

Testimony of Sharon K. Vogel
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Introduction

Good afternoon, thank you, Chairwoman Smith and Ranking Member Rounds, and members of the subcommittee for the opportunity to testify before you today on preserving and improving our federally assisted homes. My name is Sharon Vogel, I am the Executive Director of the Cheyenne River Housing Authority located on the Cheyenne River Sioux Reservation. I am also the Chairwoman of the United Native American Housing Association (UNAHA), with 33 member tribally designated housing entities (TDHEs) from the states of North and South Dakota, Nebraska, Montana, Utah, Wyoming and Colorado. I am also proudly serving my first term on the Board of Directors of the National Low Income Housing Coalition (NLIHC) and continue my service as a Board Member of the National American Indian Housing Council (NAIHC).

The Cheyenne River Housing Authority currently provides low-income housing to over 800 families. The Cheyenne River Housing Authority serves a primarily Native American population in communities throughout the Reservation. The Cheyenne River Housing Authority is the tribally designated housing entity for the Cheyenne River Sioux Tribe, and we currently manage 735 rental units, 86 homeownership units -- with 42 new rental units under construction and we continue to build on our successful record of developing affordable housing by designing and financing rental and homeownership homes for eligible families.

Native Americans living in tribal areas and remote Alaskan villages experience some of the greatest housing needs in the country, with high poverty rates, low incomes, overcrowding, lack of plumbing and heat, and unique development issues. Due in part to these unique conditions, Native American households have been especially hard hit by the pandemic and its resultant economic downturn—being more likely to develop serious illness as a result of the pandemic. But overcrowding of available housing stresses both the occupants and the structures themselves – homes on the Cheyenne River Reservation require much more maintenance than the average wear-and-tear to remain safe and livable – this is not for lack of property management, it is because there are not enough homes to go around. A three-bedroom house is designed for a family of 5 or 6, but often because of overcrowding these units are occupied by three or more families – sometimes as many as 15 individuals sharing the house. Preserving limited Indian housing resources nationwide makes it essential that

Indian housing be remembered in the upcoming infrastructure legislation, including the \$70 billion being targeted for rehabilitation of federally-assisted housing.

We strongly support the recently-introduced bill to reauthorize the Native American Housing Assistance and Self-Determination Act (NAHASDA) sponsored by Senators Smith and Rounds. In particular the proposed provisions reinstating the highly successful Drug-Elimination program and the long-awaited changes to the NAHASDA program requirements, many of which were originally proposed by the UNAHA region.

In order to bring NAHASDA resources where they are needed the most, we also support the proposed \$1B increase for the competitive IHBG program.

The pandemic has exposed significant gaps in our federal housing safety net. Housing inequities contributed to the spread of COVID-19 cases and deaths, and the lack of universal housing assistance placed tens of millions of renters at risk of losing their homes and with them, the ability to keep themselves and their families safe. We can build back better by closing gaps in our safety net so that our tribal governments and our nation are better prepared for the next crisis.

Severe substandard housing exists on Native lands in a much higher percentage than anywhere else in the Country. These conditions have been confirmed by nearly every Indian and Alaska Native housing study, and were highlighted in HUD's most comprehensive and recent "[Housing Needs of American Indians and Alaska Natives in Tribal Areas: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs](#)," by HUD PD&R and the Urban Institute, January 2017 -- which was commissioned by Congress and funded through HUD several years ago. Although these housing conditions exist in many Indian communities and Alaska Native villages throughout the country, they are rampant in three particular regions: Arizona/New Mexico, the Northern Plains, and in Northwest Alaska Native villages. Not surprisingly, these three regions also have the highest poverty levels in Indian country. The Report summarizes that "[H]ousing problems of American Indians and Alaska, particularly in reservations and other tribal lands are extreme by any standards."

We are aware of these conditions and their impact on Native reservations and communities – in part because a majority of our UNAHA members are suffering from extremely poor housing conditions. We understand and live with these conditions and their consequences even when there is not a devastating global pandemic. It should be unacceptable that our Country inadequately funds its Indian housing program and continually fails to address both the severe shortage of housing and the unhealthy and unsafe conditions that continue unabated. Tribes and TDHEs battle each day to provide decent, safe, and sanitary housing to their people, but many of us simply do not have the necessary financial resources to address these conditions.

The effects of the pandemic and the housing crisis have also persisted all throughout the United States. Last week, NLIHC and state partners around the country, including the Cheyenne River Housing Authority, released [Out of Reach](#), the annual, national report that determines the housing wage – or hourly wage a full-time worker would need to earn in order to afford their housing – for every state, metropolitan area, combined non-metropolitan area, and county in the United States. For individuals working at the minimum wage in South Dakota a person must work 51 hours to afford a modest 1-bedroom rental home at Fair Market Rent – thus

highlighting the need for Cheyenne River Housing Authority to continue to increase its stock of subsidized affordable housing.

