

HANDOUT #2

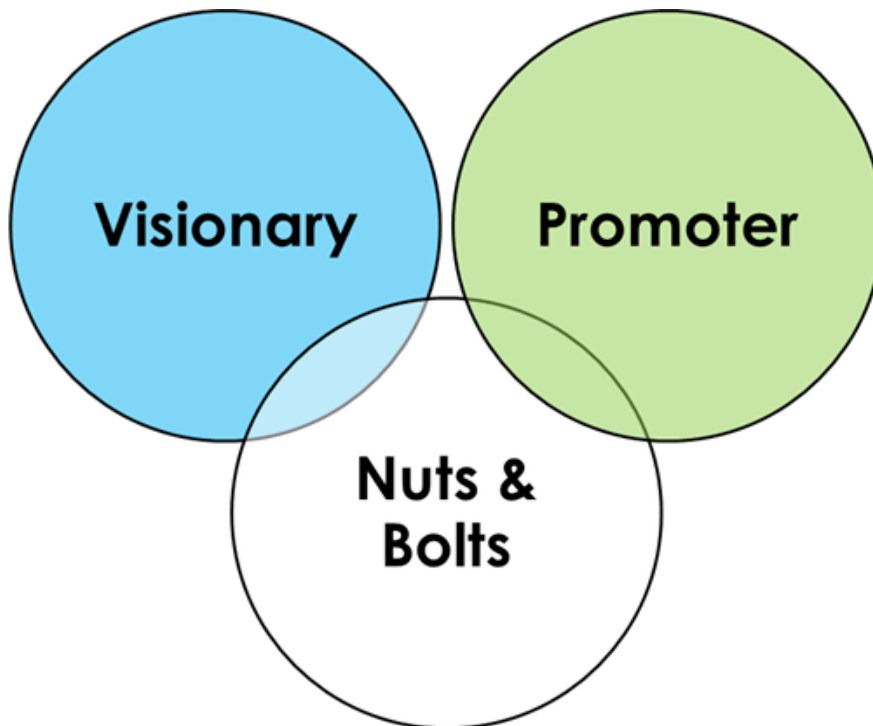
Exercise for Day 1 & 2

Introduction

The following exercise challenges participants to plan a housing assistance strategy and make judgments, and identify outcomes which the group believes will result in a sustainable plan. Because of the complexity of the issues, there are multiple approaches to accomplishing the plan. This exercise provides work groups an opportunity to apply planning principles, design program approaches, and apply project implementation elements necessary to develop strategy.

Instructions

1. Appoint a recorder/spokesperson. Let Bill know who it is.
2. Take turn reading the exercise materials. (Pages 11-21)
3. When finished reading, discuss and record your thoughts on the **Conclusion Page**.
4. Have your spokesperson share the thoughts of your **Breakout Group**.



