975
Comanche	Jeree Toyebo	1974
Absentee-Shawnee	Glenn Edwards	1974
Choctaw	Charles McIntyre	1972
Creek	Ron Froman	1972
Cheyenne-Arapaho	Roy Allensworth	1971
Cherokee	Mack Crossland	1971
Chickasaw	Leland Keel	1971
Osage	Vern Davis	[1] 1970

[1] December.

EXHIBIT 5

MUTUAL-HELP—OKLAHOMA

Name of Indian housing authority and project No.	Number units in management	Number homeowners delinquent	Amount delinquent	Percent homeowners delinquent
Absentee-Shawnee Tribe, Shawnee (Okla–91)	119	5	$240	4
Apache Tribe, Anadarko (Okla–128)	197	99	12, 342	50
Caddo Tribe, Gracemont (Okla–77)	1, 345	396	26, 181	29
Cherokee Nation, Tahlequah (Okla–45)	150	60	5, 296	40
Cheyenne–Arapaho Tribes, Clinton (Okla–100)	738	117	3, 613	16
Chickasaw Nation, Ada (Okla–47)	1, 083	253	16, 669	39
Choctaw Nation, Hugo (Okla–49)	237	9	1, 949	4
Comanche Tribe, Lawton (Okla–110)	460	75	5, 683	16
Creek Nation, Okmulgee (Okla–51)	288	244	81, 707	85
Kiowa Tribe, Anadarko (Okla–98)	100	8	365	8
Osage Tribe, Hominy (Okla–127)	46	29	1, 390	63
Otoe–Missouria Tribe, Red Rock (Okla–114)	54	23	581	45
Pawnee Tribe, Pawnee (Okla–94)	144	71	16, 000	49
Ponca Tribe, Ponca City (Okla–54)	188	22	2, 570	12
Sac and Fox Tribe, Shawnee (Okla–90)	259	134	13, 143	52
Seminole Nation, Wewoka (Okla–93)				
Total	5, 408	1, 545	187, 729	28. 6

Note: As of Jan. 1, 1976, except for Kiowa Tribe, Sept. 30, 1975; Creek Nation, Oct. 31, 1975; and Comanche Tribe, Nov. 30, 1975.

EXHIBIT 6

MUTUAL HELP; ANNUAL COST OF OPERATIONS

Name of Indian housing authority	1974	1975	1976
Absentee-Shawnee	$18, 760	$23, 260	$28, 930
Caddo	9, 979	29, 520	35, 049
Cherokee	78, 300	199, 630	203, 870
Cheyenne-Arapaho	25, 110	35, 490	36, 760
Chickasaw	117, 210	162, 756	315, 270
Choctaw	129, 290	149, 120	165, 140
Comanche	21, 660	39, 260	48, 660
Creek	43, 985	59, 057	80, 718
Kiowa			65, 760
Osage	14, 340	15, 980	17, 080
Otoe-Missouria	2, 340	11, 470	11, 470
Pawnee	3, 645	10, 980	16, 330
Ponca	11, 379	24, 960	30, 360
Sac and Fox	15, 040	28, 250	36, 230
Seminole	33, 020	40, 930	51, 700
Total	524, 058	830, 663	1, 143, 327

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
Oklahoma City, Okla., March 4, 1976.

Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: Through your letter to the Secretary under date of February 24, you indicated an interest in the delinquency rate among Indian Housing Authorities.

The following is the status of 15 Indian Housing Authorities on February 27, 1976, relative to the percentage of homeowners who are delinquent in their house payments. The accounts receivable total shows an increase of $25,888.91 since December 8, 1975, when the latest prior report was compiled.

Sincerely,

ROBERT H. BREEDEN, *Director.*

Indian housing authority	Date of last report	Percentage of accounts delinquent
Absentee Shawnee Tribe	Dec. 31, 1975	4
Caddo Tribe	Jan. 31, 1976	43
Cherokee Nation	do	25
Cheyenne-Arapaho Tribe	Dec. 31, 1975	40
Chickasaw Nation	Jan. 31, 1976	13
Choctaw Nation	Dec. 31, 1975	25
Comanche	Nov. 15, 1975	4
Creek Nation	Oct. 31, 1975	16
Kiowa Tribe	Dec. 31, 1975	78
Osage Tribe	do	8
Oteo-Missouria Tribe	Jan. 31, 1976	72
Pawnee Tribe	do	31
Ponca Tribe	Oct. 30, 1975	70
Sac and Fox Tribe	Dec. 31, 1975	12
Seminole Nation	Jan. 31, 1976	55

CHEYENNE AND ARAPAHO TRIBES OF OKLAHOMA,
Concho, Okla., February 11, 1976.

