

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON TRIBAL AFFAIRS**

March 14, 2019

8:02 a.m.

MEMBERS PRESENT

Representative Tiffany Zulkosky, Chair
Representative Bryce Edgmon, Vice Chair
Representative John Lincoln
Representative Dan Ortiz
Representative Chuck Kopp
Representative Dave Talerico
Representative Sarah Vance

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S) : OTHER ALASKA NATIVE ENTITIES

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

ANTHONY MALLOTT, President and Chief Executive Officer
Sealaska Corporation
Juneau, Alaska

POSITION STATEMENT: Presented on the Alaska Native Claims Settlement Act Regional Association.

HALLIE BISSETT, Executive Director
Alaska Native Village Corporation Association
Juneau, Alaska

POSITION STATEMENT: Presented on Alaska Native Village Corporations.

JACKIE PATA, Executive Director
Tlingit Haida Regional Housing Authority
Juneau, Alaska

POSITION STATEMENT: Presented on Alaska's tribal housing needs.

ACTION NARRATIVE

[8:02:18 AM](#)

CHAIR TIFFANY ZULKOSKY called the House Special Committee on Tribal Affairs meeting to order at 8:02 a.m. Representatives Talerico, Kopp, Lincoln, Edgmon, Ortiz, Vance, and Zulkosky were present at the call to order.

Chair Zulkosky called a brief at-ease at 8:03 a.m.

PRESENTATION: OTHER ALASKA NATIVE ENTITIES

[8:03:58 AM](#)

ANTHONY MALLOTT, President and CEO, Sealaska Corporation, relayed his personal background and relayed the importance of this committee's work. Mr. Mallott stated that his presentation would address the coordinated work and differences between the independent regional corporations and the Alaska Native Claims Settlement Act (ANCSA) Regional Association. He remarked, in reference to slide two of his PowerPoint presentation, titled "A Brief History of Land Claims," that the Alaska Native Brotherhood (ANB) and the Alaska Native Sisterhood (ANS) were formed in the early 1900s; ANB was formed as a grassroots organization in Sitka while ANS was formed in Wrangell. He shared that ANB and ANS have fought land claims since the late 1800s with their collaboration culminating in the 1971 Alaska Native Claims Settlement Act (ANCSA).

MR. MALLOTT continued with his presentation on slide three and stated that the passage of ANCSA in 1971 was precipitated by the discovery of oil. The formation of ANCSA accommodated the quick transfer of 44 million acres of land and close to \$1 billion to the 12 regional corporations. He described "the thirteenth regional," which represents shareholders that resided outside of Alaska at ANCSA's formation and may have sought representation. He remarked that this group is landless and less active than the 12 regionals "by many degrees." In reference to slide four, he asserted that there are many layers of Native organizations, which can be confusing even for shareholders or tribal citizens. He recognized that the layers are deep, but he affirmed that the organizations work together as best as possible to represent their common constituency and communities. He remarked, "That's the lead in all the work that we do together." Mr. Mallott noted the potential for confusion to arise when organizational

composition differs by region. He relayed, as an example, that in the Sealaska region there are 13 village corporations that are distinct entities whereas Ahtna, Incorporated, another regional corporation, has combined and absorbed all of the region's village corporations. He emphasized, "We aim to work together and we're getting better at working together."

8:09:11 AM

MR. MALLOTT, in reference to a map of the Alaska Native regional corporations on slide five, noted that "the maps were drawn by common culture and common interest." He stated that the shareholder base in 1971 represented shareholders that were originally from or lived in these regions at the point of formation. For example, Sealaska has Aleut shareholders that were living in southeast during ANCSA's passage. Mr. Mallott took issue with the quarter blood quantum required by the federal Bureau of Indian Affairs (BIA). He continued as follows:

I mentioned the common constituency that we have with our tribal citizens - that starts getting differentiated as the Alaska Native Corporations (ANCs) continue to abide by the original quarter blood quantum, and some of our tribes have lineal descendancy. It's an issue that we have to address at some point in time and it is a very serious one to us. We like the fact that we have common constituency with our tribal citizens and prioritize not leaving [individuals] out.

8:10:40 AM

REPRESENTATIVE ORTIZ asked if Mr. Mallott could clarify the difference between the Cape Fox Corporation, in his region, from the Alaska Native regional corporations.

