



Leveraging State & Federal Resources

California Tribal Housing
Accelerator Academy

MORGAN DEAN

EVELYN IMMONEN

July 16, 2024



Purpose of the Training

Participants will gain an improved understanding of how to leverage resources during housing development, as well as potential resources currently available for use.





Who We Are

Enterprise Community Partners



Tonya Plummer

DIRECTOR
Tribal Nations



Morgan Dean

PROGRAM DIRECTOR



Evelyn Immonen

SENIOR PROGRAM OFFICER



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.



Increase Housing Supply

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.**

Today's Agenda

Using Current Resources to Gain Access to Additional Support

1. Introduction & Leverage Basics | 10 minutes
2. Debt Resources | 10 minutes
3. Grant Resources | 20 minutes
4. Policy Updates | 15 minutes
 - a. Guest Speaker: Emily Nosse-Leirer, Policy Director
5. Wrapping Up | 5 minutes

CATHAA Timeline

Recapping the journey



KICK-OFF SESSION



**CALIFORNIA
HOUSING
RESOURCES**



**STRATEGIES FOR
CAPACITY BUILDING**



**PROFORMAS &
FINANCIAL
FEASIBILITY
ANALYSIS**



**LEVERAGING STATE &
FEDERAL RESOURCES**

THE BASICS OF LEVERAGING



Identifying & Leveraging Funding

- Financial leverage = using borrowed capital as a funding source
 - Goal = increase potential return of investment
- Hard Debt v. Soft Debt
 - Private Financing v. Public Financing
- What are some challenges to taking on hard debt for a housing development?

Learn from My Mistakes: A Leverage Story

Chief Adams told Morgan to buy a house. Council selected a single-family home in a nearby neighborhood.

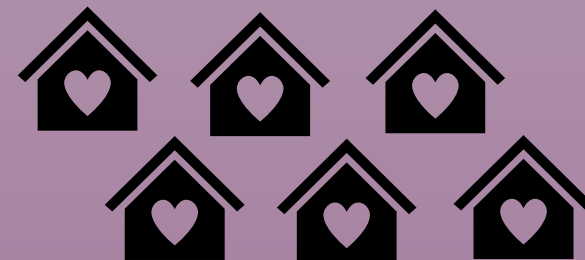
We purchased one home for \$250K.
We served one household in 3 years with this resource.



A few years later, Chief Adams & Morgan attended a housing development class. We sold the single-family home to the family currently living in it.

We used the \$250K with a loan for \$750k and built 6 houses.

To cover our monthly debt service, each house had to be rented for a minimum of \$896 per month.

