

## ***Building Jobs, Building Homes Project: A Residential Construction Industry Sectoral Partnership for Native Communities in South Dakota***

### **Section 1: Project Description and Overview Section**

#### *1a: Executive Summary*

Lakota Funds, a Native-led nonprofit organization working in cooperation with tribal governments, proposes to design and implement the *Building Jobs, Building Homes* project, a statewide sectoral partnership to create jobs and strengthen the residential construction industry serving Native communities in South Dakota. This project will expand and enhance existing efforts of the South Dakota Native Homeownership Coalition, led by Lakota Funds, and will include four components: (1) workforce development training through a construction internship program, (2) residential inspector certification, (3) appraiser certification, and (4) employer capacity building to ensure that they can successfully hire and retain more workers.

As evidenced by its management of the South Dakota Native Homeownership Coalition, Lakota Funds has the experience and capacity to convene the industry partners necessary to identify and address the needs of the construction industry sector on the nine Indian reservations across South Dakota. Industry partners will include tribal and state agencies, Tribal Colleges and Universities (TCUs), South Dakota State University, vocational technical schools, employers, Enterprise Community Partners, and the International Code Council.

This initiative will reach Native people and communities which are historically underserved populations and areas, including Native veterans. Lakota funds projects the creation of at least 100 new jobs, as well as salary enhancements for certified inspectors and more experienced construction workers. This proposal seeks \$5 million in EDA funding including \$2 million for the program design phase and \$3 million for implementation, and plans to leverage at least \$506,085 in non-EDA funding.

#### *Section 1b: Capacity of Backbone Organization*

Lakota Funds Overview: Lakota Funds will serve as the Backbone Organization for the proposed sectoral partnership and has the experience and capacity needed to convene key stakeholders. Lakota Funds is a Native-led nonprofit located in Kyle, SD on the Pine Ridge Reservation working in cooperation with the Oglala Sioux Tribe, Rosebud Sioux Tribe, Sisseton Wahpeton Oyate Tribe and Cheyenne River Sioux Tribe. Appendix A includes letters to document the cooperation of these tribal governments. Lakota Funds' mission is to promote economic sustainability on the Pine Ridge Reservation and geographic service area, through business loans, technical assistance, and wealth building education for families and businesses. It employs five Native and one non-Native staff and is guided by a representative board of Native American leaders, as six of its seven board members are enrolled in the Oglala Sioux Tribe. Lakota Funds recently became one of only three Native chartered members of NeighborWorks America, a national intermediary that supports a network of 240 community-based nonprofits who have passed

rigorous assessments of their organizational and financial capacity. See Lakota Fund's Articles of Incorporation, Bylaws, and Letter of Good Standing in Appendix F.

Since 2013, Lakota Funds has served as the lead agency and fiscal agent of the South Dakota Native Homeownership Coalition, a statewide coalition of more than 75 stakeholders working together with a mission to increase homeownership opportunities for South Dakota's Native people to build strong and healthy communities. Lakota Funds oversees the Coalition's programming and events; conducts certification training for inspectors and appraisers; hosts annual planning sessions, conference workshops, and visits to tribal communities; and manages an innovative construction internship program at four tribal sites across the state.

Lakota Funds has a strong financial management track record. It is independently audited annually with no findings, and its accounting system meets Generally Accepted Accounting Principles (GAAP) and provides project-specific financial statements monthly and on-demand. Its 2022 operating budget is \$2.7 million, and its major sources of funds include the CDFI Fund, Wells Fargo, Administration for Native Americans, NeighborWorks America, NDN Collective, Citi Foundation, Bush Foundation, and earned revenue from its revolving loan fund.

Track Record of Success: As a Native CDFI certified by the U.S. Department of the Treasury's CDFI Fund, Lakota Funds manages a \$7.5 million loan portfolio and plays a vital role in improving life for the Native people by placing capital with new and growing businesses in their service area. Since 1986, Lakota Funds has deployed over 1,250 loans totaling over \$17.5 million, helped establish or expand nearly 850 businesses, and created nearly 2,050 permanent jobs.

Lakota Funds' track record also includes its model efforts to coordinate the stakeholders working together through the South Dakota Native Homeownership Coalition. As the Coalition's manager, Lakota Funds has helped to design and pilot a construction internship program, which has grown from two to four sites and from 2017 to 2020 trained 105 Native construction interns. As a direct result of the program, 44 interns received full-time employment offers and 23 found full-time job placements.

Over the past three years, Lakota Funds has also successfully led efforts to increase the number of appraisers serving tribal communities by convening a committee of experienced appraisers to guide these efforts. In 2020, Lakota Funds provided a state-recognized training for certified appraisers focused on conducting appraisals on tribal lands using the cost-approach method. Eleven certified appraisers attended this training, and have all expressed interest in conducting appraisals on tribal land. Freddie Mac has contracted with Lakota Funds to partner with the national Appraisal Institute to refine the training and take it nationwide.

