



Office of Public & Indian Housing



ONAP and Treasury National Best Practice Webinar featuring the Swinomish Indian Tribal Community

USING SECTION 184 AND STATE AND LOCAL FISCAL RECOVERY FUNDS TO DEVELOP TRIBAL HOUSING

MARCH 28, 2023

OFFICE OF NATIVE AMERICAN PROGRAMS (ONAP)



Gary J. Cooper

Associate Deputy Assistant Secretary
Office of Native American Programs
Department of Housing and Urban Development

Office of Native American Programs

homepage: www.hud.gov/codetalk

Mailbox: Codetalk@hud.gov

WEBINAR AGENDA

Agenda for this webinar

- Swinomish Indian Tribal Community on housing development with Section 184 and federal pandemic funds.
- ONAP Office of Loan Guarantee on the Section 184 Indian Home Loan Guarantee Program
- Office of Tribal and Native Affairs, U.S. Department of the Treasury, on State and Local Fiscal Relief Funds
- Question and Answer Session

TODAY'S FEATURED GUEST



Liz Miller

Housing Development Manager
Office of Planning and Community Development
Swinomish Indian Tribal Community

homes@Swinomish.nsn.us

<https://swinomish-nsn.gov/>

ONAP OFFICE OF LOAN GUARANTEE



Kevin Bunt

Deputy Director
ONAP Office of Loan Guarantee
U.S. Department of Housing and Urban Development
Kevin.G.Bunt@hud.gov

Section 184 Indian Home Loan Guarantee Program

https://www.hud.gov/program_offices/public_indian_housing/ih/homeownership/184

Subscribe to OLG-INFO announcements

<https://public.govdelivery.com/accounts/USHUDPIH/signup/28887>

U.S. DEPARTMENT OF THE TREASURY



Laura McDaniel

Policy Outreach Advisor
U.S. Department of the Treasury
Laura.McDaniel@treasury.gov



James Columbe

Policy Advisor, Office of Tribal & Native Affairs
Department of the Treasury
James.Colombe2@treasury.gov

Treasury Office of Tribal and Native Affairs

<https://home.treasury.gov/policy-issues/tribal-affairs>

Swinomish Indian Tribal Community

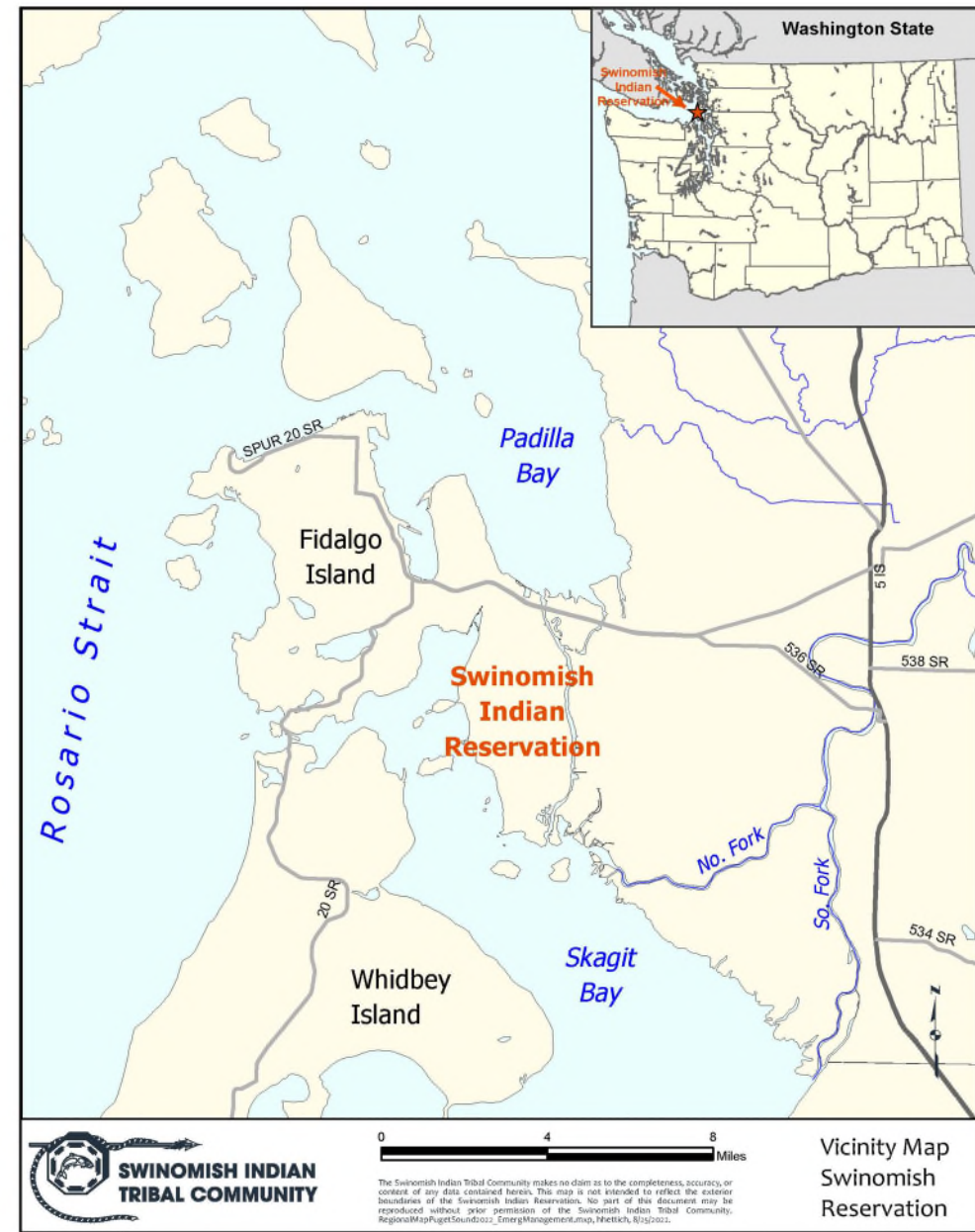
La Conner, WA

The Swinomish Indian Tribal Community (SITC) is a federally-recognized Tribe. They represent descendants of the Swinomish, Samish, Lower Skagit, and Kikiallus aboriginal tribes or bands of Indians, who occupied area lands and waters in the Skagit River basin, the Samish River basin, and northern Puget Sound since time immemorial.



