



CDFA Tribal Finance Webinar Series

**THE BROADCAST WILL
BEGIN AT 2PM EASTERN**

Submit your questions in
advance using the chat box

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recordings online at cdfa.net

Investing in Affordable Housing on Tribal Lands

Investing in Affordable Housing on Tribal Lands



Ryan Burton

Coordinator,
Council of Development Finance Agencies
Columbus, OH





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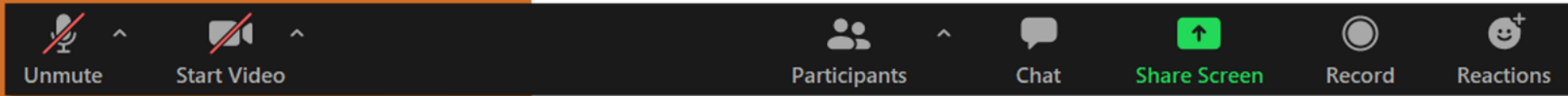
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**Submit your questions by
using the chat function!**

CDFA Community Facilities Technical Assistance Program for Tribal Communities



4 Core Components

Direct Technical Assistance

One-on-one in-person technical assistance to tribal communities from a dedicated team of development finance experts, supported by CohnReznick.

Tribal Communities Project Marketplace

A virtual networking platform with a dedicated space for tribal communities to connect with potential financing partners, discuss best practices, and collaborate to address economic problems.

Tribal Finance Resource Center

A searchable online tool with information about tribal finance programs, resources, and best practices from communities.

Tribal Financing Webinar Series

A four-part online offering that explores the tools and approaches available to uplift native communities.

Direct Technical Assistance Eligibility



Eligible Borrowers

Public Bodies
Community-based non-profit corporations
Federally-recognized Tribes

Eligible Areas

Rural areas with no more than \$20,000 residents (according to US Census Data).

Funding Priorities

Small communities with a population of 5,500 or less
Low-income communities (median household below 80% of the state nonmetropolitan median household income).

What is a Community Facility?

Healthcare facilities
Public facilities
Community support services
Public safety services
Educational services
Utility services
Local food systems

Have a question about eligibility?

Contact me at rburton@cdfa.net



Investing in Affordable Housing on Tribal Lands

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Elena Gonzales

Chief Operating Officer,
Homewise Inc.

Blythe McWhirter

Legislative and Program Aide,
NAIHC (National American Indian Housing Council)

Alexandria Murnan

Director of Affordable Housing,
Travois New Markets, LLC

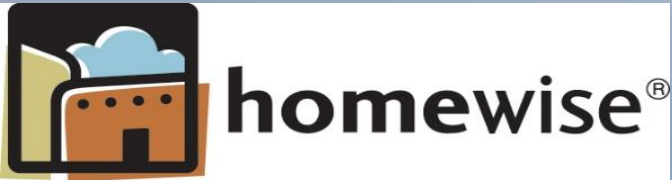


Investing in Affordable Housing on Tribal Lands



Elena Gonzales

Chief Operating Officer,
Homewise Inc.



www.homewise.org



Santa Fe Homeownership Center: 1301 Siler Road Building D Santa Fe, NM 87507
Albuquerque Homeownership Center: 500 2nd Street SW, Albuquerque, NM 87102



THE HOMEWISER MISSION

is to help create successful homeowners and strengthen neighborhoods so that individuals and families can improve their long-term financial wellbeing and quality of life.

Homewise Currently Offers

- Unique approach to borrower readiness assessment and collaborative design of a path to homeownership with our team of Home Purchase Advisors
- One stop shop for counseling, lending and down payment assistance, real estate services for “off reservation” properties
- In-person or online Homebuyer Education & Financial Fitness
- Access to an array of downpayment assistance programs
- Full-service mortgage loan team with unique loan solutions

Homeownership by Race

Region	Caucasian	Black	Native American	Hispanic	Asian
US	73.3%	44.0%	53.9%	50.6%	62.7%
New Mexico	73.9%	39.7%	63.9%	67.3%	64.6%
ABQ	70.5%	36.6%	56.8%	65.8%	48.2%

(American Community Survey, 2022; America's Health Rankings, 2022; GAAR, 2022; US Census, 2022)

CREDIT SCORES BY RACE

RACE	AVERAGE CREDIT SCORE
White	727
Hispanic	667
Black	627
Native American	612

Barriers to Native American Homeownership

- Complexities of jurisdictional authority
- Homebuying process varies among Pueblos/Tribes
- Access to mortgage financing & down payment assistance
- Lack of inventory and infrastructure on Tribal Land
- High costs for housing development & infrastructure
- Credit, debt, income and savings of borrowers

