



Financing Development in Rural and Native American Communities

Russell Kaney
Rural & Native American Initiative
Enterprise Community Partners

www.EnterpriseCommunity.org
www.EnterpriseCommunity.com

Introduction

- Who we are?
- What we do?
- Where we work?

Tribal Housing

- Emphasis on Building Tribal Housing Capacity
- Focusing on Permanent Supportive Housing
 - Tribal social services already present
 - Housing & services are siloed
 - VASH vouchers for tribes
 - Wrap around services & counseling for Veterans, chemical dependency, Indian Child Welfare (ICWA)
 - T/A, Toolkits, Peer to Peer

Building Capacity

- Overall Goals
 - Make tribes aware of mainstream housing funds
 - Programs at Federal, state and local level
 - Awareness of foundation/philanthropic funds
 - Think broadly long term visions
 - One off project vs. long term goals
 - Community development (housing, community space, cultural center, veterans center, etc.)

Building Capacity

- Successes
 - NM Coalition (19 Pueblos, 3 reservations)
 - Collaboration with MFA, RD-USDA, BIA
 - Relationships built & maintained
 - Remains viable in 2019
 - Sharing of ideas, resources, expertise
 - Needs local leadership, champions

Building Capacity

- Successes
 - Rose Architectural Fellow Alumni
 - Other tribal architects with Native interests
 - Sustainable Native Communities Collaborative (SNCC) formed in 2015 as 501c3
 - www.sustainablecommunities.org
 - Long term & master planning, culturally specific design, local labor, local materials

Building Capacity

- Successes
 - American Indian Supportive Housing Initiative
 - Training on permanent supportive housing
 - Trainings in CO, NM, UT, WA, MN, ND, SD
 - Dream Catcher & the White Earth Story (MN)
 - First PSH on a reservation, not the last
 - White Earth built 2nd, working on 3rd

Dream Catcher Homes



Dream Catcher Homes Ogema, Minnesota







Fond du Lac Supportive Housing





Building Capacity

- What has changed in 22 years?
 - Better access to main stream housing programs
 - Native set asides (ND, AZ, CA)
 - LIHTC investors
 - Rise of Native CDFI's in housing, business lending, homeownership counseling
 - Better collaboration, trainings, T/A

Building Capacity

- What has not changed in 21 years?
 - NAHASDA funding flat lined
 - Turnover issues with tribal housing personnel
 - Lack of consultants that are competent and trusted

Building Capacity

- Looking Ahead
 - Tribal resources will be competitive in future
 - Tribes that look long term will be in better position to secure funding and support
 - Think housing + health + community facilities + infrastructure + education + culture
 - We see more economic development proposals around tribal businesses, food sovereignty, charter schools, indigenous language immersion, arts & cultural

Preserving Rural Rental Housing

Your Access to No Cost Technical Assistance

Rural Rental Housing Section 515

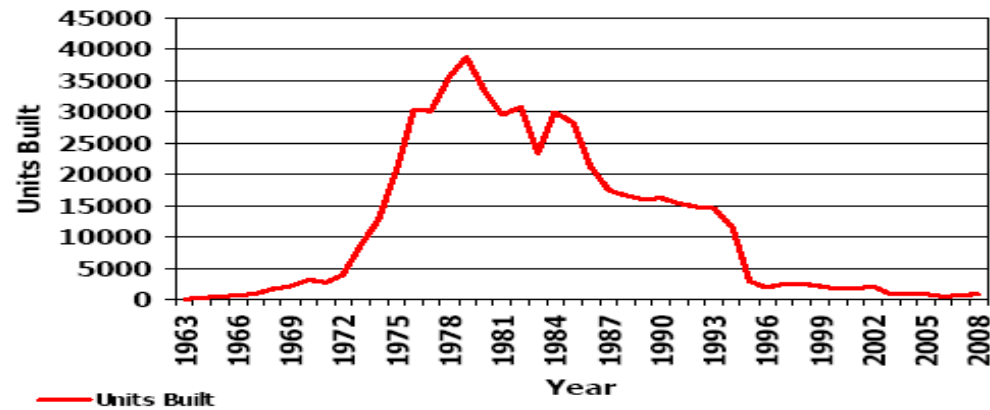
The Big Picture

- Section 515 of Housing Act of 1949 (42 U.S.C. 1485)
- Multifamily Rural Rental Housing
- Serves Very Low and Low Income Families & Elderly/Disabled
- Program & Units are “seasoned”, i.e. old, majority need rehab
- Peak Funding Years 1975-1985 (over 1,000 loans each year)
- More units created in 1979 (38,650) than all units constructed between 1994-20019. No new units since 2011.
- Focus from New Construction to Preservation

The Big Picture



Section 515 Rural Rental Housing Program, FY 1963 - FY 2008



Source: HAC Tabulations of USDA-Rural Development Data

Rural Rental Housing Section 515

The Big Picture

- As of September, 2018*
 - 13,231 Projects nationwide
 - 375,769 households
 - 421,505 residents
 - Average income: \$13,112
 - 257,178 Rental Assistance Households (68.44%)
 - 282,101 rental assistance residents
 - Average income: \$10,911/year

91.79% of all households are classified as very low income households (50% AMI or <)

*2018 Multi-Family Housing Annual Fair Housing Occupancy Report (2/7/2019)