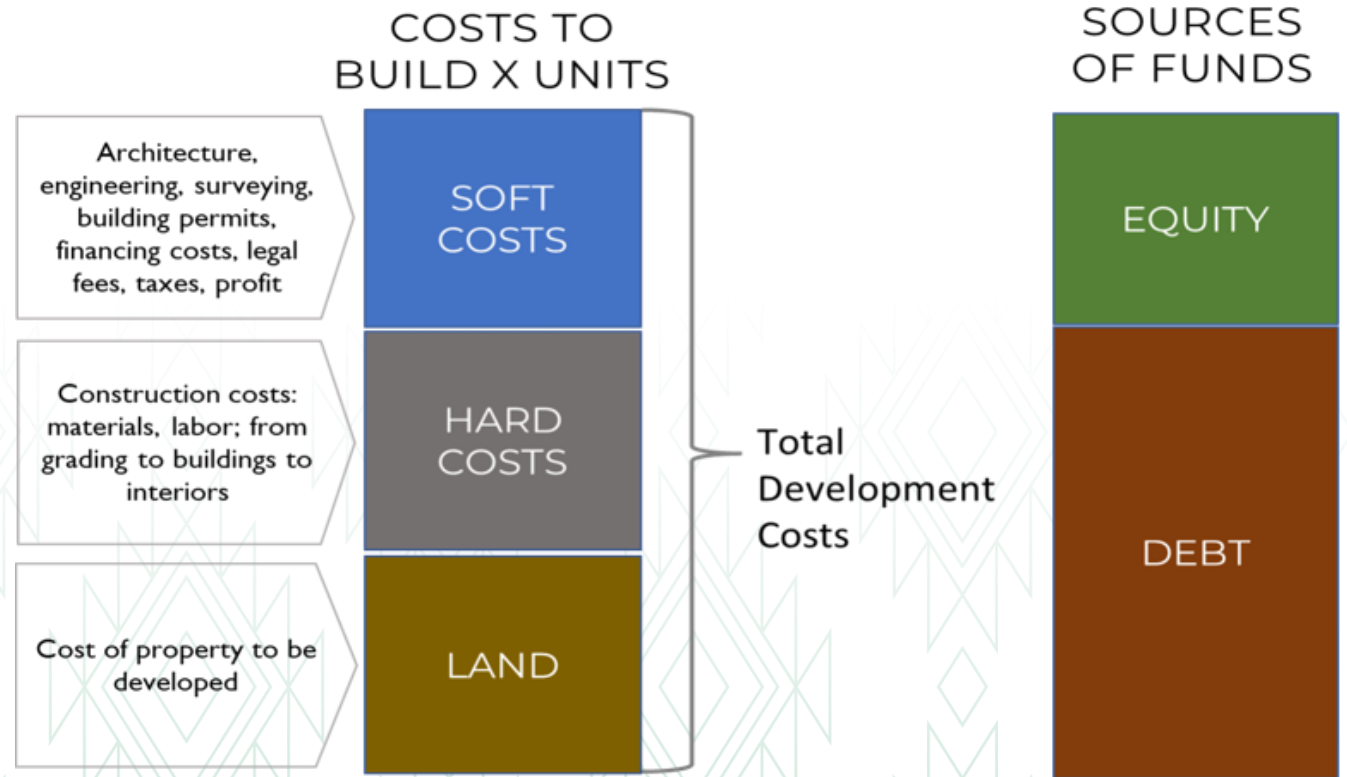




Remembering Our Last Session

Why we need Proformas and Financing to Understand Leveraging

Proformas are Leverage Calculators!



CHECKPOINT

LOANS AND DEBT FINANCING

Permanent Financing Sources

Subtitle

Debt Coverage Ratio

- Magic number is 1.15

What is the importance of subsidized debt?

- Federal, state, and other mission-oriented financial institutions can offer better interest rates
- As lenders, they don't need to collect as much money for each loan — means that you don't need to collect as much money from tenants

LTV: Loan to Value Ratios

- The maximum amount of a project's cost that can be covered through debt

Permanent Financing Sources				
TOTAL DEVELOPMENT COSTS:		\$3,974,480		
SOURCES OF FUNDS				
HARD DEBT	FIRST MORTGAGE			
	Lender-			
	Type of Loan	F		
	Principal	2,150,000		
	Interest Rate	2.500%		
	Term (years)	33		
	Annual Payment	-95,745	1.68 DCR	
	SECOND MORTGAGE			
	Lender- CDFI			
	Type of Loan			
	Principal	675,000		
	Interest Rate	5.000%		
	Term (years)	30		
	Annual Payment	-43,483	1.15 DCR	
	THIRD MORTGAGE			
	Lender			
	Type of Loan			
	Principal			
Interest Rate				
Term (years)				
Annual Payment	0	1.15 DCR		

Working with Lenders

Playing a game with debt and financing

Project financing and grants are often running parallel – which can be confusing!

- There is no "right" answer, as often times each party to the deal will want to be the last one to close.
- Generally, you can look at "conventional debt" or more stringent federal sources as closing last (not always the case)

Lenders decide whether to invest in a project by assessing how likely it is that they will not get paid back on a loan.