The 2021 national housing wage is \$24.90, for a full-time worker to afford a modest two-bedroom apartment. This is more than three times the federal hourly minimum wage of \$7.25. A full-time minimum-wage worker can afford a one-bedroom rental home at fair market rent in just 218 of the nation's 3,000 counties. All of these 218 counties are located in states with a minimum wage higher than the federal minimum. On the Cheyenne River Reservation the average general assistance (GA) recipient gets only \$278 a month or \$3,336 annually – well below the amount necessary for them to be housed without a deep subsidy.

Early this year NLIHC's [The Gap](#) report, the annual, national report that measures the availability of rental housing affordable to extremely low-income households and other income groups was released. Based on the American Community Survey Public Use Microdata Sample (ACS PUMS), *The Gap* presents data on the affordable housing supply and housing cost burdens at the national, state, and metropolitan levels. The report also examines the demographics, disability and work status, and other characteristics of extremely low-income households most impacted by the national shortage of affordable and available rental homes. The U.S. has a shortage of 7 million rental homes affordable and available to extremely low-income renters, whose household incomes are at or below the poverty guideline or 30% of their area median income. Only 37 affordable and available rental homes exist for every 100 extremely low-income renter households. 72.5% of extremely low-income households are severely housing cost-burdened, meaning that these households are spending more than 50% of household income on housing costs. In South Dakota, there are 58 affordable and available rental homes for every 100 extremely low-income renter households with 61% of these renter households being severely cost burdened with housing expenses. While the state as a whole does a bit better than the rest of the nation, we know that there are unique challenges for not only Native Americans, but also African American and Latino households who often face systemic and racial discrimination, tend to be worse off than white households.

Policy Solutions

This year we have an enormous opportunity to invest in not only the future of Native American Tribes but the future of housing in America. Housing is Infrastructure and it is time that Congress can come together to undo the decades of discrimination and inequity for the most marginalized groups in the United States. While we do appreciate that Congress has allocated money under both the CARES Act and the Appropriations Act of 2021, including the Emergency Rental Assistance Program (ERAP), to alleviate the short-term effects of the COVID-19 pandemic. We can confirm that this money had an immediate and vital impact on preserving and protecting housing services and resources in our tribal communities. Our proposal is to now address the more long-term and sustainable solutions to improving Indian housing.

First, we support the [bipartisan legislation](#) reintroduced by Senators Brian Schatz (D-HI), Lisa Murkowski (R-AK), Mike Rounds (R-SD) and Tina Smith (D-MN) that would reauthorize the Native American Housing Assistance Self-Determination Act of 1996. Funding under NAHASDA programs is the main source of federal assistance to ensure American Indians, Alaska Natives, and Native Hawaiians have access to safe, accessible, and affordable housing. Authorization for most NAHASDA programs expired in 2013, although Congress has continued to fund them. The Indian Housing Block Grant (IHBG) under NAHASDA the main source of housing assistance for Native communities, primarily benefits low-income American Indian families. This bill also includes new provisions to address the housing crisis in tribal areas including the reinstatement of the highly successful HUD Drug Elimination program and would permanently authorize the Tribal HUD-VASH veteran's housing program which is currently a demonstration. Such formal reauthorization is long overdue.

Since the inception of NAHASDA in 1997, Indian Housing Block Grants have had an average flatline funding of approximately only \$625,000,000 a year. Because no adjustment has ever been made for inflation, the value

of that funding has sharply declined over the past 25 years. In addition, the amounts received by individual tribes have further been reduced by more previously non-funded tribes joining the program. Adding to this is that Native populations have increased and TDHEs have had to divert development funding to the rehabilitation of existing units to keep their aging units from disrepair.

Tens of thousands of new units are needed. Thousands of existing units, some of which are currently boarded up because of lack of funding and severe methamphetamine contamination, are also in need of substantial rehabilitation. The simple fact is that \$2,000,000,000 (two billion dollars) of additional new funding is needed for the each of the next seven years if these conditions are going to be effectively addressed. This funding is vitally needed for Tribes and their TDHEs to build and rehabilitate their housing. Most observers know and most studies show, including the Report, that TDHEs have, or if needed can quickly reacquire, the capacity to build housing and other related infrastructure construction on this scale. TDHEs are prepared to quickly gear up to produce a substantial number of new units. This will help tribes and Alaska villages generate for their communities and the country post-pandemic economic recovery -- just as they did successfully ten years ago after the Great Recession with American Recovery and Reinvestment Act (ARRA) moneys.