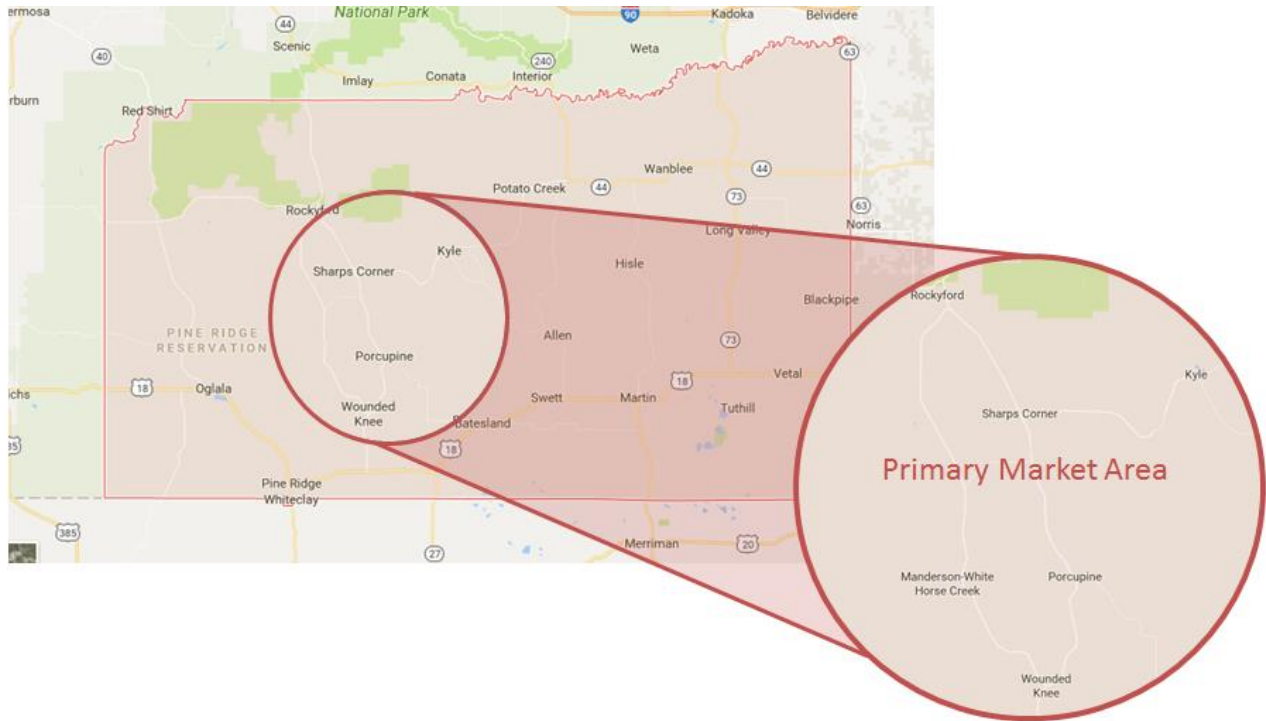
Conclusions Page

1. Identify housing needs along with the type of rental structure and occupants.

HOUSING NEED	TYPE OF RENTAL STRUCTURE	OCCUPANTS

2. Which Housing Need would you plan, implement and operate first?

- a. Share your conceptual ideas.
- b. Describe the type of housing.
- c. Describe the income levels of your occupants.
- d. Describe how you could structure rent payments.
- e. How might it be managed?
- f. Describe how you could reduce operating cost or increase revenue.
- g. How it might be funded?
- h. Identify potential partners.



Site Accessibility and Visibility

Thunder Valley, located on N. Big Foot Trail, is highly visible and easily accessible. Being located alongside a major paved road on the reservation allows for easy access both via public transportation or private car. North Big Foot Trail is the most direct route taken by the majority of the reservation in traveling north to Rapid City. Therefore, Thunder Valley is in a prime location to be seen by individuals commuting to work, visiting family or friends, attending doctor's appointments or a myriad of other circumstances which require this northward drive.

In addition, in order to fill vacancies at the proposed development site, Thunder Valley will inform the local housing agency about the vacancies and make radio announcements through local radio channels. Information about the new housing development will also be available on the Thunder Valley CDC website as well as their Facebook page. All students of the Financial Literacy Classes offered by Thunder Valley will receive information about the new housing developments as well.

MULTIFAMILY PROJECTS IN MARKET AREA

Existing Multifamily Projects in Market Area

The OSLH, located east of Pine Ridge Village, is the primary provider of low income housing on the reservation. This housing organization has 1,200 low-rent units located throughout the reservation as well as 400 home ownership units. These units are varied and include single family built homes and multi-family apartment complexes.

The OSLH currently operates 8 low income multi-family projects. These multiplexes are located in each of the nine districts on the reservation with the exception of Wakpamni. Each building is comprised of 12, 1-2-bedroom units which are fully equipped with electric, water, and heat with communal amenities such as a washer/dryer. The rent for these housing units is variable based on income level of the tenants

and capped at \$800/mo. Most rental units cost between \$75- \$500 a month and individuals have the ability to receive subsidies which can be used towards monthly rent costs.

There are currently 78 vacant rental units owned by the OSLH on the Pine Ridge Indian Reservation. These units currently remain vacant because of the need to renovate in order to make them habitable for future tenants. Despite these vacancies, there are waiting lists of individuals seeking rental housing in each of the reservation's nine districts. The three districts in the primary market area— Wounded Knee, Medicine Root, and Porcupine—have some of the longest wait lists for low income housing on the reservation. As of April 2017, there were 36 families on the waiting list in the Wounded Knee district, 51 families in Porcupine district (which includes the village of Sharps Corner, the location of the proposed building site), and 41 families in the Medicine Root district.

From information collected during the housing verification stage of this study, we determined that 17% of homes within the primary market area are currently vacant, though for many of these it would not be economical to refurbish for future inhabitants.