Convening Necessary Stakeholders: Lakota Funds has a long history of coordinating across sectors and driving partners into action. In directing the Coalition's construction internship program, Lakota Funds has effectively coordinated the work of Tribally Designated Housing Entities (TDHEs), Workforce Education and Training Programs, CDFIs, and TCUs. Guided by Lakota Funds, these partners in four separate tribal communities across the state of South Dakota have provided hands-on construction experience and training for participants.

Similarly, Lakota Funds will convene all necessary stakeholders for the proposed sectoral partnership to provide the training, jobs, and support needed to successfully achieve program outcomes. Residential construction contractors, appraisers, and housing entities will serve as industry partners whose roles will include providing on-the-job training to construction interns and providing employment opportunities to trained, qualified candidates. Appendix B includes letters of commitment from these industry partners.

Appendix C includes letters of support from other strategic partners whose roles will include providing workforce training, certification training, and other supportive services.

Fundraising Plan: Lakota Funds has a strong track record with managing the Coalition's fundraising plan and serving as its fiscal agent. Lakota Funds has successfully raised funds from private, state, tribal, and federal sources for the Coalition operations, growing from a \$60,000 annual operating budget in 2013 to nearly a \$1 million annual budget in 2022. Sources of funds include Northwest Area Foundation, Citi Foundation, South Dakota Community Foundation, Enterprise Community Partners, South Dakota Development Housing Development Authority, Wells Fargo, Bush Foundation, Johnson Scholarship Foundation, LISC, and USDA. Because Coalition leaders have prioritized the sustainability of the Coalition, the fundraising strategy includes earned revenue through membership dues, registration fees, and fee for service contracts with Fannie Mae and Freddie Mac. Last year, Lakota Funds secured \$1.2 million in funding from the Administration of Native Americans to create the organizational infrastructure for the Coalition to spin off from Lakota Funds to become an independent nonprofit. Lakota Funds used the same approach when it sponsored and helped to charter the Lakota Federal Credit Union in 2012, which is the only federally insured depository institution serving the Pine Ridge Reservation.

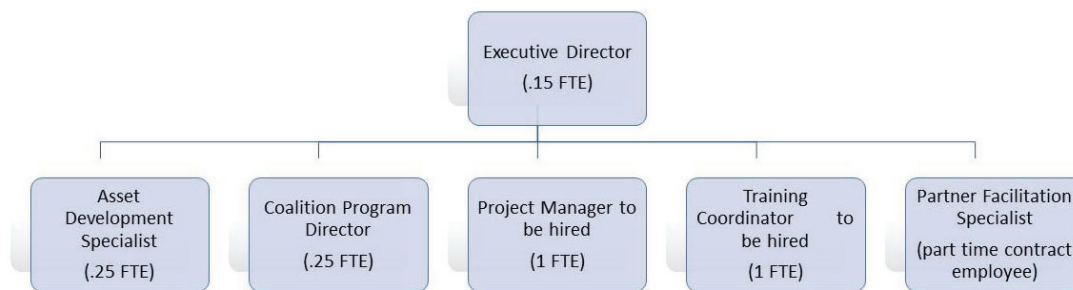
Lakota Funds will continue this pattern of success with the *Building Jobs, Building Homes* project by leveraging EDA's funds with in-kind support and commitments from strategic partners. Appendix D includes a letter of commitment from Lakota Funds outlining its leverage totalling \$206,085, and a letter from Enterprise Community Partners committing \$300,000 to cover the cost of at least 62 intern stipends during the three-year performance period. In addition to these commitments, Lakota Funds anticipates past (SWA Corporation, Sisseton Wahpeton 477 program, Sicangu Nation Employment and Training Department, NeighborWorks America, and Oglala Sioux Lakota Housing) and new funders (South Dakota Department of Labor and Regulation) will contribute to the leveraged funds.

Reaching Underserved Workers: Lakota Funds also has the experience to reach a diverse set of underserved partners including Native American workers, a population that has been traditionally underserved in South Dakota and the nation. The project will build on the strong network of partners that Lakota Funds has developed through the South Dakota Native Homeownership Coalition in tribal communities around the state. The Coalition has also connected Lakota Funds with Tribal Veteran Service Officers and other organizations serving Native veterans and their families through its Veterans Homeownership Committee.

Lakota Funds and its partners have demonstrated their ability to outreach to, recruit, and serve underserved workers through its construction internship program. Since 2017, Lakota Funds and partners have been working with tribal colleges and universities and other local partners to recruit building trades students, conducting informational meetings and orientation sessions. In addition, many of the participating employers involved are clients of the Native CDFIs who work with small businesses, including Lakota Funds and Four Bands Development Fund and have participated in Lakota Funds’ annual contractor workshop. In small, rural communities, Lakota Funds also recognizes the power of “word of mouth” and social media, through which successful interns and job placements serve as powerful messengers in recruiting future cohorts.

