



**Expanding Homeownership
on Indian Lands across
South Dakota:
A Practitioner Capacity-Building
Needs Assessment**



PREPARED BY:
HOPE NATION CONSULTING, LLC
& MIRIAM JORGENSEN

PREPARED FOR:
SOUTH DAKOTA NATIVE
HOMEOWNERSHIP COALITION





ACKNOWLEDGMENTS

The South Dakota Native Homeownership Coalition (SDNHOC) acknowledges the generous support of Freddie Mac, which made possible this study, *Expanding Homeownership on Indian Lands across South Dakota: A Practitioner Capacity-Building Needs Assessment*. As part of its Duty to Serve Program and recognizing the Coalition's core focus on expanding homeownership on Indian lands across South Dakota, Freddie Mac enabled SDNHOC to explore ways to boost responsible mortgage financing on trust land. In this report, we share insights that can help promote homeownership opportunities.

DISCLAIMER

The contents of this report reflect the views of the authors and do not necessarily reflect the views or policies of the South Dakota Native Homeownership Coalition, its members, Freddie Mac, or the tribes that share a geography with South Dakota.

October 2019



TABLE OF CONTENTS

Executive Summary	1
Native Homeownership in South Dakota	4
SDNHOC Capacity-Building Needs Assessment	5
Assessment Results	6
Recommendations	14
Conclusion	19



Expanding Homeownership on Indian Lands across South Dakota: A Practitioner Capacity-Building Needs Assessment

Executive Summary

Since its formation in 2013, the South Dakota Native Homeownership Coalition (SDNHOC or “the Coalition”) has brought together a diverse group of more than 75 tribal, state, federal, nonprofit, and private sector stakeholders to identify barriers, share innovative solutions, and leverage resources to create a clear path to homeownership for Native people in South Dakota.¹ In 2019, as part of this mission, SDNHOC commissioned two capacity-building needs assessments—one to identify specific capacity-building needs of housing practitioners and other Coalition members, the other to evaluate the barriers and opportunities for lenders providing mortgage financing on tribal trust land. This document is the first of those reports, the practitioner capacity-building needs assessment.

The practitioner assessment was designed to address challenges faced by four key types of stakeholders in the homeownership process: 1) housing practitioners and their organizations, 2) potential homeowners, 3) the Coalition and its members, and 4) tribal leadership, as well as potential solutions to these challenges. Based on the assessment data collected, this report responds to four key questions:

- What do homeownership practitioners need in order to increase homeownership?
- What support do tribal citizens need to prepare for homeownership?
- What should the Coalition consider for future training and services?
- How can tribal leaders further support homeownership?

¹ In 2019, stakeholders included representatives of South Dakota’s tribes, federal and state agencies, the South Dakota’s Governor’s Office, Tribally Designated Housing Entities (TDHEs), nonprofit organizations, housing developers, lenders, and community development financial institutions.

What do homeownership practitioners need in order to increase homeownership?

Initial data showed most organizations who responded to the assessment have been providing support for homeownership for over 11 years. This key finding identifies homeownership practitioners as the best experts in identifying solutions for the challenges they face every day. Of the greatest challenges they face, practitioners ranked the following four areas:

- Lack of staff to support the work needed;
- Obtaining property appraisals;
- Funding homeownership programming; and
- Accessing infrastructure financing.

What support do tribal citizens need to prepare for homeownership?

Respondents also identified key hurdles many of their clients face when pursuing homeownership. Among the challenges that clients face, practitioners identified lack of down payment funds, poor credit scores, and the lack of stable, sustainable incomes needed to qualify them for mortgages as key areas for further support. In addition, several practitioners noted that clients view the costs associated with developing infrastructure as prohibitive.

What should the Coalition consider for future training and services?

Approximately 70% of practitioners agreed that SDNHOC's engagement on the national level to address federal policy impediments to Native homeownership and efforts to communicate and share information with Coalition members, partners, and lenders about federal policy reform are very important. They showed strong interest in pooling resources among members of SDNHOC and suggested property management as an area where they could use more support. For those less involved, they identified current workload and lack of time as limitations to being more involved with the Coalition. Most respondents indicated they are satisfied with Coalition support and provided suggestions about the growth and expansion of the Coalition. Practitioners also showed a willingness to pay for programming if the Coalition were to offer more programming.

How can tribal leaders further support homeownership?