From: George Sutton, vice-chairman 19th Business Committee.
To: Senate hearings, Hon. Senator Dewey Bartlett, presiding.

1. Eligibility (Income Limitation) The Cheyenne & Arapaho Tribes, hereby, recommend, that the income limitation be removed to allow more working people to participate, since the H.U.D. requirements for additional new units is strictly based on the ability for Tribal Housing authority to collect payments, and enforcing the eviction process for delinquent accounts. Low as $5,250.00, high as $9,000.00.

2. Allotment of New Units (New Construction) The Cheyenne & Arapaho Tribes, hereby, recommend that all new allocations be solely based on Tribal needs, rather than the Housing Authority's ability to collect or evict, according to H.U.D.'s requirements.

3. Site Approvals (New Construction) The Cheyenne & Arapaho Tribes, hereby recommend that the Site Approval time sequence at the Oklahoma City Area H.U.D. level be speeded up to allow the Housing to meet its contract obligations to complete a fiscal year project or project number (C & A–100–1) (C & A–100–2).

4. Indian Community Development Projects. The Cheyenne & Arapaho Tribes, hereby recommend that monies be made available for Indian projects and not compete with the open competition with towns and cities, since a lot of its Tribal and individual allotment property is in Trust Status.

GEORGE SUTTON,
Vice-Chairman, 19th Business Committee.
WILLIAM FLETCHER,
Chairman, Board of Directors (Housing).

CREEK NATION,
OFFICE OF THE PRINCIPAL CHIEF,
Okmulgee, Okla., February 19, 1976.

Hon. DEWEY BARTLETT,
Senator from Oklahoma, Subcommittee on Indian Affairs, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR BARTLETT: I would like to express my deep personal appreciation and the thanks of the Creek people for the hearing of the Subcommittee on Indian Affairs which you conducted in Oklahoma City on February 12, 1976.

Enclosed you will please find comments submitted for inclusion in the record of that hearing.

Sincerely,

CLAUDE A. COX,
Principal Chief,
Creek Nation of Oklahoma.

Enclosure.

PREPARED STATEMENT OF CLAUDE D. COX, PRINCIPAL CHIEF, CREEK NATION OF OKLAHOMA

The Creek Nation began its study of the HUD CDBG for 1976 in October of 1975. The planning staff studied the relevant Act (93–383) and Regulations. When this first stage of planning was completed, the planing staff contacted the Oklahoma Area HUD Office; Mr. Bill Woolums is the state-wide coordinator for community development and was the person assigned to deal with Indian nations.

Even in the initial stages, there was no question that the Creek Nation was eligible for the CDBG process. The frequent phone conversations with Mr. Woolums were oriented toward determining activities which were both (a) eligible under HUD regulations and 93–383, and (b) compatible with the needs and the current situation of the Creek Nation.

In these initial conversations, we were informed that the only programs which the Oklahoma Area HUD Office would approve for funding would be (a) water and sewer, (b) flood control, (c) solid waste disposal and (d) equipment for fire departments.

An evaluation of these activities considered eligible by the Oklahoma Area HUD Office showed the Creek Nation that two severe problems existed with the CDBG program: first, the combined impact of the small amount of eligible funds and the high costs of the eligible activities would mean that the Creek Nation would, in reality, receive minimum benefits from any such activity; and second, such marginal benefits would be difficult to actually apply to the real needs of the Creek Nation.

Therefore, the planning staff began more discussions with the HUD Office in Oklahoma City. We informed them that, according to the law and the regulations, activities are designated as eligible which the HUD staff had designated as ineligible. In accordance with the law and the regulations, we informed HUD that the Creek Nation intended to submit applications for a Housing Rehabilitation Program and two community buildings. These proposed activities are (a) eligible under the law and the regulations, (b) compatible with the needs of the Creek people, and (c) real and attainable goals.

The HUD staff at Oklahoma City informed the planning staff that these activities would not be considered eligible and would not be funded. HUD made the following questionable determinations: that a Housing Rehabilitation Program would not be eligible solely because it would be on scattered sites and not within the HUD definition of a 'community', and that community buildings would not be eligible since they did not deter a threat to public health and safety. The staff also explained that the Creek Nation should submit U.S. Census statistics on the general population for the determination of poverty level and other considerations, since the staff claimed (incorrectly) that no U.S. Census statistics on American Indians were available.