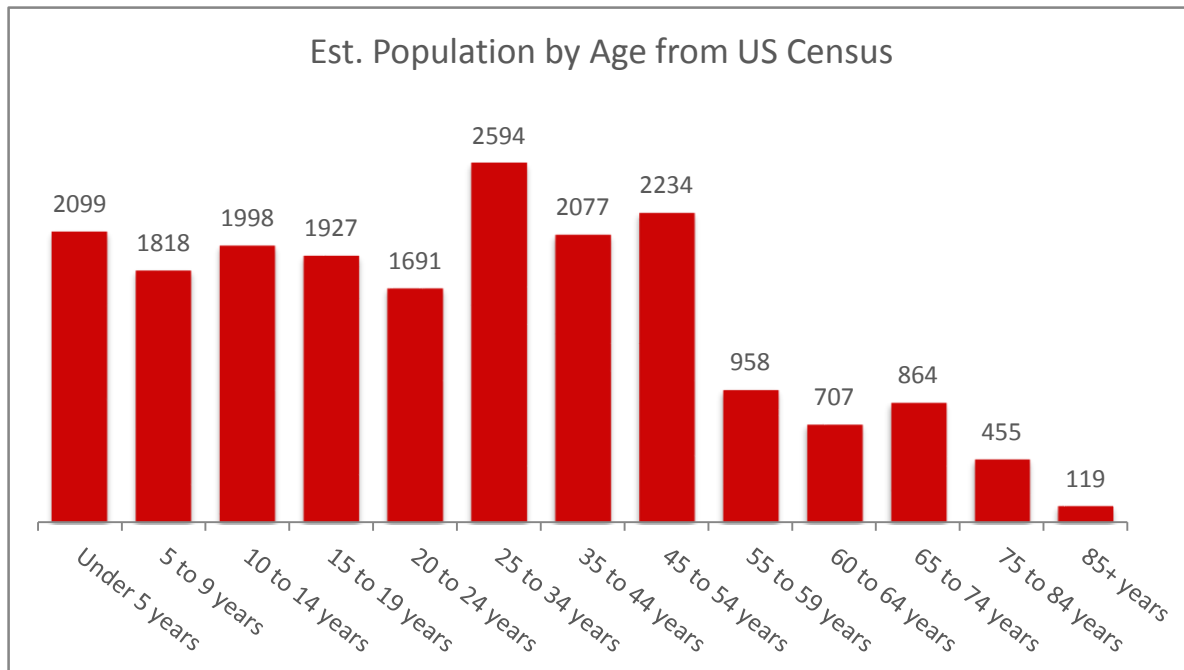
Future Multifamily Projects in Market Area

The OSLH is in the process of developing a new Veterans Supportive Housing which will be located in the Fraggie Rock neighborhood near White Clay, NE in the Wakpamni district on the reservation. Blueprints for this project have been drawn up to include 16 total units. This number may drop down to a minimum of 12 units. While there is a great need for veteran's housing on the reservation, the proposed project at Thunder Valley may house some veterans but will not limit rental units to any specific demographic such as veteran's status, age, single parent status etc. During our meeting with Doyle Pipe on Head he reiterated the importance of more multifamily projects being developed in the area for families, elders, and veterans.

DEMOGRAPHIC SUMMARY

Population

According to the U.S. Census, the total population of the Pine Ridge Indian Reservation is estimated to be 19,541 individuals (+/- 120) although this number varies by source and is often estimated between 25-38,000 individuals. Of the population estimated by the census, 48.2% of the population is male (9,419 individuals) and 51.8% female (10,122 individuals). The following graphic depicts the population distribution broken down into age cohorts of five years. The housing market survey found the median age of people in the household to be 22.4.



Population projections for the Pine Ridge Indian Reservation could not be located. The most localized data identified presented preliminary population projections for Oglala Lakota (Shannon), Bennett, and Jackson counties (the South Dakota counties in which the Pine Ridge Indian Reservation is located) and were found through the South Dakota Department of Labor and Regulation. Shannon County is projected to have a steady population increase from 14,687 individuals (2015 Census) to 15,963 individuals in 2020 and 17,237 individuals by 2025. Bennett and Jackson Counties are also projected to have population increases from 3,470 and 3,053 individuals respectively (2015 Census) to 3,532 and 3,116 individuals in the year 2020. Population projections for each county through the year 2035 can be seen in *appendix 3*.

