

***Douglas Indian Association Infrastructure to Support New LMI Housing*****Workplan Narrative: Infrastructure for New Housing****Narrative Table of Contents**

|                                                                   |           |
|-------------------------------------------------------------------|-----------|
| <b>Rating Factor 1 - Capacity of the Applicant .....</b>          | <b>1</b>  |
| 1.1 Managerial and Technical Staff .....                          | 2         |
| 1.2 Audit Submissions .....                                       | 8         |
| 1.3 Audit Findings.....                                           | 9         |
| 1.4 Procurement and Contract Management .....                     | 9         |
| 1.5 Program Performance Going Forward .....                       | 14        |
| 1.6 Disbursements .....                                           | 14        |
| 1.7 Timely Reporting .....                                        | 14        |
| 1.8 Close-outs.....                                               | 14        |
| <b>Rating Factor 2 - Need/Extent of the Problem .....</b>         | <b>14</b> |
| 2.1 Need and Viability .....                                      | 14        |
| 2.2 Project Benefit.....                                          | 17        |
| 2.2.c New Housing Construction.....                               | 17        |
| 2.3 Project Connection to Tribal Youth .....                      | 17        |
| 2.4 New and Unfunded Applicants .....                             | 18        |
| 2.5 Connection to Climate Change .....                            | 18        |
| <b>Rating Factor 3 - Soundness of Approach.....</b>               | <b>20</b> |
| 3.1 Description of and Rationale for Proposed Project.....        | 20        |
| 3.2 Budget .....                                                  | 25        |
| 3.3 Project Implementation Schedule.....                          | 26        |
| 3.4 Commitment to Sustain Activities .....                        | 28        |
| 3.4.a New Housing Construction.....                               | 28        |
| <b>Rating Factor 4 - Leveraging of Resources .....</b>            | <b>29</b> |
| <b>Rating Factor 5 - Comprehensiveness and Coordination .....</b> | <b>30</b> |
| 5.1 Coordination.....                                             | 30        |
| 5.2 Outputs, Outcomes, and/or Goals .....                         | 31        |

**THRESHOLD STATEMENTS**

The following threshold statements are required per the solicitation requirements as stated Section IV, B and correspond to the lettered items therein:

- e) 100% of the grant funds will be used for activities benefiting LMI residents.
- h) Grant funds will be used for the direct benefit of 3 tribal LMI households, or approximately 10 LMI citizens, due to the new construction project.
- j) In accordance with 24 CFR 1003.302(b)
  - 2) THRHA construction meets Alaska's Building Energy Efficiency Standard. All homes built by THRHA in the past five years have achieved a 6-star energy rating. The houses will be built to THRHA construction standards.
  - 3) Please refer to 2019 Douglas Housing Survey Analysis performed by THRHA and attached.
    - i) No other housing is available in the immediate area surrounding Douglas that is suitable for the households to be assisted as documented in the Housing Survey Analysis and the need of new housing identified as the overarching community need.
    - ii) No other sources, including IHBG, can meet the needs of the households to be served as can be seen by the continual need of housing in the community and high costs of housing/building in the area as referenced by the Housing Survey Analysis
    - iv) The households to be assisted are currently living in overcrowded conditions as noted in the Housing Survey Analysis.
- l) Housing development will be completed within three years of the grant award.
- q) Indirect costs

- 2) THRHA does not have a current negotiated indirect cost rate and wishes to use the de minimus rate of 10% of Modified Total Direct Costs (MTDC) in accordance with 2CFR200.414(f)

## **RATING FACTOR 1 - CAPACITY OF THE APPLICANT**

### **1.1 MANAGERIAL AND TECHNICAL STAFF**

The Douglas Indian Association (DIA) is partnering with Tlingit Haida Regional Housing Authority (THRHA), who is the Tribe's Tribally Designated Housing Entity (TDHE) to successfully implement this project. THRHA will be the sub-recipient, and the grant will be implemented and administered by THRHA. Upon grant award, DIA will enter into a sub-recipient agreement with THRHA that will govern the lines of responsibility for the project.

Table 1.1.A provides a list of key THRHA project staff offered by the project partners and their specific role on the project. A summary of the experience of each key project staff member and their responsibilities for the project are provided in the list after the Table.

**Table 1.1.A - List of Key Project Staff / Organizations**

| Name       | Title                               | Organization | Project Role                        |
|------------|-------------------------------------|--------------|-------------------------------------|
| ██████████ | CEO                                 | THRHA        | Comprehensive Plan Integration      |
| ██████████ | Director of Project Development     | THRHA        | Project Director                    |
| ██████████ | Vice President                      | THRHA        | Construction Home Loan Program Lead |
| ██████████ | Controller                          | THRHA        | Financial Management                |
| ██████████ | Grant Administrator                 | THRHA        | Administration and Reporting        |
| ██████████ | Director of Construction Management | THRHA        | Construction Superintendent         |

██████████, CEO – Responsible for Comprehensive Plan Integration

Knowledge – [REDACTED] was appointed President & CEO of the Tlingit-Haida Regional Housing Authority in April 2019. Previously, from 1989 to 1998, Ms. [REDACTED] was the Executive Director of THRHA and continued serve THRHA in the role of Ex-Officio on the Board of Commissioners prior to her appointment as CEO. Before returning to THRHA, Ms. [REDACTED] led for nearly 18 years, the National Congress of American Indians in Washington, DC as Executive Director. Prior to that, she served as Deputy Assistant Secretary for Native American Programs for the U.S. Department of Housing and Urban Development where she was responsible for the implementation of the Native American Housing Assistance and Self Determination Act (NAHASDA). Additionally, she served as Chairwoman of the Native American Indian Housing Council where she led the charge to reform the Indian housing program.

Roles and Responsibilities – [REDACTED] will be managing the high-level progression of the project. This would include being the main contact for communication between the tribe and other THRHA staff. She will coordinate with all parties that are involved to ensure that it is complete in a timely manner, stays on budget, and is reported correctly.