**Staffing Plan:** Lakota Funds’ staffing plan will include a portion of time from four existing staff members: Executive Director, Coalition Program Director, Asset Development Specialist, and a Partner Facilitation Specialist, whose time will be contracted from strategic partner Enterprise Community Partners. In addition, Lakota Funds will create two new positions: Project Manager and Training Coordinator.

**Figure 1: Lakota Fund’s Staffing Plan for *Building Jobs, Building Homes* Project**



Lakota Funds’ Executive Director, Tawney Brunsch, will oversee the overall project, ensuring that timelines are met and deliverables are achieved. The Coalition’s Program Manager, Elias Mendoza, and Asset Development Specialist, Kelsey Whiting, will assist with implementing the project. The Project Manager, to be hired, will coordinate stakeholder partnerships, including communications, job placement tracking, grant compliance, evaluation, and reporting. The Training Coordinator, to be hired, will plan and implement the appraiser and inspector certification components of the project, conducting outreach to participants, coordinating training with partners, providing support for participants, and assisting in placement efforts.

Lakota Funds will also contract with one of its strategic partners, Enterprise Community Partners, to provide a part time Partner Facilitation Specialist who will focus on expanding existing and building new industry partnerships, connecting contractors with potential employees and supporting hiring, retention, and training efforts. Biographies for key team members appear in Appendix E. In addition, Lakota Funds will seek professional services to assist with program design, marketing, and evaluation and impact measurement services.

## Section 2: Employers, Stakeholders, and Partners

### *Section 2a: Employer Leadership and Commitments*

The *Building Jobs, Building Homes* project will focus on employer partnerships with residential construction contractors, appraisers and other employers in Native American communities that will lead to job placements. Lakota Funds conducted an information-gathering process in 2017 with residential construction contractors doing business on Indian reservations and learned that the lack of an employment-ready workforce is a significant obstacle to contractors' ability to expand their operations and take on additional business opportunities. They also identified a lack of qualified appraisers and certified residential inspectors as a barrier to the construction process.

Over the past five years, through the work of the South Dakota Native Homeownership Coalition and its working committees, these employers and other industry partners have been involved and will continue to be involved in the creation and refinement of various training and certification programs. Each year, Lakota Funds reaches out to internship placement sites/potential employers to solicit their feedback about the program and likelihood of hiring qualified candidates. Based on their feedback, Lakota Funds has modified the program each year. Moving forward, Lakota Funds will continue to work closely with employers, ensuring that program design reflects their input. Lakota Funds will reach out to individual employers regularly to solicit their input, as well as conduct employer focus groups to facilitate group reflections and recommendations.

To date, Lakota Funds has obtained commitments from ten employers who have committed to hire at least 70 job placements during the *Building Jobs, Building Homes* project performance period. Letters of commitment from these employers appear in Appendix B. These employers include contractors working in Native American communities who have previously hosted and hired interns through the construction internship program, appraisers and tribal housing authorities. These partners are committed to working with Lakota Funds under the new program, creating additional employment opportunities. They will gain access to employment-ready, qualified job candidates, who have completed on-the-job training and bring industry-recognized credentials. By hosting interns, contractors will have the opportunity to directly train and screen potential hires.

Over the three-year period, Lakota Funds will continue to conduct outreach and recruit additional employer partners with the goal of identifying at least a total of 100 new job opportunities. Working in some of the most impoverished and hard-to-serve communities in the country, the impact of these 100 jobs is tremendous, especially since the Native-led residential construction industry is so nascent. Each job is a success story, sending the message that prepared, qualified workers can access employment – in communities with some of the highest unemployment rates in the country.

This outreach will be conducted through contracts with tribal colleges and universities and other vocational technical schools to host job fairs, recruit and screen training participants,

provide certification training, and identify new employers. Lakota Funds will also subgrant with local sites to manage the internship programs and provide supportive services (transportation, day care, financial capability training, coaching, etc. as needed) to include four sites in year one, five sites in year two, and six sites in year three.

In addition, Lakota Funds is building and expanding a hands-on construction skills training program, which will be augmented by additional certification training opportunities for interns. This training will include certifications for first aid, OSHA training, and lead and asbestos remediation. There are currently no organizations representing worker perspectives operating in Native communities in South Dakota, but Lakota Funds is exploring the creation of a Native builders association through this project.

