

APPENDIX B. Funding Tools and Sources

New Market Tax Credits

The federal New Markets Tax Credit (NMTC) Program was established in 2000 to stimulate investment and economic growth in low income urban neighborhoods and rural communities that lack access to the patient capital needed to support and grow businesses, create jobs, and improve local economies. The program attracts capital to eligible low-income communities by providing private investors with a federal tax credit for investments made in businesses or economic development projects located in distressed¹ communities.

NMTC Program applicants must be certified as Community Development Entities (CDEs) by the Community Development Financial Institutions (CDFI) Fund. A CDE is a domestic corporation or partnership that is an intermediary vehicle for the provision of loans, investments, or financial counseling in low-income communities.

The NMTC Program has supported a wide range of businesses including manufacturing, food, retail, housing, health, technology, energy, education, and childcare. Communities benefit from the jobs associated with these investments, as well as greater access to community facilities and commercial goods and services. The tribe would be eligible to receive NMTCs to help finance several key initiatives in both its residential and employment areas.

Opportunity Zones

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income census tracts designated as Opportunity Zones. Private investment vehicles that place 90 percent or more of their funds into an Opportunity Zone can earn tax relief on the capital gains generated through those investments. Tax benefits increase the longer investments are in place.

The governor of each state is permitted to designate 25 percent of its "low income census tracts" as Opportunity Zones subject to approval from the U.S. Department of the Treasury.

The State of Oregon must submit its nominated census tract by March 21. Business Oregon is currently hearing input for recommended census tracts (input is due by March 14).

¹ Census tracts where the individual poverty rate is at least 20 percent or where median family income does not exceed 80 percent of the area's median income.

Housing and Community Facilities Programs

USDA: Rural Rental Housing Guaranteed Loans (Section 538)

- For safe, well-built, affordable rental housing for low to moderate income individuals and families
- For rural areas with populations of 20,000 or less
- Allows up to 90 percent loan to value for loans made to for-profit entities, and up to 97 percent loan to value for loans made to non-profit entities. Repayment terms are 25 to 40-year amortization.
- <http://www.ruralhome.org/storage/documents/rd538guaranteed.pdf>

USDA: Multi-Family Housing Loan Guarantees

- Program works with qualified private-sector lenders to provide financing to qualified borrowers to increase the supply of affordable rental housing for low- and moderate-income individuals and families in eligible rural areas and towns.
- <https://www.rd.usda.gov/programs-services/multi-family-housing-loan-guarantees>

USDA: Multi-Family Housing Direct Loans

- Program provides competitive financing for affordable multi-family rental housing for low-income, elderly, or disabled individuals and families in eligible rural areas.
- Assists qualified applicants that cannot obtain commercial credit on terms that will allow them to charge rents that are affordable to low-income tenants.
- <https://www.rd.usda.gov/programs-services/multi-family-housing-direct-loans>

HUD: Indian Housing Block Grant (IHBG)

- Formula grant that provides a range of affordable housing activities
- Eligible recipients are Federally recognized Indian tribes or their tribally designated housing entity
- Recipients must submit to HUD an Indian Housing Plan (IHP) each year to receive funding.
- Eligible activities include housing development, assistance to housing developed under the Indian Housing Program, housing services to eligible families and individuals, crime prevention and safety, and model activities that provide creative approaches to solving affordable housing problems.
- https://www.hud.gov/program_offices/public_indian_housing/ih/grants/ihbg

HUD: Title VI Tribal Housing Activities Loan Guarantee Program

- Public investment tool which provides an additional source of financing for affordable tribal housing activities.
- Purpose: Assist IHBG recipients who want to finance additional grant-eligible construction or development at today's costs.
- Title VI may be used to: create new housing; rehabilitate housing; build infrastructure; construct community facilities; acquire land to be used for housing; prepare architectural and engineering plans; and fund financing costs.
- https://www.hud.gov/program_offices/public_indian_housing/ih/homeownership/titlevi