At this point, Chief Claude Cox wrote to HUD Secretary Carla Hills about these problems (letter November 6, 1975, attached). Copies of the communication were sent to the Oklahoma Congressional and Senatorial delegation.

The only direct response which the Creek Nation has received to this letter of November 6, 1975, is from the Assistant Secretary for Community Planning and Development, HUD, Mr. David O. Meeker, who wrote to Chief Cox and Executive Director, Edward Mouss on November 25, 1975, (attached). Mr. Meeker reported that fiscal year 75 funds awarded to Indian nations totaled over $8,000,000), but he did not respond to the fact that no Oklahoma Indian nations received any funds. Mr. Meeker said that the HUD investigation had been limited to the enumeration and eligibility of Indian nations, a consideration which should never have even been questioned, since Indian nations are described as eligible in 93–383. Mr. Meeker also said that any policy determinations would be made in time for submission of non-metropolitan pre-applications to HUD. Even this limited investigation has apparently not been completed, as no report has been issued to the Indian nations or to HUD.

Indirect response to the Creek Nation by HUD were via Senator Henry Bellmon, who forwarded those responses to Chief Cox on December 16, 1975. These responses include a letter from Secretary Carla Hills (December 3, 1975, attached), and a letter from Assistant for Legislative Affairs Laurie Morrison (December 2, 1975, attached). Ms. Morrison repeated Mr. Meeker's letter almost verbatim.

In Secretary Hills' letter, she states:

I have initiated a re-examination of the Department's policies for block grant funding of Indian governments. These are several points which require resolution, among them the question you raised in your letter of November 12, of funding non-reservation Indian tribes. The Department will have revised guidelines ready for the next round of block grant applications in December.

These revised guidelines have not been promulgated by the Secretary as promised. However, these revised guidelines are needed immediately. First, the Creek Nation and other Indian governments need the guidelines to properly prepare non-metropolitan pre-applications. Second, the HUD Oklahoma Area Office needs these guidelines for its evaluation and rating of Indian pre-applications.

None of the problems discussed in the letter of Chief Cox to Secretary Hills have been resloved. The Oklahoma Area HUD Office has still offered no positive and affirmative action regarding the questions of the many Oklahoma Indian nations attempting to utilize the CDBG program. The individual administrators of 93–383 or the Community Development regulations. Criteria are being imposed upon the tribes which are unrealistic; in fact, the attitude of the Oklahoma Area HUD Office could be construed as purposefully attempting to prevent the successful application of any Oklahoma Indian government by unauthorized creation of special and discriminatory criteria for Oklahoma Indian governments; these criteria are designed to eliminate the authorized eligibility of such Indian governments. Specifically, this includes (a) a determination that no scattered-site projects will be allowed, (2) a determination that trust land allotted to individuals cannot be improved by CDBG funds, (3) a determination that projects by Indian governments must involve and benefit the entire community, (4) a determination that the sole source for 1970 U.S. Census data must be Census publications, when in fact the Census data on Indians which contains the information necessary for HUD is unpublished and will not be published until some future point in time, and (5) a verbal assertion by Mr. Bill Woolums, Community Development, Oklahoma Area HUD Office, that Oklahoma Indian governments have no jurisdiction other than over tribal land.

The Creek Nation must, at this time, respond to these determinations. In whole, these criteria are unauthorized rule-making which goes beyond the intent of the Congress in 93–383; they are specially designed to make eligible Indian nations ineligible, and as such, these criteria are an example of gross maladministration and are a clear case of a federal agency refusing to properly administer the federal government's trust relationship with the Indian nations.

Scattered site projects must be allowed. Indians do not live in scattered sites by choice. Prior to the allotment of lands, Indians lived in their own communities and tribal towns. The intent and affect of the General Allotment Act of 1887 was to make the Indian population a scattered rural population. It is government policy which created the scattered sites of Indian dwellings. If the needs of Oklahoma Indians are to be met, then scattered site projects must be allowed.

Individually held trust lands must be eligible for improvement under this program. Such lands are not taxed by the federal government, the state, counties or cities. Therefore, it is not surprising that the state, counties and cities do not service these lands in any way. The federal government provides services to these lands through the Bureau of Indian Affairs, and the Creek Nation also provides services to these lands and the individuals living on them. To deprive the Creek Nation of the right to improve these lands is to deny the occupants the equal protection of the laws of the United States.

Projects by Indian governments must be designed for Indians. This is not to say that the benefits of such projects are exclusively for Indians, but such projects must be primarily for Indians. The Creek Nation must have the right to design programs for Indians. This means that only Indians will be employed and only Indians will receive direct and compresensive benefits; however, the general population will not be unreasonably prohibited from access to such programs.