Relevant / Successful Experience – Her leadership in the last five years has led to successful federal grant implementation, program and policy development, and fiscally responsible operations. In the last two years she has implemented land acquisition, new construction, and renovation/repair programs and has managed to complete them within tight time frames despite the challenges posed by COVID-19. Building tribal members' financial capacity and life skills is a passion she incorporates into THRHA programs and her work with youth. See below for recent 5 years' experience.

**[REDACTED], Project Director – Responsible for Overall Project Implementation**

Knowledge and Experience – [REDACTED] is a Director of Construction Management for Tlingit-Haida Regional Housing Authority (THRHA). [REDACTED] holds the following construction related certifications: General Contractor with Residential Endorsement, Building Performance Institute Certified Building Analyst, Mold Remediation Training, Healthy Homes Practitioner, EPA - Asthma Triggers, Remote wall techniques, EPA 608 Universal, OSHA 30, Blower Door & Zonal Pressure Diagnostics, Advanced Cold Climate Home Building Techniques, Weatherization Principles, Moisture Control & Ventilation, Lead Based Paint Renovator (RRP), Lead Inspector, Lead Risk Assessor, Radon Measurement, Radon Mitigation, Home Energy Rater, First Aid, and Evaluating Bids & Proposals.

Roles and Responsibilities – [REDACTED] is involved in the estimating the budget as well as grant procurement and reporting. She will also oversee direct supervision of all office staff, some field staff, and all training including apprenticeship programs and other technical trainings.

Relevant / Successful Experience - [REDACTED] brings over 30 years of accounting experience to the department, including public accounting, tribal and property management as well as operating a small construction company. [REDACTED]'s primary role at THRHA is construction management. She is responsible for all coordination, permits and budgets as well as grant reporting and ensuring the crews needs are met in the remote areas. See below for recent 5 years' experience.

**[REDACTED], Vice President – Responsible for Leading Construction Home Loan Program**

Knowledge and Experience – [REDACTED] has worked at the Tlingit Haida Regional Housing Authority for twenty years. Having started at THRHA as a senior accountant, [REDACTED] has served as the organization's Fiscal Officer, Controller, Interim President/CEO, and currently the Vice President. She has a bachelor's degree in Finance.

Roles and Responsibilities – ██████'s main role is the supervision of the home loan program and ensuring compliance. Additional to her main role, she also serves as ██████'s Vice President helping her with communications with tribes and board reporting.

Relevant / Successful Experience - Over the last 5 years, ██████ has been responsible for policy development and compliance. She is responsible for the oversight of grants administration and has led the revitalization of THRHA's mortgage loan program. She serves as treasurer for the Juneau Housing First Collaborative Board of Directors and is actively involved in the recently opened THRHA youth shelter. See below for recent 5 years' experience.

**██████████, Controller – Responsible for Financial Management**

Knowledge and Experience – ██████████ has served as the Controller for Tlingit Haida Regional Housing Authority since 2018. Mr. ██████ holds a Bachelor of Arts in Business Administration from the University of Washington and has been licensed as a CPA for over 20 years.

Roles and Responsibilities – ██████████ serves as the head of the accounting department. He is responsible for invoice processing, grant reports to both internal and external parties, completing audits from multiple grant agencies, ensuring all grant procurement requirements are satisfied, and drawing grants down.

Relevant / Successful Experience – Mr. ██████ is responsible for the administration and oversight of the organization's financial activities, including active management of over \$██████████ in Federal and State grant awards. Prior to joining THRHA, Mr. ██████ was a Senior Manager, Audit for KPMG LLP and most recently was the Controller for an Alaskan-based non-profit that had revenues of

\$████████. Mr. █████ has also served as Treasurer on the Board of Juneau-based non-profit REACH, Inc since 2018. See below for recent 5 years' experience.

**██████████, Grant Administrator – Responsible for Administration and Reporting**

Knowledge and Experience – Ms. █████ has been with THRHA since 2019, serving as the Grant Administrator. Ms. █████ has worked on grant compliance for federal, state, and local grants for 13 years in various fields. Currently she works with program managers, finance, and administration to ensure grant compliance, timely reporting, and successful program implementation.

Roles and Responsibilities – █████ is responsible for overseeing grant compliance, tracking grant deadlines, grant communications with THRHA staff and tribes, extensions, amendments, and ensuring timely reporting.

Relevant / Successful Experience – Ms. █████ currently oversees 45+ grants, many of these grants are new construction and home rehabilitation. She continues to work within teams to plan, prepare, and write proposals for additional funding, many of which have been successful for all 12 of THRHA's communities. See below for recent 5 years' experience.

**██████████, Director of Construction Management – Responsible for Site Supervision**

Knowledge and Experience – █████ is a Director of Construction Management for THRHA. █████ brings nearly 40 years of carpentry experience to THRHA, including owning his own construction company. █████'s primary roles at THRHA are consulting, managing, and training multiple field crew throughout the 12 communities. █████ is well known and respected throughout Southeast Alaska as he has spent many years living, traveling, and working throughout the villages.

■■■■ holds the following construction certifications: General Contractor with Residential Endorsement, Mold Remediation Training, Remote Wall Techniques, OSHA 30, Blower Door & Zonal Pressure Diagnostics, Advanced Cold Climate Home Building Techniques, Weatherization Principles, Moisture Control & Ventilation, Lead Based Paint Renovator (RRP), and First Aid.

Roles and Responsibilities – ■■■■ will be the day-to-day field supervisor on the construction site. He will ensure everything is going according to plan including construction to be done and materials to be delivered.

Relevant / Successful Experience – ■■■■'s experience includes building four duplexes in Kasaan, AK, a 4-plex in Yakutat, which utilized the remote wall (exterior insulation) construction technique, a million-dollar commercial remodel and two kit homes in Hoonah, AK, a development of 22 single family homes in Juneau, AK as well as three custom-built single-family homes. See below for recent 5 years' experience.