### *Section 2b: Other Stakeholders and Partnerships*

Lakota Funds has developed a number of key sectoral partnerships which will support the *Building Jobs, Building Homes* project. Letters of support from these partners appear in Appendix C. Specifically, South Dakota State University will provide appraiser certification training; the International Code Council will provide certification trainings to construction interns and certified inspector candidates; and Nakoce Services Corporation will provide capacity building training for contractors to strengthen their operations and enable them to successfully hire and retain new employees. Two other state agencies are key strategic partners: South Dakota Housing Development Authority will assist with coordinating and hosting relevant construction-related training, and South Dakota Department of Labor and Regulation will explore ways to expand funding for construction intern stipends. In addition, Lakota Funds will continue to partner with SDSU, Oglala Lakota College, Sisseton Wahpeton College and other TCUs and vocational technical schools to provide other relevant training, including first aid, Occupational Safety and Health Administration (OSHA), and lead and asbestos remediation certifications.

Lakota Funds will also continue to coordinate with organizational partners working in four sites across the state to provide the internship for Native workers: Four Bands Community Fund, Sicangu Wicoti Awanyakapi Corporation, Sisseton Wahpeton Housing Authority and Oglala Sioux Lakota Housing. This coordination includes recruiting employers, developing program protocols and materials, raising funds to support program operations, and managing reporting requirements.

### **Section 3: Regional Description**

Project Location: The *Building Jobs, Building Homes* project will serve the nine Native American tribal reservations in South Dakota, creating jobs for new workers in the residential construction sector, supporting the path to inspector and appraiser certification for qualified candidates, and building the capacity of construction contractors. Initially, the construction internship will focus on four tribal communities: the Pine Ridge, Rosebud, Cheyenne River, and Lake Traverse Reservations. Building on its work in these communities, through the *Building Jobs, Building*



*Homes* project, Lakota Funds and the South Dakota Native Homeownership Coalition will expand its efforts to two additional tribal communities.

South Dakota's tribal reservations are some of the most impoverished communities in the country, with some of the highest unemployment rates. An estimated 23 percent of all Native American families in the United States in 2010 earned incomes that are below the poverty line. The highest estimated rate of poverty is in South Dakota, with 43-47 percent of Native American families earning incomes below the poverty line. The U.S. Department of Interior's most recent American Indian Population and Labor Force report highlights that in several states (including South Dakota) less than 50 percent of Native Americans are employed. Approximately 40-45 percent of Native American employees work for a government (federal, state, local, or tribal) in South Dakota.

Statistics in the *Building Jobs, Building Jobs* project's target communities are consistent with national and statewide figures and reflect tremendous economic need, including the need for job creation and increased employment opportunities. Many compare living conditions on the Pine Ridge Reservation, located in southwestern South Dakota, to those in a developing country. Experiencing some of the most extreme poverty in the country, the Reservation has few natural resources and no industry. Many residents travel more than 120 miles to Rapid City, SD for employment opportunities. Tribal and federal governments provide the few jobs that are available on the Reservation: only one in five tribal members is employed full time. The environment is similar on the Cheyenne River Reservation in north-central South Dakota, where the leading industries are educational services, health care and social assistance, agriculture, forestry, fishing and hunting, and mining. The median income of tribal members is \$38,609, with two-thirds of the population surviving on much less than one-third of the American average income. Adjacent to the Pine Ridge Reservation, the Rosebud Reservation has a potential labor force of 11,354 and one of the highest unemployment rates in the country at approximately 83%. The median household income is \$22,655 with over 52% of families living below the poverty level. The Lake Traverse Reservation, home of the Sisseton Wahpeton Oyate, is located in northeastern South Dakota. The total population on the Lake Traverse Reservation is 10,967 with the unemployment rate historically well above 50%. The median household income is \$48,362 with 16% of families living below the poverty level.

Working in tribal communities that lack a strong private sector, infrastructure, and significant employment opportunities, Lakota Funds has learned first hand that creating jobs and building the economy means investing in local community members and entrepreneurship. Rather than looking for solutions from outside, investing in local entrepreneurs can lead to local job creation and more dollars staying in these communities. As a Native CDFI, Lakota Funds provides loan capital for local businesses (including construction contractors) to grow and expand. Through the *Building Jobs, Building Homes* project, Lakota Funds and its partners will continue to support tribal economies from within, training new workers and building the capacity of local contractors to hire additional employees.

Consistency with CEDS: This approach is consistent with the CEDS plans developed in partner tribal communities. The Sisseton Wahpeton Oyate's plan focuses on self-sustainability and

developing projects that create new jobs and revenue streams for the community while also enhancing existing businesses. The Oyate’s vision for the Rosebud Reservation includes developing safe, affordable, energy efficient, and culturally appropriate homes in their 5-year CEDS plan. Their achievement of their goals and CEDS plan of action will be evaluated by the improvement to quality of life (number of homes built, etc.), number of jobs created and retained, and number of job training opportunities. This project is also consistent with the CEDS plan of the Oglala Sioux Tribe which outlines its main planning goals to retain existing jobs; develop a stable business environment in which new businesses can thrive and additional jobs can be created; and promote a sustainable and diverse economy to improve the quality of life of the people of the Pine Ridge Indian Reservation.