The determination that the sole source of U.S. Census statistics must be Census publications is outrageous. The detailed income information required by HUD is not published at this time (letter by Vincent Barabba, Director, Bureau of the Census, December 8, 1975, attached.) Mr. Bob Gray, Economist, Oklahoma Area HUD Office, has informed the Creek Nation planning staff that the Bureau of Census is providing him with this unpublished information, yet Census will not share this information with the Indian governments and instead refers us to the anticipated publication of such data this year.

Finally, the most unfortunate event of this entire process occurred at a NAHRO seminar in Lawton, Oklahoma, on January 16, 1976, when Mr. Bill Woolums, in a conversation with two members of the Creek Nation planning staff, made a verbal assertion that Oklahoma Indian governments have no jurisdiction other than over tribal property. He claimed, contrary to and without knowledge of the facts, that Oklahoma Indian nations provide no services other than to tribal land and its occupants.

To adequately describe the services of the Creek Nation and other Oklahoma Indian governments would take several volumes of paper. It is sufficient to state here that the Creek Nation in particular and Oklahoma Indian nations in general operate within jurisdictional boundaries identical to their national borders prior to 1906. The situation of tribally owned land is analygous to the situation of a city which owns a park: the Indian government has title to the land and the city has title to its park, but just as the city has jurisdiction to land other than it has title to, so does an Indian government.

In response to this analogy, Mr. Woolums asserted (correctly) that there are no tribal police. When he was informed that the tribe has the authority to utilize the resources of the U.S. Marshalls of the federal courts when necessary, he made additional assertions that governmental jurisdiction involves more than just police power, and gave examples of the conduct of elections and the provision of services. He was informed immediately that the Creek Nation holds elections, and the planning staff present described some of the services which the Creek Nation provides.

Of course, as a private individual, a person is entitled to their own beliefs and feelings, no matter how contrary to fact. However, while in their capacity as employees of the President and Congress of the United States, and in all matters related to American Indians, federal employees are trustees for the Indian governments.

The trust relationship of the federal government and the Indian nations is indivisible: the President as Chief Executive is the trustee-in-chief, but whenever the President delegates his powers, the trust relationship is an integral if tacit part of that delegation.

The Oklahoma Area HUD Office is improperly administering 93–383 and the CDBG regulations. However, and more importantly, they have abrogated their trust responsibilities.

The promulgation of comprehensive regulations concerning eligible activities for Indian governments would resolve this situation.

Respectfully submitted this 20th day of February, 1976.

CLAUDE A. COX, PRINCIPAL CHIEF,
Okmulgee, Okla., November 6, 1975.

HON. CARLA HILLS,
Department of Housing & Urban Development,
Washington, D.C.

DEAR MADAME SECRETARY: The Creek Nation Department of Comprehensive Planning & Community Development has informed us that significant problems have arisen in our participation within the Community Development Block Grant Program, Public Law 93–383.

Community Development Block Grants are very important to the future of the Creek Nation. The regulations about the administration of this program (Federal Register, Volume 40, Number 210, Part IV, October 30, 1975) allow for many projects which would benefit the Creek people.

However, many administrative decisions concerning this program place in jeopardy the status of tribal participation in this program. The two most important decisions are that (1) priorities are set administratively and not by the applicant, and (2) tribal programs in Oklahoma are not being funded.

First, priorities which are included by the regulations should be allowed without further administrative constriction. For example, in Publication HUD 380–PA, page one, Programs to be Terminated, one of the separate programs which was to be included within the structure of the Community Development Block Grant Program is the old program for open space, urban beautification, and historic preservation. Yet, our area office has informed us that historic preservation is not a priority matter. To the contrary, historic preservation is a prioity consideration of all Creek people.

A more specific example is letter 6.4C by Robert Breeden on June 9, 1975. The letter was a rejection of our application for a housing rehabilitation program. According to Peter Downs in the Denver Regional Office of HUD, most of their funded Indian programs were for housing rehabilitation. The five reasons listed for rejecting our application were:

(1) A poverty level of 27.6 percent.

(2) A substandard Housing level of 12.9 percent.

(3) No claim of an extraordinary decline or growth due to federal action.

(4) No substantive interest in curing an imminent threat to public health and safety.

(5) A–95 planning was not complied with.

In response, we point out that our application included 1970 census figures which showed (for point 1) a 36.9 percent poverty level for Indians under our jurisdiction.