**Recent Experience from THRHA – The following are recent, relevant, and successful example projects completed by the THRHA Team identified in this document. Please note that these reference projects apply to all of the staff identified with the same roles identified for this project.**

THRHA has a highly qualified staff and is a recognized industry leader. They are the only housing authority in Alaska with certified radon experts (2 out of only 4 people certified in the state), a leader in lead, with a certified RRP instructor and the only agency in the state with 3 certified lead paint inspectors and lead paint risk assessors. THRHA also employs 4 of the 15 energy raters in the state and they are the largest heat pump installer (349 to date). They partner with heat pump distributors to provide annual local heat pump training certification classes for all contractors and

crew. The highly successful Success Starts With Me Mortgage Program was recently recognized by Opportunity Finance Network (OFN) and presented the Native CDFI Catalyst national award in 2022.

In total, this THRHA team has completed over 271 home repairs, constructed 18 new single-family homes, constructed 5 new duplex's or larger, 3 commercial building renovations, installed 95 EV chargers and 349 heat pumps. This does not include projects that are currently in the construction phase. The following are examples of these recent, relevant, and successful example projects completed by the THRHA Team identified in this document. Please note that these reference projects apply to all the staff identified with the same roles identified for this project.

**Klawock Single-Family Homes (ICDBG IT 2021)** project is a land acquisition, infrastructure, and then housing construction project. THRHA purchased one lot, subdivided it into 4 lots, put in infrastructure for 4 homes, and built two 3-bedroom homes. Infrastructure for two homes was added while the other two lots were left empty for now.

**Yakutat Fourplex Construction 2019** project was a land acquisition, infrastructure, and new fourplex construction. The fourplex includes two 3-bedroom units and two 2-bedroom units. The Tribe bought one lot for this project. Infrastructure was brought in including water, sewer, and electricity. Due to the infrastructure being put into this area, an additional two houses have been built separate from the project.

## **1.2 AUDIT SUBMISSIONS**

2 CFR 200, Subpart F requires an audit for each fiscal year in which more than \$750,000 in federal funds have been expended. THRHA conducts single annual audits and has submitted audits on time for the previous two audit periods as required by 2 CFR 200, Subpart F. The most recent audit

was performed by Altman, Rogers & Co. for year ending December 31, 2021, was completed on September 12, 2022, in accordance with 2CFR part 200 subpart F. The 2020 audit was accepted timely by FAC on July 19, 2021.

### **1.3 AUDIT FINDINGS**

THRHA has submitted single audits for the previous two audit periods, with the most recent for year ending December 31, 2021, and has had no findings reported to the Federal Audit Clearinghouse from these audits.

### **1.4 PROCUREMENT AND CONTRACT MANAGEMENT**

THRHA's Procurement Policy will be applied to the procurement of all contract labor and materials secured for this project. The THRHA Board of Commissioners, by resolution, has adopted this Policy for all THRHA purchases. This Policy meets the requirements of 2 CFR 200 and 24 CFR 1000, as well as applicable federal regulations and state or local laws. In the event of any conflict in interpretation, HUD regulations prevail and apply to all contracts for the procurement of supplies, services, and construction. Specific procurement standards covered in THRHA's policies and how they are implemented are described below.

**2 CFR 200.318 Procurement Standards:** THRHA's policy will be applied to all project purchases. Staff have numerous years of experience with HUD procurement regulations and contract management oversight. Steps prior to procurement include a review process to avoid the purchase of unnecessary or duplicative items with consideration for consolidating or breaking out procurements for a more economical purchase. THRHA uses an electronic, multiple level, expense approval process. Purchase requests are entered into the system along with supporting documentation. The request is routed through the approval process according to supervisor and spending limits set in the system. All purchases over \$██████ require at least two approvals. Pay

requests submitted by vendors and contractors are compared to materials received and or work completed before payment is approved.

THRHA has a written Code of Conduct that covers Conflicts of Interest governing the performance of employees engaged in the award and administration of contracts. No employee or agent may participate in the selection, award, or administration of a contract where there is a real apparent or conflict of interest. Our policy requires a selection committee to review and award proposals. The review process includes an evaluation of the bidder's capacity and experience to ensure the bidder has sufficient technical, administrative, and financial capability to perform work of the size and type involved, as well as evidence of contractor integrity and compliance with public policy, record of past performance prior to the awarding of any contract and will reject any bid or offer not satisfying this requirement. Cost plus contracts are prohibited by our policy and time and materials contracts are required to have a ceiling. Administrative and contractual issues arising from procurements will be the sole responsibility of THRHA. The process for resolving disputes is outlined in the policy. THRHA has an electronic filing system to retain procurement records which include the rationale for method of procurement, selection of contract types, contractor selection, contractor rejection, and basis for price agreement. These files are attached to the transaction in the accounting database.

**2 CFR 200.319 Competition:** THRHA's policy promotes full and open competition by requiring three quotes, RFP/RFQ, or sealed bid depending on the dollar amount of the purchase and avoids unreasonable requirements. A list of prequalified contractors is maintained, and all solicitations are publicly advertised via the website and or other electronic postings. Solicitations that require a specific brand also allow for an equivalent substitution. Technical requirements are outlined in the solicitation and listed in detail in an appendix if necessary. Noncompetitive contracts are only

allowed when there is no other option, if an emergency exists, or if after solicitation it is determined that there is not adequate competition.

**2 CFR 200.320 Procurement Methods:** THRHA's Procurement Policy allows for the following methods;

- Micro Purchases up to \$██████ do not require competitive quotes as long as the cost is reasonable, purchases are distributed among vendors, and native preference applies.
- Small Purchases \$██████ up to \$250,000 requires 3 quotes and native preference applies.
- Large Purchases over \$250,000 requires sealed bids for construction contracts and RFP/RFQ for other purchases with the following conditions:
  - **Request for Quote (RFQ):** Are based on price only and requires attempts to obtain quotes from a minimum of three (3) qualified sources and document the procurement file with a justification whenever it has been unable to obtain at least three (3) quotes. Solicitation of fewer than three (3) sources is acceptable if attempts have been made but unable to obtain a sufficient number of quotes.
  - **Sealed Bids:** Procurement will be based on competitive sealed bidding if the following conditions are present: 1) A complete, adequate, and realistic specification or purchase description is available. 2) Two (2) or more responsible bidders are willing and able to complete effectively for the work; 3) The procurement lends itself to a firm fixed price contract; and 4) The selection of the successful bidder can be made principally on the basis of price.
  - The selection criteria are included in the bid/RFP/RFQ solicitation.
  - The bid opening is a public process.
  - Notification of awards are written.