**Section 4: Impacts of the Regional Workforce Training System**

*Section 4a: Impacts of Workforce Training*

**Workers Served and Job Placements during Three-Year Performance Period**

<p><i>Projected number of individuals recruited for program</i></p> <ul style="list-style-type: none"> <li>● Recruit at least 225 Native American interns</li> <li>● Recruit at least 30 Native American certified inspector candidates</li> <li>● Recruit at least 6 Native American certified residential appraiser candidates</li> <li>● Recruit at least 60 Native American contractors</li> </ul>
<p><i>Projected number of individuals who successfully complete program</i></p> <ul style="list-style-type: none"> <li>● At least 120 Native American interns will successfully complete the internship</li> <li>● At least 15 Native Americans will become certified residential construction inspectors</li> <li>● At least 5 Native American students will graduate from South Dakota State University Masters appraiser program</li> <li>● At least 45 Native American contractors complete business development training series</li> </ul>
<p><i>Projected number of individuals placed in quality jobs</i></p> <ul style="list-style-type: none"> <li>● At least 85 Native American interns will access jobs in the construction industry</li> <li>● At least 10 Native Americans will qualify for salary increases upon becoming certified residential construction inspectors</li> <li>● At least 5 Native American students will access jobs in the appraisal industry</li> </ul>
<p><i>Projected number of quality job placements committed by employers</i></p> <ul style="list-style-type: none"> <li>● Employers have committed to at least 70 quality job placements Lakota Funds will work to secure an additional 30 job placements</li> </ul>
<p><i>Projected wages for jobs</i></p> <ul style="list-style-type: none"> <li>● Entry-level workers will access \$13/hour for jobs in the construction industry</li> <li>● Certified inspectors will access \$15/hour</li> <li>● Certified appraisers will access \$15/hour plus commission</li> </ul>



*Size of credibly-projected income gains for workers and number of new quality jobs*

- Projected new quality jobs: 100
- New workers will go from 0 income to \$13/hour
- Certified appraisers will increase from \$15/hour plus commission to straight commission once commission exceeds \$15/hour

*Projected training cost per worker (inclusive of provision of comprehensive wraparound services)*

- Training cost per worker is approximately \$16,667 per year x 3 years.

Through the *Building Jobs, Building Homes* project, Lakota Funds plans to focus on **Program Design** to strengthen and expand existing sectoral partnerships, and **Program Implementation** to implement the partnership. There is no Regional Workforce Training System serving the residential construction industry. The proposed sectoral partnership will include all necessary partners before workforce solutions are designed and will cut across traditional silos: economic development, workforce, education and social services.

The project will build on and expand Lakota Funds' existing sectoral partnerships with construction internship program partners on the Pine Ridge, Cheyenne River, Rosebud, and Lake Traverse Reservations, including Oglala Sioux Lakota Housing, the Cheyenne River Housing Authority, Sicangu Wicoti Awanyakapi Corporation, Four Bands Community Fund, the Sisseton Wahpeton Housing Authority, and the Sisseton Wahpeton Oyate 477 Workforce Development Program. Similarly, the proposed project will build on existing partnerships with South Dakota State University, the International Code Council, Mid-State Appraisal, and Northern Plains Appraisal. By providing hands-on construction experience training, the construction internship partners will prepare workers for entry-level jobs in the residential construction industry. Because many participating contractors serve as placement sites for the internship component, they are able to train and screen potential employees, identifying interns who they would like to join their team.

In designing and implementing the *Building Jobs, Building Homes* project, Lakota Funds recognizes the factors that contribute to the region's workforce training strengths and challenges. Lakota Funds plans to partner with the South Dakota Department of Labor and Regulations, which plays a central role in regional efforts and brings valuable experience to the project. Lakota Funds also sees its partnership with the South Dakota State University, the South Dakota International Code Council, leading appraisers in the region, and many local contractors as important strengths.

Lakota Funds will also offer business development training for contractors to expand their capacity to operate their businesses including training on financial management, bidding and estimating, bonding, and tax preparation.

Lakota Funds has designed its *Building Jobs, Building Homes* project in response to the workforce development challenges in the region's tribal communities. These challenges include

the lack of job training opportunities, the dearth of mentors and supervisors, the isolated, and remote location of any tribal communities.

