Enterprise

Native Housing Developers Guide

Exploring a New Resource

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June 30, 2022



Purpose of the Training

Our goal for this workshop is to identify all the benefits that the Developer's Guide can offer your organization or tribe towards building knowledge and capacity around multi-family affordable housing.



Today's Agenda

Native Housing Developers Guide

- 1. Introduction | 5 minutes
- 2. Navigating the Guide | 5 minutes
- 3. Tools and Resources to Build on 10 minutes
- 4. Phases of Affordable Development | 40 minutes

We will take questions throughout the presentation!

ABOUT ENTERPRISE COMMUNITY PARTNERS



Mission and Vision

OUR VISION

A country where home and community are steppingstones to more.

OUR MISSION

To make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all.



Preserve and produce good homes that people can afford



Advance Racial Equity

After decades of systematic racism in housing



Build Resilience & Upward Mobility

Support residents and strengthen communities to be resilient to the unpredictable

OUR APPROACH

Unmatched breadth, scale and expertise across the entire spectrum of affordable housing...



...creating a positive feedback loop that does it all under one Enterprise roof.

ENTERPRISE COMMUNITY PARTNERS



Tribal Nations and Rural Communities

Who are we and what do we do?

- **HUD Section 4 Capacity grants** 32 Rural and Native grants this year
- **Training & Capacity Building for Native Partners-** TA provision for USDA 515 and California HomeKey
- Native American Advisory Council- Launch Advisory Council formed by Native-led national organizations to support the formation of organization to organization relationships and to provide input and guidance to our capital, policy, and programmatic work.
- Work outside lower 48 with Rural Placemaking Innovation Challenge in Anahola, HI and developing an Alaska specific curriculum and Alaska Housing Innovation Summit (August 2022)
- Native Homeownership Programs Expanding our successful statewide homeownership coalition work (now in SD and NM) to replicate in AZ, MT and other states and the Native Homeownership Learning Communities Cohort





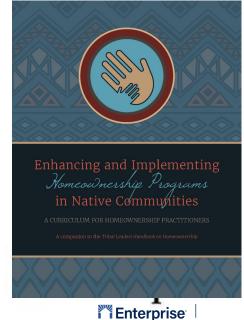
Supporting the Development of Housing in Native Communities













Equitable Path Forward- Recoverable Grant

Up to 10 Recoverable Grants of \$100,000- \$200,000 to Native Tribes or **BIPOC-led organizations**

- **Eligibility** Must be a Tribe, Tribal Entity, or an organization that is led by BIPOC individuals or individuals from other historically marginalized groups.
- What is a recoverable grant? Think of it as a loan without any interest for the development of affordable multifamily or single-family housing. Must be paid back within the period of performance (5 years).
 - Set-aside for tribes and rural projects within Enterprise's larger Equitable Path Forward program
- How do I apply? Open now on a rolling basis. Application requires project description and uses, including a pro-forma.
 - Technical assistance available to assist with application!
- **Contact**-Sarah Torsell, Program Director storsell@enterprisecommunity.org



Phases of Development





Phase 2:
Planning &
Predevelopment



Phase 3: Securing Funding









Native Housing Developers Guide

- Land acknowledgement
- Reviewers and Contributors
 - > Betsy McGovern-Garcia, Program Director at Self-Help Enterprises
 - > Zoe LeBeau, Supportive Housing Consultant, CEO, BeauxSimone Consulting
 - > Katie Symons, CFO, BeauxSimone Consulting
 - > Barbara Roloff, Seven Sisters Community Development Group, LLC
 - Leslie Newman, Seven Sisters Community Development Group, LLC
 - Robin Thorne, Vice President, RT Hawk Housing Alliance
 - Susan Vogel and Michelle Running Wolf, CRHA
- 3. Funders: Fannie Mae, American Express, and Goldman Sachs



Native Housing Developers Guide

- Training for new staff members
- Reference for a first multifamily project
- Reference while working with consultants
- Non-native groups familiarizing themselves with Native challenges and issues
- Links to further resources
- Tools during each phase of the process!

