

Dream Catcher

December 1999

What's Inside Apache Dawn

3

5th Annual Drug
Elimination Conference

One Stop
Mortgage News

Training for
184 Loan Guarantee

3

Catawba's Green Earth

4

Technical Assistance
Tip of the Month

5

Steel Framing
Offers Quality
to Indian Housing

6

NAD Bank
Grants

7

Loan Guarantee News

8

Calendar

"Apache Dawn" A New Housing Era



On December 2, at the White Mountain Apache Indian Reservation in Arizona a ground breaking ceremony was conducted for a 250-unit single family housing project. "Apache Dawn", is being developed by the White Mountain Apache Tribe as sponsor, and the White Mountain Apache Housing Authority as owner. For the first time in history, funding for a Indian housing project will be a blend of tribally issued tax exempt bonds, pursuant to IRS Revenue Procedure 83-87, Section 184 guaranteed loans, as authorized by the Housing and Community Development Act of 1992, and grant funding set forth in the Native American Housing and Self-Determination Act of 1996 (NAHASDA). When completed, Apache Dawn will provide long-term rentals with the housing authority as lessor. The homes will be constructed on scattered

sites and in clusters. Participating tenants will be selected from the existing waiting list maintained by the housing authority, assessing each family's financial ability to pay, in the form of a lease payment, the amortized debt service attributable to their home. The renters will have an option to purchase; however, because of the bond financing structure that option cannot be exercised until January 1, 2010. At that time, NAHASDA grant funding to the White Mountain Apache Tribe may be used to assist the individual homebuyers to own the home.

Award Winning Achievements:

This project exemplifies the concept of innovative entrepreneurial thinking, and defines the intent of the President's Executive Order of August 6, 1998, whereby the Secretaries of HUD and Treasury were given direction to launch a "One Stop Mortgage Center Initiative" in response to the lack of mortgage lending in Indian Country. Apache Dawn also involves a blend of private and public business interests and thinking that are critical to the financial development of the \$25 million project and its ultimate success.



Estimated Program/Project Cost:

The Tribe estimates that the total cost will be approximately \$30,000,000. The lender, Bank One Mortgage Corporation, will issue mortgage-backed certificates of the Government National Mortgage Association (GNMA), a part of the Department of Housing and Urban Development, in the amount of the Sec.184 loan made to the housing authority. The GNMA certificates will then be purchased by the Bond Trustee acting on behalf of the bondholders. Because the GNMA securities back the bonds, they are rated triple-A by Moody's Investors Service.

In this manner, the tax exempt bond transaction and the 184 loan made thereunder will be interfaced and fully collateralized. Prior to, or up to the time of the maturation of the bonds, NAHASDA grant funding to the White Mountain Apache Tribe may be used to assist the individual homebuyers in transferring the debt of their respective homes to their own 184 loan, by either paying down the interest rate on their mortgage, or assisting in the buying down of the purchase price of the home.

Comprehensive, Community-wide Impact:

The White Mountain Apache Tribe, its tribal council, and the tribe's housing authority are integrally involved and share a common belief that Apache Dawn addresses, to the fullest extent, the mandate set forth in Section 2 of NAHASDA to develop a strong housing market on reservations and create an effective partnership among the federal government, tribal government, and private entities. "I have a waiting list with 1,000 people on it," said Victor Velasquez, director of the White Mountain Apache Housing Authority, which sold the bonds. "It doesn't take a math genius to

figure out that if you just depend on that money (NAHASDA) money, you're never going to get your people housed."



External Partners and Contributions:

This project involves the White Mountain Apache Tribe as sponsor, the White Mountain Apache Housing Authority as owner, the Bureau of Indian Affairs as trustee of the land and leaseholds, the Indian Health Service for the design and installation of safe water and sanitation systems, and the Department of Housing and Urban Development. Additionally, and from the private sector, a national Bond Trustee, a reputable lender, and GNMA will be involved in the financial structuring of the project.