The Swinomish Reservation is located on the southeastern peninsula of Fidalgo Island, west of the Swinomish Channel and adjacent to low-lying mainland areas of western Skagit County. The Swinomish Reservation consists of 7,450 upland acres and 2,900 acres of tidelands for a total of 10,350 acres. Tribal headquarters is located in the historic Swinomish Village.

- As of 2023, 1,032 enrolled tribal members.
 - About 600 live on reservation.
 - About 200 live off reservation but in Skagit County.
 - Remaining live outside of Skagit County.
- 758 enrolled members are over the age of 18.
- In 2022, Skagit County, had lowest vacancy rate in the state at 0.9%.







The Swinomish Tribe is building 17 single family homes using Section 184 single-close construction loans and as well as 15 townhouse apartments and 6 elder cottages using American Rescue Plan funds.

HOUSING AT SWINOMISH BEFORE 2021

The Swinomish Housing Authority is the TDHE for the Swinomish Tribe.



The Tribal Government has an additional 22 homeowner units in the Tallawhalt I subdivision, built in 2008.

TALLAWHALT II ORIGINS

- SITC determines to move ahead with homeownership units in 2018.
- Initial planning team: Tallawhalt Committee, Lands and Realty Department, Legal Department.
- SITC Senate – August 14, 2018: Approves the Swinomish 184 Program.
- November 2018: Bank2 (now Chickasaw Bank) presents the Section 184 Indian Home Loan Guarantee program to the Swinomish Community at 2 community meetings
 - Dozens of families attend and excitement for new housing grows.

TALLAWHALT II SPECIFICATIONS



- LAND: 4.1 acres of Tribal Trust land, within the Swinomish Village Urban Residential District
- HOUSING: Initially proposed 50 total single family houses.
 - Reduced to 27 lots due to infrastructure funding constraints

TALLAWHALT II: 2018-2019



- Infrastructure (roads, utilities etc.)
 - Funding: IHS and Tribal general funds.
- Site engineering begins with Tuttle Engineering.
- Public meetings conducted regarding project and location.
- Infrastructure Construction Bid released: Reece Construction selected.

PANDEMIC BEGINS: 2020

- Offices close and all but essential staff furloughed in March 2020.
- All construction halted pending the development of safe working protocols.
 - SITC Senate approves safety protocols for construction.
 - T2 Infrastructure construction begins in July 2020.
- Many tribal members suffer unemployment and income loss.
- Overcrowding in current housing units increases.
- Swinomish Senate, Tallawhalt Committee, and remaining staff continue planning and revising T2

HOUSING AT SWINOMISH 2021 AND FORWARD

- January: the Tallawhalt II development project is officially assigned to the Office of Planning and Community Development for management.

April 6, 2021, Swinomish Senate declares a housing crisis.

Immediate Actions:

- Creation of a Housing Division to be located in the Office of Planning and Community Development and hiring of a housing development manager.
- Approval to conduct a Housing Needs Assessment and develop a Housing Strategic Plan.
- Creation of the Swinomish Site Preparation Assistance Grant Program.
- Allocation and dedication of \$6.5 million in ARP funds for 15 units of townhouse apartments and 6 elder cottage units.

HOUSING DIVISION

- Currently funded by a combination of Tribal and other funding
- Two employees:
 - Housing Development Manager
 - Housing Specialist

Initial goals:

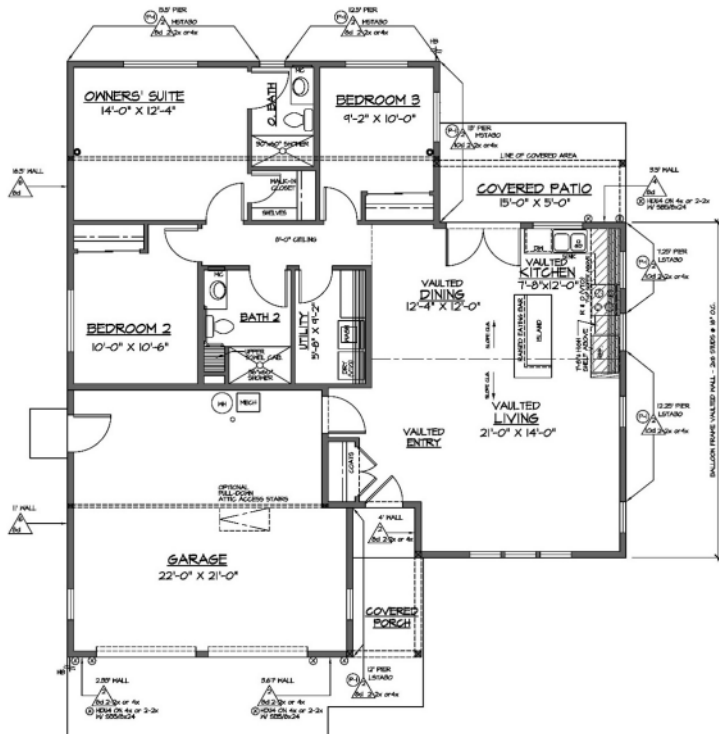
1. Push the Tallawhalt II development through completion
2. Administer the ERA 1 and Homeowners Assistance Funds
3. Develop property management capabilities