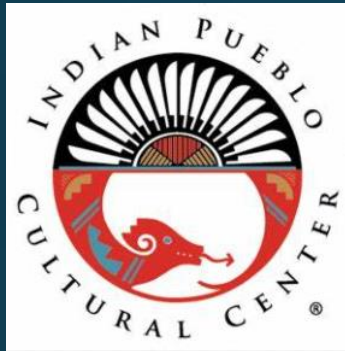


Lending Strategies

- **Developing Partnerships & Programs**
 - NM is home to 23 Tribes including 19 Pueblos, three Apache Tribes and the Navajo Nation
 - Raising awareness/engagement within Native Communities
 - Fannie Mae Conventional loans through NACLI (Native American Conventional Lending Initiative); HUD 184 Loans
 - Credit Building Savings Program – Pilot Program

MATCH SAVINGS PROGRAM

\$1,000 Credit Building Savings Program



IPCC

Engages & Galvanizes
Native American
Community



Partnership



Homewise

Provides Counseling,
Education & Wealth Building
Opportunity

MATCH SAVINGS PROGRAM

\$1,000 Credit Building Matched Savings:

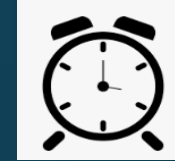


Escrow Account



Homewise

Reports to Credit Bureau
Provides Counseling &
Education



On-time payments
increases credit score
(12 months @ \$83.33/month)



\$1,000 becomes
\$5,000
downpayment
for home

or

\$1,000
becomes \$2,000
Personal Goal
(savings, debt reduction &
other uses)

HOMEOWNERSHIP (4:1 Match)

INDIVIDUAL USE (1:1 Match)



Orpheum Community Hub

HOMEWISE

500 2nd Street NW, Albuquerque, NM 87102

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Investing in Affordable Housing on Tribal Lands



Blythe McWhirter

Legislative and Program Aide,
NAIHC (National American Indian Housing Council)



Leveraging the Title VI Loan Guarantee Program

Blythe McWhirter – Legislative and Program Aide
National American Indian Housing Council (NAIHC)

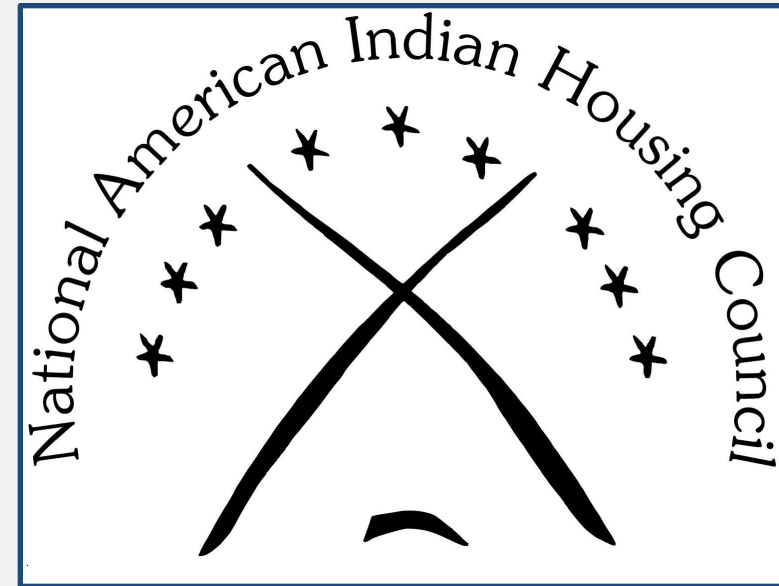


Road Map

- 1. NAIHC: Who We Are**
- 2. The Indian Housing Block Grant (IHBG)**
- 3. Leveraging the Title VI Program**
- 4. Benefits for Tribes and Lenders**
- 5. Case Study #1**
- 6. Case Study #2**
- 7. Key Takeaways**

NAIHC: Who We Are

- NAIHC is a 501(C)(3) non-profit organization
- 50th Anniversary (est. 1974)
- Three main areas of work: Training & Technical Assistance, Membership Outreach, and Advocacy
- NAIHC is a membership organization with over **450 members** in **9 regions** across **the country**.



Mission Statement

“To effectively and efficiently promote and support American Indians, Alaska Natives, and Native Hawaiians in their self-determined goal to provide culturally relevant and quality affordable housing for Native people.”

