



**SKHHP Advisory Board
October 5, 2023, 3:30 – 5:30 PM
Zoom Meeting**

Zoom Link: <https://us06web.zoom.us/j/89734407973?pwd=cnIISFU4dXFJaFN5TGlwTWlxZHINZz09>

Meeting ID: 897 3440 7973

Password: 981696

Phone: 253-215-8782

In person option for public attendance:

City of Auburn Conference Room 2
1 East Main Street
Auburn, WA 98001

| <u>Time</u> | <u>Agenda</u> |
|--------------------|---|
| 3:30 | Welcome / Introductions / Opening |
| 3:35 | September 7, 2023, Meeting Minutes (<i>Attachment A</i>) |
| 3:40 | SKHHP Executive Board Update from Advisory Board Liaison |
| 3:45 | 2023 SKHHP Housing Capital Fund Project Application Review & Scoring |
| 5:25 | Updates / announcements |
| 5:30 | Closing |



SKHHP Advisory Board
September 7, 2023
MINUTES

I. CALL TO ORDER

Dorsol Plants called the meeting to order at 3:34 pm.

II. ROLL CALL/ESTABLISHMENT OF QUORUM

Advisory Board members present: Andrew Calkins, Uche Okezie, Ryan Disch-Guzman, Bambi Chavez, Menka Soni, Maju Qureshi, Dr. Linda Smith, Cathy Sisk, Ziquora Banks

Other attendees: Claire Vanessa Goodwin, SKHHP; Dorsol Plants, SKHHP; Abby Anderson, KCRHA; Kristen Holdsworth, City of Kent; Kaelene Nobis, City of Kent; Daphne Hernandez, City of Covington; Cobie Sparks-Howard, MSC.

III. August 3, 2023, MEETING MINUTES

Motion to approve August 3, 2023 Minutes by Dr. Linda Smith, Second by Maju Qureshi. (9-0)

IV. SKHHP EXECUTIVE BOARD UPDATE FROM ADVISORY BOARD LIAISON

Maju Qureshi provided an update from the August SKHHP Executive Board meeting. Claire Goodwin did a presentation on the SKHHP legislative priorities and goals. Feedback was provided to SKHHP staff on a one-page flyer reviewing SKHHP and our legislative priorities. Maju Qureshi suggested that the Executive Board share the flyer with legislative aides to help tailor it to the correct audience.

V. HOUSING UPDATE FROM THE CITY OF KENT

Kristen Holdsworth, Long Range Planning Manager for the City of Kent, provided a brief overview of housing needs in Kent. Kent is actively engaged in its Comprehensive Plan work, a document and guide that integrates housing, parks, and transportation. It will guide growth over the next twenty years. This work is done in collaboration with the State Growth Management Act, Multi-county planning policies, and King County-wide planning policies. The local development regulations done by the City of Kent are where this process begins to impact and work on projects directly.

Kent is a 'lung-shaped' city in the central area of South King County. There is an industrial and downtown valley separating two residential areas which make up the city's layout. Almost all the land available to annex in the Urban Growth Area has been annexed as the city has had a regular growth pattern over the last ten to twenty years. The annexation of land brings unique challenges as most of the development has followed rural development standards and land use purposes, and as the land is brought into the city, it must be retrofitted to align with the more urban environment. Examples include roadways not featuring sidewalks and not initially designed to support pedestrian traffic.

Downtown Kent features a Sounder station and some Sound Transit and Bus Rapid Transit (BRT). The city will soon have two Sound Transit Link Light Rail stations connecting the city with the greater region. Since the early 2000s, Kent has planned to build new housing around the incoming transit, including the Midway Subarea Plan and the Downtown Subarea Action Plan. Kent has two identified regional growth areas, including the Downtown area. Kent is a central industrial hub for the entire Puget Sound Region, located between the Port of Seattle and Tacoma.

Work on the Comprehensive Plan began in early 2023 with a kick-off event and environmental scoping. The city is currently working on connecting with the community to receive direct feedback. Kent is also working to update its data, conducting a housing need and a racial equity analysis to understand the current conditions in the city better. Kent staff have been dedicated to meeting and involving the community and have gone to

community events, farmer's markets, and a teddy bear clinic. Kent also hosted "Games of Jobs and Homes" events where community members could directly demonstrate where they wanted growth in the city. Staff is actively reviewing all this collected information to develop the three land use scenarios for future growth analysis. The Comprehensive Plan Update must be completed by the end of 2024.

Kent is a city of 139,100 people with 50,362 housing units ranging from single-family homes to larger podium structures and the many different types between. Kent is a considerable job center and has 77,028 jobs. This means that during the day, a large population comes to the city for work, which adds to transportation considerations. Compared to the rest of King County, Kent has a more significant percentage of people who speak another language and a higher rate of foreign-born residents. This has led the city to have a larger average family size compared to King County, as more multi-generational households reside there. Kent's median home value is lower than King County, and the city has been a source of naturally occurring affordable housing (NOAH) in our region.

Kent is a plurality city, meaning no one racial group makes up most of the population. Home values vary throughout the city, with one area's homes having a value of around \$48,529 next to an area with homes valued at \$129,044 - \$172,587.

The state provides estimates for the housing and jobs a jurisdiction needs the capacity to support. Kent will need 10,200 new housing units and 32,000 new jobs by 2044 to meet the assessed need. This matches the linear projections the city has been meeting over the past five years, and the city appears well prepared to meet the housing and jobs target. HB 1220 was a change to the housing assessment to include not just housing needed but housing needed by income. Kent is unique in its high demand for 0-30% AMI (28%) and Greater than 120% AMI (44%) but has been meeting the housing needs for incomes from 30-120% AMI. Including recent permit issues, the city will have already met the 30-50% AMI needs.

One challenge the city has identified and is working with is the desire to see more mixed-income developments. Mixed-income development can meet a broader range of AMI and benefit the participants. Current funding models do not favor mixed-income development and support the maximum number of affordable units in one project. The city is advocating funders for the need to invest more in mixed-income development.

Kent has one of the first rental housing inspection programs in South King County, which was adopted in 2018. The city was divided into three areas, with inspections broken down by year, and all multifamily rentals in the area were inspected. Tenants do receive notification that they are in an inspection year and are asked if repairs are needed. A third-party rental inspection company inspects 20% of the units on site that are randomly selected and reviews all the common areas and exteriors. After five cycles, all units in an area of the city will have been inspected.

Kent has been updating and reviewing its housing policies as part of the comprehensive plan. One example is a recent update to the city's Accessory Dwelling Unit (ADU) code, which was adopted before HB 1337, and the city is entirely in compliance except for the design review standard component. Kent undertook work to reduce the cost of utility hook-up fees as one example of how they are incentivizing ADU development. The city had previously required ADUs to have separate utilities and allowing shared utilities enables potential savings of \$40,000.

During the 2023 Washington State Legislative session, housing work relating to the City of Kent can be broken down into two categories: Permit Timelines and Streamlining and Supply. Kent has led the region in reducing permit timelines and streamlining the process. The majority of the city's work is related to increasing the housing supply. HB 1042, which allows for converting any existing commercial structure to housing if it is already in an area zoned for multifamily housing, is one area of focus for the city.