Planning Kicks Into High Gear

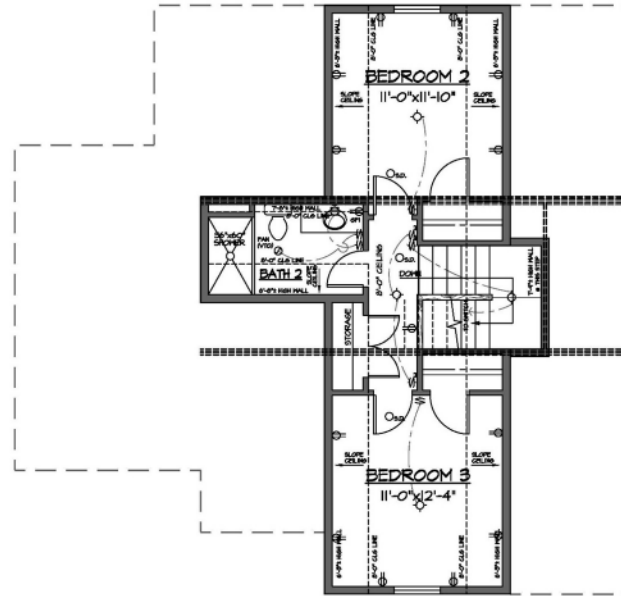
- July 2021: Senate approves plan for prospective homeowners:
 - Household prequalifies for lending in order to participate.
 - Lots chosen on a first-come, first-served basis.
 - Participants choose a house model and apply for home loan.
 - Participants would receive the \$20K Site Prep Assistance Grant (for financing, contingency and interim payments) and \$16k (IHS service connections) for a total of \$36k towards the lending package.
- Infrastructure is completed.

HOUSING CHOICES – STICK-BUILT MODELS

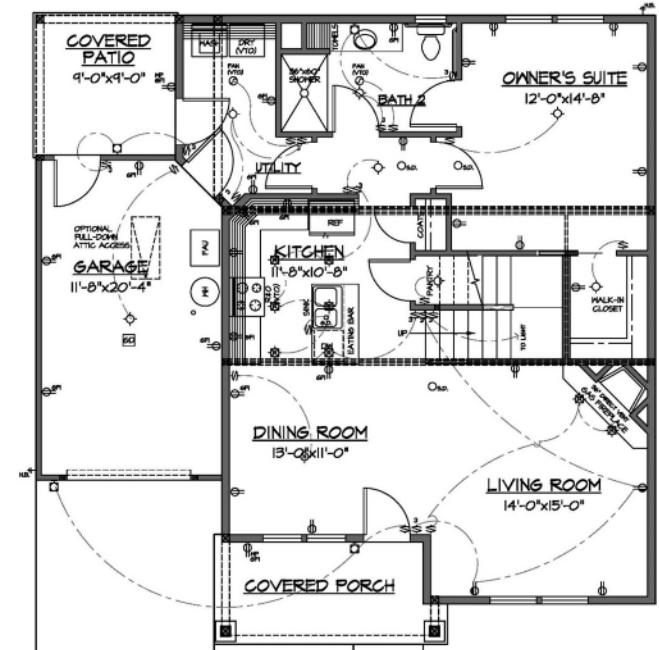
SATHING
(NAELS



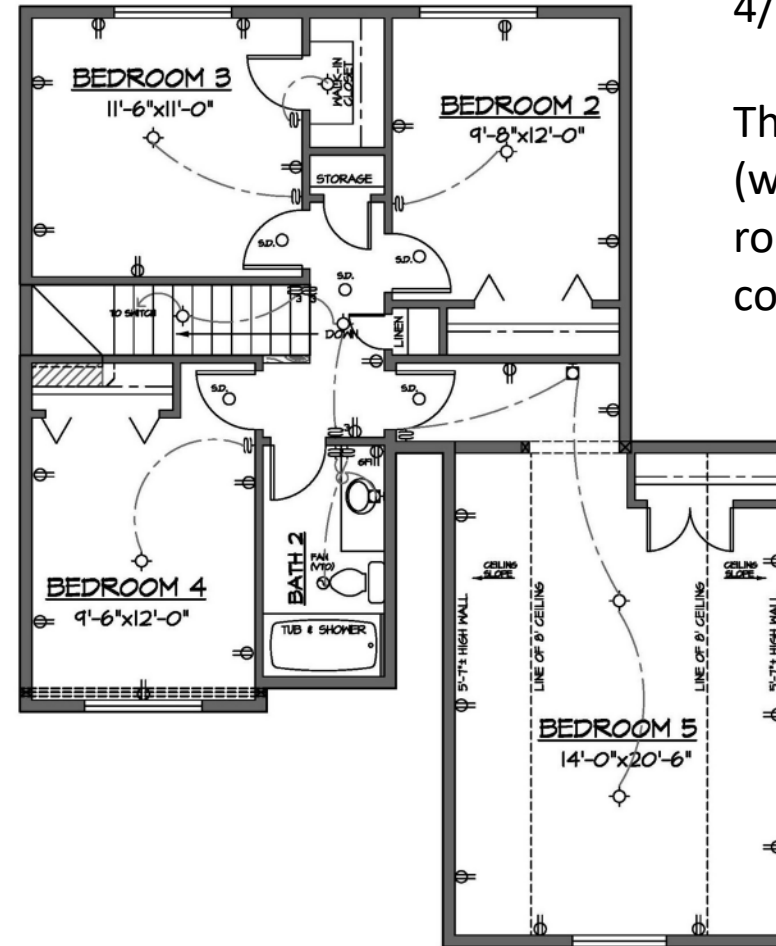
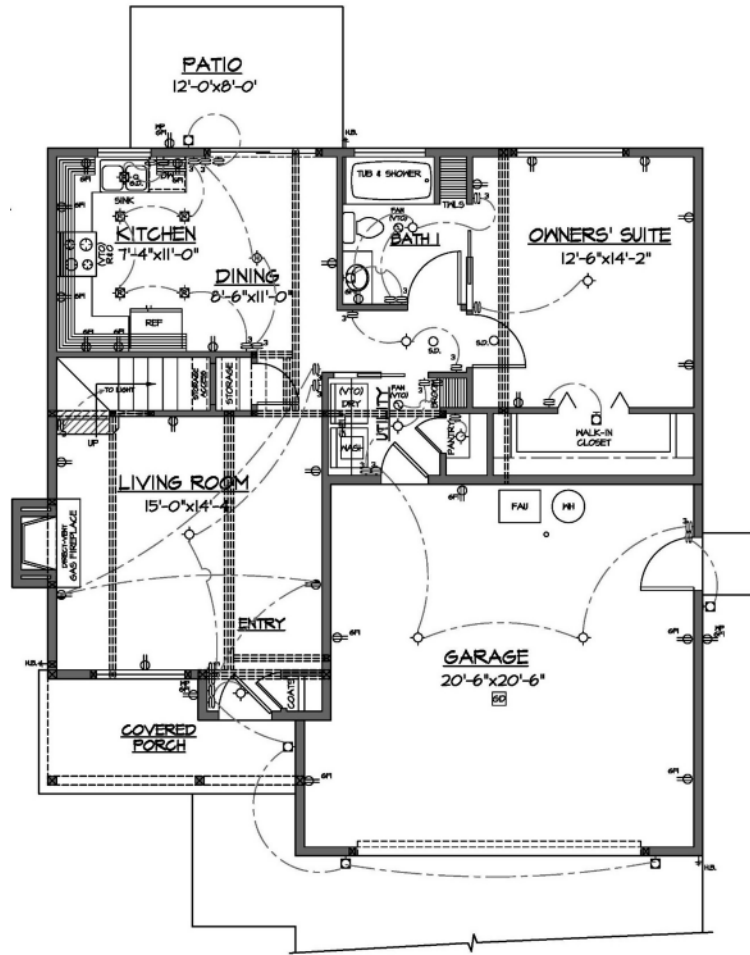
3 bed/2 bath 1 story = 1,769 sq ft
Cost to construct: \$341,000



