Title VI Loan, LIHTCs Build Single-Family Homes on Tribal Land

By Teresa Garcia, Staff Writer, Novogradac & Company LLP

Adams View near Wapato, Wash. is the newest affordable housing development on the Yakama Nation Reservation and is the largest low-income housing tax credit (LIHTC) property in Indian Country to date, said Bill Picotte, executive director for the Yakama Nation Housing Authority (YNHA). The new 45-acre Adams View development adds 68 single-family homes to an existing 30-unit development. It also has one of the largest U.S. Department of Housing and Urban Development (HUD) Title VI guarantee loan sums in the nation: $11.4 million for housing and $4.4 million for infrastructure.

Affordable Housing on Tribal Land
“The supply and demand of affordable housing is a huge issue on the reservation, as it is on most reservations,” said Don Clem, YNHA project manager. “We have about 1,350 applications representing over 8,000 individuals on lists for housing.”

Affordable housing demand continues to rise among Yakama tribal members who live near Wapato in south-central Washington, where the unemployment is 18.7 percent and 42 percent of residents have lived below the poverty level in the past 12 months. “The income in the county generally isn’t
enough to drive new market-rate housing,” said Alisa Luber, the senior project developer for Mercy Housing Northwest who worked on Adams View.

Clem said that a bulk of the Yakama Nation Housing Authority housing stock was built under the U.S. Housing Act of 1937 and subsequent related legislation. While the Housing Act of 1937 succeeded in expanding tribal housing stock and providing rental assistance programs, tribal leaders didn’t have much planning control over their own communities’ developments. This changed with the Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA), which granted tribes greater self-governance in housing assistance matters. The legislation eliminated several separate housing assistance programs and replaced them with the Indian Housing Block Grant and the Title VI loan guarantee program. These initiatives, along with the LIHTC, are giving aging and limited reservation housing stock a welcomed infusion of resources for rehabilitation and new development.

**Financing Adams View**

Securing LIHTCs for developments on tribal land has always been a challenge because of unique ownership situations and limitations on securing debt against tribal land, said Bill Rumpf, president of Mercy Housing Northwest. In response to advocacy to make developments in Indian Country more competitive in the LIHTC application process, the Washington State Housing Finance Commission amended its policies in 2008 to award extra points to developments in eligible tribal areas. Adams View qualified for the extra points and received a
reservation of nearly $1.4 million in LIHTCs in 2010. Bank of America provided an $11.4 million housing loan and a $4.4 million infrastructure loan, both under the Title VI loan guarantee program. Key Bank contributed about $12.2 million in LIHTC equity through the syndicator, Raymond James Tax Credit Funds.

“Leveraging resources was the key to accomplishing this development,” said Picotte. “It enables us to provide adequate, decent, safe, affordable housing to Yakama Nation tribal members.”

Adams View

A team from Seattle-based ARC Architects designed Adams View with six different floor plans for one- or two-story units. The units include three or four bedrooms, two baths, two car garages and large patios. Adams View was designed so that units could accommodate extended families with a large, high-ceilinged gathering room that can accommodate groups of family and friends.
The development meets Washington Evergreen Sustainable Development Standards with energy-efficient green construction, ENERGY STAR appliances, high efficiency heating and cooling, cellulose insulation, fiberglass windows and doors, metal roofs and fire sprinkler systems. The units are situated and designed to minimize energy costs. They rely on the homes’ orientation to the sun, natural cooling through window placement and air circulation. YNHA’s construction team completed half of the construction work on Adams View to provide training, jobs and income to community members.

Adams View sites homes around a large 11.3-acre center green. The green has two basketball courts, bleachers, picnic tables, a one-mile walking path that winds through the park and the surrounding neighborhood. There’s a conventional playground for toddlers and older children and a second ‘natural’ play area with logs from Yakama Forest Products, a tribal enterprise.

One of the biggest challenges of developing on rural tribal land is lack of infrastructure, said Luber. The Adams View development added roads and sidewalks and expanded the water and wastewater treatment facilities to serve existing developments near Adams View, the 68 new homes and future developments. A new 150,000-gallon elevated water storage tank and a new well link existing and new water mains for increased fire safety.

Adams View is 100 percent occupied and leased to qualifying households that earn between 30 percent and 60 percent of the area median income (AMI). The 68 homes are required to be rented for 15 years, and then there are options for the tribe to continue renting out the units or to sell the homes. If the tribe decides to sell the homes, leasees have the option to purchase their homes, if they meet certain requirements. Clem said this purchase option will allow households to make Adams View their family home for generations to come, he said, “It’s important to have a start in a place that lets you prosper and grow.”

Photo: Courtesy of ARC Architects
The Adams View affordable housing development was built on Yakama Nation tribal land near Wapato, Wash.