Rural Rental Housing Section 515

The Big Picture

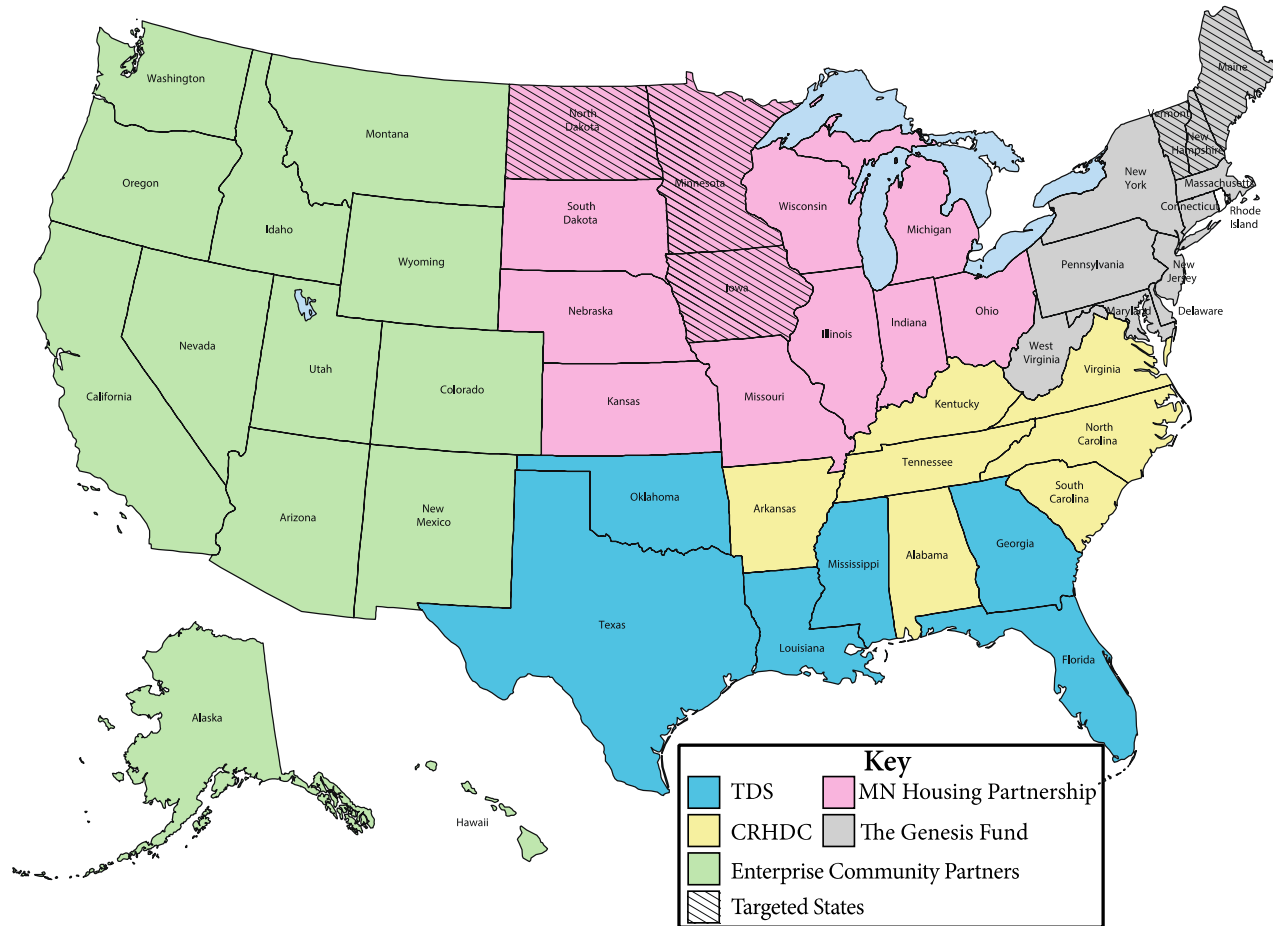
- Trends of the Rural Rental Housing Section 515 Portfolio
 - Portfolio is shrinking: 227 fewer Section 515 properties in 2018 vs. 2017*
 - Projects with maturing mortgages will accelerate after 2027**
 - 2017-2027 900 properties (6%) of portfolio 20,000 units (5% of portfolio) could exit program with matured mortgages**
 - Residents in projects with matured mortgages no longer receive rental asst.
 - Residents in projects with pre-paid mortgages can receive vouchers
 - Incentives can be offered by RD-USDA to stay in program but not always taken

* 2018 Multi-Family Housing Annual Fair Housing Occupancy Report (2/7/2019)

** U.S. Government Accountability Office (GAO) Report GAO-18-285

NO COST RD NP TA Regions

MULTI FAMILY TRANSFER & PREPAYMENT ASSISTANCE SERVICES BY STATE REGION



Rural Preservation MFH

- RD-USDA Tools Are Great but Stretched
 - MPR, Soft 2nd's, 538 program
 - Rental Assistance is Key to Survival but.....
 - Need New Ownership
 - Need recapitalization 9% credits ideal
 - Portfolio recaps with 4% takes time and \$\$ (lots of both)

Thank You For Your Attention

- Russell D. Kaney
- Director, Programs
- rkane@enterprisecommunity.org
- 608.225.1556