Our application included figures from our own housing survey which showed that (for point 2) 75.8 percent of the Indians in our jurisdiction live in deteriorating, dilapidated, or homes beyond repair.

There was no description of rapid population growth or decline (point 3) because the majority of our population does not have the financial means to ingress or egress at will.

The application was addressed to imminent threats to health and safety (point 4) but since the figures used were based on Creek Nation studies the statistics were ignored, even though our studies are more extensive and statistically more reliable than the U.S. Census. These studies were originally begun because census figures are so grossly inadequate.

Regulations clearly state that (point 5) Indian Nations are not subject to the regular A–95 requirements (570.400, d, 1).

Second, Tribal Programs in Oklahoma should be funded. For example, in the Denver region there were 24 Tribal Non-metropolitan applications. Two were not funded for administrative reasons, but of the remaining 22 applications, seven were given higher priority than any Non-Indian project. According to Bill Willoms in the Oklahoma City office, no Oklahoma tribes were so funded.

A set-aside fund for Indian tribes is clearly necessary to the proper distribution of Community Development Block Grants. For this year, such a set-aside fund could be established by the use of the program's Inequities Fund (570.408), reallocated funds (570.409) by giving Indian priority, and other available monies.

If such a fund is not established, then it is essential that your office promulgate a directive to HUD regional and area offices on the status of Indian tribes within the Community Development Block Grant Program. Specifically, such a directive should include the following criteria:

(1) We believe that the program regulations are currently flexible enough to address our needs. If, in your opinion, the regulations are not flexible enough, then they should be broadened to specifically include Indian Nations.

(2) We do not mind "competing" with the communities within our jurisdiction for non-metropolitan funds, but formula adjustments should be made to insure that such competition is on an equal basis.

(3) One or more persons attached to your office must be responsible for guaranteeing that Indian applications receive due process and consideration. Due process is an inherent part of the federal government's trust responsibilities for American Indians.

(4) Indian nations must be allowed to submit information and statistics supplemental to the 1970 U.S. Census Fourth Count, since the Fourth Count is not a reliable or an accurate account of American Indian factors and indicators.

(5) Program regulations must allow improvement of trust land. It is very important that all Regional and area HUD offices are informed that, whether the trust land is (a) reservation land, (b) land held in trust for an Indian Nation, or (c) land held in trust for an individual Indian, the trust status of the land is equivalent in each situation.

(6) Indian nations must be allowed the right to set their own priorities. Indian and non-Indian needs are different. Indian and non-Indian communities differ not only in substance, but also in structure, self-definition, and values.

We feel that there are special planning considerations involved in administering programs within the Creek Nation. Indeed, other tribes have special planning considerations also, but their needs are often quite different from the needs of the Creek people.

The Creek Nation consists of parts of eleven Oklahoma counties. The Creek people have a vastly different social structure than the predominant population. The legal status of the Creek Nation from 1907 to 1971 was so construed as to almost destroy the right of the Creeks to self-government. Currently, the Creek people face economic problems which include a 25 per cent unemployment rate and a 61 per cent underemployment rate. Our people are approximately one-half rural residents and one-half urban residents. These problems and others necessitate the tribal responsibility for planning and setting priorities. This tribal responsibility must be the job of the tribal government.

For example, information from the Creek Nation Census of 1975 shows that 20 families (scattered over eleven counties) are drinking pond water, and 175 other families have wells but no pumps or plumbing. Rural water systems have already been established in our area, but these people have been passed over. If water is to be provided to these families, there is no alternative to the improvement of private land (much of it trust land), yet such improvement will not be approved by the area office.

We feel that the Community Development Block Grant Program was written to meet this and other needs of our tribes. However, administrative decisions have constricted our opportunity to help the Creek people. Your attention in this matter is essential.

Sincerely,

CLAUDE A. COX,
Principal Chief, Creek Nation of Oklahoma.
EDWARD F. MOUSS,
Executive Director, Creek Nation of Oklahoma.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., November 25, 1975.

MR. CLAUDE A. COX,
Principal Chief, Creek Nation of Oklahoma, Okmulgee, Okla.

DEAR MR. COX: Secretary Hills has asked me to respond to your letter of November 6, 1975, about your Nation's participation in the Community Development Block Grant (CDBG) program. I am sorry that I was not available when you and Mr. Mouss met Wednesday with my staff here in Washington. As you may know, in Fiscal Year 1975 over $8,000,000 of CDBG funds were awarded to Indian applicants.