While more than half of respondents agreed that elected tribal leaders support homeownership, they noted lack of time and capacity as key challenges tribal leaders face in order to fully support homeownership for their citizens. A majority of the respondents agreed that not having tribal codes and ordinances and lack of enforcement of these codes are barriers for moving tribal citizens into a path of asset wealth building.

Overall, this needs assessment provided practitioners an opportunity to not only identify challenges, but to share their ideas for solutions as the experts on the frontlines of the homeownership process. This report provides key findings and recommendations for practitioners, tribal leaders, Coalition members and partners to consider as part of their ongoing mission to expand Native homeownership among Native people on Indian lands across South Dakota. ✨



Native Homeownership In South Dakota

Homeownership is one way to create a safe environment and develop intergenerational wealth transfers for Native families. Yet, Native people experience some of the lowest homeownership rates across the country and rates in South Dakota are no exception. A significant challenge in South Dakota is the severe shortage of housing stock available on Indian land. Native families often wait as long as five years or more for available housing through Tribally Designated Housing Entities (TDHEs).



The South Dakota Native Homeownership Coalition was created in 2013 in an effort to increase homeownership opportunities for Native Americans in the state of South Dakota to build strong and healthy communities. The Coalition is made up of a diverse group of approximately 75 representatives of TDHEs, federal and state agencies, institutions, nonprofit organizations, and lenders that support homeownership on Indian lands.

Some of the Coalition's key accomplishments to date include:

- Providing opportunities for peer sharing and learning about innovative homeownership models through annual tribal site visits;
- Establishing an ongoing Native American homeownership track at the annual South Dakota Housing Conference;
- Certifying more than 30 financial education and homebuyer education instructors who continue to meet and collaborate regularly;
- Conducting residential inspector certification trainings;
- Prioritizing homeownership opportunities for Native veterans;
- Performing housing needs assessments in tribal communities; and
- Developing and implementing a construction internship program in four tribal communities.

Participation in the Coalition results in a wide range of benefits for its members, including an enhanced understanding of barriers and innovative solutions, capacity building for practitioners, increased access to financial resources, direct contact with decision makers and program administrators, and opportunities to build trust among stakeholders working together to support Native homebuyers in South Dakota. ✨



SDNHOC Capacity-Building Needs Assessment

In order to understand the capacity needs of homeownership practitioners working in tribal communities across South Dakota, the SDNHOC commissioned a needs assessment for practitioners to complete. The project was approached with development of data collection tools and methods that were evidence-based, culturally relevant, and promoted inclusion and equity across stakeholders. All work was conducted in a cooperative, transparent, and respectful manner, while taking into consideration tribal sovereignty and cultural protocols. The work began by developing a practitioner survey with SDNHOC's input and collaboration. The assessment was then piloted with practitioners and lenders that were identified by SDNHOC. Once the survey was finalized, it was administered through an online platform, Survey Monkey, with 106 questions (66 questions for practitioners and 40 questions for lenders), utilizing Likert scales of 1-5, open-ended questions, yes/no questions, and multiple choice. Topics ranged from challenges organizations face when providing homeownership services to Native homebuyers and the challenges clients face during the homebuyer process. The assessment also included questions pertaining to ways the Coalition has supported organizational efforts thus far, with suggestions on how the Coalition could build on their current efforts. Lastly, questions were posed about the role of tribal leadership in supporting Native homeownership on tribal lands. In addition to inquiries regarding service provision to Native homebuyers, another set of questions was specifically designed for those organizations that specifically provide mortgage lending services to better understand unique challenges and related success for those organizations providing both education and lending services. This information is available in a separate report.

Survey responses from 48 Coalition members are represented in this report (30% response rate). In addition, the assessment was followed up with phone call interviews to non-respondents, active and inactive members, and those not



actively involved with SDNHOC for more in-depth responses. An initial analysis of the data was vetted with SDNHOC and a preliminary presentation was shared at the Coalition's bi-annual meeting held in Rosebud, South Dakota, May 4-5, 2019. In addition, small discussion groups were held at the gathering to delve more deeply into the challenges faced by clients and organizations. Groups were given an opportunity to share the unique situations they face and their ideas for potential solutions.