The Indian Housing Block Grant (IHBG)

- The Native American Housing Assistance and Self-Determination Act (NAHASDA) provides for an Indian Housing Block Grant (IHBG). The IHBG is a formula-driven program that provides funding to eligible tribes nationwide.
- Tribes may run the IHBG program directly or may designate a tribally designated housing entity (TDHE) to administer on their behalf.

Eligible Beneficiaries

Low-income Native families
Non low-income Native families
Essential families

Eligible Activities

Administration and planning
Housing assistance
Development
Housing services
Housing management services
Crime prevention and safety
Model activities

The Title VI Program

Leverages IHBG grant funding

- Lends funds to the Tribe or TDHE in the form of a loan
- HUD guarantees the loan using money from an eligible lender
- Maximum loan amount = 5x needs allocation through IHBG
- NO hidden collateral

Item	Tribe A Without Leveraging	Tribe B With Leveraging
IHBG Annual Allocation of Need	\$ 500,000	\$ 500,000
Leveraged Funds (five times the need)	\$ 0	\$2,500,000
Total Funding	\$ 500,000	\$3,000,000
Average Cost per Unit	\$ 125,000	\$125,000
Number of Units	4	24

U.S. Department of Housing and Urban Development. (n.d.). Title VI Loan Guarantee Program The Power of Leveraging. Retrieved from [HUD.gov](https://www.hud.gov).

Title VI Benefits for Tribes and Lenders

Benefits for Tribes and TDHEs

Continued availability of pledged funds

Unencumbered land

Improved financial services

Flexible financing terms

Familiar requirements & regulations

U.S. Department of Housing and Urban Development. (n.d.). Title VI Loan Guarantee Program Benefits to Tribes and TDHEs. Retrieved from [HUD.gov](https://www.hud.gov).

Benefits for Lenders

Limited risk exposure

Cost reduction

Improved marketing opportunities

Community reinvestment goals

Marketability of loan

U.S. Department of Housing and Urban Development. (n.d.). Title VI Loan Guarantee Program Benefits to Lenders. Retrieved from [HUD.gov](https://www.hud.gov).

Case Study #1: Duck Valley Phase II

24 new single-family homes

- 12 3-bedroom
- 12 4-bedroom

Supportive services offered through Shoshone-Paiute Tribes

\$14.4 million project including:

- \$5.77 million Federal Low-Income Housing Tax Credit (LIHTC) equity
- \$7.9 million Title VI loan
- \$750,000 from the Affordable Housing Program (AHP)
- \$112,025 in Solar Investment Tax Credit (ITC)



Case Study #2: Tillamook Subdivision, Phase II (Siletz)

7 new, energy-efficient, single-family homes

- 3, 4, and 5 bedrooms
- Lease-to-own, 3-year lease purchase program

\$1.469 million project including:

- \$69,917 IHBG
- \$1,400,000 Title VI Loan





Key Takeaways

- **The Title VI Loan Guarantee Program is a highly flexible program with a number of benefits for Tribes, TDHEs, and Lenders.**
- **Leveraging funds closes IHBG gaps that would otherwise stall the development and construction of affordable housing on Tribal lands**

Contact



NAIHC – Training and Technical Assistance Team

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HUD-ONAP - Office of Loan Guarantee

Jeffery Glass – *Senior Loan Guarantee Specialist
(Title VI)*

E-mail: Jeffery.B.Glass@hud.gov



Thank You



Investing in Affordable Housing on Tribal Lands



Alexandria Murnan

Director of Affordable Housing,
Travois Inc.

Tribal Affordable Rental Housing Development



TOKA Homes #3 family



Prairie Band #3 family



Red Cliff Rehab #2 family



Blackfeet Homes #5 family

Introduction



Alexandria Murnan
Director of Affordable
Housing
Travois Inc.