- Non-Competitive purchases were described in the above section.

**2 CFR 200.321 Contracting with Small and Minority Businesses:**

THRHA's policy requires preference to be given to women and minority owned businesses. THRHA maintains a list of small and minority owned businesses in Southeast Alaska and includes these businesses in solicitations. As often as possible, THRHA breaks out solicitations to allow these businesses to compete.

**2 CFR 200.323 Procurement of Recovered Materials:** This does not apply to THRHA as we are not a state agency or a political subdivision.

**2 CFR 200.324 Contract Cost and Price:** THRHA policies ensure that a cost analysis is performed in connection with every procurement action in excess of the Simplified Acquisition Threshold and is consistent with 2 CFR 200.324. Technical specifications on proposed procurements and pre-award review of procurement documents are available to awarded contractors upon request. THRHA Policy excludes the use of cost plus contracts.

**2 CFR 200.325 Federal Awarding Agency or Pass-Through Entity Review:** THRHA certifies that its procurement system meets the standards as required by this NOFO as described in detail in this section of the application. The system is available for review by the grantor at any time. THRHA policy ensures that a cost analysis is performed in connection with every procurement action in excess of the Simplified Acquisition Threshold. THRHA has recent experience performing new construction and is able to determine what the current reasonable expected cost should be before solicitation. Cost plus contracts are prohibited by policy. Compliance is accomplished with our multi-level expenditure approval process described previously.

**2 CFR 200.326 Bonding Requirements:** This applies only under the terms of 24 CFR 1003.501(a)(8). THRHA's policy attaches bonding requirements to any construction contract that

exceeds the Simplified Acquisition Threshold. It has been THRHA's practice to require a bid guarantee from each bidder equivalent to 5% of the bid price.

**2 CFR 200.327 Contract Provisions:** When contracts are utilized, THRHA policies require the inclusion of all clauses that are required by federal statutes, executive orders and implementing regulations as provided in 2 CFR 200.327.

**24 CFR 1000.48-1000.54 Indian and tribal preference:** THRHA's policy gives preference in the award of contracts for projects to Indian organizations and Indian-owned economic enterprises and in the hiring of employees. To the greatest extent feasible, preference and opportunities for training and employment shall be given to Native American/American Indians in connection with administration and activities of the grant; and awards of contracts shall be given to Native American/American Indian owned organizations and Native owned economic enterprises.

In addition to including the required Section 7(b) language in contracts, THRHA requires responses to solicitations to include an explanation of how the contractor intends to meet the Section 7(b) requirements and this explanation is considered by the selection committee before awarding a contract. THRHA policies layout how to address a complaint per 24 CFR 1000.54.

**24 CFR 1003.606 Conflict of interest:** THRHA has a written Code of Conduct that covers Conflicts of Interest governing the performance of employees engaged in the award and administration of contracts. No employee or agent may participate in the selection, award, or administration of a contract where there is a real apparent or conflict of interest. Conflict of Interest is further defined as when an employee is in a position to influence a decision that may result in a personal gain for that employee or for that employee's relative. Employees are required to declare conflicts at least annually.

### **1.5 DISBURSEMENTS**

This section is to be completed by HUD's own review of their documentation.

### **1.6 TIMELY REPORTING**

This section is to be completed by HUD's own review of their documentation.

### **1.7 CLOSE-OUTS**

This section is to be completed by HUD's own review of their documentation.

### **1.8 MONITORING FINDINGS**

This subfactor is not applicable to the tribe – there have been no monitoring and controlled audit findings to resolve.

## **RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM**

### **2.1 NEED AND VIABILITY**

*Project Need:* Douglas, Alaska, as with many communities throughout rural Alaska, has seen significant changes to housing availability, housing prices, housing quality, cost of living, resident income levels, and ongoing economic/social trends over the past decade. As a result, community planning entities such as the DIA and the THRHA are looking for direction on not only how to address current housing needs but also how to be proactive in future planning efforts to ensure that the community of Douglas has adequate housing and a sustainable economy where residents are able to achieve the lifestyles they desire with the services and housing types they need.

The findings from the 2019 Douglas Tribal Housing Survey Analysis were used to help assess community planning efforts, determine where the community currently is, and devise a solution to achieve the community goals related to adequate and affordable housing. An important outcome

of this assessment is the collection of public consultation and input. Surveys are relatively inexpensive and are very useful for gathering information from a large portion of the community's population. Data provided reflected the true nature of the housing situation within the community of Douglas.

The results compiled in the 2019 Douglas Tribal Housing Survey Analysis informed DIA and THRHA of the immediate need for more single-family housing, and a current housing shortage for LMI citizens. According to the survey results, sixty-one percent of respondents are cost-burdened, which is defined as spending 30% or greater of household income toward housing costs. This includes the 17% of respondents who are severely cost-burdened, meaning they spend half or more of their household income on housing costs. Furthermore, 33% of respondents said their current housing is overcrowded. The survey identified more single-family housing as the most important priority – 95% of respondents identified it as the top need, and was the top choice for almost half of those surveyed – and homebuyer assistance as the THRHA housing program of most interest to respondents.

*Essential Community Development:* The Douglas AIAN community needs more affordable housing and opportunities for Tribal youth to remain in their communities. This project will provide relief for the community by building 3 houses for the LMI AIAN residents in Douglas. The construction of the new homes will immediately provide an essential community development need as identified by the Housing Survey. The completion of the 3 houses will increase the housing stock available to LMI and AIAN community and provide an essential investment into the community to help retain tribal youth and citizens who would otherwise be priced out of Douglas. This project directly addresses problems identified in the Housing Survey as it will provide more housing to address the current shortage, which will then ease the overcrowded issues observed.

Additionally, the houses will be constructed with energy efficient standards, helping reduce the energy burden placed on the occupants.

