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Apache Dawn: A Vision Made Real

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Jeanette Kindelay and her son are presented the keys to their new unit by her loan counselor, Minda Lupe and Gladys Bencomo, Deputy Director of the White Mountain Apache Housing

In the early spring of 1999, Apache Dawn was nothing more than a vision. Victor Velasquez, executive director of the White Mountain Apache tribe in Arizona and its White Mountain Apache Housing Authority, dreamed of building an attractive, affordable 250-unit single-family housing development — in scattered sites and clusters on the reservation— and renting units to families who would eventually own them.

Today the dream is a reality. Apache Dawn is rising. The first 52 units were completed last December, and all are occupied. The second phase — construction of the next 31 units — is under way, with 26 families already selected from the housing authority's waiting list. An additional 46 units are in the site-preparation stage. In the

final phases the remaining 121 units will be built.

Putting the pieces together

Apache Dawn didn't just happen. Patience, creative thinking, cooperation and a tolerance for paperwork were all needed in abundance. Funding for the project has come from a blend of tribally issued tax-exempt bonds, HUD Section 184 guaranteed loans (see "Financing Homeownership in Indian Country: Using HUD's 184 and Title VI Programs" in this edition), and Community Development Block Grant funding made possible by the Native American Housing and Self-Determination Act of 1996 (NAHASDA).

Here's how it works. Bank One lends funds to the White Mountain Apache Housing Authority for each house to be built on the reservation, using a Section 184-loan guarantee for each house. The loans are repaid from rental payments. Bank One then transfers the loans to a third party that handles the Ginnie Mae mortgage backed securities that are used to collateralize the tax-exempt bonds. By using a variety of public and private funding sources, the tribe is able to leverage its scarce NAHASDA block grant funding. "I have a waiting list with 1,000 people on it," Victor Velasquez says. "It doesn't take a math genius to figure out that if you just depend on NAHASDA money, you're never going to get your people housed."

Given the project's scope and complexity, it's remarkable that everything came together so swiftly. The project required nine months of planning and researching, including weekly and bi-weekly conference calls involving all the partners, culminating in the bond closing and the closing of the first

52 Section 184 loans. Construction began in December 1999.

The housing authority, working from its waiting list, assesses each applicant family's ability to make the rent payment, which roughly equals the housing authority's debt service on the Section 184 loan for their home. Monthly rents range from \$442 for a three-bedroom to \$505 for a five-bedroom home. Renters will have an option to purchase after 10 years (a time frame dictated by the terms of the tax-exempt bonds). At that time, NAHASDA grant funding to the tribe may be used to help homebuyers buy the home (either through principal reduction or interest-rate buydowns).

Ripple effects

It's rewarding to watch the ripple effects from this project. An outside contractor built the first 52 units. In the second phase, however, the housing authority is acting as the general contractor and tribal members are doing the construction — using wood from a tribal lumber mill. So the project is creating jobs and wages that are being pumped directly back into the reservation economy.

Vision, leadership, commitment, ongoing communication — all are essential to the success of projects such as Apache Dawn. Early on, one of the partners coined a phrase that set the tone: "If you aren't excited, you aren't invited."

Bank One was invited because we had an existing relationship with the White Mountain Apache Housing Authority and a working knowledge of the Section 184 loan program. Bank One stayed because we were genuinely excited to see houses constructed and tribal members move in. And Bank One hopes Apache Dawn will be a model for other Native American tribes to follow. The challenges continue — but the door has been opened to new and creative ventures in community and economic development on trust lands.

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