



MEMORANDUM



DATE: March 22, 2017
TO: File
FROM: Anne Cook *ac*
SUBJECT: PMOSF TDC Determination

Introduction

In its FY 2015 Indian Housing Plan, the Coquille Indian Housing Authority (CIHA) proposed model activity, “Replacement of Projects and Maintenance Operations and Storage Facility”. The activity was approved by HUD NWONAP on August 18, 2014 subject to the Total Development Costs (TDC) requirements set out at 24 CFR 1000.160 and 162.

§1000.160 Are non-dwelling structures developed, acquired or assisted under the IHBG program subject to limitations on cost or design standards?

Yes. Non-dwelling structures must be of a design, size and with features or amenities that are reasonable and necessary to accomplish the purpose intended by the structures. The purpose of a non-dwelling structure must be to support an affordable housing activity, as defined by the Act.

[66 FR 49790, Sept. 28, 2001]

§1000.162 How will a recipient know that non-dwelling structures assisted under the IHBG program meet the requirements of 1000.160?

(a) The recipient must use one of the methods described in paragraph (b) or (c) of this section to determine if a non-dwelling structure meets the limitation requirements of §1000.160. If the recipient develops, acquires, or rehabilitates a non-dwelling structure with funds from NAHASDA and other sources, then the cost limit standard established under these regulations applies to the entire structure. If funds are used from two different sources, the standards of the funding source with the more restrictive rules apply.

(b)(1) The recipient may adopt written standards for non-dwelling structures. The standards must describe the type of structures and must clearly describe the criteria to be used to guide the cost, size, design, features, amenities, performance or other factors. The standards for such structures must be able to support the reasonableness and necessity for these factors and to clearly identify the affordable housing activity that is being provided.

(2) When the recipient applies a standard to particular structures, it must document the following: (i) Identification of targeted population to benefit from the structures;

(ii) Identification of need or problem to be solved;

(iii) Affordable housing activity provided or supported by the structures;

(iv) Alternatives considered;

(v) Provision for future growth and change;

(vi) Cultural relevance of design;

(vii) Size and scope supported by population and need;

(viii) Design and construction features that are accessible to persons with a variety of disabilities;

(ix) Cost; and

(x) Compatibility with community infrastructure and services.

(c) If the recipient has not adopted program standards specified in paragraph (b) of this section, then it must demonstrate and document that the non-dwelling structure is of a cost, size, design and with amenities consistent with similarly designed and constructed structures in the recipient's general geographic area.

[66 FR 49790, Sept. 28, 2001]

CIHA has not adopted written standards for non-dwelling structures. Therefore, it is required to prepare a TDC determination for the proposed facility. The factors considered in that determination follow.

Purpose

The purpose of the model activity is to enable CIHA to carry out its affordable housing activities in a safer, more efficient, and economical manner.

Need

The Housing Authority used a foam panel factory building as its projects and maintenance operations and storage facility for approximately 18 years. The building was constructed using the same prefabricated, structural insulated foam panels ("SIP"s) it was designed to produce. As evidenced by CIHA's extensive housing rehabilitation project concluded in FY 2013, SIPs do not withstand Oregon's wet, windy coastal climate well. A structural evaluation of the building performed in FY 2014 showed substantial deterioration and the urgent need for extensive repair or replacement. Demolition of the structure and construction of a new facility on the footprint of the old, reusing the existing concrete pad as its foundation, was determined to be the most cost effective option.

Affordable Housing Activity Supported

The maintenance and operations needs of 68 low-income housing units, support facilities, and common areas located within the Kilkich community on Coquille Tribal Lands in Coos Bay, Oregon will be served by the project.

Design, Size, Features, and Amenities

The building to be replaced measured approximately 180' x 76', equaling 13,680 square feet. The new structure to be built on the footprint of the old comprises a ground floor of the same dimensions, with the addition of a 6,800 square foot mezzanine-like second floor, bringing the total floor space of the new facility to 20,480 square feet.

The ground floor is designed to provide approximately 10,440 square feet of garage, storage, and workshop space for CIHA projects and maintenance operations, and a separate dry storage area of approximately 3,240 square feet suitable for rent to the Tribe or other organization. Access to the second floor will be located in the CIHA portion of the building. The total square footage for use by CIHA is approximately 17,240.

Features and amenities of the CIHA portion of the building include shop space, a tool room, materials and equipment storage areas, a small office, secure electronics room, records storage area, utility area, eyewash station, restroom, locker room with emergency shower, and parking for CIHA vehicles and equipment. The rental area is divided into five units with separate access, two with plumbing roughed in. The building will incorporate resource conservation and ecologically conscientious materials throughout, such as energy efficient lighting, low flow plumbing fixtures, and rainwater collection.

Alternatives Considered

- Continued use of the old building without repair was determined to be hazardous. Repair was determined to be costly and ongoing.
- Construction of a new building at a different site was determined infeasible due to infrastructure and site development costs.
- Use of two vacated single-family homes requiring extensive preparation for reoccupancy was determined to be acceptable in the interim but not as a long-term solution due to the inefficiencies and limitations of the arrangement and waiting list for dwelling units.

Provision for Future Growth and Change

Although similar in overall size to the old building, the design of the new building provides an additional 6,800 square feet of usable space. Accommodation has been made in the design to facilitate reconfiguration of interior spaces to adapt to changing needs and technologies. Further, the location of the building is well-suited to expansion should the need arise.

Cultural Relevance of Design

Special effort was made to ensure compatibility with nearby Tribal structures. The new building, while reflective of its purpose, has been designed to blend with its surroundings and to be less obtrusive than the structure it replaces. The exterior will be earth-toned and use varied siding profiles for visual interest. Its base will be clad with timber harvested from Tribal forest lands.

Size and Scope Supported by Population and Need

The size of the new building is substantially similar to that of the old, which was determined by HUD to be suited to the population and need years earlier. The population of the Kilkich housing community has grown since then. Numerous community enhancements have expanded maintenance needs as well.

Accessibility

The design of the new building meets the requirements of applicable accessibility standards.

Compatibility with Community Infrastructure and Services

Because there is no change in size or use of the site, existing infrastructure and services are sufficient to support the new building.

Cost

Independent cost estimates were prepared using two nationally recognized construction cost indices for publicly bid construction of a good and sound quality. The RSMeans estimate prepared in August 2016 by the project architect totaled \$1,886,845. The Marshall & Swift estimate prepared in October 2016 by the consulting engineer totaled \$2,369,801. The average of the two, \$2,128,323, plus the industry standard for soft costs, 30%, totals \$2,766,820. Divided by the total floor space, 20,480 square feet, the estimated cost of the new facility is \$135 per square foot.

Similarly Designed and Constructed Buildings in the Geographic Area

The following public purpose buildings share characteristics of the planned structure.

<u>Building</u>	<u>Location</u>	<u>Cost Per Square Foot</u>
Coos County Food Bank	Coos Bay, OR	\$182
Head Start	Coos Bay, OR	\$200
NOAA Warehouse	Newport, OR	\$125
Average		\$169

Determination

Based on an average cost per square foot of \$169 for similarly designed and constructed buildings in the geographic area, CIHA finds the estimated cost per square foot of \$135 for its planned structure to be reasonable, and determines the Total Development Cost limit for the project to be **\$2,766,820**.