HUD: Indian Community Development Block Grant

- Direct grants for use in developing communities, including “decent housing, a suitable living environment, and economic opportunities, primarily for low and moderate-income persons.”
- The ICDBG program can provide funding for recipients in the following categories:
 - Housing, incl.: housing rehabilitation, land acquisition to support new housing construction, and under limited circumstances, new housing construction.
 - Community Facilities, incl.: Infrastructure construction, e.g., roads, water and sewer facilities; and, single or multipurpose community buildings.
 - Economic Development, incl.: Wide variety of commercial, industrial, agricultural projects which may be recipient owned and operated or which may be owned and/or operated by a third party.
- https://www.hud.gov/program_offices/public_indian_housing/ih/grants/icdbg

USDA: Community Facilities Programs

- For the provision of essential community facilities for rural communities
- Direct loan or loan guarantee, grant
- For building facilities and purchasing equipment for fire and rescue, early warning systems, police stations, health clinics, schools, libraries, hospitals, etc.
- Terms: up to 100 percent of market value. Up to 40 years or life of security. Maximum grant 75 percent of project cost.
- <https://www.rd.usda.gov/programs-services/all-programs/community-facilities-programs>

HUD: Indian Home Loan Guarantee Program

- Home mortgage product, established to facilitate homeownership and increase access to capital in Native American Communities.
- With Section 184 financing “borrowers can get into a home with a low down-payment and flexible underwriting. Section 184 loans can be used, both on and off native lands, for new construction, rehabilitation, purchase of an existing home, or refinance.”
- https://www.hud.gov/program_offices/public_indian_housing/ih/homeownership/184

Business and Cooperative Programs

USDA: Intermediary Relending Program Loans

- Objective: finance business facilities and community development projects in rural areas.
- Can be used for community development projects, establishment or expansion of businesses, creation or saving of rural jobs.
- For rural areas and incorporated places with populations of less than 25,000
- Direct loan.
- Terms: the intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1 percent for 30 years.
- <https://www.rd.usda.gov/programs-services/intermediary-relending-program>

USDA: Rural Business Opportunity Grants

- Objective: Finance technical assistance for business development and conduct economic development planning in rural areas.
- For technical assistance, leadership training, establishment of business support centers, and economic development plans.
- Grant. Must be completed within two years after project has begun.
- <https://www.rd.usda.gov/programs-services/rural-business-development-grants>

USDA: Business and Industrial Loan Guarantees

- Bolsters the availability of private credit by guaranteeing loans for rural businesses.
- <https://www.rd.usda.gov/programs-services/business-industry-loan-guarantees>

BIA: Native American Business Development Institute (NABDI) Grant

- Enables any Indian tribe to conduct a feasibility study on the viability of an economic development project, opportunity, enterprise, business or technology.
- <https://www.bia.gov/as-ia/ieed/division-economic-development/nabdi>

Funding/Tools for Infrastructure Development

EPA: Indian Environmental General Assistance Program (GAP)

- GAP grants are given for planning, developing, and establishing environmental protection programs, and for developing and implementing solid and hazardous waste programs on tribal lands.
- The goal of GAP ([CFDA 66.926](#)) is to assist tribes and intertribal consortia in developing the capacity to manage their own environmental protection programs, and to develop and implement solid and hazardous waste programs in accordance with individual tribal needs and applicable federal laws and regulations.
- <https://www.epa.gov/tribal/indian-environmental-general-assistance-program-gap>

USDA: Water and Waste Disposal Loans and Grants

- To build, repair, and improve public water systems, and waste collective
- Objective: Provide water and waste financing in rural areas to the most financial needy applicants re
- <https://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program>

USDA: Community Facilities Direct Loan and Grant Program

- Provides funding to develop essential community facilities in rural areas, such as:
 - Health care facilities such as hospitals, medical clinics, dental clinics, nursing homes or assisted living facilities
 - Public facilities such as town halls, courthouses, airport hangars or street improvements
 - Community support services such as child care centers, community centers, fairgrounds or transitional housing
 - Public safety services such as fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment
 - Educational services such as museums, libraries or private schools

- Utility services such as telemedicine or distance learning equipment
 - Local food systems such as community gardens, food pantries, community kitchens, food banks, food hubs or greenhouses
- <https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>