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MR. MALLOTT replied that the Cape Fox Corporation represents the Saxman community. He noted that Ketchikan is considered a "landless community;" Ketchikan shareholders are Sealaska shareholders and are also registered as "Ketchikan landless." He relayed that there is a current effort in congress in which, if passed, Ketchikan landless shareholders would become Ketchikan urban corporation shareholders. Mr. Mallott shared that village corporations were developed by distinct community, hence the

total of 256, while urban corporations, such as Goldbelt and Shee Atika, were added later on.

[8:12:13 AM](#)

MR. MALLOTT shared that all 12 regional corporations are considered "sister corporations" and prioritize collaboration. He added, "We know we have common cause; that common cause typically sticks to policy efforts - working on things that we all care about very deeply: subsistence, the health of our communities, the resiliency of our communities, economic development." He emphasized that the association agreement assures that the regional corporations work together.

[8:13:11 AM](#)

MR. MALLOTT, in reference to the table on slide seven, noted that, later on, the charts' data originates from these tables. The data highlights differentiations between revenue and net income. He said, "It really gets confusing when everybody talks about the top 49-ers and everybody sees the billions that ANCs have. Those billions are revenue, which is very, very different from net income." He disclosed that there are close to \$9 billion in revenue and a five-year average of about \$250 million in net income. The \$250 million in net income are then dispersed across 12 regional corporations. Mr. Mallott distinguished the differences between various types of land claims, which were previously settled through trust and reservation land. He stated that ANCSA was tailored to specifically avoid the creation of reservation, trust, or "fee simple" lands in Alaska. Mr. Mallott affirmed, "We are for-profit corporations, but ... we act more like a family office. Every dollar we ever make will benefit and go back to our shareholders, which are the original Alaska Natives that we represent."

[8:15:20 AM](#)

CHAIR ZULKOSKY asked Mr. Mallott to describe why Alaska settled land claims through "fee simple lands" and not "land into trust," as in other reservations around the country.

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MR. MALLOTT responded that there are many theories and that the "[Alaska] Native community claims assimilation." He imparted that it would be difficult to have 256 reservation systems

across the state. He shared that there was likely a combination of reasons that led to the settlement decision and that there was general agreement, on both sides, that the settlement was favorable.

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MR. MALLOTT continued with his presentation and explained that the land is held in corporation, not in a trust. He said:

We represent tribal citizens, but they are shareholders, and the land that we represent - their original, indigenous, claimed rights, the land that they've lived on for ten thousand years - is not held in trust, it's held within the corporations. ... We don't carry the land in our balance sheet, we have land protections, and then we also, in majority, have land policies within our own corporations that continue to cement the fact that we will prioritize never losing an acre of land.

[8:17:03 AM](#)

CHAIR ZULKOSKY asked for Mr. Mallott to describe why all Alaska Natives are not shareholders within ANCSA corporations.

[8:17:14 AM](#)

MR. MALLOTT postulated that this could be a product of the blood quantum requirement, which would be "the main differentiation." He said that, in comparison, The Central Council of the Tlingit and Haida Indian Tribes of Alaska (Tlingit & Haida) has upwards of 30,000 tribal citizens and that Sealaska Corporation has 22,000 shareholders. Mr. Mallott attributed some of the difference to the design of the descendancy system; shares are given to an individual at the age of 18.

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MR. MALLOTT returned to his presentation on slide nine. He asserted that the situation of federal land ownership is well known, especially in southeast where 96 percent of land is federally owned. When ANCSA passed - after the establishment of the Tongass National Forest, Glacier Bay National Park, and Misty Fjords National Monument - Sealaska represented 21 percent of the original shareholders and received 360,000 acres, less than one percent of the 44 million acres. He asserted that the federal land ownership in Southeast Alaska constricted the

amount of land the corporation could receive. Doyon, Limited, another corporation, received 11 million acres. Mr. Mallott attributed this to how federal land ownership mapped onto different regions. He said, "It's why, in southeast, every single one of those 360,000 acres is very dear to us." He relayed that the people who partook in the land settlement have indicated that they were urged to accept much less.

