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

Proximity Map to Community Services
Santo Domingo Tribal Housing Authority
2015
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**

<table>
<thead>
<tr>
<th>Estimated Costs</th>
<th>Proposed Construction Sources of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use</td>
<td>Amount</td>
</tr>
<tr>
<td>Construction</td>
<td>$7,720,655</td>
</tr>
<tr>
<td>Professional Services (Architect, Engineering, Legal, Accounting, Green Building Certification, EA, etc.)</td>
<td>$591,145</td>
</tr>
<tr>
<td>Reserves (Operating)</td>
<td>$100,999</td>
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<tr>
<td>Construction &amp; Permanent Financing Cost (Interest, Insurance and Fees)</td>
<td>$181,405</td>
</tr>
<tr>
<td>MFA Fees (Market Study, A &amp; E Review, TC, Subsidy Layering Review)</td>
<td>$85,165</td>
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<tr>
<td>Legal and Accounting for LIHTC</td>
<td>$37,500</td>
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<tr>
<td>Developer Fee (SDTHA)</td>
<td>$861,000</td>
</tr>
<tr>
<td>Reserves/Developer Fee Fee/Reserves</td>
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<tr>
<td><strong>Total</strong></td>
<td>$9,577,869</td>
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## Permanent Financing

### SDTHA Estimated Costs - October 2015

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
<th>Source</th>
<th>Proposed terms</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$7,720,655</td>
<td>LIHTC Equity</td>
<td>No repayment, based on .94 cents/1.00</td>
<td>$8,435,602</td>
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<td>Professional Services (Architect, Engineering, Legal, Accounting, Green Building Certification, EA, etc.)</td>
<td>$591,145</td>
<td>MFA HOME</td>
<td>2% 30 Years</td>
<td>$307,500</td>
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<tr>
<td>Reserves (Operating)</td>
<td>$100,999</td>
<td>NAHASDA (Loan)</td>
<td>1 cash flow only, 20 Years</td>
<td>$346,248</td>
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<tr>
<td>Construction &amp; Permanent Financing Cost (Interest, Insurance and Fees)</td>
<td>$181,405</td>
<td>NAHASDA (Grant)</td>
<td>1% Cash Flow Only</td>
<td>$488,519</td>
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<tr>
<td>MFA Fees (Market Study, A &amp; E Review, TC)</td>
<td>85,165</td>
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Questions?