

# Why Homeownership?

## Developing Homeownership Opportunities for Tribal Members

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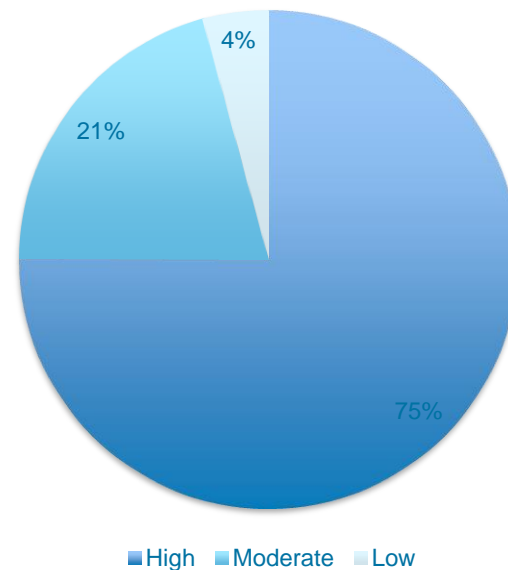
# Today's discussion

- National Native Homeownership Coalition (NNHC)
- Why homeownership?
- The Cheyenne River Housing Authority's Homeownership model
- What can tribal leaders do to support homeownership?
- Q & A

# Do American Indian communities want homeownership?

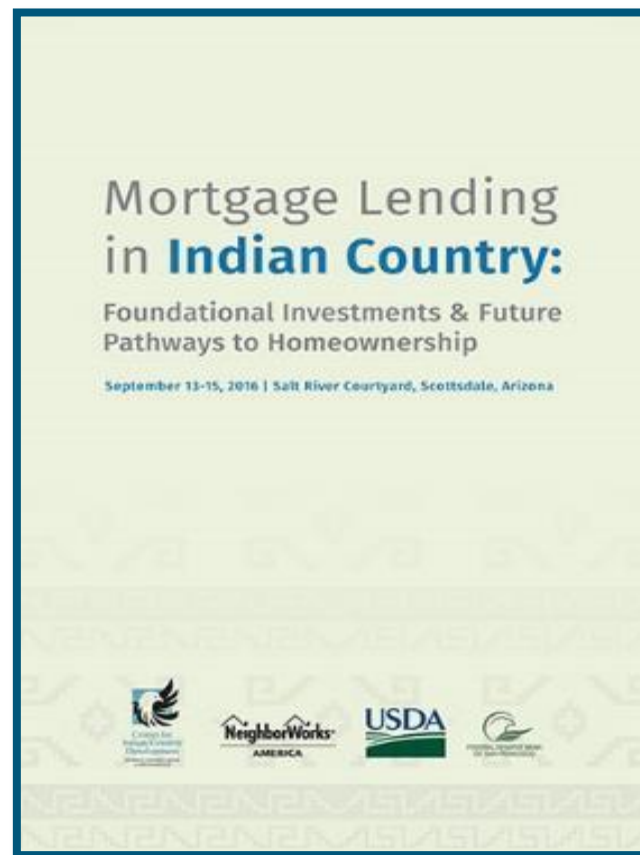
- Yes – over half of our tribal members already own their homes on the reservation, including trust lands
  - CICD Reservation Profiles
  - Further supported by HUD, U.S. Census, USDA data

Tribal/TDE Survey  
Preference for  
homeownership versus  
renting %



# So...why aren't we seeing more homeownership? We need:

- Tribal leadership and policies that support the homeownership option
- Tribal legal infrastructure to support lending & recourse
- More streamlined lending processes
- More homebuyer education and preparation





# National Native Homeownership Coalition

## 5 Working Groups

- Capital and Secondary Markets
- Lending Systems
- \*Tribal Leadership Support
- Homebuyer Readiness
- Data and Research

## Many Objectives

- Expand access to credit
- Streamline lending process
- Identify policy gaps
- Highlight best practices
- Establish Resource Clearinghouse
- Track economic impact

# Tribal Leadership Support Working Group

*~ working with tribal leaders to promote homeownership*

- Does homeownership make sense: *why homeownership?*
- What are potential concerns about homeownership?
- How can tribal leaders promote homeownership?
- What progress has NNHC made so far?