Investing in Affordable Housing on Tribal Lands



NAHASDA
programs

traditional
hard debt

CMF
grants

FHLB
AHP
grants

state
housing
loan or
grants

9% LIHTC

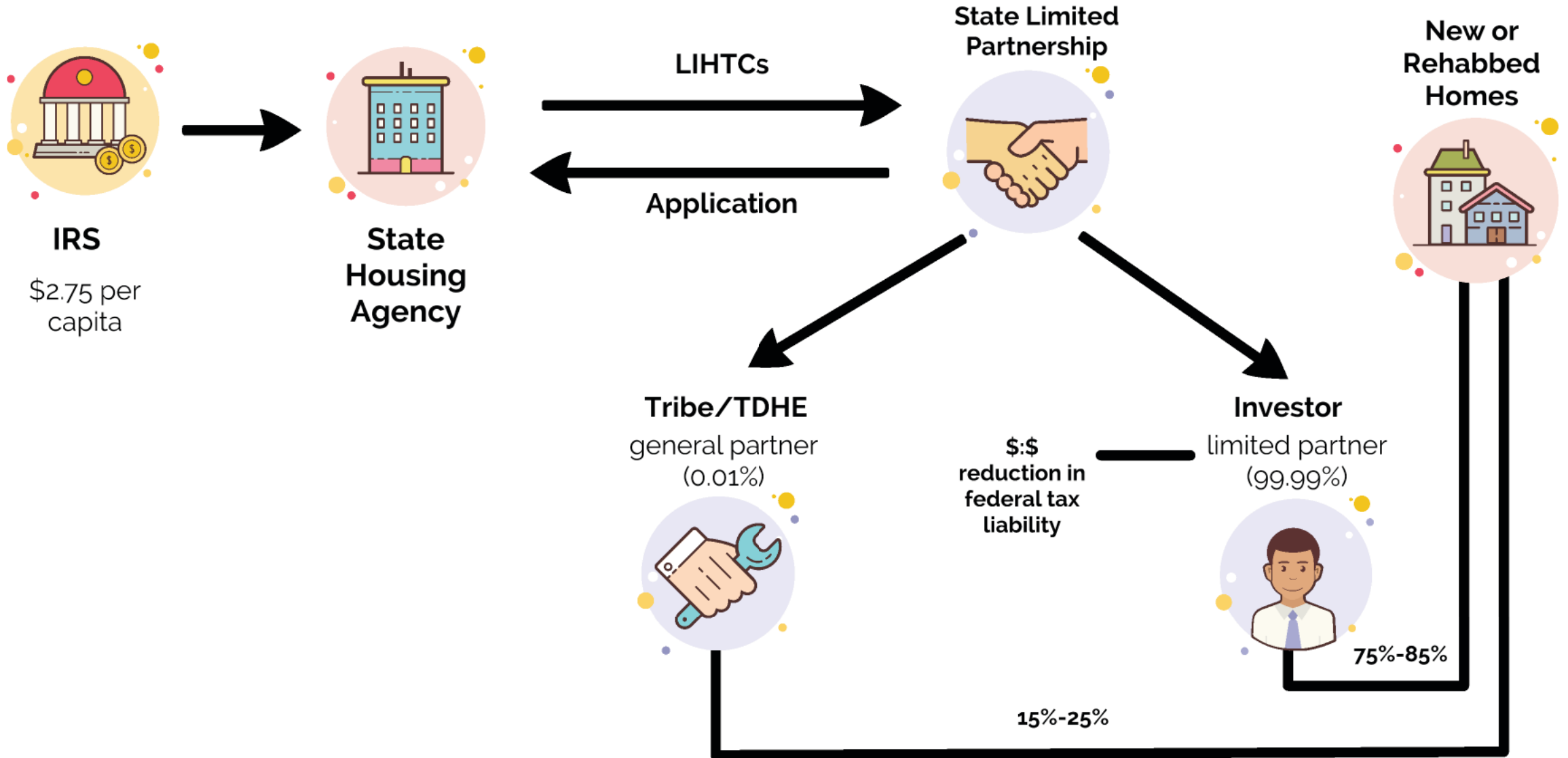
ARPA*

The LIHTC program

- Section 42 of the IRS Code
- Tax Reform Act of 1986
- Goal = to encourage private investment in affordable housing
- LIHTC program generates tax credits for investors
- The credit is a dollar-for-dollar reduction in tax liability (**not a tax deduction**)
- 10 year credit



The LIHTC Process



Quick Example

\$400K/unit
for 30 units

\$76,666/unit
with LIHTC



$$\begin{array}{r} \$1.2\text{M} \\ \times 10 \text{ yrs} \\ \hline \$12\text{M credits} \\ \times \$0.81 \\ \hline \$9.7\text{M} \\ \text{equity} \end{array}$$



$$\begin{array}{r} \$12\text{M project} \\ - \$9.7\text{M equity} \\ \hline \$2.3\text{M gap} \end{array}$$



\$12M housing project
\$1.2M tax credit
allocation

What type of project can be built / rehabbed with LIHTC?