3 bed/2 bath 2 story = 1,762 sq ft
Cost to construct: \$353,000



STICK-BUILT MODELS (continued)



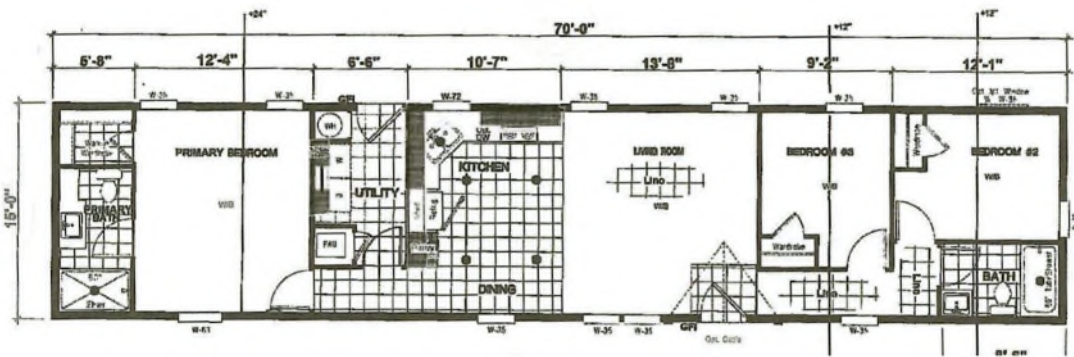
4/5 bed, 2 story = 2,309 sq ft.

The 5-bedroom can be a bedroom (with a closet, shown) or a bonus room (no closet). Cost to construct: \$378,000

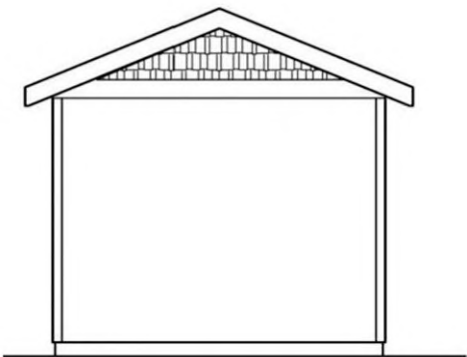
HOUSING CHOICES-MANUFACTURED HOMES & FREESTANDING GARAGES

DREAM SILVER SERIES 15x70 DRM 661N
3 BEDROOM, 2 BATH, - 990 SQ. FT.

SINGLE WIDE



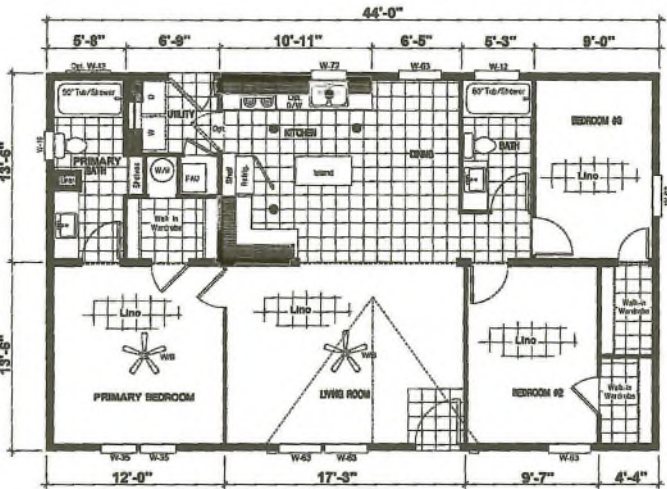
Garage Plan 20-045 - Front Elevation



Garage Design 20-045 - Rear Elevation

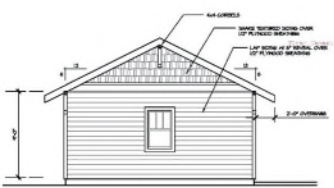
DREAM SILVER SERIES 27x44 DRM 442F
3 BEDROOM, 2 BATH - 1,188 SQ. FT.