*Improve Viability of the Community:* Homeownership promotes a healthy economic community and provides each homeowner with a tangible way to build wealth for financial stability. Currently, the lack of available housing has driven prices beyond what the local economy can afford. It is crucial for the long-term survival of the community that local people own the homes they live in. In order to make up this deficit, DIA and THRHA's project to build new housing will provide the necessary injection to the housing supply that will benefit low to moderate income citizens and households and provide a means to improve the outlook of the people of Douglas. Furthermore, high energy cost contributes to the high cost of living and is of particular concern for low-income citizens as well as those on fixed incomes the high cost of energy in the Douglas community. For example, the lack of energy efficient appliances in a typical home has resulted in very high heating costs; the 2019 Housing Survey identified the primary source of heat for 96% of tribal homes used electric resistance heating (electric baseboard, etc.) or heating fuel (boiler or furnace) as the primary heat source. THRHA will evaluate the heat systems of the homes built for energy efficiency and may include heat pumps to ensure recipients of the houses are not forced into a cost-burdened situation. This project heavily reinvests in the community to allow for homeownership amongst tribal citizens while lowering climate impacts and energy costs associated due to efficient building principles.

## **2.2 PROJECT BENEFIT**

### *2.2.c New Housing Construction*

The 2022 ICDBG Factor 2 Needs Table identifies Douglas' Needs Amount as \$931. It is important to note factors contributing to this include annual income below 80% of the median, overcrowded or without kitchen or plumbing, housing cost burden greater than 50% of annual income, and a housing shortage and divided by the total number of AIAN households. As such, number of houses can have an outsize influence on the resulting calculated need per Needs Table. For example, Douglas has approximately 295 households, thus the needs table is allocated through a smaller pool than other communities and provides a Needs Amount that is higher than what would be expected from the community's current economic outlook. Almost two-thirds of the Douglas AIAN population is considered low-income and cost-burdened, with 17% severely so. As such, Douglas can be seen as a community in distress and in need of significant investment, but due to the calculation methods for the Needs Table, is presented as a community in better economic condition than reality.

## **2.3 PROJECT CONNECTION TO TRIBAL YOUTH**

THRHA's main purpose and goal is to build communities in which the Tribal youth can and want to stay. There is a crisis going on right now throughout southeast Alaska; the youth of the communities are moving away, leaving only the elderly who wish to remain where they have lived their entire lives. Many times, Tribal youth are choosing to leave because there is not enough work for them and because they see opportunities to learn a trade at a company in a larger community. The lack of affordable homes is a major driver of youth leaving the community, as well as

substandard living conditions for youth living with their families. This project aims to help fix this for the youth community by adding to the LMI housing stock.

Providing affordable housing options and stimulating the local economy with grant funded projects are two ways that THRHA builds strong communities. Another way is through THRHA's Carpentry, Electrical and Plumbing Apprenticeship Program. This successful program gives Tribal youth an opportunity to learn a trade and use that skill to benefit their community. Before the deployment of this program, many communities relied on tradespeople from great distances away. The product of this program is a self-sustaining community where Tribal youth have enough work to support their families and remain in that community.

DIA via its Sub-Recipient THRHA can offer this Carpentry, Electrical and Plumbing Apprenticeship Program at no cost added due to THRHA's existing programs and partnerships with several well-known general contractors in the region.

In addition to the trade skills of the THRHA Apprenticeship Program, DIA will expand exposure to local youth 18-23 years of age to THRHA's highly successful Financial Cents program, which provides basic homeowner ownership, maintenance and overall financial education and lessons. DIA and THRHA are both committed to exposing the youth within the community to these lessons which are often not taught in the secondary and even post-secondary environments.

## **2.4 NEW AND UNFUNDED APPLICANTS**

This section is to be completed by HUD's own review of their documentation.

## **2.5 CONNECTION TO CLIMATE CHANGE**

The Indigenous people of Southeast Alaska observed climate changes and adapted their subsistence activities based on these changes long before western observations of climate change.

These changes are easily measurable in inches of rain, miles of glacial receding, and feet of land uplift, but there are many more changes that are much harder to measure that are caused by and interconnected with these larger shifts. For example, the increase of heavy rain events brings with it an increased chance for landslides, debris flows, and avalanches and rain per storm also puts clean water at risk. The residents of Southeast Alaska are very familiar with the need to adapt to climate change and the whole region has worked to produce a central and unifying Climate Change Adaptation Plan and have seen tangible results that range from weatherization projects for existing housing to fish passage projects.

THRHA and DIA have always prioritized energy efficiency and climate resiliency in their building projects. THRHA's mission is "to connect Southeast Alaskans with sustainable housing opportunities and innovative financial solutions." In Southeast Alaska, housing must be built to withstand harsh conditions and THRHA has continuously improved their methods to make every project more sustainable and resilient than the last. This mindset of continuous improvement is a vital part of the ability to successfully plan ahead and build lasting homes in the face of major climate shifts. THRHA has adopted construction policies to ensure projects are suitable for the environment. Examples include building homes that achieve 6-star energy ratings, the prohibition of particle board and OSB board in construction due to the glue not holding up to environmental conditions experienced, installation of EV chargers and installing heat pumps in new homes. These implementations are not only energy efficient and reduce energy costs for a cost burdened community, but also reduces the carbon footprint of each home especially in cases where hydroelectric power is available; the electric grid in the Juneau/Douglas area is currently supplied via hydroelectric power with a supplemental diesel generator in times of high demand; thus the constructed houses will benefit and produce heat with zero carbon emissions.

**RATING FACTOR 3 - SOUNDNESS OF APPROACH****3.1 DESCRIPTION OF AND RATIONALE FOR PROPOSED PROJECT**

*Project Description* – The high cost of living and lack of affordable housing has been an obstacle for the sustainability of the tribal population, particularly for low-income members. The Housing Survey Analysis performed in 2019 identified the lack of affordable housing as the highest need identified by the community. This project will directly address this issue for the community's vulnerable population by building single family houses; housing has been shown to be the best vehicle for wealth building that can be passed to family members. THRHA proposes to use grant award funds to construct three new homes on land already owned – and used as match – to be made available to the LMI tribal members through THRHA's homeownership programs.