Fort Peck Housing Authority (MT)



Single Family Homes

Pueblo of Acoma (NM)



Duplexes, Triplexes, Fourplexes

Sokaogon Chippewa (WI)



Adaptive Reuse

Yurok Indian Housing Authority (CA)



Apartments

Tohono O'odham Ki:Ki Association (AZ)



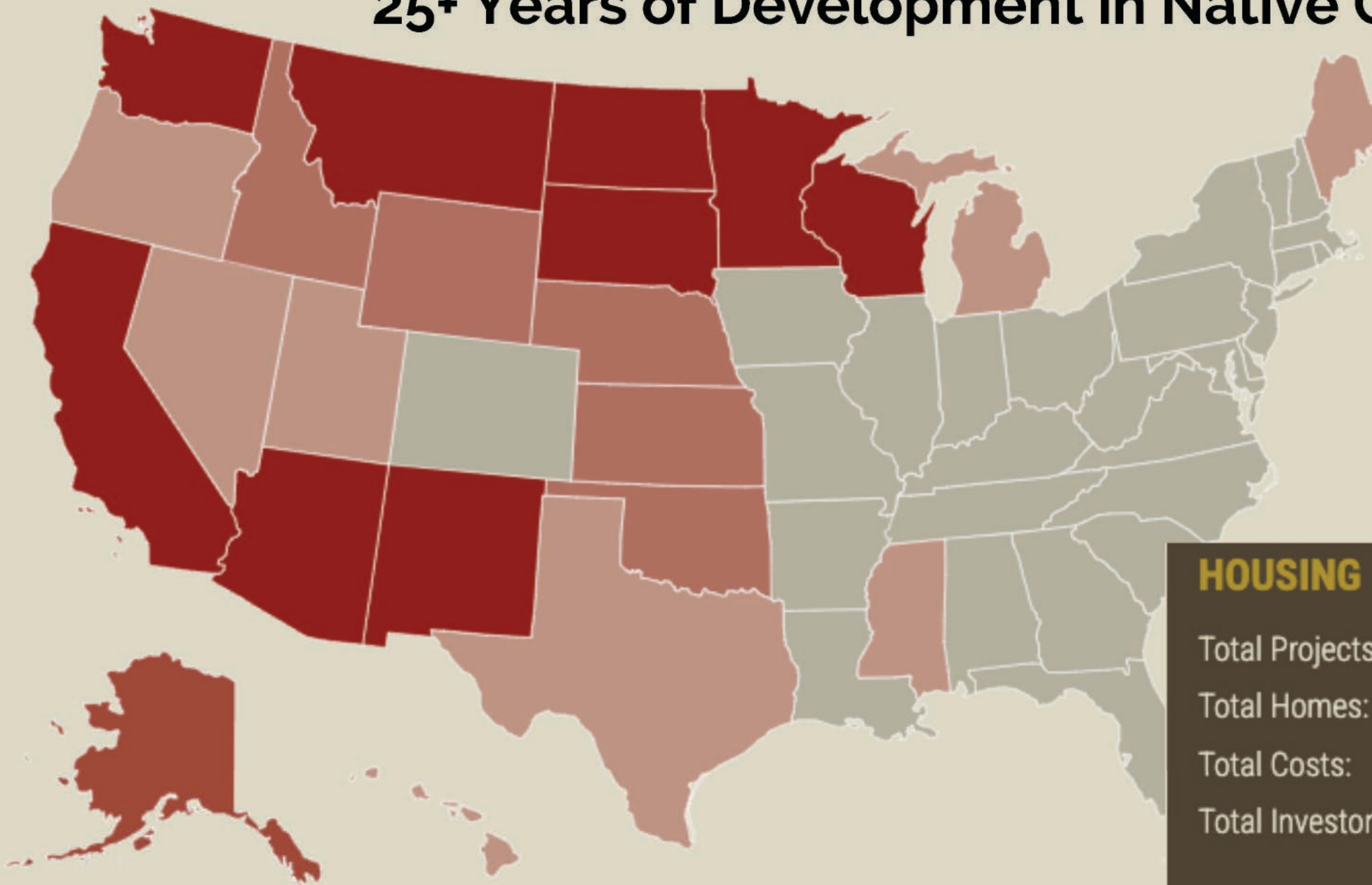
Community Facilities & Amenities

Who can you build for?

- Low income households
- Extremely low income households
- Families
- Special needs households
- Elders
- Tribal members
- Workforce
- Students (with some exceptions)
- Eventual Homeowners