27 WIDE

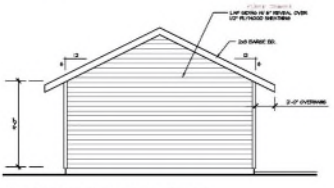


Lino Color
Hillborough Beige

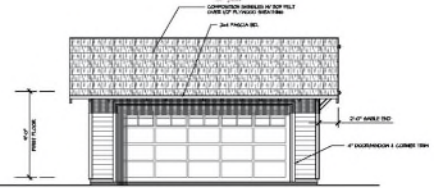
Lino Color
Rain Dance



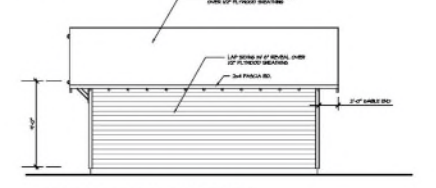
RIGHT ELEVATION



LEFT ELEVATION



FRONT ELEVATION



REAR ELEVATION

ENDING 2021 IN A GOOD PLACE

- September 2021: Pre-qualifications for 16 participant households.
- Additional lots released for other housing programs
 - Lots 1-7: 15 units of townhouse apartments and six elder cottage (ARP)
 - Remaining two lots for two single family homes from a separate funding source approved prior to 2020.
- October 2021: Approved participants select lots and housing models.
- Bid development for the homes is finalized. Package includes:
 - Stick-built homes and
 - Foundations, infrastructure and stand-alone garage construction for the manufactured homes.

BIDDING & MORTGAGE QUALIFICATION: 2022



February

Russia invades Ukraine and the Federal Reserve announces historic rate increases throughout the next year in an attempt to curb inflation

March

Bidding takes place and Valdez Construction is selected out of 4 bids submitted

April

Senate approves Tribal Book of 184 Single Close Construction Loans through Chickasaw Bank

May

Future homeowners begin qualifying for loans.

BIDDING & MORTGAGE QUALIFICATION: 2022 (continued)



May

All but one family opts for a Tribally backed loan rather than an individual loan.

August

Rising costs force several homebuyers to scale back their plans or select different models. New budgets must be developed.

September-October

Loans are in process, appraisals occur, closings are scheduled.

November-December

Loans close November 2!

LOAN PLAN CHANGES

- Original plan: applicants apply for individual 184 mortgage loans.
- Rising costs of construction, manufactured homes, and mortgages propelled SITC to take a different approach.
- SITC has taken out 16 single close construction loans.






- **New homeowners have up to 3 years to assume the loan from the Tribe at the original terms.**
- **This keeps the interest rate lower and consistent across all lots.**
- **If unable to assume the loan initially, a one year lease will be signed. Participant will try again prior to lease end.**

INDIVIDUAL LOAN










TRIBAL BOOK OF LOANS

INDIVIDUAL as borrower

-  Rate based on applicant's ability to pay.
-  Applicant navigates documentation process with multiple agencies.
-  One contract per participant: The contractor-participant must approve construction draws, a headache for project management.
-  Contractor works on one lot at a time.
-  Payments start 60 days after closing regardless of construction completion.

TRIBE as borrower

-  Rate based on Government's ability to pay.
-  Tribe navigates documentation process with BIA & other agencies.
-  One contract covers all homes : the Tribe is project manager.
-  Tribe provides draw inspections & facilitates bank & contractor payments.
-  Contractor can plan & order supplies for entire project.
-  Bank can advocate to HUD for the project & keep the financing costs down.
-  Contingency and 6 months of payments added to the lending package: reduces the amount of cash up front to close.