In order to accomplish the goals set forth by this project, housing development activities including environmental reviews, surveying, planning, and construction will take place. Once housing is constructed, an owner will be selected via THRHA's award winning homeownership programs such as the Success Starts with Me Mortgage Program.

Three LMI households that benefit from this project will have an opportunity to work toward financial stability through homeownership. Without the opportunities and programs provided by DIA and THRHA, LMI households in Douglas are not able to afford the leap from renting to homeownership. THRHA has many programs in place that have helped hundreds of LMI Tribal citizens start their journey toward financial stability and self-sufficiency.

*Detailed Project Metrics and Design:* The following information directly responds to the requested information in the solicitation.

*Size:* The typical unit plans that THRHA uses would be selected in coordination with the Tribe and future homeowners. Each unit will be approximately 1,200 square feet. Homeowners and the Tribe will be able to select whether the lots would have duplexes in order to increase the total number of units funded. It is expected each unit would be 3 bedrooms, but this may be modified depending on what is selected. Based on the experience of THRHA and their working knowledge of the Douglas community, the homes will reasonably house 4 residents each; the ratio of LMI citizens per acre is reasonable for this area of Douglas. Each home will be built to THRHA building specifications and will be aided by their extensive experience in the area as previously described.

*Location:* The property on which the project will commence is in Douglas on 3<sup>rd</sup> Street, approximately 3/4 miles from the center of town and is along the main road. It is 1.15 acres (approximately 202 ft x 250ft) and all utilities currently reach the edge of the property. The property is partially forested, and it slopes slightly up away from the road; land in the area surrounding Douglas is most often very steep and building an access road to the building site can take up a significant portion of the available land because of the elevation that must be overcome. All utilities will be extended underground from the road to the building sites to provide a long-lasting and maintenance free connection. The property, while considering DIA aesthetic and planning considerations, is large enough to accommodate 6-8 housing units through the construction of single-family homes. The site was carefully chosen and an ideal candidate for a new housing development in Douglas.

*Feasibility:* This project is similar to others that THRHA has conducted in other Tribal communities and in Douglas. THRHA has extensive experience purchasing properties, managing, and implementing energy retrofits, heating system upgrades, weatherization, rehabilitation projects, and major construction projects including the building of new homes; THRHA

successfully completed new housing construction projects in nine communities throughout southeast Alaska in 2021. Based on this experience and with THRHA as the sub-recipient on the project, this project is technically feasible. The project is also a good investment, cost effective, and meets the need for new homes as identified by the community. These attributes make it the ideal candidate for a new housing development in Douglas. The proximity to town and the availability of utilities make it a feasible and cost effective choice. The development is feasible due to its location and the existing site as documented in the attached property assessment and THRHA's use of typical unit floor plans. This usage of plans reduces engineering and design costs while ensuring designs are efficient and effective in the climate. The property location allows for the future homeowners to access work, shopping, and medical care all less than 2 miles away. The property is cost effective because utilities run right along the property making it a least cost location to develop LMI housing stock Table 3.1.A shows the estimated energy cost savings per home due to THRHA building standards compared to existing housing stock. It is conservatively anticipated that each home will be able to reach an overall energy cost savings of 40% (see justification of these values further on in this section) compared to if the housing was built and performed equal to the existing housing supply..

*Project Rationale* - The proposed *Douglas Indian Association Infrastructure to Support New LMI Housing* is a key cornerstone in the *Housing* component of both DIA's and THRHA's strategic plans. Both DIA and THRHA, the applicant and sub-recipient respectively, are the largest housing providers within the community of Douglas. Both entities focus on the housing needs of Douglas's most vulnerable: LMI households with children and elderly.

The current housing market in Douglas has structural challenges in that there is an immediate need to address housing shortages for households with 4 or more residents. These households are

typically LMI households. In addition, older homes within the community of Douglas suffer from structural issues, extreme rot, a lack of adequate insulation, and in some cases are not up to code. Currently, residents who are in the NAHASDA supported homes typically live with extended family and the children (youth) also continue to live with their parents because there is a lack of housing opportunities. The 3 LMI households that benefit from this project will have an opportunity to work toward financial stability through homeownership. Without the opportunities and programs provided by DIA and THRHA, LMI households in Douglas are not able to afford the leap from renting to homeownership. THRHA has many programs in place that have helped LMI Tribal citizens start their journey toward financial stability and self-sufficiency.

*Rationale for Design of Project:* Given the pressing need expressed by the Tribal citizens of Douglas for more affordable housing, this project has been designed to directly address this need while taking advantage of the temperate climate, to provide sustainable and affordable housing to low-income tribal citizens in Douglas. Additionally, there is a documented need for youth to have a supply of affordable housing to help limit outmigration. Because THRHA has such a deep knowledge of the community and climate in which the houses will be built, special care has been taken to ensure the housing design is applicable. Douglas, for example, benefits from hydroelectric generated electricity, thus electrification of heating equipment and EV chargers provide zero-carbon heat while reducing energy costs. Coupled with the installation of EV chargers, transportation emissions can also be negated.

*Indian Preference Requirements:* THRHA policies (as described in Ratings Factor 1 response) ensure compliance with 24 CFR 1000, and specifically 24 CFR 1003.510 regarding ensuring THRHA gives preference in the award of contracts for projects funded to Indian organizations and Indian-owned economic enterprises. THRHA certifies to HUD that the policies and procedures

provide preference in procurement, and that procurement follows the appropriate stages for compliance as per 24 CFR 1003.510.

*Describe Cost Savings:* Table 3.1.A provides the savings estimate. The total annual savings provided for 3 homes is estimated to be between \$3,540 – \$4,968 annually. It is important to note energy prices have skyrocketed in the community since the study was undertaken and potential savings are likely to be much higher using today’s energy prices.

