

2008 NCSHA Annual Awards for Excellence –Entry Description

Award Category: Home Improvement and Rehabilitation

HFA: New Mexico Mortgage Finance Authority

Entry Name: REVIVE

REVIVE addresses a critical need on New Mexico's Indian Reservations

Poverty and unemployment are high across New Mexico's Indian Reservations and many families suffer substandard housing and overcrowded conditions. For example, the three tribes targeted in the New Mexico Mortgage Finance Authority (MFA) 2007 REVIVE partnership have an average poverty rate of over 40%, an unemployment rate of over 22.5%, over 53% of the tribal members live in substandard housing and over 38% live in overcrowded conditions. Despite the dire need, it was not until 1998 that Tribal Designated Housing Entities (TDHEs) began to access state administered federal housing programs in New Mexico.

The REVIVE Program was developed by MFA to address the unique housing rehabilitation needs on the Indian Reservations of New Mexico by providing a framework which brings together a flexible package of financial, administrative and educational resources. REVIVE has succeeded on multiple levels by addressing severe housing need, expanding both agency and partner capacity, strengthening partnerships, and establishing a foundation for private investment and economic development.

The 1996 Native American Housing and Self Determination Act (NAHASDA) reorganized housing resources for Indian Tribes. Under NAHASDA, the HUD Office of Native American Programs (ONAP) grants housing money directly to Indian Tribes or TDHEs. REVIVE uses a "one-stop" financing model that flexibly blends NAHASDA funds (Indian Housing Block Grants) with a variety of other tribal funding sources such as Indian Community Development Block Grants, USDA Loan and Grants, the Federal Home Loan Bank Programs, and Tribal Guarantees with MFA administered funds such as the MFA Primero Loan Fund, HOME, the New Mexico Housing Trust Fund, RHED, Department of Energy (DOE) and the state funded Weatherization Assistance Program (WAP).

REVIVE specifically targets TDHEs as partners in developing a housing initiative within the reservation. The partnership delivers housing resources and strengthens financial training capacity and credit evaluation capacity within the partner, serving not only the homeowners who receive the housing money, but many other families who begin financial literacy training to avoid predatory lenders and establish banking and credit capacity.

REVIVE has provided a direct and measurable benefit to families living on New Mexico's Indian Reservations.

Since its debut in 2001, REVIVE has brought over 4 million dollars to bear on the housing rehabilitation needs of New Mexico's Indian Reservations. To date, the program has allowed 70 families to rehabilitate their homes; 25 more homes are in the process of being rehabilitated; and 42 more homes are in the pipeline for rehabilitation. Revive has had a significant and direct impact of the living conditions for the 137 families. Because of this program, these families will have safe, comfortable, and affordable homes.

Many of the rehabilitation projects included the construction of additional living space while also addressing outstanding health and safety issues. This affects the families' quality of life in two significant ways. First, it relieves housing overcrowding that is all too prevalent on New Mexico's Indian Reservations. Second, the expansion of living space supports traditional Native American values which place a great deal of importance on both immediate and extended family, and encourage multiple family generations living under one roof.

Award Category: Home Improvement and Rehabilitation
HFA: New Mexico Mortgage Finance Authority
Entry Name: REVIVE

Not a single REVIVE loan made to a homeowner has gone into default. A major goal of REVIVE is to empower Native Americans by providing homeownership education and financial literacy classes. That no loans have gone into default is a clear statement that the program's educational curriculum is meaningful and the delivery effective. The financial training has made a significant contribution to REVIVE participants' quality of life by empowering them with the knowledge and skills to build credit and increase their personal wealth.

REVIVE is an innovative program that can be replicated by other HFAs.

In 2001 MFA was awarded seed money from HUD's Rural Housing and Economic Development (RHED) grant to pilot the REVIVE Program. The pilot identified several barriers to investment on New Mexico's Indian Reservations. Significant barriers to investment included the lack of infrastructure, residents' lack of trust with unfamiliar financing mechanisms, difficulty collateralizing loans due to the lengthy and cumbersome BIA lease approval process, duplicative environmental review processes, prohibitively high construction costs, and a lack of contractors. Compounding the matter has been the difficulty of credit qualifying a target population with limited incomes and little credit history.

When using RHED funds in the REVIVE financial assistance package, a HUD environmental review is required in addition to standard MFA, BIA, and tribal environmental procedures. A streamlined environmental review process agreed upon by HUD and MFA has been established which allows HUD Environmental Reviews to be completed within two weeks of submittal. To further shorten the timeline for rehabilitation projects, homeowners begin home repair and financial literacy training at the same time that the environmental review process is being completed. The financial literacy curriculum is based on the Pathways Home Building Native Communities homeownership curriculum. In addition to financial literacy courses, the TDHEs offer participating members individual credit and budget counseling. The financial training reaches into the community beyond the families who obtain the housing funds.