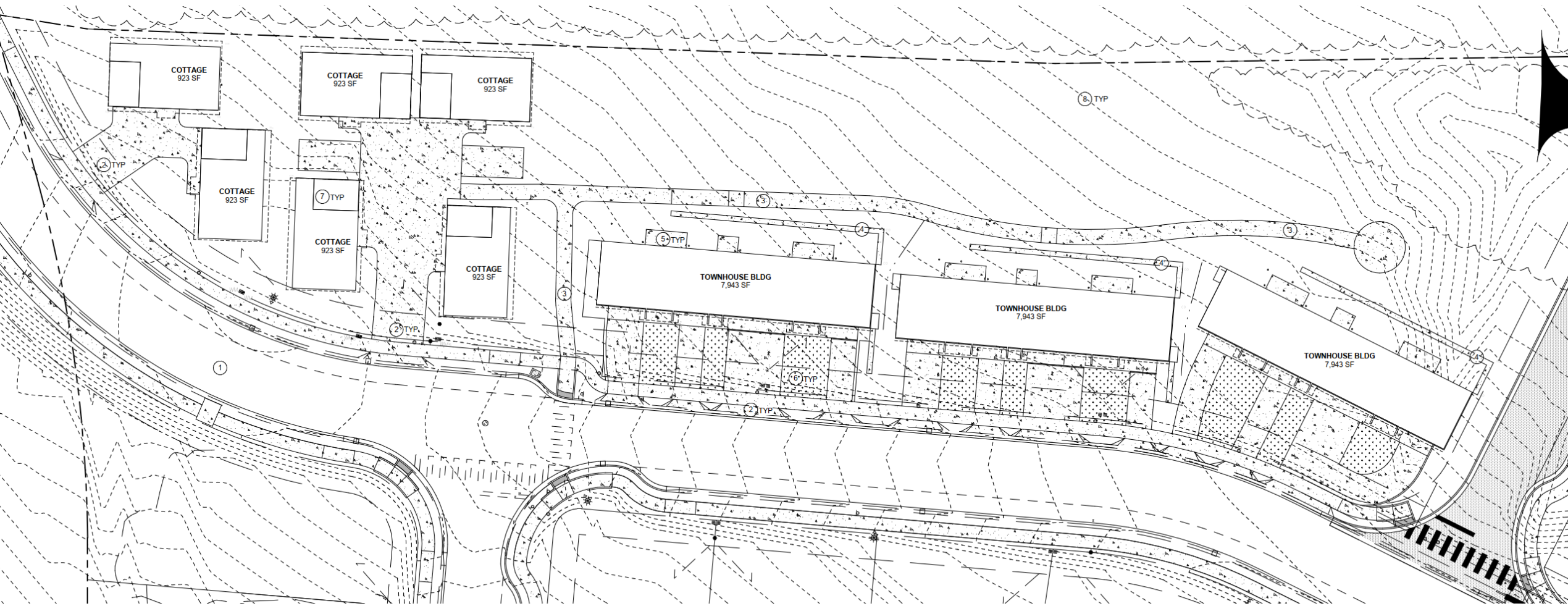
MARCH 2023

All 19 single-family lots are underway.

Lots 1-7 are in development for Elder Cottages and Townhouse Apartments using SLFRF.



TOWNHOUSE APARTMENTS & ELDER COTTAGES









TOWNHOUSE APARTMENTS & ELDER COTTAGES

- In permit review phase. Bid will go out in May.
- Planned: 15 townhouses and 6 cottages
- Townhouses to be built in two phases with a total of 30 units.
 - Infrastructure for second phase will be included as a bid alternative.
- The cottages, 15 apartments available for rent in late 2024.





Tallawhali II single family homes, elder cottages & townhouse apartments

FUNDING SOURCE	USE	AMOUNT
Indian Health Service	Infrastructure	 \$618,000
SITC	Infrastructure	 \$1,432,000
Indian Health Service	Service Connections	 \$400,000*
SITC	Service Connections	 \$51,000.00*
Section 184 Indian Home Loan Guarantee	16 Loans for Single-family Homes	 NOT TO EXCEED: \$6.5 million
American Rescue Plan	Engineering and Construction for Elder Cottages and Apartments	 \$6.5 million

**includes the whole development*



Infrastructure
Estimate vs Actual

2019 estimated cost:

\$1,050,000

2021 actual cost:

\$2,050,000

An increase of:

\$1,000,000

RESULTS

- SITC took out 16 loans to kick start single family home development process.
- Closed loans for families on 16 lots.
- SITC set aside \$6.5 million from American Rescue Plan funding to build 15 apartments and 6 elder cottages.
- New housing strategic plan to guide future development in process.
- Tribe created the Site Preparation Assistance Grant to facilitate the building of homes on reservation.



LESSONS LEARNED

- Meet regularly with staff and oversight committee(s).
- Keep leadership informed and seek required approval for changes, without weighing them down with day to day decisions.
- Keep the goal in mind despite the obstacles: to create safe, affordable housing for tribal members.
- Work with a lender that understands the complicated process involved with lending and building on trust land to make the process more manageable.

LESSONS LEARNED

- Despite the best planning, external circumstances can throw you for a loop. Flexibility and creative adjustments often are needed to keep moving forward.
- Utilize the strengths of your team and cultivate relationships with your federal and private partners.

TIPS FOR SUCCESS

Develop template documents ahead of time

Having a HUD approved lease form was very helpful in expediting the leasing process.

Utilize your federal contacts- call your BIA or IHS or HUD contact. Ask every question you can think of.

Be organized and consistent with your project files.

Allow your team to do the work.

ONAP Loan Guarantee Programs



ONAP Office of Loan Guarantee



What are the Loan Guarantee Programs offered by ONAP?

Section 184 – Indian Home Loan Guarantee Program for Federally Recognized Tribes – their Tribal Designated Housing Entity and enrolled tribal members.

Title VI – Tribal Housing Activities Loan Guarantee Program allows recipients of Indian Housing Block Grant Funds to use fund allocations as a means to obtain HUD guaranteed financing

What is the Section 184 Loan Guarantee Program?

A mortgage product specifically for American Indian and Alaska Native families, tribes, Alaska Villages or tribally designated housing entities.

Established in 1992 to facilitate homeownership in Native American communities.

A financing product with a low- down payment requirement and flexible underwriting.

ONAP Office of Loan Guarantee



Type of Transactions can be done with Section 184?

The Section 184 loan can be used:

On or off reservation

For purchase, rehabilitation, refinance, or new construction.

By a Tribe or Tribal Designated Housing Entity to bring more housing to tribal communities; for home meeting their cultural and community requirements

ONAP Office of Loan Guarantee



Advantages of the Section 184 Program

Low Down Payment – 1.25% for loan amounts \$49,999 or less; 2.25% for loan amounts \$50,000 or more

Credit Scores are not used for Underwriting

Alternative Credit can be used

Down Payment Assistance allowed with flexible requirements

Advantages of the Section 184 Program

Manual Underwriting by only Approved Direct Guarantee
Lender and Underwriter

- Fee Simple
- Tribal Trust
- Individual Allotment

Notable Features of the Section 184 Program

- ❑ No Income limitations – Tribe, Tribal Designated Housing Entity and the Borrower must be able to afford the monthly payments
- ❑ Fixed rate loans only up to 30 years
- ❑ No Prepayment Penalty
- ❑ Assumable by qualified eligible tribal members, Tribes of THDE's in the case of default