**Table 3.1.A – Estimated Energy Savings**

| <b>Item</b>                            | <b>Value</b>      | <b>Source</b>            |
|----------------------------------------|-------------------|--------------------------|
| Average Annual Heating Demand, mmBtu   | 91.4              | AHFC Weatherization Data |
| Range of Average Annual Heating Costs  | \$2,950 - \$4,140 | AHFC Weatherization Data |
| Range of Energy Cost Savings (percent) | 40%               | See discussion           |
| Range of Energy Cost Savings           | \$1,180 - \$1,656 | See discussion           |
| Range of Energy Cost Savings (3 homes) | \$3,540 – \$4,968 | See discussion           |

*Discussion of Savings Estimate:* The average annual heating use and cost per home is based on data gathered by the AHFC during weatherization work completed for 192 homes in Petersburg (neighboring community with representative housing data). AHFC provided annual energy use by fuel type for heating of homes, both before and after weatherization, as well as average 2018 fuel costs. Heating fuels included cordwood, electric (resistance heating), propane, and fuel oil. This data is used as a baseline. This project will focus on building homes to be energy efficient and climate resilient. This includes installation of energy efficient building materials and appliances during construction such as heat pumps and other efficient technologies. According to the 2019 Housing Survey, heating systems that use high-cost energy, electric resistance, fuel oil, or propane, account for approximately 96% of the systems for Tribal citizens in Douglas.

### 3.2 BUDGET

The budget is summarized in Table 3.2.A. Form HUD 4123 has been provided in addition to the Budget Narrative. The Budget Narrative is provided in an Excel format printed as a PDF, and a breakdown for each budget line, including all sources and uses of funding (including leveraging resources) for the proposed project. The Budget Narrative also provides details on eligible activities and all planning and administrative costs for the project. THRHA does not have a current negotiated indirect cost rate and wishes to use the de minimus rate of 10% of Modified Total Direct Costs (MTDC) in accordance with 2CFR200.414(f)

**Table 3.2.A – Project Budget Summary**

| <b>Description</b>                                                    | <b>Cost</b>          |
|-----------------------------------------------------------------------|----------------------|
| Supervision, Travel, Training, Planning, Equipment, and Contingencies | \$ [REDACTED]        |
| Environmental Reviews                                                 | \$ [REDACTED]        |
| Survey, Engineering, and Permitting                                   | \$ [REDACTED]        |
| Land, Procurement, & Materials                                        | \$ [REDACTED]        |
| Construction                                                          | \$ [REDACTED]        |
| <b>Total</b>                                                          | <b>\$ [REDACTED]</b> |

The budget has been prepared by [REDACTED] of THRHA. In the last 5 years, Ms. [REDACTED] has overseen successful completion of over 100 emergency home repairs, 18 new single-family homes, and 4 new duplex's or larger. The majority of the new homes and duplexes included infrastructure projects. Ms. [REDACTED]'s role included development of scopes of work for projects, hiring of subcontractors, compliance with state and federal HUD regulations, preparation of job cost reports, monitoring of job progress and costs, and ensuring projects completed met quality and compliance standards and Healthy Homes guidance.

*Cost Comparison to Similar Project Completed in Area:* The budgeted costs for this project are based on THRHA's experience in building housing projects, which include multiple successful ICDBG projects. Previous projects have involved acquisitions of new land, improvements to

infrastructure to the area, and construction of new housing. Budgeted labor costs are reasonable and consistent with recent ICDBG construction projects and for remote Southeast Alaska communities. Previous experience has provided credible historical expenditures for developing the proposed ICDBG budget. A significant amount will go directly to the actual construction work; however, the budget includes items such as environmental reviews, designs, plans and costs to administer the project. Costs are subject to environmental, design and engineering considerations, and therefore determining actual costs are difficult. The budgeted figures are reasonable and will meet the needs for the proposed project.

A similar housing project was recently completed in Craig, Alaska. The project provided a duplex with 3-bedrooms in each home for NAHASDA-eligible homeowners and was successfully completed in 2021 to HUD, Tribe, and THRHA housing standards. A comparison of the breakdown of costs for the project is provided in Table 3.2.B.

**Table 3.2.B – Project Budget Comparison**

| <b>Description</b>                                                    | <b>Craig Duplex Housing Budget</b> | <b>Douglas 2022 ICDBG Budget</b> |
|-----------------------------------------------------------------------|------------------------------------|----------------------------------|
| Supervision, Travel, Training, Planning, Equipment, and Contingencies | \$ [REDACTED]                      | \$ [REDACTED]                    |
| Environmental Reviews                                                 | \$ [REDACTED]                      | \$ [REDACTED]                    |
| Survey, Engineering, and Permitting                                   | \$ [REDACTED]                      | \$ [REDACTED]                    |
| Land, Procurement, & Materials                                        | \$ [REDACTED]                      | \$ [REDACTED]                    |
| Construction                                                          | \$ [REDACTED]                      | \$ [REDACTED]                    |
| <b>Total</b>                                                          | \$ [REDACTED]                      | \$ [REDACTED]                    |

### **3.3 PROJECT IMPLEMENTATION SCHEDULE**

The project will be completed according to the task schedule laid out in the attached 4125 form. The following are the major steps for the project, and these steps will be conducted under the direction of the Project Director and the THRHA project team with professionals and

subcontractors engaged and managed as appropriate. Throughout completion of the following project tasks, THRHA will conduct all financial, procurement, grant reporting, and management administration tasks using its highly experienced staff.

The land is already **owned by THRHA**, and thus, upon award of the grant, project activities can begin. An environmental review will be completed following THRHA's typical process for all environmental reviews, and a total of six months have been allotted for the environmental review process. In parallel with the environmental review effort, the surveying, engineering, and permitting work will be conducted, and a total of six months have been allotted for this work. THRHA has extensive internal experience/expertise and a suite of local contractors it works with routinely for completing environmental reviews, surveying, engineering, and permitting within the community. THRHA has been successful in managing its own staff and contractors for quickly executing these processes for projects and is able to use its existing relationships with vendors to ensure its projects can be serviced.

Following completion of the environmental reviews, the engineering, and receipt of the permits, the procurement and materials phase will begin. This phase will mostly involve procurement of the contractors to complete the construction work, as well as some of the materials procurement to be conducted directly by THRHA. Three months into the procurement phase, which has a total of 15 months allotted for it, the construction phase will begin. The first phase of construction will be mobilization by the earthwork contractor and then clearing and grubbing of the site.