#### *Section 4b: EDA Priorities*

The proposed *Building Jobs, Building Homes* will meet **EDA's Recovery and Resilience investment priority**. South Dakota's Native American communities have some of the lowest incomes and highest unemployment rates in the country. Even before the impacts of COVID-19, this region faced challenges withstanding and bouncing back from economic disruptions. During the pandemic, tribal leaders were forced to shut down their communities for extended periods for health and safety reasons. Severe housing shortages and overcrowding hindered community members' ability to quarantine and isolate, leading to high spread of the virus. Closed borders, rising supply costs, and disruptions to the supply chain have further impacted reservation economies in South Dakota.

By training new workers in the high-growth residential real estate industry, building the capacity of employers, and creating new job opportunities, the proposed initiative will support COVID-19 economic recovery efforts. The initiative will also contribute to tribes' comprehensive planning efforts that envision the creation of new housing stock to stimulate reservation economies, through the creation and enhancement of affordable housing and homeownership opportunities, helping the region to build resilience to weather future economic disasters.

The *Building Jobs, Building Homes* also meets **EDA's Equity priority**. By focusing on Native American workers, Lakota Funds is advancing equity by benefitting a traditionally underserved population. Similarly, by focusing on providing training, building the capacity of contractors, and creating jobs on tribal lands, Lakota Funds is advancing equity by benefitting underserved communities within geographies that have been systematically denied a full opportunity to participate in all aspects of economic prosperity.

Finally, the project will meet **EDA's Workforce Development priority** by providing workforce education and hands-on skills training directly linked to hiring opportunities and job placement in the residential construction industry.

#### *Section 4c: Number of Types of Jobs*

Over the three-year period, Lakota Funds will continue to conduct outreach and recruit additional employer partners with the goal of identifying at least a total of 100 new job opportunities through the *Building Jobs, Building Homes* project. Lakota Funds plans to partner with two types of employers in Native American communities to create job opportunities for qualified applications: (1) local construction contractors, and (2) Tribally Designated Housing Entities (TDHEs). As small enterprises, local construction contractors are primarily committing to hire workers for entry level positions, starting at a salary of \$13/hour. As workers remain with these companies and receive more training, salaries can increase to \$17/hour. TDHEs are also committing to hire workers for entry level positions, starting at a salary of \$15/hour. As larger entities with more infrastructure, TDHEs are able to offer benefits to employees: the

Sisseton Wahpeton Housing Authority, for example, covers health insurance, life insurance, dental/vision coverage, and 401k contribution.

In addition to tribal employers, Lakota Funds also plans to partner with appraisal companies who have committed to hiring new employees. Lakota Funds anticipates that these positions will start at \$15/hour plus commission, and shift to straight commission once commission exceeds \$15/hour.

In providing training, building contractor capacity, and creating jobs, Lakota Funds plans to leverage the support of key sectoral partners. These key partners include South Dakota State University, which will be offering its new appraiser certification program, as well as the International Code Council, which oversees residential building codes, provides inspector certification training, and manages the inspector certification exam. Through the construction internship component, Lakota Funds also plans to continue to partner with tribal employment and training programs on the Lake Traverse and Rosebud Reservations.

#### *Section 4d: Feasibility*

The proposed *Building Jobs, Building Homes* sectoral partnership and job placement outcomes are achievable for several reasons. First, the proposed project builds on strong relationships already established with the construction industry partners in four Native American communities, as well as partnerships with key stakeholders, including South Dakota State University, Oglala Lakota College, and the International Code Council. Second, because Lakota Funds and the South Dakota Native Homeownership Coalition have successfully piloted and then operated the construction internship program for five years, they have experience providing hands-on training for interns and securing jobs for successful program graduates with local contractors. Accordingly, the projections are informed by this experience and are, therefore, realistic. Finally, Lakota Funds has deep knowledge of the Native communities to be served by the *Building Jobs, Building Homes* project, including both existing assets and challenges facing these communities. They have identified strong site leaders who can provide the supportive services needed to achieve program success.

#### *Section 4e: Target Demographics*

Lakota Funds' target demographic is Native American workers in underserved tribal communities in South Dakota. Lakota Funds will target younger workers who demonstrate an interest in working in the residential construction sector. From the outset, Lakota Funds has reached out to tribal members enrolled in building trades programs at local tribal colleges to recruit interns, recognizing that the hands-on training and contractor mentorship can complement their classroom training and develop the skills and relationships needed to secure full time employment opportunities.

In working to meet the needs of tribal communities served by the *Building Jobs, Building Homes* project, Lakota Funds will also target populations with labor market barriers including disconnected youth, veterans, formerly incarcerated individuals, and SNAP and TANF recipients.

In giving participants a chance to prove themselves to employers, over the past five years, the construction internship has proven to be a successful path to employment for formerly incarcerated individuals, as a number of internship graduates have been hired on and entered the job market.