Most of the Indian bonds that have been sold have been used to pay for tribal enterprises, like casinos or lumber mills, or tribal government buildings. Most have been privately placed with investors, and carried high yields. It's going to take a long a while", said Jennifer Lerch, a principal at American Capital Access in New York, which insured a tribal bond for the Quinault tribe in Washington State in August. She said that the differences between Indian tribes and Wall Street were as much cultural – tribes tend to be very reticent, and extremely concerned with self-preservation" - - as financial, but that she expects more than \$1 billion in tribal bonds to be sold over the next 18 months or so.

Here's how it works. Banc One Mortgage Corp. has agreed to lend the White Mountain Apache Housing Authority funds for each house to be built on the reservation, using a Section 184 mortgage loan for each house. The loans are repaid from rental payments and the Section 184 loans are guaranteed by HUD's Office of Native American Programs. Banc One Mortgage Corp. in turn, sells the loans to Countrywide Home Loans Inc., which pools the loans into securities guaranteed by the Government National Mortgage Association (GNMA). The Housing Authority meanwhile, sells the bonds. The trustee for the bonds, National Bank of Arizona, uses the proceeds to purchase the GNMA securities from Countrywide, and holds them to repay the bonds. The bonds carry coupons of 5.25 percent and come due on 2003, 5.90 percent in 2024, and 6.05 percent in 2032. The bonds were underwritten by US Bancorp Piper Jaffray in Minneapolis.

For more information on this project contact: C. Raphael Mecham, Administrator, Southwest Office of Native American Programs (Phoenix), (602) 379-4156 or E-mail: c._raphael_mecham@hud.gov. Also, Robert Knecht, acting Director Office of Loan Guarantee, 1999 Broadway, Suite 3390, Denver, CO 80202, (303) 675-1600.



How it Works



Tribes and ONAP: "Joining Forces to Reclaim Our Communities"

by Tracy Outlaw
Grants Management Specialist

During the week of September 20, 1999, the Seminole Tribe of Florida co-hosted, with the Department of Housing and Urban Development, Office of Native American Programs, the 5th Annual Crime Prevention and Drug Elimination Conference in Tampa, Florida. Deputy Assistant Secretary Jackie Johnson was there for the opening ceremony to greet Tribal leaders, thank the Seminole Nation for hosting this event with the Department and further extend the ONAP's commitment to Native American youth in tribal communities, "... so that we may work together with Tribal leaders in eradicating crime and drug related activities that exist in Indian country."

The theme of this year's conference was "Joining Forces to Reclaim Our Communities", which seemed to echo throughout the corridors and workshops which were held at the tribally-owned Four Points Sheraton Hotel. In planning this conference with the Office of Native American Programs, the Seminole Tribe, "...aimed to identify and highlight various components that represent the best efforts at combating, reducing and ultimately eliminating criminal and drug related activity in tribal communities nationwide", stated Joel M. Frank, Sr., Housing Director for the Seminole Tribe of Florida.

Participants had the opportunity to listen first-hand about the successful efforts



happening in Indian country by attending panel discussions on "Using Tribal Law and Order Codes Effectively to Respond to Crime in Tribal Housing Communities" led by the National Indian Justice Center; "Promising Youth Programs" with presentations from Indian Dispute Resolution Services, UNITY, Fond du Lac Tribal & Community College and the Native American Sports Council; and "Creative Program Strategies to Meet Drug Elimination Program Goals", presented by the Executive Director of the Nez Perce Tribe in Idaho. Reacting to the conference, Lester Henry, Cultural Counselor at Navajo Nation expressed, "I'd like to encourage adults, even youth, to share what they've learned...we might not be as strong as we are today. The gang problem might overcome us, the abuse of

substance, domestic violence



might overcome us, so I think the only way to sustain a healthier lifestyle is to go back to what sustained us in the past...because our teaching are full of achievements to live a healthier lifestyle and establish positive relationships."