Demographics of Survey Respondents

Among the 48 survey respondents, there was representation from a broad range of housing practitioners including Tribally Designated Housing Entities (TDHEs) and other tribal entities, Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs) and other nonprofits, and state and federal agencies. This broad assessment sample was intentionally selected to represent the full range of organizations providing homeownership services and products across South Dakota. CDFIs made up 25% of assessment respondents, followed by CDCs and other nonprofits (25%), TDHEs (23%), other tribal agencies (10%), Federal agencies and programs (8%) and State programs (2%). Among these practitioner organizations, 10 (2%) also provide mortgage lending services.

Assessment Results

What do homeownership practitioners need in order to increase homeownership?

Numerous national studies have identified challenges associated with supporting homeownership in Indian Country. However, little is known about the unique challenges facing housing developers and homeownership service providers on Indian lands in South Dakota. In order to understand the growth of Native homeownership in South Dakota, it is important to recognize how long each of the member organizations have been providing homeownership support to their communities. Over half (56%) of respondents indicated they have provided homeownership services for 11 years or more, while 32% of respondents have provided services for five years or less, and 4% are not currently providing services (See Figure 1). This shows the level of commitment and growth these organizations have made to increase Native homeownership. Based on follow-up interview phone calls, some organizations average between eight to ten potential homebuyers a month coming into their offices wanting information on homeownership. One organization indicated they have up to five people a day calling or coming to the office looking for homeownership information.

At the same time, staffing capacity across the organizations is a primary challenge. The majority of respondents (44%) indicated they have only 1-2 staff members working on homeownership, while 34% have 3-5 staff, 16% have 6-10 staff, and 6% have more than 10 staff dedicated to homeownership services (See Figure 2). All together, 55% of these staff members spend less than 25 hours per week providing services in support of Native homeownership.

Figure 1
Service Providers' Length of Homeownership Support (in years)

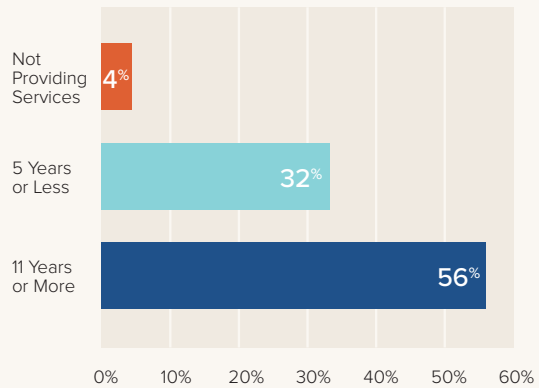
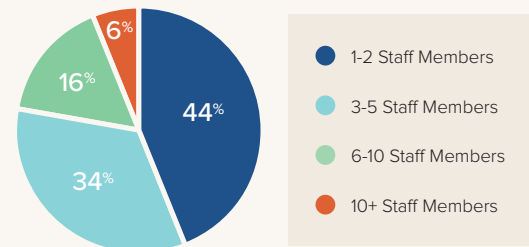


Figure 2
Organizations' Staffing Capacity Committed to Native Homeownership



**All together,
55% of these staff
members spend less
than 25 hours/week
providing services
in support of Native
homeownership.**

In the survey, practitioners were presented with a list of 13 common challenges homeownership organizations typically face when serving potential homebuyers (Table 1). Respondents were asked to rate them on a scale of 1-5, with 1 being “not difficult at all” and 5 being “very difficult.” The organizational challenges presented in the assessment include the following:

TABLE 1: Most Common Challenges Practitioners Face When Serving Potential Homebuyers

1. Providing homebuyer education
2. Funding homeownership programming
3. Developing and sustaining organizational capacity to support Native homeownership
4. Identifying available homesites
5. Leading projects in physical infrastructure development
6. Obtaining property appraisals
7. Identifying sources of housing development financing
8. Identifying sources of mortgage financing
9. Understanding leasing on tribal lands
10. Acquiring Title Status Reports (TSRs)
11. Obtaining a lease on tribal lands
12. Developing and sustain partnerships with lenders
13. Connecting with external networks from local, state, or national homeownership

Response choices that received either a rating of 4 (“somewhat difficult”) or 5 (“very difficult”) were then weighted to identify areas where organizations and clients experienced the greatest level of difficulty in their pursuit toward homeownership. Table 2 lists four primary challenges faced by the majority of organizations:

TABLE 2: Top Four Challenges as Ranked by Practitioners

Challenge	Weighted Points
Obtaining property appraisals	31
Funding homeownership programming	29
Leading projects in physical infrastructure development	25
Acquiring Title Status Reports (TSRs)	23

Although the results for the other challenges varied widely, when asked if their team would benefit from more information and training for each of these challenges, the average majority (72%) responded Yes. This would suggest that more training in all 13 areas listed above would be a beneficial, beginning with the top four challenge areas. Although training would be an important start, some challenges may require more programming and policy work in order to provide a more permanent and long-term solution.