# Why homeownership?

- Providing shelter is our tradition
- Demonstration of sovereignty and self-determination
- Brings people back to the reservation to live and work
- Provides local housing for our workforce (commuting)
- Allows us to more effectively serve all income levels – by freeing up rental units for lower-income families

# Our Native tradition

- Homeownership exemplifies *taking care of our families* and our basic needs – that's our tradition
- Homeownership is a cultural value – the practice of families taking care of their own housing needs within the tribe



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# Leveraging and sovereignty

- Looking at funding sources – we have an opportunity to leverage the resources we have now
- Subsidies are not guaranteed in the future
- Homeownership helps fortify our *sovereignty* by providing financial independence, sustainability, and housing choice



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# Homeownership as an economic driver

- Brings people back to the reservation to work and keeps their social economic contributions within the community
- Homeownership also provides local options for our commuter workforce from off-reservation border towns



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# Supports efforts to provide housing for all income levels

- By freeing up rental units for lower income families, homeownership enable tribes to serve more tribal members of all income levels



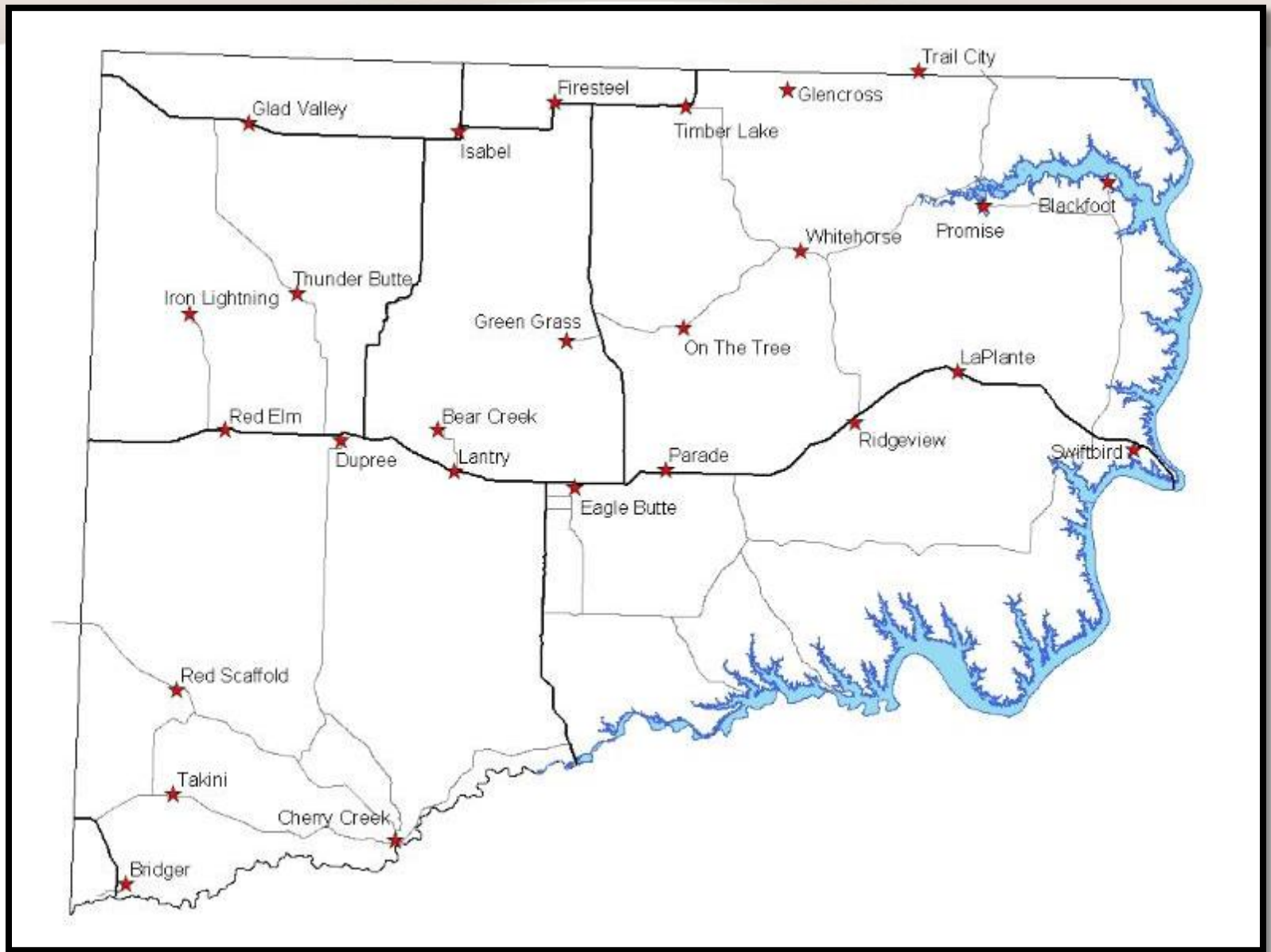
# FAQs about homeownership in tribal communities

- We have many low income tribal members – how can they afford homeownership?
- Many tribal members have credit issues – how can they qualify for mortgages?
- Are lenders hesitant to lend on trust land?
- Are other tribes focusing on homeownership?