Remember that housing development is NOT a linear process!



Navigating the NHDG Site

Go to https://nativedeveloperguide.enterprisecommunity.org/

Can also find it on Enterprise's site

- > Tribal Nations and **Rural Communities**
- > Related Resources



ONLINE TOOLS

Resources to Build On

Go to https://nativedeveloperguide.enterprisecommunity.org/resources-build



Further Learning:

- HUD Native American Housing Needs Report (2017 ₪)
- Indigenous Planning + Design Institute &
- Sustainable Native Communities Collaborative
- Citizens' Institute on Rural Design
- Mass Design Group Sustainable Native Communities Design Lab
- Enterprise Green Communities Integrative Design Toolkit.
- GAO Study Native American Housing and Additional Actions Needed
- Freddie Mac LIHTC in Indian Areas
- GAO Data Use and Regulatory Status of the Indian Housing Block Grant
- National Multifamily Housing Council Toolkit



Phase II: Planning And Predevelopment

Further Learning:

- Ten Principles for Developing Affordable Housing
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)
- HUD Income Limit Tool
- Model Content Standards for Rental Housing Market Studies
- Grounded Solutions calculator
- Urban Institute calculator
- Market Study

 Common Terms to Know

Selected Footnotes:

• Alvarez, Annette. (2011). "Native American Tribes and Economic Development," Urbanland. Available at: https://urbanland.uli.org/development-business/Native-american-tribes-and-economic-development/@



Go to https://nativedeveloperguide.enterprisecommunity.org/glossary

A56	· : × ✓ fx Net	Operating Income (NOI)	
4	А	В	С
1	Term (include acronyms/alternative		
1 (definitions in parenthesis)	Definition •	Source
		The rate at which available homes are sold in a specific market during a given	
2	Absorption Rate	time period. It is calculated by dividing the number of homes sold in the allotted time period by the total number of available homes	
		a habitable living unit added to, created within, or detached from a primary one-	
		unit Single Family dwelling, which together constitute a single interest in real	
		estate. It is a separate additional living unit, including kitchen, sleeping, and	
3	Accessory Dwelling Units (ADUs)	bathroom facilities.	https://www.huduser.gov/portal/publications/adu.pdf
		Repurposing buildings for new uses and modern functions other than those	
4	Adaptive Reuse	originally indtended in order to address present-day needs.	
_		The parceling out of land to individual members of tribes, as described in the	La this has been been
5	Allotments	Allotment Act.	https://iltf.org/land-issues/history/
		Anchor institutions are schools, institutions of higher education (IHEs), hospitals,	
		faith-based organizations, and community-based organizations that have deep	
		roots in the community and are longstanding contributors to the community's	
		stability and strength. Often these institutions are the largest employers,	
		purchasers, and landowners in the community and as a result are the largest	
6	Anchor Institutions	contributors to the community's economy and well-being.	
		A process through which the value of a property is determined by a licensed	
7	Appraisal	appraiser.	
17			



Capacity Assessment Checklist

Go to https://nativedeveloperguide.enterprisecommunity.org/capacity-assessment-checklist

Native Housing Development Guide Project checklist

November 2021

PROJECT CHECKLIST

Use this checklist to organize key elements of your development project. You can check off different elements once complete and reflect on the "Questions to Consider" to help shape your project. Jot down notes for each part and share with others on your project team.