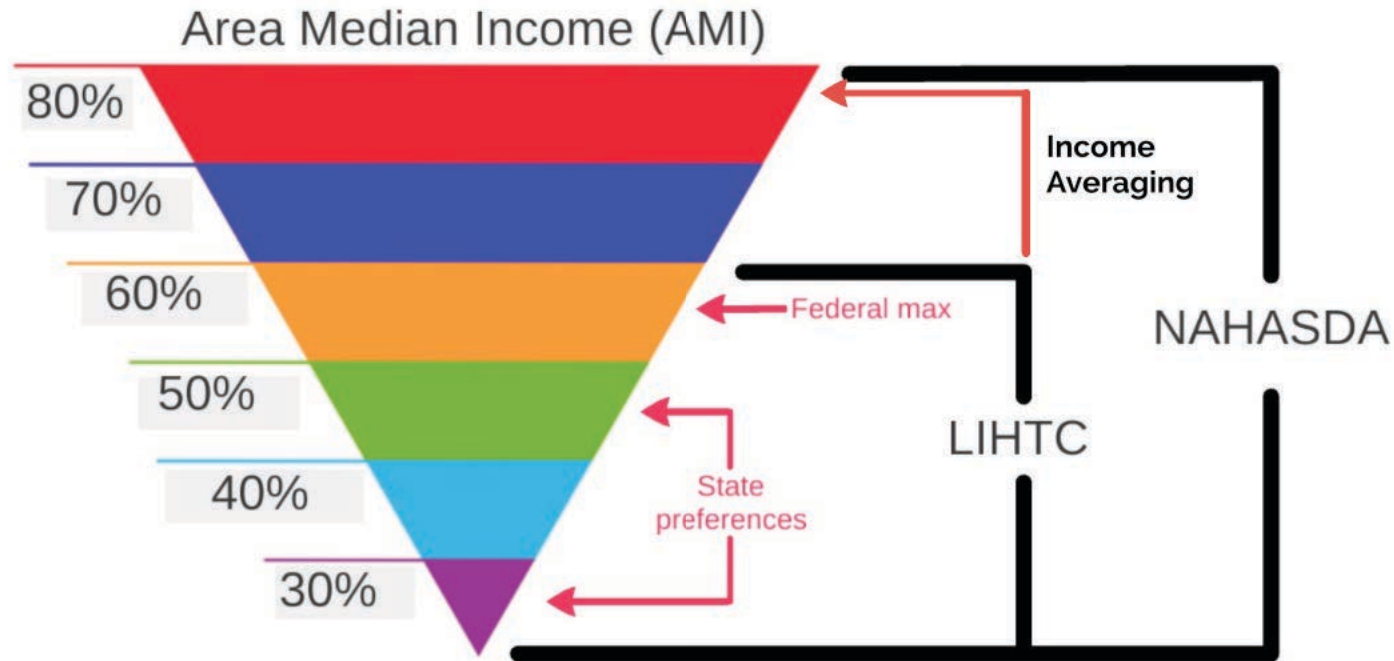
25+ Years of Development in Native Communities



HOUSING	
Total Projects:	225
Total Homes:	6464
Total Costs:	\$1,479,186,953
Total Investor Equity:	\$1,061,329,693

Income Restrictions

Basic Rules and Requirements - Income Targeting



Income must be **certified at move-in** but income increases **do not** affect eligibility

- Must include 100% of the per cap income from gaming
- The first \$2,000 in per cap income from interest held in trust or restricted land is excluded

Compliance

Basic Rules and Requirements













- Project must maintain compliance for 15 years plus the state extended use period (typically an additional 15+ years).
- Project must operate and maintain supportive services and energy requirements committed to at application.
- Project has the option of rental for the entire extended use period or eventual tenant ownership.



LIHTC Max Rent Limits

Pima County, AZ 2022







LIHTC Income Limits for 2022 (Based on 2022 MTSP Income Limits)

	Charts	60.00%	50.00%	40.00%	30.00%
1 Person		32,220	26,850	21,480	16,110
2 Person		36,840	30,700	24,560	18,420
3 Person		41,460	34,550	27,640	20,730
4 Person		46,020	38,350	30,680	23,010
5 Person		49,740	41,450	33,160	24,870
6 Person		53,400	44,500	35,600	26,700
7 Person		57,120	47,600	38,080	28,560
8 Person		60,780	50,650	40,520	30,390
9 Person		64,440	53,700	42,960	32,220
10 Person		68,100	56,750	45,400	34,050
11 Person		71,820	59,850	47,880	35,910
12 Person		75,480	62,900	50,320	37,740

LIHTC Max Rent Limits

Pima County, AZ 2022

LIHTC Rent Limits for 2022 (Based on 2022 MTSP/VI Income Limits)

Bedrooms (People)	Charts	60.00%	50.00%	40.00%	30.00%
Efficiency (1.0)		805	671	537	402
1 Bedroom (1.5)		863	719	575	431
2 Bedrooms (3.0)		1,036	863	691	518
3 Bedrooms (4.5)		1,197	997	798	598
4 Bedrooms (6.0)		1,335	1,112	890	667
5 Bedrooms (7.5)		1,473	1,228	982	736