Respondents had the opportunity to self-report other challenges they have faced when providing homeownership support. The primary challenges shared by several respondents are: limited infrastructure (water, sewer, electricity) and road access on available homesites or availability of housing that is already connected to the existing infrastructure. All of this leads to costs that the typical homebuyer cannot afford. Therefore, it is a challenge to find potential homebuyers who are interested in and willing to pursue homeownership that entails investing in more than just the dwelling and able to qualify for financing to cover these costs.

What support do tribal citizens need to prepare for homeownership?

Similar to inquiries about challenges organizations face when providing homeownership services, respondents were presented with a list of 12 common challenges that aspiring homeowners face in their efforts to qualify for and secure a mortgage loan (Table 3). Common homebuyer challenges were presented as choices in the survey and respondents were asked to rate them on a scale of 1-5, with 1 being “not difficult at all” and 5 being “very difficult”, specifically:

TABLE 3: Challenges Aspiring Homeowners Face When Qualifying or Securing a Mortgage Loan

1. Lack of stable, sustainable incomes that would qualify them for a mortgage loan
2. Little or no banking experience
3. Poor credit scores
4. Lack down payment funds
5. Do not trust banks/lenders
6. Have difficulty seeing themselves as homeowners
7. Cannot find available homesites
8. Do not think homesites are available in desirable areas
9. Costs associated with developing infrastructure are prohibitive to homeownership on tribal lands
10. View costs of upkeep and maintenance as prohibitive
11. Have difficulty acquiring a Title Status Report (TSR)
12. View the leasehold process as complex and cumbersome

The following five challenges in Table 4 were ranked by the practitioners as their client’s greatest level of difficulty in their pursuit toward homeownership:

TABLE 4: Primary Challenges of Homeownership Ranked by Practitioners

Challenge	Weighted Points
Lack down payment funds	49
Poor credit scores	42
Lack stable, sustainable incomes that would qualify them for a mortgage	39
View the costs associated with developing infrastructure as prohibitive	38
Clients have little or no banking experience	31

Respondents had the opportunity to self-report other challenges their clients face when purchasing a home. As noted by the organizations above, clients see limited infrastructure (water, sewer, electricity) and road access as a challenge that may exist on their lands. This can overwhelm the buyer and cause them to quit the process. Other challenges include:

“The length of time a tribal citizen has to endure to secure a lease is so long, most tribal members don’t go through with it.”

“Settling for less instead of paying a little higher price and getting better quality. Moving outside of the <neighborhood>.”

“Debt to income ratios are hard to achieve when our clients do not make a livable wage. Therefore, one car loan can make them ineligible for a mortgage.”

What can the Coalition consider for future training and services?

Despite having broad Coalition involvement from over 75 organizations, only 8% of respondents describe themselves as very involved, compared to 36% who indicate they are not very involved. The primary reasons given for limited involvement include: lack of time, other commitments, and workload. This is a strong indication of the need for the Coalition to take on training, partnership development, and advocacy tasks that organizations would not be able to take on themselves. The importance of the Coalition is further demonstrated by the 70% of assessment respondents who agreed that SDNHOC's engagement at the national level to address federal policy impediments to Native homeownership. A majority of respondents (70%) also agreed that the Coalition's efforts to communicate and share information about federal policy reform with its members, partners, and lenders will contribute to the expansion of Native homeownership across South Dakota.

With SDNHOC member organizations offering a variety of services to potential homebuyers and current homeowners, the Coalition was interested in learning what programs and services

are currently being offered, which are outsourced, and which they would like to offer in the future. Assessment respondents were asked to provide input regarding which trainings and supports would be most helpful to them in their mission to support Native homeowners. In regard to homebuyer readiness services that member organizations are currently providing, over 60% offer financial education, financial coaching, and credit coaching/counseling. Of those providing such services, less than 20% outsource the service to another provider. Almost 90% of respondents identified those same three services: financial education, financial coaching, and credit coaching/counseling, as services they would like to continue to provide or begin providing in the future.