Household

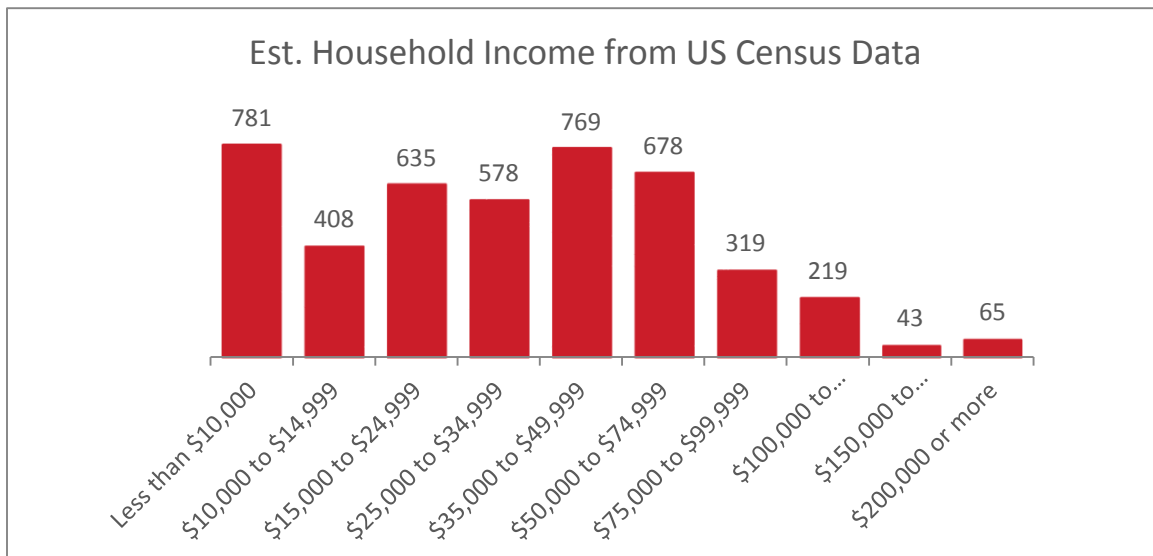
Results from our survey showed that there are 4,429 housing units (US Census indicates 4,495) on the reservation and 4,019 structures occupied as homes on the reservation. Research Associates and SGC were unable to verify whether 267 homes were vacant or occupied. With an average household size of 5.708 individuals, calculated through our randomized sample of housing on the reservation, we estimate the total population of the Pine Ridge Reservation to be 27,817 individuals. The discrepancies found between our results and those of the US Census may be due to data collection methodology. According to the person per bedroom formula, accounting for no more than 2 people in each bedroom, 33% of homes were overcrowded.

Narrowing the scope, our study showed that within the primary market area on the Pine Ridge Reservation, there were 1,693 housing units with an average family size of 6.17 individuals per household. These data points have led us to estimate the total population within the primary market area to be 10,445 individuals.

Census data available at the county level estimates a total of 3,593 housing units with 3,144 households within Oglala County (formerly Shannon County). Of these total housing units within Oglala County it is estimated that 3,144 are currently occupied with 1,707 units owned and 1,437 units being rented. This census data estimates the average household size of owner occupied houses to be 3.95 individuals with average household size of renter occupied houses of 4.70 individuals.

Income

For household income on the reservation, we were unable to locate accurate data broken down into cohorts of \$5,000. The most specific data we were able to identify comes from the US Census Bureau. According to the census, 781 households have an annual income of less than \$10,000. Estimates show 408 households make between \$10,000- \$14,999 and 635 households make between \$15,000-\$24,999 annually. The remaining 2,671 households make upwards of \$25,000 annually. The following graph breaks down household income in more detail:



Housing market study data showed that 57% of households make less than \$20,000 each year, 27% make between \$20,000 and \$50,000 annually, and the remaining 16% make upwards of \$50,000 annually.

Income projections were not able to be located for the Pine Ridge Reservation. Using estimates for projected inflation rates, we were able to create projections of the Median Family Incomes (MFI) for each of the three counties in which the Pine Ridge Reservation is located. By 2022, we are estimating the MFI for Shannon County to increase from its current MFI of \$27,300 to \$30,956. In Jackson County, the current MFI is \$50,200 and in the next 5 years we project it to rise to \$56,928. Lastly, in Bennet County, with a current MFI of \$42,000, we are projecting the median family income to rise to \$47,644 annually. Our yearly projections for household income for a family of four can be found in *appendix 4*.

To accompany income, 18% of survey participants knew their credit score. Of those who knew their credit score, the average was 628. Of those who did not know their credit score, 46% identified their score as Good and 3% identified their score as Excellent.

Income Eligible Households

Income eligible households on the reservation were calculated using county median family income data. Eligible households within Oglala County (formerly Shannon County) must have a household income of less than \$16,380, calculated as 60% of the Median Family Income compiled through the US Department of Housing and Urban Development (HUD). For Bennett and Jackson Counties, the maximum household income for eligible families is \$25,200 and \$30,120 respectively.

With an average mean household income of \$14,456 annually, the majority of households would meet the requirements of obtaining an eligible status for the rental units proposed by Thunder Valley CDC. According to our household study, 61% of households in the primary market area make less than \$20,000 annually while 39% make more than \$20,000 annual. For the secondary market area, 54% of households make less than \$20,000, 34% make \$20,000-\$50,000, and 12% make over \$50,000 annually.

Renter Occupied Households

Data collected as part of our reservation wide survey showed that 46% of individuals surveyed rented the property in which they currently reside. Of those who rent property, 79% of individuals are currently renting low income units, most likely through the Oglala Sioux Lakota Housing. Approximately 9% of individuals are participating in a rent to own program with the remaining 12% of individuals renting houses or units through an employee based program.