Mr. Frank further stated that "The overall goal of this conference is to educate Tribes, and TDHEs on how to develop and implement a comprehensive crime prevention and drug elimination strategy in cooperation with other key tribal Government agencies. And the success of any program unequivocally depends on the direct involvement and active participation of residents, local and federal agencies." Participants were able to obtain knowledge of how to incorporate residents, local government and federal agencies by attending workshops such as "Community Assets", "Entrepreneurship and Native American Youth: A Community Approach", "Parenting IS Prevention: Reaching and Mobilizing America's Parents for Drug-Free Youth", "Using NAHASDA Funds for Prevention and Security" and "Community Policing in Indian Country."

One of the most riveting and inspiring speeches delivered to the crowd of one-hundred plus during the Conference was given by Gold Medal Olympian athlete, Mr. Billy Mills, who stressed that "...we as Native people must have Tribal leaders who are adaptive, innovative and flexible..." and that "...every young child should have a dream."



Several Conference Participants of the 5th Annual Crime Prevention and Drug Elimination Conference join Olympic Gold Medalist Billy Mills for a photograph.



On behalf of the Secretary and all of ONAP, we would like to thank Chairman James E. Billie, Joel Frank Sr., all of the staff members at the Seminole Tribe of Florida, Kevin Fitzgibbons of the EWONAP and our contractors JBS, for making this year's conference a successful and enjoyable event for everyone. Any Tribe wishing to host a future Boys and Girls Conference can contact Tracy Outlaw (303-675-1600) in the Denver ONAP Office.

Streamlining Housing to One Stop

by Joanna Donohoe
ONAP Community Builder

The HUD/Treasury One-Stop Mortgage Center Initiative continues to identify barriers to mortgage lending in Indian country. Federal agencies, tribal governments and TDHES, Indian Housing Authorities, private sector representatives and non-profits are working together to implement recommendations discussed earlier this year at the HUD Summits in Chicago and Pine Ridge. HUD Deputy Assistant Secretary, Jacqueline Johnson and Deputy Assistant Secretary from the Treasury, Michael Barr are

directing the ONE STOP team towards producing a final report to President Clinton in February 2000. This report will not only include results of efforts to streamline the mortgage lending process, but it will also serve as a resource for tribal communities interested in promoting Homeownership opportunities for their members. The report will also contain models for developing "One-Stop Mortgage Centers" on Indian reservations.

The One-Stop initiative focuses in four areas: streamlining the mortgage process, building local and institutional capacity through national and local intermediaries, improving education and promoting the involvement of private sector players in the mortgage market on Indian reservations.

An example of a team working to streamline the mortgage process is the "Standardization Team" chaired by Rural Housing Services (RHS) of the U.S. Department of Agriculture. This group is developing standard documents for use by each of the federal agencies with loan programs in Indian country. They are drafting a standard lease and model foreclosure and eviction procedures. They are also developing a standard process through which tribes can become eligible to participate in federal loan programs. For example, if a

tribe becomes eligible to participate in the HUD 184 loan guarantee program, the tribe would automatically become eligible for RHS's loan programs. In addition, the Standardization group is producing a mortgage process flow chart summarizing how the mortgage process works generally in Indian country.

Other One-Stop Implementation Teams include: Institutional Capacity Building, Homeownership Counseling, Loan Products, Lender and Tribal Outreach, Tribal Readiness, Environmental Issues, Federal Review Process, Land Issues, Insurance, Legal Infrastructure, Appraisals, and Individual Development Accounts.

For more information about the One-Stop Initiative or to volunteer to work on one of the teams, please contact SWONAP Community Builder Joanna Donohoe at (505) 722-4357 (ext. 4) or joanna_donohoe@hud.gov.