Through follow-up phone call interviews, organizations provided additional detail on the programs and services they currently provide, such as: credit building, one-on-one counseling, financial literacy training, down payment assistance, closing costs, direct lending, IDA's, small loan funds for credit issues and judgements less than \$2,500, and mortgage lending. Train-the-trainer programs such as Pathways Home – A Native Homeownership Guide, Building Native Communities – Financial Skills for Families and Financial Coaching with Families were all mentioned as trainings they have accessed for their organizations and found them to be very useful. It is important to note these programs have national brand recognition with Native communities and may be one reason they are so highly desired.

To better understand which programs member organizations would be most interested in, respondents were provided a list of current SDNHOC services and asked to rate how useful they would be for their organization. The three areas of training and supports included:

- Homeownership programming
- Housing development training
- Leadership development strategies





When asked about their interest in different types of homeownership programming and training, more than 50% of practitioners identified two types of programs as very useful: 1) providing an overview of the homeownership development process and 2) developing post-purchase homebuyer education. In terms of willingness to pay for trainings, 65% of the respondents indicated they would be willing to pay for programming around developing post-purchase homebuyer education. This suggests a strong desire for programming that would prepare future homebuyers, as stated by a respondent through a follow-up phone call interview:

“We need post-buyer education — how to manage and upkeep your home. Even renting, what are your responsibilities? Perhaps a self-assessment-understanding what homeownership is? Start with renting. Learning to maintain your property instead of calling THA maintenance.”

When asked about their interest in different types of housing development training, 57% of respondents rated “accessing infrastructure financing” as very useful with 75% of respondents indicating they would be willing to pay for this programming. In regard to staff leadership development strategies, approximately 35% of respondents found all of the suggested trainings and services as very useful (Table 5):

TABLE 5: Trainings & Services Identified by Practitioners as Very Useful

1. Organizational capacity assessments
2. Leadership development
3. Personnel management, including developing and enforcing policies and procedures
4. Staff evaluation practices
5. Staff professional development
6. Financial management systems and grant reporting
7. Strategic planning
8. Program Evaluation
9. Organizational management
10. Board roles and responsibilities
11. Board training
12. Technical operations and compliance systems
13. Pathways Home instructor certification
14. Building Native Communities financial education trainer certification
15. Financial Coaching with Families coach certification

This information suggests a strong desire among practitioners to build the leadership capacity of their staff and of the organization more broadly. Of the 15 trainings and services listed in the survey, staff professional development, strategic planning, financial management systems and grant reporting were all rated as very useful by 48% of respondents with over 64% of those same respondents indicating they are willing to pay for this programming.

As part of the interview process, respondents had the opportunity to suggest other strategies they believed would expand and support Native homeownership. A variety of ideas were shared as follows:

- “IDA programs for higher income, subsidy for higher income clients”
- “Education to legislators”
- “The maintenance of partner relations with outside sources of building, finance, etc.”
- “Any and all training [we] could acquire would be wonderful as we are leaning closer and closer to offering mortgage lending.”
- “Identify realtors that can help with the selling of homes on tribal lands.”
- “Building an Endowment for Native Homeownership.”
- “Classroom activities to present to the homeownership classes.”

As expressed through follow-up phone call interviews, programs and services that organizations would like to offer are IDA’s, larger down payment assistance, and construction cost assistance for new builds. Many wished they could offer credit builder loans outside of CDFI’s since several perceived the process to be slow and cumbersome. Some wished they could provide direct lending and green building support. Two services mentioned several times throughout the assessment were post-purchase education and financial literacy for youth to begin learning more about homeownership early on in their lives. Another respondent brought the issue of post-purchase education up in a phone interview, stating,

“New homebuyers need to learn how to manage the upkeep of their new homes. Even renters. What are my responsibilities? It’s a huge commitment. Maybe we need to consider building more apartments or housing rentals to educate [and] begin a pipeline to ownership instead of depending on the tribe to provide their housing.”

Lastly, the Coalition focused on interest in pooled resources among Coalition members. Many of the resources needed to support housing development (housing stock and infrastructure) and homeownership in Indian Country require



the purchase of professional services. While current Coalition training and policy advocacy efforts already serve as an important pooled resource, a need for specialized, technical contractor services is required. Respondents were given a choice of seven different types of pooled services. Appraisals (80%), engineering (72%), inspector services (72%), and architectural (68%) were identified as the top four areas they would be participate in through a pooled resource program.

