

# Leverage

lev·er·age (lev'ər ij) n., v.

The use of a small initial investment to gain a relatively high return



*Mission: To create housing opportunities that empower our people and build our community*



# Benefits of NAHASDA

811 Units  
Pre –NAHASDA  
1974-1997

Home ownership Lending 120 units
Senior Rental 267 units
Mutual Help 334 units
Other Housing 90 units

## NAHASDA 1998-2011

Transitional Housing 40 units
Homeless Shelter 135 beds
Homeownership 57 units
Family Rental 447 units
Home ownership Lending 786 units
Senior Housing 152 units

**1617 Units  
in just  
13 years  
with  
NAHASDA  
funds.**

# Development Process

- Assess Need
- Vision for new development
- Concept design
- Preliminary cost estimate
- Assess resources available
- Submit funding applications / secure other funding
- Post award, complete design
- Hire contractor and deliver the project

# Mountain View Neighborhood Revitalization

## Single family home



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PROMOTING INDEPENDENCE THROUGH HOUSING



# The power of leveraging

## Single Home Development and Purchase

NAHASDA (Land)	\$120,000
State Funds - Energy Efficiency	\$30,000
Construction Loan	\$200,000
Subtotal	\$350,000
Affordable Sales Price	\$230,000
Affordability Gap	\$120,000

1st Mortgage	\$133,200
2nd Mortgage (CDFI, US Treasury)	\$37,930
3rd Mortgage (NAHASDA)	\$50,000
3% Down payment - as IDA participant, \$3200 is combination of Assets for Independence, Wells Fargo, ICDBG, AMHT	\$6,870
Total from buyer	\$230,000

# Eklutna Estates

59 unit, elder rental housing



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# The power of leveraging

EKLUTNA ESTATES: \$~23 M  
59 unit, elder rental housing

HOME TCAP \$505,641
Supplemental Grant Program (SGP) \$2,712,200
SCHDF Grant \$2,132,283
LIHTC \$13,183,539

1 <sup>st</sup> Deed \$900,000
2 <sup>nd</sup> Deed \$597,000
CIHA NAHASDA \$2,700,000
Deferred Developer Fee \$107,305

# Mountain View Village IV



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Mountain View Village IV: \$~16.48M  
34 unit, with commercial retail

Supplemental Grant Program (SGP) \$1,380,000
CIHA Grant, Contribution \$1,677,626
LIHTC \$10,932,076

1 <sup>st</sup> Deed \$1,236,950
2 <sup>nd</sup> Deed \$628,950
CIHA NAHASDA \$607,492
Deferred Developer Fee \$16,068

# Grass Creek Village



PROMOTING INDEPENDENCE THROUGH HOUSING



# The power of leveraging

LIHTC Sale Proceeds Anticipated	\$10,565,338.80
1st Deed of Trust (source: AHFC)	\$3,786,500.00
2nd Deed of Trust (source: AHFC)	\$2,461,300.00
3rd DOT Deferred Developer Fee	\$365,438.74
4th DOT Wells Fargo Property Tax Abatement Loan	\$535,363.00
5th DOT CIHA NAHASDA Land Loan	\$2,858,030.02
6th DOT CIHA Capital Funds Loan	\$1,722,519.00
7th DOT CIHA NAHASDA Loan	\$613,415.69
8th DOT CIHA/AHFC SGP Funds Loan	\$2,506,261.00
Construction Period Interest Earned	\$52,668.42
Total	\$25,466,834.67

# Leveraging Capacity

# Hooper Bay



HUD RHED  
\$300,000

Supplemental Grant  
Program (AVCP RHA)  
\$2,447,760

HOME Funds  
AVCP RHA/AHFC  
\$850,000

LIHTC/1602 EXCHANGE  
\$7,034,729

NAHASDA (AVCP RHA)  
\$1,614,276

TOTAL FUNDING  
\$12,246,765

# Beyond NAHASDA



PROMOTING INDEPENDENCE THROUGH HOUSING



# Lessons for Leveraging

- Don't chase money that doesn't fit
- Ask bankers what other money do they have
- Develop relationships with funders
- Understand implications of funding sources in both development and operations
- Don't be afraid to hire a consultant to help build capacity and experience
- Get appropriate training in project development /financial feasibility
- Measure outcomes and impacts