Catawba's Green Earth Development

Development Protects Their National Heritage

by Robert Neal (EWONAP)

The Catawba Nation, located in York County, South Carolina is designing a community that is environmentally sensitive but also promoting the Nation's respect for their heritage. "Green Earth" is the name of Catawba's new 298 acre, 13 village, 250 unit project master planned community. Green Earth is

providing single family homes, multifamily housing, community center, day care center, group foster home, tribal ceremonial grounds, environmental research center, office, retail, light manufacturing, recreation and open spaces. The projected cost for the development is \$70 million over a 10-year period



Iswa Development Corporation, the Tribal Designated Housing Entity of the Catawba Nation is coordinating the tribe's Green Earth development.

While accomplishing these developments, Green Earth is designed for minimal impact on the Catawba's natural environment by regarding respect for protection of the Catawba River, protecting native wetlands, native tree protection, providing wildlife habitat, installing greenways and trails, and, conforming to the Catawba's traditional life style and respect for nature.

The proposed first phase of housing consists of 120 units at a cost of \$10.9 million. The Catawba TDHE is working with the Bank of America and First Union Bank to secure \$5.5 million in financing, using the HUD Title VI Loan Guarantee Program. The CTDHE has provided Bank of America with documentation necessary to secure a commitment. Even without the commitment Catawba can build 30 units using Indian Housing Block Grant and

unexpended funds from '37 Housing Act. The HUD Rural Housing and Economic Development Initiative will provide 25 units and seed funds to start a construction company. The Indian Health Service is providing funds for water and sewer.

Roads are designed with smaller right-of-way and pavement widths. Streets are also designed to preserve old growth hardwood trees and limit as much clear cutting for the project as possible.

The Green Earth development is also designed to protect the Catawba River and limit the impact of land disturbance activities on area water quality. A buffer between the river and land development activity is being established along with a linear buffer along Burgess Creek which runs through the interior of the property. Green Earth is designed as an example of land development that represents a balance between the natural and man-made environment.

Technical Assistance Tip: Writing Effective IHP Goals, Objectives, and Performance Objectives

The Indian Housing Plan (IHP) goals, objectives, and performance objectives form the foundation for what tribes and tribally designated housing entities (TDHEs) will undertake with their NAHASDA funds. Goals, objectives, and performance objectives say to tribal members, housing staff, and potential partners: "Here is what we want to achieve with our housing program." *Goals* are the outcomes that your tribe or TDHE wants to accomplish and *objectives* are the steps that will be taken to reach the goals. There are two types of goals and objectives under the IHP - five year and one year goals and objectives.

Performance Objectives are the very specific tasks that your tribe or TDHE will undertake in the near term (over the next 12 months) in order to move its one year goals and objectives forward. So, the performance objectives feed into the one year goals and objectives and these, in turn, build the five year goals and objectives.

Five year goals and objectives need not be quantifiable; rather they are about the vision and long term plan for what the tribe or TDHE wants to accomplish. So, when writing your five year goals and objectives, think about your tribe's housing mission. Do you want to improve the quality of your housing? Then write five year goals and objectives that speak to renovating homes in your community. Do you want to improve resident safety? Then you might write five year goals and objectives about creating a crime prevention program. The key is that these five year goals and objectives describe what

you want to work toward over the long term.

On the other hand, one year goals and objectives need to be *measurable*, as determined by the tribe. Does this mean that the goals and objectives must be numeric or have a very specific date attached to key steps? No. You decide what you will accomplish with your one grant year's funds. Your goal might be something as quantitative as building two homes or it might be something more programmatic like establishing a housing counseling initiative for homebuyers receiving NAHASDA assistance. The key thing you need to ask yourself is "Can I definitely determine whether or not this one year goal or objective was accomplished?" If the answer is yes, then that goal or objective is measurable! Let's look at two examples. Let's suppose you had a one year goal that read "Make homes safer". Is that definitely measurable? Maybe, but it is pretty tough to demonstrate. How about "Improve safety by developing a fire prevention program and conducting home safety workshops for residents." Is that measurable? You bet! You can demonstrate whether or not you developed a fire prevention program and whether or not you conducted safety workshops. So the key thing is to keep in mind while writing your one year goals and objectives is: can you readily determine whether or not you met the goal or objective?