Lakota Funds estimates that at least 100 Native Americans will secure full time employment through the *Building Jobs, Building Homes* project. Beyond these direct employment placements, the project will result in significant impacts for employers, organizations, and communities. At least six tribes in South Dakota will benefit from the project, as tribal members gain employment and receive salaries that they will reinvest in local tribal economies. Currently, the construction internship program operates in four tribal communities, but through this proposed project, Lakota Funds plans to expand to at least two more reservations. Local construction contractors will also benefit tremendously from the project. Contractors will be able to hire new employees from a pool of trained, prepared workers, who will strengthen their businesses, and benefit from contractor capacity building training tailored to their needs. Participating organizations will also benefit from peer learning opportunities and strengthened relationships with employers and other key stakeholders in the region.

Finally, underserved Native communities will benefit from the project because it will contribute to the creation and rehabilitation of new housing stock on Indian reservations, expanding homeownership opportunities for Native families who wish to return to their reservations or move out of overcrowded, multi-generational households.

## **Section 5: Funding Request and Program Design and Implementation**

Lakota Funds proposes a budget of \$5 million to design and implement its sectoral partnership to support the residential real estate construction industry. This includes \$2 million for program design which will occur during the first year and \$3 million for implementation which will begin during the summer of the first year. The geographic footprint for this initiative will be underserved Native communities across the State of South Dakota and the target population will include Native American workers, including veterans and TANF and SNAP recipients. The project envisions at least 100 job placements for Native workers over the three-year performance period at an average cost of about \$16,667 per worker per year.

### *Section 5b. Program Design and Implementation*

Lakota Funds plans to build on its existing job training and employment creation efforts in partnership with the South Dakota Native Homeownership Coalition by focusing on four components:

- (1) Expanding and enhancing its successful construction internship program.
- (2) Supporting a statewide appraisal certification program in partnership with SDSU.
- (3) Developing an innovative inspector certification training program customized for tribal members who may be operating in jurisdictions without building codes.
- (4) Building the capacity of local contractors through business development training.

#1 Construction Internship Program: Since 2017, Lakota Funds and the South Dakota Native Homeownership Coalition have been operating a construction internship program which places Native interns with local contractors, providing valuable hands-on employment training experience for participants as well as an opportunity for contractors to screen potential employees. Over the past five years, contractors have consistently offered full-time employment to interns who successfully complete the program. Through the expanded *Building Jobs, Building Homes* project, Lakota Funds proposes to support 225 interns, including 15 interns/site at four sites in year one, five sites in year two and 6 sites in year three. Lakota Funds will partner with strategic partners including tribal colleges and universities to provide valuable certification training, including OSHA, first aid, and lead and asbestos remediation training which will increase interns' likelihood of successfully accessing employment. In addition, interns will receive safety equipment at enrollment, a tool belt with basic tools at completion of the program, and wrap-around services as needed through a subgrant with site managers.

#2 Appraisal Certification Program: Due to the shortage of appraisers in Native communities and the anticipated retirement of the majority of appraisers in South Dakota, Lakota Funds proposes to prepare qualified applicants to enter the appraisal industry. Specifically, Lakota Funds will support participants in South Dakota State University's new Master's appraisal certification program. With a strong virtual component, this new program will be accessible to students across the state, and eliminate the burdensome appraiser supervisor requirement. Lakota Funds will outreach and recruit potential applicants, provide financial support to enable at least six students to cover tuition costs, and assist students with placement post-graduation.

#3 Inspector Certification Program: Recognizing the need to increase the numbers of certified residential inspectors serving Native American communities, Lakota Funds has partnered with the International Code Council, which provides certification for qualified construction inspectors and oversees key building codes in the United States. Lakota Funds will provide a hybrid training program for inspector candidates, combining virtual instruction with a hands-on learning lab. Students will also be able to complete a number of shorter certification training sessions addressing plumbing, mechanical and maintenance certification, which will help prepare them to successfully pass the onerous residential inspector certification exam.

All participants (ten per year) will also receive scholarships for course materials and certification exam registration fees. Up to five participants will be offered tuition and travel scholarships to attend national ICC training opportunities. In addition, because most tribal governments have not adopted building codes, Lakota Funds will offer technical assistance through this project for tribal governments interested in adopting their own codes. Encouraging tribes to adopt residential building codes will go hand-in-hand with the inspector certification training, as tribal members become certified to inspect to these codes. In addition to providing important safety standards in these communities, the adoption of codes will also create additional employment opportunities, as tribes create building safety departments to oversee code enforcement.

#4 Contractor Capacity Building: Contractor capacity building is also a critical component of Lakota Funds' *Building Jobs, Building Homes* project. By building contractors' capacity to operate their businesses, Lakota Funds will strengthen their ability to hire on additional team members,

creating more job opportunities and contributing to tribal economies. Capacity building support will include training on financial management, bidding and estimating, bonding, and tax preparation. The project will offer business management training to at least ten contractors per year as well as annual contractor workshops covering other industry topics, such as how to become a certified contractor under federal and private sector mortgage programs.