COMPLETED?	ASE 1: VISIONING MPLETED? PROJECT ELEMENT QUESTIONS TO CONSIDER						
COMPLETED	PROJECT ELEMENT	QUESTIONS TO CONSIDER					
	HOUSING NEEDS ASSESSMENT	 Do we understand the unmet needs affecting tribal members where our project would be located? What does our housing needs assessment say about them? Have we identified a need to conduct additional quantitative or qualitative analysis to understand unmet needs among tribal members where our project would be located? Have we identified the residents who will live in our development once complete (for instance, TDHE residents, veterans, young families, tribal employees)? Have we calculated how much the residents who will live in our development once complete can afford in terms of a monthly housing payment? 					
	OUTREACH	 How can we use our engagement to collect housing needs to help inform other aspects of our project (for instance, design concepts or features)? How can we ensure our engagement enables people to meaningfully participate (for instance, materials provided; overall accessibility; formats for sharing information)? How do we plan to the input we gathered as part of our engagement process? 					
		Can we articulate the goals for our project and how those goals relate to unmet housing needs among					



Development Financial Model

Go to https://nativedeveloperguide.enterprisecommunity.org/development-financial-model

Project Name:	Sample			
Date of Model Version	1/1/2021			
Development Costs				
Development Costs by Line Item		Total Cost	Cost/Unit	Cost/Sq F
ACQUISITION COSTS				
Land		70,000	3,500	2.4
Existing Structures *			0	0.0
SUBTOTAL		70,000	3,500	2.4
SITE IMPROVEMENTS				
Off Site Infrastructure *			0	0.00
On Site Infrastructure *			0	0.00
Demolition*			0	0.00
SUBTOTAL		0	0	0.00
CONSTRUCTION				
Building Permit Fees *		50,000	2.500	1.75
Tap Fees *		100,000	5,000	3.5
Construction / Rehabilitation *		3,000,000	150,000	105.20
Landscaping *			0	0.00
Contingency *		250,000	12,500	8.7
Other (please specify) *			0	0.00
SUBTOTAL		3,400,000	170,000	119.2
PROFESSIONAL FEES		-,,	,	
Architect Fees		181,212	9.061	6.3
Engineering Fees		60,400	3,020	2.12
Real Estate Attorney Fees		55,155	0,020	0.00
Soils Tests		4.000	200	0.14
Surveys		1,000	0	0.00
Green Planning and Design Fees		5.750	288	0.20
Other (please specify)		3,730	0	0.00
SUBTOTAL		251,362	12,568	8.8
CONSTRUCTION FINANCE		231,302	12,500	0.0
Construction Insurance			0	0.00
Construction Loan Orig. Fee		2.500	125	0.09
Construction Interest		1,118	56	0.0
Attorney Fees		1,110	0	0.04
Title and Recording			0	0.00
Other (please specify)			0	0.00
		3,618	_	0.00
SUBTOTAL	<u> </u>		181	<u> </u>

Project Name:	Sample						
Date of Model Version	1/1/2021						
15-Year Operatin	g Profo	rma					
			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Rent Income - increasing by		2.00%	\$236,544	\$241,275	\$246,100	\$251,022	\$256,043
Less Vacancy	7%		(\$16,558)	(\$16,889)	(\$17,227)	(\$17,572)	(\$17,923)
Other Income - increasing by		2.00%	\$0	\$0	\$0	\$0	\$0
Eff. Gross Income			\$219,986	\$224,386	\$228,873	\$233,451	\$238,120
Total Annual Expenses - inc. b	у	3.00%	(\$59,500)	(\$61,285)	(\$63,124)	(\$65,017)	(\$66,968)
NET OPERATING INCOME			\$160,486	\$163,101	\$165,750	\$168,434	\$171,152
Total Debt Service			(\$139,227)	(\$139,227)	(\$139,227)	(\$139,227)	(\$139,227)
Bridge Loan Debt Service			\$0	\$0	\$0	\$0	\$0
Cash flow Available			\$21,259	\$23,873	\$26,523	\$29,206	\$31,925
Debt Coverage Ratio			1.15	1.17	1.19	1.21	1.23
Projected Payments from C	ashflow						
Deferred Developer Fees			\$20,000	\$20,000	\$11,000	\$0	\$0
Soft Debt #1			\$0	\$0	\$0	\$0	\$0
Soft Debt #2			\$0	\$0	\$0	\$0	\$0
Partnership Management Fee	S		\$0	\$0	\$0	\$0	\$0
Asset Management Fees			\$0	\$0	\$0	\$0	\$0
* Cash Flow over years 1-10	\$334,411						
* Cash Flow over 15 years	\$609,264						
		,Τ					