Within the primary market area, 41% of individuals rent. Estimates of average household size for rental properties tend to be higher than those households who own property. Estimates range from 4.70 to 5.10 individuals per household. With 687 households on the reservation paying between \$500 to \$999 each month for rent, at least 10% of all renting households would be considered rent burdened paying upwards of 30% of their annual income on rent.

Owner Occupied Households

Reservation wide, approximately 40% of households own their home. Of these property owners, approximately 39% of homeowners live in a one family stick built home, 28% live in a mobile home or trailer, and 29% live in modular homes. Average family sizes of homeowners tend to be lower than renter families with estimates ranging from 3.55 to 3.95 individuals.

Migration Trends

Despite projected population increases in each of the three counties on which the Pine Ridge Indian Reservation is located, Bennett County is the only county with a projected positive net migration. However, the section of the reservation that falls within Bennett County is patch worked, with much of the land privately owned. On the reservation, the population will increase as more children are born and life expectancy rises, however, more people will move off-reservation than people moving on to the reservation, with the exception of areas in Bennett County.

Jackson County is similar to Bennett County in that much of the land is not tribally owned but instead privately owned by farmers and ranchers. Jackson County, a less densely populated county, is projected to have a net migration of -74 individuals.

Oglala County (formerly Shannon County), where this development project will be constructed, is currently estimated to have a net migration of -927 based on estimates from the 2010-2014 U.S. Censuses. It is estimated that there will be 149 individuals moving into Oglala County from out of state and 583 individuals who will leave Oglala County in order to move out of state. These trends are also

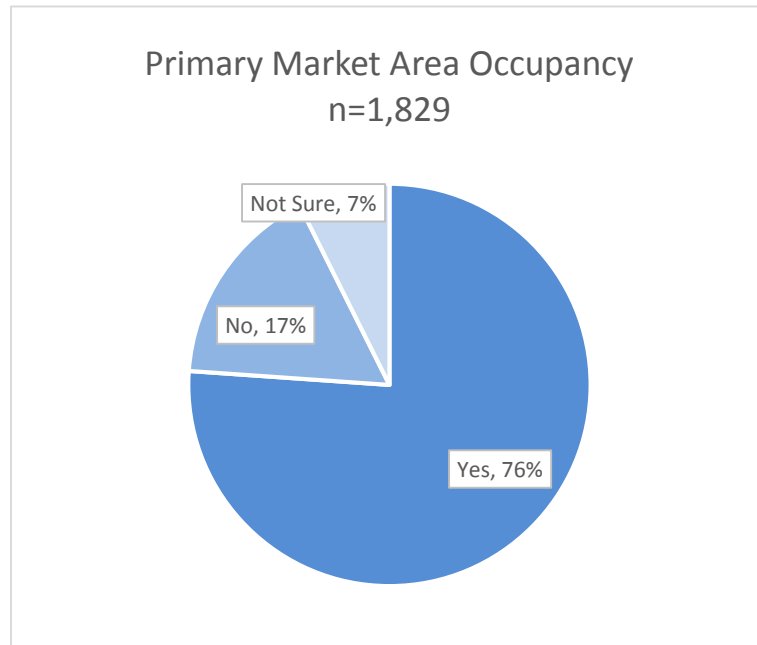
seen across counties with only 210 individuals moving into Oglala County from another county within South Dakota and a total of 703 individuals moving out of Oglala County into another county in South Dakota. There is no projected migration of individuals from abroad.

Migration trends for the entirety of the Pine Ridge Indian Reservation could not be located and has therefore been broken down into county data, the most localized information available. Migration projections were not able to be identified; however, population increases are projected for each county that makes up the Pine Ridge Reservation.

PROJECTED RENTAL HOUSING DEMAND

Existing Housing Conditions

As part of our reservation wide study, we visited every home on the reservation in order to identify if the houses were occupied, habitable, and if it would be economically feasible to renovate the homes to make them habitable. We identified a total of 4,429 homes on the reservation. Of all the homes on the reservation, 84% were currently occupied with the remaining 16% of homes either unoccupied or unsure if they are currently occupied. A total of 76% of the homes visited would be considered



habitable, with the remaining 1,086 homes (24%) considered uninhabitable. Of the homes considered uninhabitable, it would be financially feasible to renovate and refurbish 21% to make them habitable by federal standards.

Of the uninhabitable homes on the reservation, 10% of these are currently occupied meaning individuals are living in houses which oftentimes are missing windows, doors, have leaky roofs, or are not hooked up to either running water or electricity. Of these uninhabitable homes, 2% are rental units. In response to the poor housing conditions on the reservation and the oft poor conditions left in rental units,

there is a demand for additional safe, habitable housing on the reservation. Within the primary market area, a total of 1,829 homes or housing units, 76% are occupied. Of the remaining 24% of homes, 17% are unoccupied and 7% are unsure of occupation.