You raised several points as to why your CDBG application was rejected as well as ways in which HUD could improve the CDBG program as it relates to Indians. As was mentioned in your meeting, we are currently investigating how Indian applicants are enumerated and determined eligible in a manner consistent with the Housing and Community Development Act of 1974. We realize that December 1, 1975, the beginning of the period for non-metropolitan discretionary fund preapplication submission to HUD is very close. However, the timing of our determination will not endanger any eligible Indian applicants from receiving CDBG funds since our determination will be made in sufficient time prior to the end of the submission period to allow all eligible Indian applicants to prepare and submit a preapplication.

As soon as our determination is made we will inform you of its findings.

Sincerely,

DAVID O. MEEKER, JR.,
FAIA, AIP, Assistant Secretary.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., December 3, 1975.

HON. HENRY BELLMON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BELLMON: You have recently sent me three letters concerning different aspects of HUD programs for Indian tribes in Oklahoma. I would like to bring you up to date on the overall status of the Department's Indian programs as well as to reply to the specific requests in each of your letters.

The improvement of the Department's programs for Indians and Native Americans has been one of my personal priorities since becoming Secretary. Dramatic improvement in housing conditions for Indians in this country depends on much more than the efforts of this Department alone. The Indians themselves have the largest single role to play; improved general economic conditions is another key factor; other Federal agencies responsible for improvements in the educational level and economic status of Indians are also vital contributors. However, there is much that this Department can and should be doing to create better housing opportunities for Indian people.

I convened a Task Force on Indian Programs drawn from the various offices of the Department and from the Field as well as Central Office. This Task Force forwarded to me its initial recommendations on November 6. Enclosed is a copy of the report, as you requested in your November 12 letter. I have taken specific steps to implement some of the recommendations in the Task Force report and I am asking for further information on others. I would appreciate your handling this copy of the Task Force recommendations with discretion until I have fully studied and accepted or rejected all of the recommendations.

Of most concern to me now is the processing of 10,000 units of Indian housing this year. I am monitoring progress closely and have requested the Task Force to make a detailed analysis of where bottlenecks are occurring and how they can be eliminated.

Another action underway in the Indian programs area is the formulation and implementation of a revised set of regulations and handbook on the Indian mutual-help housing program. The regulations were published on September 19, comments have been received, and we are compiling the final draft incorporating comments right now. The handbook is in draft form, and we expect to have it completed and published by the end of the year. Early next year we will be holding intensive training sessions with field staff and Indian Housing Authority staff on the new processing procedures. The Oklahoma City Area office will be trained along with other field offices which handle Indian housing. This training will compensate for the lack of experience which you cite in your letter of November 21 and I do not feel it is necessary to detail other assistance to that office. As you know, the Oklahoma City Area office has been the top producer of Indian mutual-help housing in the country in past years, and I see no reason they will not reassume this position after a short learning period.

Finally, I have initiated a reexamination of the Department's policies for block grant funding of Indian governments. There are several points which require resolution, among them the question you raised in your letter of November 12 of funding non-reservation Indian tribes. The Department will have revised guidelines ready for the next round of block grant applications in December.

In summary, the Department of Housing and Urban Development is presently engaged in a reevaluation of the entire range of its programs for Indians and Native Americans. We are reviewing our own past experience and addressing the many criticisms and suggestions from outside the Department. When the review is complete and the decisions made I feel our programs will be on a sound and fair basis and we will be able honestly to say that we are carrying out our responsibilities to our Indian constituents. I value the dialogue with you and your colleagues on the Hill in this review process and look forward to future cooperation.

Sincerely,

CARLA A. HILLS.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., December 2, 1975.

HON. HENRY BELLMON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BELLMON: This is in response to your November 13, 1975 inquiry which transmitted a copy of Chief Cox's letter to Secretary Hills about the Creek Nation's participation in the Community Development Block Grant program (CDBG). Chief Cox and Mr. Mouss also met November 19, 1975 with staff here in Washington and discussed the items they raised in their letter to the Secretary. As you may know, in Fiscal Year 1975 over $8,000,000 of CDBG funds were awarded to Indian applicants.

The Chief raised several points as to why the Creek Hatin CDBG application was rejected as well as ways in which HUD could improve the CDBG programs as it related to Indians. His suggestions are most timely. As we mentioned in the meeting with Chief Cox, we are currently investigating how Indian applicants are enumerated and declared eligible in a manner consistent with the Housing and Community Development Act of 1974.

