

Tribal housing authority wins \$4 million stimulus grant



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Tribal housing authority wins \$4 million stimulus grant to fund much needed housing infrastructure

Sicangu Wicoti Awanyakapi (SWA) Corporation, formally known as the Rosebud Housing Authority, manages the housing programs for the Rosebud Sioux Tribe. SWA receives funding for its activities from the U.S. Department of Housing and Urban Development, Bureau of Indian Affairs, Tribal Contributions, and financial institutions. It currently manages approximately 1,269 housing units scattered throughout the Rosebud Reservation—cementing their mission statement “to develop and support self-sustaining, desirable, affordable residential housing and communities on and near the Rosebud Reservation for individuals and families who want to live there.”

The challenge

In carrying out this mission, SWA is continually faced with significant challenges. The population estimate for Todd County, which is located within the boundaries of the Rosebud Sioux Tribe Reservation, is 10,167. The population of Rosebud itself is estimated by the U.S. Census Bureau to be 9,050. Documentation shows approximately 42.8 percent of Todd County residents live below the poverty line. Moreover, tribal members face numerous obstacles, most notably inadequate housing supply, lack of income, problems with credit worthiness, and lack of mortgage financing alternatives for home-buyers. The challenges became more daunting in the wake of the country's most recent financial crisis, which caused a significant reduction in traditional funding sources for affordable housing production.

Where would SWA find capital to meet the considerable demand for housing for its members?

In January 2008, the SWA successfully completed the Sicangu Village Estates development, which is comprised of fifteen affordable housing units funded with federal low-income housing tax credits and federal funds received under the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996. Building on this success, SWA immediately began planning a fifty-acre expansion of the site to accommodate the development of an additional eighty-five, single-family homes. While SWA receives sufficient annual funding to accomplish the build-out over an eight-year period; they required funding to cover the significant upfront investment required to complete the site infrastructure.

The solution

SWA recognized an opportunity in the American Recovery and Reinvestment Act (ARRA), which was enacted in February 2009. Speaking specifically to the challenges in Indian Country, ARRA included a \$510 million appropriation for the IHBG funding. Of that amount, \$255 million was disbursed based on a formula, and \$242.5 million was allocated on a competitive basis. The purpose of this funding was to:

- > assist and promote affordable housing,
- > ensure better access to private mortgage markets,
- > further economic and community development for tribes,
- > provide infrastructure resources for tribal housing development, and
- > promote the development of private capital markets in Indian country

SWA engaged Baker Tilly's Affordable Housing and Community Development specialists to assist them in preparing and writing the grant application.

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The result

In 2009, SWA engaged the Baker Tilly Virchow Krause, LLP Affordable Housing and Community Development teams to assist them in preparing and writing the grant application. With the help of Baker Tilly Virchow Krause, LLP, the Rosebud Sioux submitted a competitive application to the U.S. Department of Housing and Urban Development for a grant to fund the infrastructure costs associated with the Sicangu Village Estates expansion. The Tribe successfully received a \$4 million ARRA grant, which will be leveraged with other Tribal resources.

The infrastructure project is projected to generate jobs related to the development of roads, utilities, waterlines, electric and telephone systems, and will lay the foundation for eighty-five new homes for Tribal members.

Connect with us

To learn more about Baker Tilly Virchow Krause, LLP's expertise in assisting with the grant application process, contact our Affordable Housing and Community Development specialists:



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