[8:20:08 AM](#)

MR. MALLOTT shared that the ANCSA corporation is legally structured to be a family office; stock cannot be traded or sold. He attested that benefiting ANCSA's common constituency and protecting constituents' land motivates ANCSA's work. He stated, "Unique differences between any other for-profit corporation and an Alaska Native corp[oration] are real and significant." Some of these differences are positive, such as having a common constituency, and some of it makes it difficult to perform as a corporation. He imparted that there are "many layers to the 7(i) and 7(j) conversation, but it is a fantastic part of ANCSA;" he believes that every regional and village corporation would agree. He stated that all subsurface resources and timber are 7(i) and 7(j) resources; 7(i) requires that 70 percent of profit is shared throughout the entire system. For example, as the Arctic Slope Regional Corporation (ASRC) develops oil, 70 cents of every dollar goes to all of the other regional corporations, which is then distributed through 7(j) to the village corporations. He said, "You can imagine, early on, with the startup of these corporations, the fact that Sealaska, [Cook Inlet Regional Inc.] (CIRI), and ASRC ... in those early days were sharing natural gas wealth, some oil exploration wealth, some timber wealth - we were propping the system up with that sharing." He asserted that ASRC, NANA Regional Corporation ("NANA"), and a few others are continuing to prop up the system. He stated that this sharing provides a buffer to avoid bankruptcy, which would put the corporations at risk of losing their land. He stated that very few acres have left the Native corporations from the original 44 million. He further reinforced that 7(i) and 7(j) are important components of keeping Native lands within the corporations.

MR. MALLOTT stated, in reference to his presentation, that undeveloped land is not carried on corporations' balance sheet. He stated that banks are aware of this and cannot put a lien on or collateralize the land base; they can collateralize if they would like some of the resources but "even that is lightly used

just because, again, the land is the original reason why we're in existence."

MR. MALLOTT referenced the billions in revenues that keep corporations in the top 49-ers and asserted that this may be misinterpreted. He emphasized that the corporations have billions in gross revenue, not net income. He related that Sealaska "value[s] what revenue describes," such as making an economic impact and creating jobs, and that it's "a positive number for the state," and he referenced Sealaska's work in natural resource development and the service industry. He stated, in reference to the information displayed on slide 12, that the ANCs are a dominant employer.

[8:26:29 AM](#)

MR. MALLOTT stated, in reference to the table on slide 13, that 100 percent of the \$250 million in net income goes to shareholders in dividends, donations to cultural and Native non-profits, and donations to non-Native non-profits. He relayed that the average of \$170 million in dividends equates to just over one thousand dollars per shareholder. He said, "On a per [capita] it is not that significant. It's important to our shareholders to receive that money; it helps especially in the rural community, but it is not, as we say, life-changing money." He stated that other high priorities for the corporation and shareholders are culture, arts, language, and education, particularly scholarships.

[8:28:32 AM](#)

REPRESENTATIVE ORTIZ asked for examples of organizations or non-profits that receive those donations.

[8:28:49 AM](#)

MR. MALLOTT relayed that Aiding Women in Abuse and Rape Emergencies (AWARE), HOPE Community Resources (HOPE), Sealaska Heritage Institute, and Alaska Native Heritage Center receive donations. He stated that each region has its own non-profit as does each village corporation, such as Huna Heritage Foundation and Goldbelt Heritage Foundation. Mr. Mallott referred to the village corporations as a closely affiliated non-profit that works on the cultural enhancement of its tribe or region. As an example, he shared that Sealaska Corporation gives \$1.7 million annually to Sealaska Heritage Institute.

[8:29:49 AM](#)

REPRESENTATIVE EDGMON thanked Mr. Mallott for his presentation. He recognized the possibility of severe budget reductions and noted that there may be the belief that regional corporations or other Alaska Native entities will "pick up the tab." Representative Edgmon asked if Mr. Mallott would like to elucidate why that notion does not reflect the mission of the regional corporations.

[8:30:28 AM](#)

MR. MALLOTT shared that, disregarding the misalignment in mission, it should not be assumed that corporations have the capacity to assist. He referenced the previously stated misconception that the billions in revenue are available and said, "the dollars we make are very well utilized right now and there is not excess, at this point in time." He relayed that the purpose of the system is to supplement many of the social, community, and socioeconomic programs. He informed the committee that tribes also have funding available for specific programmatic purposes that match more closely with the government. When tribes fall short in funding and tribal members are not being served, ANCSA works with them to supplement programs. He reiterated that ANCs were charged with the economic side - economic development, job creation, and the distribution of dividends - while tribes' purview includes oversight of their tribal citizen base.