QAP Set-Aside Inventory

Go to https://nativedeveloperguide.enterprisecommunity.org/qap-set-asidepreferences-inventory

California

NATIVE- OR RURAL-SPECIFIC SET-ASIDE OR PREFERENCE

Native American apportionment of the Rural Set-Aside

SET-ASIDE OR PREFERENCE SUMMARY

Dollar Amount

One million dollars is available for projects on land to be owned by a Tribe and in which occupancy will be legally limite tribal households; up to 20% of low-income units may serve non-tribal households if required by the HOME Program.

OTHER INCENTIVES

https://www.novoco.com/sites/default/files/atoms/files/califonia-lihtc-gap-regulations-2021.pdf@

Idaho

NATIVE- OR RURAL-SPECIFIC SET-ASIDE OR PREFERENCE

Rural Development Set-Aside

SET-ASIDE OR PREFERENCE SUMMARY

Percent of total housing credits

The QAP sets aside 15% of total housing tax credits for the new construction of developments located in communities are eligible for United States Department of Agriculture (USDA) Rural Development Multifamily Housing programs.

OTHER INCENTIVES

https://www.novoco.com/sites/default/files/atoms/files/idaho-lihtc-gap-2021-final-approved-03262021.pdf

SOURCE #2

Sample/Example Documents

Go to https://nativedeveloperguide.enterprisecommunity.org/sampleexample-documents

- Housing Needs Assessments
 - CRHA Housing Needs Survey
 - Housing Study Template
 - REDCO Housing Needs Study
 - SISC Needs Assessment @
 - Thunder Valley HOME Report Summary
- ► Green Building Maintenance and sample policy/procedures doc from city of Seattle: http://www.seattle.gov/housing/housing-developers/green-practices#forbuildingmanagers
- Residential Rental Property Maintenance Checklist from the City of Brainerd, MN: https://www.ci.brainerd.mn.us/DocumentCenter/View/596/Rental-Property-Maintenance-Checklist-PDF





Housing Needs in Native Communities

Exhibit 1: Rental Unit Mix on Native American Reservations

	National	l Reservation	Tribal Member Percentage on Reservation Land			
			50%+	70%+	80%+	90%+
Rental Units (% of all households)	36.4%	32.7%	34.6%	33.1%	31.3%	27.8%
Multifamily Rental Units (% of all households)	15.5%	7.5%	3.3%	2.6%	2.2%	1.8%
Multifamily Rental Units (% of all rental)	42.6%	22.9%	9.6%	7.8%	6.9%	6.5%

Source: Freddie Mac tabulations of the 2016 5-Year American Community Survey



Community Education and Engagement

What are the steps to meaningful community engagement?

- 1. Define the Scope of the planning process
- 2. Developing an understanding of the community landscape
- 3. Identifying core questions and trade-offs
- 4. Assessing community capacity
- 5. Design engagement strategies and identify resource needs
- 6. Decide how input will be used



Housing Needs Assessment



What Is The Difference Between A Market Study & Housing Needs Assessment?

Housing Needs Assessments do not serve the same function as market studies, though the two are often confused. A market study is an in-depth analysis of the market feasibility and demand for a specific type of development (and potentially in a specific location within the community). A market study is used to build an understanding of how your project site will fit into the community and what needs will be met.

A housing needs assessment is a more global and comprehensive assessment of the housing needs and conditions in the community but is not focused on assessing the feasibility of a specific development or type of housing. A Housing Needs Assessment could cover a whole state, county, or reservation for example.



Bringing Indigenous Design into Multi-Family Housing



What Is Trauma-Informed Design?