Of the homes on the reservation, 57% are single family homes detached from any other house and 30% are manufactured homes or mobile homes. The majority of these manufactured and mobile homes are single wide trailers with permanent hook-ups to electricity and water amenities.

Rental Demand

Currently on the reservation, 46% of the population rents properties. Of these, 1,148 households pay less than \$500 in rent each month. 687 individuals pay between \$500- \$999 monthly and 39 households

pay between \$1000- \$1,499. Additionally, there are 215 families whose rent payments are subsidized and do not pay a monthly rent. The median rent paid monthly on the reservation is \$447.

Of the families surveyed, 11.6% indicated that they would prefer to live in a rental property instead of owning their own home. 25% of the families interviewed indicated they would be very interested in a rent to own program.

For this program, the low-income housing development proposed by Thunder Valley CDC would primarily be targeted towards low income and very low-income households. The monthly rental payments for the new housing developments would be a rental burden to those families who fall into the extremely low-income bracket and therefore would not be eligible for these developments. However, these numbers indicate both that there is a population capable of paying low income rents, but also the possibility of Section 8 Vouchers should be considered. There are currently no Section 8 Voucher opportunities with in the primary or secondary market area.

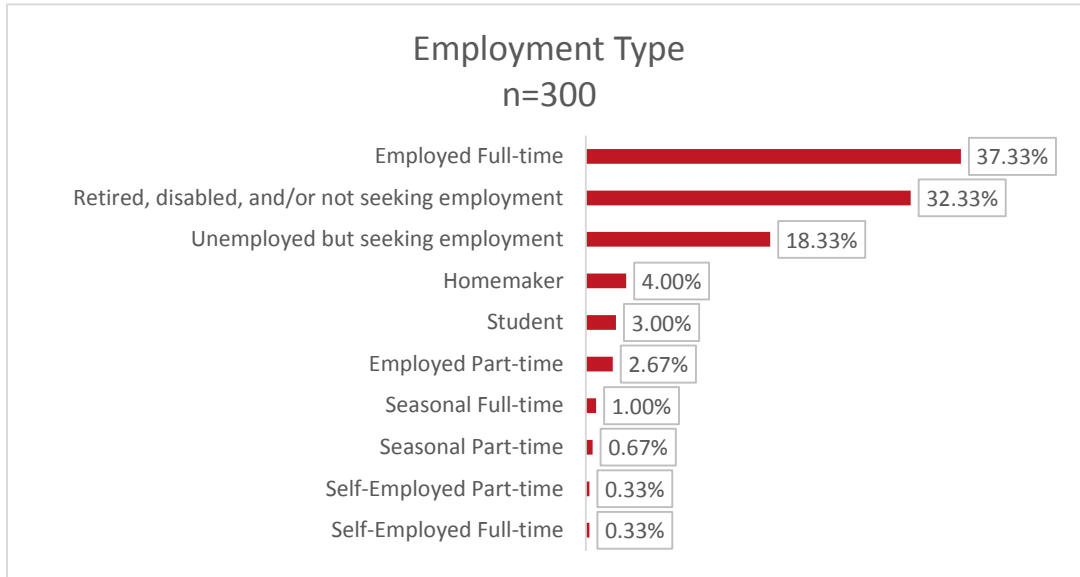
ECONOMIC ANALYSIS

Employment in Market Area

Based on projection estimates from the U.S Census there are approximately 6,658 individuals who currently comprise the labor force on the Pine Ridge Indian Reservation. Of these, 4,955 individuals are estimated to be employed.

From data collected during the 2014 US Census, there were 4,296 individuals employed in the Primary Job sector on the Pine Ridge Indian Reservation. Employment opportunities on the Pine Ridge Indian Reservation are primarily dominated by a few Primary Jobs. Educational Services makes up the largest percent of employees on the reservation with 1,376 individuals (32%). Public administration is the second largest employment sector with 988 employees (23%). Health Care and Social Assistance (623 employees, 14.5%), and retail trade (350 employees, 8.1%) are the remaining prominent sectors for employment. For a full breakdown of employment among Primary Jobs, see *appendix 5*.

The results of our reservation wide study show that the majority (39%) of individuals are currently employed full-time, are seasonally employed full-time, or self-employed full-time. Of those employed full time, the mean annual income from employment is \$32,415 with the median annual income from employment at \$30,000. Of the total population, only 4% of individuals consider themselves to be employed part-time and make a mean annual income of \$14,948 with a median annual income of \$15,000. The reservation wide employment is broken down as follows:



Within the primary market area, 39% of individuals consider themselves to be employed full-time. The median family income level of these households is \$33,000. Part time employment within the primary market area yields, on average, only \$6,667.

