



DOMINGO “Wa-Di” HOUSING

October 29, 2015

Using LIHTC for New Construction

The Team

- Santo Domingo Tribal Housing Authority (SDTHA)
 - General Partner, Developer and Property Manager
- Concept Consulting Group, LLC -
 - Finance Consultant
- Investor
 - TBD
- Design
 - Atkin, Olshin Schade, Architects
 - Forsgren
 - Design Office
- Builder
 - TBD
- Legal/Accounting
 - Law Office of Mark Berry
 - Stetson Law Office

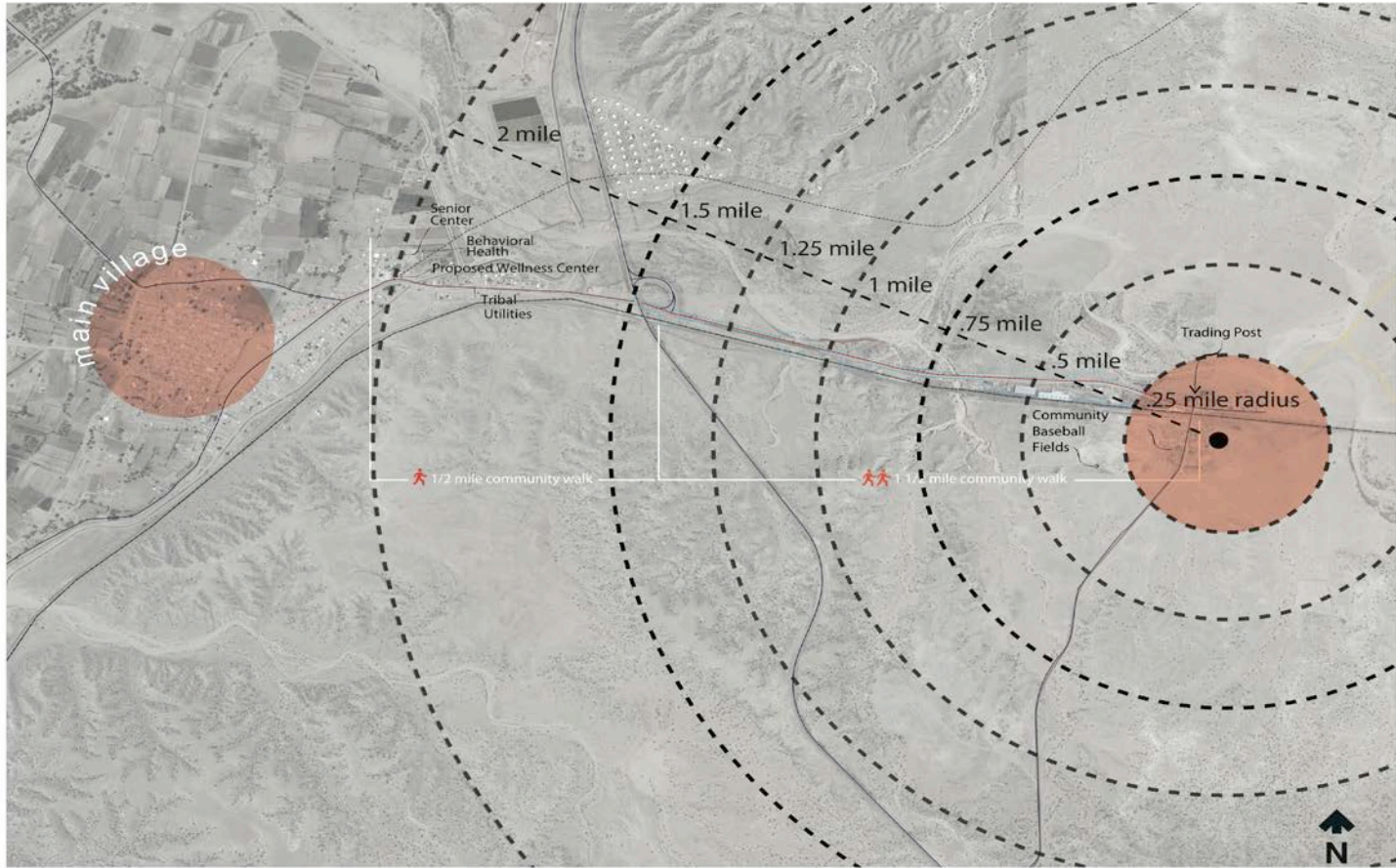
Why Land Development with New Construction?