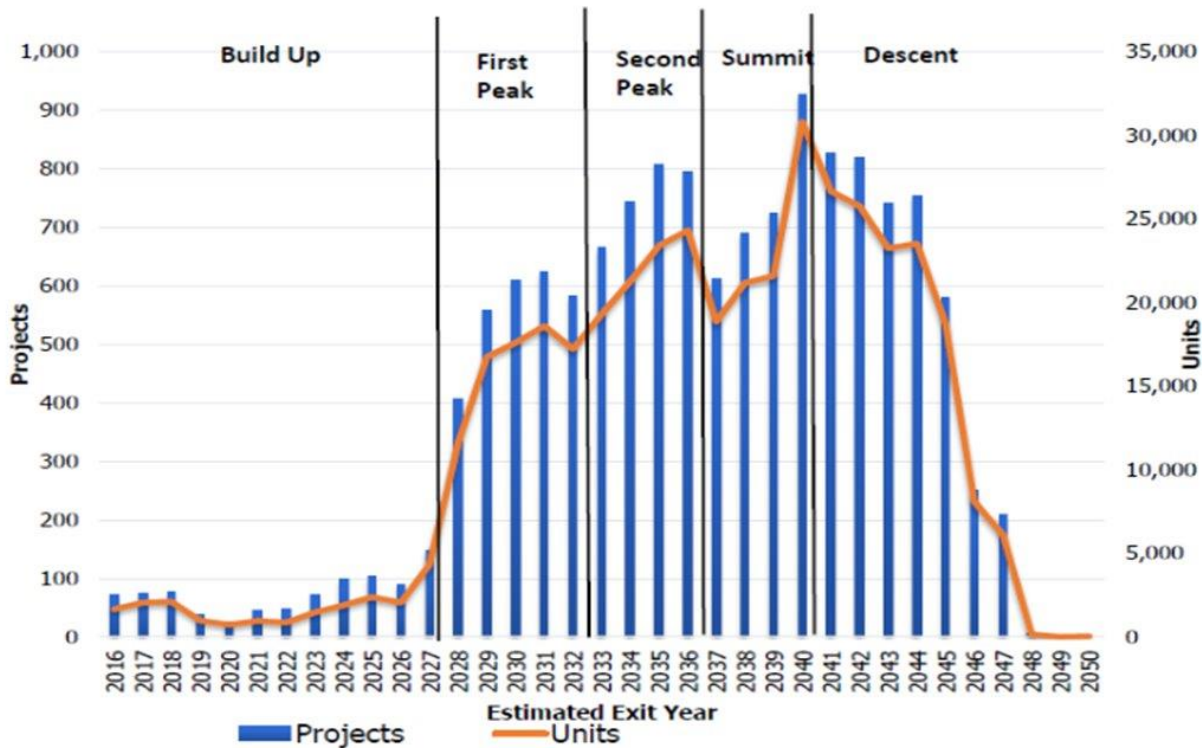
"They consider this risk in two ways: the risk that the project will not generate enough revenue to pay them back ("project risk") and the risk that you, the developer, will not pay them back if the project is not completed ("borrower risk"). The riskier they perceive the project and borrower to be, the less likely they are to lend the money and the more likely they are to offer you unfavorable loan terms."



USDA 515 & Multifamily Preservation and Revitalization

Rural Affordable Housing Preservation

**Maturing USDA Section 515 Rural Multifamily Loans
Estimated Loss of Properties, 2016 - 2050**



Source: Housing Assistance Council. (2018). *Rental Housing for a 21st Century Rural America: A Platform for Preservation*.

US Department of Agriculture's Rural Development (RD) has a housing division, their Section 515 multifamily housing program is the source for a lot of subsidized housing stock in rural areas of the country

Along with farm labor housing, these properties can be and sometimes are owned by tribes

Use USDA's database to search by property expiration date in nearby areas.

The MPR Grant for preservation (can be used for property acquisition) is supposed to be released in July

Contact for more information!
eimmonen@enterprisecommunity.org

Title VI Loan Guarantee Program

A HUD & NAHASDA Program

HUD provides Title VI loans for development to tribes and TDHEs to assist IHBG recipients (borrowers) who want to finance additional grant-eligible construction or development at today's costs.