[8:32:09 AM](#)

CHAIR ZULKOSKY introduced Hallie Bisset, a board member of the Cook Inlet Region, Incorporated (CIRI) and the Executive Director of the Alaska Native Village Corporation Association (ANVCA).

[8:32:26 AM](#)

HALLIE BISSETT, Executive Director, Alaska Native Village Corporation Association, shared that she is the great-granddaughter of Chief Nikoli, who was the last traditional chief of the Talkeetna area, also known as Sunshine Village. She thanked the committee for the invitation to present on village corporations.

MS. BISSETT stated, in reference to a PowerPoint presentation, that the ANVCA was created in 2008 by a founding member of The

Kuskokwim Corporation; the President and CEO, Maver Carey, had the vision to understand that the village corporations would need their own association separate from ANCSA. She stated that ANVCA and ANCSA differ; the former is a 501(c)6 with dues-paying member organizations, such as village corporations and partner organizations, which fund ANVCA. She stated that partners are usually private, for-profit businesses that promote the development of Alaska Native village corporations, though there are also non-profit partners. Ms. Bissett shared that ANVCA has a nine-member board of directors composing members representing a variety of regions.

MS. BISSETT stated that under ANCSA, corporations received 44 million acres of land and \$962 million, which was split 12 ways and dispensed over 11 years. She stated that ANCSA created 12 in-state regional corporations and a thirteenth region was created later for those that were living outside of the state during ANCSA's passage. She shared that ANCSA created over 256 village corporations - defined as entities that had 25 or more Alaska Native people living in the area - and that many eventually merged together, leading to the 177 that remain today. She stated that village corporations and urban corporations differ; there are only four urban corporations - Goldbelt, Shee Atika, Natives of Kodiak, and Kenai Native Association - which are included in the 256 and 177 village corporation counts. She remarked that efforts are underway to amend ANCSA and establish more urban corporations.

[8:36:09 AM](#)

MS. BISSETT explained that if an individual was not born on or before December 18th, 1971, the individual would not receive shares in a Native corporation. She imparted that some regional and village corporations have chosen to include individuals born after the previously mentioned date. Ms. Bissett stated that she serves on the board of directors for CIRI and that, while she was born after 1971, she is able to serve as a board member because her mother gifted her shares. She confirmed that individuals can gift their shares to a family member.

MS. BISSETT stated, in reference to slide five of her presentation, that regional corporations typically have sub-surface estate rights to minerals, oil, et cetera, while village corporations have surface rights to land. Ms. Bissett emphasized the importance of the 7(i)7(j) revenue-sharing provision through which the villages are recapitalized every year. She shared that some villages are "almost completely

dependent" on the annual income from 7(j) payments and that "about 80 percent would not exist without the infusion from the 7(j) payments." She further relayed that 7(j) payments compose 30 percent of some of the regional corporations' net incomes.

[8:38:17 AM](#)

CHAIR ZULKOSKY asked for an example of how regional corporations subsurface estate rights and village corporations surface estate rights are utilized by the respective corporations.

[8:38:35 AM](#)

MS. BISSETT, in response, posited that if Doyon, Limited had been successful in finding natural gas in Fairbanks, the regional corporation would have coordinated with the village corporation, Toghoththele Corporation, on its surface estate lands to develop the processing facilities that would have resided on the surface. She stated that the land lease and royalties would also have been negotiated with the village corporation. She remarked that the regional and village corporations work closely together to ensure that both entities benefit from resource development.

[8:39:29 AM](#)

MS. BISSETT stated that ANVCA promotes the success of village corporations and the protection of Alaska Native lands. She said, "Lands [are] very important to us, it's what we're tied to, it's what makes us Alaska Native people, and we want to protect our land ownership as much as possible." She relayed ANVCA's vision to support its mission with projects that provide education to, advocacy of, outreach to, and inclusion of village corporations, as well as sustainability efforts. She noted that ANVCA does 12 networking events a year, a legislative fly-in, and an annual conference. She stated that the conference includes training, hosts roundtables, and accommodates the sharing of best practices amongst ANCSA regional and village corporations.