Outreach and Recruitment: Lakota Funds will recruit contractors through its internship and annual contractors' workshop, which provides training and networking opportunities for contractors statewide and lifts up the internship. To recruit interns, Lakota Funds will continue to partner with tribal colleges and universities, as well as develop new partnerships with vocational schools. These educational institutions provide a ready pool of potential applicants who are interested in employment in the building trades, and college instructors can assist in screening these candidates. In targeting Native American workers, Lakota Funds is committed to supporting underserved workers and communities as well as Native veterans.

Wraparound Services: To support successful participation in the hands-on training program, Lakota Funds also recognizes the need to provide wraparound services. Lakota Funds will subgrant to each internship site to provide these services, which may include financial coaching, child care assistance, transportation support or food security programming (meals).

Leverage: Lakota Funds plans to leverage support from its different internship program sites around the state, as well as other committed partners. Both Enterprise Community Partners and NeighborWorks America have previously supported the program and are committed to providing additional support moving forward. Each of the internship sites have contributed local support for the program in the past, including support from tribally designated housing entities and tribal employment and training programs. These partners are also committed to continuing this support for the *Building Jobs, Building Homes* project moving forward. Appendix D includes Letters of Commitment documenting non-federal share leverage.

Impact Measurement: Lakota Funds also recognizes the importance of measuring and tracking key program outcomes, which will include the number of program applicants, the number of participants who start the program, the number of participants who successfully complete the program, and the number of participants who successfully enter and remain in the job market. Lakota Funds will track participants in the internship component, as well as the inspector and appraiser certification components. In addition to trainees, Lakota Funds plans to track participating contractor partner outcomes, including number of employees hired, and total number of employees. Looking at phased implementation of the *Building Jobs, Building Homes* project, Lakota Funds plans to work with the project team to review and refine all metrics and program outcomes during the program design phase. Lakota Funds will ensure that it has the tracking instruments in place for all partners to track these program outcomes.

Project Management: As discussed above, Lakota Funds proposes a staffing plan which combines existing staff, new hires, part time contracted staff and professional services to design and implement this project. Lakota Funds proposes a 10% de minimis rate for indirect costs.



### *Section 5c. Mitigating Anticipated Barriers*

Based on previous experience, Lakota Funds anticipates several barriers to worker participation in the construction internship. Availability of reliable transportation can be a significant challenge, especially because the Native communities in which the program will operate are rural and remote. Many training and employment opportunities will require driving considerable distances, and there is no public transportation in target communities. Another obstacle is workers finding access to childcare, especially since the number of licensed child care providers is limited. The ability of workers to afford basic safety equipment and tools has been a challenge. The ability to pass an employer-required drug test has also been a significant barrier. One strategy to address these challenges is to subcontract with internship site managers to oversee the provision of wrap-around services. With additional staff resources, site managers will be able to assess needs on the local level and match them with appropriate supportive services, including coaching services. Because they are more familiar with local service providers, they will be in a better position to mitigate the impacts of obstacles at the outset and throughout the program. The regional Program Manager will monitor the provision of wrap-around services, sharing best practices with other sites across the state.

Similarly, as interns who successfully complete the CIP program prepare for job placements, they will work with the *Building Jobs, Building Homes* team to anticipate obstacles to successful employment, and develop strategies to address these potential barriers. The Program Manager will also provide coaching services to workers once they have been placed in their new jobs, to troubleshoot and address obstacles that arise.

An anticipated barrier to inspector certification is the difficulty that inspector candidates have had in passing certification exams. Previously, Lakota Funds and the South Dakota Native Homeownership Coalition have offered two to four day training sessions, where participants take the exam upon the completion of the session. These individual sessions did not adequately prepare candidates for the exam. While they are often experienced in construction, many inspector candidates do not have experience working with building codes, a central component of the exam. In addition, they were often overwhelmed by the amount of new material covered in the exam. Lakota Funds will pilot a new program design, where candidates will complete a series of training sessions, including hands-on learning labs, where they will have the opportunity to practice using building codes. Lakota Funds also plans to provide “mini-training” sessions to prepare for discrete elements of the inspector certification exam, including plumbing and mechanical, which will make the final, full exam less overwhelming for candidates.

Finally, Lakota Funds has encountered significant barriers to entry into the residential appraiser field. Appraiser candidates are required to complete a number of apprentice hours, and identify a supervisor willing to supervise these apprenticeship hours. The lack of willing supervisors has been a tremendous obstacle for appraiser candidates in Native communities. Lakota Funds will address this obstacle by partnering with South Dakota State University’s new Master’s Degree appraiser program, which eliminates the need for apprenticeship supervisors.