Trauma-informed design is a new understanding that is based on trauma-informed care which is already a best-practice in services. This new concept underscores that housing should not just put a roof over people's heads, but should create dignity, healing, and joy. This impacts the design process and prioritizes the voices of future staff and potential residents to hear what they need in housing to feel safe, and for their voice to help lead the design ensuring the housing meets the needs and honors the identities of the residents. An overview of TID principles and a TID design process can be found at www.shopworksarc.com/tid.

PHASE 1: VISIONING



General skills and capacities for your team



PROGRAM STAFF

- **Project management**
- **Contractor management**
- **Grant management**
- Compliance



OPERATIONAL SUPPORT

- Human resources
- Information Technology (IT)
- Accounting and finance



BOARD SUPPORT

- Real estate expertise
- Accounting and finance
- **Community experience**
- Capacity assessment and alignment



PHASE 2: PLANNING AND PREDEVELOPMENT



Evaluating Housing Development Models

Key decisions to help guide model development



TENURE

For- Sale

Rental

Lease-to-own

Co-housing



EXISTING SITE USE

New construction

Redevelopment

Rehabilitation

Adaptive reuse

Accessory dwelling

units



STRUCTU RE TYPE

Single-family

Multi-family



BUILDING USE

Single-use

residential only

Mixed-use

buildings



Assembling Your Project Team

Roles that comprise your team

Key Project Team

- Developer
- **Developer Partner**
- Leaseholder/property owner
- Property manager
- General contractor
- Service Provider

Consultants or Contractors

- Architect
- Engineers
- Market or real-estate analyst
- Lawyer
- **Environmental analyst**
- Housing finance adviser

Assessing Project Feasibility

- Site Selection
 - Physical and Environmental Factors
 - Regulatory Factors
 - Locational Factors
- Calculating Affordability
- Other Market Considerations
 - Permanent Supportive Housing
 - People experiencing homelessness
 - Living with Disabilities
 - Elders
 - People coming out of corrections

Market Study



Upfront Considerations

Alignment with funder requirements and your housing development model



Native Context Issues

Limited data availability, experience working in native and rural areas, willingness to work on tribal lands



Elements of a Market Study

Project description, location, market area, employment and economy, demographics, competitive environment, demand analysis, local perspectives on rental housing, and permanent supportive housing

Financial Feasibility

- 1. Working with a Pro-Forma
- 2. Development Budget
- 3. Sources and Uses
- 4. Pro-forma Schedule of Expenses



The Native Housing **Developers Guide also** includes a "Development Financial Model" tool that includes a pro-forma and other resources

PHASE 2: PLANNING AND PREDEVELOPMENT

Creating a Development Plan

Downloadable resource for organizing steps, timeline, and roles

	Key steps	Illustrative timeline	Key roles
Phase I: Visioning			
Community Engagement			
Housing Needs Assessment			
Design Concept			
Assessing Capacity			
Phase I milestones:			
Phase II: Predevelopment			
Evaluating Housing Development Models			
Assembling Project Team			
Assessing Project Feasibility			
Market Study			
Financial Feasibility			
Phase II milestones:			





Understanding Public Sector Funding Sources

This section includes

- Table of Available Public Funding Sources
- NAHASDA on Native Lands & the competitive formula
- LIHTC on Native Lands
 - Success in California

PHASE 3: SECURING FUNDING



Understanding Public Sector Funding Sources

LIHTC on Tribal Lands

Federal tax credits are allocated to state housing finance agencies by a formula based on population.

Each state agency establishes its affordable housing priorities and developers compete for an award of tax credits based on how well their projects satisfy the state's housing needs.

Developers receiving an award use the tax credits to raise equity capital from investors in their developments.

The tax credits are claimed over a 10year period but the property must be maintained as affordable housing for a minimum of 30 years.

Credits can be recaptured for noncompliance so maintaining close supervision over the properties throughout their lifecycle is important.