# Cheyenne River Housing Authority (CRHA)

## Homeownership Readiness and Services





We have nineteen (19) communities throughout the reservation



**From humble beginning  
CRHA began its journey to  
fulfill its mission of  
providing safe, sanitary  
and affordable housing to  
our families.**



# CRHA Down Payment Assistance Grant Funds

- In 15 years we have assisted over 100 families.
- Types of financing
  - Mortgage Loan with Lender
    - Bank
    - Credit Union
    - Native CDFI
  - Mortgage Loan with Lender
    - USDA and/or VA
  - Contract for Deed with Seller
  - Cash Purchase
- Types of Homes
  - New Construction
  - Acquisition and Rehabilitation
  - Used Mobile Home
- Income Eligible Families
  - Includes Essential Families
- Inspection Services
  - Buyer beware Protection
    - CRHA provides pre-purchase inspection



# Housing Needs Assessment Study

- **Sponsored by:** the South Dakota Housing Development Authority (SDHDA) and administered by the South Dakota Native Homeownership Coalition (SDNHOC).
- **Focus:** homeownership issues within the Cheyenne River Reservation
- **Purpose:** inform the Badger Park housing subdivision located on the Cheyenne River Reservation, enhance existing homeownership and down-payment assistance programs, and inform the development of a planned “Homebuyer Readiness” program
- **Information provided:** an assessment of household characteristics, demographics, and unique supply and demand characteristics that makes up the housing market on Cheyenne River

# Understanding our Families - Findings

- Purchasing a trailer home is seen as the first step towards homeownership
- Housing stability was cited as one of the most common reasons for wanting homeownership
- 63% of survey respondents are interested in purchasing a house in Badger Park
- 165 of the survey respondents are living in “doubled-up” housing conditions
- According to survey respondents an additional 251 new units are needed

# Recommendations from our Needs Assessment

- Homebuyer Education
- Homebuyer Credit and Debt Load
- Homebuyer Assistance, Loan Packaging and Lending Options
- Land Availability and Ownership Status
- Land Leasing, Homesite Development and Home Purchase Process
- Infrastructure Hookup Process and Costs
- Housing and Economic Development Data Collection and Analysis
- Maintenance, Renovation and Maximization of Existing Housing Supply
- Development of New Housing Supply to Meet Demand

# Importance of Needs Assessment Study

- The Cheyenne River Housing Authority Housing Needs Study provided a unique opportunity:
  - To conduct interviews
  - To complete an analysis of existing housing and economic development data to assess the true state of the housing market (e.g., supply and demand) on the Cheyenne River Indian Reservation.
  - To create a database of survey respondents that are interested in homeownership
- This preliminary analysis formed the basis for a consumer-driven survey of potential homeowners which enabled tribal housing and homeownership program directors to develop a strategy to capitalize on opportunities and overcome challenges presented by these stunted housing markets.

# Homebuyer Readiness Services

## Homebuyer Education Classes

- Curriculum
  - 12 week Curriculum (24 hours)
    - 1 night a week =2 hour class
- Pre and Post Testing
- Provide Individual Credit Report/Scores
- Guest Speakers with Specific Expertise
  - Site Selection
  - Credit
  - Consumer Education
  - Loan Products
  - Post Purchase

## Additional Services

- Follow-up with Graduates
  - Develop a individualized pathway to homeownership
- Pre-Qualification
- Select Loan Product
- Select Site
- Negotiate Home Purchase
- Loan Packaging
- Loan Closing
- Post Purchase Education
- Refinance Application

# Leverage your resources

## How to pay for your services

- NAHASDA funds
- Non-Program Income
- Enterprise
- Federal Home Loan Bank
- State Housing Development Entity
- Grants in general
- Scholarships
- Sponsorships

## Create relevant tools

- Flowchart for homesite acquisition
- Pay Day (26 PP) budget sheets
- Pre-Mortgage and Post-Mortgage Household Budget sheets
- Checklists and Timelines
- Working File for Loan documents

**Fox Ridge Subdivision Homebuyers**



**USDA Rural Development Loans**



**Veterans Loans**

**Wells Fargo Loans**

**Development Yard - Experienced Crew**



**New Construction ongoing year round**



**High Quality Construction Products**

**Energy Efficient Affordable Housing**



## **Badger Park Subdivision:**

160 acre site, 10 million investment into site development,  
over 200 lots, mixed use development.  
Homeownership opportunities.



# Homeownership is important to our families, our communities and our tribal governments

- If you are a small TDHE – look for partnerships to help you develop homebuyer readiness services
- Look at different models to see what you can replicate – you will end up with a unique program that meets the needs of your families
- Invest in staff development – Homebuyer Education, Financial Coaching, Loan Packaging, Post Purchase Education
- Incorporate homeownership opportunities into your future housing development projects
- YOU have to take a leadership role to promote homeownership opportunities in your communities

# How can tribes support homeownership?

- Identify one department to lead homeownership efforts
- Conduct a homeownership needs assessment
- Promote the message that homeownership is possible
- Prioritize financial education opportunities
- Enact mortgage/foreclosure ordinance
- Conduct land-use planning
- Allocate financial resources to support homeownership

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