The construction phase will be completed on or before March 25, 2028, and will include the following construction steps once the clearing and grubbing is complete: excavation, fill, and grading; utility trenching and street connections and then backfill for sewer, water, electric, and

internet/phone; access drives and sidewalks for the site; full construction of the proposed houses including foundation forming, framing, plumbing, electrical and HVAC installation, interior and exterior finishings, and then final inspection of the work. The final close-out phase is planned to conclude on or before June 30, 2028, with three months allotted.

### **3.4 COMMITMENT TO SUSTAIN ACTIVITIES**

#### *3.4.c New Housing Construction*

The occupants will ultimately be responsible for the ongoing maintenance and insurance needs of the homes, and the costs for these activities will be the responsibility of the occupants. These maintenance items will encompass all the normal maintenance and insurance requirements of typical homes, including annual HVAC system checks, filter replacements, gutter cleaning, plumbing or electrical system issues, maintaining appropriate occupant insurance policies, etc. As part of the Success Starts With Me Mortgage Program, THRHA will work with applicants to educate them on proper home maintenance to ensure long-term viability of the home; the homebuyer is required to attend three financial literacy, homebuyer, and home maintenance classes to be eligible for the program. THRHA's financial literacy program will help occupants understand the value of saving and planning for key maintenance items that occur on a regular basis, maintaining appropriate levels of insurance, and maintaining home warranties as appropriate. These training programs are another point of emphasis to engage with tribal youth

THRHA has adopted an operations and maintenance (O&M) plan to maintain the infrastructure installed by way of the attached O&M policy resolution. THRHA has committed to making available an annual average budget as required in the O&M plan. This budget will be aggregated

to allow for large expenses in some years, and fewer expenses in others. THRHA commits to maintaining the infrastructure for a minimum of 10 years.

The attached, adopted O&M plan includes the following key items that are on THRHA property and part of their responsibility: periodic maintenance activities such as checking cleanouts for sewer; funds and methods for addressing repairs as needed for items such as pavement or sidewalk repairs; and maintaining replacement reserves for major repairs such as a sewer line replacement. A portion of the infrastructure constructed up to the point of tie-in with the public utilities will be required to be turned over to the City & Borough of Juneau for O&M once they accept the construction. This is then infrastructure that is maintained by the public utilities.

This infrastructure project includes land provided by THRHA. The attached appraisal for the land includes a preliminary investigation conducted by a qualified independent entity demonstrating that the proposed site has suitable soil conditions for housing and related infrastructure; Potable drinking water accessible for a reasonable cost; Access to utilities; Vehicular access; Drainage; Nearby social and community services; No known environmental problems; and the land is zoned for the type of housing proposed.

#### **RATING FACTOR 4 - LEVERAGING OF RESOURCES**

The proposed *Douglas Indian Association New Construction of Housing Project* has received full support and commitment from THRHA. THRHA will provide the planning and implementation of the entire proposed *Douglas Indian Association New Construction of Housing Project*.

The ICDBG grant request for the project is \$[REDACTED]. NAHASDA match of \$[REDACTED] has been committed by THRHA and a land match of \$[REDACTED] has also been committed for a total of \$[REDACTED] (25% of the overall project budget of \$[REDACTED]). The land valuation is based on an

appraisal dated October 15, 2021 (attached). THRHA has provided firm evidence of the match commitment through a Letter of Commitment from THRHA, which can be found in the Attachments section.

## **RATING FACTOR 5 - COMPREHENSIVENESS AND COORDINATION**

### **5.1 COORDINATION**

The following demonstrates involvement with the community in development of the project, and that the project is consistent with the policy goals of the community. THRHA recently completed Comprehensive Housing Planning for the 12 Tribes it serves in Southeast Alaska, which directly ties to the top housing priorities which include new housing, and homeownership. This effort included an updated Housing Assessment, including detailed direct surveys of Tribal households in each community (2019 Survey Analysis excerpt attached), and project implementation and readiness matrix for each community and for the over-arching region of Southeast Alaska. Conducting this effort and the surveys included community meetings for housing planning with all Tribal community stakeholders (citizens, schools, non- profits, local municipal governments, businesses, state and federal partners, etc., and the Tribes). This effort has built on success over the past several years THRHA has had stemming from a 2014 Housing Assessment (excerpt attached) and subsequent planning in individual communities as well as conducting the work of the organization over a long history. This new planning effort has brought together all of the Tribes to jointly consider housing issues and how to address the similar needs in each community collectively in the most effective and efficient manner. The need and desire for construction of new multi-bedroom housing units/homes that are safe, efficient, and affordable was identified as a number one priority for housing in Douglas. Through this effort, THRHA has ensured extensive coordination with the community. THRHA will follow its standard approaches for community

engagement during the project, including advertising jobs, community meetings discussing the projects and job/apprenticeship opportunities, and coordination with neighboring property owners.

DIA conducted the citizens participation for the project, and has attached a copy of the public notice as well as the Tribal Resolution certifying participation.

THRHA and DIA will coordinate throughout the project with supporting organizations in the community during development of the project to ensure that the project is equitably implemented, and that the highest benefit from the project will be afforded to LMI citizens.

## **5.2 OUTPUTS, OUTCOMES, AND/OR GOALS**

*This project will provide the following outputs:*

- Three new houses, available to the LMI tribal community, adding to the affordable housing stock in Douglas
- Water, sewer, electricity, internet, and phone service will be provided for 3 single family homes
- Increased availability of housing for Douglas's LMI Tribal citizens, and particularly the youth given the multi-bedroom housing focus of the infrastructure development
- 2 or more job training opportunities for Tribal Youth
- Infrastructure to support 3 LMI Tribal households being given the opportunity to become homeowners and take the next step toward financial independence

*This project will provide the following outcomes:*

- Creation of LMI single-family housing for 3 homes
- Reduction in overcrowding for 3 families

- 3 houses connected to internet, phone, electric, lines, roads, water, and sewer
- Opportunities for three families in need to participate in THRHA's Success Starts with Me Homeownership Program
- Opportunities for 2 Youth to participate in the apprenticeship program
- Opportunities for 2-4 (depending on family size) Youth to participate in Financial Cents and other key programs