How can tribal leaders further support homeownership?

Tribal leaders work hard to create a safe, healthy environment for their citizens. They work to preserve culture, language, and create opportunities for their social, economic, and political environments. Homeownership is a substantial step to creating long-term growth for their tribal members, ensuring a healthy existence and strong future of the next seven generations. The Coalition felt it was important to know how tribal leaders are supporting member organizations and future homeowners and address areas where more could be done. Overall, 70% of assessment respondents indicated tribal leaders have demonstrated support for homeownership on their lands. With this in mind, respondents also noted a number of specific ways that tribal leaders could support homeownership:

- “Provide down payment and closing cost assistance, provide home buyer education options, provide tenants of subsidized units financial coaching. Partnership with organizations who provide services. Create new developments.”
- “Tribal funds every year to housing authority for new housing developments and down payment assistance.”
- “View renting as temporary, [understand] homeownership is where tribal members need to be.”
- “Lobbying for funding, providing land and funding.”



Respondents also shared reasons why tribal leaders are not currently demonstrating support for homeownership that they'd like to see:

- “Most talk about it, but they don't want to understand their role as legislators and how they can amend or pass laws/codes to promote more homeownership. I think [this is] because many haven't undertaken the homeownership journey themselves.”
- “They don't understand homeownership and think we should be handing out houses to people on a waiting list.”
- “I personally believe our elected officials do not have the time with only two years to complete anything beneficial.”
- “Busy. Focused on other issues.”

In regard to policy, practitioners were asked a few questions regarding tribal residential, mortgage, and leasing codes. Approximately 53% of respondents indicated their tribes have tribal residential mortgage and leasing codes. When asked to provide examples of the codes they stated: residential codes, ordinances, landlord and tenant ordinance, foreclosure codes, and lease codes. When asked to indicate how much the lack of tribal codes supporting homeownership on tribal lands is a barrier to homeownership, a weighted average of 4.25 out of a total 5 indicated “yes” - a lack of tribal codes is a barrier to homeownership in the communities they serve. Several stated tribal codes are in place, but there is a lack of enforcement. Respondents gave examples of the types of tribal codes needed to better support homeownership:

- “Residential building codes”
- “Being a good neighbor, mow lawns, pick up trash, no abandoned vehicles, wide streets, minimum one car garage with additional lot space to build a second garage.”
- “Greenspace in new developments for play areas/walking trails/sidewalks.”
- “Landscaping that is easy care/boulevard trees.”
- “Removal of vandalism/graffiti within 48 hrs./no plywood over glass/boarded up homes. Add/or require art in the neighborhoods.”
- “Things such as zoning need to be strengthened along with the idea of community coalitions to help govern what happens within those communities.”
- “Mortgage [and] foreclosure”
- “I’m not sure better codes would help if there aren’t people enforcing them and our tribal courts are too weak.”
- “If tribal governments adopt model codes created by the International Code Council, they will be able to protect safety and the integrity of structures homeowners buy.”
- “Tribes should adopt International Building Codes and International Energy Conservation Codes. Priority will be getting inspectors trained and enforcement.”
- “Zoning of all tribal lands and inspection codes.”



Recommendations

A number of recommendations emerged from the assessment, phone interviews, and group discussions about how to increase homeownership on Indian lands in South Dakota. Below is an overview of those recommendations:



1. Explore how to more effectively provide homebuyer education.

Assessment results suggest that the greatest challenges homebuyer clients face include lack of down payment, stable sustainable incomes, poor credit, and infrastructure costs. Yet, throughout the needs assessment process, practitioners identified early homebuyer education as the primary solution. Practitioners shared that if potential homeowners could learn about credit, savings and overall financial education earlier in their lives (grade school through college) rather than when they walk in the door to begin the process, more people would be able to shift their desire for homeownership from dream to reality. A few practitioners suggested doing outreach to college students and providing financial education that focuses on credit scores including what is a credit score, why is it important, and how to start and maintain a credit score. One person suggested an experiential education option:

“While rates are high, clients could take out small consumer loans from banks and banks would report those scores. The idea is for CDC’s and CDFI’s, score reporting is very costly, so developing capacity for CDC’s and CDFI’s to build credit by using other institutions score reporting mechanisms would be good.”