ONAP Office of Loan Guarantee



- ❑ Tribal members must be enrolled in a Federally Recognized Tribe
- ❑ Work with a Section 184 approved Lender:
https://www.hud.gov/sites/dfiles/PIH/documents/Section_184_Approved_Lenders.pdf
- ❑ Tribes wishing to make their Tribal lands available for individual tribal members to purchase or build a new home on must contact OLG to be approved

ONAP Office of Loan Guarantee



- ❑ Tribes Must Have Laws and ordinances related to foreclosure, eviction, leasing and lien priority.
- ❑ Provide Copy of Ordinances, Procedures
- ❑ Final Approved Lease, Tribal Resolution
- ❑ Detailed list of all requirements on CodeTalk
https://www.hud.gov/program_offices/public_indian_housing/ih/homeownership/184/tribes

ONAP Office of Loan Guarantee



- ☐ Purchase, Rehab, Refinance, New Construction
- ☐ Tribes can take out loans as rental units for 1-4 unit properties for tribal members
- ☐ Rent To Own Programs
- ☐ Use Section 184 in Conjunction with Title VI

ONAP Office of Loan Guarantee



Interested in learning more about how a tribe can participate in the Section 184 program?

Making its lands available for eligible tribal members?

Contact:

Andrew Lee - Chung-Yiu.Lee@hud.gov

Taylor Kunz - Taylor.M.Kunz@hud.gov

Jeffery Glass - Jeffery.B.Glass@hud.gov

ONAP Office of Loan Guarantee



Skilled Worker Program

Construct new housing to attract Skilled Workers to your community.

Requirements:

- ☐ Apply to the participate – Define Skilled Worker; Establish a lease agreement, Use Restriction
- ☐ Benefits:
- ☐ Low Down payment
- ☐ Reduced Loan Guarantee Fees – Upfront Fee - \$1; Annual Fee - \$0

For additional information Andrew Lee - Chung-Yiu.Lee@hud.gov

U.S. DEPARTMENT OF THE TREASURY

U.S. Treasury Briefing on Recovery Funds



March 7, 2023

OFFICE OF TRIBAL & NATIVE AFFAIRS TEAM



Fatima Abbas | Fatima.Abbas@treasury.gov
Tribal member of the Haliwa-Saponi Indian Tribe
Location: Washington, DC



James Colombe | James.Colombe@treasury.gov
Tribal member of the Rosebud Sioux Tribe
Location: Anchorage, AK



Josh Jackson | Joshua.Jackson@treasury.gov
Tribal member of the Cherokee Nation
Location: Washington, DC



Jennifer Parisien | Jennifer.Parisien@treasury.gov
Tribal member of the Turtle Mountain Band of Chippewa
Location: San Diego, CA

OVERVIEW OF FUNDS

TRIBAL RECIPIENTS

	State and Local Fiscal Recovery Funds (SLFRF)	Emergency Rental Assistance (ERA1)	Homeowner Assistance Fund (HAF)	State Small Business Credit Initiative	Capital Projects Fund (CPF)	Local Assistance and Tribal Consistency Fund	Coronavirus Relief Fund (CRF)
Authorizing Law	ARPA	CAA	ARPA	ARPA	ARPA	ARPA	CARES Act
Tribal Set-Aside	\$20B	\$797MM	\$498MM	\$500MM	\$100MM	\$500MM	\$8B
Recipients	579	301*	345 *	108 applications	~540	In-Progress	755 ^Δ
Purpose	Respond to the public health emergency and its negative economic impacts; provide premium pay to essential workers; replace revenue loss; and investments in water, sewer, and broadband	Emergency assistance for rent, utilities, and other housing-related expenses; arrears for rent and utilities; and housing stability services	Emergency aid for homeowners to prevent mortgage delinquencies, defaults, foreclosures, loss of utilities and displacement through qualified expenses related to mortgages and housing	Establish credit and investment opportunity for Tribal enterprises and small business owners	Funding for eligible governments to carry out critical capital projects that enable work, education, and health monitoring	Provide funding to eligible governments for use on any governmental purpose except lobbying activity.	Provide funds to eligible governments to cover necessary expenses incurred due to COVID-19 not covered in their budget approved as of 03/27/2020, and incurred from 03/01/2020 to 12/31/2022
Example Uses of Funds	Affordable housing, access to water, food security, job training, child care, small business grants, and economic recovery	Assist Tribal renters on or off Tribal lands and non-Tribal renters on Tribal lands with rent, utility, and home energy payments, and relocation expenses	Assist homeowners on and off Tribal lands with mortgage, gas, electric, internet, water, and homeowner insurance, assistance	Provide access to capital via loan and investment programs for Tribal enterprises and small businesses	Broadband infrastructure projects, multi-purpose community facilities, and connectivity technologies and devices	Governments have the discretion to use the funds for “any governmental purpose other than a lobbying activity.”	PPE, hazard pay for employees responding to the pandemic, support for distance learning and remote work, testing and vaccinations

* ERA1 and HAF include TDHES

Δ CRF includes Alaska Native Regional and Village Corporations

Homeowner Assistance Fund (HAF) Program

Purpose: Provides assistance to prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020 through qualified expenses related to mortgages and housing.

Tribal Set Aside and Disbursements

- \$498 million set aside for Indian Tribes/TDHEs and DHHL
- Over 200 Tribes and TDHE's submitted a Notice of Funds Request (NFR)

Updates and Required Compliance

- **NEW!** Participating eligible Tribes will receive an increased adjustment to their original allocation.
 - If a Tribe no longer wished to participate in the HAF program, the Tribe was required to return the HAF award funds it received to Treasury by **February 28, 2023**
- Tribes must submit a HAF plan in order to receive their total allocation.
- All funds must be obligated by **September 30, 2026**.
- Tiered tribal reporting due 45 days after the end of the reporting period.
- Tribal recipients allocated at least \$5 million must report quarterly.
- Tribal recipients allocated under \$5 million must report annually – first report was due November 15, 2022.



