



# ONAP National Best Practice Webinar

Featuring San Felipe Pueblo Housing  
Authority

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DECEMBER 6, 2018

# ONAP UPDATE

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## **Heidi Frechette**

Deputy Assistant Secretary

HUD'S Office of Native American Programs

Office of Native American Programs homepage:

[www.hud.gov/codetalk](http://www.hud.gov/codetalk)

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## Black Mesa View Subdivision

First ever subdivision on Pueblo of San Felipe. Homeownership and asset creation for 150 families (800 tribal members). Community based project in which applicants have an active role in the planning and customization of their homes. Created a robust tribal force account crew and economic opportunities.

# TODAY'S FEATURED GUEST

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## Isaac Perez

Executive Director

San Felipe Pueblo Housing Authority

[iperez@sfpha.org](mailto:iperez@sfpha.org)

Housing Employees 10

Force Account 40

Annual Budget \$4-5M

FY2018 IHBG \$500K



# PUEBLO OF SAN FELIPE



# ABOUT PUEBLO OF SAN FELIPE

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- Tribal Enrollment: 3,750
- Low-income households: 70%
- Housing Units: 700 housing units
  - Traditional Adobe
  - Slab on grade wood frame
- Subdivision located away from the traditional Pueblo

# HISTORY OF SFPHA

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- 2002 New Executive Director hired (only two staff on board)
- 2003 \$4m IHBG in LOCCS; built 13 new homes and rehabbed 22 homes
- 2004 & 2005 Received ICDBG to rehab more units. Began building up force account crew & skills
- 2007 Land donated
- 2009 ARRA \$2M used for infrastructure

# SFPHA PROGRAMS

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Range of programs to meet the housing needs of low-income tribal members, including:



- Home Improvements
- Renovation Projects
- Handicap Accessibility
- New Construction
- Housing Improvement Program (HIP)
- Homeowner Counseling
- Homebuyer Counseling
- Mortgage Loan Processing
- Apprenticeship Program
- Construction Management Services



# CHALLENGES

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- No new construction since 1972
- IHBG Formula limited (\$550K/yr)
  - Need only
  - No FCAS
- Overcrowding in traditional village
- Limited housing for young families to return home
- Substandard housing
- Limited HA staffing



# OPPORTUNITIES

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- Tribe donated 100-acre parcel
- \$4M unspent in LOCCS
- 2009 ARRA funding: \$2M for infrastructure
- Design plans in place
- Nearby tribal water/sewer treatment facility. No septic!



# 2007 – INITIAL PLANNING

- Created Master Lease entire development (150 Single Family)
- Screening potential eligible homeowners from waitlist
- Coordinate with local ONAP Offices to provide NAHSDA 101 for BOC and determine appropriate funding sources
- Environmental review
- Contact local utilities

●	<i>Title VI - 184 Mort.</i>
●	<i>Title VI</i>
●	<i>184 Mortgage</i>
●	<i>RIF</i>
●	<i>ICDBG</i>
●	<i>HIP</i>
●	<i>Private 184 Loan</i>



# 2010 – TITLE VI FINANCING

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- \$2.8M Title VI Loan with Bank of America (interest-only for the first two years of the loan)
- Phase 1: 40 homes (12 stick built and 28 modular)



# CONVERTING TO SECTION 184 LOANS

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- Secured individual Section 184 mortgage loans in the name of the housing authority for each individual unit/loan/mortgage
- 184 money used to pay off the Title VI loan
- Created individual mortgage agreements between SFPHA and families
- With original Title VI loan being paid off, SFPHA then applied for another Title VI loan and repeated the process again building more homes.
- Repeat Title VI- Construct Home- Convert to 184 mortgages **three more times!**



**PHASE 1 Modular Home**

# PRE-PURCHASE COUNSELING

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- 5-year waitlist period to work one-to-one with families to prepare for homeownership by assessing income and debt
- Annual recertifications required while on wait-list
- Once approved – must attend a mandatory one-day homeownership training with counselors, maintenance staff, and Amerind
- Once loan amount is determined they meet with Brennan to determine floor plans
- Must have one year of employment
- Mortgage docs are signed the day of move-in
- Resolutions for leases are completed; all docs sent to BIA for recording

# POST-PURCHASE COUNSELING

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- We take payment for 150 families (will soon be direct deposit)
- Post-purchase contact first month of a missed payment – VIP important to track payments monthly!
- We work with tribal court to enforce payments
- We want to see families succeed!!!!