Performance objectives need to be quantifiable - they need to state exactly what you are going to accomplish and by what date. They do not need to cover the



completion of an entire task but rather can be milestones that will be accomplished over the coming 12 months. So, let's say you have a one year goal and objective to offer homeownership to 30 families by developing and delivering a down payment assistance program. Your performance objectives for the next 12 months might include such tasks as: hiring a homeowner coordinator by December 1; contacting area lenders and developing at least two lending partnerships by February 1; and screening at least ten initial applications for

assistance by May 1. These performance objectives can readily be measured and status can be reported. So, when developing your performance objectives make sure you develop very specific targets which you can then track in your next Annual Performance Report (APR). So taken together, your five year and one year goals and objectives and your performance objectives will guide your housing programs and help demonstrate your successes!

Steel Offers Quality - Affordability to Indian Housing

The North American Steel Framing Alliance (NASFA) and the residential steel framing industry is launching an ambitious multifaceted initiative that will help Native American communities address their need for affordable housing. Early this year, at the Pine Ridge Reservation, NASFA kicked off its pilot program that will create the organizational, financial and legal models necessary to replicate similar building projects across many tribal communities. President Clinton in his July 7 visit to Pine Ridge highlighted the quality, affordable housing projects sponsored in part by the Partnership for Advancing Technology in Housing (PATH). Steel framing is actively promoted through PATH as an alternative to traditional framing materials for its strength and affordability.

Quality affordable housing has been of utmost importance to the residential steel framing industry for years. Well known in the commercial market, steel framing offers similar benefits to the homeowner and home builder that are significant—strength, safety and durability. With the highest strength-to-weight ratio of any building material, steel is superior and can offer populations like Native Americans a strong, durable home. Steel does not burn and is

not vulnerable to termites. A steel framed home can withstand higher winds, snow, loads, and high seismic forces, outlasting comparable homes built with traditional framing materials in natural disasters such as earthquakes, tornadoes, and hurricanes. Add all that to steel's consistently low material cost and ample supply, and builders are building high quality structures at affordable prices for all prospective homeowners. Amity, Inc., a member of the National Association of Home Builders, and partner to NASFA, is currently building several steel framed homes at Santa Ana and Sandia Pueblos. "I've provided their first high-grade housing for the same cost," said Vince DiGregory, President of Amity, Inc. Working with the House Factory of Belen, New Mexico, Amity has completed 2 steel framed homes, with 6 others under varying stages of construction, and plans for 70 more at Santa Ana Pueblo. Amity, Inc. has trained several people from the Santa Ana Pueblo community, "They develop the skills for steel framing construction and have a trade for life. And, we develop qualified steel carpenters, something we desperately need." For the past few years, Amity has invested in developing a trained labor force from Indian

communities. By providing employment in a trade that is in high demand, Amity is profoundly affecting the reservation economy, through employment, housing and local infrastructure development. "We are learning as we go, but I see the wheels turning a lot faster now," said DiGregory. "Together, we learn how to share knowledge, life long skills and sustain economic growth and development."

A new training program, Construction Apprenticeship Partnership (CAP) program developed by the Home Builders Association of Central New Mexico and supported by NASFA, Fannie Mae Foundations, Bernalillo High School, Home Builders Institute and the Department of Labor, will train Native Americans in the construction trades. Currently, two high school students from the CAP program are employed on Amity's Santa Ana project. This past summer Amity received a proclamation from the City of Albuquerque citing its quality steel framed homes on the Santa Ana and Sandia Pueblos.