The next steps on housing for the city include interim and near-term code updates until January 2025. The 2044 Comprehensive Plan must be adopted in 2024, and planning codes related to the Comprehensive Plan

are due by June 2025. The city is still seeking community engagement to involve the residents throughout the process.

Bambi Chavez asked if the city had drafted their Environmental Impact Statement. Kristen Holdsworth responded that the city has done its scoping work and released the notice for public comment. The draft statement will likely be released in late Q2 of 2024.

Maju Qureshi asked about the information sessions with the residents, how they had gone, and how MSC could help get the word out. Kristen Holdsworth responded that there are two videos in English but with captions in the six most spoken languages in Kent that have been released via social media. Handouts have also been prepared in those languages to raise awareness. During phase two of engagement, the city hopes to engage with more community providers to help gather feedback and information from the community.

VI. HOUSING UPDATE FROM THE CITY OF COVINGTON

Dafne Hernandez, Associate Planner for the City of Covington, provided a brief overview of housing needs in Covington. In 2021, the estimated population of Covington was around 20,000 people, and it is one of the smaller cities in South King County. Covington is expected to grow by 4,310 households over the next twenty years, an increase of 60% compared to the estimate in 2021. The income distribution of the housing needed by 2044 is split between households earning 0-30% AMI and households earning above 100% AMI.

Covington just completed a community housing assessment, which provides statistics on the community's appearance. Three main findings from the assessment included discovering a possible housing gap for residents in their 20-30s, which may relate to a lack of housing options available, such as one- or two-bedroom rentals. Another finding was that one in five of Covington's households is housing cost burdened. Finally, there is a growing need for accessible housing for seniors and disabilities. Roughly 12% of Covington residents live with some form of disability.

As of 2021, there are an estimated 7,005 households, with 81% owned and 19% rentals. The average household size in Covington rounded up is three people. Compared to King County, Covington has more households with children but about the same senior citizens. The median household income for renters in 2021 was around \$78,000, and for homeowners was \$119,000, which is higher than King County.

Another finding from the community housing assessment was that the majority of Covington housing was created in 1960 or later. This means most of the housing was built after the Fair Housing Act, which prohibited racial discrimination in housing. Covington's density profile differs from the rest of King County in that most homes are single units. Only 6% of housing in Covington is considered multifamily or has more than one unit. Covington has 300 income-restricted housing units, with most serving 50-80% AMI. Only four units are available for 0-30% income in the city. Covington only has two large apartment complexes, and both were constructed using Multifamily Tax Exemption (MFTE).

Lakepointe Urban Village is a twenty-year development agreement between the city and the developer on land use. Lakepointe is 1,320,000 Sq Ft with over 1,700 commercial retail units and will have green and community space. There is no affordable housing requirement, and the site is not included in the MFTE program. The developer could return and ask the City Council to have them, but it would be developer lead.

In 2021, Covington updated their downtown and converted it to be designed using Form-Based Code. Form-based code helps promote housing variety and affordability by modernizing design standards. This is a shift from Conventional Zoning and Zoning Design Guidelines, which the city had been using previously. This process will be used to convert an old Elementary School into a new town center with a focus on form and use instead of setbacks or floor area ratios. Traditionally, Form-Based Code has been applied to historical downtowns; Covington is newer and doesn't have a town center, which was a priority for the residents.

Bambi Chavez asked if Covington became a city in 1997 and asked where the city is in developing its town center. Daphne Hernandez confirmed that the city was incorporated in 1997, and the city is working with the Economic Development Commission to help drive the development of the town center.

Andrew Calkins asked about affordability requirements for the Lakepointe Urban Village. Daphne Hernandez responded that the vested agreement does not have any affordability requirements.

Ryan Disch-Guzman asked if Covington feels they are getting adequate support from the County as a rural city needing to build up its infrastructure quickly as the county grows. Daphne Hernandez responded that the city has different resources than the bigger cities, so they observe policy solutions that do not work for smaller jurisdictions. There is a fine line between keeping the community intact and providing resources when a city lacks the resources to provide support. There has been discussion to bring back affordability incentives in the Form-Based Code for downtown development. Being a part of SKHHP and getting regional information back to the City Council has been helpful. Covington has also been asked to be part of the work on HB 1110 to bring the voice of smaller cities to the broader conversation.

VII. HOUSING CAPITAL APPLICATION UPDATE

Dorsol Plants provided an update on the Housing Capital Fund applications. SKHHP staff held ten pre-application meetings with eight projects intending to submit applications in 2023. Two projects have decided to wait to apply in the 2024 funding cycle. The applicants are a mix of rental and homeownership opportunities, with the majority being rental projects. Two potential applications will be preservation, and the other six will be new development. Projects are geographically diverse and include Burien, Sea-Tac, Kent, and unincorporated King County. The October and November Advisory Board meetings will be a full review of the applications and develop a recommendation to the Executive Board for funding. The total request would be between \$13-15 million if all potential applicants apply. Applications are due by September 15, 2023. Claire Goodwin added that no one on the Executive Board thought SKHHP would be this far in the process, and there is a great sense of pride and excitement. SKHHP staff are working on the best strategy to disseminate the application materials to the Advisory Board for review. The goal is to allow the board to review the entire application, and SKHHP staff will also provide a summary of the information on each project. Project applicants will be invited to the SKHHP October meeting to answer any questions that may have come up during the application review.

Bambi Chavez asked for more details about the presentation to help avoid bias in decision-making. Claire Goodwin responded that the concern is valid so that SKHHP staff will present the projects to the Advisory Board, and the project sponsor is only there to answer questions, not in the application materials. Since there is a quick turnaround time to review applications, having them present for questions will help the process. There is a possibility that the Advisory Board will have to schedule additional time outside the standard meeting time to meet the review deadline.

VIII. ADVISORY BOARD RECRUITMENT UPDATE

Dorsol Plants provided a quick update on the Advisory Board Recruitment process. We have received eleven applicants; six are organizations, and five are community members. Three additional organizations are meeting with SKHHP staff in September to discuss applying. The Advisory Board has five open positions and is still finalizing the interview process details. Maju Qureshi has volunteered to help with the interview process.

IX. UPDATES & ANNOUNCEMENTS

Dorsol Plants reminded the Advisory Board of the importance of the October and November meeting to review and make a recommendation for the Housing Capital Fund.

X. CLOSING/ADJOURN

The meeting adjourned at 5:07 pm.



South King Housing and Homelessness Partners

Memorandum

TO: SKHHP Advisory Board

DATE: October 5, 2023

RE: 2023 SKHHP Housing Capital Fund Application Review

OVERVIEW

Six applications were submitted to SKHHP’s 2023 Housing Capital Fund as follows:

| Applicant | Location | # of Units | Project type | HB 1590 Eligibility | SHB 1406 Eligibility | Amount requested |
|----------------------------------|------------|------------|--------------------------------|---------------------|----------------------|--------------------|
| TWG | Kent | 168 | New Construction Rental | \$2,856,000 | \$2,856,000 | \$2,856,000 |
| LIHI | Skyway | 55 | New Construction Rental | \$2,800,000 | \$2,800,000 | \$2,800,000 |
| Mercy Housing NW | Kent | 130 | New Construction Rental | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| ecoTHRIVE | Burien | 27 | New Construction Homeownership | \$0 | \$1,000,000 | \$1,000,000 |
| Multi-Service Center | Des Moines | 20 | Preservation Rental | \$0 | \$500,000 | \$500,000 |
| Multi-Service Center | Auburn | 24 | Preservation Rental | \$0 | \$500,000 | \$500,000 |
| TOTAL REQUESTED | | | | | | \$8,656,000 |
| TOTAL AVAILABLE: SHB 1406 | | | | | | \$1,000,000 |
| TOTAL AVAILABLE: HB 1590 | | | | | | \$4,970,000 |

Staff review of each application follows this overview. The SKHHP Advisory Board will discuss and deliberate applications for the purpose of providing a funding recommendation to the SKHHP Executive Board.