Bedroom size	Cost to construct	Square Footage	Monthly Payment
3-BD	\$120K	1700	\$617.00
4-BD	\$125K	1850	\$640.00
5-BD	\$130K	1980	\$674.00



# CUSTOMIZED HOMES

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- In-house design
- Homeowner input
- Affordable & equitable payments
- Pride in ownership
- Low maintenance
- Energy Efficient





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**Homeowner chooses exterior roof pitch...**



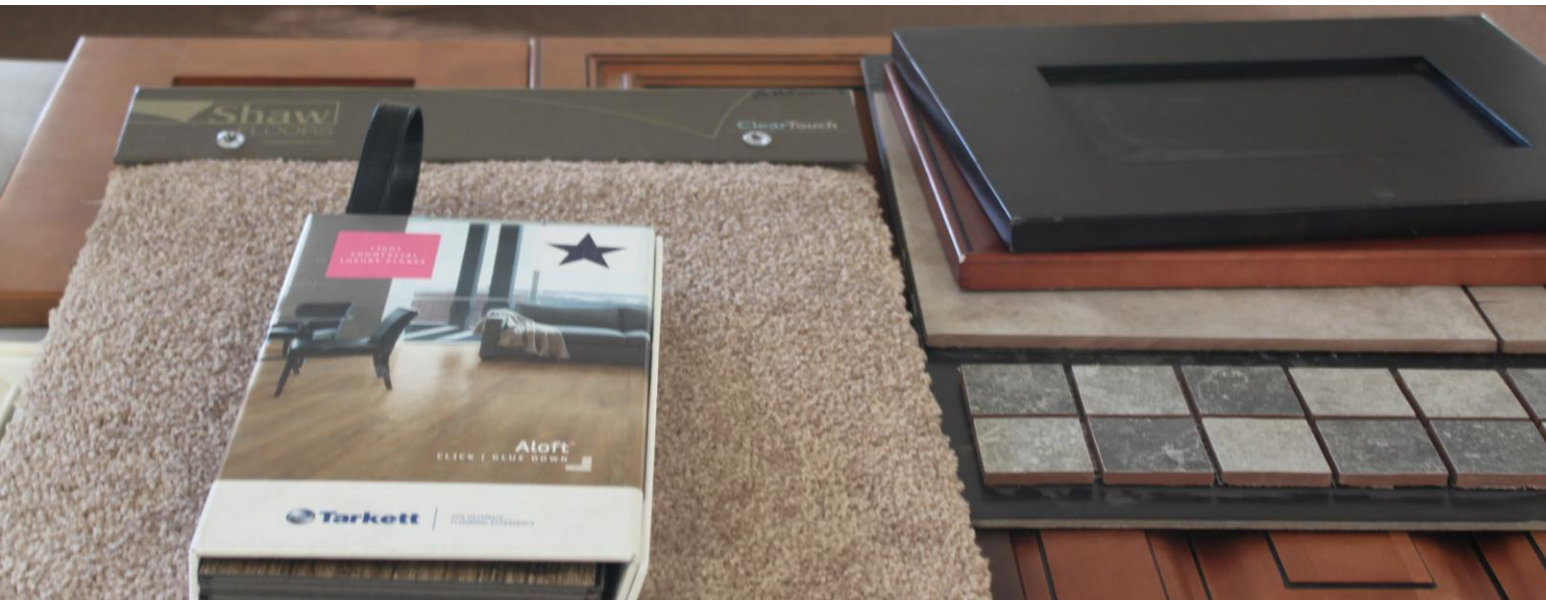
**exterior windows and  
trim color...**

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**downspout details...**

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**flooring, fixtures &  
tile...**

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**cabinets & countertops...**

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# FORCE ACCOUNT CREW

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- 40 tribal members
- Tribally-determined wage rates



# BENEFITS

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- Reduces construction costs
- Increases Local Hire
- Purchase in bulk results in dollar savings
- Pride in workmanship
- Staff with oversight responsibility of subcontractors
- We sub out electrical, plumbing, and roofing for warranty purposes
- Force Account Crew now have MOU's to do work for other Pueblos