Tribes can use a variety of funding sources in combination with Title VI financing, such as low-income housing tax credits. Title VI loans may also be used to pay development costs.

Uses include:

- New housing
- Rehab
- Infrastructure
- Community facilities
- Land acquisition
- Pre-development
- Financing costs



HUD Section 184 Home Loan Guarantee Program

Section 184 is synonymous with home ownership in Indian Country.

The Section 184 Indian Home Loan Guarantee Program is designed to facilitate homeownership and increase access to capital in Native American Communities.

- Low down payment and flexible underwriting
- Established in 1992
- American Indian and Alaska Native families, Alaska villages, tribes, or tribally designated housing entities are eligible
- Uses for single family housing (30 year or less amortization) include:
 - New construction
 - Rehab
 - Purchase of an existing home
 - Refinancing

How does it work?

The Office of Loan Guarantee within ONAP guarantees the participating lenders that use Section 184 home mortgage loans full repayment on Native borrowers who may default. The family seeking a loan works with their tribe, the BIA on land leases, then applies through their lender to HUD.

CHECKPOINT

GRANT RESOURCES



Learning About Grants

Reading CFRs, NOFOs & Grant Agreements

- [eCFR :: Home](#)
 - Eligibility & Use guidelines
 - Tribal sovereignty gives you the flexibility to interpret these policies
- Notification of Funding Opportunity
 - Application Requirements, Deadlines & Guidance
 - Program/project guidelines, yearly priorities
 - Technical Assistance
- Grant Agreements
 - Reporting Frequency & Due Dates
 - Metrics, Outputs, Results Required
- Terms to Know:
 - Match Required
 - NOFO – project specific details
 - CFR – compliant match funds
 - List of Definitions
 - Available in CFR & sometimes NOFO
 - Tribal Organization
 - Definition located in CFR, varies by funding origin (HUD, HHS, etc.)
 - Typically meaning Tribally Designated Entities vs. non-profits

Preservation & Reinvestment Initiative for Community Enhancement



- Preserve and improve manufactured home communities
- Competitive grant program administered by HUD
- Currently an annual allocation, and not guaranteed to return next year

Goals of Program:

- Increase housing supply and affordability for LMI persons nationwide, including in urban, suburban, rural, and tribal areas.
- Preserve and revitalize existing manufactured housing and manufactured housing communities.
- Increase resilience to extreme weather, natural hazards, and disaster events, support energy efficiency, and protect the health and safety of manufactured housing residents.
- Promote homeownership opportunities and advance resident-controlled sustainable communities through new and revitalized units of manufactured housing that will remain affordable.
- Support accessibility modifications, repairs, and replacement of deteriorating manufactured housing units – especially to increase accessibility and access for persons with disabilities, facilitate aging in place for older adults and increase access to affordable housing for low-income households.

HOME Investment Partnership Program

Partnering with States & Localities

- Formula grants to states and localities, often used in partnership with non-profits
- Wide range of eligible activities, including building, buying, and/or rehabilitating affordable housing for rent or homeownership, or direct rental assistance.
 - Local and state government determine products, including grants, direct loans, loan guarantees, other credit enhancements
- Watch for non-compliant matches – this allocation closely mirrors those of NAHASDA



HOME Project Profile

Cornelius Place | Washington County



Low-Income Seniors Can Take Advantage of Mixed-Use Features

The Cornelius Place development includes affordable apartments for seniors, a new public library, community gathering space, and YMCA center.



Overview

Cornelius Place is a newly built mixed-use development that includes 45 new affordable apartments for low-income seniors, offering studio, one-, and two-bedroom units. The project was developed on city-owned land. This development is unique in that the housing is situated in the two stories above the Cornelius Public Library. The development also includes a new public library, a community gathering space, and a YMCA center located above the library.