Working with Private Sector Funding Sources

- Working with Lenders
- Working with Investors
 - Proactively Build you relationships
 - Get support from other community leaders.
 - Educate lenders on how the development process looks in your community
 - Provide a reasonable assessment of financial feasibility.
 - Secure a loan guarantee
 - Identify alternative income streams to secure loans.
- Native CDFIs

PHASE 3: SECURING FUNDING

Layering Financing

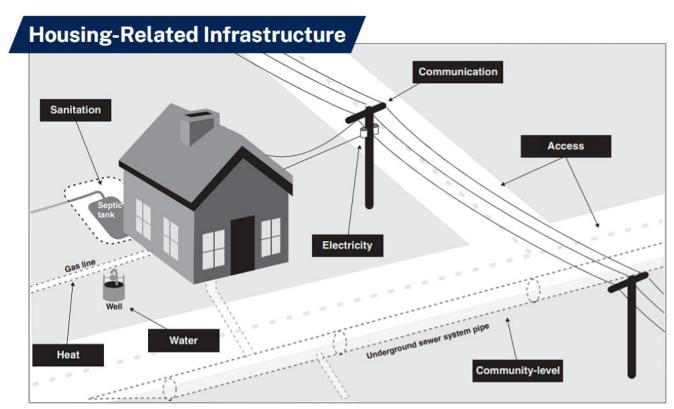
- Adapting programs to serve Native development goals
 - Indigenous Design Trade-offs
 - Using Tribal Revenue
- Making LIHTC Work
 - Common Barriers
 - Tips for Success
- Capacity for an Influx of Funding
 - Staff up
 - View all available funding
 - Plan for future opportunities

COMMON BARRIERS TO ACCESSING LIHTC IN TRIBAL AREAS	TIPS FOR SUCCESS IN BUILDING YOUR LIHTC PROPOSAL
Competing in statewide pools of funding	Engage with the QAP
Aligning the regulatory framework	Address multiple needs with your proposal
Accessing sufficient capital	Get clear on your regulatory framework
Reducing transaction costs at a smaller scale of development	Build your financial capacity
	Create sustainable systems for financial management
	Consider doing a PSH Project



Site Selection and Suitability to Build

- Site Suitability: General Factors
 - Including slope, parcel size, soil, and environmental risks
- Common infrastructure needs on Native lands
 - Such as sanitation, electricity, and telecommunications
- Key Factors for site selection
 - Cultural or historic significance and land use
 - Ways to lower infrastructure costs
 - Zoning codes



Source: GAO and Art Explosion (images)

PHASE 4: DESIGN AND APPROVAL

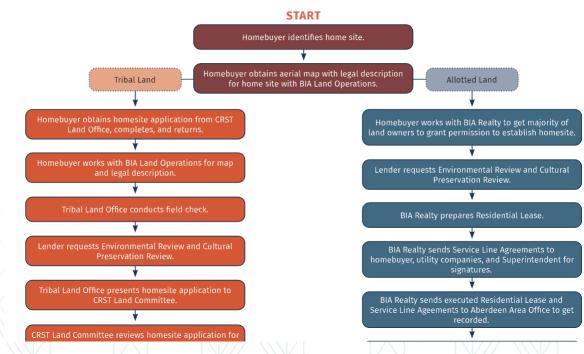


Site Selection and Suitability to Build

Continued

- Site Alignment with Funding sources
 - State QAPs
 - Duty to Serve Markets
- Gaining Site Control
 - Understanding the Leasehold Process
 - Obtaining a title status report
 - Zoning codes

Chevenne River Sioux Tribe (CRST) Leasehold Process



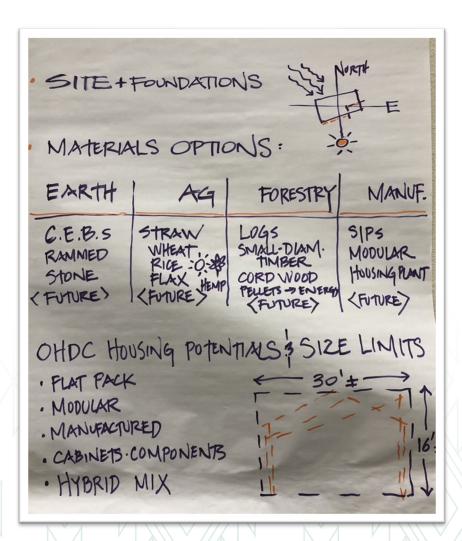
A portion of Cheyenne River Sioux Tribe's leasehold process, from the Enhancing and Implementing Homeownership guide