[8:41:11 AM](#)

MS. BISSETT imparted that most of ANVCA's advocacy concerns land solutions and efforts to protect minority owned business programs. She stated ANVCA's advocacy includes "[securing] a solution for Alaska's fiscal future," which she described as meaning that the state budget is balanced but, notably, not at

the expense of rural Alaskans. She stated that ANVCA develops policy to support economic and infrastructure development and promote the inclusion of Alaska Native representation in Arctic discussions and decisions. She commented that ANVCA also supports Get Out the Native Vote during campaign season.

[8:42:10 AM](#)

MS. BISSETT, regarding slide 11 of her presentation, discussed the economic impact of village corporations, noting the 11 corporations that appeared in the top 49ers list. She said, "We're very proud of that, 20 percent of the total revenue [on the list comes] from village corporations." She shared that, if combined, the village and urban corporations generated about \$3.7 billion in 2017, which increases to \$12.9 billion with the inclusion of regional corporations.

MS. BISSETT stated that Alaska Native village corporations and regional corporations "reverse the traditional Alaska economic model whereby typically a company will come in and extract a resource, whether it be oil or natural gas or sea otter pellets, and [take] those revenues home with them." She said that ANCs and village corporations go outside the state or village, generate revenue, and return home. She commented that this allows for public/private partnership to develop infrastructure and new economies to accommodate future economic growth. Ms. Bissett noted that the \$12.9 billion in annual revenue is about a quarter of Alaska's gross domestic product (GDP). She shared that approximately 80 percent or more of a Native corporation's net income is returned to communities. She stated that this demonstrates the commitment of these corporations to their communities; they're returning money through scholarships, dividends, and donations to Native entities and non-Native charitable non-profits.

[8:45:30 AM](#)

MS. BISSETT spoke to "interesting facts" about ANCs on slide 14. She shared that over half of the regional corporations and many village corporations have voted to include individuals born after 1971 as shareholders. She relayed that every region or village corporation has implemented the expansion in a unique way; some distribute Class B stock to individuals upon turning 18; other village corporations allocate stock when an individual is born. She stated that every region has an educational foundation that provides scholarships and grants to shareholders. She relayed that most villages have individual

foundations; a majority of these entities provide elder benefits, death and funeral expense assistance, and some corporations have their own bank and administer microloans to accommodate economic development in villages.

MS. BISSETT asserted that a handful of village corporations are doing "really extraordinarily well" but that there are 177 entities in total. While there are 50 corporations for which ANVCA possesses data - corporations that have generated \$3.4 billion in revenue - there are 127 corporations excluded that are "really struggling." She shared, "A lot of them have made investments at home in the village where they may or may not have made sense." Ms. Bissett shared that she envisions "the villages as an entrepreneurial people." She posited that current investments made into human capital - through scholarships, internships, and professional development - will lead to growth in the future.

MS. BISSETT moved onto items for which ANVCA has previously advocated and suggested that committee members inquire about the items specifically.

[8:49:09 AM](#)

MS. BISSETT noted that Senate Bill 202 [passed during the Twenty-Ninth Alaska State Legislature] relieved ANCs of liability for contaminated lands received upon the passage of ANCSA. She shared that, as a product Senate Bill 202, village corporations now meet eligibility requirements and are applying for Brownfield Development grants to accommodate cleanup in villages. She shared that the cleanup of contaminated lands is a federal concern but that, due to limited grant funding, the state ought to prioritize ANCSA lands when cleanup does occur.

MS. BISSETT, in reference to slide 19 of her PowerPoint presentation, imparted the importance of federal funding to ANCs. She directed attention to the slide and referenced the legislative advocacy that ANVCA is promoting federally to fund energy projects in rural Alaska. She stated that ANVCA is working to ensure that ANCs have investment opportunities "if the Trump administration starts working on infrastructure legislation." She shared that ANVCA intends to support Alaska Native organizations' participation in public/private partnerships to allow the opportunity for ongoing revenue.

MS. BISSETT mentioned ANVCA's work with partners to address Alaska's telecommunication needs and requisite infrastructure.

