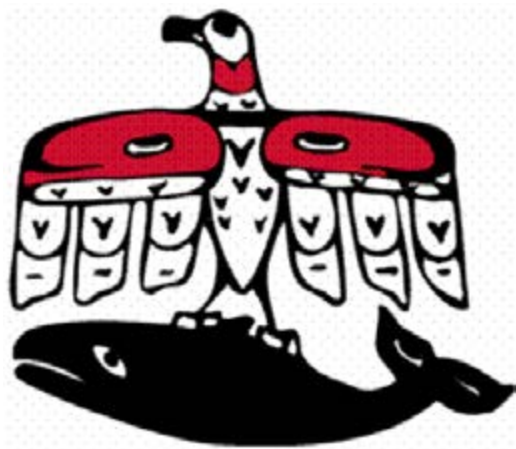


Makah Tribe Housing Department

Makah Reservation, Washington State



Organizational Profile

The Makah reservation, located in the Pacific Northwest near Neah Bay, Washington, is home to nearly 2,900 tribal citizens of the Makah Tribe. The Tribe created the Makah Housing Authority in 1967, which became part of the Tribe as the Makah Tribe Housing Department (MTHD) in 2007. Exercising its tribal self-determination, the Makah Tribe has actively worked to manage and improve its existing housing stock while introducing a new vision for housing options for its citizens. This community-driven approach includes market-rate rental townhomes for higher income professionals, supportive housing for previously homeless families and individuals impacted by addiction, and affordable single-family homeownership opportunities.

The long-term planning process for this work began in 2005, when the Makah Tribe became an authorized borrower under the US Department of Housing and Urban Development's (HUD's) Section 184 Indian Home Loan Guarantee. Two years later in 2007, the Makah Tribal Council adopted the Affordable Housing Assistance Program, which provides an array of homeownership resources, such as rehabilitation, weatherization, down payment, and foreclosure prevention assistance, all with the goal of sustaining privately owned homes on the reservation. These efforts laid the groundwork for a multi-income, multi-use Sail River Heights Subdivision.

Key Facts

Service Area: Neah Bay and Makah Reservation

Number of Tribal Citizens: 2,857

Indian Housing Block Grant: \$800,000

Annual Budget: \$1.6 million

Number of Employees: 22

Number of Units: 112

SAIL RIVER HEIGHTS OCTOBER 2011



Project Description

The vision for the Sail River Heights Subdivision became a reality in 2007 when the Makah Tribe set aside 51 acres of trust land from its timber inventory to develop the new subdivision. The following year, MTHD hosted a series of technical and community “charrettes” – intensive planning sessions where tribal citizens, designers, and other community members collaborated on the vision for the Sail River Heights development. An important component of these planning sessions was gaining the perspective of high school juniors and seniors who, by project completion, would be the young adults in the community ready to purchase their first homes.

In 2009, MTHD received unanimous agreement from the Makah Tribal Council to proceed with further development of Sail River Heights. From there, MTHD launched Phase I to install the necessary physical infrastructure to support the subdivision. Simultaneously, they also launched their homebuyer education program to help tribal citizens understand the benefits and responsibilities of becoming homeowners. MTHD is currently in Phase II of the project, a ten-year build out of 72 lots for single-family homeownership.

Because of careful and focused planning, MTHD is able to provide prospective homebuyers at Sail River Heights with a 75-year lease term on a subdivision lot equipped with an average of \$124,000 in pre-installed infrastructure. MTHD also provides up to \$15,000 in down payment assistance through an income-based sliding scale formula, paired with mandatory homebuyer education classes to help applicants through the loan pre-qualification and construction processes. So far, homes constructed by tribal citizens have ranged in cost from \$89,000 to \$225,000, and average monthly mortgage payments are \$700 per month.

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Promising Approach

Multiple and diverse funding sources. With only a small Indian Housing Block Grant (IHBG) averaging about \$800,000 per year, MTHD knew it would be necessary to leverage their existing resources. For example, for the required extensive infrastructure development, MTHD assembled \$9.1 million from 13 funding sources including Indian Health Service; US Departments of Energy, Agriculture, and HUD; the Bureau of Indian Affairs; the Makah Tribe; and Impact Capital, a regional community development financial institution serving nonprofits in the Northwest. A critical component of gaining the support of these funding sources was a deliberate effort to engage partners and investors through a “funders’ tour” that included meals and cultural interactions, and introduced the Makah community on a deeper, more personal level.

Community involvement. The Makah community has been closely involved in shaping this project since the very start. The “charrette” planning sessions not only helped support the community’s buy-in with the design of the subdivision and all of its components, it also helped ensure that the homes meet the needs of the community.

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If I had a magic wand, I would ask to increase the NAHASDA appropriations to help us leverage other resources better.

— Wendy Lawrence,
Housing Director

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Impact

- An achievable goal of increasing housing stock on the reservation by 25% by 2022.
- The ability of homeowners to realize and access their home equity due to the Tribe’s commitment to building relationships with private appraisers to document “comparables” for the community’s emerging real estate market.
- A feeling of community ownership and pride stemming from an initiative that offers mixed-income and mixed-use components, including housing options and community facilities.
- Spurred economic development driven by the housing construction process.

Lessons Learned

It is important to:

- Keep tribal leadership and other partners informed throughout the process.
- Assemble a strong development team that includes consultants and contractors, but ensure that the Tribe remains the expert on the project to monitor performance and delivery.
- Assume construction will take longer than planned and have a contingency if the budget goes over.
- Educate prospective homebuyers on all the requirements of becoming a homeowner.
- Realize that most off-reservation mortgage lending involves the acquisition of existing housing stock which means that the Tribe may need to educate lenders about the importance of providing adequate homebuyer readiness programs to help Native borrowers navigate through the construction process on trust land, repair credit after a history of being targeted by predatory lenders, build financial capability, and achieve affordability through down payment and closing costs assistance.

Ongoing Challenges

- Changing the mindsets in the community to shift from the familiarity of subsidized rental housing to embracing mortgage-based homeownership.
- Keeping all the stakeholders involved with the Sail River Heights Subdivision up to date and informed with current information about the development's progress.
- Balancing day-to-day operations of the housing department with the challenges of managing a new, long-term housing development.

On the Horizon

MTHD now focuses on helping homeowners understand the importance of protecting their investments in homeownership with insurance. This includes residents who became homeowners through conveyed mutual help units and those who purchased homes through mortgage financing.

MTHD also is focused on expanding the capacity of its staff through training opportunities in order to sustain its growth in the community.