Private Section 184 Home

# NAHASDA IS A TOOL TO GET MORE \$\$\$

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## TITLE VI

- Allowed us to leverage our limited IHBG
- \$500,000 turns into \$2.5M in loan
- We negotiate a 2-year interest only loan
- \$ are used to construct homes
- We use our IHBG to make interest payments
- Force account crew builds homes
- Families are qualified for loans with HA

## SECTION 184

- We take out 184 loans on the homes after construction – paying ourselves back for our upfront construction costs
- We use the cash out to pay off our Title VI loan
- Once families sign their mortgage documents, they then make payments to the HA
- We use family payments to repay the Section 184 loan

# TITLE VI & SECTION 184 PROCESS

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## TITLE VI

- Worked with local ONAP office to brainstorm options
- Worked with Title VI Loan Guarantee Specialist early on in discussions
- Included Title VI in our IHP
- Completed all upfront items – environmental, infrastructure, and master plan
- Began Preliminary Letter of Acceptance Process
- **CHALLENGE: Finding a lender!**

## SECTION 184

- Worked with Office of Loan Guarantee to discuss 184 process
- Worked with a 184 approved lender to complete loan package
- Homes are appraised after construction
- We get loan for each home; pay off Title VI
- We make monthly payments directly to the lender
- NOTE: Make sure TSR is updated with leases as lender will need them recorded

# SOURCES AND USES

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## LAND (100 ACRES)

\$9,000,000 TRIBAL (DONATION)

## INFRASTRUCTURE

\$2,000,000 ARRA/NAHBG

\$800,000 IHBG

\$200,000 IHS

\$300,000 RHED

\$3,100,000 FHWA

## CONSTRUCTION

\$225,000 MFA

\$1,600,000 RIF

\$7,800,000 TITLE VI

\$8,300,000 SECTION 184

\$1,650,000 ICDBG

**TOTAL= \$34,975,000**

# “WE CAN ONLY DO WHAT WE DO BECAUSE THE TRIBE SUPPORTS US”

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- Land Donation – 100 acres
- \$10 million loan to pay off Title VI and previous 184 Loans
  - Rather than pay the bank principle and interest – we pay the tribe
  - Tribe now has a strong investment portfolio
- Worked with DOT to get funds for roads and sidewalks
- Tribe subsidizes two full-time positions and part of ED salary
- Providing Funding for two parks
- Tribe advances a loan on IHBG funds until new fiscal year funds are received