- Funding recommendations may include fully funding, partially funding, or not funding projects.
- Any funds not allocated during this funding round will be available in a future funding round from SKHHP’s Housing Capital Fund.

PROCESS



SPONSOR: TWG Development

PROJECT NAME: Pandion at Star Lake

ADDRESS: 2526 S 272nd Street, Kent, WA 98059

FUNDING REQUEST (dollar amount): \$2,856,000

ELIGIBILITY OF SKHHP FUNDING SOURCES (1590/1406/both): Both

PROJECT SUMMARY

The South Building (building one of two) of Pandion at Star Lake is a multifamily rental, mixed use project consisting of 168 affordable housing units for households earning between 30% and 60% area median income (AMI) in Kent. The project is located adjacent to the Kent/Star Lake Link light rail station. This transit-oriented development (TOD) project will provide a mix of studio, one, two and three-bedroom units. The project will include ground floor commercial space consisting of an early learning center for low-income children and other non-profit tenants. The property was purchased by the developer in December 2022. The project is a seven-story building with six stories of affordable housing over one story of commercial space, plus basement level parking.

Pandion at Star Lake is a partnership between TWG Development and Vision House, with Vision House providing on-site supportive services for the 4% Low Income Housing Tax Credit (LIHTC) households (140 units). In collaboration with the City of Kent, an additional service provider will be selected to serve residents of the 9% LIHTC households (28 units). The request is for \$2,856,000 in the form of a deferred, contingent, forgivable loan. SKHHP funds are requested for new building construction.

LOCATION

The project is in Kent off South 272nd Street and is a transit-oriented development (TOD) project that will be located adjacent to the future Star Lake Link light rail station. Mark Twain Elementary School, the West Hill Medical Clinic, Safeway, UPS Store, a pet hospital, Great Clips, Bartell Drugs, Planet Fitness, an international grocery store, a faith-based organization, and other commercial amenities are located within 0.5 mile of the project. Woodmont Library, a coffee shop, and another gym are located within one mile of the project.

The project will provide underground parking stalls and will have three points of vehicle access.

POPULATION SERVED

168 units will be comprised of 30 studios, 78 one-bedrooms, 24 two-bedrooms, 36 three-bedrooms serving households earning between 30% AMI and 60% AMI.

Includes 109 units for the general population, 30 units for families with children, 25 units for families with children that require permanent supportive services and who are transitioning out

of homelessness or are at-risk of homelessness, and 4 units supporting households with an I/DD requiring supportive services.

RELOCATION

No relocation associated with the project.

SERVICES/PARTNERSHIPS

Vision House has been selected to provide case management and supportive services for the 4% LIHTC units. TWG and the City of Kent are working to determine an appropriate partner to provide case management and supportive services for the 9% LIHTC units. At minimum, four units will be provided for families with I/DD and TWG is working with the Washington State Developmental Disabilities Administration to identify an appropriate service partner for those units. The South Building will include an early learning facility on-site with priority for residents.

PROJECT SCHEDULE

| Activity | Date |
|---------------------------------|------------|
| Site Control | 12/6/2022 |
| Building Permits Issued | 10/1/2025 |
| Begin Construction | 12/31/2025 |
| Certificate of Occupancy Issued | 12/31/2027 |
| Placed in service | 1/1/2028 |
| First LIHTC Year | 2028 |

FUNDING SOURCES AND USES

SKHHP funds would be used for new construction of the South Building.

| Funding source | Proposed Amount | Status |
|----------------------------|---------------------|---------|
| SKHHP | \$2,856,000 | Applied |
| LIHTC & Energy Credits | \$31,023,163 | |
| Amazon | \$22,000,000 | Applied |
| Permanent Loan | \$15,340,000 | Applied |
| State HTF | \$4,218,915 | Applied |
| King County | \$4,500,000 | Applied |
| Deferred Development Fee | \$2,355,370 | |
| Non-Residential Commercial | \$4,856,260 | |
| TOTAL | \$87,149,708 | |

| Proposed use | Amount | Per Unit |
|-------------------------|---------------------|------------------|
| Land acquisition | \$3,435,523 | \$20,450 |
| Construction costs | \$63,626,629 | \$378,730 |
| Soft costs | \$9,689,519 | \$57,676 |
| Development costs | \$6,902,268 | \$41,085 |
| Other Development costs | \$3,154,594 | \$18,777 |
| 4% Bond Issuance | \$341,175 | \$2,031 |
| TOTAL | \$87,149,708 | \$518,749 |

PROJECT OPERATING BUDGET

| Revenues | Amount | Per Unit |
|---|--------------------|-----------------|
| Rent | \$2,695,548 | -- |
| Rent subsidies | \$0 | -- |
| Other | \$30,160 | -- |
| Annual Vacancy Losses | (\$136,285) | -- |
| TOTAL | \$2,589,423 | -- |
| | | |
| Expenses | Amount | Per Unit |
| Off-site management | \$103,577 | \$617 |
| On-site management | \$444,000 | \$2,643 |
| Utilities | \$264,000 | \$1,571 |
| Taxes and insurance | \$61,800 | \$368 |
| Other | \$190,887 | \$1,136 |
| Reserves | \$50,400 | \$300 |
| Asset management fee | \$11,000 | \$66 |
| Resident services | \$0 | \$0 |
| TOTAL PROJECT EXPENSES | \$1,125,664 | \$6,701 |
| FUNDS AVAILABLE FOR DEBT SERVICE | \$1,463,758 | \$8,713 |
| | | |
| Debt service | Amount | Per Unit |
| Hard | \$1,275,659 | -- |
| Soft | \$188,099 | -- |
| TOTAL | \$1,463,758 | -- |

DEVELOPMENT TEAM

Sponsor: TWG Development and Vision House (co-sponsors)

Developer: TWG Development

Architect: Jackson Main Architecture, Steve Schmitz

Construction: TWG Construction

Legal: Ice Miller and Kantor Taylor

Property Management: TWG Property Management

TWG Development has sixteen years of development experience with 107 developments across 18 states and \$2.1 billion in development costs. In 2022, TWG closed on 20 projects, 15 of which were 4%/9% LIHTC buildings similar to this project. This is TWG's first time applying to the SKHHP Housing Capital Fund.

TWG Property Management oversees 86 properties, 80 of which are LIHTC properties. The property management plan includes an onsite property manager and onsite maintenance technician five days of the week.