It is our recommendation and opinion that these new funds should be evenly divided between HUD's Indian Housing Block Grants (IHBG) and its IHBG Competitive Grants. Using the existing IHBG program to deliver some of this money would allow some of the grants to be allocated using the NAHASDA allocation formula. By this method, half of the money would be divided up among all the tribal and Alaska Native TDHEs. Then using IHBG Competitive Grants, HUD can award the other half of the funds to those TDHEs that have the greatest need, but who also have the capacity required to quickly and effectively deliver this badly needed housing and to contribute to economic resurgence. This is exactly how TDHEs were successful when called upon a decade ago to use ARRA moneys.

We also recommend and support the passage of the [Native American Rural Homeownership Improvement Act](#) introduced by Chairwoman Smith (D-MN) and Ranking Member Rounds (R-SD). The Section 502 program is credited with building more than \$40 billion in wealth for our nation's poorest families, while also being one of the most cost-effective federal housing programs. The program provides low and very low-income applicants with payment assistance so that they can purchase safe, decent, and sanitary housing in eligible rural areas. This program could help address the relatively low homeownership rates in rural Native communities, however, from 2016-2021 only 2.6% of those loans were made to borrowers who identified as Native Americans. USDA currently operates a pilot program in South and North Dakota, where the Department has partnered with Four Bands Community Fund located on the Cheyenne River Reservation and Mazaka located on the Pine Ridge Reservation, two Native Community Development Financial Institutions (CDFIs), to leverage their deep ties in local communities and deploy Section 502 loans to eligible Native borrowers. The pilot program has demonstrated that Native CDFIs can help the Department reach Native homebuyers more effectively, especially homebuyers living on Tribal land. This bipartisan legislation would expand this pilot program federally and create a national relending program within the Section 502 Direct Loan these mortgage loans for Native American Families.

This year we have a great opportunity to redress the damage caused by discriminatory housing practices and the housing crisis through once in a generation infrastructure legislation. Congress has to not only improve housing and homeownership rates but to eliminate homelessness for the future. Housing is Infrastructure, and there is no better time for Congress to act on that message than right now. Congress should include in any infrastructure bill the HoUsed campaign's top priorities. These include:

- A major expansion of Housing Choice Vouchers to pave the way toward universal rental assistance for all eligible households. Our members, who are working directly with people experiencing or at risk of

homelessness, report to us that this would be the biggest achievement needed to ensure everyone has a home.

- \$70 billion to repair and preserve public housing for current and future generations. Public and Indian housing is home to some of the lowest-income renters in America. Over the years, we have seen a drastic reduction in funding going for repair and a reduction in the number of homes available. People who live in federally-assisted housing deserve quality housing.
- \$45 billion for the national Housing Trust Fund (HTF) to build and preserve new homes affordable to America's lowest-income and most marginalized households. The HTF is the only federal housing program exclusively focused on providing states with resources targeted to serve households with the clearest, most acute housing needs. In 2016, the Cheyenne River Housing Authority was the first TDHE recipient of an HTF grant and received a second grant in 2018 – which resulted in construction of a total of 24 units of affordable housing for very-low and low-income families.

The American Jobs Plan proposal included two of these three priorities along with the \$2 billion to meet the housing needs of tribal communities. All three of the HoUsed campaign's top priorities and the \$2 billion for the Native American Housing Block grants are included in House Financial Services Committee Chair Maxine Waters' (D-CA) bills "[Housing is Infrastructure Act](#)" and "[Ending Homelessness Act](#)," both of which we support and still encourage that at least \$1 billion allocated for Native American housing go through competitive funds.

Finally, The FY22 House Appropriations bill also saw an increase for NAHASDA programs, up increasing by \$75 million from FY 21 levels for formula programs and \$150 million for the competitive programs. We, of course, support these significant increases and the priority consideration within the competitive program to projects that would improve water and energy efficiency or increase resilience to natural disasters, we will continue to encourage the highest possible allocation.

If the Country fails now to address the plight of Indian housing, it would be disastrous to tribes and Alaska Native communities, and to those hundreds of thousands of Native people and families who suffer so greatly with overcrowded and severely substandard housing. Most tribal and Alaska Native people that today live in Indian areas, their governments, and their TDHEs, have no other option but to look to the federal government for the housing funds that they so badly need. For the United States to continue, at this particular moment, to ignore these tribal needs would be nothing short of a tragedy and sadly yet another abandonment by the United States of longstanding concerns and obligations to tribal sovereigns, Indian people, and Alaska Natives.

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