PHASE 4: DESIGN AND APPROVAL



- Designing with your tribal community in mind
- Green building, sustainability, and health
- Disaster resilience
- Designing for people of all abilities

Remember, design and housing in general is cyclical. Design evolves from pre-development to construction!



PHASE 4: DESIGN AND APPROVAL

Approval to Build

Continued

- Site Alignment with Funding sources
 - State QAPs
 - Duty to Serve Markets
- Gaining Site Control
 - Understanding the Leasehold Process
 - Obtaining a title status report
 - Zoning codes



This clinic had its roof ripped off in a tornado after building contractors used nails instead of screws – if your tribe does not have building codes in place there are always risks.



PHASE 5: CONSTRUCTION

Managing the Construction Process

Continued

- Modular vs. On-site Construction
- Recruiting Qualified Contractors
 - Design-Build option
- Phased Development
- Pre-construction Kick-off



Developing a Construction Schedule

Continued

- Inspection, Hiring, and Reporting Considerations
 - Tribally-determined wages vs. the Davis-Bacon Act
- Building Community Capacity for Development
 - Using Traditional Materials
 - Recruiting a Native workforce
- Managing Construction Finances
 - What are draw-downs?
 - What are Change-orders?
- Obtaining Your Certificate of Occupancy





Overview of Property Management

Roles that comprise your team

Key Tasks

- Security and Safety
- Maintenance and repairs
- Budgeting and financials
- Staffing
- Maintaining and utilizing management information systems
- Leasing, marketing, tenant selection, and eviction
- Compliance with funding sources

Property Manager Responsibilities

- Collecting rent
- Developing and maintaining policies and procedures
- Ensuring compliance with regulations
- Maintaining tenant files and property records
- Providing routine maintenance and repairs
- Providing tenant customer service
- Coordination with services providers

Marketing and Tenant Selection

Lease-up process begins well before construction is finished!

- Resident Services
 - Childcare
 - Financial services and education
 - Health and wellness
 - Community empowerment and space
 - Access to transportation
 - Access to internet
 - Cultural activities
 - Proximity to other amenities and services in the broader community
- Wait List

Financial Management & Maintenance

- Using an operating pro-forma to track financial management
 - Having a flexible grace period prior to charging a late fee can reduce turnover rates and help set realistic expectations with tenants.
 - Promoting alternative payment options for tenants, including in-person, mail-in, or drop-off
 - Connect tenants with local housing or financial counseling
- Maintenance including
 - Establishing a work order system
 - Vacancy turn-around
 - Inspections

PHASE 6: STEWARDSHIP

Compliance

- Land Use Restriction Agreement (LURA)
- Certifying Household Incomes:
 - Determine number of household members
 - Ask about temporarily absent family members
 - Note any permanently confined family members
 - Identify any live-in aides, and provide verification
- Exemptions, including tribal preference
- LIHTC post 15-year compliance and non-compliance

CONCLUSION

To Recap

Our hope is that NHDG can be one tool for your tribe or organization. Our team is committed to further building Native multifamily development capacity and resources.



CONCLUSION

Next Steps for NHDG

Please provide feedback on this resource and what trainings/assistance is most useful to you!

- Continuing to add more links, sample documents, and case studies specific to Indian Country
- Provide additional training and technical assistance towards Native multifamily development
- Integrate with homeownership work and capital resources in other divisions of Enterprise

Reach out to our team: eimmonen@enterprisecommunity.org

Thank You

Enterprise