OBSERVATIONS, ISSUES, AND CONCERNS

- 29 units are eligible to use HB 1590 funds. These are the 25 units for families with children transitioning out of homelessness or are at-risk of homelessness and require permanent supportive services and the 4 units set-aside for I/DD households.
- A second building supporting 173 units for seniors earning 80% to 100% AMI is part of the overall larger project, but is not part of the application to public funders.
- The project is a combination 4% and 9% LIHTC project. Project sponsor divided budget by these two types, including the funding request from SKHHP. For purposes of summarizing the information in the memo, numbers have been combined.
- Once tax credit investor exits project after 15 years, Vision House has the option to purchase the property.
- Transit-oriented development project with easy access to future Link light rail.
- South Building will include 24 ADA accessible units equally divided among the floors and unit type (six studios, six one-bedrooms, six two-bedrooms, and six three-bedrooms).
- Project sponsors have been in close communication with the City of Kent on project feasibility and zoning requirements since property was purchased in December 2022.
- As a requirement of mixed-use developments in the City of Kent, this property must include commercial space. At least 5% of the whole project gross floor area is to be designated as a ground floor commercial use.
- From City of Kent: The project sponsor has agreed to voluntarily meet the design standards for properties zoned as "Midway Transit Community," which is a higher degree of development than what is required under general mixed-use commercial. The purpose of the Midway Transit Community zones is to establish "a place and create environmental conditions which will promote the location of dense and varied retail, office, or residential activities, and recreational activities in support of rapid light rail and mass transit options, to ensure a primarily pedestrian-oriented character, and to

implement the goals and policies of the Midway Subarea Plan (Kent City Code 15.03.010).”

- Completed recent market study report in August 2023 which is included in application materials.
- The early learning facility will give enrollment priority to children living in the South Building.
- The number of required parking spaces is still being analyzed by the City of Kent. The project is proposing 175 residential parking stalls and 20 commercial stalls.

SPONSOR: Low Income Housing Institute (LIHI)

PROJECT NAME: Skyway Affordable Housing and Early Learning Center

ADDRESS: 12712-12724 & 12742 Renton Ave. South, Seattle, WA 98178

FUNDING REQUEST (dollar amount): \$2,800,000

ELIGIBILITY OF SKHHP FUNDING SOURCES (1590/1406/both): Both

PROJECT SUMMARY

Skyway Affordable Housing and Early Learning Center is a multifamily rental project in Unincorporated King County. The project will provide 55 total units, including 12 studios, 19 one-bedroom, 13 two-bedroom, and 11 three-bedroom units of affordable housing for households earning between 30%-50% area median income (AMI) with a 75% set-aside (42 units) for households transitioning out of homelessness. An early learning center will be located on the ground floor of the building, featuring four classrooms to accommodate up to 80 children, a parent resource room, and offices. Additional amenities include a community room, case manager offices, and a roof deck for resident use. The request is for \$2,800,000 in the form of a deferred, contingent, forgivable loan. SKHHP funds are requested for new building construction.

LOCATION

The project is in an area of Unincorporated King County commonly referred to as Skyway adjacent to Renton Ave. South. The racially diverse neighborhood has a population that is majority BIPOC, with the highest population of Black residents in King County (26%) as of the 2020 census¹. The project is located along King County Metro Route 106 which provides transportation to downtown Seattle. Bryn Mawr Elementary School, Dimmitt Middle School, Skyway Library, and the soon to open Skyway Community Center are within 0.5 mile of the project. Skyway Park, a grocery store, along with commercial services and religious centers are located within one mile of the project.

POPULATION SERVED

The project will serve individuals (25 units) and families (17 units) exiting homelessness earning 30% AMI (42 total units) and will support general population households earning up to 50% AMI (12 units). A common room will support all residents (1 unit).

RELOCATION

Project does not result in relocation.

¹ <https://www.seattletimes.com/seattle-news/data/percentage-of-blacks-living-in-seattle-at-lowest-point-in-50-years/>

SERVICES/PARTNERSHIPS

LIHI will provide on-site case management. The Case Managers are responsible for assisting formerly homeless families and individuals to stabilize in permanent supportive housing.

PROJECT SCHEDULE

| Activity | Date |
|---------------------------------|------------|
| Site Control | 1/30/2023 |
| Building Permits Issued | 1/23/2025 |
| Begin Construction | 6/1/2025 |
| Begin Lease Up | 9/15/2026 |
| Certificate of Occupancy Issued | 10/15/2026 |

FUNDING SOURCES AND USES

SKHHP funds would be used to support the new construction.

| Funding source | Proposed Amount | Status |
|--|---------------------|-------------------------|
| SKHHP | \$2,800,000 | Applied |
| State HTF | \$7,465,748 | Will apply in fall 2024 |
| King County 2023 | \$2,500,000 | Applied |
| 9% LIHTC | \$13,080,144 | Will apply |
| King County 2022 (pre-development funds) | \$2,500,000 | Received |
| Direct Appropriations-Federal | \$700,000 | Received |
| Direct Appropriations-State | \$3,000,000 | Received |
| Wyncote Foundation | \$1,000,000 | Received |
| PSTAA | \$300,000 | Received |
| TOTAL | \$36,295,892 | |

| Proposed use | Amount | Per Unit |
|-------------------------|---------------------|------------------|
| Land acquisition | \$2,041,000 | \$37,109 |
| Construction costs | \$26,761,254 | \$486,568 |
| Soft costs | \$4,624,073 | \$84,074 |
| Development costs | \$1,737,565 | \$31,592 |
| Other development costs | \$1,132,000 | \$20,582 |
| TOTAL | \$36,295,892 | \$659,925 |

PROJECT OPERATING BUDGET

Numbers reflect year one of the operating budget.

| Revenues | Amount | Per Unit |
|---|------------------|-----------------|
| Rent | \$505,716 | -- |
| Rent subsidies | \$294,612 | -- |
| Other | \$0 | -- |
| Annual vacancy losses | (\$40,016) | -- |
| TOTAL | \$760,312 | -- |
| | | |
| Expenses | Amount | Per Unit |
| Off-site management | \$6,075 | \$110 |
| On-site management | \$162,675 | \$2,958 |
| Utilities | \$80,000 | \$26 |
| Taxes and insurance | \$55,000 | \$18 |
| Other | \$130,500 | \$43 |
| Reserves | \$19,250 | \$350 |
| Asset management fee | \$14,000 | \$255 |
| Resident services | \$192,625 | \$3,502 |
| TOTAL PROJECT EXPENSES | \$467,500 | \$8,500 |
| Funds available for debt service | \$100,187 | \$1,822 |

DEVELOPMENT TEAM

Sponsor: LIHI

Developer: LIHI

Architect: Third Place Design

Construction: Deacon Construction

Legal: Stoel Rives

Property Management: LIHI

LIHI develops, owns, and operates housing for low-income, homeless, and formerly homeless individuals and families in Washington state. LIHI is an experienced property management organization and currently manages over 3,400 units.

LIHI manages and maintains their own properties and will use their model internal management plan that is used at other projects which includes a description of the long-term maintenance plan of the property, building security and emergency plans, and tenant screening and selection process among other items.

4.15 FTEs will comprise the daily operations including case managers (1.5 FTE), janitor (1 FTE), property manager (1 FTE), relief staff (0.5 FTE), a compliance manager (0.05 FTE), and an area supervisory manager (0.1 FTE).