Unemployment Rate

According to US Census estimates based on data from 2011-2015, the unemployment rate among the labor force on the Pine Ridge Reservation is 25.6% (1,703 individuals). Of the population over 16 years of age (13,345 individuals), only 6,658 individuals would be considered members of the labor force on the reservation. 6,658 individuals on the reservation, due to disability or retirement are not considered a part of the labor force on the reservation.

Based on the results of our study, 18% of head of households are currently unemployed with 32% of individuals interviewed being retired and not considered part of the labor force on the reservation. Within the primary market area, employment rates are higher at 22% with the percent of retirees around 26% of individuals surveyed.

Major Employers in Market Area

The Tribal Government and its many branches is the largest employer on the reservation. These branches include but are not limited to Indian Health Services (IHS), Bureau of Indian Affairs (BIA), the Department of Veterans Affairs (VA), and the Environmental Protection Agency (EPA). Exact numbers of employees hired through the many branches of the Tribal Government were not available. Most positions within the tribal government are located in or around Pine Ridge Village located approximately 35 miles away from the development site.

Other major employers on the reservation are the many schools, both public and private, and the Prairie Wind Casino and Hotel. Precise numbers of employees were not available from either of these employment locales. There are many schools in each of the districts on the reservation and 15 schools within a 35-mile radius of Thunder Valley CDC. The Prairie Wind Casino is further away, located about 60 miles away with a commute time of approximately one hour. The majority of businesses on the reservation are small-scale business ventures with 1-2 employees.

Within the primary market area, Thunder Valley CDC is the largest employer with approximately 50 employees. Thunder Valley CDC is projected to grow in the coming years and increase its total employment.

Projected Future Employment in Market Area

Within the next two years, Thunder Valley CDC is planning on expanding their business ventures in a number of ways which will increase employment opportunities and economic stimulation within the primary market area.

Currently, the Workforce Development program is in its third year (out of a five-year grant) which provides employment and construction training to youth on the reservation. In addition, the food sovereignty initiative has greatly expanded which yields produce and fresh eggs for the community. Hopes for the future involve incorporating produce into a café or restaurant which will be located at a commercial strip on a currently empty lot at Thunder Valley. Also included in this commercial strip will be retail space, offices and a childcare center.

DEMAND ANALYSIS

Utilization of Section 8 and Perceptions of Housing Needs

There are currently no section 8 housing options on the Pine Ridge Indian Reservation. As previously mentioned, the primary low-income housing provider on the reservation is through the Oglala Sioux Lakota Housing. This housing organization does not offer or receive funding for section 8 housing on the reservation.

Doyle Pipe On Head, the Assistant CEO and Contracts Officer with the OSLH, identified the continued need of low income housing on the reservation. With a waitlist of over 128 families just within the primary market area and a lack of affordable housing options on the reservation, there is a great need for low-income housing.

Our survey data shows that 41% of the population within the primary market area is renting from the local Oglala Sioux Lakota Housing. The long wait lists, 78 vacancies in need of repair, and high demand for housing from the Oglala Sioux Lakota Housing, further iterates high demand for the new rental units proposed by Thunder Valley CDC.

Reconciliation of Supply and Demand and Recommendations

Changes in economic area:

Has the community experienced growth in recent years, projected to continue to grow?

The primary and secondary market areas have experienced growth in employment, population, median income, and commercial businesses. Future projections indicating these upward trends will occur, coupled with high waiting lists for low income housing ***substantiates the need for current available homes and future homes as planned by Thunder Valley CDC.***

Vacancies and obsolete housing

Of all the homes on the reservation, **84% were currently occupied with the remaining 16% of homes either unoccupied or unsure if they are currently occupied. These vacancies do not equate a lack of applicable families**, yet a lack of adequate housing.

Doyle Pipe on Head from OSLH was uncertain of the number of bedrooms in the vacant multifamily housing units, but the 8 12-plexes owned and managed by OSLH include 1 and 2 bedrooms. Only one of the multifamily homes selected in our survey had 3 enclosed bedrooms. Likewise, our study does not indicate the number of bedrooms within vacant or obsolete homes.