We realize that December 1, 1975, the beginning of the period for non-metropolitan discretionary fund pre-application submission to HUD is close. However, the timing of our determination will not endanger any eligible Indian applicants from receiving CDBG funds, since our determination will be made in sufficient time prior to the end of the submission period to allow all eligible Indian applicants to prepare and submit a pre-application.

We also informed Chief Cox that as soon as our determination is made we will let him know its findings.

Sincerely,

LAURIE MORRISON,
Assistant for Legislative Affairs.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D.C., December 8, 1975.

Hon. HENRY BELLMON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BELLMON: This is in further response to your letter of November 21 requesting that the Bureau of the Census confer with the leaders of Oklahoma Indian tribes prior to the next decennial census.

Recognizing the need for more accurate and relevant data on American Indians, the Bureau recently began an extensive program to communicate with, and solicit recommendations from, Indian tribes, nations, and organizations regarding plans for the 1980 census as they relate to Indians. We would welcome the opportunity to meet with the leaders of Oklahoma Indians to discuss their data needs. Thank you for the offer of assistance in this endeavor; a member of my staff will contact your office on this matter within the month.

You may not be aware that, since the publication of the 1970 census reports, additional 1970 census data on American Indians have been tabulated and are availble in unpublished form. Specificlly, statistics on housing, income, and other social and economic characteristics of Indians for each county and place with 400 or more Indians are shown in the tabulation. If you wish, reproduced copies of these unpublished statistics for Oklahoma can be made available to you.

We are most appreciative of your interest.

Sincerely,

VINCENT P. BARABBA,
Director, Bureau of the Census.

KIOWA TRIBE OF OKLAHOMA,
Anadarko, Okla., February 11–12, 1976.

Hon. DEWEY BARTLETT,
140 Russell Office Building,
Washington, D.C.

DEAR SENATOR BARTLETT: Of all the magnitude of problems confronting the tribe today, the most crucial is the problem of adequate housing for the Kiowa tribal members.

The BIA, Home Improvement Program cannot and does not meet the needs of Kiowa Indian families in our area, the funding is too small and the needs too great and would require many more additional federal dollars for the program to impact the tribe. The numbers of units serviced and the amount allotted to repair these homes has not brought these structures up to standard. The Kiowa tribe has attempted to supplement a meager budget with Kiowa general revenue funding but has not impacted the program to any degree. The new guidelines coupled with PL 93–638 contracting procedures for implementation of the BIA, HIP will cause the quality of the program to improve drastically but with additional funding the effect will be minimal at best. The program concept is sound and should continue in the future. The concept of a single agency or an

intergovernmental agreement between HUD, BIA and Indian Health Service that imposes well defined responsibilities on each cooperating agency is realistic, but I would suggest further that a single agency titled Indian Housing with all of the component elements comprised in all the agencies with special appropriations, with a Regional Office complete with trained staff headquartered in Oklahoma to deal with housing needs peculiar to the 38 tribes in Oklahoma and Kansas. As long as the disorganization is allowed to continue to be the practice of these agencies, than the Indians will continue to live in substandard housing in over-crowded and unsanitary conditions. The policies of the existing agencies must be made flexible enough to meet the needs of the Indians, and where requirements involving project approval can involve weeks, months and in some instances years, must be dealt with relevant guidelines geared to meet tribal needs including tribal community facilities. (Example) (easements from tribal members).

HUD Indian Housing Programs—the year 1969—should have been, and could have been a historic event in the lives of tribal members, but such was not the case. While much of the blame can be attributed to the tribe's ability to properly administer a mutual help housing component, this has not been the case. There is definite need for a separate office located in Oklahoma City to support the tribal housing authorities throughout the state of Oklahoma. The HUD policies allowed for a very loose operation with little or no accountability to the Regional Office or the tribal unit of government. The problem was compounded as a result of cloudy interpretation of HUD officials and their separate dealings with individuals outside of the elected officials of the tribe. The initial 8.5 million contract was approved by the KHA and HUD, for a newly created Housing contractor, without a track record and then again approved a second contract with still another contractor who could not meet his agreed-to commitment. The manner in which Federal money was expended was never audited until this year. The HUD agreement to have the BIA or Dept. of Interior audit the Indian Housing programs is a grave mistake. Funds should be a part of the funding program. The auditor or CPA should be selected by Regional HUD with concurrence by the tribal government to insure a proper accounting of all Housing funds. The Indian participant should receive a credit to his escrow account based upon the net worth of the land on which the house is built, the purpose being to allow the housing authority to charge delinquencies when illness or other unforeseen problems arise. This amount should be included in the contractual agreement between participant and Housing Authority. Every effort should be made by the BIA housing official to inspect the quality of material that goes into the Indian houses as a part of the BIA's trust responsibility. The HUD office should insist that only bonafide inspectors be allowed to contract with the Indian Housing Authorities. When an Indian Housing Authority allows a contractor to build an inferior product than they should hold the contractor liable. Proper bonding and proper insurance must be a requirement before a contract is let.