State and Investor - Underwriting

**Consistency
with State
or Investor
Goals**

**Development
Team
Capacity**

**Financial
Feasibility**

Compliance



TOKA Homes V (Kawulck, AZ)

30 single family units

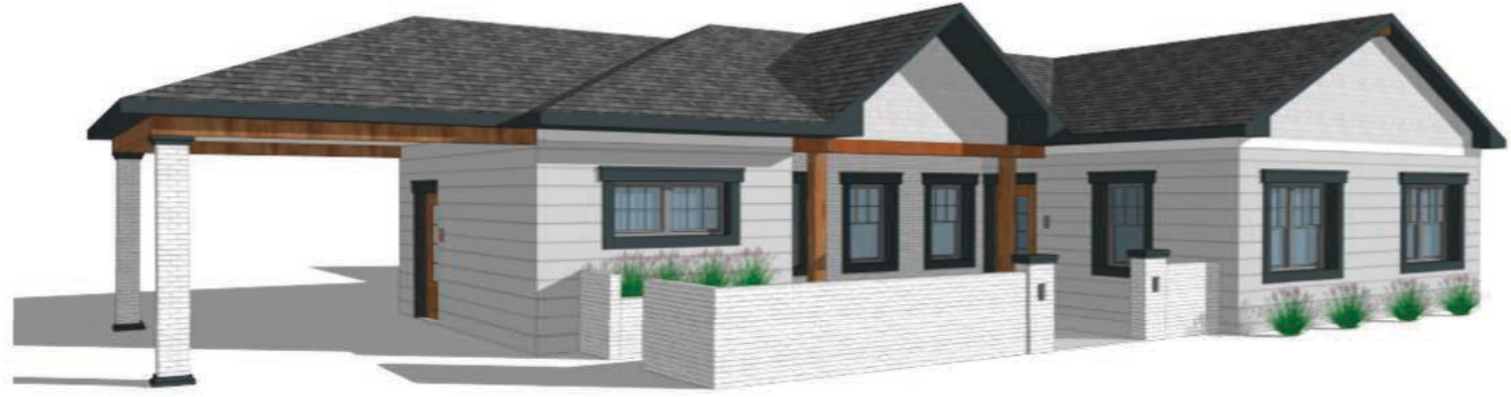
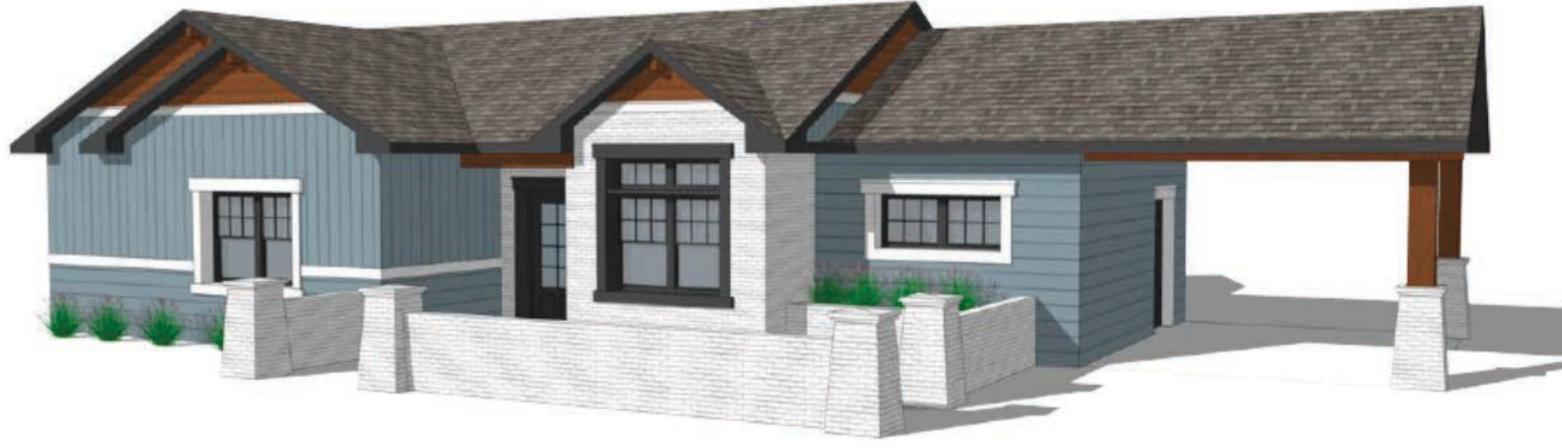
Completed in 2024

three-, and
four-bedroom homes



TOKA Homes V - Sources and Uses	
USES	
Infrastructure	\$ 10,643,894
Construction Costs	\$ 15,462,296
Soft Costs/Professional Fees	\$ 773,911
LIHTC Developer Fee	\$ 810,000
Total Uses	\$ 27,690,101