To help contain rising construction costs and address the shortage of qualified contractors on rural tribal lands, the REVIVE Program promotes the use of Tribal "Force Accounts" for work such as demolition, site work, carpentry, insulation, and sheetrocking. TDHEs act as construction managers or contractors in establishing these force accounts to complete rehabilitations, renovations and construct new homes. In addition to providing significant saving, the force accounts provide much needed employment opportunities for tribal members. While some licensed trades such as plumbing and electrical must subcontracted, the subcontractors often employ 1-2 tribal members.

To expedite the housing rehabilitation process, MFA, working with the TDHEs and Tribal Government, has developed a policy whereby the government or TDHE can provide a loan guarantee. With the loan guarantee, MFA accepts the traditional land assignments used on Reservations as acceptable ownership. This has allowed REVIVE to deliver housing funds, without BIA involvement. Unfortunately, HUD HOME program rules do not recognize land assignments as an acceptable ownership interest, nor do private lenders. In order to make HOME funds and private lending available on tribal lands, MFA will continue to work with partners and the BIA to streamline the leasehold approval process.

REVIVE partnerships are effective and promote the efficient use of resources to achieve strategic objectives.

Award Category: Home Improvement and Rehabilitation
HFA: New Mexico Mortgage Finance Authority
Entry Name: REVIVE

REVIVE strategy builds on unique strengths and resources of partner organizations in a synergistic process that expands the partners' capacity to negotiate the administrative, legal and social barriers to addressing the housing needs on Reservation lands. When RHED funds are involved, MFA acts as the RHED Project Manager contracting with and overseeing the partners, monitoring and evaluating the program, coordinating the HUD environmental review, disbursing RHED grants and convening regular project meetings among the partners. The tribal partners conduct outreach, intake, develop the scope of work for the housing rehabilitation, underwrite individual home rehabilitation loans, design the appropriate subsidy plan based on family income and homes rehabilitation needs, and, acting as general contractor and using their force labor account, complete the rehabilitation. The tribal partner also conducts homeownership and financial literacy training for tribal homeowners. Tribal partners that do not have staff capacity to perform these activities are partnered with agencies to build the capacity. Past partnerships have been funded by MFA and have significantly expanded TDHEs' ability to effectively provide these services to their communities. The REVIVE Program, thus, not only brings a wide array of financial resources to bear on tribal housing needs, but it expands the ability of partners to negotiate the complex administrative and legal barriers inherent in combining state, federal and tribal funds on Reservation lands, and builds a foundation of trust and understanding between the partners and their respective communities.

The TDHEs use their adopted rehabilitation standards to develop the scope of work which includes HQS health and safety standards, ADA accessibility, and cultural adaptations such as kiva fireplaces, dirt floors, living areas sized sufficient for feast days, etc. As energy costs continue to rise, energy efficient building techniques are a critical component to ensure long-term affordability of homes. To promote the long-term affordability of homes, REVIVE includes coordination with the state weatherization assistance program. All rehabilitation includes the use of energy star rated appliances, high efficiency furnaces and water heaters, and low flow toilets. In addition, WAP providers employ the National Energy Audit Tool (NEAT) developed by the DOE to identify energy efficient renovations that will net the most the most energy saving to investment ratio.

The knowledge and skill developed by the TDHEs through participation in REVIVE has increased their organizational capacity to administer housing programs that include state, federal, and tribal funding sources, and to promote homeownership, financial literacy and home maintenance. Since the programs debut in 2001, all of the REVIVE tribal partners have created self-sustaining housing rehabilitation programs.

In addition, sixteen of New Mexico's twenty-two Tribes and Pueblos have enacted Leasehold Mortgage Codes making it possible to collateralize mortgage loans made on tribal lands. MFA and our tribal partners continue to work on streamlining the BIA leasehold approval process so that private mortgage money can be made available. Zuni Pueblo will use leases in their current REVIVE program, and will be working closely with MFA and the BIA to shorten the leasing and mortgaging approvals to an acceptable timeframe. For others, REVIVE will continue to offer tribes the ability to use tribal loan guarantees as a method to secure program funds and deliver this much needed program to their members.

REVIVE's success at expanding program partners capacity and delivering much needed financial and educational resources to tribal homeowners has made a significant impact on the quality of life and has paved the road for future private and public lending on New Mexico's Indian Reservations.