Beyond the benefits of training, infrastructure development, and meeting the housing needs, Amity has learned how to build steel framed homes on the reservations and be successful. "Building with



steel framing has to make economic sense, otherwise we wouldn't do it", explained Di Gregory. That's where the NASFA comes in.

NASFA is working to develop the necessary industry infrastructure, and cost efficiencies with new tools and accessories that will provide economically sound reasons for builders to choose steel framing products on a widespread basis. A large part of this effort is training.

With the National Training Curriculum and Steel Framing Manual, NASFA produces and widely disseminates extensive training resources to the home building industry. By providing these streamlined training resources to educational institutions and other construction curriculums across the country, NASFA is bringing critical information on the fundamentals of steel framing construction to all

populations, including those in economically depressed areas such as Indian areas.



Need Some Help?



NAD BANK OFFERS GRANT ASSISTANCE

The North American Development Bank, on behalf of the United States Community Adjustment and Investment Program (CAIP) issued a Solicitation for Grant applications on October 15, 1999. Up to \$6 million will be available on a competitive basis to fund grants for specific projects and technical assistance designed to aid in creating and preserving private sector jobs in designated communities that have lost, or may lose, jobs due to changes in international trade patterns associated with the passage of the North American Free Trade Agreement (NAFTA). Applicants for CAIP grants

may seek to combine grant funds with loan funds from the CAIP direct lending program.

Eligible applicants are 501 (c) (3) and 501 (c) (4) non-profit organizations, public and private institutions of higher education, state and local political subdivisions and agencies, and Indian tribal governments.

For further information or a copy of the solicitation for Grant Applications, please contact Annie M. Alvarado, Director of USCAIP Projects, at (210) 231-8000 or (210) 226-5640, or Lisha Garcia, Program Development Specialist, at (210) 226-5574.

For a list of the designated eligible areas, please visit the CAIP web site at :<http://nadbank-caip.org/>

The deadline for receipt of applications is January 17, 2000. It is expected that grant awards will be announced in March 2000.



HUD 184 PROGRAM PROMPTS EXTRA LOAN GUARANTEE TRAINING

The public interest for participation in the 184 Loan Guarantee Program for Indians continues to grow. During the summer of 1999, the ONAP Loan Guarantee Program staff and representatives of federal partner agencies offered a series of in-depth training courses on federal loan programs. The training was open to the public and specifically included lenders, tribes and TDHE's.

The training programs promote a One Stop Training concept which includes representatives of the Bureau of Indian Affairs (BIA); U.S. Department of Agriculture's Rural Housing Service (RHS); Federal Housing Administration (FHA); and the Department of Veterans Affairs (VA).

The Section 184 portion of the course focused on tribal and lender approval and participation, loan processing including underwriting, and how the Section 184 program is used to make housing affordable to tribal members.

ONAP plans are to continue the One Stop Training during the upcoming year. Idaho, Wyoming, Michigan, Nevada, California and Alaska are potential sites for up future training sessions. If you have any questions on the Section 184 program, contact: Office of Native American Programs (303) 675-1600 or visit the Section 184 web page at www.codetalk.fed.us .



Calendar of events...

January 2000

JAN 1 - New Year's – DAY ONE Y2K

February 200

FEB. 23-24 Northwest Indian Housing Association
Quarterly Meeting, Portland OR

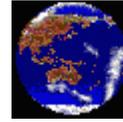
FEB. 23-26 NCAI Executive Council Meeting
Grand Hyatt Hotel, Washington DC

FEB 23, HUD Office of Native American Programs
TRIBAL CONSULTATION, Grand Hyatt Hotel
Washington DC

March

MAR. 27-28 Tlingit Haida Housing Symposium
Juneau, AK

Got a Question for ONAP?



www.codetalk.fed.us
or call 1-800-561-5913

Department of Housing and Urban Development

Office of Native

American Programs

451 Seventh St. SW Room 4126

Washington, DC 20410