# FUTURE PLANS

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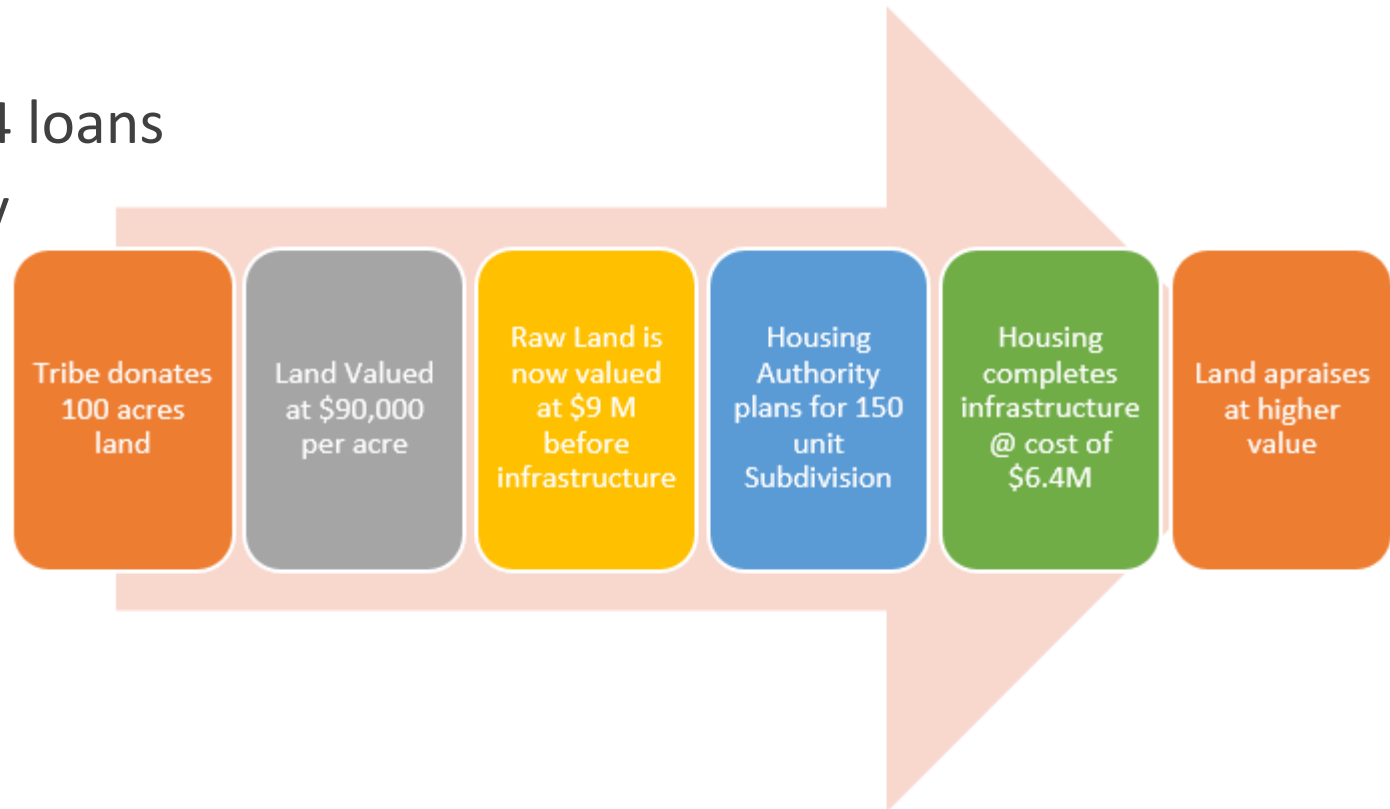
- MOU with nearby Pueblos to construct homes using SFPHA Force Account crew
- Fee-based maintenance
- Sport and playfield
- New Title VI
- NM Tribal Service Provider for Weatherization



# CREATING ASSETS FOR THE TRIBE

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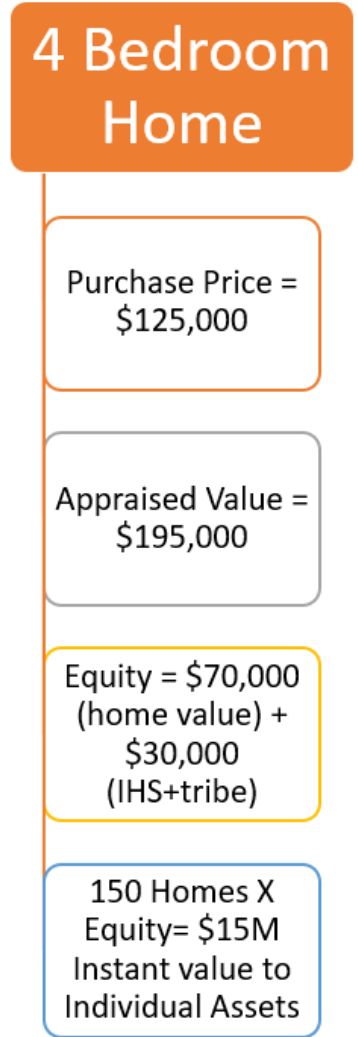
- Community stability. Bring home members
- Employ Tribal Members
- ROI interest paid on 184 loans
- Create land asset equity



# CREATING ASSETS FOR THE FAMILIES

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- Family stability and memories
- Attain self-sufficiency
- Families have instant equity (\$20K IHS, \$10K down payment assistance from tribe)
- 6 families have bought out the HA with their own 184 loan