OBSERVATIONS, ISSUES, AND CONCERNS

- Project has strong funding commitments, including from King County. SKHHP funds appear to help close the gap.
- Project includes 1.5 FTE case managers for 55 units, which may be a challenging case load.
- If not awarded local funding this round, LIHI will delay tax credit applications by one year to re-apply for local funding. They have a pre-development grant that will allow them to continue designing for one year. As with all other projects, the request to public funders will increase over time due to inflation and potentially higher interest rates.
- The project will prioritize residents with a connection to the neighborhood.
- No overnight guests are permitted and each resident is allowed one guest at a time. Guests are only permitted if security is onsite to check them in. If no security is present, the guest is not allowed to enter the building to visit until staff is present to sign them in.
- Marketing materials will be available in a variety of languages and planned community meeting materials will be in Spanish, Somali, and Vietnamese.
- Previously awarded predevelopment and acquisition funds from King County.
- Childhaven plans to lease the ELC and relocate their program. They will assist in applying for local funding for the ELC portion of the project. The ELC space will be “condominiumized” meaning it will be financed separately from the residential space, without using tax credits on the commercial space.
- Project development budget listed application to State Housing Trust Fund this year, but project sponsor chose to postpone application until next year.
- Project application to SKHHP qualifies as an eligible use for HB 1590 funds when applied only to the units supporting the households transitioning out of homelessness, or the 42 units set-aside to serve this population.

SPONSOR: Mercy Housing NW

PROJECT NAME: Kent Multicultural Village

ADDRESS: 23446 Pacific Highway South, Kent, WA 98032

FUNDING REQUEST (dollar amount): \$1,000,000

ELIGIBILITY OF SKHHP FUNDING SOURCES (1590/1406/both): Both

PROJECT SUMMARY

Kent Multicultural Village is a 199-unit multifamily rental project in Kent adjacent to the future Kent Des Moines Link light rail station opening in 2026. The project will support households earning 30% AMI to 80% AMI with a 20% set-aside (39 units) for households with an intellectual and/or developmental disability (I/DD) with on-site supportive services. The project includes studios, 1-bedrooms, 2-bedrooms, and three-bedroom units. The site is comprised of eight stories and will include a community center, a family resource center, and a licensed early learning facility with six classrooms to accommodate 96 infants and children with a focus on serving children with I/DD.

The project is a partnership between Mercy Housing NW and Open Doors for Multicultural Families, who will provide support to the I/DD households and will relocate their headquarters to the property. The project will be located on surplus land from Sound Transit. The request is for \$1,000,000 in the form of a deferred, contingent, forgivable loan. SKHHP funds are requested for new building construction.

LOCATION

The project is in Kent off Pacific Highway South and is a transit-oriented development project adjacent to the future Kent Des Moines Link light rail station. Highline Community College, a UW Primary Care Facility, a SeaMar Community Clinic, Walgreens, Lowe's, Dollar Tree, and a grocery store are within 0.5 mile of the project's location. Midway Elementary, Pacific Middle School, Mt Rainier High School, another grocery store, and a park are within one mile of the project's location.

The project will provide underground parking and has added additional accessible van parking stalls to accommodate residents with disability.

POPULATION SERVED

199 units will be comprised of households earning 30%-80% AMI. Set-asides include 39 units for households with an intellectual and/or development disability (I/DD) and 61 units for families with children. Over 90% of the units will be affordable to households earning below 60% AMI and over 20% of the units will be affordable to households earning below 30% AMI.

Of the 199 units, 40 units will serve household up to 30% AMI; 44 units at 50% AMI; 100 units at 60% AMI; and 15 units at 80% AMI.

The project will serve socially disadvantaged groups through partnership with Open Doors for Multicultural Families, a non-profit organization dedicated to meeting the needs of persons of color living with I/DD, especially immigrants and refugees.

RELOCATION

No relocation associated with the project.

SERVICES/PARTNERSHIPS

Mercy Housing NW will encourage residents to take part in their “Family Program Model” which provides services focused on the areas of housing stability, health, community building, out-of-school-time, and employment.

The site will include an Early Learning Facility that will provide services to the residents and the surrounding community.

Open Doors for Multicultural Families has been selected as the service partner for the units set aside to support families with I/DD. As part of this partnership, Open Doors for Multicultural Families will be transitioning their family resource center and headquarters to the building.

Open Doors for Multicultural Families will also operate the Community Center which will include space for recreational activities and community-focused programming. Amenities will include: a fitness room with locker facilities; a large multi-purpose room for community events; meeting and program spaces (including a music room and an arts/crafts room); a teen room for after-school activities; an assistive technology lab for individuals with I/DD to try out technologies such as enhanced mobility devices and adaptive computer devices; and a sensory room, which is a space specifically designed for individuals experiencing heightened anxiety responses to their surroundings. The Community Center will also include a community kitchen designed to serve as a business incubator for BIPOC residents modeled off the Spice Bridge Center in Tukwila.

PROJECT SCHEDULE

| Activity | Date |
|---------------------------------|--|
| Site Control | 3/2024 – to be coordinated in Sound Transit negotiations |
| Building Permits Issued | 4/2025 |
| Begin Construction | 6/2025 |
| Begin Lease Up | 2/2027 |
| Certificate of Occupancy Issued | 6/2027 |
| First LIHTC Year Start | 6/2027 |
| 100% Lease Up | 2/2028 |

FUNDING SOURCES AND USES

SKHHP funds would be used for construction of a new building.

| Funding source | Proposed Amount | Status |
|--------------------------|----------------------|-------------|
| SKHHP | \$1,000,000 | Applied |
| 4% LIHTC Equity | \$48,849,278 | Will apply |
| King County (2022) | \$5,000,000 | Received |
| GP Equity | \$1,000 | Self-funded |
| Permanent Loan | \$23,500,000 | Applied |
| State HTF | \$8,000,000 | Applied |
| Deferred Fee | \$4,850,000 | Self-funded |
| Amazon Grant | \$2,000,000 | Applied |
| Amazon Loan | \$11,369,574 | Applied |
| Private: Non-Residential | \$7,841,869 | Will Apply |
| State: Non-Residential | \$10,735,000 | Will Apply |
| Federal: Non-Residential | \$2,552,000 | Will Apply |
| County: Non-Residential | \$3,150,000 | Will Apply |
| Debt: Non-Residential | \$5,474,735 | Will Apply |
| TOTAL | \$134,323,456 | |

| Proposed use | Amount | Per Unit |
|-------------------------|----------------------|------------------|
| Land acquisition | \$384,504 | \$1,932 |
| Construction costs | \$98,698,553 | \$495,973 |
| Soft costs | \$12,761,870 | \$64,130 |
| Development costs | \$8,372,636 | \$42,074 |
| Other development costs | \$4,002,261 | \$20,112 |
| Community facility | \$9,402,356 | \$47,248 |
| 4% bond issuance | \$701,276 | \$3,392 |
| TOTAL | \$134,323,456 | \$674,993 |