SOURCES	
LIHTC Investor Equity	\$ 11,889,752
TOKA Cashflow Only Loan	\$ 4,556,455
TOKA Equity Contribution (Tribal, IHBG, etc.)	\$ 9,668,894
FHLB-DM AHP Grant	\$ 600,000
CDFI CMF Grant	\$ 975,000
Total Sources	\$ 27,690,101





Yurok Homes #3 (Arcata, CA)

35 LIHTC units + 1 manager's unit

mix of one-, two-, and three-bedroom units



FRONT ELEVATION



Yurok Homes #3 - Sources and Uses

USES

Infrastructure/Site Work	\$	4,845,639
Construction Costs	\$	12,559,447
Soft Costs/Professional Fees	\$	1,835,156
LIHTC Developer Fee	\$	600,000
Total Uses	\$	19,840,242

SOURCES

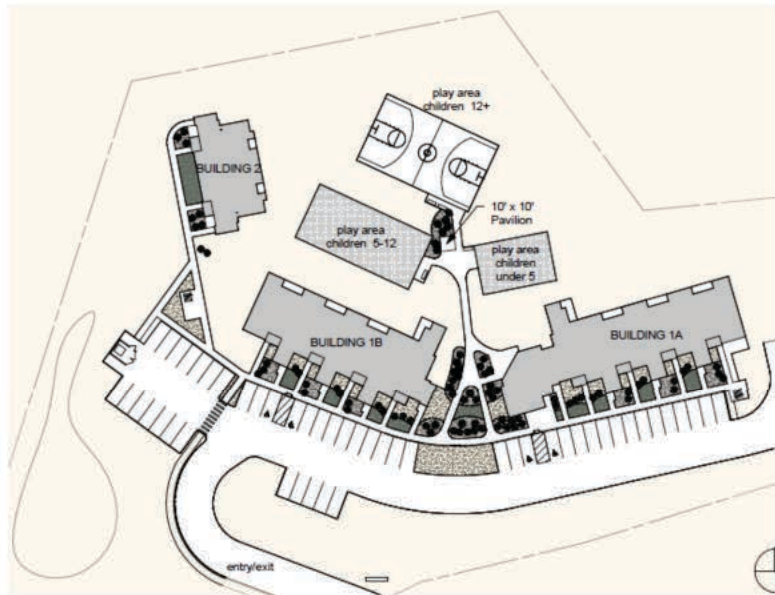
LIHTC Investor Equity	\$	12,884,721
Title VI Construction Loan - HCD Perm Loan	\$	6,955,521
Total Sources	\$	19,840,242



Laguna #3 (Pueblo of Laguna, NM)

20 units + fitness center,
playground

two- and three-bedroom
townhomes



Laguna #3 - Sources and Uses		
USES		
Infrastructure/Site Work	\$	2,422,713
Construction Costs	\$	7,632,759
Soft Costs/Professional Fees	\$	1,053,362
LIHTC Developer Fee	\$	450,000
Total Uses	\$	11,558,834

SOURCES		
LIHTC Investor Equity	\$	7,872,386
LHMDE Cashflow Only Loan	\$	3,686,448
Total Sources	\$	11,558,834







Thank you!



Tribal Affordable Rental Housing Development



TOKA Homes #3 family



Prairie Band #3 family

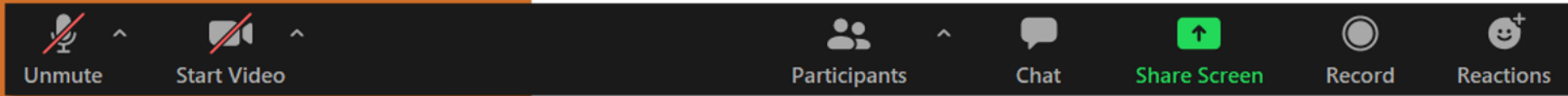


Red Cliff Rehab #2 family



Blackfeet Homes #5 family

Audience Questions



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using the chat function!**



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July 16, 2024
2:00 PM - 3:00 PM Eastern

2024 CDFA Equitable Lending Learning Series: Strategic Partnerships for Sharing Financial Risk

July 23, 2024
1:00 PM - 3:00 PM Eastern

CDFA Virtual Summer School

August 5-15, 2024 / Daily: 12:00 PM – 5:00 PM Eastern

Contact Us



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