She indicated that she could go into more depth at the committee's request.

[8:52:31 AM](#)

MS. BISSETT turned to slide 23, titled "2019 State Priorities," and related that the cleanup of ANCSA contaminated lands remains a priority. She related that ANCSA supports "the return of 14C3 ANCSA lands from the state to village corporations to elect to not have a borough or municipality in their village." The 14C3 provision of ANCSA required village corporations to return land to the state to be held in trust. Ms. Bissett related that the current system in place works well between the appropriate village entity and the duly elected entities in villages; some villages, like Chenega, "are probably thinking to themselves, 'We're never [going to] have a borough or a municipality'." She said, "We would like a process for the State of Alaska, who has the power and the authority, to ... transfer these lands back to our appropriate village entities." She stated that ANVCA has been working with the state for several years in an attempt to transfer a community school back to the village corporation of Chenega for a community-based project. She relayed that village corporations are required to go through Alaska's Department of Commerce, Community, and Economic Development (DCCED) and ask for their lands back and "prove that they know what's best for the land they've been living on for thousands of years." She indicated the need for a standard operating procedure and the need to work collaboratively to return lands to villages.

MS. BISSETT continued to the third point and asserted the need to amend the Local Boundary Commission process to include requirements for consent from current landowners prior to forming a borough or municipality. She related a story of a recent effort by an out-of-state landowner, who owns land in Girdwood, whose permits for a development project were denied, initiating her effort to create a new borough. The new borough would have included Girdwood, Whittier, Valdez, Chitina, and Chenega, which prompted ANVCA's review of the local boundary commission process. ANVCA found that it is not possible for landowners, such as a village or regional corporation, to "opt out." She reported that ANVCA believes landowners should be required to obtain explicit consent through board resolution from the existing landowner prior to borough formation and, if permission is not granted, ANVCA would like the ability to opt village lands out of a proposed borough.

MS. BISSETT related the importance of education to ANVCA. She stated that, as a for-profit organization, ANVCA is not allowed to give money specifically to its communities as they exist under the same rules as every other corporation. ANVCA can, however, give through charitable donations. She reported that ANVCA would like to have its charitable donations restored to a dollar-for-dollar tax credit for the first \$300,000, which would allow for ANVCA to donate directly to schools in villages.

MS. BISSETT stated ANVCA would like to ensure local content in any statewide infrastructure or capital projects. She commented that this topic may not arise this year, but the association will focus on it in the future. Ms. Bissett ended her presentation with "tsin'aen," thanked the committee, and thanked Chair Zulkosky for the invitation.

[8:57:22 AM](#)

REPRESENTATIVE KOPP thanked Ms. Bissett for her presentation and inquired whether the village corporations' funds are a pass through from the regional corporation or if they fall under the purview of the 7(i) provision.

[8:57:50 AM](#)

MS. BISSETT responded that, under 7(i), 70 percent of revenues are split between the twelve regional in-state corporations and, under 7(j), 50 percent of that allocation is split between the region's villages.

[8:58:12 AM](#)

REPRESENTATIVE KOPP asked if the Donlin [Gold LLC] project is on the land of Doyon, Limited.

MS. BISSETT stated that no, the project is on Calista Corporation land.

REPRESENTATIVE KOPP sought to confirm that the villages on Calista Corporation land would benefit from the project, through 7(j), if it were to occur.

MS. BISSETT said that if Donlin Gold LLC is successful, every regional and every village corporation would benefit.

[8:58:43 AM](#)

CHAIR ZULKOSKY thanked Ms. Bisset for her time and for her and Mr. Mallott's overview of the complex nature of Alaska Native entities.

CHAIR ZULKOSKY introduced the next speaker, Jacqueline Ku.seen Pata, who previously served as the deputy assistant secretary for the U.S. Department of Housing and Urban Development (HUD). Chair Zulkosky relayed that Ms. Pata is the vice president of Tlingit & Haida and a board member of Sealaska Corporation.