Another challenge noted by practitioner feedback is getting people to come in, especially if trainings are held on Saturdays or if a training is scheduled to take up a full day. These scheduling requirements are particularly difficult for individuals with families. Several practitioners suggested streamlining the homeownership process or offering incentives to potential homebuyers such as products or services for their home that may increase participation in trainings and sustain their involvement in the process.



2. Explore collaboration between high schools, tribal colleges, universities, and housing organizations.

These partnerships could be seen as an opportunity to provide the financial education components of housing such as personal finance, savings, and the mortgage process. This would reduce the staff burden on smaller organizations and prepare potential borrowers for the homeownership process. It can also be an opportunity for higher education to consider the impact homeownership education can have for the broader student

enrollment. More exposure to the subjects of personal finance, savings, and the mortgage process can only improve outcomes for students upon graduation.



3. Consider how renting and leasing can contribute to a pathway to homeownership.

Renting and leasing, along with homebuyer education came up numerous times in respondent comments and suggestions. Often, they were discussed around issues of poverty, current housing shortages, and how homeownership can create a type of wealth many do not recognize given the history of tribal housing on reservations. One organization, primarily focused on tribal housing, not focused on homeownership yet, stated they wanted to see a ‘bridge out of poverty.’ Their suggestion to this dilemma is tenant training that provides homecare education, including general house care and tribal tenant rules to teach maintenance skills and increase pride associated with maintaining their home. This type of training would be both educational and empowering. This type of training could also be offered to new homebuyers as part of post-buyer education. Another practitioner pushed the discussion further, stating,

“We’ve been talking about building pathways out of poverty but are we ten steps ahead of the community? So many are not coming forward. That [homeownership] is a huge commitment. Not sure we’ve thought about ourselves as being in one place ... Maybe we should have built more apartments, housing rentals, etc. There is obviously a huge need for homes but[they/we] may not be ready for homeownership.”

Further discussion with this respondent clarified that what they were suggesting is what many of the practitioners were trying to convey when they brought up the need for earlier education; that is there is a gap in knowledge between tribal housing dwellers and potential homebuyers who are ready to purchase a home. This gap, between renter and homeowner, is where practitioners become frustrated with solutions to move them from one to the other, especially when tribal housing rent is more economical than a monthly mortgage payment. As one practitioner stated in a phone interview,

“We requested to increase the rent and the tribal council came in and overrode it. We finally got it passed and every year we’ll increase it [rent]. See, what we have right now are people making \$70K a year and renting a 3-4 bedroom house for \$200/month. Why would they look at ownership? These are sometimes tribal leaders themselves. We have to figure out how to help them understand. Every year the tribe is going increase rent, and with tribal housing codes enforced, hopefully, they’ll begin to understand their responsibility.”



4. Consider further analysis of how the creation and enforcement of tribal housing codes and ordinances can support a path to homeownership.

While more than half of respondents (53%) agreed that elected tribal leaders support homeownership, they noted lack of time and capacity as key challenges tribal leaders face in order to fully support homeownership for their citizens. 33% of the respondents agreed that not having tribal codes and ordinances and the lack of enforcement of these codes as barriers for moving tribal citizens into a path of asset wealth building. At the same time, 30% of respondents indicated they didn't know whether the lack of tribal codes that support homeownership was a barrier or not. This seems to be an indicator that further education of how tribal codes can support homeownership is necessary to determine its impact on their potential for future homeownership. Perhaps this is another way of moving tribal citizens from dependency, as the respondent quoted above, to educating them about the value of asset/wealth building. Enacting and enforcing housing codes could include education requirements for renters to learn about their leasing responsibilities. At the same time, renters can also learn about the homeownership process and how it holds similar responsibilities to renting (they both include a financial agreement, payment due dates, maintenance obligations, etc.), yet, it is the path to long-term wealth building opportunity.

Enacting and implementing a legal infrastructure for housing could also support the residential construction and mortgage lending industries including building codes, and ordinances governing mortgage lending, foreclosure, etc.



5. Support the coordination and collaboration of housing practitioners to leverage organizational assets and distribute housing services more broadly.

With TDHEs, CDCs, and other nonprofits working simultaneously within a tribal community on homeownership, there are opportunities to support one another by sharing staff and leveraging resources. For example, instead of each staff person providing all housing supports to a client, one staff member from a single organization could concentrate on the one-on-one counseling while a staff member from another handles the mortgage lending process. This would involve the creation of MOUs or partnership agreements between organizations and programs, but homeownership practitioners would be able to specialize in the service they provide, and housing organizations would be seen as a united front within the tribal community.



