

# Sisseton Wahpeton Housing Authority

## Lake Traverse Reservation, South Dakota



### Key Facts

**Service Area:** Lake Traverse Reservation

**Number of Tribal Citizens:** 13,177

**Indian Housing Block Grant:** \$3,566,821

**Annual Budget:** \$4,500,000

**Number of Employees:** 50

**Number of Units:** 465

### Organizational Profile

For nearly 50 years, Sisseton Wahpeton Housing Authority (SWHA) has been working to meet the housing needs on the Lake Traverse Reservation in northeast South Dakota. Early on, SWHA recognized the necessity of maximizing federal funds to create housing opportunities for their people.

**Rental Housing.** Today, SWHA manages 660 rental units financed through multiple funding streams, including the US Department of Housing and Urban Development (HUD) Indian Housing Block Grant (IHBG), US Department of Agriculture (USDA) Rural Development Rental Subsidy 515 Program, and the Bureau of Indian Affairs (BIA). Water and sewer infrastructure is funded through a 638 contract with the Indian Health Service (IHS). Funds are also accessed from the Federal Home Loan Bank. In addition, program income is utilized to purchase other rental and income generating opportunities, such as a recently acquired hotel with 29 units which is used as both transitional housing and as a commercial hotel.

**Homeownership.** In 2003, tribal leadership recognized the need to provide a wider variety of housing options in their communities and to capitalize on emerging opportunities to enhance tribal and individual assets through homeownership. According to former tribal chairman and current SWHA executive director, JC Crawford, "Homeownership was happening, but we knew we needed 1,500 homes. To do that with the current IHBG funding formula, it would have taken 100–150 years." Seizing the opportunity to leverage federal resources and make homeownership more accessible, the Tribe dedicated its own funds to create the Sisseton Wahpeton Oyate (SWO) Homebuyers Program, a first-time homebuyer program that offers homebuyers a \$5,000 grant for down payment assistance. With a growing housing stock, the Tribe then created the Dakota Nation Development Corporation (DNDC) to provide construction services to build and renovate homeownership units. DNDC assists with Low-Income Housing Tax Credits (LIHTC) opportunities as well.

## Project Description

In 2009, the Tribe created T Yamni – Sisseton Wahpeton Oyate One-Stop Homeownership Program, a collaborative partnership between the SWO Homebuyers Program, DNDC, and the SWHA that brought together tribal housing programs and services and assisted tribal citizens achieve their dreams of homeownership. Realizing the enduring benefits of these services, the Tribal Council required all new homebuyers, as part of receiving tribally funded down payment assistance, to: 1) attend a homebuyer education class, and 2) permit the lender to notify T Yamni in the event of a delinquency of 30 days or more for intervention.

These changes, the collaborative work of T Yamni, and the homebuyer education and delinquency intervention, have been a catalyst for positive change within the community. What has emerged is an array of housing opportunities for both low-income families and an emerging Native middle-class to engage in the complex process of becoming a homeowner. From advocacy and assessment, to site selection and financial credit management, as well as loan packaging assistance, default counseling, and foreclosure intervention, T Yamni provides a safe, responsive atmosphere for families interested in homeownership and for those who are enjoying the homeownership experience.



## Promising Approach

**Collaboration.** T Yamni’s ability to use multiple streams of federal and tribal funding sources innovatively to meet the dynamic needs of their community and to provide a diversified array of housing and homeownership opportunities is essential to their continued success.

**Risk mitigation pool and foreclosure process.** T Yamni understands that success may sometimes come through hardship. Heeding the Dakota customs of preparing for hard times, T Yamni worked with the Tribe to create and fund a risk pool to assist with the liquidation process in the event of foreclosure. The risk pool, established in 2015, directly addresses concerns of investors and lenders about collateralizing their mortgages on trust land. Now, if a mortgage loan on the reservation goes into foreclosure, the Tribe purchases the home using

its risk pool and resells it to an eligible tribal citizen. This program has a triple bottom line: it ensures that the housing assets remain within the community, it serves eligible homebuyers, and it mitigates the lender’s financial risks. Overall, risk pooling has been a successful model to provide greater security and mitigate liquidation risk for the tribe, lenders, and homeowners.

**Infrastructure installation.** T Yamni also developed a successful strategy to address physical infrastructure challenges, such as water and waste systems that often prevent housing development on rural lands and scattered sites. Now SWHA installs basic infrastructure and offers sites that are “development-ready” for new home construction, allowing eligible borrowers to readily sublease sites and prepare for homeownership.

## Impact

- Forty-nine new homebuyers on the reservation since the T Yamni program began.
- Six of the ten home loans in the 2016 pipeline closed so far this year.
- Increased credit scores of T Yamni clients along with improvements in self-esteem, confidence, self-worth, and a sense of accomplishment, all of which is passed on to the children, solidifying the family unit and future tribal generations

## Lessons Learned

- Showing people the possibility and benefits of homeownership.
- Identifying tribal citizens who are responsible renters and who can advance to homeownership.
- Harnessing multiple funding streams and diversified housing opportunities to meet different needs, preferences, and income levels of the community.
- Streamlining programs and services in coordination with tribal, state, and federal agencies to make the process easier for homebuyers.
- Creating a one-stop tribal homeownership program and holistic experience by providing familiarity, continuity, and consistency that often is lacking among tribal programs and mortgage lenders.
- Expanding homeownership opportunities by working with tribal leadership to enact appropriate recourse and foreclosure processes that provide greater security to lenders by mitigating risk.

## Ongoing Challenges

- Ensuring that people who establish credit through T Yamni return for other services (currently, only 8% return for homebuyer services).
- Navigating the home site approval process with various tribal, state, and federal agencies efficiently and in a timely manner.
- Maintaining affordable construction costs while exploring options for custom home building.
- Being innovative to meet the needs of homeowners through available programs and resources.



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## On the Horizon

T Yamni is a small operation with big achievements. In the next five years, the partners plan to build 500 homes—100 homes a year—through persistent and intentional efforts. The homes will be homeownership and rental, for single and multi-family use. Next year, SWHA celebrates 50 years of service to the Sisseton Wahpeton Oyate, and it intends to commemorate this anniversary with the construction of the 50th house of the proposed 500. With these milestones, certified housing counselors will join the SWHA staff to provide greater resources to the community and support T Yamni’s operations.

As T Yamni’s activities increase, so do their data and paper files. T Yamni currently is exploring new data tracking opportunities, as well as engaging in the South Dakota Native Homeownership Coalition’s statewide data collection efforts for tribal homeownership loans, trainings, and coaching/counseling.

In their first decade, T Yamni has experienced obstacles and persisted with innovation, mitigating risk and providing Native homeownership opportunities in a market once considered too laden with barriers. They plan to build on these successes in decades to come.