PROJECT OPERATING BUDGET

| Revenues | Amount | Per Unit |
|---|--------------------|----------------|
| Rent | \$3,530,076 | -- |
| Other: Parking, Laundry, Resident Charges | \$236,324 | -- |
| Annual Residential Vacancy | (\$188,320) | -- |
| TOTAL | \$3,578,080 | -- |
| | | |
| Expenses | Amount | Per Unit |
| Off-site management | \$119,400 | \$600 |
| On-site management | \$400,737 | \$2,014 |
| Utilities | \$230,445 | \$1,158 |
| Taxes and insurance | \$294,954 | \$1,482 |
| Other | \$237,965 | \$1,196 |
| Reserves | \$69,650 | \$350 |
| Asset management fee | \$7,500 | \$38 |
| Resident services | (\$75,284) | (\$378) |
| TOTAL PROJECT EXPENSES | \$1,285,367 | \$6,837 |
| FUNDS AVAILABLE FOR DEBT SERVICE | \$2,217,429 | -- |
| | | |
| Debt service | Amount | Per Unit |
| Hard | \$1,940,772 | -- |
| Soft | \$276,657 | -- |
| TOTAL | \$2,217,429 | -- |

DEVELOPMENT TEAM

Mercy Housing NW has over thirty years of experience in affordable housing development. Since 2016, Mercy Housing NW has completed construction on seven projects totaling 719 units. This is Mercy Housing NW's second time applying to SKHHP's Housing Capital Fund. The Burien Family Housing project was awarded \$1,093,3081 in the 2022 funding round.

Sponsor: Mercy Housing NW

Developer: Mercy Housing NW

Construction: Walsh Construction

Property Management: Mercy Housing Management Group

Mercy Housing Management Group manages 50 multi-family housing properties across Washington and Idaho, and a total of 350 properties across the United States. Mercy Housing Management Group employs a double-verification process for all compliance certifications and third-party verifications, with both on-site management staff as well as with Windsor

Compliance, a third-party company specializing in affordable housing compliance. The property management plan includes an onsite property manager, onsite residential services manager, and maintenance that is on call 24/7.

OBSERVATIONS, ISSUES, AND CONCERNS

- Received a waiver from the Department of Commerce to request more than the per project limit of \$5 million. The project sponsor was notified by the Department of Commerce that such a waiver makes the project less competitive among competing Housing Trust Fund projects. A letter of support for the waiver request was submitted by the Washington State Department of Social and Health Services-Developmental Disabilities Administration.
- Project may help alleviate potential displacement by offering affordable units at the light rail station.
- Will be applying for funding to Amazon’s Housing Equity Fund and if awarded, funds must be spent by 2025.
- Surveys collected from 300 families with I/DD by Open Doors for Multicultural Families demonstrated that many individuals and families struggle to find adequately accessible, affordable housing in locations accessible to everyday services and amenities.
- Eligibility of SKHHP funds include:
 - 39 units of I/DD up to 60% AMI is eligible for HB 1590.
 - 184 units serving households up to 60% AMI are eligible for SHB 1406.
- The project sponsor was awarded the RFP by Sound Transit, but the terms of development still need to be worked out. Sound Transit has “conditionally accepted” the project for the site.
- King County conditionally committed \$5 million for the RFP in 2022 in a show of strong commitment for the project. Once Sound Transit finalizes the negotiation, King County will release the funds.
- Open Doors for Multicultural Families will provide on-site services to the households with I/DD to ensure that they can remain stably housed, access the resources they need, and thrive in an inclusive, welcoming community.
- Regarding ADA accessibility, the project thoughtfully incorporates added accessibility components into 38 units above what is required in addition to two accessible van parking spaces.

SPONSOR: ecoTHRIVE

PROJECT NAME: Burien Cooperative Village

ADDRESS: 12230 Military Road South, Burien, WA 98168

FUNDING REQUEST (dollar amount): \$1,000,000

ELIGIBILITY OF SKHHP FUNDING SOURCES (1590/1406/both): SHB 1406

PROJECT SUMMARY

Burien Cooperative Village is a 27-unit cottage homeownership project in Burien. The cottages will include three studios, eleven one-bedroom, and thirteen two-bedroom units ranging in size from 320 square feet to 650 square feet, including two ADA accessible units. The cottages will be affordable to purchase for households earning an average of 50% AMI, not to exceed 60% AMI. Ownership will be through a Limited Equity Cooperative (LEC). The project is designed to be climate adaptive with water catchment, organic gardens, and energy efficient buildings, with renewable energy capacity. The project will include a 12 duplex units, three stand-alone units, a common building, a playground, and onsite landscaping of native and edible plants.

The project was accepted into the City of Burien's Affordable Housing Demonstration Program by the Burien City Council on March 27, 2023. The land was purchased in 2023 by ecoTHRIVE using funds from the Land Acquisition Program administered by the Washington State Housing Finance Commission (WSHFC).

The request is for \$1,000,000 in the form of a grant to support the construction of new buildings and to cover permit and development fees.

LOCATION

The project is in Burien off Military Road near two major transit stops that connect to local and regional transit hubs, including the Tukwila International Boulevard Link light rail station. Hilltop Elementary School and Hilltop Park are within five-minute walking distance. The King County Public Library and commercial sites such as Dollar Green and restaurants are located within fifteen-minute walking distance.

POPULATION SERVED

No specific population is served, except for households earning up to 60% AMI who also income-qualify and can afford to make on-going mortgage payments.

RELOCATION

The project does not result in displacement.

SERVICES/PARTNERSHIPS

ecoTHRIVE will collaborate with community partners, including the Black Home Initiative, Burien’s Creative District Committee, and Lake Burien Presbyterian Church to identify potential residents and select the residents.

ecoTHRIVE will provide one year of convening support and partnership to establish the governing structure to prepare the owners for self-governance through an LEC. An LEC is a homeownership model in which residents purchase a share in a development (rather than an individual unit) and commit to resell their share at a price determined by formula in order to maintain affordability over the long term. Trainings during the year would include those related to financial literacy, microenterprise, anti-racism, permaculture, healthy cooking, and food preservation.

PROJECT SCHEDULE

| Activity | Date |
|---------------------------------|------------|
| Land Acquisition | 2/14/2023 |
| Building Permits Issued | 2/15/2024 |
| Construction Begins | 4/1/2024 |
| Certificate of Occupancy | 7/1/2025 |
| Last Building Placed in Service | 12/11/2025 |

FUNDING SOURCES AND USES

SKHHP funds would be used to support the construction of new buildings, soft costs, bridge loan fees, and permit and development fees.

| Funding source | Proposed Amount | Status |
|--------------------------------|--------------------|---------|
| SKHHP | \$1,000,000 | Applied |
| CHIP | \$1,350,000 | Applied |
| Direct Appropriations- Federal | \$3,200,000 | Applied |
| FHLB Des Moines Grant | \$973,074 | Applied |
| Federal & State Solar Grant | \$473,000 | Applied |
| TOTAL | \$6,996,074 | |

| Proposed use | Amount | Per Unit |
|-------------------------|--------------------|------------------|
| Land acquisition | \$725,000 | \$26,852 |
| Construction costs | \$5,348,000 | \$198,074 |
| Soft costs | \$535,500 | \$19,833 |
| Development costs | \$18,500 | \$685 |
| Other development costs | \$369,074 | \$13,669 |
| TOTAL | \$6,996,074 | \$259,114 |

OPERATIONS AND MAINTENANCE PLAN

The project is an LEC and will be self-managed by the resident co-owners. Ongoing maintenance will be provided by the individual property owners through monthly fees to a reserve fund.