6. Explore future structures to promote the Coalition's sustainability, including the development of a 501c3 nonprofit organization.

In looking at the long-term sustainability of the Coalition, questions also arose about the growth and expansion of the Coalition as a nonprofit organization. The creation of a formal nonprofit structure could have a positive effect on funding for future programming, expansion of services, and membership involvement. One respondent stated,

“What are their plans? Will there ever be a 501c3? [It seems] we are moving in that direction. Is there a task force that is going to look at that? ... It has to come from the Coalition members. We want it homegrown to South Dakota. We must be intentional about this. If we stay the same, how do we support fundraising?”



7. Consider pooling professional services needed to support housing development services for Coalition members.

When asked about their interest in pooled resources, practitioners showed strong interest in pooling resources for engineering, appraisal, and architectural services. With an increase of experienced engineering and architectural firms working in Native communities, their portfolios have expanded to include specific designs, resources and services that are not only culturally competent, but respond to the unique needs of design, construction and build within tribal communities. Private organizations that have gained knowledge in these areas typically do not work together since they compete for work. The Coalition may consider soliciting recommendations from practitioners or professional organizations that represent these professionals to discuss pooling resources for Coalition members.



8. Promote training opportunities for professional appraisers to do business on reservations, including learning the cost-approach method.

As noted by respondents in the survey, obtaining property appraisals is one of the top challenges practitioners face in the trust land market of South Dakota. Professional appraisers are more familiar with the conventional sales comparison approach and may not be trained on the alternative approach: the cost-approach method. Therefore, SDNHOC should promote training opportunities to increase the number of knowledgeable appraisers in the field. Creating a training opportunity for professional appraisers will not only expand the pool of appraisers versed in the cost-approach method but may expand awareness for the growing need to change certification training and requirements for appraisers in South Dakota.



9. Offer support for homeownership programming including staff program development, operating funds, financial management, strategic planning, information sharing and training on financial resources, including infrastructure resources.

Although respondents were agreeable with all the suggested trainings and programming listed, several areas were identified as most important and should be considered a place to start. They include: funding homeownership programming, staff professional development, strategic planning, financial management systems and grant reporting. In addition, leading projects in physical infrastructure development, and acquiring Title Status Reports were also areas of interest. Although training is an important start, some challenges may require more programming and policy work in order to provide a more permanent and long-term solution.



10. Continue to review funding across member organizations to determine where further training and support may be needed.

Another challenge practitioners face is funding programs and services to support the growing need for homeownership services in their communities. When asked about funding sources practitioners utilized for their most recent projects, only seven respondents indicated which funds they have used, those they have not used, and funding sources they wanted to learn more about. This is a topic area where more information is needed in order to provide relevant information and training. The Coalition may want to consider doing a funding study across member organizations to determine which types of funding most organizations have accessed, and those they have not. Following such an assessment, the Coalition could then provide an analysis of potential funders and their history of funding in South Dakota, conduct a search for new funding opportunities, and present this information at the annual gathering. Access to a national grant database such as Foundation Directory could yield a larger pool of potential funders. Also, given practitioners' lack of time and money, this information could be useful to all Coalition members.

Conclusion

The needs assessment process provided practitioners the opportunity to contribute their own ideas and thoughts more freely, providing direction and recommendations at both the practice and policy level. Their experiences and related suggestions traversed organization, client, lender, and tribal leadership levels. Based on feedback received through this need assessment process, it is clear that housing practitioners in South Dakota are dedicated to increasing Native homeownership. Continuing to provide them with the time and space to gather and discuss their experiences in a focus group format would be a good opportunity for them to more clearly identify and design solutions that work. This report can start as a leverage point for practitioners to think more deeply about each challenge and further expand on the solutions that came out of the analysis. ✨





HOPE NATION CONSULTING, LLC

Hope Nation, LLC. brings a combined 47 years of academic leadership and community development experience to provide capacity-building consultation to indigenous and rural communities across the country. The core values driving our work are to: 1) use hope as a catalyst for change, 2) build community wealth, 3) create authentic community partnerships, and 4) honor community.

Hope Nation works with national and local nonprofits, educational institutions, corporate organizations, as well as tribal, local, state, and federal governmental entities.