- Demand/need for new affordable housing
 - 117 on SDTHA waiting list, 54 pre-qualified for LIHTC –
 - 42% are 40% AMI, 20% are at 60% AMI
 - Severe Overcrowding
 - 3-4 families living in the 525 housing units (estimated 28%, or are these 400+ year old adobe too costly to rehabilitate for large families)
 - Growing, larger families
 - 2010 US Census @ 2,450 versus 2014 Tribal Census 5,000+ population
- Lack of cost effective, buildable infill areas or individual homesites
- Ability to connect to existing Tribal assets – e.g., Historic Trading Post, Rail Runner and tie into other nearby planned development, e.g., walking trails

Market challenges

- Desire for homeownership
- Low incomes and low housing payment expectations = need for rental subsidy (estimated @ \$60,000/year)
- Livability, long term sustainability of homes required designing site, homes that reflect traditional patterns, values while meeting modern needs

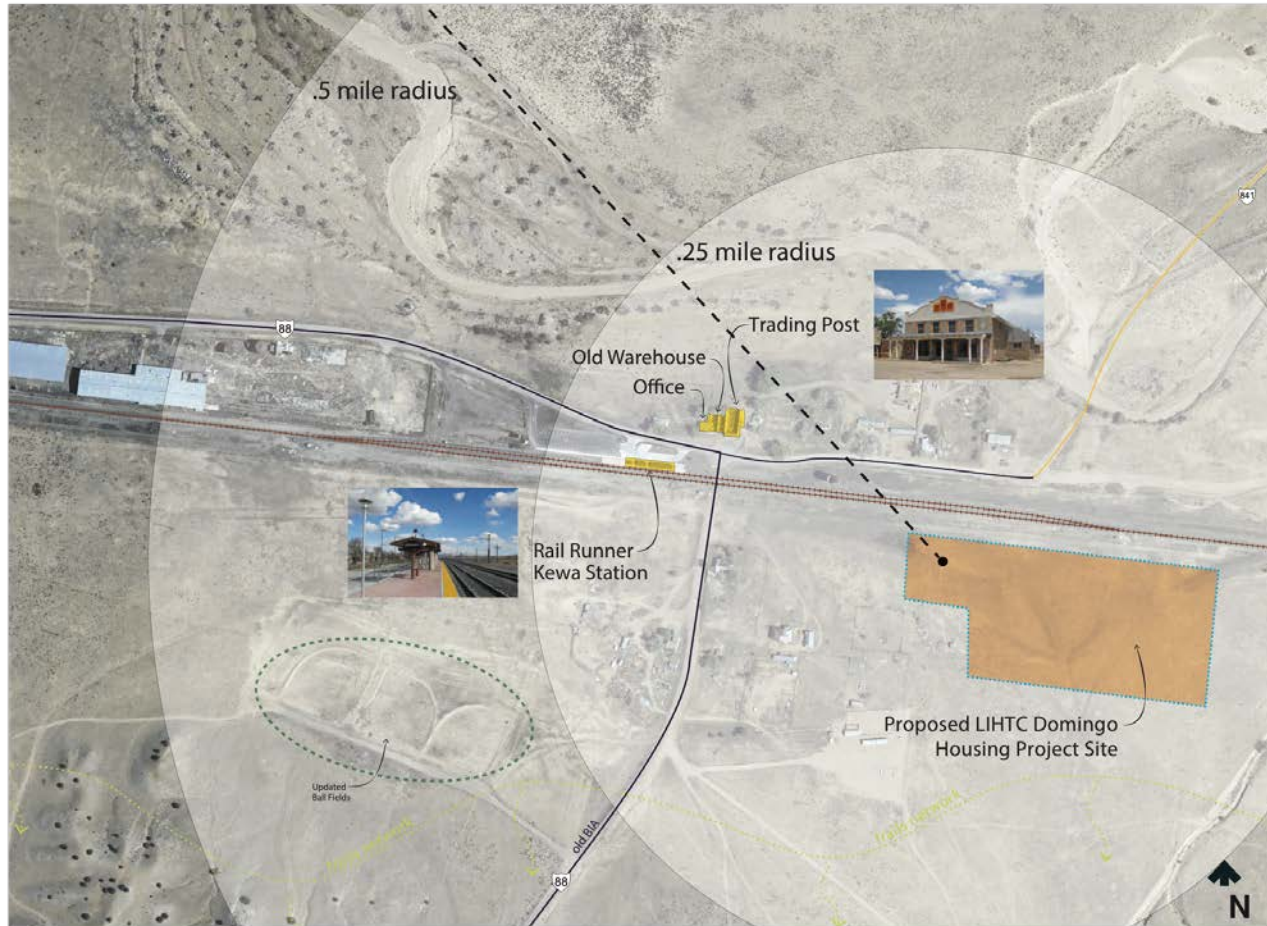
Planning



The Project

- 8+ acre site in Domingo, on the Kewa Pueblo Reservation
- Forty-one (41) 1, 2, 3 and 4 bedroom rental units in 19 Buildings.
- Community Center, playgrounds and gardens
- 25% of the units are targeted for Households with Children
- Serving tribal members/families earning at or below 40% (16 units), 50% (15 units) and 60% (10 units) of AMI
- Childcare, financial education, Keres language classes, among other services provided by Kewa departments and elders
- Proximity to community services, transportation and cultural activities near the core of the Pueblo

The Place - Domingo



Site challenges

- Assessing/designing cost effective access to utilities, new roads and grading/drainage needs
- Addressing previous uses – historic railroad
- Obtaining Tribal and BIA approvals for acquisition of land (master lease)

Solution



Why LIHTC for Domingo (and New Construction)

?

- More development subsidy enables higher quality, sustainable new homes— can build 41 homes and community center versus, maybe, 8 homes with NAHASDA alone
- More units makes infrastructure and overall project more cost effective