[8:59:19 AM](#)

JACKIE PATA, Executive Director, Tlingit Haida Regional Housing Authority, introduced herself in the Tlingit language and noted that her Tlingit name is Ku.seen. She stated that she is presenting with a variety of hats as she is also a sitting board member of the Sealaska Corporation and she is the second vice president of Tlingit & Haida. She stated, in reference to a PowerPoint presentation, that \$94 million comes to Alaska through the Native American Housing and Self Determination Act (NAHASDA), which was passed by Congress in 1996 and implemented in 1998. She stated that it was a substantial change from the public housing model, which includes rental and other assistance programs. She related that tribes nationwide and in Alaska are "aggressively involved" in redesigning the public housing program that utilized block grants and gave flexibility to design programs, leverage dollars, and meet communities' needs while also addressing HUD's low-income requirements.

MS. PATA stated that with the NAHASDA model, tribes across the country were able to leverage dollars. She related that, from implementation to 2006, there was a big uptick in housing construction with a peak from 2007 to 2010. She indicated that this was a partial product of Congress' implementation of the American Recovery and Reinvestment Act of 2009 (ARRA), which was an investment and infusion of infrastructure dollars for "shovel-ready" projects, which were abundant in housing. She remarked that there's been a "drastic change" with a focus shifting towards renovation rather than new construction.

[9:02:19 AM](#)

MS. PATA relayed, in reference to slide two, that she is the executive director of the National Congress of American Indians (NCAI); NCAI's analysis shows the impact of the proposed budget's substantial cuts upon housing in Alaska. She relayed that funding for housing infrastructure and housing related

services comes from the U.S. Environmental Protection Agency (EPA), the U.S. Department of Agriculture (USDA), and the U.S. Department of the Interior (DOI). She stated, in reference to slide three, that \$94 million come to Alaska through regional housing authorities and tribally designated housing authorities. She relayed that implementation of NAHASDA prompted recognition of the existing housing structure and affirmed the sovereignty of tribes, leading regional housing authorities to urge tribes to implement new housing programs. Several years later, U.S. Senator Stevens, by an amendment, eliminated that option for Alaska, recognizing the number of tribes and concern for administrative duplication and the possibility of dollars being misdirected from new construction.

MS. PATA relayed that, under the Native American Housing Block Grant (NAHBG) program, a tribe or a housing entity can do new construction, rehabilitation, homeownership, or an alternatively designed program. She stated that the Indian Community Development Block Grant (ICDBG) program, which is currently "proposed to be zeroed out," has a 3 to 5 percent set-aside from the mayor's money across the country. She stated that the Title VI loan guarantee program sought to allow tribes to leverage their NAHASDA dollars against future infusions of money, similar to what mayors have done with the Community Development Block Grant (CDBG) program for larger scale infrastructure programs. She relayed that HUD's Veterans Affairs Supportive Housing (HUD-VASH) program coordinates with the housing authority and U.S. Department of Veterans Affairs (VA) to house homeless individuals and veterans that have high needs. She stated that the Housing Improvement Program (HIP) operated by BIA, which provides for the very low income, recently added the ability to accommodate homeownership and down payment assistance, but increased funding hasn't been proposed. She remarked that the 502 Direct Loan Program is administered by USDA.

[9:06:48 AM](#)

CHAIR ZULKOSKY inquired if non-profit regional housing authorities were established under state statute.

[9:07:01 AM](#)

MS. PATA confirmed that they were established under state statute, which also dictated how boards were created and structured. She stated that, when NAHASDA was enacted, they sought to sustain the efforts of the regional housing

authorities while recognizing that tribes could opt to develop other programs.

[9:07:36 AM](#)

CHAIR ZULKOSKY referenced a presentation earlier in the week on tribal compacting. She asked if tribes would elect to contract with regional housing authorities for the distribution of funds.

[9:07:50 AM](#)

MS. PATA responded, "It's not exactly like that." She relayed tribes and housing authorities can form agreements, but legislation recognizes regional housing authorities as the rightful entity unless the tribe proactively chooses to provide services. She confirmed that regional housing authorities can compact with the tribe to work directly with them.

[9:08:26 AM](#)

MS. PATA stated that, important to note in discussion of budget issues, in 1996, \$650 million in housing funds were available nationwide and that the current proposal is for \$750 million. She said that "it hasn't really gone a lot" in 20 years and that, if funding had kept pace, it would be closer to \$1 billion. She stated that the Alaska housing authorities are dealing with housing dollars that have not kept pace with inflation in addition to rising construction costs and the substantial rise in infrastructure related issues. She shared that, in a recent study, HUD found that 70 percent of participants noted the cost of infrastructure as a reason for not developing new construction, which "is a substantial issue" in Alaska.