Snapshot

Participating Jurisdiction: Washington County
Project: Cornelius Place
Location: Cornelius, Oregon
Program Type: Rental Housing
Beneficiaries: Low-income seniors and seniors with disabilities
Number of Units: 45
Number of HOME Units: 8
More Information:
Tel: 503-846-8615
Web: <https://bridgehousing.com/properties/cplace/>

Partners

The project was a team effort of Bienestar, Bridge Housing, and the City of Cornelius. The inclusion of CDBG funds in the development of the Cornelius Public Library allowed multiple generations to benefit from one location. The public-private partnership was a great way to implement urban mixed-use development in a smaller town with a somewhat rural environment.

Project Costs

Funding Sources	Cost
HOME Investment	\$1,200,000
LIHTC (if applicable)	\$9,862,641
Other Federal Funds	N/A
Other Public Funds	\$636,201
Private Funds	\$2,576,201
Total Project Costs	\$14,275,043



Community Development Block Grant

Available for Tribal Nations, States, Cities, & Counties



Leveraging CDBG Funds

2020 CDBG Best Practices Webinar Series





Leverage Tracker

Learning Our Template

	A	B	C	D	E
1	Project	MF Morganville	SF Morganville	65+ Homes at Morgan Lake	SF Homes at Morganlake
2					
3	Project Details				
4	Types of Housing	Rental	Rental	Rental	Homeownership
5	Number of Units	40			
6	Project Type	New construction			
7	Eligible Populations	low-income			
8	Land Status	fee simple			
9	Additional Notes	LIHTC			
10					
11	Funding				
12	Source 1	LIHTC			
13	Source 2	GGHRA			
14	Source 3				
15	Source 4				
16	Source 5				
17	Source 6				
18	Source 7				
19	Additional Notes				
20					
21	Design				
22	Unit Type 1	10 - 1BR/1BTH			
23	Unit Type 2	10 - 2BR/1BTH			
24	Unit Type 3	15 - 3BR/2BTH			
25	Unit Type 4	05 - 4BR/2BTH			
26	Additional Notes	Energy efficient design required			
27					
28	Site				
29	Acquisition				
30	Infrastructure				
31	Transportation				
32	Amenities				
33					
34	Services				
35	On-site				
36	Through referrals				
37	Mandatory engagement				
38					
39	Important Dates				
40	Project Completion	July 2025			
41					
42					

CHECKPOINT

POLICY UPDATES

State Resource Updates

HCD Tribal Affairs Weekly Rollup

Funding Being Allocated

- **Tribal HHAP:**
 - Oversubscribed, will likely give each application some of the funding rather than cutting out tribes competitively

Email CIAP@hcd.ca.gov to subscribe to updates!



Open NOW

- **Homeownership Super NOFA:** extended for tribal applicants until funds are exhausted
- **CDBG- DR:** NOFA was released June 28th
 - Due in September
 - Low-interest forgivable loans
 - Targetted disaster areas from recent wildfires

Opening Soon

- **Local Housing Trust Fund**
 - NOFA released!
 - Applications open August 20 to Sept. 17
 - \$53 million total in matching grants
- **Tribal Multifamily Super NOFA**
 - Stay tuned!

Speaker: Emily Nosse-Leirer

Enterprise Director of Tribal and Rural Policy

- Emily Nosse-Leirer is policy director for Enterprise's rural and Native American work, where she leads policy development and advocacy on housing issues affecting rural places, Tribal nations, and Native American communities
- Prior to joining Enterprise, Emily was a senior advisor and legislative assistant for Sen. Patrick Leahy. She led the senator's work on issues including housing and rural development, successfully expanding and establishing new funding sources, earmarking money for rural housing and economic development projects, and authoring legislation allowing State and Local Fiscal Recovery Funds to be used for Housing Credit projects
- Contact Info: enosseleirer@enterprisecommunity.org



QUESTION & ANSWER



Thank You!

NEXT SESSIONS:

**PROPERTY MANAGEMENT &
COMPLIANCE
AUGUST 13 @ 11AM PT**

**CLOSE OUT SESSION (IN-PERSON)
NOVEMBER 5 @ CCRH**