 - Per Unit: \$218,979 average/unit costs compared to HUD TDC for Tribe which is \$234,687 for a 2BR unit and \$329,338 for a 4 BR unit
 - Per Square Foot: \$158.00
- Favorable LIHTC scoring in 2015 – Native American, etc.
- SDTHA completed a 20-unit LIHTC project in 2001, and knows the risks, benefits and pitfalls

Construction Financing

SDTHA Doming Housing Costs - October 2015

Estimated Costs		Proposed <u>Construction</u> Sources of Funds		
Use	Amount	Source	Proposed terms	Amount
Construction	\$7,720,655	LIHTC Equity	No repayment, based on .98 cents/1.00	\$2,872,752
Professional Services (Architect, Engineering, Legal, Accounting, Green Building Certification, EA, etc.)	\$591,145	MFA HOME	2% 30 Years	\$307,500
Reserves (Operating)	\$100,999	NAHASDA (Loan)	1% Cash Flow, 20 Years	\$1,547,099
Construction & Permanent Financing Cost (Interest, Insurance and Fees)	\$181,405	NAHASDA (Grant)	1% Cash Flow Only	\$488,519
MFA Fees (Market Study, A & E Review, TC, Subsidy Layering Review)	\$85,165	FHLB AHP	Grant	\$-
Legal and Accounting for LIHTC	\$37,500	MFA HTF, Primero, Ventana	Loan	\$2,800,000
Developer Fee (SDTHA)	\$861,000	Native Home Capital	Loan	\$600,000
		Reserves/Developer Fee	Fee/Reserves	\$961,999
Total	\$9,577,869	Total		\$9,577,869

Permanent Financing

SDTHA Estimated Costs - October 2015

Estimated Costs		Proposed <u>Permanent</u> Sources of Funds		
Use	Amount	Source	Proposed terms	Amount
Construction	\$7,720,655	LIHTC Equity	No repayment, based on .94 cents/1.00	\$8,435,602
Professional Services (Architect, Engineering, Legal, Accounting, Green Building Certification, EA, etc.)	\$591,145	MFA HOME	2% 30 Years	\$307,500
Reserves (Operating)	\$100,999	NAHASDA (Loan)	1 cash flow only, 20 Years	\$346,248
Construction & Permanent Financing Cost (Interest, Insurance and Fees)	\$181,405	NAHASDA (Grant)	1% Cash Flow Only	\$488,519
MFA Fees (Market Study, A & E Review, TC)	\$85,165			
Legal and Accounting for LIHTC	\$37,500			
Developer Fee (SDTHA)	\$861,000			
Total	\$9,577,869	Total		\$9,577,869

Questions?