Local Assistance and Tribal Consistency Fund

Purpose: Recipients may use funds for any governmental purpose, except lobbying activities. This includes housing related activities including home construction.

Tribal Set Aside and Disbursements

- A total of \$500 million Tribal set aside, with \$250 million for each of fiscal years 2022 and 2023 for payments to eligible Tribal governments.
- **NEW!** Submission Deadline: **April 28, 2023**

Allowable Uses

- Any governmental purpose other than a lobbying activity – including investing in activities undertaken by Tribal enterprises.
- Generally, non-federal match or cost-share requirements of other federal programs.
- Funds may be used towards expenditures beginning on March 15, 2021 – there is no deadline on the use of funds.



Local Assistance and Tribal Consistency Fund - Continued

Updates and Required Compliance

- **NEW!** Treasury has issued a Tribal Consultation waiver from the Buy America Domestic Content Procurement Preference (BAP) as applied to federal financial assistance provided to Tribal government recipients of the LATCF.
 - This one-year Tribal consultations waiver will apply to all award agreements entered into with Tribal governments during the one-year period, from January 17, 2023 to January 17, 2024.
 - In addition, in the case of award agreements entered into with Tribal governments prior to the date of the final waiver, the Tribal consultation waiver will apply to all expenditures incurred after the date of the final waiver on an infrastructure project.
- All recipients must submit an Obligation and Expenditure report annually.
- NEPA and Federal Davis-Bacon prevailing wage rate requirements (typically applicable to Tribal contractors and subcontractors) generally do not apply to projects funded solely by LATCF.



State and Local Fiscal Recovery Funds

Purpose: Resources to respond to the pandemic, support families and businesses with the public health emergency and its negative economic impacts, maintain vital public services amid declines in revenue resulting from the COVID- 19 pandemic, and support tools for long-term growth and recovery.

Tribal Set Aside and Disbursements

- \$20 billion Tribal set aside
- Funds, other than funds spent in the new infrastructure categories, must be obligated by December 31, 2024 and expended by December 31, 2026.

Allowable Uses

- Replace lost revenue, using funds to provide government services
- Respond to the public health emergency and its negative economic impacts
- Invest in water, sewer and broadband Infrastructure
- Provide premium pay to essential workers
- **NEW!** Emergency relief from natural disasters*
- **NEW!** Certain transportation, infrastructure, and HUD/CDBG projects*

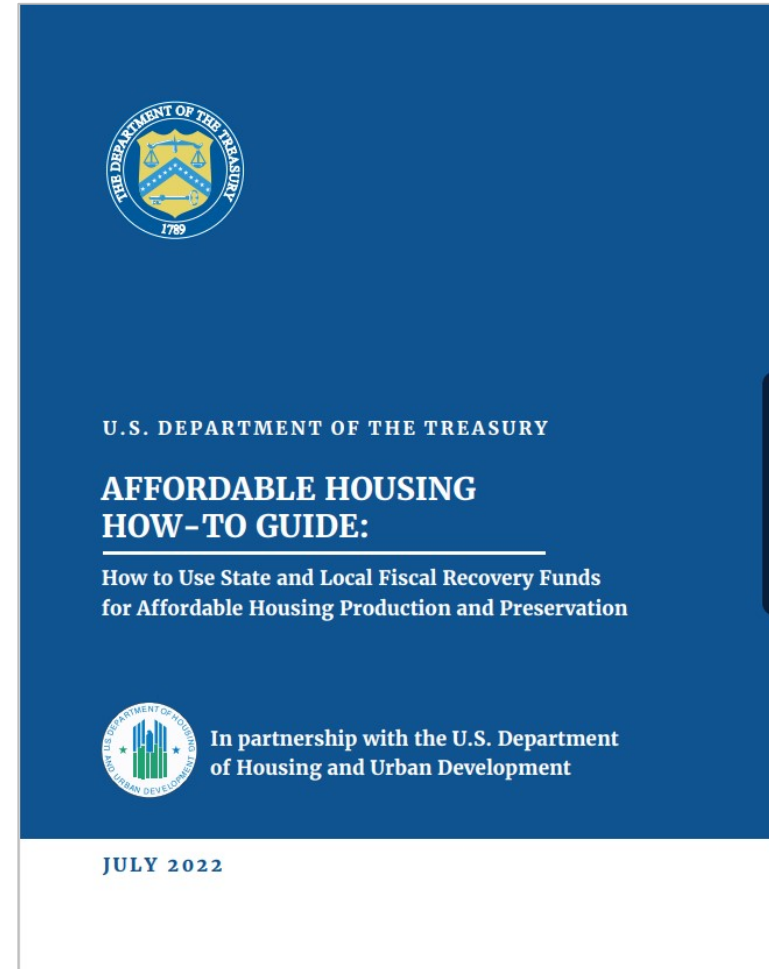
* The Consolidated Appropriations Act, 2023, amended the SLFRF program to include these new eligible uses. As provided for in the statute, these eligible uses are not yet available and will become available once Treasury issues a rule or guidance.



Using SLFRF for Affordable Housing

Flexible funding for new construction and substantial rehabilitation of affordable housing

- LIHTC projects
- Federal Housing Administration (FHA) multifamily mortgage insurance
- HOME and HTF
- HOME-ARP
- Project-Based Vouchers (PBVs)
- Recapitalization of Public Housing through HUD's Rental Assistance Demonstration (RAD)
- Community Development Block Grants (CDBG) and Section 108 Loan Guarantee Program



Q&A

QUESTIONS?

Webinar and case study will be posted on the Office of Native American Programs homepage:

www.hud.gov/codetalk

Email comments to: Codetalk@hud.gov

HELPFUL LINKS

Section 184 <https://www.hud.gov/section184>

SLFRF <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>