Though we did not have an exact number of vacancies considered obsolete, we do know that OSLH had 78 vacancies, all of which were at varying levels of need and remodeling. A total of 76% of the homes visited would be considered habitable, with the remaining 1,086 homes (24%) considered uninhabitable. Of the homes considered uninhabitable, it would be financially feasible to renovate and refurbish 21% to make them habitable by federal standards. **Thus, at least 33 of the vacant homes are considered obsolete.** It should also be noted that while visiting OSLH, we were told that the cost to fix up a unit is \$5,000 to \$30,000 with some costing up to \$80,000. Using these numbers in conjunction with Federal Title 24 CFR 203.673 on Habitability, see *appendix 5: the percentage of obsolete homes should be even higher than our study suggests*. Given the amount of vacant homes, obsolete homes, and cultural beliefs not accounted for in the study, such as the abandonment of homes due to suicide or other misfortunate atrocities **Thunder Valley CDC should build and continue to build homes of multiple style, family type, and ownership/renter status.**

Expected demand for units

As indicated, there are 128 total families on the wait list for low income rental housing in the primary market area—the districts of Porcupine, Wounded Knee, and Medicine Root. Likewise, there are negative migration trends meaning more people are moving away than arriving. These trends are likely due to lack of housing and employment, both of which Thunder Valley is mitigating through their model sustainable community.

Need for housing for families, young professionals, retirees, or the elderly

What the most suitable housing would be for the identified population: family homes, townhomes, condos, apartments etc.

Thunder Valley CDC is already aware of the need for family housing and young professional housing as the 2015 study: Strengthening the Pine Ridge Economy: A Regional Equity and Opportunity Assessment mentioned.¹ Our household study further iterated these findings and also provided specifics as the types of housing needed. Though most people would prefer to own their own home, most people do not have the income necessary for homeownership, making apartments a plausible option. There will be homes in the neighborhood as well, but the HOME program funding would be most effectively used for apartments.

Of the surveyed population, 12% were veterans and 35% of those veterans mentioned they were interested in living in veteran housing. While 20% of respondents indicated they are disabled, 67% mentioned they were interested in living in housing for people with disabilities. 41% of the surveyed population considered themselves elders and 56% indicated they would be interested in living in

¹ Norris, David, Christy Rogers, Matt Martin, and Jason Reece. The Kirwin Institute for the Study of Race and Ethnicity at The Ohio State University. 2015. "Strengthening the Pine Ridge Economy: A Regional Equity and Opportunity Assessment".

supportive housing. Though the neighborhood will not be an assisted living area, the proposed apartments will have the option to be universally fitted for veterans, elders, or people with disabilities. The proximity to Kyle, Pine Ridge, and Rapid City and other amenities provide opportunities for low-income families and young professionals to start careers, or veterans and elders in need of amenities while having a break on their rent.

Need for market rate housing or housing targeted to lower income households

Our study found that, households are, on average, housing 2.2 people “who would otherwise be homeless or houseless” if they weren’t currently being allowed to stay in the home. When given a list of options as to the reason for the people staying in the house, “lack of housing” was the most common response, at 36% and “economic hardship” was the second most popular response at 33%.

46% of the surveyed population (41% in the primary market area) rents while 12% of the population lives with friends.

Nearly 12% of the surveyed population listed renting as the living situation they would be most interested in. Though the majority of people would prefer a home to own, the majority of those people do not have the ability to afford a home, at the current time, making renting a viable option.

A 2015 study found that a minimum of 875 new three-bedroom housing units, were needed to house the reservations population. To date, there have been few homes added.² Approximately 54 homes have been built since 2015. Other homes have been brought to the reservation, but the majority are FEMA trailers which, by definition, are supposed to be designated as temporary. Thus, without even considering an increase in population, there is still a shortage of over 800 new housing units to meet the minimum amount of new homes needed on the reservation. Furthermore, we found evidence of one FEMA trailer being deemed obsolete, after only 3 years of occupancy, due to high winds lifting the roof from the wall frame.

CONCLUSION

There is a need for more affordable housing on the Pine Ridge Reservation. A lack of current housing stock, a presence of uninhabitable homes, overcrowded conditions, and low household incomes are all deficits indicating a need for more affordable homes. However, rising employment opportunities in the primary market area, the feeling that ‘something is moving’, the consensus of people across the reservation for more affordable homes, along with census data and the recent housing study that indicate families can afford the apartments being proposed present positive reinforcement and real data that further highlights not only the need, but the possibilities of efficient leasing and successful community building. The approval of local planners and housing related entities throughout the primary and secondary market area indicates the level of trust in Thunder Valley’s intentions and peoples’ understanding in Thunder Valley’s ability to provide healthy opportunities in Lakota country. Sweet Grass Consulting, LLC fully supports Thunder Valley CDC’s mission and abilities to provide affordable apartments using HOME funding, along with local people and people considering moving to Sharp’s Corner in fulfilling Thunder Valley’s mission to empower “Lakota youth and families to improve the health, culture, and environment of [their] communities through the healing and strengthening of cultural identity.”

² Norris, David, Christy Rogers, Matt Martin, and Jason Reece. The Kirwin Institute for the Study of Race and Ethnicity at The Ohio State University. 2015. “Strengthening the Pine Ridge Economy: A Regional Equity and Opportunity Assessment” pg. 9.