In the case of our tribe, the confusion is compounded by the HUD policies which state that Oklahoma, Texas and Maine will be formed under the respective states and the constitutions of our tribe which I maintain is not subordinate to state, local and in many instances Federal laws, under International law. It is requested that the tribes of the states be treated equally under the law irrespective of state. It is further requested that the Indian Housing Authorities be instructed to allow all tribal Indian members to participate in Indian Housing Programs, because of the special trustee and beneficiary relationship which exists, to exclude only BIA staff as they are already being subsidized. The manner in which housing is being operated must be changed from mass production at a factory and then moved to a final site, is a waste, destructive and completely without justification. Imagine moving a six-bedroom house in rural Oklahoma scores of miles and then placed on concrete piers without anchor bolts, or footing. The manner in which these practices have gone uncontested is a gross neglect of trust responsibility and waste of Federal funding.

In the future planning HUD should consider, greater flexibility in housing design. Central heat, while nice, is unrealistic in many instances. The position should be—allow the participant to select from a group of unit plans. Of even greater importance is the need to start with the proper footing, foundation, than to build up from there. Brick veneer should be optional, insulation is a must, and above all else proper coordination between the cooperating agencies HUD, IHS and BIA must comply with the inspection procedures prior to payment being made to the contractor. The HUD Regional Office, should route all pertinent correspondence to IHA's, a copy form to the tribal elected official, also the HUD central

office in Washington should put together orientation seminars, for all elected officials so they are familiar with the terms of new legislation, policy changes and those hearings scheduled at the national level.

Your concern in these above matters are deeply appreciated and these corrective actions that come out of this hearing will benefit all Indians today and in the future.

Sincerely,

BOB CANNON,
Chairman Kiowa Tribe.

RESOLUTION BY THE OKLAHOMA INDIAN HOUSING ASSOCIATION

This motion to adopt this Resolution was made by Mr. Vernon Davis, Osage Tribe; and was duly seconded by Mr. Floyd Harjo, Seminole Tribe. At the regular meeting of the Oklahoma Indian Housing Association on Thursday, January 29, 1976 in Shawnee, Oklahoma.

Apache—Absent
Caddo—Absent
Cherokee—Aye
Cheyenne-Arapho—Absent
Chickasaw—Aye
Choctaw—Aye
Comanche—Aye
Creek—Aye
Kiowa—Aye
Osage—Aye
Otoe-Missouri—Aye
Pawnee—Aye
Ponca—Absent
Sac and Fox—Aye
Absentee Shawnee—Aye
Seminole—Aye

Whereas, the critical social, economic, and environmental problems facing American Indians are in desperate need of action for relief, and

Whereas, providing safe, decent, and sanitary housing for those deserving American Indians is both a desire and positive action, and

Whereas, the criteria to determine actual needs is often impractical and inaccurate, and

Whereas, those persons most knowledgeable and most experienced to state the actual needs are those Tribal Housing Authorities operating under the auspices of their own Tribal bodies, Now

Therefore, be it resolved that the Indian Housing needs for the Sixteen Indian Tribal Housing Authorities in Oklahoma are hereby reported and that these needs be expressed to the United States Government.

Oklahoma's Sixteen Indian Housing Authorities presently have a need for 19,975 units of housing for immediate use by those deserving Indian families in need of safe, decent, and sanitary housing. These needs are above presently available numbers.

Stated needs are as follows:

Apache	300
Caddo	300
Cherokee	4000
Osage	250
Ponca	175
Seminole	300
Cheyenne-Arapho	350
Chickasaw	4500
Choctaw	3000
Otoe-Missouri	200
Sac and Fox	500
Comanche	1750
Creek	2600
Kiowa	850
Pawnee	150
Absentee Shawnee	750

And, be it further resolved, that the Congress of the United States of America be advised of this need and to further be requested to continue at least the current funding level of this beneficial housing program of fifteen million dollars Contract Authority for ensuing fiscal years until this critical need is met. Additionally, that the Department of Housing and Urban Development be mandated by the Congress to serve this need and that at a time this need is met that the Congress of the United States of America hold special hearings to reevaluate the needs of the American Indian.

○