# LESSONS LEARNED

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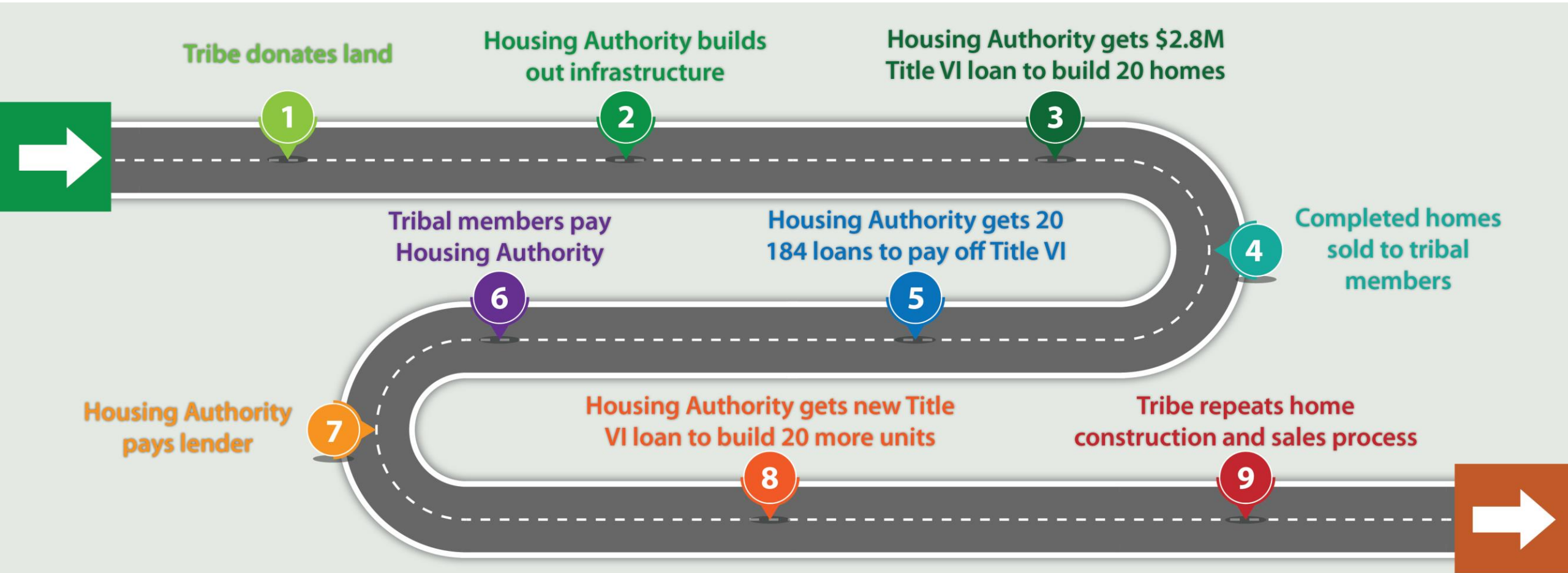
- Find experienced lenders who do Title VI and Section 184 – VIP!!!
- Strong relationship with Tribal Courts to uphold eviction and non-payment policies
- Changing dynamics in the traditional village
- Homeownership works!

# ISAAC'S TIPS FOR SUCCESS

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- Build Capacity Early! We went from 2 staff to 10 in house staff and 40 force account!
- Strong financials and clean audits
- Support from Tribal Council AND Tribal Courts
- Board of Commissioners support
- Comprehensive Planning
- Establishing partnerships (HUD, BIA, DOT, Banks, Lenders, Utilities)
- In-house expertise saves money (Construction, finance, Pathways Homes certified counselors)

# ROADMAP TO SUCCESS



# TAKEAWAYS

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## Subdivision Benefits:

- Reduces overcrowding
- Builds community
- Builds community and individual assets
- Brings people home
- Creates an economic base
- Creates family economic independence
- Leverages \$500,000 into millions of dollars in assets for tribe and families!

# Creating a Tribal Economy – Follow the \$

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## Tribal Revenue



Tribal Utilities



Families



Housing Authority



Tribal Loan



Force Account  
Employees

- \$ Recycle throughout the community
- Revenue is created for tribal investments via loan repayment
- Force Account employees are paid by HA and reside in Black Mesa View

# CONVERSATION WITH HEIDI

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# QUESTIONS?



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

[www.hud.gov/codetalk](http://www.hud.gov/codetalk)

Email comments to: [Codetalk@hud.gov](mailto:Codetalk@hud.gov)

## HELPFUL LINKS

[Title VI](#)

[Section 184](#)

[Indian Community Development Block Grant](#)