DEVELOPMENT TEAM

Sponsor: ecoTHRIVE

Developer: ecoTHRIVE

Architect: James Raptis

Formed in 2016, this is ecoTHRIVE's first project and the second year the project sponsor has applied to the SKHHP Housing Capital Fund. Dara Ith, ecoTHRIVE's lead developer, has over thirty years of conventional real estate development in the Pacific Northwest.

PROPERTY MANAGEMENT

The project is an LEC and will be self-managed by the resident co-owners.

OBSERVATIONS, ISSUES, AND CONCERNS

- Project sponsor didn't apply to other major funders like King County or Housing Trust Fund. This is the sponsor's second time applying to the SKHHP Housing Capital Fund.
- Estimate of cash flow during development has project showing a consistent monthly profit with an ending profit of \$4.8 million. This is likely an error since ecoTHRIVE is a registered 501c3 nonprofit.
- Organization does not have experience with the development of this type of project.
- Since this is ecoTHRIVE's first project, and SKHHP's second year funding projects, challenges will likely arise that neither party has experience or expertise in addressing or navigating and will require additional time to address.
- Sponsors are seeking more funding than they need to account for potential of not being awarded funds. If contributions exceed expenses, sponsor will return funds to source. Unsure where SKHHP would fall on this list.
- The WSHFC loan and other bridge financing, would be paid off from permanent financing sources.
- ecoTHRIVE to provide one year of support to LEC beginning before the first owner moves in and continuing once the LEC is established. ecoTHRIVE might consider how to support the project ongoing to ensure a strong foundation and ongoing sustainability and organization. Two residents of the project will serve on the ecoTHRIVE Housing/Community Land Trust Board to guide future projects and programs, including recommending workshop and training topics for project residents.

- Trainings offered by ecoTHRIVE in first year of LEC appear more values based than practical to support and keep residents in their homes as first-generation home buyers.
- Sponsor defines “ecoCottage” as a small, passive solar, energy-efficient, all electric home.
- Sponsor’s banking lender partners (Verity Credit Union, HomeSight, BECU) will conduct financial assessments of potential buyers to ensure they income-qualify and can afford to make mortgage payments.
- As a condition of sale of a unit, seller must report future resales to ecoTHRIVE to ensure compliance of income eligibility. This is a requirement of the City of Burien’s Affordable Housing Demonstration Program and the WSHFC’s Land Acquisition Program.
- Potential buyers who indicate using a wheelchair or have a disability-related need for an ADA accessible unit will be prioritized for those ADA accessible units.

SPONSOR: Multi-Service Center

PROJECT NAME: Victorian Place II

ADDRESS: 24517 26th Place South, Des Moines, WA 98198

FUNDING REQUEST (dollar amount): \$500,000

ELIGIBILITY OF SKHHP FUNDING SOURCES (1590/1406/both): SHB 1406

PROJECT SUMMARY

Victorian Place II is a multifamily, preservation 20-unit rental project in Des Moines. Since 1996, the nonprofit Multi-Service Center has owned the two adjacent buildings that comprise the project which includes five units for households earning up to 35% AMI, ten units for households up to 40% AMI, and five units for households up to 50% AMI. The 20 three bedroom/two bath affordable rental units are in active use.

The request is for \$500,000 in the form of a grant. SKHHP funds are requested to support the rehabilitation of the two buildings including: landscape improvements, staircase repairs, installation of new railings, seal coating the parking lot, upgrading external lighting, recoating tenant decks, installation of new siding, replacing gutters and downspouts, replacing windows, replacing sliding glass doors, replacing unit entry doors, and replacing baseboard heating with energy-efficient heating systems.

LOCATION

The project is in Des Moines located on 26th Place South. Pacific Highway is within walking distance and features multiple transit connections including the King County Rapid-Line Route A. Highline Community College and Salt Air Vista Park are located within 0.5 mile of the project. A large supermarket, a Halal and Latinx market, and commercial spaces are located within one mile of the project.

The Kent Des Moines Link light rail station, scheduled to open in 2026, is 1.3 miles away.

POPULATION SERVED

Families with children in households earning between 35% AMI and 50% AMI.

RELOCATION

No relocation is associated with the project.

SERVICES/PARTNERSHIPS

All residents are offered support from the Multi-Service Center, but there are not direct services associated with tenancy.

PROJECT SCHEDULE

| Activity | Date |
|-------------------------------------|---------------|
| Site Control | 1/1/2000 |
| Building Permit Issued | Mid-2024 |
| Begin Rehabilitation and Renovation | Mid-late 2024 |
| End Rehabilitation and Renovation | Mid-late 2025 |

FUNDING SOURCES AND USES

SKHHP funds would be used for the rehabilitation of the two existing structures.

| Funding source | Proposed Amount | Status |
|----------------------|------------------|-------------|
| SKHHP | \$500,000 | Applied |
| Multi-Service Center | \$7,819 | Self-Funded |
| TOTAL | \$507,819 | |

| Proposed use | Amount | Per Unit |
|-------------------------------|------------------|-----------------|
| Title document recording fees | \$5,000 | \$250 |
| Rehabilitation costs | \$502,819 | \$25,141 |
| TOTAL | \$507,819 | \$25,391 |

PROJECT OPERATING BUDGET

Numbers shown are the annual amounts for year one of the project.

| Revenues | Amount | Per Unit |
|---|------------------|-----------------|
| Rent | \$309,240 | -- |
| Annual Residential Vacancy Losses | (\$15,462) | -- |
| TOTAL | \$293,778 | -- |
| | | |
| Expenses | Amount | Per Unit |
| Off-site management | \$19,438 | \$972 |
| On-site management | \$29,060 | \$1,453 |
| Utilities | \$46,866 | \$2,343 |
| Taxes and insurance | \$27,016 | \$1,351 |
| Other | \$64,398 | \$3,220 |
| Reserves | \$31,200 | \$1,560 |
| Asset management fee | \$15,000 | \$750 |
| Resident services | \$0 | \$0 |
| TOTAL PROJECT EXPENSES | \$232,978 | \$11,649 |
| FUNDS AVAILABLE FOR DEBT SERVICE | \$60,801 | -- |

| Debt service | Amount | Per Unit |
|---------------------|----------------|-----------------|
| Hard | \$0 | -- |
| Soft | \$4,450 | -- |
| TOTAL | \$4,450 | -- |

DEVELOPMENT TEAM

Sponsor: Multi-Service Center

Developer: Multi-Service Center

Legal: Kantor Taylor

Property Management: Allied Residential

Multi-Service Center owns and operates over 650 units of affordable housing. Multi-Service Center provides a diverse array of housing program services such as rental assistance, emergency housing, transitional housing, and permanent supportive housing. This is Multi-Service Center’s first time applying to the SKHHP Housing Capital Fund and has submitted two applications this funding round.

Allied Residential has been in operation since 1987 and manages several affordable housing projects. Allied Residential provides the day-to-day management to rent, lease operate, manage onsite concerns, and maintain the property.