MS. PATA turned to the Association of Alaska Housing Authorities' (AAHA) legislative priorities on slide five of her PowerPoint presentation. She relayed that previously, when AAHA applied for federal grants, the state provided a match in funding - the Supplemental Housing Development Grant (SHDG) - and that upon NAHASDA's passage the match continued and has assisted with funding additional infrastructure needs.

[9:11:02 AM](#)

MS. PATA stated that NAHASDA's block grant program developed a formula based on census figures. She noted that Alaska's census figures are a substantial undercount, which affects how housing

dollars are allocated to Alaska. She emphasized the significance of the U.S. Census, especially with the historical undercounting of Alaska's rural communities. The U.S. Census Bureau gave an adjustment factor for the undercount of American Indian and Alaska Native populations of 4 percent. For Alaska, the adjustment was only permitted for "rural" areas, which had such a narrow definition that it did not necessarily assist all of the state's applicable communities.

[9:12:16 AM](#)

MS. PATA moved on to slide seven of her presentation. She stated that surveys have shown Alaska Native people rank weatherization and energy efficiency as the most critical need; the programs assist with energy affordability and mold issues. Ms. Pata stated that other priorities include the Senior Citizens Housing Development Grant Program (SCHDGP) and the Teacher, Health Professional, and Public Safety Housing Grant Program - both being important pieces of designated housing. She stated that available housing in rural communities can be rare due to persistent overcrowding.

[9:13:33 AM](#)

MS. PATA stated that the \$94 million in federal funding generates \$193 million in direct and indirect economic activity through tribal housing programs. The programs employ approximately 1,400 individuals and construct 125 affordable energy-efficient homes. She relayed that the partnership between Alaska construction associations and the housing authorities became a testing ground for piloting improvements related to energy efficiency, which the housing authorities readily adopted.

MS. PATA provided the committee with economic data from the recent Southeast Alaska Housing Summit. She relayed that 22 percent of Alaska Native households are headed by single women compared to 8 percent of non-Native households. She continued to share that 62 percent of employers noted that housing was a barrier in their expansion or conduction of business.

[9:16:06 AM](#)

REPRESENTATIVE EDGMON thanked Ms. Pata for the presentation. He stated that a lot of villages have substandard housing; he noted the innovations occurring with the Cold Climate [Housing] Research Center and commended Jack Hebert. He noted that many

of the communities in his district are growing and that there is a mix of Haida houses, new homes, energy efficient homes, and dilapidated, overcrowded housing units. He shared his support for the weatherization programs and noted that it lacks adequate funding from the federal and state government. He noted the dual function of the weatherization program as improving living conditions while also creating jobs, and he asked if Ms. Pata had anything to share on the matter.

[9:18:27 AM](#)

MS. PATA stated that, in her position on the tribal council, housing issues are seen much more frequently than other problems. She said that the state would need 2,066 additional units per year to accommodate demand; 125 affordable, energy efficient homes have been built. She said, "Weatherization can only do so much to a unit; some of the units actually need to be replaced."

[9:19:26 AM](#)

CHAIR ZULKOSKY inquired about the challenges to bringing new construction to communities served by the regional housing authorities.

[9:19:38 AM](#)

MS. PATA emphasized the value of planning in the creation of a long-term strategy for infrastructure development. She relayed that the acquisition of 10 to 15 funding sources is necessary for a single construction project to begin. She stated that most small villages are dealing with water and sewer moratoriums and issues of affordable energy. She noted that electrification and telecommunication, which require long-term planning, are not accommodated by HUD's funding cycle. She furthered that housing authorities often do large-scale projects rather than smaller projects, which offer greater sustainability and long-term employment.

[9:21:36 AM](#)

CHAIR ZULKOSKY said "quyana" and thanked Ms. Pata for her service to Alaska.

[9:21:56 AM](#)

CHAIR ZULKOSKY ADJOURNMENT

There being no further business before the committee, the House Special Committee on Tribal Affairs meeting was adjourned at 9:22 a.m.