Capital Resources for Tribal Housing

- Rural & Native American Initiative
  - Russell Kaney

- February 20, 2020
Agenda

- Section 184 Loan Program
- IHBG (Indian Housing Block Grant)
  - NAHASDA
- ICDBG (Indian Community Dev Block Grant)
- Infrastructure (BIA & USDA)
- Housing Support (NAIHC, NCAI)
- Technical Assistance (ONAP, CICD, NLC, Enterprise)
Section 184 Overview

• Created 1992
  – 43,000 loans $7.3B
• Native Americans & Alaskan Native
  – Federally Recognized Tribes
 Targets Single Family Mortgages
   Individuals, Tribes, TDHE’s
• Annual Funding by Congress
• Nationwide Program
Section 184 Overview

• Section 184 loans can only be used for single family homes (1-4 units) and for a primary residence. Since 184 strives to increase homeownership to all Native Communities, the guarantee funds are reserved for primary residences rather than second or investment properties.
Section 184 Overview

• You can use the Section 184 Loan to:
  – Purchase an Existing Home
  – Construct a New Home (Site-Built or Manufactured Homes on permanent foundations)
  – Rehabilitate a Home, including weatherization
  – Purchase and Rehabilitate a Home
  – Refinance a Home (Rate and Term, Streamline, Cash Out)
Section 184 Overview

• New Homeowner
  – Buy A Home
  – Build A New Home
  – Rehabilitate An Existing Home

• Current Homeowner
  – Refinance to Lower Interest Rate
  – Refinance & Take Cash Out (equity)
  – Rehabilitate Existing Home
Section 184 Overview

- 100% Guaranteed Loan by HUD
- Local Lenders Process
- No Income Limits, Wide Geography for Loans
- Low Down Payments
  - 2.25% for loans > $50K ($200K = $4,500)
  - 1.25% for loans < $50K ($50K = $625)
  - 1.5% Guarantee Fee (can be included in loan)
  - Annual .25% Mortgage Ins Premium if LTV > 78%
  - Loans Are Assumable (Big Plus For Program)
Section 184 Overview

• Maximum Loan Amounts (1 unit)
  – $294,515 in North Dakota
  – $453,100 in Chicago, IL.

• Change Yearly, High Cost Areas Can Be Problematic
Section 184 Overview

• Program Challenges
  – Low Down Payment Still Hard to Make
  – 93% of Section 184 Made on Fee Simple Land
  – Need More Lending on Trust Land
  – Need More Lenders
    • First Tribal (Mid American Mortgage)
    • Bank 2
    • Bay Bank (Oneida)
  – Not Utilizing Full Guarantee Authority
  – Title VI Being Utilized (Additional Guarantee)
Section 184 Overview

• Resources

• Additional homebuyer resources, including homebuyer classes, can be found at www.hud.gov/counseling.

  Tribal Leaders Handbook on Homeownership (7/2018)

• Homeownership Data from the Center for Indian Country Development Reservation Profiles Database (6/2018)

• Alaska Rural Homeownership Resource Guide

• BIA Contract Guide for Mortgage Lending (9/2016)
Indian Housing Block Grant

• Created in 1996
• Native American Housing & Self Determination Act (NAHASDA)
• Two Pieces of NAHASDA
  – Formula Allocations (All Tribes)
  – Competitive Allocations (52 Awards in 2019)
Indian Housing Block Grant

• Formula Funding All Tribes
  – Need, Population, Income, Housing Conditions
  – FY 2020 Funding $646M
  – Flexible Funds, Use for SFH, MFH, Loans, Rental Assistance, Rehab of Existing Units, Admin
  – Tribes Determine How/Where to Use $$
  – Indian Housing Plan
  – Grant Administration by 6 ONAP Offices
    • Alaska, Chicago, Denver, OK., Phoenix, Seattle
## Indian Housing Block Grant

<table>
<thead>
<tr>
<th>Tribe</th>
<th>Service Area</th>
<th>Enrollment</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oglala Lakota Sioux</td>
<td>17,669</td>
<td>43,146</td>
<td>$10,972,855</td>
</tr>
<tr>
<td>Navajo</td>
<td>182,660</td>
<td>277,840</td>
<td>$67,689,368</td>
</tr>
<tr>
<td>Cedarville Rancheria</td>
<td>7</td>
<td>33</td>
<td>$46,799</td>
</tr>
<tr>
<td>Red Cliff Chippewa</td>
<td>1,046</td>
<td>7,311</td>
<td>$1,119,296</td>
</tr>
<tr>
<td>Tohono O’odham Nation</td>
<td>9,477</td>
<td>26,673</td>
<td>$3,921,053</td>
</tr>
</tbody>
</table>
Indian Housing Block Grant

• Competitive Funding
  – 2019 $200M
  – 52 Awards
  – Example: Red Cliff Chippewa $4,845,656
    » New Construction

  – Grant Writers Are Key
Indian Community Development Block Grant (ICDBG)

- Competitive Awards
- One Cycle /Year
  - Housing (New, rehab, land, infrastructure)
  - Community Facilities (Community Buildings)
  - Economic Development
- $63M to 85 Tribes in 2019
Infrastructure

- Multiple Programs for Water, Sewer, Energy, Roads,
  - USDA 306C Program
  - Commerce Economic Development Admin.
  - Energy Tribal Energy Program
  - Health & Human Services Indian Health Services
  - Interior BIA
  - HUD IHBG, Section 184, NAHASDA
  - VA Native Homeownership Direct, HUD-VASH
Housing Support

• National American Indian Housing Council
  – Represents 250+ Housing Authorities, TDHE’s
  – 8 Regional Tribal Housing Associations
  – Provide Advocacy, Training, Conferences

• Office in Washington D.C.
  – Membership org
  – Enterprise is an Affiliate Member
Housing Support

• National Congress of American Indians
  – Established in 1944
  – Covers Multiple Issues on Indian Affairs
  – Housing Elevated to be Key Issue

• Tribal CDFI’s
  – South Dakota PILOT on SFH with USDA
Technical Assistance

• Office of Native American Programs (ONAP)
  – Extensive Training Agenda Through Multiple Conduits

• Center for Indian Country Development
  – Established at Federal Reserve Bank-Minneapolis

• Native Learning Center
  – Seminole Tribe FL. Webinars, Trainings, Center

• Enterprise Community Partners
  – Section 4, Trainings in SFH, MFH, PSH, SNCC
Summary

• Pools of Funding Across Multiple Federal Agencies
• State Resources Varied & Minimal
• Huge Unmet Need in Housing
  – Poverty, Employment, Remoteness
  – High Turnover in Professional Positions
  – Good Grant Writers Are Golden
Future Looks Brighter

• More Tribes Are Master Planning For Housing
• More Tribes Are Using Leverage
  – LIHTC, Partnerships, CDFI’s, NP & CDC’s
• More Community Engagement, Less Top Down
• More Interest in Native Issues
  – Housing, Health, Education
• No Quick Fixes But Sustained Efforts
Capital Resources for Tribal Housing

Questions?
Comments
Discussion

Any of These Topics Need A Deeper Dive?

Thanks for attending