OBSERVATIONS, ISSUES, AND CONCERNS

- SKHHP and Multi-Service Center would need to agree to the specifics on what would be funded prior to entering into a contract to ensure eligibility of expenses in alignment with RCW 82.14.540.
- Cost estimates are from 2018 and are likely higher due to inflation. The submitted capital needs assessment identified a need of \$902k over 20 years. SKHHP requested an updated cost estimate on 10/2/2023. The scope of work may need to be updated and prioritized once updated numbers are received.
- Proximity to future Link light rail station an asset (1.3 miles).
- Of the two applications submitted, Multi-Service Center has indicated the Victorian Place II is the higher of the two priorities since the larger units are more difficult for families in need to access, and the current safety concerns at Victorian Place are more immediate.
- Multi-Service Center’s housing programs have a history of serving BIPOC community members with 72% of clients self-identifying as BIPOC.
- Multi-Service Center’s staff speak a total of ten languages, increasing accessibility to non-native English speakers.

- Tenants must pass a criminal record screening threshold.
- When Multi-Service Center originally acquired the property, they received funds from the State Housing Trust Fund and King County for acquisition and rehabilitation. The existing rent restriction covenant is in place through 2049. A SKHHP covenant would provide affordability for 50 years.
- No other funding sources were sought this year. Applied to the State Housing Trust Fund in 2021, but was denied funding due to a high-volume of competing applications.
- A Limited Hazardous Materials Survey was conducted and found possible areas of black mold detected and did not detect asbestos in the two units sampled. Depending on the scope of renovation, additional testing may be requested.
- Sponsor reported that it is difficult to be awarded funding for rehabilitation projects such as this since the focus for many public funders is on creating new units of affordable housing. Larger preservation projects are often more competitive than smaller preservation projects when competing for the same funds.

SPONSOR: Multi-Service Center

PROJECT NAME: White River Apartments

ADDRESS: 1301 31st St SE, Auburn, WA 98002

FUNDING REQUEST (dollar amount): \$500,000

ELIGIBILITY OF SKHHP FUNDING SOURCES (1590/1406/both): SHB 1406

PROJECT SUMMARY

The White River Apartments is a multifamily, preservation 24-unit rental project in Auburn. The building was constructed in 1978, and the nonprofit Multi-Service Center took over ownership in 2000. The project consists of two bedroom/one bathroom units in active use which includes three units serving households earning up to 30% AMI, sixteen units at 45% AMI, and five units at 80% AMI. The 80% AMI units are currently occupied by households earning less than 60% and those units would shift to income restricted up to 60% AMI if funds are awarded. The project would not displace current residents.

The request is for \$500,000 in the form of a grant. SKHHP funds are requested to support the rehabilitation of the 24 units including: installation of new washers and dryers, modernization of plumbing systems, replacement of shower surrounds, siding replacement, refurbishment of cabinetry, replacement of entry doors, incorporation of screen doors, replacement of gutters and downspouts, renewal of walkway railings, and refinishing of the parking lot through seal coating.

LOCATION

The project is in Auburn off 31st St SE. King County Metro Route 184 is located within walking distance and connects to the Auburn Transit Center and Sounder Commuter Rail Station. South Auburn Elementary School and Game Farm Park are within 0.5 mile of the project. A grocery store is located one mile from the project.

POPULATION SERVED

The project does not serve any one population but serves households earning between 30% AMI and 60% AMI. Five units could serve households up to 80% AMI, but are currently serving 60% AMI households and would be formally shifted to 60% AMI if awarded SKHHP funds.

RELOCATION

Project does not result in relocation.

SERVICES/PARTNERSHIPS

All residents are offered support from the Multi-Service Center, but there are not direct services associated with tenancy.

PROJECT SCHEDULE

| Activity | Date |
|-------------------------------------|---------------|
| Site Control | 1/1/1996 |
| Building Permit Issued | Mid-2024 |
| Begin Rehabilitation and Renovation | Mid-late 2024 |
| End Rehabilitation and Renovation | Mid-late 2025 |

FUNDING SOURCES AND USES

SKHHP funds would be used for the rehabilitation of the existing structure.

| Funding source | Proposed Amount | Status |
|----------------------|------------------|-------------|
| SKHHP | \$500,000 | Applied |
| Multi-Service Center | \$7,411 | Self-Funded |
| TOTAL | \$507,411 | |

| Proposed use | Amount | Per Unit |
|-------------------------------|------------------|-----------------|
| Title document recording fees | \$5,000 | \$208 |
| Rehabilitation costs | \$502,411 | \$20,934 |
| TOTAL | \$507,411 | \$21,142 |

PROJECT OPERATING BUDGET

| Revenues | Amount | Per Unit |
|-------------------------------|------------------|----------------|
| Rent | \$392,316 | - |
| TOTAL | \$392,316 | - |
| | | |
| Expenses | Amount | Per Unit |
| Off-site management | \$0 | \$0 |
| On-site management | \$78,574 | \$3,274 |
| Utilities | \$50,064 | \$2,086 |
| Taxes and insurance | \$22,758 | \$948 |
| Other | \$55,570 | \$2,315 |
| Reserves | \$3,600 | \$150 |
| Asset management fee | \$15,000 | \$625 |
| TOTAL PROJECT EXPENSES | \$225,566 | \$9,399 |

| | | |
|---|------------------|-----------------|
| FUNDS AVAILABLE FOR DEBT SERVICE | \$166,750 | -- |
| | | |
| Debt service | Amount | Per Unit |
| Hard | \$0 | \$0 |
| Soft | \$0 | \$0 |
| TOTAL | \$0 | \$0 |

DEVELOPMENT TEAM

Sponsor: Multi-Service Center

Developer: Multi-Service Center

Legal: Kantor Taylor

Property Management: Allied Residential

Multi-Service Center owns and operates over 650 units of affordable housing. Multi-Service Center also provides a diverse array of housing program services such as rental assistance, emergency housing, transitional housing, and permanent supportive housing. This is Multi-Service Center’s first time applying to the SKHHP Housing Capital Fund and has submitted two applications this funding round.

Allied Residential has been in operation since 1987 and manages several affordable housing projects. Allied Residential provides the day-to-day management to rent, lease operate, manage onsite concerns, and maintain the property.

OBSERVATIONS, ISSUES, AND CONCERNS

- Of the two applications submitted, Multi-Service Center has indicated the Victorian Place II is the higher of the two priorities since the larger units are more difficult for families in need to access, and the current safety concerns at Victorian Place are more immediate.
- No other funding sources were sought this year. Applied to the State Housing Trust Fund in 2021, but was denied funding due to a high-volume of competing applications. At the time, two of the sponsor’s other projects were selected.
- Other renovation projects of the sponsor have been funded by Pierce County and the City of Federal Way CDBG funds.
- Average rent in Auburn in 2014 was \$954 according to the City of Auburn’s Comprehensive Plan. In 2023 the average apartment costs \$1,818 according to RentCafe. Auburn, along with most other South King County cities, have seen a quickly rising rental rate over the past ten years.
- Tenants must pass a criminal record screen threshold.

- When Multi-Service Center originally acquired the property, they received funds from the State Housing Trust Fund and King County for acquisition and rehabilitation. The existing rent restriction covenant is in place through 2051. A SKHHP covenant would provide affordability for 50 years.
- Cost estimate was conducted in 2021 and may be outdated due to inflation. Sponsor has requested an updated cost estimate. The scope of work may need to be updated and prioritized once updated numbers are received.