

White Mountain Apache Housing Authority

Governing Indian Housing Legislation

- Old Law: US Housing Act of 1937
 - ◆ Operating Budget Submission
 - ◆ Competitive Funding for new construction and/or modernization
 - ◆ HUD micro-management
- New Law: Native American Housing Assistance and Self-Determination (NAHASDA) Act of 1996

NAHASDA

- Tribe or Tribally Designated Housing Entity (TDHE)
- Annual block grant funding
- Allows flexibility and local decision making
- Allows access to outside capital financing
- Allows funds leveraging
- Use of HUD guaranteed loans

Use of HUD Loan Guarantees

- Section 184 Loan Program
 - ◆ Guaranteed mortgage loans
 - ◆ Qualifying lender – HUD approved
 - ◆ Single or multiple family housing
 - ◆ Tribe must adopt foreclosure and eviction requirements
 - ◆ Qualified Borrower: Tribe or TDHE
Or qualified tribal family living within reservation boundary

HUD Loan Guarantees (cont'd)

- HUD Title VI Loan Guarantee
 - ◆ Use for NAHASDA eligible activities not just mortgage loans
 - ◆ HUD 95% loan guarantee with 5% committed by borrower
 - ◆ Tribe or TDHE as borrower
 - ◆ NAHASDA funds source of repay in event of default
 - ◆ Maximum Allowable loan 5 times IHBG
 - ◆ Can have Multiple Loans up to Maximum

White Mountain Apache Tribe Profile

- Tribal Population: 14,000 (est.)
- Unemployment Rate: 65%
- TDHE: White Mountain Apache Housing Authority (WMAHA)
- Annual IHBG: \$6-7 Million (Avg.)
- Housing Needs: Waiting List=1400 Families
- TDHE Existing Stock: 559 Rental & 696 Mutual Help

The First NAHASDA funded Project – Doing the Math!

- 1998 IHBG: \$6,800,000
- Fixed Operating Costs \$4,500,000
- Remaining Balance \$2,300,000
- At 100,000 per unit cost for construction, allows only 20 units per year
- AZ 16-53 20 homeownership units
- Never meet demand at this rate!

The First Leveraged Project – Apache Dawn

- First Ever Tax Exempt Bond Financed project in Indian Country
- Bond Proceeds: \$25 Million
- Nine month acquisition period
- TDHE was single bond issuer
- Bond Fees/Costs: \$900,000 paid through NAHASDA funds

Apache Dawn - \$ Partners - How It Worked

- Bond Purchasers:
 - ◆ FNMA \$12M
 - ◆ Freddie Mac \$11M
 - ◆ SIT Investment \$2M
- Bond Trustee: National Bank of AZ
- HUD Section 184 Lender: Bank
One
- Loan Seller/Servicer: Countrywide
Home Loans

Apache Dawn – Lease Purchase Homeownership

- Five Year Renewable Lease Structure
- Option to Purchase @ end of first 10 years & each subsequent year thereafter
- Occupancy Agreement w/ Maintenance Stipend
- Meet NAHASDA eligibility req'ts
- Total Homes Constructed: 317







Other Outside Funding – Leveraging Our Resources

- Federal Home Loan Banks (FHLB)

- ◆ FHLB of Seattle \$460,000

- ◆ FHLB of San Francisco \$252,000

- ◆ FHLB of Seattle \$396,000

- ◆ FHLB of Dallas \$350,000

Total \$1,458,000

- Subject to Compliance requirements

AZ Water Infrastructure Finance Authority (WIFA)

- Low interest loan @ 2.5% – 3.5 %
- Term: Maximum of 20 years
- Use HUD Title VI Loan Program to guarantee loan
- Two Loans: Water \$ 3 million
Sewer \$ 2 million
- Loan Closing Cost: \$250,000 paid through NAHASDA funds

AZ Low Income Housing Tax Credit (LIHTC) Program

- Free Money – use investors money
- Rehab Project: 40 rental units @ \$60,000/unit rehab costs
- Compliance with IRS regulations
- 15 year compliance period
- Meet income restrictions for lower income families
- Used \$223,000 of NAHASDA funds to upfront planning costs

USDA Rural Development

- \$8.8 Million grant/loan secured by the Tribe to support infrastructure for Tribal Casino Enterprise
- Honda Regional Wastewater Treatment Facility – Pro Rata Share for WMAHA \$ 2.7 million (Phase IV and VI of Apache Dawn)

HUD Super NOFA Funds

- Competitive Grant Programs
- HUD Drug Elimination Program
\$1,450,000
- HUD Imminent Threat Grant \$350,000
for Home Replacement Project @
Carrizo Site (Flood District Area)
- HUD Rural Housing and Economic
Development (RHED) Grant \$400,000
for Apache Dawn infrastructure costs
- HUD Resident Opportunity and Self-
Sufficiency (ROSS) Grant \$700,000 for
Resident services and homeownership

AZ State Housing Fund

- \$500,000 Application submitted - Pending approval
- \$ 1 Million Project to Rehab 25 single bedroom units of which 8 are handicap accessible units (Phase I)
- Plan to submit Phase II for remaining 25 units in next funding round
- Forgivable Loan structure
- Compliance requirements

Overall \$ Infusion Into Tribal Community

IHBG (98-04)	\$49,800,000
Bond Proceeds	\$25,000,000
FHLB: 4 AHPs	\$ 1,498,000
AZ WIFA/Title VI	\$ 5,000,000
AZ Tax Credit	\$ 3,000,000
HUD Super NOFA	\$ 750,000
DEP	\$ 1,450,000
ROSS	<u>\$ 700,000</u>
Total	\$87,198,000

Added Benefits

- Used local tribal resources for first time since housing authority created (1969)
 - ◆ FATCO
 - ◆ Home Center
 - ◆ Use of TERO Tribal Employment
- Trickle down effect for tribal enterprises
- Sustained tribal employment in areas of construction
- Recognized as Model Housing Agency

Added Benefits – Other Projects Made Possible

- New Office/Maintenance /Building
- Emergency Shelter Program (4-12 Homes)
- Rehab of Privately-owned Tribal Homes

Key Success Factors

- Planning Essential
- Needs Assessment
- Retreat/Brainstorming
- Team Development for Each Undertaking
- Project Coordination Conferences
- Implementation Schedule
- Dedication, Commitment & Motivation

Local Success Requirements

- Strong Organizational Leadership
- Capable and Dedicated Staff
- Solid Tribal Government Support
- Good Public Relationships with other governmental/private entities (Kick off & periodic meetings)
- Continual Research of Grant Opportunities

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